

## **Songa Bulk ASA enters into an agreement to combine its fleet with Star Bulk**

Songa Bulk ASA ("**Songa**") has on 14 May 2018 entered into an agreement with Star Bulk Carriers Ltd. ("**Star Bulk**", listed on NASDAQ Global Select Market with ticker "**SBLK**"), regarding the sale of all of Songa's vessels against a consideration of 13,688,000 shares (the "**Consideration Shares**") of Star Bulk and USD 144.55 million in cash (the "**Transaction**"). In addition Star Bulk will acquire and cancel Songa's outstanding warrant program for 37k shares of Star Bulk and USD 450k in cash.

Star Bulk will finance the cash portion of the Transaction through proceeds of a new five-year capital lease with China Merchants Bank Leasing. The sale of Songa's vessels will constitute a mandatory prepayment event under Songa's existing bond loan. Songa will use the cash proceeds to repay the bond loan on completion at the mandatory prepayment price.

Star Bulk intends to apply for a secondary listing of its common shares for trading on Oslo Børs and have such listing effective concurrent with the closing of the Transaction. The Consideration Shares will be freely tradeable in Oslo, but restricted from trading in the U.S., including through the Nasdaq Global Select Market, for a period of six months following the distribution of the Consideration Shares to Songa unless they are sold pursuant to a transaction exempt from, or not subject to, registration under the Securities Act of 1933, as amended. Following the six month period the Consideration Shares will be freely tradable on Star Bulk's Oslo and Nasdaq listing.

Songa's board will propose to distribute the Consideration Shares to the shareholders of Songa as soon as practically possible. Any residual cash, after repayment of the bond loan, transaction costs and costs necessary to operate Songa until it is liquidated or otherwise discontinued, will be distributed to the shareholders as soon as possible. The distribution of the Consideration Shares will be subject to Songa's shareholders completing a status confirmation letter to comply with SEC regulations.

As part of the transaction Mr. Arne Blystad will join the Board of Directors of Star Bulk and Mr. Herman Billung will join Star Bulk's management team where he will contribute his ~30 years of dry bulk and capital market experience.

**Arne Blystad, Chairman of Songa Bulk, commented:** *"We are excited to take part in creating one of the leading dry bulk companies globally. The Transaction further enhances Songa shareholders' exposure to an expected continued strengthening of the dry bulk market, allowing for economies of scale from a 108 vessels combined fleet, attractive leverage profile and increased stock liquidity. A dual listing of the combined entity will open the company to a wider investor base and should benefit all stakeholders."*

**Petros Pappas, Chief Executive Officer of Star Bulk, commented:** *"I am very pleased that Star Bulk is acquiring a high quality, modern fleet from Songa Bulk. Through the acquisition we will also add further industry and capital markets expertise to Star Bulk's board and management through appointing Mr. Arne Blystad to our Board and including Mr. Herman Billung as part of our management team, expanding our presence in the Scandinavian investor market. Star Bulk will continue to be a consolidator in the dry bulk industry and expect that the acquisitions will provide Star Bulk with further synergies and economies of scale."*

Completion of the Transaction remains subject to, among other things, approval from the general meeting of Songa with a 2/3 majority of the votes cast. Companies controlled by Arne Blystad, Magnus Roth and Herman Billung, in total representing ~29% of the shares of Songa, have committed to vote in favour of the Transaction on terms customary for such undertakings. Completion is also conditional upon customary regulatory approvals being obtained.

A general meeting is expected to be held on or about 5 June 2018, and it is expected that the Transaction will close by Q3 2018. At the general meeting, the board will ask the shareholders to (i) approve the Transaction; and (ii) approve certain actions necessary to effect the distribution to its

shareholders, such as a reduction of the share capital of Songa and an authorisation to the board to distribute dividends based on the annual accounts of Songa.

The board will work to ensure any residual shareholder values in Songa can be realised or liquidate the company and distribute the remaining value to the shareholders.

Clarksons Platou Securities is serving as financial adviser to Star Bulk and Songa Bulk.

Seward & Kissel LLP is serving as U.S. legal counsel to Star Bulk and BAHR is serving as Norwegian counsel to Star Bulk in connection with the transaction. Wikborg Rein is serving as counsel to Songa.

### **Key information relating to the assets sold**

The assets being sold represent all of Songa's operations. Each vessel-owning subsidiary of Songa will sell a vessel and contribute the proceeds to the parent company. Existing management agreements and charters will be transferred to Star Bulk along with the vessel.

### **Key figures for Songa Bulk ASA:**

Profit and loss (all amounts in USD thousands)

	2017
Total operating revenue	28,435
Operating profit (-loss)	3,894
Net profit (-loss)	388

Balance sheet (all amounts in USD thousands)

	2017
Total assets	316,888
Equity	174,165

### **About Song Bulk**

Songa is an investment vehicle established to opportunistically invest in dry bulk assets. The company seeks to actively manage the cyclical nature of the dry bulk market by investing at low levels and subsequently focus on returning capital to shareholders. Currently, Songa owns 15 dry bulk vessels.

### **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 such as bauxite, fertilizers and steel products. Star Bulk was incorporated in the Marshall Islands on December 13, 2006 and maintains executive offices in Athens, Greece. Its common stock trades on the Nasdaq Global Market under the symbol "SBLK".

On a fully delivered basis, Star Bulk will have a fleet of 108 vessels, with an aggregate capacity of 12.26 million dwt, consisting of 17 Newcastlemax, 18 Capesize, 2 Mini Capesize, 7 Post Panamax, 35 Kamsarmax, 2 Panamax, 16 Ultramax and 11 Supramax vessels with carrying capacities between 52,055 dwt and 209,537 dwt.

For further information, please contact:

Herman Billung  
[hb@blystad.no](mailto:hb@blystad.no)

**This information is mandatory in accordance with the Norwegian Securities Trading Act Norway § 5-12.**