Star Bulk Carriers Fourth Quarter and Fiscal Year End 2008 Financial Results.

Operator: Thank you for standing by ladies and gentlemen and welcome to the Star Bulk Carriers conference call on the fourth quarter and year end 2008 financial results. We have with us Mr. Akis Tsirigakis, Chairman and Chief Executive Officer and Mr. George Syllantavos, Chief Financial Officer of the company. At this time all participants are in a listen only mode. There will be a presentation followed by a question and answer session, at which time if you wish to ask a question, please press *1 on your telephone keypad and wait for your name to be announced. I must advise that this conference is being recorded today, Tuesday, March 17th 2009. Please be advised that today's presentation has been posted on our web site which is www.starbulk.com where it is available to download. As a reminder, this conference is also being webcast and is user controlled. To access the webcast, please refer to your earnings press release, which was disseminated last evening from the web address, which will direct you to the registration page. If you do not have a copy of the press release or presentation, you may contact Nicolas Bornozis of Capital Link at 212-661-7566 and he'll be happy to fax or mail a copy to you.

Now, I kindly ask you to turn to **slide 2** to view the company's Safe Harbor statement. This conference contains certain forward looking statements within the Safe Harbor provisions of the Securities Litigation Reform of 1995 and investors are cautioned that such forward looking statements involve certain risks and uncertainties, which may affect the company's business prospect and the result of operations. Such risks are more fully discussed in the company's filing with the Securities and Exchange Commission. I'll pause for a second to allow you to read the Safe Harbor statement.

{ PAUSE }

And we now pass the floor to your speaker today Mr. Akis Tsirigakis. Please go ahead and thank you sir.

Akis Tsirigakis: Thank you and good morning ladies and gentlemen and welcome to the Star Bulk conference call. I'm Akis Tsirigakis, the Chief Executive Officer of Star Bulk Carriers and with me today is George Syllantavos our Chief Financial Officer.

I am pleased this earnings release provides us with the opportunity to show the sound operating and financial status of Star Bulk Carriers. This is pertinent especially at times of crisis when there is increased tendency to take a brief general look, in the process discounting entire sectors for absence of inclination or clarity to focus on the "Star" performers within a sector.

I wish to use this introduction to make certain brief overall points. We are pleased to report strong fourth quarter and full year 2008 results. We are financially sound, we have signed loan covenant waivers with all our lenders, we have more than adequate liquidity, we have performing charterers and we have strong net cash generation with substantial contract coverage and earnings visibility.

At this time, we do not have commitments to purchase new building vessels or similar capital expenditures that would require us to obtain additional financing. I should point out here that the Shelf Registration for up to $250 million recently declared effective by the SEC was NOT made out of necessity. The company became eligible for Shelf Registration in December 2008 after being one year operational and it was put in place as a tool to add flexibility and dry powder should suitable use of proceeds be identified.

Now please turn to **slide 3** of our presentation, to discuss our fourth quarter and year end December 31st 2008 financial results which we are pleased to have come out above analysts' estimates. This is our 5th consecutive profitable quarter and we look forward to expanding this record, something we are confident of.

For the fourth quarter 2008, gross revenue was $72.8 million, net income was $50.2 million representing $0.89 cents earnings per share basic and diluted. Excluding non cash items such as vessel impairment, amortization of fair value of below and above market acquired time charters and amortization of stock based compensation, net income for the fourth quarter 2008, was $22.8 million representing $0.41 cents earnings per share basic and diluted.

EBITDA for the fourth quarter of 2008 was $ 70.3 million. Adjusted EBITDA for the fourth quarter 2008 was $42.9 million. Excluding non cash items the time charter equivalent rate for the fourth quarter of 2008 was $42,451.

For the year ended December 31st 2008, we achieved gross revenue of $238.9 million and net income of $133.7 million representing earnings per share of $2.55 and $2.46 basic and diluted respectively.

Excluding non cash items, net income was $60.8 million, representing $1.16 earnings per share basic and 1.12 diluted.

EBITDA for the year ended December 31, 2008 was $193.8 million, adjusted EBITDA was $120.9 million.

Excluding non cash items the time charter equivalent rate for the year ended December 31, 2008 was $43,097.

Our CFO, George Syllantavos will discuss our financials in more detail later on in our presentation.

Let's now turn to **slide 4** to review some selected financial data.

In this slide we selected some important key points to illustrate what we believe to be a comfortable position for our company in the present state of the markets.

Our current cash position is in excess of $60 million. Our current net cash generation is about $140,000 daily which equates to about $40 million until the end of 2009.
We therefore expect our cash position by the end of 2009, post debt repayments, to accumulate to $100 million.

Our senior debt currently stands at $284 million; we have a further debt repayment of $40 million within 2009 thereby reducing our debt level to $244 million by year end 2009.

As of January 1, 2009 our contracted revenue is $400 million. The charter free value of our fleet is currently $300 million and the charter adjusted value of the fleet is $525 million. Our fleet charter free values and fleet charter adjusted values are company estimates.

Our expected cash of $100 million in our balance sheet by the end of 2009 will equate to approximately 40% of our total debt at that time. Further, it is interesting to note that this amount will be roughly equal to our current market capitalization at the closing price of a few days ago.

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Please now turn to **slide 5** to review certain milestones since going public in December 2007 and recent chartering activity.

First we are pleased to have completed our first full year of operations in 2008 profitably despite the volatile markets. This we feel to be a strong achievement in the current economic crisis.

Since we've commenced operations we have achieved a 50% fleet growth. We expanded our fleet from 8 to 12 vessels reducing the average age of the fleet to approximately 9.8 years and exceeded the 1 million dwt mark, meaning that we have achieved a 62% growth in terms of deadweight. We achieved the fleet growth without compromising our focus on maintaining moderate leverage and we have succeeded in securing what we believe are stable and predictable cash flows by entering our vessels into period employment.

Ways to fund our future growth include the recent shelf Registration of up to $250 million. I wish to stress again that the shelf registration was not made out of necessity. We expect to continue our focus on taking advantage of opportunities and the lower asset values in the dry bulk sector with the continued philosophy of maintaining moderate leverage. Our primary focus will remain on shareholder value.

As I mentioned previously, we are very pleased with the successful outcome of our discussions with our lenders in which we obtained covenant waivers until February 2010. This we believe is a result of our excellent relationship with our lenders and our strong balance sheet. I want to add that the suspension of our dividend will further reinforce our liquidity.

We announced in a recent filing, that on December 15, 2008, the insiders lock-up period expired whose shares remained unregistered throughout the 3-year lock-up period stipulated by SPAC rules. Since the expiration of the lock up the insiders have not sold a single share, quite the opposite, they have reinvested their cash dividend by purchasing shares. This we believe is a statement of the confidence level of our insiders on the long term value of our shares.

On the bottom of slide 5, we highlighted our recent chartering activity. We are pleased with the recent fleet employment developments strengthening the position of Star Bulk carriers in the current market environment. We were very active commercially with 6 of our 12 vessels either entering into new charters or being delivered to their charterers in the first quarter of 2009.

Turning to **slide 6,** this slide illustrates our fleet employment chart which is also available on our website at www.starbulk.com. I won't go into the details, as it is self-explanatory.

Slide 7 graphs our contracted operating days and revenue stability. As I mentioned, our long term coverage provides us with stable and visible cash flows in the current volatile markets. Any volatility in today's charter market as depicted in the BDI or Baltic Dry Index, does not currently affect our revenue generation, since our fleet's contracted operating days coverage is now 93% in 2009 and 66% coverage in 2010 securing over $400 million in contracted revenue.

Please now turn to **slide 8** for certain confidence building elements in Star Bulk's business model in this challenging environment. Although we've been in the public market just a little over a year, we continue to make decisions based on shipping fundamentals. Our management has been weathered through several shipping cycles. For example, our decision not to enter into the new building market was a planned decision based on our belief that asset values reached unsustainable levels and should fall on future market volatility just as we are experiencing. Thus by maintain a strong balance sheet we could take advantage of the drop is asset values. I must add and admit that it's hard to believe that both rates and asset values dropped as quickly as did due in large part to the economic crisis we are currently in.

We maintain a diversified charter portfolio, with no more than two vessels committed to any single charterer, thereby limiting our exposure to counterparty risk.

Also, with staggered charter renewals we minimize the exposure of having several vessels open at any given quarter.

Lastly as previously stated six of our twelve vessels commenced employment in the first quarter 2009.

Please turn to **slide 9** to discuss our fleet time charter equivalent breakdown depicted graphically. As you can see from this slide and we believe it's an important indicator of the strength of our company, is that the company produces in excess of $11,000 of net cash above the breakeven rate for 2009 of $23,350 and $24,400 for 2010. Please note on this graph our fixed revenue days are estimated using current FFA rates

Please turn to **slide 10.** This slide illustrates that the company's assets work hardest producing more EBITDA per dollar of fleet value compared to shipping companies in both the dry bulk and tanker sectors. This slide is taken from a recent Morgan Stanley report.

Our **CFO, George Syllantavos** will now discuss our financials.

George Syllantavos.

Thank you, Akis. Good morning to everyone. Let us move now to **slide 12** for an overview of our balance sheet.

As of December 31st 2008, our fixed assets amounted to $821.3 million and total assets amounted to $891.4 million. Non-current liabilities amounted to $273.9 million, our stockholders equity was $560.1million and total liabilities and stockholders equity totaled 891.4 million.

We can now turn to **slide 13**, to discuss our fourth quarter income statement.

I must reiterate that we commenced operations on December 3, 2007, therefore we are unable to present a very meaningful comparison to our results between fourth quarter 2007 and fourth quarter of 2008.

For the fourth quarter ended December 31st 2008, voyage revenues amounted to $72.8 million and operating income amounted to $54.3 million. Net income for the fourth quarter of 2008 was $50.2 million representing $0.89 earnings per share calculated on 56,278,511 weighted average number of shares, basic and diluted

Excluding non cash items such as vessel impairment, amortization fair value of below and above market acquired time charters and amortization of stock based compensation, our net income for the fourth quarter 2008 would be $22.8 million representing earnings per share, basic and diluted for the fourth quarter of 2008 of $0.41 calculated on 56,278,511 weighted average number of shares, basic and diluted.

On **slide 14** we discuss our full year 2008 numbers.

For the year ended December 31st 2008, voyage revenues without adjustments amounted to $238.9 million and operating income amounted to $142.8 million.

Net income for the year ended December 31st 2008, was $133.7 million representing earnings per share of $2.55 and $2.46, basic and diluted respectively, based on a weighted average of 52,477,947 shares outstanding, basic and on a weighted average of 54,280,475 shares outstanding, diluted.

Adjusted net income for the year ended December 31, 2008 was $60.8 million, representing earnings per share of $1.16 and $1.12, basic and diluted respectively, based on a weighted average of 52,477,947 shares outstanding basic and on a weighted average of 54,280,475 shares outstanding diluted.

I would now like to pass the floor back to Akis for the continuation of the presentation.

Akis Tsirigakis: Thank you George. I would like make some comments on the general market conditions and some points on supply and demand for dry bulk shipping.

Turning to **slide 16**, we begin with an industry overview. The supply side continues to improve since our last earnings conference call in November 2008. Scrapping activity over the last four months has exceeded the cumulative scrapping level of the last six years. Specifically 7.7 million dwt of all type of vessels and 2% of the current dry bulk trading fleet have been scrapped in the last four months.

This trend is expected to continue in 2009. The right hand side of slide 16 illustrates the monthly scrapping activity since 1981. You can see that current scrapping levels are at record levels.

We also illustrate in this slide the dry bulk fleet age profile. Currently 30% of the dry bulk fleet over 20 years old.

Turning to **slide 17**, this slide highlights certain significant factors that we believe will lead to bulk carriers supply constraints. Due to the current credit crunch, the new buildings without time charter coverage are unlikely to get financed and therefore will not be built and even if they do, they will have tighter financing terms. Evidence of new building order cancellation are news coming out from engine makers Wartsila and MAN B&W who have warned of up to $2 billion new building engine cancellations or postponements. Additionally, massive order cancellations combined with financial difficulties have already led some shipyards to bankruptcy with the likeliness of more to follow. With 44% of 2009 and 42% of 2010 dry bulk orderbook placed in Greenfield and newly established yards, the number of additional cancellations to come could range from 30% to 50% of orderbook which will add to the number of already cancelled orders.

We continue to believe that the credit crunch has a cleansing effect by eliminating speculative ordering of vessels and providing supply constraints.

Turning to **slide 18**, this slide illustrates the current Chinese contributors to GDP which is expected have a growth of 8% supported by the $586 billion stimulus package. It is also expected that China will almost double investment in railroads to $88 billion in 2009 further stimulating growth in iron ore imports into the country.

The Chinese premier has announced the government's intet to support a GDP growth of 8%.

Lastly on this slide, in what maybe contrary to common belief, a small portion of Chinese GDP is dependent on exports.

Turning to **slide 19** illustrates iron ore stock piles and congestion in China. The global slowdown in shipping in the fourth quarter 2008 has resulted in a drop in iron ore inventories in China. Because of China's need and increase in steel making activity congestion of both Capesize and Panamax vessels in China has increased.

Slide 20, reiterates what we believe to be Star Bulks advantages as one of the better set of fundamentals in the dry bulk sector and the ability to provide long term shareholder value. We believe our stock represents itself with strong upside potential.

Thank you and I will now pass the floor over to the operator and if you have any questions we would be happy to answer them. **Please go ahead operator.**