

SEWARD & KISSEL LLP

Seward & Kissel advises Star Bulk
on its acquisition of 34 drybulk vessels from Excel Maritime

Seward & Kissel's Business Transactions Group
Focusing on Middle-Market Deals

On August 19, 2014, **Star Bulk Carriers Corp.** (NASDAQ:SBLK) announced an agreement to acquire 34 operating drybulk carriers from Excel Maritime Carriers Ltd. in a series of vessel closings expected to be completed by the end of 2014. The transaction enhances Star Bulk's position as the largest US-listed drybulk shipping company with a fleet of 103 vessels on a fully delivered basis. The \$634.91 million aggregate consideration for these vessel purchases will consist of an aggregate of 29.917 million shares of Star Bulk common stock and \$288.39 million in cash. **Seward & Kissel** was pleased to represent Star Bulk in this transformative transaction.

Star Bulk, with executive offices in Athens, Greece, is a global shipping company providing seaborne transportation solutions in the drybulk sector.

Seward & Kissel LLP (www.sewkis.com) is a leading New York law firm, originally established in 1890, offering legal advice emphasizing business, financial and commercial law and related litigation. The firm's Business Transactions Group handles middle-market M&A, private equity, venture capital and joint venture transactions involving a wide variety of industries. The firm is ranked as Highly Regarded for Corporate/M&A by Chambers USA and is recommended by The Legal 500 in the middle-market M&A category, stating that Seward & Kissel “advises on market-leading transactions within the industries where the firm has an international reputation, namely investment management and shipping” and “also handles complex middle-market deals in the media industry and international sell-side M&A.”

The press release describing this transaction is reproduced below for your information.



Athens, Greece

**will acquire 34 drybulk
vessels from**



Athens, Greece

Seward & Kissel
acted as counsel to Star Bulk

SEWARD & KISSEL LLP

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Star Bulk Agrees to Acquire 34 Drybulk Vessels

ATHENS, GREECE – August 19, 2014 – Star Bulk Carriers Corp. (“Star Bulk” or the “Company”) (NASDAQ: SBLK) announced today that it has entered into definitive agreements with Excel Maritime Carriers Ltd. (“Excel”) pursuant to which the Company will acquire 34 operating vessels (the “Vessels”) for an aggregate of 29.917 million shares of common stock of Star Bulk and \$288.39 million in cash (the “Vessel Purchase Transactions”).

Overview of the Vessel Purchase Transactions

Through the Vessel Purchase Transactions, the Company expects to acquire 34 secondhand drybulk carriers, consisting of 6 Capesize vessels, 14 sistership Kamsarmax vessels, 12 Panamax vessels and 2 Handymax vessels mainly built at shipyards in Japan. The Vessels will be acquired in a series of closings which the Company expects to complete by the end of 2014. The closings are expected to occur on a vessel-by-vessel basis, in general upon reaching port after their current voyages and cargoes are discharged.

Upon completion of the Vessel Purchase Transactions, Star Bulk’s position as the largest U.S listed dry bulk company will be further enhanced, with a fleet of 103 vessels on a fully delivered basis and aggregate cargo-carrying capacity of approximately 11.85 million deadweight tons. Star Bulk expects to use cash on hand, together with borrowings under a new \$231 million secured bridge loan facility extended to the Company by entities affiliated with the Company’s largest shareholder, Oaktree Capital Management, L.P. (the “Oaktree Investors”), and entities affiliated with Angelo Gordon & Co. (the “Angelo Gordon Investors”), both current Excel shareholders, to pay the cash portion of consideration in the Vessel Purchase Transactions. When the Vessel Purchase Transactions are completed, and the Star Bulk shares forming part of the consideration are distributed to Excel’s shareholders, the Oaktree Investors would own 57.3% of Star Bulk’s outstanding shares of common stock, and the Angelo Gordon Investors would own 7.8% of Star Bulk’s outstanding shares of common stock. The Vessel Purchase Transactions have been approved by the disinterested members of the Board of Directors of the Company, based upon the recommendation of a transaction committee of disinterested directors established by the Board of Directors of the Company, which considered the Vessel Purchase Transactions on behalf of the Company in coordination with the Company’s management team. The total consideration for the Vessel Purchase Transactions of \$634.91 million was determined based on the average of three vessel appraisals by independent vessel appraisers.

Benefits of the Transaction, upon completion:

- Enhances Star Bulk as the largest U.S. listed dry bulk company with a fleet of 103 vessels on a fully delivered basis with an aggregate cargo-carrying capacity of approximately

11.85 million deadweight tons, including 39 Capesize and Newcastlemax vessels and 20 Kamsarmax vessels (including 14 sisterships).

- Provides greater commercial presence and additional economies of scale on technical operations.
- Increases the total market capitalization of the Company's common stock from \$1.09 billion to \$1.49 billion, assuming 29.917 million shares of common stock issued in the Vessel Purchase Transactions, at the August 18, 2014 closing share price of \$13.12 per share.

Petros Pappas, Chief Executive Officer of Star Bulk Carriers Corp., commented: *“We are excited to announce these vessel purchases that, when completed, will expand our presence as the largest U.S. listed drybulk shipping company, and one of the largest dry bulk owners and operators globally. These transactions mark an important next step in the evolution of Star Bulk following our recent merger transaction with Oceanbulk. We believe that these vessel purchases are accretive to earnings and cash flow per share. We also believe that after these transactions are completed, Star Bulk will be well positioned to capitalize on an improving dry bulk shipping market with significant operating leverage to rising rates. Furthermore, as with our recent merger transaction with Oceanbulk, these transactions will preserve our cash resources, as it will be funded primarily with new equity determined on a net asset value to net asset value basis and a bridge loan from Oaktree and Angelo Gordon. This is consistent with our strategy to be an active consolidator in the dry bulk shipping industry, using moderate levels of debt.”*

Seward & Kissel LLP is serving as legal counsel to Star Bulk in connection with the Transaction, Paul, Weiss, Rifkind, Wharton & Garrison LLP is serving as counsel to Excel and to the Oaktree Investors, Willkie, Farr & Gallagher LLP is serving as counsel to the special committee of Excel's Board of Directors and to the Angelo Gordon Investors.

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. Following the completion of the Vessel Purchase Transactions, on a fully delivered basis, Star Bulk is expected to have a fleet of 103 vessels, with an aggregate capacity of approximately 11.85 million dwt, consisting primarily of Newcastlemax and Capesize as well as Kamsarmax, Ultramax and Supramax vessels. Star Bulk's fleet would include 67 operating vessels and 36 vessels under construction at shipyards in Japan and China with expected deliveries during 2014, 2015 and early 2016. 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.”

About Seward & Kissel LLP

Seward & Kissel LLP, founded in 1890, is a leading U.S. law firm with an international reputation for excellence. We have offices in New York City and Washington, D.C.

Our practice primarily focuses on corporate, litigation and restructuring/bankruptcy work for clients seeking legal expertise in the financial services, corporate finance and capital markets areas. The Firm is particularly well known for its representation of transportation companies (particularly in the shipping area), major commercial banks, investment banking firms,

investment advisers and related investment funds (including mutual funds and hedge funds), master servicers, servicers, investors, distressed trade brokers, liquidity providers, hedge fund administrators, broker-dealers and institutional investors.

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