



## **STAR BULK CARRIERS CORP. AGREES TO ACQUIRE UP TO SEVEN DRY BULK VESSELS FROM E.R. CAPITAL HOLDING**

**ATHENS, GREECE, August 29, 2018** – Star Bulk Carriers Corp. (the "Company" or "Star Bulk") (Nasdaq: SBLK, Oslo: SBLK-R), a global shipping company focusing on the transportation of dry bulk cargoes announced today that it has entered into an en bloc definitive agreement with entities affiliated with E.R. Capital Holding GmbH & Cie. KG ("E.R." or "Sellers" ), pursuant to which the Company will acquire three (3) firm operating dry bulk vessels (the "Step 1 Vessels") within 2018 ( the "Step 1 Acquisition"), and four (4) optional operating dry bulk vessels (the "Step 2 Vessels") in 2019 (the "Step 2 Acquisition"), and together the "Vessels". Subject to agreeing a three party novation agreement with charterers and E.R., any charterparties existing at the time of the deliveries of each of the Vessels shall be novated to Star Bulk.

The Step 1 Vessels will be acquired for an aggregate of approximately 1.34 million common shares of Star Bulk (the "Step 1 Consideration Shares") and \$41.70 million in cash. The number of Step 1 Consideration Shares to be issued is subject to adjustments for the Company's cash, debt and remaining capital expenditures as of one business day prior to the delivery date of each of the Step 1 Vessels. The cash portion of the consideration for Step 1 Vessels will be financed through proceeds of a new five-year term loan of \$41.0 million from a major European commercial bank. Following the consummation of the Step 1 Acquisition, E.R. will own approximately 1.45% of SBLK common shares.

In relation to the Step 2 Vessels, the Sellers have granted four call options to the Company for an aggregate exercise price of \$115.39 million or \$28.85 million per Step 2 Vessel (the "Call Options"), exercisable on April 1<sup>st</sup> 2019. Concurrently, the Company has granted four put options to E.R. with an aggregate exercise price of \$105.39 million or \$26.35 million per Step 2 Vessel (the "Put Options") exercisable by E.R. from April 2, 2019 to April 4, 2019 (inclusive), in the event that the Company does not exercise the Call Options. The aggregate exercise price of the Call and Put Options is payable in either, 2/3 cash and 1/3 common shares of Star Bulk (the "Step 2 Consideration Shares"), or 100% cash, at the option of the Company. The number of Step 2 Consideration Shares to be issued to E.R. (if any), will be determined by the net asset value of the Company, which will be based on the average vessel valuations by independent vessel appraisers as of March 31, 2019 and will be subject to adjustments for the Company's cash, debt and remaining capital expenditures as of one business day prior to the delivery date of each of the Step 2 Vessels.

Below are the details of the Vessels to be acquired from E.R and charter contracts expected to be novated at the time of deliveries:

<u>Vessel</u>	<u>YoB</u>	<u>Yard</u>	<u>DWT</u>	<u>Charterer</u>	<u>Charter Rate (\$/day)</u>	<u>Earliest Redelivery Date</u>	<u>Latest Redelivery Date</u>
<b><u>Step 1 Vessels</u></b>							
ER Bourgogne	2010	Hyundai Samho	180,000	Major Shipping Company	\$12,000	30-Jan-20	30-Mar-20
ER Brandenburg	2010	HHI	180,000	Major Shipping Company	\$20,000	30-Oct-19	30-Apr-20
ER Brighton	2010	Hyundai Vinashin	55,600	-	-	-	-
<b>Total Step 1 Vessels</b>			<b>415,600</b>				
<b><u>Step 2 Vessels</u></b>							
ER America	2010	Daewoo-Mangalia	180,000	-	-	-	-
ER Bayonne	2010	HHI	180,000	-	-	-	-
ER Borneo	2010	HHI	180,000	-	-	-	-
ER Buenos Aires	2010	HHI	180,000	-	-	-	-
<b>Total Step 2 Vessels</b>			<b>720,000</b>				
<b>Grand Total</b>			<b>1,135,600</b>				

The deliveries of Step 1 and Step 2 Vessels (subject to the exercise of the Call or Put Option) remain also subject to customary closing conditions, including the novation of any existing charter parties of the Vessels. The Company expects to take delivery of Step 1 Vessels in Q4 2018, while Step 2 Vessels deliveries, subject to the exercise of the Call or Put Option, are expected to take place between early April and mid July 2019.

After giving effect to Step 1 Acquisition and Step 2 Acquisition, Star Bulk will have a fleet of 115 vessels on a fully delivered basis, aggregate cargo-carrying capacity of approximately 13.39 million deadweight tons and vessels with an average age of 7.5 years.

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

*"I am very pleased that Star Bulk is acquiring a high quality, modern fleet from E.R. in a structured transaction that combines attractive prices with flexibility for the Company. We are excited to expand our footprint in the Capesize segment, especially in a period that the dry bulk market is tightening. It is also with great pleasure to welcome a prominent ship owner, Mr. Erck Rickmers, to our shareholder base and believe that this transaction validates once again Star Bulk's ability to use our shares as currency in accretive acquisitions for our shareholders."*

## **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" and on the Oslo Stock Exchange under the ticker "SBLK R". On a fully delivered basis, Star Bulk will have a fleet of 111 vessels, with an aggregate capacity of 12.67 million dwt, consisting of 17 Newcastlemax, 20 Capesize, 2 Mini Capesize, 7 Post Panamax, 35 Kamsarmax, 2 Panamax, 16 Ultramax and 12 Supramax vessels with carrying capacities between 52,055 dwt and 209,537 dwt. The Company holds call options and has sold respective put options on 4 Capesize vessels, with exercise dates in early April 2019.

## **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.

## **Contacts**

### **Company:**

Simos Spyrou, Christos Begleris  
Co - Chief Financial Officers  
Star Bulk Carriers Corp.  
c/o Star Bulk Management Inc.  
40 Ag. Konstantinou Av.  
Maroussi 15124  
Athens, Greece  
Email: [info@starbulk.com](mailto:info@starbulk.com)  
[www.starbulk.com](http://www.starbulk.com)

### **Investor Relations / Financial Media:**

Nicolas Bornozis  
President  
Capital Link, Inc.  
230 Park Avenue, Suite 1536  
New York, NY 10169  
Tel. (212) 661-7566  
E-mail: [starbulk@capitallink.com](mailto:starbulk@capitallink.com)  
[www.capitallink.com](http://www.capitallink.com)