STAR BULK CARRIERS CORP.

REPORTS $23.9 MILLION PROFIT THE FOURTH QUARTER ENDED DECEMBER 31, 2017

ATHENS, GREECE, February 27, 2018 – Star Bulk Carriers Corp. (the "Company" or "Star Bulk") (Nasdaq: SBLK), a global shipping company focusing on the transportation of dry bulk cargoes, today announced its unaudited financial and operating results for the fourth quarter and year ended December 31, 2017.

Financial Highlights

(Expressed in thousands of U.S. dollars, except for daily rates and per share data)	**Fourth quarter 2017**	**Fourth quarter 2016**	**Year ended December 31, 2017**	**Year ended December 31, 2016**
Voyage Revenues	**$107,707**	**$63,241**	**$331,976**	**$221,987**
Net income/(loss)	**$23,884**	**($33,126)**	**($9,771)**	**($154,228)**
EBITDA [1]	$58,378	($3,030)	$121,508	($27,015)
Adjusted EBITDA [1]	**$55,690**	**$15,488**	**$128,048**	**$21,678**
Adjusted Net income / (loss) [2]	**$21,535**	**($16,585)**	**($4,301)**	**($105,343)**
Earnings / (loss) per share basic and diluted	**$0.37**	**($0.58)**	**($0.16)**	**($3.24)**
Adjusted earnings / (loss) per share basic and diluted [2]	**$0.34**	**($0.29)**	**($0.07)**	**($2.21)**
Average Number of Vessels	70.6	67.8	69.6	69.8
TCE Revenues	90,019	50,066	262,661	152,870
Daily Time Charter Equivalent Rate ("TCE") [3]	$13,860	$8,186	$10,393	$6,208
Fleet utilization	100.0%	98.0%	99.6%	96.5%
Average daily OPEX per vessel (excluding pre-delivery expenses)	$3,850	$4,047	$3,906	$3,801
Average daily Net Cash G&A expenses per vessel [4] (excluding one-time expenses)	$1,094	$1,009	$1,094	$1,067

(1) EBITDA and Adjusted EBITDA are non-GAAP measures. Please see the table at the back of this release for a reconciliation of EBITDA and Adjusted EBITDA to Net Cash Provided by / (Used in) Operating Activities, which is the most directly comparable financial measure calculated and presented in accordance with generally accepted accounting principles in the United States ("U.S. GAAP"). To derive Adjusted EBITDA from EBITDA, we exclude non-cash gains / (losses) and non-recurring items.

(2) Adjusted Net income / (loss) and Adjusted earnings / (loss) per share basic and diluted are non-GAAP measures. Please see the table at the back of this release for a reconciliation to Net income / (loss), which is the most directly comparable financial measure calculated and presented in accordance with U.S. GAAP.

(3) Daily Time Charter Equivalent Rate ("TCE") is a non-GAAP measure. Please see the table at the back of this release for a reconciliation to Voyage Revenues, which is the most directly comparable financial measure calculated and presented in accordance with U.S. GAAP.

(4) Average daily Net Cash G&A expenses per vessel is calculated by (1) deducting the Management fee Income from, and (2) adding the Management fee expense to, the General and Administrative expenses (net of stock-based compensation expense) and (3) then dividing by the Ownership days and Charter-in days.

Petros Pappas, Chief Executive Officer of Star Bulk, commented:

"I am very pleased that Star Bulk returned to profitability after 3 challenging years, reporting $90.0 million in TCE Revenues, $55.7 million in Adjusted EBITDA and $21.5 million in Net Income for the quarter ended December 31, 2017.

This performance is underpinned by an average TCE of $13,860/day per vessel with 100% fleet utilization, and average Opex and Net Cash G&A expenses per vessel of $3,850/day and $1,094/day respectively. We have fixed 86% of available ship days for Q1 2018 at average TCE rates of $12,700/day. Having terminated the amortization holiday under our restructuring agreements 6 months ahead of schedule, we repaid $35.6 million in February 2018 through our cash sweep mechanism, and hope to fully pay down the deferred amounts by the end of this year. We continue to look for attractive consolidation opportunities and remain optimistic about the remainder of 2018."

Recent Developments

Vessel Deliveries

- On January 3, 2018, we took delivery of the Newcastlemax vessel *Star Eleni* (ex- HN 1342), with carrying capacity of 207,810 deadweight tons, built at SWS. The vessel is financed under a bareboat charter in the amount of $30.0 million.

Financing Activities

- On December 11, 2017, we paid an aggregate amount of $6.1 million to all parties under our Supplemental Agreements that we entered into with our various lenders in 2017 (the "Supplemental Agreements") to modify the terms of our various financing arrangements. This amount consisted of (i) $4.8 million of excess cash for the quarter ended September 30, 2017, paid pursuant to the cash sweep mechanism in the Supplemental Agreements, and (ii) $1.3 million paid from the proceeds from newly issued equity, representing 20% of the amount of such proceeds used to acquire the *Star Triumph*.
- On January 8, 2018, we received a committed term sheet from a major commercial banking institution for the refinancing of the Commerzbank $120.0 million Facility (as defined in our annual report on Form 20-F, filed with the U.S. Securities and Exchange Commission on March 22, 2017 (the "2016 20-F")), which currently has an outstanding balance of $34.7 million. The completion of the transaction is subject to customary definitive documentation, and we expect the refinancing to take place in April 2018.
- On February 13, 2018, we received a committed term sheet from ABN AMRO N.V for the refinancing of the ABN AMRO $87.5 million Facility (as defined in the 2016 20-F), which currently has an outstanding balance of $27.5 million. The completion of the transaction is subject to customary definitive documentation, and we expect the refinancing to take place in December 2018.
- On February 5, 2018, we paid an aggregate amount of $35.6 million to all parties under our Supplemental Agreements. This amount represented the excess cash for the quarter ended December 31, 2017, paid pursuant to the cash sweep mechanism in the Supplemental Agreements, and was equivalent to approximately 170% of the scheduled amortization for the quarter ended December 31, 2017.

Employment update

As of today, we have covered approx. 86% of the days in Q1 2018 at average TCE rates of $12,700 per day.

More specifically:
Capesize Vessels: 75% of days at approximately $16,300 per day
Panamax Vessels: 94% of days at approximately $12,400 per day
Supramax Vessels: 88% of days at approximately $10,300 per day

Existing On the Water Fleet (As of February 27, 2018)

	Vessel Name	Vessel Type	Capacity (dwt.)	Year Built	Date Delivered to Star Bulk
1	*Goliath*	Newcastlemax	209,537	2015	July-15
2	*Gargantua*	Newcastlemax	209,529	2015	April-15
3	*Star Poseidon*	Newcastlemax	209,475	2016	February-16
4	*Maharaj*	Newcastlemax	209,472	2015	July-15
5	*Star Ariadne (1)*	Newcastlemax	207,812	2017	March-17
6	*Star Eleni*	Newcastlemax	207,810	2018	January-18
7	*Star Virgo (1)*	Newcastlemax	207,810	2017	March-17
8	*Star Libra (1)*	Newcastlemax	207,765	2016	June-16
9	*Star Marisa (1)*	Newcastlemax	207,709	2016	March-16
10	*Leviathan*	Capesize	182,511	2014	September-14
11	*Peloreus*	Capesize	182,496	2014	July-14
12	*Star Martha*	Capesize	180,274	2010	October-14
13	*Star Pauline*	Capesize	180,274	2008	December-14
14	*Pantagruel*	Capesize	180,181	2004	July-14
15	*Star Borealis*	Capesize	179,678	2011	September-11
16	*Star Polaris*	Capesize	179,600	2011	November-11
17	*Star Angie*	Capesize	177,931	2007	October-14
18	*Big Fish*	Capesize	177,662	2004	July-14
19	*Kymopolia*	Capesize	176,990	2006	July-14
20	*Star Triumph*	Capesize	176,343	2004	December-17
21	*Big Bang*	Capesize	174,109	2007	July-14
22	*Star Aurora*	Capesize	171,199	2000	September-10
23	*Amami*	Post Panamax	98,681	2011	July-14
24	*Madredeus*	Post Panamax	98,681	2011	July-14
25	*Star Sirius*	Post Panamax	98,681	2011	March-14
26	*Star Vega*	Post Panamax	98,681	2011	February-14
27	*Star Angelina*	Kamsarmax	82,981	2006	December-14
28	*Star Gwyneth*	Kamsarmax	82,790	2006	December-14
29	*Star Kamila*	Kamsarmax	82,769	2005	September-14
30	*Pendulum*	Kamsarmax	82,619	2006	July-14
31	*Star Maria*	Kamsarmax	82,598	2007	November-14
32	*Star Markella*	Kamsarmax	82,594	2007	September-14
33	*Star Danai*	Kamsarmax	82,574	2006	October-14
34	*Star Georgia*	Kamsarmax	82,298	2006	October-14
35	*Star Sophia*	Kamsarmax	82,269	2007	October-14
36	*Star Mariella*	Kamsarmax	82,266	2006	September-14
37	*Star Moira*	Kamsarmax	82,257	2006	November-14
38	*Star Nina*	Kamsarmax	82,224	2006	January-15
39	*Star Renee*	Kamsarmax	82,221	2006	December-14
40	*Star Nasia*	Kamsarmax	82,220	2006	August-14
41	*Star Laura*	Kamsarmax	82,209	2006	December-14
42	*Star Jennifer*	Kamsarmax	82,209	2006	April-15
43	*Star Helena*	Kamsarmax	82,187	2006	December-14
44	*Star Charis*	Kamsarmax	81,711	2013	March-17
45	*Star Suzanna*	Kamsarmax	81,711	2013	May-17
46	*Mercurial Virgo*	Kamsarmax	81,545	2013	July-14
47	*Star Iris*	Panamax	76,466	2004	September-14
48	*Star Emily*	Panamax	76,417	2004	September-14

49	*Idee Fixe (1)*	Ultramax	63,458	2015	March-15
50	*Roberta (1)*	Ultramax	63,426	2015	March-15
51	*Laura (1)*	Ultramax	63,399	2015	April-15
52	*Kaley (1)*	Ultramax	63,283	2015	June-15
53	*Kennadi*	Ultramax	63,262	2016	January-16
54	*Mackenzie*	Ultramax	63,226	2016	March-16
55	*Star Challenger*	Ultramax	61,462	2012	December-13
56	*Star Fighter*	Ultramax	61,455	2013	December-13
57	*Star Lutas*	Ultramax	61,347	2016	January-16
58	*Honey Badger*	Ultramax	61,320	2015	February-15
59	*Wolverine*	Ultramax	61,292	2015	February-15
60	*Star Antares*	Ultramax	61,258	2015	October-15
61	*Star Acquarius*	Ultramax	60,916	2015	July-15
62	*Star Pisces*	Ultramax	60,916	2015	August-15
63	*Diva*	Supramax	56,582	2011	July-17
64	*Strange Attractor*	Supramax	55,742	2006	July-14
65	*Star Omicron*	Supramax	53,489	2005	April-08
66	*Star Gamma*	Supramax	53,098	2002	January-08
67	*Star Zeta*	Supramax	52,994	2003	January-08
68	*Star Delta*	Supramax	52,434	2000	January-08
69	*Star Theta*	Supramax	52,425	2003	December-07
70	*Star Epsilon*	Supramax	52,402	2001	December-07
71	*Star Cosmo*	Supramax	52,247	2005	July-08
72	*Star Kappa*	Supramax	52,055	2001	December-07
		Total dwt:	**7,793,514**		

(1) Subject to a bareboat charter accounted for as a capital lease.

Newbuilding Vessels (As of February 27, 2018)

	Vessel Name	Vessel Type	Capacity (dwt.)	Shipyard	Expected Delivery Date
1	HN 1361 (tbn *Star Magnanimus*) (1)	Newcastlemax	208,000	SWS, China	Apr-18
2	HN 1343 (tbn *Star Leo*)	Newcastlemax	208,000	SWS, China	Apr-18
		Total dwt:	**416,000**		

(1) Subject to a bareboat charter that will be accounted for as a capital lease.

<u>Fourth Quarter 2017 and 2016 Results (*)</u>

(*) Amounts relating to variations in period–on–period comparisons shown in this section are derived from the actual numbers in our books and records.

For the fourth quarter of 2017, time charter equivalent revenues ("TCE Revenues") (total voyage revenues net of voyage expenses and charter-in hire expense) excluding Star Logistics were $90.0 million, compared to $50.1 million for the fourth quarter of 2016. This increase was primarily attributable to the significant rise in charterhire rates, which led to a TCE rate of $13,860 for the fourth quarter of 2017 compared to a TCE rate of $8,186 for the fourth quarter of 2016, representing a 69% increase. TCE Revenues also increased as a result of an increase in the average number of vessels in our fleet to 70.6 in the fourth quarter of 2017, up from 67.8 in the fourth quarter of 2016, which caused an increase in Available days for our fleet. We refer you to footnote 7 under the heading "Summary of Selected Data" set forth below for information regarding our calculation of TCE rates.

For the fourth quarter of 2017, operating income was $37.2 million, which includes depreciation of $21.1 million and a net gain on sale of vessels of $3.0 million. Operating loss of $23.3 million for the fourth quarter of 2016 included depreciation of $20.3 million, an impairment loss of $10.7 million and a net loss on sale of vessels of $6.9 million.

Net income for the fourth quarter of 2017 was $23.9 million, or $0.37 earnings per share, basic and diluted, based on 64,080,657 weighted average basic shares and 64,259,874 weighted average diluted shares, respectively. Net loss for the fourth quarter of 2016 was $33.1 million, or $0.58 loss per share, basic and diluted, based on 56,721,385 weighted average basic and diluted shares.

Net income for the fourth quarter of 2017 mainly included the following non-cash items, other than depreciation expense:

- Stock-based compensation expense of $0.4 million, or $0.01 per share, basic and diluted, recognized in connection with common shares granted to our directors and employees;
- Net gain on sale of vessels of $3.0 million, or $0.05 per share, basic and diluted, from the sale of the *Star Vanessa;*
- Write-off of unamortized deferred finance charges of $0.9 million, or $0.01 per share, basic and diluted, in connection with the refinancing in full of our 2019 Notes (as defined in the 2016 20-F) in December 2017; and
- Unrealized gain on interest rate swaps of $0.5 million, or $0.01 per share, basic and diluted.

Net loss for the fourth quarter of 2016 mainly included the following non-cash items, other than depreciation expense:

- Stock-based compensation expense of $0.8 million, or $0.01 per share, basic and diluted, recognized in connection with common shares granted to our directors and employees;
- Impairment loss of $10.7 million, or $0.19 per share, basic and diluted, recognized based on our impairment analysis performed for the year ended December 31, 2016*;*
- An aggregate net loss on sale of vessels of $6.9 million, or $0.12 per share, basic and diluted, relating to the sale of the *Star Aline* and the *Star Despoina*, completed during the fourth quarter of 2016; and
- Unrealized gain on interest rate swaps of $2.1 million or $0.04 per share, basic and diluted.

Adjusted net income for the fourth quarter of 2017, which excludes all non-cash items other than depreciation expense, was $21.5 million, or $0.34 earnings per share, basic and diluted, compared to adjusted net loss of $16.6 million, or $0.29 loss per share, basic and diluted, for the fourth quarter of 2016. A reconciliation of *Net income / (loss)* to *Adjusted Net income/ (loss)* and *Adjusted earnings / (loss) per share basic and diluted* is set forth below in the financial tables contained in this release.

Adjusted EBITDA for the fourth quarter of 2017 and 2016, which excludes all non-cash items, was $55.7 million and $15.5 million, respectively. A reconciliation of *EBITDA and Adjusted EBITDA to net cash provided by/(used in) operating activities* is set forth below in the financial tables contained in this release.

For the fourth quarter of 2017 and 2016, vessel operating expenses were $25.4 million and $25.3 million, respectively. Vessel operating expenses for the fourth quarter of 2017 include pre-delivery and pre-joining expenses of $0.4 million incurred mainly in connection with the delivery of the *Star Eleni* in January 2018. **Excluding these expenses, our average daily operating expenses per vessel for the fourth quarter of 2017 and 2016 were $3,850 and $4,047, respectively. This 5% reduction demonstrates our continued commitment to reducing our expenses.**

During the fourth quarter of 2017, none of our vessels underwent their periodic dry docking surveys, but we incurred expenses of $0.4 million in connection with several upcoming dry dockings. During the fourth quarter of 2016, three of our vessels (two Capesize vessels and one Supramax vessel) underwent their periodic dry docking surveys, resulting in dry docking expenses of $3.0 million during that period.

General and administrative expenses for the fourth quarters of 2017 and 2016 were $5.9 million and $5.3 million, respectively. These expenses for the fourth quarter of 2017 include stock-based compensation expense of $0.4 million and legal fees incurred in connection with the restructuring of our indebtedness. During the same quarter of 2016, general and administrative expenses included stock-based compensation expense of $0.8 million. Excluding the above-mentioned expenses, **our average daily net cash general and administrative expenses per vessel (including management fees) for the fourth quarters of 2017 and 2016 were $1,094 and $1,009, respectively.** The increase is mainly attributable to the higher EUR/USD exchange rate during the fourth quarter of 2017 compared to the fourth quarter of 2016, which resulted in higher wage expenses.

Charter-in hire expense for the fourth quarters of 2017 and 2016 was $ 3.1 million and $0.9 million, respectively. The increase in charter-in hire expense was due to an increase in charter-in days to 197 for the fourth quarter of 2017 from 92 for the fourth quarter of 2016, which is attributable to the activities of our new subsidiary, Star Logistics.

Interest and finance costs net of interest and other income/ (loss) for the fourth quarters of 2017 and 2016 were $12.6 million and $10.6 million, respectively. The increase is attributable to the increase in (i) LIBOR between the corresponding periods and (ii) the weighted average balance of our outstanding indebtedness of $1,043.2 million during the fourth quarter of 2017 compared to $967.4 million for the same period in 2016, partially offset by higher interest income earned due to higher outstanding cash balances held in time deposits during the respective periods.

During the fourth quarters of 2017 and 2016 we recorded a gain on derivative financial instruments of $0.2 million and $1.2 million, respectively, representing realized and unrealized gain on the five swaps that are not designated as accounting hedges, due to the increase in LIBOR during the corresponding periods.

Years ended December 31, 2017 and 2016 Results (*)

(*) Amounts relating to variations in period – on – period comparisons shown in this section are derived from the actual numbers in our books and records.

For the year ended December 31, 2017, TCE Revenues excluding Star Logistics were $262.7 million, compared to $152.9 million for the year ended December 31, 2016. This increase was primarily attributable to the significant rise in charterhire rates, which led to a TCE rate of $10,393 for the year ended December 31, 2017, representing a 67% increase over the TCE rate of $6,208 for the year ended December 31, 2016. TCE Revenues also increased as a result of an increase in Available days due to reactivation of laid-up vessels (we had 620 days of cold lay-up in 2016 while none of the vessels were laid up in 2017). We refer you to footnote 7 under the heading "Summary of Selected Data" set forth below for information regarding our calculation of TCE rates.

For the year ended December 31, 2017, operating income was $38.8 million, which included depreciation of $82.6 million and a net gain on sale of vessels of $2.6 million. Operating loss of $109.3 million for the year ended December 31, 2016 included depreciation of $81.9 million, an impairment loss of $29.2 million and a net loss on sale of vessels of $15.2 million.

Net loss for the year ended December 31, 2017 was $9.8 million, or $0.16 loss per share, basic and diluted, based on 63,034,394 weighted average basic and diluted shares. Net loss for the year ended December 31, 2016 was $154.2 million, or $3.24 loss per share, basic and diluted, based on 47,574,454 weighted average basic and diluted shares.

Net loss for the year ended December 31, 2017 mainly included the following non-cash items, other than depreciation expense:

- Stock-based compensation expense of $9.3 million, or $0.15 per share, basic and diluted, recognized in connection with common shares granted to our directors and employees;
- An aggregate net gain on sale of vessels of $2.6 million, or $0.04 per share, basic and diluted, in connection with the sale of (i) the *Star Eleonora* in March 2017 and (ii) the *Star Vanessa* in November 2017;
- Unrealized gain on interest rate swaps of $2.3 million, or $0.04 per share, basic and diluted; and
- Write-off of unamortized deferred finance charges of $1.3 million, or $0.02 per share, basic and diluted, in connection with the cancellation of a previous loan commitment and the refinancing in full of our 2019 Notes (as defined in the 2016 20-F) in December 2017.

Net loss for the year ended December 31, 2016 mainly included the following items, other than depreciation expense:

- Stock-based compensation expense of $4.2 million, or $0.09 per share, basic and diluted, recognized in connection with common shares granted to our directors and employees;
- Impairment loss of $29.2 million, or $0.61 per share, basic and diluted, mainly relating to the sale of two operating vessels and our impairment analysis performed for the year ended December 31, 2016;
- An aggregate net loss on sale of vessels of $15.2 million, or $0.32 per basic and diluted share;
- Write-off of unamortized deferred finance charges of $2.4 million, or $0.05 per share, basic and diluted, in connection with: (i) the mandatory prepayment of outstanding amounts under several loans due to the sale of the corresponding mortgaged vessels and (ii) the cancellation of certain loan commitments; and
- Unrealized gain on interest rate swaps of $2.4 million, or $0.05 per share, basic and diluted.

Adjusted net loss for the year ended December 31, 2017, which excludes all non-cash items, other than depreciation expense, amounted to $4.3 million, or $0.07 loss per share, basic and diluted, compared to $105.3 million, or $2.21 loss per share, basic and diluted, for the year ended December 31, 2016. A reconciliation of *Net income / (loss)* to *Adjusted Net income/ (loss)* and *Adjusted earnings / (loss) per share basic and diluted* is set forth below in the financial tables contained in this release.

Adjusted EBITDA for the year ended December 31, 2017 and 2016, which excludes all non-cash items, was $128.0 million and $21.7 million, respectively. A reconciliation of *EBITDA and Adjusted EBITDA to net cash provided by/(used in) operating activities* is set forth below in the financial tables contained in this release.

For the year ended December 31, 2017 and 2016, vessel operating expenses were $101.4 million and $98.8 million, respectively. Vessel operating expenses for such periods include one-time expenses, consisting mainly of pre-delivery and pre-joining expenses, of $2.3 million and $1.8 million, respectively. Excluding these amounts, our average daily operating expenses per vessel for the years ended December 31, 2017 and 2016 were $3,906 and $3,801, respectively. The slight increase in average daily operating expenses for the year ended December 31, 2017 was mainly attributable to the reactivation of all vessels that were laid-up during the year ended December 31, 2016 (which lay-ups resulted in 620 days of cold lay-up during the year ended 2016, while none of our vessels were laid-up during the year ended December 31, 2017).

Dry docking expenses for the year ended December 31, 2017 and 2016 were $4.3 million and $6.0 million, respectively. During the year ended December 31, 2017, four vessels underwent and completed their periodic dry docking surveys. During the same period in 2016, nine vessels underwent their periodic dry docking surveys, two of which were ongoing from December 2015.

General and administrative expenses for the years ended December 31, 2017 and 2016 were $31.0 million and $24.6 million, respectively. These expenses for the year ended December 31, 2017 include stock-based compensation expense of $9.3 million and legal fees of $1.0 million incurred in connection with the restructuring of our indebtedness. During the year ended December 31, 2016, general and administrative expenses included stock-based compensation expense of $4.2 million and professional advisory services of $0.3 million that were not part of our ordinary course of business. **Excluding the above mentioned stock-based compensation expense and one-time expenses, our average daily net cash general and administrative expenses per vessel (including all management fees) for the years ended December 31, 2017 and 2016, were $1,094 and $1,067, respectively.** The slight increase mainly resulted from the higher EUR/USD exchange rate during the year ended December 31, 2017 compared to the year ended December 31, 2016 which resulted in higher wage expenses.

During the year ended December 31, 2017, we recognized other operational gain of $2.9 million, resulting mainly from the settlement proceeds of a commercial dispute. During the year ended December 31, 2016, we recognized other operational gain of $1.6 million, mainly consisting of gain from insurance claims.

Interest and finance costs net of interest and other income/(loss) for the years ended December 31, 2017 and 2016 were $47.5 million and $40.3 million, respectively. The increase is attributable to: (i) the increase in LIBOR between the corresponding periods, (ii) the increase in the weighted average balance of our outstanding indebtedness to $1,027.1 million during the year ended December 31, 2017 compared to $978.8 million for the same period in 2016 and (iii) the decrease of interest capitalized from general debt in connection with the payments made for our newbuilding vessels to $2.4 million from $3.9 million, respectively, which is recognized as credit in the interest and finance costs. The increase was partially offset by higher interest income earned due to higher outstanding cash balances held in time deposits during the respective periods.

During the year ended December 31, 2017, we recorded a gain on derivative financial instruments of $0.2 million, while during the corresponding period in 2016 we recorded a loss on derivative financial instruments of $2.1 million in connection with our interest rate swaps that do not qualify for hedge accounting. The reversal of the aforementioned loss into gain is attributable to the increase in LIBOR.

Liquidity and Capital Resources

Cash Flows

Net cash provided by operating activities for the year ended December 31, 2017 was $81.0 million, whereas net cash used in operating activities for the year ended December 31, 2016 was $33.4 million.

The positive change was due to: (i) the significant recovery of the dry bulk market during the year ended December 31, 2017 which resulted in a significantly higher TCE rate of $10,393 compared to $6,208 for the year ended December 31, 2016, which is also reflected in the increase of Adjusted EBITDA to $128.0 million for the year ended December 31, 2017 from $21.7 million for 2016, and (ii) a slight net working capital outflow during the year ended December 31, 2017 compared to a $9.7 million working capital outflow for the year ended December 31, 2016. These positive factors were partially offset by higher net interest expense for the year ended December 31, 2017 compared to the corresponding period in 2016.

Net cash used in investing activities for the year, ended December 31, 2017 and 2016 was $126.9 million and $13.2 million, respectively.

For the year ended December 31, 2017, net cash used in investing activities consisted of:

- $143.7 million paid for advances and other capitalized expenses for our newbuilding and newly delivered vessels;

offset partially by:

- $15.2 million of proceeds from the sales of the *Star Eleonora* and the *Star Vanessa*;
- $1.4 million of hull and machinery insurance proceeds; and
- a net decrease of $0.2 million in restricted cash, as required under our loan agreements

For the year ended December 31, 2016, net cash used in investing activities consisted of:

- $396.2 million paid for advances and other capitalized expenses for our newbuilding and newly delivered vessels;

offset partially by:

- $380.2 million of proceeds from the sales of vessels from our on-the-water fleet and the sales of certain newbuilding vessels, which were sold upon their delivery from the shipyard;
- $2.5 million of hull and machinery insurance proceeds; and
- a net decrease of $0.2 million in restricted cash, as required under our loan agreements.

Net cash provided by financing activities for the years ended December 31, 2017 and 2016 was $122.0 million and $20.4 million, respectively.

For the year ended December 31, 2017, net cash provided by financing activities consisted of:

- $79.9 million in increased capital lease obligations, relating to two delivered newbuilding vessels, under bareboat charters;
- $30.8 million of proceeds drawn under a loan facility used for the financing of the *Star Charis* and the *Star Suzanna* and the refinancing of the Heron Vessels Facility (as defined in our 2016 20-F) ;
- $50.0 million proceeds from the issuance of our 8.30% senior unsecured notes due 2022, used to redeem in full our 2019 Notes, in December 2017 (as described below) and
- $51.5 million of proceeds, net of aggregate private placement agent's fees and other offering expenses of $1.0 million, from a private placement of our common shares completed in February 2017;

offset partially by:

- $21.4 million paid in aggregate in connection with: (i) the regular amortization of outstanding vessel financings, (ii) capital lease installments, (iii) the partial prepayment of a loan facility due to the sale of the *Star Eleonora* (iv) the prepayment to the banks of an amount equal to 20% of the equity issuance proceeds used for the acquisition of four vessels during the period and (v) the excess cash for the quarter ended September 30, 2017, paid pursuant to the cash sweep mechanism in our Supplemental Agreements;
- $14.8 million used for the prepayment in full of the Heron Vessels Facility;
- $50.0 used to redeem in full the 2019 Notes; and
- $0.9 million of financing fees, paid in connection with the restructuring of our indebtedness and the new facility used for the financing of *Star Charis* and *Star Suzanna* and the refinancing of the Heron Vessels Facility and a further $2.1 million of financing fees, paid in connection with the issuance of our senior unsecured notes due 2022.

For the year ended December 31, 2016, net cash provided by financing activities consisted of:

- $86.4 million in increased capital lease obligations for two delivered newbuilding vessels under bareboat charters;
- an aggregate of $65.4 million of proceeds from loan facilities for the financing of delivery installments for four of our newbuilding vessels delivered during this period; and
- $50.6 million of proceeds, net of underwriting discounts and commissions and other offering expenses of $0.3 million, from a public offering of our common shares completed in September 2016;

offset partially by:

- $181.2 million paid in aggregate in connection with: (i) the regular amortization of outstanding vessel financings, (ii) capital lease installments and (iii) mandatory prepayment of several loan facilities due to the sale of the corresponding mortgaged vessels; and
- $0.5 million of financing fees, paid in connection with the restructuring of our indebtedness.

Summary of Selected Data

(TCE rates expressed in U.S. dollars)

	Fourth quarter 2017	Fourth quarter 2016
Average number of vessels (1)	70.6	67.8
Number of vessels (2)	71	67
Average age of operational fleet (in years) (3)	8.2	7.7
Ownership days (4)	6,495	6,242
Available days (5)	6,495	6,116
Charter-in days (6)	197	92
Fleet utilization (7)	100.0%	98.0%
Daily Time Charter Equivalent Rate (8)	$13,860	$8,186
Average daily OPEX per vessel (9)	$3,911	$4,047
Average daily OPEX per vessel (excl. pre-delivery expenses)	$3,850	$4,047

	Year ended December 31, 2017	Year ended December 31, 2016
Average number of vessels (1)	69.6	69.8
Number of vessels (2)	71	67
Average age of operational fleet (in years) (3)	8.2	7.7
Ownership days (4)	25,387	25,534
Available days (5)	25,272	24,623
Charter-in days (6)	428	366
Fleet utilization (7)	99.6%	96.5%
Daily Time Charter Equivalent Rate (8)	$10,393	$6,208
Average daily OPEX per vessel (9)	$3,995	$3,871
Average daily OPEX per vessel (excl. pre-delivery expenses)	$3,906	$3,801

(1) Average number of vessels is the number of vessels that constituted our operating fleet for the relevant period, as measured by the sum of the number of days each operating vessel was a part of our operating fleet during the period divided by the number of calendar days in that period.

(2) As of the last day of the periods reported.

(3) Average age of operational fleet is calculated as of the end of each period.

(4) Ownership days are the total calendar days each vessel in the fleet was owned by us for the relevant period.

(5) Available days for the fleet are the Ownership days after subtracting off-hire days for major repairs, dry docking or special or intermediate surveys and lay-up days, if any.

(6) Charter-in days are the total days that we charter-in third-party vessels.

(7) Fleet utilization is calculated by dividing (x) Available days plus Charter-in days by (y) Ownership days plus charter-in days for the relevant period.

(8) Represents the weighted average daily TCE rates of our entire fleet. TCE rate is a measure of the average daily revenue performance of a vessel on a per voyage basis. Our method of calculating TCE rate is determined by dividing voyage revenues (net of voyage expenses, charter-in hire expense and amortization of fair value of above/below market acquired time charter agreements) by Available days for the relevant time period. Voyage expenses primarily consist of port, canal and fuel costs that are unique to a particular voyage, which would otherwise be paid by the charterer under a time charter contract, as well as commissions. TCE rate is a standard shipping industry performance measure used primarily to compare period-to-period changes in a shipping company's performance despite changes in the mix of charter types (i.e., voyage charters, time charters and bareboat charters) under its vessels may be employed between the periods. We included TCE revenues, a non-GAAP measure, as it provides additional meaningful information in conjunction with voyage revenues, the most directly comparable GAAP measure, and it assists our management in making decisions regarding the deployment and use of our operating vessels and in evaluating our financial performance. The above reported TCE rates for the fourth quarter of 2017 and the year ended December 31, 2017, calculated excluding Star Logistics. For the detail calculation please see the table at the back of this release with the reconciliation of Voyage Revenues to TCE.

(9) Average daily OPEX per vessel is calculated by dividing vessel operating expenses by Ownership days.

Unaudited Consolidated Statement of Operations

(Expressed in thousands of U.S. dollars except for share and per share data)	Fourth quarter 2017	Fourth quarter 2016	Year ended December 31, 2017	Year ended December 31, 2016
Revenues:				
Voyage revenues	$ 107,707	$ 63,241	$ 331,976	$ 221,987
Management fee income	-	-	-	119
Total revenues	**107,707**	**63,241**	**331,976**	**222,106**
Expenses:				
Voyage expenses	(15,252)	(12,320)	(64,682)	(65,821)
Charter-in hire expense	(3,128)	(855)	(5,325)	(3,550)
Vessel operating expenses	(25,399)	(25,264)	(101,428)	(98,830)
Dry docking expenses	(362)	(2,992)	(4,262)	(6,023)
Depreciation	(21,129)	(20,342)	(82,623)	(81,935)
Management fees	(1,925)	(1,824)	(7,543)	(7,604)
General and administrative expenses	(5,860)	(5,347)	(30,955)	(24,602)
Gain/(Loss) on forward freight agreements and bunker swaps	(300)	128	(841)	411
Impairment loss	-	(10,684)	-	(29,221)
Other operational loss	(266)	(397)	(989)	(503)
Other operational gain	138	171	2,918	1,565
Gain/(Loss) on sale of vessels	2,996	(6,862)	2,598	(15,248)
Operating income/(loss)	**37,220**	**(23,347)**	**38,844**	**(109,255)**
Interest and finance costs	(13,585)	(10,920)	(50,458)	(41,217)
Interest and other income/(loss)	980	368	2,997	876
Gain/(Loss) on derivative financial instruments	179	1,169	246	(2,116)
Loss on debt extinguishment	(871)	(123)	(1,257)	(2,375)
Total other expenses, net	**(13,297)**	**(9,506)**	**(48,472)**	**(44,832)**
Income/(Loss) before equity in investee	**23,923**	**(32,853)**	**(9,628)**	**(154,087)**
Equity in income/(loss) of investee	29	(6)	93	126
Income/(Loss) before taxes	**$ 23,952**	**$ (32,859)**	**$ (9,535)**	**$ (153,961)**
US Source Income taxes	(68)	(267)	(236)	(267)
Net income/(loss)	**$ 23,884**	**$ (33,126)**	**$ (9,771)**	**$ (154,228)**
Earnings/(loss) per share, basic and diluted	$ 0.37	$ (0.58)	$ (0.16)	$ (3.24)
Weighted average number of shares outstanding, basic and diluted	64,080,657	56,721,385	63,034,394	47,574,454
Weighted average number of shares outstanding, diluted	64,259,874	56,721,385	63,034,394	47,574,454

Unaudited Consolidated Condensed Balance Sheets

(Expressed in thousands of U.S. dollars)

ASSETS	December 31, 2017	December 31, 2016
Cash and cash equivalents	$ 257,911	$ 181,758
Other current assets	54,715	46,708
TOTAL CURRENT ASSETS	**312,626**	**228,466**
Advances for vessels under construction and acquisition of vessels and other assets	48,574	64,570
Vessels and other fixed assets, net	1,775,081	1,707,209
Other non-current assets	9,483	11,457
TOTAL ASSETS	**$ 2,145,764**	**$ 2,011,702**
Current portion of long-term debt and finance lease commitments (*)	$ 189,495	$ 6,235
Other current liabilities	29,968	21,884
TOTAL CURRENT LIABILITIES	**219,463**	**28,119**
Long-term debt and finance lease commitments non-current(net of unamortized deferred finance fees of $7,154 and $9,253, respectively)	789,689	896,332
Senior Notes (net of unamortized deferred finance fees of $2,000 and $1,243, respectively)	48,000	48,757
Other non-current liabilities	560	1,264
TOTAL LIABILITIES	**$ 1,057,712**	**$ 974,472**
STOCKHOLDERS' EQUITY	1,088,052	1,037,230
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	**$ 2,145,764**	**$ 2,011,702**

*The current portion of long-term debt and finance lease commitments includes an amount of approximately $10.7 million, relating to (i) the payment in February 2018 of an aggregate $35.6 million to all parties under our Supplemental Agreements (please see the “Recent Developments” section for further details), (ii) our announcement that we plan to make debt principal repayments that will be in total at least equivalent to the amortization payments scheduled prior to commencement of debt amortization holidays, for the first and second quarter of 2018 under the cash sweep mechanism in the Supplemental Agreements and (iii) the adjustment for the refinancing of Commerzbank and ABN facilities (please also see the “Recent Developments” section for further details).

Unaudited Cash Flow Data

(Expressed in thousands of U.S. dollars)	Year ended December 31, 2017	Year ended December 31, 2016
Net cash provided by / (used in) operating activities	$ 80,970	$ (33,448)
Net cash provided by / (used in) investing activities	(126,852)	(13,216)
Net cash provided by / (used in) financing activities	122,035	20,366

EBITDA and Adjusted EBITDA Reconciliation

We consider EBITDA to represent net income before interest, income taxes, depreciation and amortization. EBITDA does not represent and should not be considered as an alternative to net income or cash flow from operating activities, as determined by United States generally accepted accounting principles, or U.S. GAAP, and our calculation of EBITDA may not be comparable to that reported by other companies. EBITDA is included herein because it is a basis upon which we assess our liquidity position, because it is a measure used by our lenders as a measure of our compliance with certain loan covenants and because we believe that it presents useful information to investors regarding our ability to service and/or incur indebtedness.

To derive Adjusted EBITDA from EBITDA and Adjusted Net income/(loss) from Net income/(loss), we excluded certain gains/losses such as those related to sale of vessels, stock-based compensation expense, the write-off of the unamortized fair value of above-market acquired time charters, impairment losses, the write-off of claims receivable, change in fair value of forward freight agreements and bunker swaps and the equity in income/(loss) of investee. We excluded the items described above when deriving Adjusted EBITDA and Adjusted Net income/(loss) because we believe that these items do not reflect the ongoing operational cash inflows and outflows of our fleet.

The following table reconciles net cash provided by operating activities to EBITDA and Adjusted EBITDA:

(Expressed in thousands of U.S. dollars)	**Fourth quarter 2017**	**Fourth quarter 2016**	**Year ended December 31, 2017**	**Year ended December 31, 2016**
Net cash provided by/(used in) operating activities	$ 42,495	$ 7,180	$ 80,970	$ (33,448)
Net decrease / (increase) in current assets	3,981	(4,104)	10,462	84
Net increase / (decrease) in operating liabilities, excluding current portion of long term debt	(3,314)	(126)	(10,452)	9,519
Impairment loss	-	(10,684)	-	(29,221)
Loss on debt extinguishment	(871)	(123)	(1,257)	(2,375)
Stock – based compensation	(414)	(782)	(9,267)	(4,166)
Amortization of deferred finance charges	(685)	(666)	(2,660)	(2,855)
Unrealized and accrued gain/(loss) on derivative financial instruments	582	2,082	1,821	4,182
Change in fair value of forward freight agreements and bunker swaps	77	41	36	41
Total other expenses, net	13,297	9,506	48,472	44,832
Gain on hull and machinery claims	137	1,472	456	1,472
Write-off of claim receivable	-	(225.00)	-	(225)
Income tax	68	267.00	236	267
Gain/(Loss) on sale of vessel	2,996	(6,862)	2,598	(15,248)
Equity in income/(loss) of investee	29	(6)	93	126
EBITDA	**$ 58,378**	**$ (3,030)**	**$ 121,508**	**$ (27,015)**
Less:				
Equity in income of investee	(29)	-	(93)	(126)
Change in fair value of forward freight agreements and bunker swaps	(77)	(41)	(36)	(41)
Gain on sale of vessel	(2,996)	-	(2,598)	-
Plus:				
Stock-based compensation	414	782	9,267	4,166
Write-off of claim receivable	-	225	-	225
Impairment loss	-	10,684	-	29,221
Loss on sale of vessel	-	6,862	-	15,248
Equity in loss of investee	-	6	-	-
Adjusted EBITDA	**$ 55,690**	**$ 15,488**	**$ 128,048**	**$ 21,678**

Net income / (loss) and Adjusted Net income / (loss) Reconciliation

(Expressed in thousands of U.S. dollars)	Fourth quarter 2017	Fourth quarter 2016	Year ended December 31, 2017	Year ended December 31, 2016
Net income / (loss)	**$ 23,884**	**$ (33,126)**	**$ (9,771)**	**$ (154,228)**
Amortization of fair value of above market acquired time charter agreements	-	-	-	254
Write-off of claim receivable	-	225	-	225
Stock – based compensation	414	782	9,267	4,166
Unrealized (gain) / loss on forward freight agreements and bunker swaps	(77)	(41)	(36)	(41)
Unrealized (gain) / loss on derivative financial instruments	(532)	(2,081)	(2,275)	(2,362)
(Gain) / loss on sale of vessel	(2,996)	6,862	(2,598)	15,248
Vessel impairment loss	-	10,684	-	29,221
Amortization of deferred gain	-	(19)	(52)	(75)
Loss on debt extinguishment	871	123	1,257	2,375
Equity in income/(loss) of investee	(29)	6	(93)	(126)
Adjusted Net income / (loss)	**$ 21,535**	**$ (16,585)**	**$ (4,301)**	**$ (105,343)**
Weighted average number of shares outstanding, basic	64,080,657	56,721,385	63,034,394	47,574,454
Weighted average number of shares outstanding, diluted	64,259,874	56,721,385	63,034,394	47,574,454
Adjusted Basic and Diluted Earnings / (Loss) Per Share	**$ 0.34**	**$ (0.29)**	**$ (0.07)**	**$ (2.21)**

Voyage Revenues to Daily Time Charter Equivalent ("TCE") Reconciliation (please refer to the section "Summary of Selected Data" for the calculation method of TCE)

(In thousands of U.S. Dollars, except as otherwise stated)

	Fourth quarter 2017	Fourth quarter 2016	Year ended December 31, 2017	Year ended December 31, 2016
Voyage revenues	$ 103,623	$ 63,241	$ 327,892	$ 221,987
Less:				
Voyage expenses	(13,604)	(12,320)	(63,034)	(65,821)
Charter-in hire expenses	-	(855)	(2,197)	(3,550)
Amortization of fair value of below/above market acquired time charter agreements	-	-	-	254
Time Charter equivalent revenues	**$ 90,019**	**$ 50,066**	**$ 262,661**	**$ 152,870**
Available days for fleet	6,495	6,116	25,272	24,623
Daily Time Charter Equivalent Rate ("TCE")	**$ 13,860**	**$ 8,186**	**$ 10,393**	**$ 6,208**

Conference Call details:

Our management team will host a conference call to discuss our financial results on Wednesday, February 28, 2018 at 11:00 a.m., Eastern Time (ET).

Participants should dial into the call 10 minutes before the scheduled time using the following numbers: 1(866) 819-7111 (from the US), 0(800) 953-0329 (from the UK) or + (44) (0) 1452 542 301 (from outside US). Please quote "Star Bulk."

A replay of the conference call will be available until Wednesday, March 7, 2018. The United States replay number is 1(866) 247-4222; from the UK 0(800) 953-1533; the standard international replay number is (+44) (0) 1452 550 000 and the access code required for the replay is: 3128607#.

Slides and audio webcast:

There will also be a simultaneous live webcast over the Internet through the Star Bulk website (www.starbulk.com). Participants to the live webcast should register on the website approximately 10 minutes prior to the start of the webcast.

About Star Bulk

Star Bulk is a global shipping company providing worldwide seaborne transportation solutions in the dry bulk sector. Star Bulk's vessels transport major bulks, which include iron ore, coal and grain, and minor bulks, which include bauxite, fertilizers and steel products. Star Bulk was incorporated in the Marshall Islands on December 13, 2006 and maintains executive offices in Athens, Greece. Its common stock trades on the Nasdaq Global Select Market under the symbol "SBLK". On a fully delivered basis, Star Bulk will have a fleet of 74 vessels, with an aggregate capacity of 8.2 million dwt, consisting of Newcastlemax, Capesize, Post Panamax, Kamsarmax, Panamax, Ultramax and Supramax vessels with carrying capacities between 52,055 dwt and 209,537 dwt. Our fleet currently includes 72 operating vessels, with an additional two newbuilding vessels under construction in China for expected delivery in April 2018.

Forward-Looking Statements

Matters discussed in this press release may constitute forward looking statements. The Private Securities Litigation Reform Act of 1995 provides safe harbor protections for forward-looking statements in order to encourage companies to provide prospective information about their business. Forward-looking statements include statements concerning plans, objectives, goals, strategies, future events or performance, and underlying assumptions and other statements, which are other than statements of historical facts.

The Company desires to take advantage of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and is including this cautionary statement in connection with this safe harbor legislation. The words “believe,” “anticipate,” “intends,” “estimate,” “forecast,” “project,” “plan,” “potential,” “may,” “should,” “expect,” “pending” and similar expressions identify forward-looking statements.

The forward-looking statements in this press release are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, examination by the Company’s management of historical operating trends, data contained in its records and other data available from third parties. Although the Company believes that these assumptions were reasonable when made, because these assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond the Company’s control, the Company cannot assure you that it will achieve or accomplish these expectations, beliefs or projections.

In addition to these important factors, other important factors that, in the Company’s view, could cause actual results to differ materially from those discussed in the forward-looking statements include general dry bulk shipping market conditions, including fluctuations in charterhire rates and vessel values; the strength of world economies; the stability of Europe and the Euro; fluctuations in interest rates and foreign exchange rates;

changes in demand in the dry bulk shipping industry, including the market for our vessels; changes in our operating expenses, including bunker prices, dry docking and insurance costs; changes in governmental rules and regulations or actions taken by regulatory authorities; potential liability from pending or future litigation; general domestic and international political conditions; potential disruption of shipping routes due to accidents or political events; the availability of financing and refinancing; our ability to meet requirements for additional capital and financing to complete our newbuilding program and grow our business; the impact of the level of our indebtedness and the restrictions in our debt agreements; vessel breakdowns and instances of off-hire; risks associated with vessel construction; potential exposure or loss from investment in derivative instruments; potential conflicts of interest involving our Chief Executive Officer, his family and other members of our senior management and our ability to complete acquisition transactions as planned. Please see our filings with the Securities and Exchange Commission for a more complete discussion of these and other risks and uncertainties. The information set forth herein speaks only as of the date hereof, and the Company disclaims any intention or obligation to update any forward-looking statements as a result of developments occurring after the date of this communication.

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