

Star Bulk Carriers Corp.
Form F-3/A
May 31, 2012

Registration No. 333-180674

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

AMENDMENT NO. 1
TO
FORM F-3
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF
1933

STAR BULK CARRIERS CORP.
(Exact name of Registrant as specified in its charter)

Republic of The Marshall Islands
(State or other jurisdiction of
incorporation or organization)

N/A
(I.R.S. Employer
Identification No.)

Star Bulk Carriers Corp.
c/o Star Bulk Management Inc.
40 Agiou Konstantinou Str.
Maroussi 15124, Athens, Greece
011-30-210-617-8400 (telephone
number)
(Address and telephone number of
Registrant's principal executive
offices)

Seward & Kissel LLP
Attention: Robert E. Lustrin, Esq.
One Battery Park Plaza
New York, New York 10004
(212) 574-1223
(Name, address and telephone
number of agent for service)

Copies to:
Gary J. Wolfe, Esq.
Robert E. Lustrin, Esq.
Seward & Kissel LLP
One Battery Park Plaza
New York, New York 10004
(212) 574-1223 (telephone
number)
(212) 480-8421 (facsimile number)

Approximate date of commencement of proposed sale to the public: From time to time after this registration statement becomes effective as determined by market conditions and other factors.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a registration statement pursuant to General Instruction I.C. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box.

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.C. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box.

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered (1)	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Primary Offering			
Common Shares, par value \$0.01 per share			
Preferred Shares, par value \$0.01 per share			
Debt Securities (6)			
Guarantees (7)			
Warrants (8)			
Purchase Contracts (9)			
Rights (10)			
Units (11)			
Primary Offering Total		\$ 250,000,000(1)(2)	\$ 28,650(4)
Secondary Offering			
Common Shares, par value \$0.01 per share, to be offered by the selling shareholders	7,286,742	\$ 5,610,791(5)	\$ 643(5)
TOTAL	7,286,742	\$ 255,610,791	\$ 29,293(3)

- Such amount in U.S. dollars or the equivalent thereof in foreign currencies as shall result in an aggregate initial public offering price for all securities of \$250,000,000. Also includes such indeterminate amount of debt securities and common shares and preferred stock as may be issued upon conversion or exchange for any other debt securities or preferred stock that provide for conversion or exchange into other securities.
- Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(o) under the Securities Act of 1933. Pursuant to General Instruction II.C of Form F-3, the table does not specify by each class information as to the proposed maximum aggregate offering price. Any securities registered hereunder may be sold separately or as units with other securities registered hereunder. In no event will the aggregate offering price of all securities sold by Star Bulk Carriers Corp. pursuant to this registration statement exceed \$250,000,000.
- Pursuant to Rule 457(p) under the Securities Act of 1933, the registrant, Star Bulk Carriers Corp., hereby offsets the registration fee of \$29,293 required in connection with this registration statement by \$6,659, representing the amount of the registration fee associated with unsold securities, which registration fee was previously paid in connection with the filing of the Registration Statement on Form F-3 (333-156843) filed by the registrant on January 22, 2009. Accordingly, in connection with this registration statement, a registration fee of \$22,634 is being paid, of which \$22,500 was previously paid.
- Calculated in accordance with Rule 457(o) under the Securities Act of 1933.
- Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(c) under the Securities Act of 1933, as amended, based on the average of the high and low prices per share of the registrant's common shares as reported on the Nasdaq Global Select Market on May 29, 2012.
- If any debt securities are issued at an original issue discount, then the offering may be in such greater principal amount as shall result in a maximum aggregate offering price not to exceed \$250,000,000.
-

The debt securities may be guaranteed pursuant to guarantees by the subsidiaries of Star Bulk Carriers Corp. No separate compensation will be received for the guarantees. Pursuant to Rule 457(n), no separate fees for the guarantees are payable.

8. There is being registered hereunder an indeterminate number of warrants as may from time to time be sold at indeterminate prices not to exceed an aggregate offering price of \$250,000,000.
9. There is being registered hereunder an indeterminate number of purchase contracts as may from time to time be sold at indeterminate prices not to exceed an aggregate offering price of \$250,000,000.
10. There is being registered hereunder an indeterminate number of rights as may from time to time be sold at indeterminate prices not to exceed an aggregate offering price of \$250,000,000.
11. There is being registered hereunder an indeterminate number of units as may from time to time be sold at indeterminate prices not to exceed an aggregate offering price of \$250,000,000. Units may consist of any combination of the securities offered by Star Bulk Carriers Corp. registered hereunder.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

TABLE OF ADDITIONAL REGISTRANTS

Exact Name of Registrant as Specified in its Charter	Country of Formation	IRS Employer I.D. No.	Primary Standard Industrial Classification
Star Bulk Management Inc.	Marshall Islands	N/A	4412
Star Alpha LLC	Marshall Islands	N/A	4412
Star Beta LLC	Marshall Islands	N/A	4412
Star Gamma LLC	Marshall Islands	N/A	4412
Star Delta LLC	Marshall Islands	N/A	4412
Star Epsilon LLC	Marshall Islands	N/A	4412
Star Zeta LLC	Marshall Islands	N/A	4412
Star Theta LLC	Marshall Islands	N/A	4412
Star Kappa LLC	Marshall Islands	N/A	4412
Lamda LLC	Marshall Islands	N/A	4412
Star Omicron LLC	Marshall Islands	N/A	4412
Star Cosmo LLC	Marshall Islands	N/A	4412
Star Ypsilon LLC	Marshall Islands	N/A	4412

The information in this prospectus is not complete and may be changed. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy or sell these securities in any jurisdiction where the offer or sale is not permitted. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective.

PRELIMINARY PROSPECTUS

Subject to completion, dated May 30, 2012

\$250,000,000

Common Shares, Preferred Shares, Debt Securities,
Warrants, Purchase Contracts, Rights and Units

and

up to 7,286,742 of our Common Shares
offered by Selling Shareholders

STAR BULK CARRIERS CORP.

Through this prospectus, we may periodically offer:

- (1) common shares;
- (2) preferred shares;
- (3) our debt securities, which may be guaranteed by one or more of our subsidiaries;
- (4) our warrants;
- (5) our purchase contracts;
- (6) rights; and
- (7) our units.

We may also offer securities of the types listed above that are convertible or exchangeable into one or more of the securities listed above.

The aggregate offering price of all securities issued and sold by us under this prospectus may not exceed \$250,000,000. The securities issued under this prospectus may be offered directly or through underwriters, agents or dealers. The names of any underwriters, agents or dealers will be included in a supplement to this prospectus.

In addition, the selling shareholders named in this prospectus may sell in one or more offerings pursuant to this registration statement up to 7,286,742 of our common shares that were previously acquired in private transactions. The selling shareholders may sell any or all of these common shares on any stock exchange, market or trading facility on which the shares are traded or in privately negotiated transactions at fixed prices that may be changed, at market

prices prevailing at the time of sale or at negotiated prices. Information on the selling shareholders and the times and manners in which they may offer and sell our common shares is described under the sections entitled "Selling Shareholders" and "Plan of Distribution" in this prospectus. We will not receive any of the proceeds from the sale of our common shares by the selling shareholders.

Our common shares are listed on the Nasdaq Global Select Market under the symbol "SBLK".

An investment in these securities involves risks. See the section entitled "Risk Factors" on page 5 of this prospectus, and other risk factors contained in any applicable prospectus supplement and in the documents incorporated by reference herein and therein.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is , 2012

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Unless otherwise indicated, all references to "dollars" and "\$" in this prospectus are to, and amounts presented in, United States dollars and financial information presented in this prospectus that is derived from financial statements incorporated by reference is prepared in accordance with accounting principles generally accepted in the United States.

This prospectus is part of a registration statement that we filed with the U.S. Securities and Exchange Commission, or the Commission, using a shelf registration process. Under the shelf registration process, we may sell the common shares, preferred shares, debt securities and the related guarantees, warrants, purchase contracts, rights and units described in this prospectus in one or more offerings up to a total dollar amount of \$250,000,000. In addition, the selling shareholders may sell in one or more offerings pursuant to this registration statement up to an aggregate of 7,286,742 of our common shares. This prospectus provides you with a general description of the securities we or any selling shareholder may offer. We will provide updated information if required whenever we or a selling shareholder offers our securities pursuant to this prospectus. This may include a prospectus supplement that will describe the specific amounts, prices and terms of the offered securities. The prospectus supplement may also add, update or change the information contained in this prospectus. If there is any inconsistency between the information in this prospectus and any prospectus supplement, you should rely on the prospectus supplement. Before purchasing any securities, you should read carefully both this prospectus and any prospectus supplement, together with the additional information described below.

This prospectus and any prospectus supplement are part of a registration statement we filed with the Commission and do not contain all the information in the registration statement. Forms of the indenture and other documents establishing the terms of the offered securities are filed as exhibits to the registration statement. Statements in this prospectus or any prospectus supplement about these documents are summaries and each statement is qualified in all respects by reference to the document to which it refers. You should refer to the actual documents for a more complete description of the relevant matters. For further information about us or the securities offered hereby, you should refer to the registration statement, which you can obtain from the Commission as described below under "Where You Can Find Additional Information."

You should rely only on the information contained or incorporated by reference in this prospectus and in any prospectus supplement. We have not authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We will not make any offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus and the applicable supplement to this prospectus is accurate as of the date on its respective cover, and that any information incorporated by reference is accurate only as of the date of the document incorporated by reference, unless we indicate otherwise. Our business, financial condition, results of operations and prospects may have changed since those dates.

PROSPECTUS SUMMARY

This section summarizes some of the information that is contained in or incorporated by reference in this prospectus. As an investor or prospective investor, you should review carefully the more detailed information that appears later in this prospectus and the information incorporated by reference in this prospectus, including the section entitled "Risk Factors" in our Annual Report on Form 20-F for the year ended December 31, 2011, which was filed with the Commission on March 27, 2012.

Unless expressly stated otherwise, all references in this prospectus to "we," "us," "our," the "Company" or similar references mean Star Bulk Carriers Corp. and its subsidiaries. In addition, we use the term deadweight, or dwt, in describing the size of vessels. Dwt expressed in metric tons, each of which is equivalent to 1,000 kilograms, refers to the maximum weight of cargo and supplies that a vessel can carry.

Our Company

We are an international company providing worldwide transportation of drybulk commodities through our vessel-owning subsidiaries for a broad range of customers of major bulks, such as, coal, iron ore, and grains, and minor bulks, such as, bauxite, phosphate, fertilizers and steel products. We were incorporated in the Marshall Islands on December 13, 2006 as a wholly-owned subsidiary of Star Maritime Acquisition Corp., or Star Maritime. We merged with Star Maritime on November 30, 2007 and commenced operations on December 3, 2007, which was the date we took delivery of our first vessel.

We currently own and operate a fleet of 14 vessels consisting of six Capesize drybulk carriers and eight Supramax drybulk carriers with an average age of 10.2 years and a combined cargo carrying capacity of approximately 1,475,005 dwt. We currently charter nine of our vessels on medium- to long-term time charters with an average remaining term of approximately 2.2 years, while three of our vessels are currently employed on short-term time charters and two of our vessels on voyage charters. We consider these five vessels to be employed in the spot market.

Our Fleet

The following table presents certain information concerning our current fleet:

Vessel Name	Vessel Type	Size (dwt.)	Year Built	Daily Gross Hire Rate	Type/ Month of Contract Expiry
Star Aurora	Capesize	171,199	2000	\$ 27,500	Time charter/ July 2013
Star Big	Capesize	168,404	1996	\$ 25,000	Time charter/ November 2015
Star Borealis	Capesize	179,678	2011	\$ 24,750	Time charter/ July 2021
Star Mega	Capesize	170,631	1994	\$ 24,500	Time charter/ August 2014
Star Polaris (1)	Capesize	179,546	2011	\$ 16,500	Time charter/ October 2013
Star Sigma(2)(4)	Capesize	184,403	1991	Freight \$ 20.90/mt	Voyage charter/ Expected July 2012

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Star Cosmo (2)	Supramax	52,247	2005	\$	11,750	Time charter/ July 2012
Star Delta (2)	Supramax	52,434	2000	\$	11,000	Time charter / July 2012
Star Epsilon (2)	Supramax	52,402	2001	\$	12,000	Time charter / August, 2012
Star Gamma (3)	Supramax	53,098	2002	\$	14,050	Time charter/ July 2013
Star Kappa	Supramax	52,055	2001	\$	12,500	Time charter/ October 2012
Star Omicron (2)(5)	Supramax	53,489	2005	\$	Freight 28.30/mt	Voyage charter/ Expected May 2012
Star Theta	Supramax	52,425	2003	\$	14,100	Time charter/ September 2012
Star Zeta	Supramax	52,994	2003	\$	11,750	Time charter/ September 2012

1. Our charterer has an option to extend this time charter for one year at a gross daily rate of \$19,000.
2. For the purposes of this prospectus, we consider these vessels to be employed in the spot market as a result of the short expiry of their current charters.
3. Our charterer has an option to extend this time charter for one year at a gross daily rate of \$15,500.
4. Star Sigma is expected to transport 180,800 metric tons under the voyage charter.
5. Star Omicron is expected to transport 51,968 metric tons under the voyage charter.

Loan Covenants

Under our \$120.0 million loan agreement with Commerzbank AG, we are subject to customary covenants, including one to maintain a ratio of the market value of the vessels mortgaged as collateral to the outstanding borrowings of not less than 135%. We determined that as of December 31, 2011, the market value of the vessels mortgaged under the loan agreement was less than 135% of the amount of those borrowings as required. On January 30, 2012, we paid our next regularly scheduled quarterly payment of \$2.75 million and as a result maintained the required ratio of the market value of the vessels mortgaged as collateral to the outstanding borrowings of not less than 135%.

We determined as of December 31, 2011 that the market value of the vessels mortgaged under our \$31.0 million loan agreement with ABN AMRO Bank was less than the minimum required security cover, which requires the value of the mortgaged vessel plus any additional security to be at least 135% of outstanding borrowings. On January 26, 2012, we entered into an agreement with ABN AMRO Bank to amend (i) the minimum required security cover covenant from 135% to 100% and (ii) the leverage ratio, which is defined as the total liabilities of the borrower over the market value of all vessels owned, increased from 70% to 75%. Both amendments cover the period from January 26, 2012 to January 31, 2013. In addition, the interest margin was increased from 2.9% to 3.4% per annum during this period.

Management of the Fleet

We actively manage the deployment of our fleet on time charters, which generally can last up to several years, and on spot or voyage charters. We currently charter nine of our vessels on medium to long term time charters with an average remaining term of approximately 2.2 years, and employ five of our vessels in the spot market. Under time charters, the charterer pays voyage expenses such as port, canal and fuel costs. Under time, spot and voyage charters we pay for vessel operating expenses, which include crew costs, provisions, deck and engine stores, lubricating oil, insurance, maintenance and repairs, as well as for commissions. In all cases, we are responsible for the drydocking costs relating to each vessel. Our vessels operate worldwide within the trading limits imposed by our insurance terms and we do not operate our vessels in areas where United States, European Union or United Nations sanctions have been imposed.

As of May 28, 2012, we had fifty-three employees. Fifty-one of our employees, through Star Bulk Management Inc., or Star Bulk Management, and Starbulk S.A., were engaged in the day to day management of the vessels in our fleet. Star Bulk Management and Starbulk S.A. perform operational and technical management services for the vessels in our fleet, including chartering, marketing, capital expenditures, personnel, accounting, paying vessel taxes and maintaining insurance. Our Chief Executive Officer and Chief Financial Officer are also the senior management of Star Bulk Management. Star Bulk Management employs such number of additional shore-based executives and employees designed to ensure the efficient performance of its activities.

We reimburse and/or advance funds as necessary to Star Bulk Management and Starbulk S.A. in order for our managers to conduct their activities and discharge their obligations, at cost. We also maintain working capital reserves as may be agreed between us and Star Bulk Management from time to time.

Star Bulk Management, our wholly owned subsidiary, is responsible for the management of the vessels. Star Bulk Management's responsibilities include, inter alia, locating, purchasing, financing and selling vessels, deciding on capital expenditures for the vessels, paying vessels' taxes, negotiating charters for the vessels, managing the mix of various types of charters, developing and managing the relationships with charterers and the operational and technical managers of the vessels. Star Bulk Management subcontracts certain vessel management services to Star Bulk S.A.

Starbulk S.A., our wholly owned subsidiary, provides the technical and crew management of all of our vessels. Technical management includes maintenance, drydocking, repairs, insurance, regulatory and classification society compliance, arranging for and managing crews, appointing technical consultants and providing technical support. Prior to June 30, 2011, the technical and crew management for the Star Cosmo was provided by Union Commercial Inc., an unaffiliated ship management company. The agreement with Union Commercial was terminated on June 30, 2011. From June 30, 2011 onwards Star Bulk S.A. provides the crew and the technical management for all of our vessels.

On May 12, 2011, Starbulk S.A. entered into an agreement with Serenity Maritime Inc., an unaffiliated Marshall Islands company, for the commercial and technical management of the Serenity I, a 2006 built Supramax drybulk carrier formerly managed by Combine Marine Inc., a company founded by our Chairman. Pursuant to the terms of this management agreement, we receive a fixed management fee of \$750 per day for a one year term beginning on June 11, 2011 that will extend thereafter until terminated by either party upon two months prior written notice. This vessel is managed under the same strategy as the other vessels in our fleet.

Crewing

Star Bulk Management is responsible for recruiting, either directly or through a technical manager or a crew manager, the senior officers and all other crew members for the vessels in our fleet. Star Bulk Management has the responsibility to ensure that all seamen have the qualifications and licenses required to comply with international regulations and shipping conventions, and that the vessels are manned by experienced and competent and trained personnel. Star Bulk Management is also responsible for insuring that seafarers' wages and terms of employment conform to international standards or to general collective bargaining agreements to allow unrestricted worldwide trading of the vessels. Since January 19, 2010, Star Bulk Management and Starbulk S.A., our wholly owned subsidiaries, gradually started to provide in-house crewing management to our vessels. From June 30, 2011 onwards, Star Bulk Management and Starbulk S.A. provide the crewing management for all of our vessels.

Recent Developments

The Company received written notification from The NASDAQ Stock Market LLC ("Nasdaq") dated May 2, 2012 indicating that because the closing bid price of the Company's common stock for the previous 30 consecutive business days was below the minimum \$1.00 per share bid price requirement for continued listing on the Nasdaq Global Select Market, the Company is not in compliance with Nasdaq Listing Rule 5450(a)(1). The applicable grace period to regain compliance is 180 days.

This notification has no effect on the listing of the Company's common stock at this time. The Company intends to monitor the closing bid price of its common stock between now and October 29, 2012 and is considering its options in order to regain compliance with the Nasdaq minimum bid price requirement.

On May 9, 2012, the audit committee of the board of directors approved and signed the engagement letter appointing Ernst & Young (Hellas) Certified Auditors - Accountants S.A., or Ernst & Young, as the Company's independent registered public accounting firm for the year ending December 31, 2012. A resolution ratifying such appointment will be included in the proposals for the Company's next annual general meeting of shareholders. The audit committee approved the engagement of Ernst & Young following the expiration of the engagement letter with the Company's previous independent registered public accounting firm, Deloitte, Hadjipavlou, Sofianos & Cambanis S.A., or Deloitte.

Corporate Structure

Star Maritime was organized under the laws of the State of Delaware on May 13, 2005 as a blank check company formed to acquire, through a merger, capital stock exchange, asset acquisition or similar business combination, one or more assets or target businesses in the shipping industry. Star Maritime's common stock and warrants started trading on the American Stock Exchange under the symbols, SEA and SEA.WS, respectively, on December 21, 2005. Star Bulk was incorporated in the Republic of the Marshall Islands on December 13, 2006 as a wholly-owned subsidiary of Star Maritime.

On November 27, 2007, Star Maritime obtained shareholder approval for the acquisition of the initial fleet of eight drybulk carriers and for effecting a redomiciliation merger whereby Star Maritime merged with and into its wholly owned subsidiary at the time Star Bulk with Star Bulk as the surviving entity, or the Redomiciliation Merger. The Redomiciliation Merger was completed on November 30, 2007 as a result of which each outstanding share of Star Maritime common stock was converted into the right to receive one share of Star Bulk common stock and each outstanding warrant of Star Maritime was assumed by Star Bulk with the same terms and restrictions except that each became exercisable for common stock of Star Bulk. We commenced operations on December 3, 2007, which is the date we took delivery of our first vessel. During the period from Star Maritime's inception on May 13, 2005 to December 3, 2007, we were a development stage enterprise.

We own our vessels through separate wholly-owned subsidiaries that are incorporated in the Republic of the Marshall Islands.

We maintain our principal executive offices at c/o Star Bulk Management Inc., 40 Agiou Konstantinou Str., Maroussi 15124, Athens, Greece. Our telephone number at that address is 011-30-210-617-8400. We also maintain a website at www.starbulk.com. Information contained on our website does not constitute part of this prospectus.

The Securities We or the Selling Shareholders May Offer

We may use this prospectus to offer up to \$250,000,000 of our:

- common shares;
- preferred shares;
- debt securities, which may be guaranteed by one or more of our subsidiaries;
 - warrants;
 - purchase contracts;
 - rights; and
 - units.

We may also offer securities of the types listed above that are convertible or exchangeable into one or more of the securities listed above.

In addition, the selling shareholders named in this prospectus may sell in one or more offerings pursuant to this registration statement up to an aggregate of 7,286,742 of our common shares that were previously acquired in private transactions. We will not receive any of the proceeds from the sale of our common shares by the selling shareholders.

A prospectus supplement will describe the specific types, amounts, prices, and detailed terms of any of these offered securities and may describe certain risks in addition to those set forth below associated with an investment in the securities. Terms used in the prospectus supplement will have the meanings described in this prospectus, unless otherwise specified.

RISK FACTORS

An investment in our securities involves a high degree of risk. You should carefully consider the risks set forth below and the discussion of risks under the heading "Item 3. Key Information—D. Risk Factors" in our Annual Report on Form 20-F for the year ended December 31, 2011, filed with the Commission on March 27, 2012, and the other documents that are incorporated by reference in this prospectus, including the section entitled "Item 3. Key Information—D. Risk Factors" in future Annual Reports that summarize the risks that may materially affect our business, before making an investment in our securities. Please see the section of this prospectus entitled "Where You Can Find Additional Information—Information Incorporated by Reference." In addition, you should also consider carefully the risks set forth under the heading "Risk Factors" in any prospectus supplement before investing in the securities offered by this prospectus. The occurrence of one or more of those risk factors could adversely impact our business, financial condition or results of operations.

We may issue additional common shares or other equity securities without your approval, which would dilute your ownership interests and may depress the market price of our Common Shares.

We may issue additional common shares or other equity securities of equal or senior rank in the future in connection with, among other things, future vessel acquisitions, repayment of outstanding indebtedness or our equity incentive plan, without shareholder approval, in a number of circumstances.

Our issuance of additional common shares or other equity securities of equal or senior rank would have the following effects:

- our existing shareholders' proportionate ownership interest in us will decrease;
- the amount of cash available for dividends payable on our common shares may decrease;
- the relative voting strength of each previously outstanding common share may be diminished; and
 - the market price of our common shares may decline.

Our common stock could be delisted from the NASDAQ Global Select Market, which could negatively impact the price of our common stock and our ability to access the capital markets.

Our common stock is currently listed on the NASDAQ Global Select Market. Our ability to retain our listing is contingent upon compliance with NASDAQ listing requirements. The listing standards of the NASDAQ Global Select Market provide, among other things, that a company may be delisted if the bid price of its stock drops below \$1.00 for a period of 30 consecutive business days.

On May 2, 2012, we were notified by NASDAQ that we were no longer in compliance with NASDAQ Listing Rule 5450(a)(1) because the closing bid price of our common stock for 30 consecutive business days was below the minimum \$1.00 per share bid price requirement for continued listing on the NASDAQ Global Select Market. The applicable grace period to regain compliance is 180 days. This notification has no effect on the listing of the Company's common stock at this time. The Company intends to monitor the closing bid price of its common stock between now and October 29, 2012 and is considering its options in order to regain compliance with the Nasdaq minimum bid price requirement.

However, if the closing bid price of our common stock does not reach \$1.00 per share for ten consecutive business days, our common stock listing may be moved to the NASDAQ Capital Market, which is a lower tier market,

or our common stock may be delisted and traded on the over-the-counter bulletin board network. Moving our listing to the NASDAQ Capital Market could adversely affect the liquidity of our common stock and the delisting of our common stock would significantly affect the ability of investors to trade our securities and could significantly negatively affect the value of our common stock. In addition, the delisting of our common stock could further depress our stock price and materially adversely affect our ability to raise further capital on terms acceptable to us, or at all. Delisting from NASDAQ could also have other negative results, including the potential loss of confidence by suppliers and employees, the loss of institutional investor interest and fewer business development opportunities.

CAUTIONARY STATEMENT REGARDING FORWARD LOOKING STATEMENTS

This prospectus includes "forward-looking statements," as defined by U.S. federal securities laws, with respect to our financial condition, results of operations and business and our expectations or beliefs concerning future events. Words such as, but not limited to, "believe," "expect," "anticipate," "estimate," "intend," "plan," "targets," "projects," "likely," "will," "would," "could" and similar expressions or phrases may identify forward-looking statements.

All forward-looking statements involve risks and uncertainties. The occurrence of the events described, and the achievement of the expected results, depend on many events, some or all of which are not predictable or within our control. Actual results may differ materially from expected results.

In addition, important factors that, in our view, could cause actual results to differ materially from those discussed in the forward-looking statements include; (i) the strength of world economies; (ii) fluctuations in currencies and interest rates; (iii) general market conditions, including fluctuations in charterhire rates and vessel values; (iv) changes in demand in the drybulk shipping industry, including the market for our vessels; (v) changes in the Company's operating expenses, including bunker prices, drydocking and insurance costs; (vi) changes in governmental rules and regulations or actions taken by regulatory authorities; (vii) potential liability from pending or future litigation; (viii) general domestic and international political conditions; (ix) potential disruption of shipping routes due to accidents or political events; (x) the availability of financing and refinancing; (xi) vessel breakdowns and instances of off-hire; and (xii) other important factors described from time to time in the reports filed by the Company with the the Commission. 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 hereof.

We have based these statements on assumptions and analyses formed by applying our experience and perception of historical trends, current conditions, expected future developments and other factors we believe are appropriate in the circumstances. All future written and verbal forward-looking statements attributable to us or any person acting on our behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. We undertake no obligation, and specifically decline any obligation, except as required by law, to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this prospectus might not occur.

See the section entitled "Risk Factors," on page 5 of this prospectus for a more complete discussion of these risks and uncertainties and for other risks and uncertainties. These factors and the other risk factors described in this prospectus are not necessarily all of the important factors that could cause actual results or developments to differ materially from those expressed in any of our forward-looking statements. Other unknown or unpredictable factors also could harm our results. Consequently, there can be no assurance that actual results or developments anticipated by us will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, us. Given these uncertainties, prospective investors are cautioned not to place undue reliance on such forward-looking statements.

RATIO OF EARNINGS TO FIXED CHARGES

The following table sets forth our unaudited ratio of earnings to fixed charges for each of the preceding five fiscal years ended December 31.(1)

(dollars in thousands)	Year Ended December 31,				
	2011	2010	2009	2008	2007
Earnings:					
Income (loss) before income taxes	\$ (69,559)	\$ (5,131)	\$ (58,415)	\$ 133,738	\$ 3,420
Plus:					
Fixed charges	7,236	6,291	9,567	9,889	-
Amortization of capitalized interest	22	-	-	-	-
Less:					
Interest capitalized	(1,901)	(644)	-	-	-
Total Earnings	\$ (64,202)	\$ 516	\$ (48,848)	\$ 143,627	\$ 3,420
Fixed Charges:					
Interest expensed and capitalized, including amortization and write-off of capitalized expenses relating to indebtedness	\$ 7,236	\$ 6,291	\$ 9,567	\$ 9,889	\$ -
Total Fixed Charges	\$ 7,236	\$ 6,291	\$ 9,567	\$ 9,889	\$ -
Ratio of Earnings to Fixed Charges(2).	-	0.08x	-	14.52x	N/A

(1) As of May 28, 2012, we have not issued any preferred stock. Accordingly, the ratio of earnings to consolidated fixed charges and preference dividends is equivalent to the ratio of earnings to fixed charges.

(2) Our earnings for the years ended December 31, 2011, 2010 and 2009 were inadequate to cover fixed charges. Additional earnings of \$71,438, \$5,775 and \$58,415, respectively, would have been necessary to bring the ratio to 1.0.

USE OF PROCEEDS

Unless we specify otherwise in any prospectus supplement, we may use the net proceeds from the sale of securities offered by this prospectus for capital expenditures, repayment of indebtedness, working capital, to make vessel or other acquisitions or for general corporate purposes or combination thereof. We will not receive any proceeds from sales by selling shareholders.

PER SHARE MARKET PRICE INFORMATION

Since December 3, 2007, shares of our common stock have traded on the Nasdaq Global Select Market under the symbol "SBLK." You should carefully review the high and low prices of Star Bulk common shares in the tables for the months, quarters and years indicated under the heading Item 9. "The Offer and Listing" in our annual report on Form 20-F for the year ended December 31, 2011, which is incorporated by reference herein.

The table below sets forth the high and low prices for each of the periods indicated for our shares of common stock as reported by the NASDAQ Global Select Market.

	High	Low
May (through May 28, 2012)	\$1.00	\$0.71
April 2012	\$1.00	\$0.86
March 2012	\$1.04	\$0.88

CAPITALIZATION

The following table sets forth our capitalization table as of December 31, 2011, on

- on an Actual basis; and
- and on As adjusted basis, as of May 28, 2012 to give effect to:
 - repayment of \$5.5 million of debt under our \$120.0 million loan agreement with Commerzbank AG;
 - repayment of \$1.0 million of debt under our \$26.0 million loan agreement with Commerzbank AG;
 - repayment of \$2.0 million of debt under our \$70.0 million loan agreement with Credit Agricole Corporate and Investment Bank;
 - repayment of \$2.8 million of debt under our \$31.0 million loan agreement with ABN AMRO BANK N.V.;
 - repayment of \$11.9 million of debt under our \$64.5 million loan agreement with HSH NORDBANK AG;
 - the issuance in April 2012 of 80,000 shares, which vested in August 2011, to our former Chief Financial Officer upon his resignation from our board of directors on August 31, 2011 pursuant to the terms of his severance agreement with us;
 - the issuance in April 2012 of 1,360,000 shares, which vested on March 30, 2012, that were awarded to certain directors, officers, and employees of the Company and its subsidiaries under our 2010 and 2011 Equity Incentive Plans, and the issuance of 140,000 shares that were awarded to Mr. Spyros Capralos, our Chief Executive Officer under the 2011 Equity Incentive Plan, pursuant to the terms of his consultancy agreement.
 - the cancellation of 725,957 treasury shares, which we repurchased during 2012, in the open market for an aggregate purchase price of \$0.7 million, pursuant to the terms of our existing share repurchase plan;
 - the payment of a cash dividend of \$0.015 per common share, or \$1.2 million, for the three months ended December 31, 2011, which was paid on March 6, 2012 to shareholders of record as of February 28, 2012.

You should read the information below in connection with the consolidated financial statements and related notes included in our annual report on Form 20-F, filed with the Commission on March 27, 2012. There have been no significant changes to our capitalization since December 31, 2011, as so adjusted.

(dollars in thousands except per share and share data)	As of December 31, 2011	
	Actual	As adjusted
Capitalization:		
Total debt (including current portion) (1)	266,140	243,063
Preferred shares, \$0.01 par value; 25,000,000 shares authorized, none issued, "Actual" and "As adjusted".	-	-
Common shares, \$0.01 par value; 300,000,000 shares authorized 80,358,360 shares issued and outstanding "Actual", 81,212,403 shares issued and outstanding "As adjusted"	804	813
Additional paid in capital (2)	519,511	518,788

Accumulated deficit(2)	(86,102)	(87,303)
Total stockholders' equity	434,213	432,298
Total capitalization	700,353	675,361

(1) All of our debt is secured.

(2) The As adjusted Additional paid in capital and the Accumulated deficit do not include the incentive plan charge from January 1, 2012 to May 28, 2012, amounting to \$1.376 million.

DILUTION

Information about the amount by which the offering price of our common shares issued pursuant to this prospectus exceeds the net tangible book value per share of our common shares following such issuance will be included in a prospectus supplement.

ENFORCEABILITY OF CIVIL LIABILITIES

We are a Marshall Islands company, and our principal executive office is located outside of the United States in Greece. Some of our directors, officers and the experts named in this registration statement reside outside the United States. In addition, a substantial portion of our assets and the assets of certain of our directors, officers and experts are located outside of the United States. As a result, you may have difficulty serving legal process within the United States upon us or any of these persons. You may also have difficulty enforcing, both in and outside the United States, judgments you may obtain in United States courts against us or these persons.

PLAN OF DISTRIBUTION

We may sell or distribute the securities included in this prospectus and the selling shareholders may sell our common shares through underwriters, through agents, to dealers, in private transactions, at market prices prevailing at the time of sale, at prices related to the prevailing market prices, or at negotiated prices.

In addition, we may sell some or all of our securities and the selling shareholders may sell our common shares included in this prospectus through:

- a block trade in which a broker-dealer may resell a portion of the block, as principal, in order to facilitate the transaction;
 - purchases by a broker-dealer, as principal, and resale by the broker-dealer for its account; or
 - ordinary brokerage transactions and transactions in which a broker solicits purchasers; or
- trading plans entered into by the selling shareholder pursuant to Rule 10b5-1 under the Securities Exchange Act of 1934, as amended, or the Exchange Act, that are in place at the time of an offering pursuant to this prospectus and any applicable prospectus supplement hereto that provide for periodic sales of their securities on the basis of parameters described in such trading plans.

In addition, we or the selling shareholders may enter into option or other types of transactions that require us or them to deliver our securities to a broker-dealer, who will then resell or transfer the securities under this prospectus. We or any selling shareholder may enter into hedging transactions with respect to our securities. For example, we or any selling shareholder may:

- enter into transactions involving short sales of our common shares by broker-dealers;
- sell common shares short and deliver the shares to close out short positions;
- enter into option or other types of transactions that require us or the selling shareholder to deliver common shares to a broker-dealer, who will then resell or transfer the common shares under this prospectus; or
- loan or pledge the common shares to a broker-dealer, who may sell the loaned shares or, in the event of default, sell the pledged shares.

We or any selling shareholder may enter into derivative transactions with third parties, or sell securities not covered by this prospectus to third parties in privately negotiated transactions. If the applicable prospectus supplement indicates, in connection with those derivatives, the third parties may sell securities covered by this prospectus and the applicable prospectus supplement, including in short sale transactions. If so, the third party may use securities pledged by us or any selling shareholder or borrowed from us, any selling shareholder or others to settle those sales or to close out any related open borrowings of stock, and may use securities received from us or any selling shareholder in settlement of those derivatives to close out any related open borrowings of stock. The third party in such sale transactions will be an underwriter and, if not identified in this prospectus, will be identified in the applicable prospectus supplement (or a post-effective amendment). In addition, we or any selling shareholder may otherwise loan or pledge securities to a financial institution or other third party that in turn may sell the securities short using this prospectus. Such financial institution or other third party may transfer its economic short position to investors in our securities or in connection with a concurrent offering of other securities.

The selling shareholders and any broker-dealers or other persons acting on our behalf or on the behalf of the selling shareholders that participate with us or the selling shareholders in the distribution of the securities may be deemed to be underwriters and any commissions received or profit realized by them on the resale of the securities may be deemed to be underwriting discounts and commissions under the Securities Act of 1933, as amended, or the Securities Act. As a result, we have informed the selling shareholders that Regulation M, promulgated under the Exchange Act, may apply to sales by the selling shareholders in the market. The selling shareholders may agree to indemnify any broker, dealer or agent that participates in transactions involving the sale of our common shares against certain liabilities, including liabilities arising under the Securities Act.

As of May 28, 2012, we are not a party to any agreement, arrangement or understanding between any broker or dealer and us with respect to the offer or sale of the securities pursuant to this prospectus.

At the time that any particular offering of securities is made, to the extent required by the Securities Act, a prospectus supplement will be distributed, setting forth the terms of the offering, including the aggregate number of securities being offered, the purchase price of the securities, the initial offering price of the securities, the names of any underwriters, dealers or agents, any discounts, commissions and other items constituting compensation from us and any discounts, commissions or concessions allowed or re-allowed or paid to dealers. Furthermore, we, our executive officers, our directors and the selling shareholders may agree, subject to certain exemptions, that for a certain period from the date of the prospectus supplement under which the securities are offered, we and they will not, without the prior written consent of an underwriter, offer, sell, contract to sell, pledge or otherwise dispose of any of our common shares or any securities convertible into or exchangeable for our common shares. However, an underwriter, in its sole discretion, may release any of the securities subject to these lock-up agreements at any time without notice. We expect an underwriter to exclude from these lock-up agreements securities exercised and/or sold pursuant to trading plans entered into by any selling shareholder pursuant to Rule 10b5-1 under the Exchange Act, that are in place at the time of an offering pursuant to this prospectus and any applicable prospectus supplement hereto that provide for periodic sales of the selling shareholders' securities on the basis of parameters described in such trading plans.

Underwriters or agents could make sales in privately negotiated transactions and/or any other method permitted by law, including sales deemed to be an at-the-market offering as defined in Rule 415 promulgated under the Securities Act, which includes sales made directly on or through the Nasdaq Global Select Market, the existing trading market for our common shares, or sales made to or through a market maker other than on an exchange.

We will bear costs relating to the securities offered and sold by us under this Registration Statement.

As a result of requirements of the Financial Industry Regulatory Authority, or FINRA, formerly the National Association of Securities Dealers, Inc., the maximum commission or discount to be received by any FINRA member or independent broker/dealer may not be greater than eight percent (8%) of the gross proceeds received by us or any selling shareholder for the sale of any securities being registered pursuant to Rule 415 promulgated by the Commission under the Securities Act. If more than 5% of the net proceeds of any offering of common shares made under this prospectus will be received by a FINRA member participating in the offering or affiliates or associated persons of such a FINRA member, the offering will be conducted in accordance with FINRA Rule 2720.

SELLING SHAREHOLDER

Based solely upon information furnished to us by the selling shareholders, the following table sets forth the identity and other information about the selling shareholders. The selling shareholders are offering an aggregate of up to 7,286,742 of our common shares, which were acquired in private transactions. The selling shareholders may sell some, all or none of their shares covered by this prospectus and as a result the actual number of shares that will be held by the selling shareholders upon termination of the offering may exceed the minimum number set forth in the table.

Selling Shareholder (1)	Common Shares Owned Prior to the Offering	Percentage of Class Prior to the Offering (2)	Total Common Shares Offered Hereby	Percentage of the Class Following the Offering
Petros Pappas (Chairman of the Board of Directors)	5,292,272	6.5%	5,292,272	0%
Koert Erhardt (Director)	393,471	*	393,471	0%
Prokopios (Akis) Tsirigakis	1,600,999	2.0%	1,600,999	0%

* less than one percent.

(1) The business address for each of Messrs. Petros Pappas and Koert Erhardt is c/o 40 Agiou Konstantinou Str., Maroussi 151 24, Athens, Greece and the business address for Mr. Prokopios (Akis) Tsirigakis is 90 Kifissias Avenue, Maroussi 151 25, Athens, Greece.

(2) Based on 81,212,403 shares outstanding as of May 28, 2012.

DESCRIPTION OF CAPITAL STOCK

Authorized Share Capital

Under our second amended and restated articles of incorporation, or our Articles, our authorized capital stock consists of 300,000,000 common shares, par value \$0.01 per share, and 25,000,000 preferred shares, par value \$0.01 per share, none of which were issued as of May 28, 2012. All of our shares of stock are in registered form.

Common Stock

As of May 28, 2012, we had 81,212,403 common shares outstanding out of 300,000,000 shares authorized to be issued. Each outstanding common share entitles the holder to one vote on all matters submitted to a vote of shareholders. Subject to preferences that may be applicable to any outstanding preferred shares, holders of common shares are entitled to receive ratably all dividends, if any, declared by our board of directors out of funds legally available for dividends. Upon our dissolution or liquidation or the sale of all or substantially all of our assets, after payment in full of all amounts required to be paid to creditors and to the holders of our preferred shares having liquidation preferences, if any, the holders of our common shares will be entitled to receive pro rata our remaining assets available for distribution. Holders of our common shares do not have conversion, redemption or preemptive rights to subscribe to any of our securities. The rights, preferences and privileges of holders of our common shares are subject to the rights of the holders of any preferred shares which we may issue in the future.

Share History

Star Maritime (our predecessor), was organized under the laws of the State of Delaware on May 13, 2005 as a blank check company formed to acquire, through a merger, capital stock exchange, asset acquisition or similar business combination, one or more assets or target businesses in the shipping industry. Following the formation of Star Maritime, our officers and directors were the holders of 9,026,924 shares of common stock representing all of our then issued and outstanding capital stock. On December 21, 2005, Star Maritime consummated its initial public offering of 18,867,500 units, at a price of \$10.00 per unit, each unit consisting of one share of Star Maritime common stock and one warrant to purchase one share of Star Maritime common stock at an exercise price of \$8.00 per share. In addition, Star Maritime completed during December 2005 a private placement of an aggregate of 1,132,500 units each unit consisting of one share of common stock and one warrant, to Mr. Tsirigakis, our former Chief Executive Officer and a former director, Mr. Syllantavos, our former Chief Financial Officer and a former director, Mr. Pappas our Chairman of the Board and Mr. Erhardt, one of our directors. The gross proceeds of the private placement of \$11.3 million were used to pay all fees and expenses of the initial public offering and as a result, the entire gross proceeds of the initial public offering amounting to \$188.7 million were deposited in a trust account maintained by American Stock Transfer & Trust Company. Star Maritime's common stock and warrants started trading on the American Stock Exchange under the symbols, SEA and SEA.WS, respectively on December 21, 2005.

On January 12, 2007, Star Maritime and the Company entered into definitive agreements to acquire a fleet of eight drybulk carriers with a combined cargo-carrying capacity of approximately 692,000 dwt. from certain subsidiaries of TMT. These eight drybulk carriers are referred to as the initial fleet. The aggregate purchase price specified in the Master Agreement by and among the Company, Star Maritime and TMT, or the Master Agreement, for the initial fleet was \$224.5 million in cash and 12,537,645 shares of our common stock, which were issued on November 30, 2007. As additional consideration for eight vessels, we agreed to issue 1,606,962 shares of our common stock to TMT in two installments as follows: (i) 803,481 additional shares of our common stock, no more than 10 business days following the filing of our Annual Report on Form 20-F for the year ended December 31, 2007, and (ii) 803,481 additional shares of our common stock, no more than 10 business days following the filing of our Annual Report on Form 20-F for the year ended December 31, 2008. The shares in respect of the first installment were issued to a

nominee of TMT on July 17, 2008 and the shares in respect of the second installment were issued to a nominee of TMT on April 28, 2009.

On November 2, 2007, the Commission declared effective our joint proxy/registration statement filed on Forms F-1/F-4 and on November 27, 2007 we obtained shareholder approval for the acquisition of the initial fleet and for effecting the Redomiciliation Merger as a result of which Star Maritime merged into the Company with Star Maritime merging out of existence and the Company being the surviving entity. Each share of Star Maritime common stock was exchanged for one share of the Company's common stock and each warrant of Star Maritime was assumed by the Company with the same terms and conditions except that each became exercisable for common stock of the Company. The Redomiciliation Merger became effective after stock markets closed on November 30, 2007 and the common shares and warrants of Star Maritime ceased trading on the American Stock Exchange under the symbols SEA and SEA.WS, respectively. The Company's shares and warrants started trading on the Nasdaq Global Select Market on December 3, 2007 under the ticker symbols SBLK and SBLKW, respectively. Immediately following the effective date of the Redomiciliation Merger, TMT and its affiliates owned 30.2% of our outstanding common stock. Mr. Nobu Su, a former member of our board of directors, exercises voting and investment control over the securities held of record by F5 Capital, a Cayman Islands corporation, which is a nominee of TMT. F5 Capital filed a Schedule 13D/A on July 29, 2008 reporting beneficial ownership of 7.0% of our outstanding common stock. All of our warrants expired worthless and ceased trading on the Nasdaq Global Select Market on March 15, 2010.

In 2008, our board of directors adopted a common share and warrant repurchase plan of up to an aggregate \$50.0 million. Under that repurchase plan, we paid an aggregate of \$13.4 million for 1,247,000 common shares and 1,362,500 warrants, which were cancelled and the common shares were removed from our share capital. In February 2010, our board of directors adopted a new share repurchase plan for up to \$30.0 million to be used for repurchasing our common shares until December 31, 2011. In August 2011, our board of directors decided to reinstate the share repurchase plan with the limitation of acquiring up to a maximum amount of \$3,000,000 of our common shares, at a maximum price of \$1.30 per share. In November 2011, our board of directors extended the share repurchase plan until December 31, 2012. As of May 28, 2012, we repurchased 725,957 shares at an average price of \$0.98 per share, and have \$2.3 million of remaining capacity under the existing repurchase plan. All repurchased shares will be cancelled and removed from the Company's share capital. As of January 20, 2009, management and the directors reinvested the cash portion of their dividend for the quarter ended September 30, 2008 into 818,877 newly issued shares as part of a private placement. This reinvestment was conducted at the same weighted average price as the stock portion of such dividend. Management and the directors effectively invested the full amount of the dividend in the form of newly issued shares.

On July 22, 2011, we offered and sold 16,700,000 common shares in an underwritten public offering at a public offering price of \$1.80 per share, less underwriting discounts. We received net proceeds before expenses of approximately \$28.8 million.

On August 31, 2011, we adopted an equity incentive plan, which we refer to as the 2011 Equity Incentive Plan, under which officers, key employees, directors and consultants of the Company and its subsidiaries will be eligible to receive options to acquire shares of common stock, stock appreciation rights, restricted stock and other stock-based or stock-denominated awards. We reserved a total of 2,000,000 shares of common stock for issuance under the plan, subject to adjustment for changes in capitalization as provided in the plan. The purpose of the 2011 Equity Incentive Plan is to encourage ownership of shares by, and to assist us in attracting, retaining and providing incentives to, our officers, key employees, directors and consultants whose contributions to us are or may be important to our success and to align the interests of such persons with our stockholders. The various types of incentive awards that may be issued under the 2011 Equity Incentive Plan enable us to respond to changes in compensation practices, tax laws, accounting regulations and the size and diversity of its business. The plan is administered by our compensation committee, or such other committee of our board of directors as may be designated by the board to administer the plan. The plan permits grants of options to purchase common stock, stock appreciation rights, restricted stock, restricted stock units and unrestricted stock.

Under the terms of the plan, stock options and stock appreciation rights granted under the plan will have an exercise price per common share equal to the fair market value of a common share on the date of grant, unless otherwise determined by the plan administrator, but in no event will the exercise price be less than the fair market value of a common share on the date of grant. Options and stock appreciation rights are exercisable at times and under conditions as determined by the plan administrator, but in no event will they be exercisable later than ten years from the date of grant.

The plan administrator may grant shares of restricted stock and awards of restricted stock units subject to vesting and forfeiture provisions and other terms and conditions as determined by the plan administrator. Upon the vesting of a restricted stock unit, the award recipient will be paid an amount equal to the number of restricted stock units that then vest multiplied by the fair market value of a common share on the date of vesting, which payment may be paid in the form of cash or common shares or a combination of both, as determined by the plan administrator. The plan administrator may grant dividend equivalents with respect to grants of restricted stock units.

Adjustments may be made to outstanding awards in the event of a corporate transaction or change in capitalization or other extraordinary event. In the event of a "change in control" (as defined in the plan), unless otherwise provided by

the plan administrator in an award agreement, awards then outstanding shall become fully vested and exercisable in full.

The Board may amend or terminate the plan and may amend outstanding awards, provided that no such amendment or termination may be made that would materially impair any rights, or materially increase any obligations, of a grantee under an outstanding award. Stockholder approval of plan amendments may be required in certain definitive, pre-determined circumstances if required by applicable rules of a national securities exchange or the Commission. Unless terminated earlier by the board of directors, the plan will expire ten years from the date on which the plan was adopted by the board of directors.

In 2007 and 2010, we adopted the 2007 Equity Incentive Plan and the 2010 Equity Incentive Plan, respectively, and reserved for issuance 2,000,000 shares of our common stock under each plan. The terms and conditions of the 2007 and 2010 Equity Incentive Plans are substantially similar to those of the 2011 Equity Incentive Plan. All of the shares that were reserved for issuance under the 2007 Equity Incentive Plan were issued and those grants remain in full force and effect.

Pursuant to the 2007 and 2010 Equity Incentive Plans, we have issued the following securities:

- On December 3, 2007, 90,000 restricted non-vested common shares to Prokopios (Akis) Tsirigakis, our former President and Chief Executive Officer, subject to applicable vesting of 30,000 common shares on each of July 1, 2008, 2009 and 2010;
- On December 3, 2007, 75,000 restricted non-vested common shares to George Syllantavos, our former Chief Financial Officer, subject to applicable vesting of 25,000 common shares on each of July 1, 2008, 2009 and 2010;
- On March 31, 2008, 150,000 restricted non-vested common shares to Peter Espig, our Director, subject to applicable vesting of 75,000 common shares on each of April 1, 2008 and 2009;
- On December 5, 2008, an aggregate of 130,000 restricted non-vested common shares to all of our employees and an aggregate of 940,000 non-vested restricted common shares to the members of our board of directors. All of these shares vested on January 31, 2009;
- On February 4, 2010, an aggregate of 115,600 restricted non-vested common shares to all of our employees subject to applicable vesting of 69,360 common shares on June 30, 2010 and 46,240 common shares on June 30, 2011;
- On February 24, 2010, an aggregate of 980,000 restricted non-vested common shares to the members of our board of directors subject to applicable vesting of 490,000 common shares on each of June 30 and September 30, 2010;
- On October 20, 2010, an aggregate of 1,070,000 restricted non-vested common shares to the members of our board of directors and 140,000 restricted non-vested common shares to all of our employees. All of these shares vested on December 31, 2010;
- On May 18, 2011, an aggregate of 248,000 restricted non-vested common shares to Mr. George Syllantavos, our former Chief Financial Officer pursuant to an agreement dated May 12, 2011 covering the terms of his severance. All of these shares vested on August 31, 2011; and
- On April 6, 2012, we issued 80,000 restricted common shares, which vested on August 31, 2011, to Mr. George Syllantavos upon his resignation from our board of directors on August 31, 2011.
- On April 20, 2012, we issued 1,360,000 restricted common shares, which vested on March 30, 2012, to certain directors, officers, employees of the Company and its subsidiaries under our 2010 and 2011 Equity Incentive Plans, and we issued 140,000 shares to Mr. Spyros Capralos, our Chief Executive Officer, under our 2011 Equity Incentive Plan pursuant to the terms of his consulting agreement effective as of February 7, 2011.

We plan to issue two more installments of 140,000 shares to Mr. Spyros Capralos in February 2013 and February 2014, provided he remains employed by the Company, in accordance with the terms of his consulting agreement.

As of May 28, 2012, 481,400 common shares are available for issuance under the 2011 Equity Incentive Plan.

In May 2012, we cancelled 725,957 treasury shares, which we repurchased during 2012, in the open market for an aggregate purchase price of \$0.7 million, pursuant to the terms of our existing share repurchase plan

Preferred Stock

Under the terms of our Articles, our board of directors has the authority, without any further vote or action by our shareholders, to issue up to 25,000,000 preferred shares. Our board of directors is authorized to provide for the issuance of preferred shares in one or more series with designations as may be stated in the resolution or resolutions

providing for the issue of such shares of preferred stock. At the time that any series of our preferred shares are authorized, our board of directors will fix the dividend rights, any conversion rights, any voting rights, redemption provisions, liquidation preferences and any other rights, preferences, privileges and restrictions of that series, as well as the number of shares constituting that series and their designation. Our board of directors could, without stockholder approval, cause us to issue preferred shares which have voting, conversion and other rights that could adversely affect the holders of our common shares or make it more difficult to effect a change in control. Our preferred shares could be used to dilute the share ownership of persons seeking to obtain control of us and thereby hinder a possible takeover attempt which, if our stockholders were offered a premium over the market value of their shares, might be viewed as being beneficial to our stockholders. In addition, our preferred shares could be issued with voting, conversion and other rights and preferences which would adversely affect the voting power and other rights of holders of our common shares. Our board of directors may issue preferred shares on terms calculated to discourage, delay or prevent a change of control in us or the removal of our management.

Directors

Our directors are elected by the affirmative vote of a majority of the shares of stock represented at the meeting. There is no provision for cumulative voting.

Our board of directors must consist of at least three members. Shareholders may change the number of directors only by amending the bylaws which requires the affirmative vote of holders of 70% or more of the outstanding shares of capital stock entitled to vote generally in the election of directors. The board of directors may change the number of directors only by a vote of not less than 66 2/3% of the entire board of directors. At each annual meeting, directors to replace those directors whose terms expire at such annual meeting shall be elected to hold office until the third succeeding annual meeting. Each director shall serve his respective term of office until his successor shall have been duly elected and qualified, except in the event of his death, resignation, removal, or the earlier termination of his term of office. Our board of directors has the authority to fix the amounts which shall be payable to the members of the board of directors for attendance at any meeting or for services rendered to us.

Interested Transactions

Our Amended and Restated Bylaws, or Bylaws, provide that no contract or transaction between the Company and one or more of its directors or officers, or between the Company and any other corporation, partnership, association or other organization in which one or more of our directors or officers are directors or officers, or have a financial interest, shall be void or voidable solely for this reason, or solely because the director or officer is present at or participates in the meeting of our board of directors or committee thereof which authorizes the contract or transaction, or solely because his or her or their votes are counted for such purpose, if: (i) the material facts as to his or her relationship or interest and as to the contract or transaction are disclosed or are known to our board of directors or the committee and our board of directors or committee in good faith authorizes the contract or transaction by the affirmative votes of a majority of the disinterested directors, or, if the votes of the disinterested directors are insufficient to constitute an act of our board of directors as defined in Section 55 of the BCA, by unanimous vote of the disinterested directors; or (ii) the material facts as to his relationship or interest and as to the shareholders entitled to vote thereon, and the contract or transaction is specifically approved in good faith by vote of the shareholders; or (iii) the contract or transaction is fair as to the Company as of the time it is authorized, approved or ratified, by our board of directors, a committee thereof or the shareholders. Common or interested directors may be counted in determining the presence of a quorum at a meeting of our board of directors or of a committee which authorizes the contract or transaction.

Shareholder Meetings

Under our Bylaws, annual shareholder meetings will be held at a time and place selected by our board of directors. The meetings may be held in or outside of the Marshall Islands. Our board of directors may set a record date between 10 and 60 days before the date of any meeting to determine the shareholders that will be eligible to receive notice and vote at the meeting.

Dissenters' Rights of Appraisal and Payment

Under the BCA, our shareholders have the right to dissent from various corporate actions, including any merger or consolidation or sale of all or substantially all of our assets not made in the usual course of our business, and receive payment of the fair value of their shares. However, the right of a dissenting shareholder to receive payment of the appraised fair value of his shares is not available under the BCA for the shares of any class or series of stock, which shares or depository receipts in respect thereof, at the record date fixed to determine the shareholders entitled to receive notice of and to vote at the meeting of the shareholders to act upon the agreement of merger or consolidation,

were either (i) listed on a securities exchange or admitted for trading on an interdealer quotation system or (ii) held of record by more than 2,000 holders. In the event of any further amendment of our amended and restated articles of incorporation, a shareholder also has the right to dissent and receive payment for the shareholder's shares if the amendment alters certain rights in respect of those shares. The dissenting shareholder must follow the procedures set forth in the BCA to receive payment. In the event that we and any dissenting shareholder fail to agree on a price for the shares, the BCA procedures involve, among other things, the institution of proceedings in any appropriate court in any jurisdiction in which our shares are primarily traded on a local or national securities exchange.

Shareholders' Derivative Actions

Under the BCA, any of our shareholders may bring an action in our name to procure a judgment in our favor, also known as a derivative action, provided that the shareholder bringing the action is a holder of our common shares both at the time the derivative action is commenced and at the time of the transaction to which the action relates.

Limitations on Liability and Indemnification of Officers and Directors

The BCA authorizes corporations to limit or eliminate the personal liability of directors and officers to corporations and their shareholders for monetary damages for breaches of directors' fiduciary duties. Our Articles and Bylaws include a provision that eliminates the personal liability of directors for monetary damages for actions taken as a director to the fullest extent permitted by law.

Our Bylaws provide that we must indemnify our directors and officers to the fullest extent authorized by law. We are also expressly authorized to advance certain expenses (including attorneys' fees and disbursements and court costs) to our directors and officers and carry directors' and officers' insurance policies providing indemnification for our directors, officers and certain employees for some liabilities. We believe that these indemnification provisions and insurance are useful to attract and retain qualified directors and executive officers.

The limitation of liability and indemnification provisions in our Articles and Bylaws may discourage shareholders from bringing a lawsuit against directors for breach of their fiduciary duty. These provisions may also have the effect of reducing the likelihood of derivative litigation against directors and officers, even though such an action, if successful, might otherwise benefit us and our shareholders. In addition, your investment may be adversely affected to the extent we pay the costs of settlement and damage awards against directors and officers pursuant to these indemnification provisions.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons, we have been advised that in the opinion of the Securities and Exchan