

Star Maritime Acquisition Corp.
Form PRER14A
May 24, 2007

[QuickLinks](#) -- Click here to rapidly navigate through this document

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

STAR MARITIME ACQUISITION CORP.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
- (1) Title of each class of securities to which transaction applies:
Common Stock of Star Bulk Carriers Corp.
Warrants of Star Bulk Carriers Corp.
-
- (2) Aggregate number of securities to which transaction applies:
29,026,924 shares of Common Stock of Star Bulk Carriers Corp. received in merger
20,000,000 Warrants of Star Bulk Carriers Corp. received in merger
20,000,00 shares of Common Stock of Star Bulk Carriers Corp. to be issued upon exercise of Warrants
-
- (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
Common Stock of Star Bulk Carriers Corp. received in merger: \$9.97/share

Edgar Filing: Star Maritime Acquisition Corp. - Form PRER14A

Warrant of Star Bulk Carriers Corp.: \$1.69/warrant
Common Stock of Star Bulk Carriers Corp. issued upon conversion of warrant:
\$8.00/share (based on conversion price)

(4) Proposed maximum aggregate value of transaction:
\$483,198,432.28

(5) Total fee paid:
\$14,834.19

ý Fee paid previously with preliminary materials.

o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

The information in this prospectus is not complete and may be changed. We may not sell these securities until the Securities and Exchange Commission declares our registration statement effective. This prospectus is not an offer to sell these securities and is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION DATED May 23, 2007

**PROXY STATEMENT FOR SPECIAL MEETING OF STOCKHOLDERS OF STAR MARITIME ACQUISITIONN CORP.
AND PROSPECTUS FOR SHARES OF COMMON STOCK AND WARRANTS OF STAR BULK CARRIERS CORP.**

Joint Proxy Statement/Prospectus dated _____, 2007
and first mailed to stockholders on or about _____, 2007

Dear Star Maritime Stockholders:

You are cordially invited to attend a special meeting of the stockholders of Star Maritime Acquisition Corp., a Delaware corporation, or Star Maritime, relating to the merger of Star Maritime with and into its wholly-owned subsidiary, Star Bulk Carriers Corp., a corporation organized under the laws of the Republic of the Marshall Islands, or Star Bulk, with Star Bulk as the surviving corporation. Star Bulk has entered into definitive agreements to acquire a fleet of eight drybulk carriers from certain wholly-owned subsidiaries of TMT Co., Ltd., or TMT, a global shipping company with management headquarters in Taiwan. We refer to the merger of Star Maritime with and into Star Bulk, with Star Bulk as the surviving corporation, as the Redomiciliation Merger. Star Bulk's acquisition of the eight drybulk carriers from TMT is contingent upon the approval and consummation of the Redomiciliation Merger. Star Maritime has also entered into related agreements with TMT in connection with the acquisition of the vessels. Following the Redomiciliation Merger, Star Maritime will be merged out of existence and Star Bulk will be governed by the laws of the Republic of the Marshall Islands and, pursuant to separate definitive agreements, Star Bulk will acquire the vessels in its initial fleet from wholly-owned subsidiaries of TMT for an aggregate purchase price of \$345,237,520, consisting of \$224,500,000 in cash and 12,537,645 shares of common stock of Star Bulk. The board of directors of Star Maritime has unanimously approved the Redomiciliation Merger.

Pursuant to the Agreement and Plan of Merger by and between Star Maritime and Star Bulk, or the Merger Agreement, each outstanding share of Star Maritime common stock, par value \$0.0001 per share, will be converted into the right to receive one share of Star Bulk common stock, par value \$0.01 per share, and each outstanding warrant of Star Maritime will be assumed by Star Bulk with the same terms and restrictions except that each will be exercisable for common stock of Star Bulk. Star Bulk has applied to have its common stock and warrants listed on the Nasdaq Global Market under the symbols "SBLK" and "SBLKW" respectively.

Star Maritime is a Business Combination Company, or BCC, which is a blank check company formed to acquire, through a merger, capital stock exchange, asset acquisition or similar business combination, one or more businesses in the shipping industry. On December 21, 2005, we consummated our initial public offering of 18,867,500 units, with each unit consisting of one share of Star Maritime common stock and one warrant to purchase one share of Star Maritime common stock. The gross proceeds of the initial public offering of \$188,675,000 were deposited in a trust account maintained by American Stock Transfer & Trust Company, as trustee, which we refer to as the Trust Account. If we do not complete the Redomiciliation Merger or another business combination transaction by December 21, 2007, Star Maritime will be liquidated and we will distribute to all of the holders of our shares issued in our initial public offering in proportion to their respective equity interests, an aggregate sum equal to the amount in the Trust Account, including any interest (net of any taxes payable) not previously released to us, plus any remaining net assets. Our officers and directors have waived their respective rights to participate in any liquidation distribution with respect to the 9,026,924 shares of common stock issued to them prior to our initial public offering and with respect to the 1,132,500 shares of common stock acquired by certain of our officers and directors in a private placement should we fail to consummate a business combination transaction. In the event of our liquidation, we would not distribute funds from the Trust Account with respect to the Star Maritime warrants, which would expire worthless. Holders of shares of Star Maritime common stock have the right to redeem such shares for cash if such stockholder votes against the Redomiciliation Merger and, at the same time, elects that Star Maritime redeem such shares for cash and the Redomiciliation

Edgar Filing: Star Maritime Acquisition Corp. - Form PRER14A

Merger is approved and completed. The actual per share redemption price will be calculated two business days prior to the consummation of the Redomiciliation Merger. The redemption price would have been \$10.31 per share, based on funds in the Trust Account as of March 31, 2007. In order to exercise redemption rights, an eligible stockholder must vote against the Redomiciliation Merger and elect to exercise redemption rights on the enclosed proxy card. If a stockholder votes against the Redomiciliation Merger but fails to properly exercise redemption rights, such stockholder will not be entitled to have its shares redeemed for cash. Any request for redemption, once made, may be withdrawn at any time up to the date of the Star Maritime special meeting.

Your vote is very important. Star Maritime cannot complete the Redomiciliation Merger unless (1) the holders of at least a majority of the issued and outstanding shares of Star Maritime entitled to vote at the special meeting vote in favor of the Redomiciliation Merger; (2) holders of at least a majority of the shares of common stock issued in the initial public offering and the private placement vote in favor of the Redomiciliation Merger; and (3) holders of less than 6,600,000 shares of common stock, such number representing 33.0% of the 20,000,000 shares of Star Maritime common stock issued in the initial public offering and private placement, vote against the Redomiciliation Merger and exercise their redemption rights to have their shares redeemed for cash. Messrs. Tsirigakis and Syllantavos, our senior executive officers, and Messrs. Pappas and Erhardt, two of our directors, have agreed to vote an aggregate of 1,132,500 shares of Star Maritime common stock acquired by them in the private placement, or 3.9% of Star Maritime's outstanding common stock and 5.7% of the shares issued in the initial public offering and private placement, and any shares of Star Maritime common stock they may acquire in the future in favor of the Redomiciliation Merger and thereby waived redemption rights with respect to such shares. All of Star Maritime's officers and directors have agreed to vote an aggregate of 9,026,924 shares of Star Maritime common stock issued to them prior to Star Maritime's initial public offering and the private placement in accordance with the vote of the holders of a majority of the aggregate of 20,000,000 shares issued in Star Maritime's initial public offering and the private placement. Following the effective date of the Redomiciliation Merger, TMT and its affiliates are expected to own between 30.2% and 35.9% of the outstanding common stock of Star Bulk, depending on the number of shares redeemed for cash.

Whether or not you plan to attend the Star Maritime special meeting in person, please submit your proxy card without delay. You may revoke your proxy at any time before it is voted at the meeting. Voting by proxy will not prevent you from voting your shares in person if you subsequently choose to attend the Star Maritime special meeting. The joint proxy statement/prospectus constitutes a proxy statement of Star Maritime and a prospectus of Star Bulk for shares of common stock that Star Bulk will issue to stockholders of Star Maritime and to TMT in respect of the stock consideration portion of the aggregate purchase price of the vessels in the initial fleet. The proposed Redomiciliation Merger and Star Bulk's acquisition of eight vessels from TMT is more fully described in this joint proxy statement/prospectus.

Holders of Star Maritime stock will not be entitled to any appraisal rights under the Delaware General Corporation Law in connection with the Redomiciliation Merger.

The registration statement of which this joint proxy statement/prospectus is a part relates to the offering by Star Bulk of up to 43,171,530 shares of common stock of Star Bulk, par value \$0.01 per share, which includes 29,026,924 shares of common stock reserved for issuance to shareholders of Star Maritime and up to 14,144,607 shares reserved for issuance to TMT, in addition to 20,000,000 warrants to purchase shares of common stock of Star Bulk and 20,000,000 common shares underlying such warrants. There is no present market for the securities of Star Bulk.

HOW TO OBTAIN ADDITIONAL INFORMATION

This joint proxy statement/prospectus incorporates information about Star Maritime and Star Bulk that is not included in or delivered with the document. If you would like to receive this information or if you want additional copies of this document, such information is available without charge upon written or oral request. Please contact the following:

Star Maritime Acquisition Corp.
103 Foulk Road
Wilmington, Delaware 19803
Attention: Corporate Secretary
Tel: (302) 656-1950

If you would like to request documents, please do so no later than _____, 2007, to receive them before Star Maritime's special meeting. Please be sure to include your complete name and address in your request. Please see "Where You Can Find Additional Information" to find out where you can find more information about Star Maritime and Star Bulk. You should only rely on the information contained in this joint proxy statement/prospectus in deciding how to vote on the Redomiciliation Merger. Neither Star Maritime nor Star Bulk has authorized anyone to give any information or to make any representations other than those contained in this joint proxy statement/prospectus. Do not rely upon any information or representations made outside of this joint proxy statement/prospectus. The information contained in this joint proxy statement/prospectus may change after the date of this joint proxy statement/prospectus. Do not assume after the date of this joint proxy statement/prospectus that the information contained in this joint proxy statement/prospectus is still correct.

The place, date and time of the Star Maritime special meeting is as follows: _____, New York, New York, on _____, 2007 at 10:00 a.m.

We encourage you to read this joint proxy statement/prospectus carefully. In particular, you should review the matters discussed under the caption "RISK FACTORS" beginning on page 25.

Star Maritime's board of directors unanimously recommends that Star Maritime stockholders vote "FOR" approval of the Redomiciliation Merger.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the securities to be issued in the merger or otherwise, or passed upon the adequacy or accuracy of this joint proxy statement/prospectus. Any representation to the contrary is a criminal offense.

Prokopios (Akis) Tsirigakis
Chairman of the Board of Directors of Star Maritime Acquisition Corp.

Wilmington, Delaware
, 2007

STAR MARITIME ACQUISITION CORP.

**103 Foulk Road
Wilmington, Delaware 19803**

**Notice of Special Meeting of Star Maritime Acquisition Corp. Stockholders
To Be Held on _____, 2007**

To Star Maritime Stockholders:

A special meeting of stockholders of Star Maritime Acquisition Corp., a Delaware corporation, or Star Maritime, will be held at _____, New York, New York on _____, 2007, at 10:00 a.m., for the following purposes:

1. To consider and vote upon a proposal to approve and authorize the merger, which we refer to as the Redomiciliation Merger, pursuant to the Agreement and Plan of Merger, dated March 14, 2007, by and between Star Maritime and its wholly-owned Marshall Islands subsidiary, Star Bulk Carriers Corp., or Star Bulk, whereby Star Maritime will merge with and into Star Bulk, with Star Bulk as the surviving corporation. Star Bulk has entered into definitive agreements to acquire a fleet of eight drybulk carriers from certain wholly-owned subsidiaries of TMT Co., Ltd., or TMT, for an aggregate purchase price of \$345,237,520, consisting of \$224,500,000 in cash and 12,537,645 shares of common stock of Star Bulk. The acquisition of the eight drybulk carriers from TMT is contingent upon the approval and consummation of the Redomiciliation Merger. Star Maritime has also entered into related agreements with TMT in connection with the acquisition of the vessels. As a result of the Redomiciliation Merger: (i) the separate corporate existence of Star Maritime will cease; (ii) each share of Star Maritime common stock, par value \$0.0001 per share, will be converted into the right to receive one share of Star Bulk common stock, par value \$0.01 per share; and (iii) each outstanding warrant of Star Maritime will be assumed by Star Bulk with the same terms and restrictions, except that each will be exercisable for common stock of Star Bulk, all as more particularly described in the joint proxy statement/prospectus; and
2. To transact such other business as may properly come before the special meeting.

As of May 11, 2007, there were 29,026,924 shares of Star Maritime common stock issued and outstanding and entitled to vote. Only Star Maritime stockholders who hold shares of record as of the close of business on _____, 2007 are entitled to vote at the special meeting or any adjournment or postponement of the special meeting. Star Maritime cannot complete the Redomiciliation Merger unless: (1) the holders of at least a majority of the issued and outstanding shares of Star Maritime entitled to vote at the special meeting vote in favor of the Redomiciliation Merger; (2) holders of at least a majority of the shares of common stock issued in the initial public offering and the private placement vote in favor of the Redomiciliation Merger; and (3) holders of less than 6,600,000 shares of common stock, such number representing 33.0% of the 20,000,000 shares of Star Maritime common stock issued in the initial public offering and private placement, vote against the Redomiciliation Merger and exercise their redemption rights to have their shares redeemed for cash. Holders of shares of Star Maritime common stock have the right to redeem such shares for cash if such stockholder votes against the Redomiciliation Merger and, at the same time, demands that Star Maritime redeem such shares for cash and the Redomiciliation Merger is approved and completed. The actual per share redemption price will be calculated two business days prior to the consummation of the Redomiciliation Merger. The redemption price would have been \$10.31 per share, based on funds in the Trust Account as of March 31, 2007. In order to exercise redemption rights, an eligible stockholder must vote against the Redomiciliation Merger and elect to exercise redemption rights on the enclosed proxy card. If a stockholder votes against the Redomiciliation Merger but fails to properly exercise redemption rights, such stockholder will not be entitled to have its shares redeemed for cash. Any request for redemption, once made, may be withdrawn at any time up to the date of the special meeting.

Edgar Filing: Star Maritime Acquisition Corp. - Form PRER14A

Holders of Star Maritime's stock will not be entitled to any appraisal rights under the Delaware General Corporation Law in connection with the Redomiciliation Merger.

Messrs. Tsirigakis and Syllantavos, our senior executive officers, and Messrs. Pappas and Erhardt, two of our directors, have agreed to vote an aggregate of 1,132,500 shares, or 3.9% of Star Maritime's outstanding common stock, acquired by them in the private placement and any shares of Star Maritime common stock they may acquire in the future in favor of the Redomiciliation Merger and thereby waive redemption rights with respect to such shares. All of Star Maritime's officers and directors have agreed to vote an aggregate of 9,026,924 shares, or 31.1% of Star Maritime's outstanding common stock, issued to them prior to our initial public offering and private placement in accordance with the vote of the holders of a majority of the shares issued in our initial public offering.

Whether or not you plan to attend the special meeting in person, please submit your proxy card without delay. A vote in favor of the Redomiciliation Merger is, in effect, a vote in favor of Star Bulk's acquisition of the vessels from TMT. Voting by proxy will not prevent you from voting your shares in person if you subsequently choose to attend the special meeting. If you fail to return your proxy card, the effect will be that your shares will not be counted for purposes of determining whether a quorum is present at the special meeting and will have the same effect as a vote "against" the approval and authorization of the Redomiciliation Merger. You may revoke a proxy at any time before it is voted at the special meeting by executing and returning a proxy card dated later than the previous one, by attending the special meeting in person and casting your vote by ballot or by submitting a written revocation to Star Maritime at 103 Foulk Road, Wilmington, Delaware 19803, Attention: Corporate Secretary, before we take the vote at the special meeting. If you hold your shares through a bank or brokerage firm, you should follow the instructions of your bank or brokerage firm regarding revocation of proxies.

Star Maritime's board of directors unanimously recommends that Star Maritime stockholders vote "FOR" approval of the Redomiciliation Merger.

By order of the Board of Directors,

Prokopios (Akis) Tsirigakis
Chairman of the Board of Directors of Star Maritime Acquisition Corp.

Wilmington, Delaware
, 2007

TABLE OF CONTENTS

QUESTIONS AND ANSWERS ABOUT THE STAR MARITIME SPECIAL MEETING	1
SUMMARY	8
SUMMARY FINANCIAL INFORMATION	17
MARKET PRICE AND DIVIDEND INFORMATION	24
RISK FACTORS	25
FORWARD-LOOKING STATEMENTS	42
THE STAR MARITIME SPECIAL MEETING	43
BACKGROUND AND REASONS FOR THE REDOMICILIATION MERGER	47
THE ACQUISITION AGREEMENTS	57
ACQUISITION FINANCING	62
THE MERGER AGREEMENT	63
INFORMATION CONCERNING STAR MARITIME ACQUISITION CORP.	66
STAR MARITIME SELECTED FINANCIAL INFORMATION	72
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION OF STAR MARITIME ACQUISITION CORP.	76
INFORMATION CONCERNING STAR BULK CARRIERS CORP.	81
SELECTED FINANCIAL INFORMATION OF STAR BULK CARRIERS CORP.	98
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF STAR BULK CARRIERS CORP.	99
THE INTERNATIONAL DRY BULK SHIPPING INDUSTRY	108
DIVIDEND POLICY OF STAR BULK	119
STAR BULK'S FORECASTED CASH AVAILABLE FOR DIVIDENDS, RESERVES AND EXTRAORDINARY EXPENSES	120
CAPITALIZATION OF STAR MARITIME	125
RELATED PARTY TRANSACTIONS	127
DESCRIPTION OF STAR MARITIME SECURITIES	130
DESCRIPTION OF STAR BULK SECURITIES	133
COMPARISON OF STAR MARITIME AND STAR BULK STOCKHOLDER RIGHTS	134
COMPARISON OF MARSHALL ISLANDS CORPORATE LAW TO DELAWARE CORPORATE LAW	142
TAX CONSIDERATIONS	148
EXPERTS	158
LEGAL MATTERS	158
STOCKHOLDER PROPOSALS AND OTHER MATTERS	158
INDUSTRY AND MARKET DATA	158
WHERE YOU CAN FIND ADDITIONAL INFORMATION	159
ENFORCEABILITY OF CIVIL LIABILITIES	159
GLOSSARY OF SHIPPING TERMS	160
INDEX TO FINANCIAL STATEMENTS	F-1
<p>UNTIL _____, 2007, ALL DEALERS THAT EFFECT TRANSACTIONS IN THESE SECURITIES, WHETHER OR NOT PARTICIPATING IN THIS OFFERING, MAY BE REQUIRED TO DELIVER A PROSPECTUS. THIS IS IN ADDITION TO THE DEALERS' OBLIGATION TO DELIVER A PROSPECTUS WHEN ACTING AS UNDERWRITERS AND WITH RESPECT TO THEIR UNSOLD ALLOTMENTS OR SUBSCRIPTIONS</p>	

Edgar Filing: Star Maritime Acquisition Corp. - Form PRER14A

Appendix A	Memorandum of Agreement relating to the A Duckling dated January 12, 2007 between Star Bulk Carriers Corp., as buyer, and A Duckling Corporation, as seller.
Appendix B	Memorandum of Agreement relating to the B Duckling dated January 12, 2007 between Star Bulk Carriers Corp., as buyer, and B Duckling Corporation, as seller.
Appendix C	Memorandum of Agreement relating to the C Duckling dated January 12, 2007 between Star Bulk Carriers Corp., as buyer, and C Duckling Corporation, as seller.
Appendix D	Memorandum of Agreement relating to the F Duckling dated January 12, 2007 between Star Bulk Carriers Corp., as buyer, and F Duckling Corporation, as seller.
Appendix E	Memorandum of Agreement relating to the G Duckling dated January 12, 2007 between Star Bulk Carriers Corp., as buyer, and G Duckling Corporation, as seller.
Appendix F	Memorandum of Agreement relating to the I Duckling dated January 12, 2007 between Star Bulk Carriers Corp., as buyer, and I Duckling Corporation, as seller.
Appendix G	Memorandum of Agreement relating to the J Duckling dated January 12, 2007 between Star Bulk Carriers Corp., as buyer, and J Duckling Corporation, as seller.
Appendix H	Memorandum of Agreement relating to the Mommy Duckling dated January 12, 2007 between Star Bulk Carriers Corp., as buyer, and Mommy Management Corporation, as seller.
Appendix I	Supplemental Agreement, dated January 12, 2007.
Appendix J	Master Agreement, dated January 12, 2007.
Appendix K	Agreement and Plan of Merger by and among Star Bulk Carriers Corp. and Star Maritime Acquisition Corp.
Appendix L	Form of Proxy.

QUESTIONS AND ANSWERS ABOUT THE STAR MARITIME SPECIAL MEETING

Q:
What is the purpose of this document?

A:
This document serves as Star Maritime's proxy statement and as the prospectus of Star Bulk. As a proxy statement, this document is being provided to Star Maritime stockholders because the Star Maritime board of directors is soliciting their proxies to vote to approve, at a special meeting of stockholders, the merger of Star Maritime with and into its wholly-owned Marshall Islands subsidiary, Star Bulk, with Star Bulk as the surviving corporation. Star Bulk has entered into definitive agreements to acquire a fleet of eight drybulk carriers from certain subsidiaries of TMT for an aggregate purchase price of \$345,237,520, consisting of \$224,500,000 in cash and 12,537,645 shares of common stock. As a prospectus, Star Bulk is providing this document to Star Maritime stockholders because Star Bulk is offering its shares in exchange for shares of Star Maritime common stock and Star Bulk is assuming the outstanding warrants of Star Maritime in the Redomiciliation Merger. The registration statement on Form F-1/F-4 of which this joint proxy statement/prospectus is a part is being filed by Star Bulk to register the shares being offered in exchange for shares of Star Maritime, the 20,000,000 warrants of Star Maritime that will be assumed by Star Bulk, the 20,000,000 shares of Star Bulk common stock issuable upon exercise of such warrants and to register up to 14,144,607 shares of common stock that Star Bulk will issue to TMT or subsequently to TMT's affiliates in respect of the stock consideration portion of the aggregate purchase price of the vessels in the initial fleet. The shares of common stock that Star Bulk will issue in exchange for shares of Star Maritime are referred to herein as the Merger Consideration.

Q:
What matters will we be asked to vote on at the Star Maritime special meeting?

A:
There is one proposal on which you are being asked to vote. At the special meeting, you will be asked to consider and vote upon a proposal to approve and authorize the merger of Star Maritime with and into its wholly-owned Marshall Islands subsidiary, Star Bulk, with Star Bulk as the surviving corporation. Star Bulk has entered into definitive agreements to acquire a fleet of eight drybulk carriers from certain wholly-owned subsidiaries of TMT for an aggregate purchase price of \$345,237,520, consisting of \$224,500,000 in cash and 12,537,645 shares of common stock of Star Bulk. As a result of the Redomiciliation Merger (i) the separate corporate existence of Star Maritime will cease; (ii) each outstanding share of Star Maritime common stock, par value \$0.0001 per share, will be converted into the right to receive one share of Star Bulk common stock, par value \$0.01 per share; and (iii) each outstanding warrant of Star Maritime will be assumed by Star Bulk with the same terms and restrictions, except that each will be exercisable for common stock of Star Bulk.

Q:
Could you tell me more about the definitive agreements to acquire the vessels?

A:
Star Bulk will acquire the fleet of eight drybulk carriers pursuant to separate memoranda of agreement, which we collectively refer to as the MOAs, by and between Star Bulk and the vessel-owning subsidiaries of TMT, each as supplemented by a Supplemental Agreement by and among Star Maritime, Star Bulk and TMT, and a Master Agreement by and among Star Maritime, Star Bulk and TMT. We refer to the MOAs, the Supplemental Agreement and the Master Agreement collectively as the Acquisition Agreements. The acquisition of the vessels by Star Bulk is contingent upon, among other things, the approval and consummation of the Redomiciliation Merger. Copies of the MOAs are attached to this joint proxy statement/prospectus as Appendices A-H. A copy of the Supplemental Agreement is attached to this joint proxy statement/prospectus as Appendix I. A copy of the Master Agreement is attached to this joint proxy statement/prospectus as Appendix J.

Q: **Could you tell me more about the parties to the Acquisition Agreements?**

A: Star Maritime was organized under the laws of the State of Delaware on May 13, 2005 and is a Business Combination Company, or BCC, which is a blank check company formed to acquire, through a merger, capital stock exchange, asset acquisition or similar business combination, one or more target businesses in the shipping industry. A target business includes one or more entities with agreements to acquire vessels or an operating business in the shipping industry. Following our formation, 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, we consummated our 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. In addition, we completed a private placement of an aggregate of 1,132,500 units, each unit consisting of one share of common stock and one warrant, to Messrs. Tsirigakis and Syllantavos, our senior executive officers and Messrs. Pappas and Erhardt, two of our directors. As of May 11, 2007 the aggregate value of such securities was \$17,021,475. The gross proceeds of the private placement of \$11,325,500 were used to pay all fees and expenses of the initial public offering. As a result, the entire gross proceeds of the initial public offering of \$188,675,000 were deposited in a trust account maintained by American Stock Transfer & Trust Company, as trustee, which we refer to as the Trust Account. If we do not complete the Redomiciliation Merger or another business combination transaction with a target business by December 21, 2007, we will be liquidated and we will distribute to all holders of our shares issued in the initial public offering in proportion to their respective equity interests, an aggregate sum equal to the amount in the Trust Account, including any interest (net of any taxes payable) not previously released to us, plus any remaining net assets. Our officers and directors have agreed to waive their respective rights to participate in any liquidation distribution should we fail to consummate a business combination transaction with respect to the aggregate of 9,026,924 shares of common stock issued to them prior to our initial public offering and with respect to the aggregate of 1,132,500 shares of common stock acquired by certain of our officers and directors in the private placement. In the event of our liquidation, we would not distribute funds from the Trust Account with respect to the Star Maritime warrants, which would expire worthless.

Star Bulk is a recently formed wholly-owned Marshall Islands subsidiary of Star Maritime and is headquartered in Athens, Greece. Pursuant to the Acquisition Agreements, following the Redomiciliation Merger, Star Bulk will acquire a fleet of eight drybulk carriers from certain subsidiaries of TMT for an aggregate purchase price of \$345,237,520, consisting of \$224,500,000 in cash and 12,537,645 shares of common stock. The eight drybulk carriers that Star Bulk has agreed to purchase constitute 12% of TMT's fleet of 63 vessels, including 22 newbuildings. Following the effective date of the Redomiciliation Merger, TMT and its affiliates are expected to own between 30.2% and 35.9% of the outstanding common stock of Star Bulk, depending on the number of shares of Star Maritime common stock redeemed for cash. See "Description of Star Maritime Securities - Common Stock." Star Bulk has applied to have its shares of common stock and warrants listed on the Nasdaq Global Market under the symbols "SBLK" and "SBLKW" respectively.

TMT is a global shipping company with its management headquarters located in Taiwan. TMT has approximately 50 years of experience in the shipping industry. TMT owns and/or operates or invests in vessels in several shipping sectors, including crude oil tankers, drybulk carriers and liquefied natural gas, or LNG, carriers.

Q: **When and where is the special meeting of Star Maritime stockholders?**

A: The special meeting of Star Maritime stockholders will take place at _____, New York, New York, on _____, 2007, at 10:00 a.m.

Q: Who may vote at the special meeting?

A: Only holders of record of shares of Star Maritime common stock as of the close of business on _____, 2007 may vote at the special meeting. As of May 11, 2007, there were 29,026,924 shares of Star Maritime common stock outstanding and entitled to vote.

Q: What is the required vote to approve and authorize the Redomiciliation Merger?

The Delaware General Corporation Law requires that the Redomiciliation Merger must be approved by the holders of a majority of the issued and outstanding shares of common stock of Star Maritime.

In addition, the Redomiciliation Merger must be approved by the holders of at least a majority of the shares of common stock issued in the initial public offering and the private placement, or 10,000,001 shares. Star Maritime may not complete a business combination if the holders of 33% or more of the shares of common stock issued in the initial public offering and the private placement elect to exercise redemption rights in connection with the transaction. A vote in favor of the Redomiciliation Merger is, in effect, a vote in favor of Star Bulk's acquisition of the vessels from TMT.

Messrs. Tsirigakis and Syllantavos, our senior executive officers, and Messrs. Pappas and Erhardt, two of our directors, have agreed to vote an aggregate of 1,132,500 shares of Star Maritime common stock acquired by them in the private placement, which represents 3.9% of Star Maritime's outstanding common stock and 5.7% of the shares issued in the initial public offering and private placement, and any shares of Star Maritime common stock they may acquire in the future in favor of the Redomiciliation Merger and thereby waive redemption rights with respect to such shares. All of Star Maritime's officers and directors have agreed to vote an aggregate of 9,026,924 shares of Star Maritime common stock issued to them prior to our initial public offering in accordance with the vote of the holders of a majority of the shares issued in our initial public offering. Our officers and directors have agreed to waive their respective rights to participate in any liquidation distribution should we fail to consummate a business combination transaction with respect to the aggregate of 9,026,924 shares of common stock issued to them prior to our initial public offering and with respect to the aggregate of 1,132,500 shares of common stock acquired by certain of our officers and directors in the private placement.

Star Maritime will not be able to complete the Redomiciliation Merger unless (1) the holders of at least a majority of the issued and outstanding shares of Star Maritime entitled to vote at the special meeting vote in favor of the Redomiciliation Merger; (2) holders of at least 10,000,001 shares of common stock issued in the initial public offering and the private placement vote in favor of the Redomiciliation Merger; and (3) holders of less than 6,600,000 shares of common stock, such number representing 33.0% of the 20,000,000 shares of Star Maritime common stock issued in the initial public offering and private placement, vote against the Redomiciliation Merger and exercise their redemption rights to have their shares redeemed for cash. In order to exercise redemption rights, an eligible stockholder must vote against the Redomiciliation Merger and elect to exercise redemption rights on the enclosed proxy card. If a stockholder votes against the Redomiciliation Merger but fails to properly exercise redemption rights, such stockholder will not be entitled to have its shares redeemed for cash. Any request for redemption, once made, may be withdrawn at any time up to the date of the special meeting. The actual per share redemption price will be calculated two business days prior to the consummation of the Redomiciliation Merger. The redemption price would have been \$10.31 per share, based on funds in the Trust Account as of March 31, 2007.

Q: Has the board of directors of Star Maritime recommended approval of the Redomiciliation Merger?

A: Yes. Star Maritime's board of directors has unanimously recommended to its stockholders that they vote "**FOR**" the approval and authorization of the Redomiciliation Merger at the special meeting. For various shipping regulatory and tax reasons, the Republic of the Marshall Islands is an attractive country of incorporation for international shipping companies. The merger of Star Maritime with and into Star Bulk with Star Bulk as the surviving corporation will enable Star Bulk, which will be an operating company, to benefit from such advantages. Please read "Background and Reasons for the Merger Recommendations of the Board of Directors" for a discussion of the factors that the Star Maritime's board of directors considered in deciding to recommend the approval and authorization of the Redomiciliation Merger.

Q: What will I receive in the Redomiciliation Merger?

A: Pursuant to the Merger Agreement, each outstanding share of Star Maritime common stock will be converted into the right to receive one share of Star Bulk common stock and each outstanding warrant of Star Maritime will be assumed by Star Bulk and contain the same terms and restrictions except that each will be exercisable for common stock of Star Bulk.

Q: When will Star Bulk take delivery of the vessels in the initial fleet?

A: On the effective date of the Redomiciliation merger, at least one vessel will be delivered to Star Bulk. Star Bulk expects to take delivery of the remaining vessels in the initial fleet within 60 days following the effective date of the Redomiciliation Merger.

Q: What are the tax consequences of the Redomiciliation Merger to me?

A: A holder of Star Maritime stock or warrants should not recognize any taxable gain or loss as a result of the Redomiciliation Merger. The Redomiciliation Merger has been structured so that upon completion of the Redomiciliation Merger and issuance of Star Bulk shares to TMT, the stockholders of Star Maritime will own less than 80% of Star Bulk. Therefore, Star Bulk intends to take the position on its U.S. federal income tax return that it is not subject to Section 7874(b) of the U.S. Internal Revenue Code of 1986, as amended, or the Code, after the Redomiciliation Merger and therefore should not be subject to U.S. federal income tax as a U.S. domestic corporation on its worldwide income after the Redomiciliation Merger. However, Star Maritime has not sought a ruling from the U.S. Internal Revenue Service, or the IRS, on this point. Therefore, there is no assurance that the IRS would not seek to assert that Star Bulk is subject to U.S. federal income tax on its worldwide income after the Redomiciliation Merger, although Star Maritime believes that such an assertion would not be successful.

Even if Section 7874(b) of the Code does not apply to a transaction, Section 7874(a) of the Code, or Section 7874(a), provides that where a corporation organized outside the United States acquires substantially all of the assets of a corporation organized in the United States, the corporation whose assets are being acquired will be subject to U.S. federal income tax on its "inversion gain" if stockholders of the U.S. corporation whose assets are being acquired own at least 60% of the non-U.S. acquiring corporation after the acquisition. "Inversion gain" includes any gain from the transfer of the properties by the corporation organized in the United States to the corporation organized outside the United States as well as certain licensing income. See "Tax Considerations."

Q: What if I object to the Redomiciliation Merger?

A: Under Star Maritime's Certificate of Incorporation, holders of shares of Star Maritime common stock have the right to redeem such shares for cash if such stockholder votes against the Redomiciliation Merger, elects to exercise redemption rights and the Redomiciliation Merger is approved and completed. In order to exercise redemption rights, an eligible stockholder must vote

Edgar Filing: Star Maritime Acquisition Corp. - Form PRER14A

against the Redomiciliation Merger and elect to exercise redemption rights on the enclosed proxy card. If a stockholder votes against the Redomiciliation Merger but fails to properly exercise redemption rights, such stockholder will not be entitled to have its shares redeemed for cash. Stockholders exercising redemption rights will be entitled to receive, for each share of common stock redeemed, the pro rata portion of the Trust Account in which the proceeds of the Company's initial public offering are held, plus interest earned thereon (net of taxes). The redemption price would have been \$10.31 per share, based on funds in the Trust Account as of March 31, 2007. If you exercise your redemption rights, then you will be exchanging your shares of Star Maritime's common stock for cash and will no longer own these shares. You will only be entitled to receive cash for these shares if you continue to hold these shares through the effective date of the Redomiciliation Merger and then tender your stock certificate to Star Maritime. If the Redomiciliation Merger is not completed, then these shares will not be redeemed for cash. A stockholder who exercises redemption rights will continue to own any warrants to acquire Star Maritime common stock owned by such stockholder as such warrants will remain outstanding and unaffected by the exercise of redemption rights. See "Description of Star Maritime Securities Common Stock."

Q:
How can I vote?

A:
Please vote your shares of Star Maritime common stock as soon as possible after carefully reading and considering the information contained in this joint proxy statement/prospectus. You may vote your shares prior to the special meeting by signing and returning the enclosed proxy card. If you hold your shares in "street name" (which means, in other words, that you hold your shares through a bank, brokerage firm or nominee), you must vote in accordance with the instructions on the voting instruction card that your bank, brokerage firm or nominee provides to you.

Q:
If my shares are held in "street name" by my bank, brokerage firm or nominee, will they automatically vote my shares for me?

A:
No. Your bank, brokerage firm or nominee cannot vote your shares without instructions from you. You should instruct your bank, brokerage firm or nominee how to vote your shares, following the instructions contained in the voting instruction card that your bank, brokerage firm or nominee provides to you.

Q:
What if I abstain from voting or fail to instruct my bank, brokerage firm or nominee?

A:
Abstaining from voting or failing to instruct your bank, brokerage firm or nominee to vote your shares will have the same effect as a vote "against" the Redomiciliation Merger.

Q:
Can I change my vote after I have mailed my proxy card?

A:
Yes. You may change your vote at any time before your proxy is voted at the special meeting. You may revoke your proxy by executing and returning a proxy card dated later than the previous one, by attending the special meeting in person and casting your vote by ballot or by submitting a written revocation stating that you would like to revoke your proxy. If you hold your shares through a bank, brokerage firm or nominee, you should follow the instructions of your bank, brokerage firm or nominee regarding the revocation of proxies. You should send any notice of revocation or your completed new proxy card, as the case may be, to:

Star Maritime Acquisition Corp.
103 Foulk Road
Wilmington, Delaware 19803
Attention: Corporate Secretary

Q: **Should I send in my stock certificates now?**

A: No. After we complete the Redomiciliation Merger, you will receive written instructions for returning your stock certificates. These instructions will tell you how and where to send in your stock certificates in order to receive the Merger Consideration. Star Maritime shareholders who intend to have their shares redeemed, by electing to have those shares redeemed for cash on the proxy card at the same time they vote against the Redomiciliation Merger, should not send their certificate now, but should do so only after the effective date of the Redomiciliation Merger.

Q: **When is the Redomiciliation Merger expected to occur?**

A: Assuming the requisite the stockholder vote, we expect that the Redomiciliation Merger will occur during the third quarter of 2007. Our Certificate of Incorporation provides that if we have entered into definitive agreements to effect a business combination prior to June 21, 2007, we must consummate such business combination by December 21, 2007. Our agreements with TMT qualify as definitive agreements for these purposes.

Q: **May I seek statutory appraisal rights with respect to my shares?**

A: Under applicable Delaware law, you do not have appraisal rights with respect to your shares.

Q: **What happens if the Redomiciliation Merger is not consummated?**

A: The acquisition of the eight drybulk carriers from TMT is contingent upon the approval and consummation of the Redomiciliation Merger. If Star Maritime does not consummate the Redomiciliation Merger or another transaction with a target business by December 21, 2007, then pursuant to Article SIX of its Certificate of Incorporation, Star Maritime's officers must take all actions necessary in accordance with the Delaware General Corporation Law to dissolve and liquidate Star Maritime within 60 days of that date. Following dissolution, Star Maritime would no longer exist as a corporation. In any liquidation, the funds held in the Trust Account, plus any interest earned thereon (net of taxes), together with any remaining out-of-trust net assets will be distributed pro-rata to holders of shares of Star Maritime common stock who acquired such shares of common stock in Star Maritime's initial public offering or in the aftermarket. The estimated consideration that each share of Star Maritime common stock would be paid at liquidation would be \$10.31 per common share, based on amounts on deposit in the Trust Account as of March 31, 2007. The closing price of Star Maritime's common stock on the American Stock Exchange ("AMEX") on May 11, 2007 was \$11.60 per share. Holders of shares issued prior to our initial public offering including holders of shares purchased in the private placement have waived any right to any liquidation distribution with respect to such shares. Liquidation and dissolution of Star Maritime would be effected pursuant to Delaware law, which would cause a delay in the distribution of proceeds. The proceeds distributed from the Trust Account may be reduced if a third party successfully asserts a claim against Star Maritime or one of its subsidiaries.

Q: **What happens post-Redomiciliation Merger to the funds deposited in the Trust Account?**

A: Following the approval of the Redomiciliation Merger by Star Maritime stockholders, funds in the Trust Account will be released to Star Maritime. Star Maritime stockholders exercising redemption rights will receive their pro rata portion of the Trust Account. The balance of the funds will be utilized to fund a portion of the cash portion of the aggregate purchase price for the eight dry bulk carriers in the initial fleet. As of March 31, 2007 the amount of funds from the Trust Account that will remain to be applied for the cash portion of the aggregate purchase price will be \$194,571,504 if no shareholders redeem and \$126,525,514 if the maximum 32.99% of shareholders redeem assuming a redemption price of \$10.31.

Q: **What other important considerations are there?**

A: You should also be aware that in pursuing the Redomiciliation Merger, Star Maritime has incurred substantial expenses. Star Maritime currently has limited available funds outside the Trust Account and will, therefore, not be required to borrow funds or make arrangements with vendors and service providers in reliance on the expectation that such expenses will be paid by Star Bulk following consummation of the Redomiciliation Merger. Star Bulk intends to drawdown amounts under its credit facility sufficient to fund the balance of the cash portion of the aggregate purchase price of the vessels in the initial fleet to the extent that funds in the Trust Account are used to pay redeeming stockholders. In connection with the acquisition of the eight drybulk carriers, Star Bulk expects to borrow approximately \$40.0 million if no shareholders redeem and approximately an additional \$70.0 million if 32.99% of the shareholders redeem up to a maximum of \$120.0 million. If for any reason the Redomiciliation Merger is not consummated, Star Maritime's creditors may seek to satisfy their claims from funds in the Trust Account. This could result in further depletion of the Trust Account, which would reduce a stockholder's pro rata portion of the Trust Account upon liquidation. As of the date of this joint proxy statement/prospectus, there are no creditor claims against Star Maritime or Star Bulk.

Q: **Who will manage Star Bulk?**

A: Messrs. Tsirigakis and Syllantavos, who currently serve as the Chief Executive Officer and director and Chief Financial Officer and director of Star Maritime, respectively, will serve in these roles at Star Bulk following the Redomiciliation Merger. In addition, Messrs. Pappas, Erhardt and Søfteland, who currently serve as directors of Star Maritime, as well as Messrs. Nobu Su and Peter Espig, each of whom are nominees of TMT, will serve as directors of Star Bulk.

Q: **What is the anticipated dividend policy of Star Bulk?**

A: Star Bulk currently intends to pay quarterly dividends to the holders of its common shares in February, May, August and November, in amounts that will allow it to retain a portion of its cash flows to fund vessel or fleet acquisitions, and for debt repayment and other corporate purposes, as determined by its management and board of directors. Star Bulk intends to pay a dividend of \$0.325 per share for the first full operating quarter following the Redomiciliation Merger. Star Bulk intends to pay a partial dividend in November 2007 which it estimates will be in an amount of \$0.325 per common share pro rated for the number of ownership days during the third quarter of 2007. The payment of dividends is not guaranteed or assured and may be discontinued at the sole discretion of Star Bulk's board of directors and may not be paid in the anticipated amounts and frequency set forth in this joint proxy statement/prospectus. Star Bulk's board of directors will continually review its dividend policy and make adjustments that it believes appropriate. See "Dividend Policy of Star Bulk."

SUMMARY

This summary highlights selected information from this joint proxy statement/prospectus but may not contain all of the information that may be important to you. Accordingly, we encourage you to read carefully this entire joint proxy statement/prospectus, including eight Memoranda of Agreement attached as Appendix A through Appendix H, the Supplemental Agreement attached as Appendix I, the Master Agreement attached as Appendix J and the Agreement and Plan of Merger attached as Appendix K. Please read these documents carefully as they are the legal documents that govern the Redomiciliation Merger and your rights in the Redomiciliation Merger. We have included page references in parentheses to direct you to a more detailed description of the items presented in this summary. Unless the context otherwise requires, references to "we," "us" or "our" refers to Star Maritime.

The Parties to the Redomiciliation Merger (page 66)

Star Maritime Acquisition Corp.
103 Foulk Road
Wilmington, Delaware 19803
Telephone: (302) 656-1950

Star Maritime is a blank check company, also known as a Business Combination Company , or BCC , organized under the laws of the State of Delaware on May 13, 2005. "Business Combination Company " and "BCC " are service marks of Maxim Group LLC. Star Maritime was formed to acquire, through a merger, capital stock exchange, asset acquisition or other similar business combination, one or more target businesses in the shipping industry. On December 15, 2005, Star Maritime consummated a private placement whereby certain of Star Maritime's officers and directors purchased an aggregate of 1,132,500 units at a purchase price of \$10.00 per unit. On December 21, 2005, Star Maritime completed an initial public offering of 18,867,500 units at a purchase price of \$10.00 per unit. Each unit consisted of one share of Star Maritime's common stock and one warrant. Each warrant entitles the holder to purchase one share of Star Maritime's common stock at an exercise price of \$8.00 per share. Star Maritime's common stock and warrants currently trade on the American Stock Exchange under the symbols SEA and SEA.WS, respectively. Other than activities incident to its initial public offering and the pursuit of a business combination, Star Maritime has not engaged in any operations to date. If Star Maritime does not consummate the Redomiciliation Merger or another a business combination by December 21, 2007, then, pursuant to Article SIXTH of its Certificate of Incorporation, Star Maritime's officers must take all actions necessary in accordance with the Delaware General Corporation Law to dissolve and liquidate Star Maritime within 60 days of that date.

Star Bulk Carriers Corp.
40 Ag. Konstantinou Avenue
Aethrion Center, Suite B34
Maroussi 15124
Athens, Greece
Telephone: 011-30-210-638-7399

Star Bulk is a wholly-owned Marshall Islands subsidiary of Star Maritime incorporated on December 13, 2006 with no history of operations, and is headquartered in Athens, Greece. Pursuant to the Acquisition Agreements, following the Redomiciliation Merger, Star Bulk will acquire a fleet of eight drybulk carriers from certain subsidiaries of TMT for an aggregate purchase price of \$345,237,520, consisting of \$224,500,000 in cash and 12,537,645 shares of common stock. Following the effective date of the Redomiciliation Merger, TMT and its affiliates are expected to own between 30.2% and 35.9% of the outstanding common stock of Star Bulk, depending on the number of shares redeemed for cash. See "Description of Star Maritime Securities Common Stock."

Edgar Filing: Star Maritime Acquisition Corp. - Form PRER14A

Mr. Akis Tsirigakis, the Chairman, Chief Executive Officer and President of Star Maritime, will serve as the Chief Executive Officer and President of Star Bulk. Mr. George Syllantavos, the Chief Financial Officer of Star Maritime will serve as the Chief Financial Officer of Star Bulk. The board of directors of Star Bulk will be comprised of seven directors. Each of the five current directors of Star Maritime will serve as directors of Star Bulk. In addition, Mr. Nobu Su and Mr. Peter Espig, each nominees of TMT, will serve as directors of Star Bulk. Mr. Petros Pappas and Mr. Nobu Su will each serve as non-executive Co-Chairman.

Star Bulk has applied to have its shares of common stock and warrants listed on the Nasdaq Global Market under the symbols "SBLK" and "SBLKW" respectively.

The Seller of the Vessels in the Initial Fleet (page 57)

TMT Co., Ltd.
12 Floor 167 FU HSIN NORTH ROAD
Taipei 105
Taiwan, Republic of China
Attention: Corporate Secretary
011 886 2 221750229

Star Bulk has entered into definitive agreements to acquire the eight drybulk carriers from subsidiaries of TMT. TMT is a global shipping company with its management headquarters located in Taiwan. TMT has approximately 50 years of experience in the shipping industry. TMT owns through companies registered in Panama and/or operates or invests in vessels in several shipping sectors, including crude oil tankers, drybulk carriers and liquified natural gas, or LNG, carriers.

The Redomiciliation Merger (page 63)

Subject to the terms and conditions of the Merger Agreement, Star Maritime will merge with and into Star Bulk, a corporation organized under the laws of the Republic of the Marshall Islands, the separate corporate existence of Star Maritime will cease and Star Bulk will be the surviving corporation.

Star Bulk has entered into definitive agreements to acquire a fleet of eight drybulk carriers with a combined cargo-carrying capacity of approximately 691,000 dwt. from certain subsidiaries of TMT. We refer to these eight drybulk carriers as the initial fleet. The aggregate purchase price for the initial fleet is \$345,237,520, consisting of \$224,500,000 in cash and 12,537,645 shares of common stock of Star Bulk. Such shares of common stock will be issued concurrently with the Redomiciliation Merger to TMT, as agent for its vessel-owning subsidiaries. Star Maritime has also entered into related agreements with TMT in connection with the acquisition of the vessels. Under the Master Agreement, Star Maritime, in connection with Star Bulk's acquisition of the vessels from TMT, undertook to use commercially reasonable efforts to file a registration/proxy statement with the Securities and Exchange Commission, or SEC, to obtain shareholder approval for the Redomiciliation Merger and to comply, and cause Star Bulk to comply, with all applicable rules and regulations of the SEC, and to obtain on behalf of itself, Star Bulk and TMT all approvals, consents, exemptions, or authorizations from such governmental agencies or authorities as may be necessary in order to effect the merger and transactions contemplated by the Master Agreement, the Supplemental Agreement, and the MOAs. Star Maritime is also a party to the Supplemental Agreement. The purpose of the Supplemental Agreement, generally, is to provide for the timing of the delivery of, and payment of the consideration for, the vessels as provided for under the MOAs. If the Redomiciliation Merger is not approved by the requisite vote of the stockholders of Star Maritime, the MOAs and the Supplemental Agreement shall be deemed terminated, cancelled and of no further force and effect.

In connection with the acquisition of the vessels in the initial fleet, Star Bulk has also agreed to issue to TMT or its nominated affiliate, under certain circumstances, additional shares of Star Bulk common stock, which we refer to as the Additional Stock. Specifically, Star Bulk will issue (i) 803,481 additional shares of Star Bulk's common stock, no more than 10 business days following Star Bulk's filing of its Annual Report on Form 20-F for the fiscal year ended December 31, 2007, if the gross revenue of Star Bulk and its consolidated subsidiaries which own the vessels in the initial fleet exceeds 80% of Star Bulk's forecasted annual consolidated revenue for such subsidiaries for the fiscal year commencing as of the effective time of the Redomiciliation Merger and ending on December 31, 2007, as agreed between Star Bulk and TMT prior to the effective time of the Redomiciliation Merger; and (ii) 803,481 additional shares of Star Bulk's common stock, no more than 10 business days following Star Bulk's filing of its Annual Report on Form 20-F for the fiscal year ended December 31, 2008, if the gross revenue of Star Bulk and its consolidated subsidiaries owning the vessels in the initial fleet exceeds 80% of the forecasted annual consolidated revenue for such subsidiaries as agreed between Star Bulk and TMT prior to the effective time of the Redomiciliation Merger.

On February 28, 2007, Star Bulk and TMT agreed for purposes of the issuance of the Additional Stock, Star Bulk's forecasted annual consolidated revenue for the fiscal year commencing on the effective date of the Redomiciliation Merger and ending December 31, 2007 will be \$40,000,000, assuming that the Redomiciliation Merger occurs by June 30, 2007, adjusted pro-rata for the period remaining to the end of 2007 if the Redomiciliation Merger occurs after June 30, 2007, and \$90,000,000 for the fiscal year ended December 31, 2008. Star Bulk's forecasted annual consolidated revenue for these periods is based on the forecasted gross charter revenue of \$23.2 million during Star Bulk's first full operating quarter and is adjusted for the expected delivery dates of the vessels in the initial fleet following the Redomiciliation Merger and the number of quarters included in each period, respectively. Please read "Star Bulk's Forecasted Cash Available for Dividends, Reserves and Extraordinary Expenses" for important assumptions and risks related to the forecasted financial information.

Following the effective date of the Redomiciliation Merger, TMT and its affiliates are expected to own between 30.2% and 35.9% of Star Bulk's outstanding common stock, depending on the number of shares redeemed for cash. Assuming applicable conditions to issuance are satisfied after giving effect to the issuance of the Additional Stock, TMT and its affiliates are expected to own between 32.8% and 38.7% of the Star Bulk's outstanding common stock, depending on the number of shares redeemed for cash.

Redemption Rights (page 45)

As provided in Star Maritime's Certificate of Incorporation, holders of Star Maritime common stock have the right to redeem their shares for cash by voting against the Redomiciliation Merger and electing to have such shares redeemed for cash. The exercise of redemption rights must be made on the proxy card at the same time that the stockholder votes against the Redomiciliation Merger. With respect to each share of common stock for which stockholders have exercised redemption rights, Star Maritime will redeem each such share for a pro rata portion of the Trust Account in which the proceeds of Star Maritime's initial public offering are held, plus interest earned thereon. As of March 31, 2007 the amount of funds from the Trust Account that will remain to be applied for the cash portion of the aggregate purchase price will be \$194,571,504 if no shareholders redeem and \$126,525,514 if the maximum 32.99% of shareholders redeem assuming a redemption price of \$10.31. The actual per share redemption price will be calculated within two business days of the consummation of the Redomiciliation Merger. If you exercise your redemption rights, then you will be exchanging your shares of Star Maritime common stock for cash and will no longer own these shares. You will only be entitled to receive cash for these shares if you continue to hold these shares through the effective date of the Redomiciliation Merger and then tender your stock certificate to Star Maritime. If the Redomiciliation Merger is not completed, then these shares will not be redeemed for cash. A

stockholder who exercises redemption rights will continue to own any warrants to acquire Star Maritime common stock owned by such stockholder as such warrants will remain outstanding and unaffected by the exercise of redemption rights.

Star Maritime cannot complete the Redomiciliation Merger unless (1) the holders of at least a majority of the issued and outstanding shares of Star Maritime entitled to vote at the special meeting vote in favor of the Redomiciliation Merger; (2) holders of at least a majority of the shares of common stock issued in the initial public offering and the private placement vote in favor of the Redomiciliation Merger; and (3) holders of less than 6,600,000 shares of common stock, such number representing 33.0% of the 20,000,000 shares of Star Maritime common stock issued in the initial public offering and private placement, vote against the Redomiciliation Merger and exercise their redemption rights to have their shares redeemed for cash. In order to exercise redemption rights, an eligible stockholder must vote against the Redomiciliation Merger and elect to exercise redemption rights on the enclosed proxy card. If a stockholder votes against the Redomiciliation Merger but fails to properly exercise redemption rights, such stockholder will not be entitled to have its shares redeemed for cash. Any request for redemption, once made, may be withdrawn at any time up to the date of the special meeting.

Merger Consideration (page 63)

Pursuant to the Merger Agreement, each outstanding share of Star Maritime common stock will be converted into the right to receive one share of Star Bulk common stock and each outstanding warrant of Star Maritime will be assumed by Star Bulk and will contain the same terms and restrictions except that each will be exercisable for common stock of Star Bulk.

Procedure for Receiving Merger Consideration (page 63)

Promptly after the effective time of the Redomiciliation Merger, an exchange agent appointed by Star Bulk will mail a letter of transmittal and instructions to Star Maritime stockholders. The letter of transmittal and instructions will tell Star Maritime stockholders how to surrender their stock certificates in exchange for the Merger Consideration. Star Maritime stockholders should not return their stock certificates with the enclosed proxy card, and they should not forward their stock certificates to the exchange agent without a letter of transmittal.

The Star Maritime Special Meeting (page 43)

The special meeting of Star Maritime stockholders will take place at _____, New York, New York on _____, 2007, at 10 a.m.

Quorum, Record Date and Voting (page 43)

A quorum of Star Maritime's stockholders is necessary to hold a valid meeting. A quorum will be present at the Star Maritime special meeting if a majority of the issued and outstanding shares of Star Maritime's common stock entitled to vote at the meeting are present in person or by proxy. Abstentions and broker non-votes will count as present for the purpose of establishing a quorum. Only holders of record of shares of Star Maritime common stock as of the close of business on _____, 2007 may vote at the Star Maritime special meeting. As of March 31, 2007, there were 29,026,924 shares of Star Maritime common stock outstanding and entitled to vote. Holders of shares of Star Maritime common stock will have one vote for each share of Star Maritime common stock owned at the close of business on the record date. Star Maritime warrants do not have voting rights.

Messrs. Tsigakis and Syllantavos, our senior executive officers, and Messrs. Pappas and Erhardt, two of our directors, have agreed to vote an aggregate of 1,132,500 shares, or 3.9% of Star Maritime's outstanding common stock, acquired by them in the private placement and any shares of Star Maritime

common stock they may acquire in the future in favor of the Redomiciliation Merger and thereby waive redemption rights with respect to such shares. All of Star Maritime's officers and directors have agreed to vote an aggregate of 9,026,924 shares, or 31.1% of Star Maritime's outstanding common stock, issued to them prior to our initial public offering in accordance with the vote of the holders of a majority of the shares issued in Star Maritime's initial public offering.

Star Maritime cannot complete the Redomiciliation Merger unless: (1) the holders of at least a majority of the issued and outstanding shares of Star Maritime entitled to vote at the special meeting vote in favor of the Redomiciliation Merger; (2) holders of at least a majority of the shares of common stock issued in the initial public offering and the private placement vote in favor of the Redomiciliation Merger; and (3) holders of less than 6,600,000 shares of common stock, such number representing 33.0% of the 20,000,000 shares of Star Maritime common stock issued in the initial public offering and the private placement, vote against the Redomiciliation Merger and exercise their redemption rights to have their shares redeemed for cash. A vote in favor of the Redomiciliation Merger is, in effect, a vote in favor of Star Bulk's acquisition of the vessels from TMT.

Proxies (page 44)

Proxies may be solicited by mail, telephone or in person. Star Maritime may engage a proxy solicitor to assist it in the solicitation of proxies. If you grant a proxy, you may still vote your shares in person if you revoke your proxy before the special meeting or if you attend the special meeting and vote in person.

Recommendations of the Boards of Directors and Reasons for the Redomiciliation Merger (page 52)

In reaching its decision with respect to the Redomiciliation Merger, the board of directors of Star Maritime considered the various regulatory and tax advantages to operating an international shipping company domiciled in the Republic of the Marshall Islands as compared to a corporation domiciled in the United States. The board of directors has unanimously determined that it is advisable and in the best interests of Star Maritime's stockholders to merge with and into Star Bulk, a wholly-owned Marshall Islands subsidiary, with Star Bulk as the surviving corporation, which would acquire vessels and operate as an international shipping company. In reaching its decision with respect to the merger with and into Star Bulk, which has entered into definitive agreements to acquire the vessels in the initial fleet, the board of directors of Star Maritime reviewed various due diligence materials including the vessels' classification society records, records relating to the vessels' physical inspection and vessel valuations prepared by independent purchase and sale brokers recognized in the international shipping industry, as well as advice from and evaluation materials prepared by its financial advisors. The board of directors of Star Maritime has unanimously determined that the Redomiciliation Merger is advisable and in the best interests of Star Maritime's stockholders and that the aggregate purchase price of the initial fleet to be paid by Star Bulk is reasonable. Accordingly, the Star Maritime board of directors unanimously recommends that Star Maritime stockholders vote "**FOR**" the approval and authorization of the Redomiciliation Merger at the Star Maritime special meeting.

Interests of Certain Persons in the Redomiciliation Merger (page 53)

When you consider the recommendation of Star Maritime's board of directors that you vote in favor of approval of the Redomiciliation Merger, you should keep in mind that certain of Star Maritime's officers and directors have interests in the Redomiciliation Merger that are different from, or in addition to, your interest as a stockholder. These interests currently known to us are:

Star Maritime's officers and directors paid \$25,000 in cash for a total of 9,026,924 shares of Star Maritime common stock prior to the initial public offering. These shares, without taking into account any discount that may be associated with certain restrictions on these shares, collectively

Edgar Filing: Star Maritime Acquisition Corp. - Form PRER14A

have a market value of approximately \$104,712,318 based on Star Maritime's share price of \$11.60 as of May 11, 2007. Our initial stockholders have agreed to surrender up to an aggregate of 200,000 of their shares of common stock to us for cancellation upon consummation of a business combination in the event public stockholders exercise their right to have Star Maritime redeem their shares for cash. The number of shares that our initial stockholders will surrender will be determined by calculating the dollar amount of the Trust Account (exclusive of interest) paid to redeeming stockholders above \$9.43 per share (which amount consists of \$9.23 per share attributable to such stockholders and \$0.20 per share attributable to the underwriters' deferred discount) and dividing it by \$10.00 (the value attributed to the shares for purposes of this calculation). Accordingly, for each 1,000 shares redeemed up to 3,508,772 shares, our initial stockholders will surrender 57 shares for cancellation. None of the 9,026,924 shares issued prior to the initial public offering to these individuals may be released from escrow until December 15, 2008 during which time the value of the shares may increase or decrease; however, since such shares were acquired for \$0.003 per share, the holders are likely to benefit from the Redomiciliation Merger notwithstanding any decrease in the market price of the shares. Further, if the Redomiciliation Merger is not approved and Star Maritime fails to consummate an alternative transaction within the requisite period and we are therefore required to liquidate, such shares do not carry the right to receive any distributions upon liquidation.

Messrs. Tsirigakis and Syllantavos, our senior executive officers and Messrs. Pappas and Erhardt, two of our directors, purchased an aggregate of 1,132,500 units in the private placement at a purchase price of \$10.00 per unit (comprised of one share of common stock and one warrant to purchase a share of common stock of Star Maritime) or a total of \$11,325,500, and as of May 11, 2007, the aggregate market value of such securities was \$17,021,475. Star Maritime's officers and directors agreed to vote their common shares included in the units in favor of the Redomiciliation Merger and thereby waive redemption rights with respect to those shares. If the Redomiciliation Merger is not approved and Star Maritime fails to consummate an alternative transaction within the requisite period and Star Maritime is therefore required to liquidate, those shares do not carry the right to receive distributions upon liquidation. No officers or directors of Star Maritime or Star Bulk have purchased any securities of Star Maritime in the after market.

After the completion of the Redomiciliation Merger, Mr. Tsirigakis will serve as Star Bulk's Chief Executive Officer and President and Mr. Syllantavos will serve as Star Bulk's Chief Financial Officer. Star Bulk intends to enter into employment agreements with Messrs. Tsirigakis and Syllantavos prior to the effectiveness of the registration statement of which this joint proxy statement prospectus is a part. See "Information Concerning Star Bulk Compensation of Directors and Senior Management." Star Bulk's board of directors will be comprised of seven directors. Each of the five current directors of Star Maritime will serve as directors of Star Bulk. In addition Mr. Su and Mr. Espig, each a nominee of TMT, will serve as directors. Mr. Pappas and Mr. Su will each serve as non-executive Co-Chairman of the board of Star Bulk. Such individuals

will, following the Redomiciliation Merger, be compensated in such manner, and in such amounts, as Star Bulk's board of directors may determine to be appropriate. See "Information Concerning Star Bulk Compensation of Directors and Senior Management."

Maxim Group LLC, the underwriters of our initial public offering, has an interest in the Redomiciliation Merger which consists of the \$3,773,500 in contingent underwriting compensation and \$226,500 of contingent placement fees held in the Trust Account as of March 31, 2007 that it will receive upon the consummation of a business combination as well as the \$800,000 that it will receive in its financial advisory role with respect to the Redomiciliation Merger. In addition, Maxim has an interest in having as few shareholders as possible exercise

Edgar Filing: Star Maritime Acquisition Corp. - Form PRER14A

their redemption rights because Maxim has agreed that it will forfeit \$0.20 per share (up to a maximum of \$1,286,730) plus interest thereon of its contingent underwriting compensation for each share redeemed by a shareholder in connection with a business combination transaction.

Mr. Nobu Su and Mr. Peter Espig, who are affiliates of TMT, will each join the board of directors of Star Bulk following the Redomiciliation Merger. Star Bulk has entered into one year time charters for two vessels in the initial fleet, the Star Gamma and the Star Iota, with TMT as the charterer. The estimated Star Bulk payments and corresponding TMT gross revenues from these charters will be \$10,203,000 and \$6,444,000 respectively for the two vessels for the duration of the time charter agreements.

Acquisition Financing (page 62)

On May 10, 2007 Star Bulk entered into a commitment letter with Commerzbank AG that will, subject to the approval of the Redomiciliation Merger, provide Star Bulk with a credit facility of up to \$120,000,000 with a minimum nine-year term and secured by the vessels that Star Bulk has agreed to acquire from TMT. Star Bulk intends to drawdown amounts under its credit facility sufficient to fund the balance of the cash portion of the aggregate purchase price of the vessels in the initial fleet to the extent that funds in the Trust Account are used to pay redeeming stockholders. Following the acquisition of the eight drybulk carriers, Star Bulk expects to have working capital of approximately \$1.6 million. Any excess un-drawn funds under the credit facility will be used for additional vessel acquisitions and to provide working capital.

Conditions to the Redomiciliation Merger (page 65)

The completion of the Redomiciliation Merger is subject to the satisfaction or, if permissible, waiver of a number of conditions. Star Maritime cannot complete the Redomiciliation Merger unless (1) the holders of at least a majority of the issued and outstanding shares of Star Maritime entitled to vote at the special meeting vote in favor of the Redomiciliation Merger; (2) holders of at least a majority of the shares of common stock issued in the initial public offering and the private placement vote in favor of the Redomiciliation Merger; and (3) holders of less than 6,600,000 shares of common stock, such number representing 33.0% of the 20,000,000 shares of Star Maritime common stock issued in the initial public offering and private placement, vote against the Redomiciliation Merger and exercise their redemption rights to have their shares redeemed for cash. Each condition to the completion of the Redomiciliation Merger may be waived other than obtaining the requisite vote of shareholders of Star Maritime. We expect to complete the Redomiciliation Merger during the third quarter of 2007, but we cannot be certain when or if the conditions will be satisfied or, if permissible, waived. Star Maritime does not currently expect to waive any conditions of the Redomiciliation Merger.

The obligations of Star Bulk to purchase the vessels in the initial fleet and the obligations of TMT to sell the vessels in the initial fleet are subject to the approval of the Redomiciliation Merger by Star Maritime's stockholders in addition to customary closing conditions.

Termination of the Merger Agreement (page 65)

The Merger Agreement may be terminated (i) at any time prior to the effective time of the Redomiciliation Merger by mutual consent in writing of Star Maritime and Star Bulk; or (ii) unilaterally upon written notice by either Star Maritime or Star Bulk, in the event of such other parties' material breach of any representation or warranty contained in the Merger Agreement.

Termination of the Master Agreement (page 60)

The Master Agreement will terminate and be of no further force or effect in the event that the Redomiciliation Merger is not authorized and approved by the requisite vote of Star Maritimes' stockholders.

Liquidation if No Business Combination (page 66)

You should also be aware that in pursuing the Redomiciliation Merger, Star Maritime has incurred substantial expenses. Star Maritime currently has limited available funds outside the Trust Account, and will therefore be required to borrow funds or make arrangements with vendors and service providers in reliance on the expectation that such expenses will be paid by Star Bulk following consummation of the Redomiciliation Merger. If for any reason the Redomiciliation Merger is not consummated, Star Maritime's creditors may also seek to satisfy their claims from funds in the Trust Account. This could result in depletion of the Trust Account, which would reduce a stockholder's pro rata portion of the Trust Account upon liquidation.

Material U.S. Federal Income Tax Consequences (page 55)

Star Maritime has obtained the opinion of its counsel, Seward & Kissel LLP, that the Redomiciliation Merger will be treated as a nontaxable reorganization for U.S. federal income tax purposes. The opinion of Seward & Kissel LLP is subject to the limitations and qualifications set forth in the discussion of "Material U.S. Federal Income Tax Consequences." Because the Redomiciliation Merger will be treated as a nontaxable reorganization for U.S. federal income tax purposes, Star Bulk will not recognize gain or loss as a result of the Redomiciliation Merger. In addition, Star Maritime stockholders will not recognize gain or loss upon the exchange of their shares of Star Maritime common stock solely for shares of Star Bulk common stock pursuant to the Redomiciliation Merger. However, a Star Maritime stockholder who receives solely cash in exchange for his or her shares of Star Maritime common stock generally will recognize gain or loss for U.S. federal income tax purposes in an amount equal to the difference between his basis for U.S. federal income tax purposes in such shares and the cash received. The federal income tax consequences of the Redomiciliation Merger are complicated and may differ between individual stockholders. We strongly urge each Star Maritime stockholder to consult his or her own tax advisor regarding the federal income tax consequences of the Redomiciliation Merger in light of his or her own personal tax situation and also as to any state, local, foreign or other tax consequences arising out of the Redomiciliation Merger. Further, we do not give any opinion regarding the tax impact in the event that Star Maritime stockholders exercise redemption rights.

Accounting Treatment (page 55)

The Redomiciliation Merger will be accounted for as a business combination between companies under common control with Star Bulk as the accounting acquirer. The assets and liabilities of Star Maritime acquired by Star Bulk will be recorded as of the acquisition date at their respective costs and added to those of Star Bulk. Following the effective date of the Redomiciliation Merger, Star Bulk will continue as the surviving company and the separate corporate existence of Star Maritime shall cease. Accordingly, the results of operations after completion of the acquisition will be those of Star Bulk.

Comparison of Star Maritime and Star Bulk Stockholder Rights (page 134)

Star Maritime is incorporated under the laws of the State of Delaware. Star Bulk is incorporated under the laws of the Republic of the Marshall Islands. Upon consummation of the Redomiciliation Merger, the stockholders of Star Maritime will become shareholders of Star Bulk. Star Bulk's amended and restated articles of incorporation and by-laws differ from the organizational documents governing

the rights of the former Star Maritime stockholders. In particular, Star Maritime's certificate of incorporation authorizes the issuance of up to 1,000,000 shares of blank check preferred stock by its board of directors. Star Bulk's articles of incorporation authorize the issuance of up to 25,000,000 shares of blank check preferred stock by the board of directors. Star Maritime's certificate of incorporation provides that a special meeting of stockholders may be called by a majority of the entire board of directors or the Chief Executive Officer, and shall be called by the Secretary at the request in writing of stockholders owning a majority in amount of the entire capital stock of the corporation issued and outstanding and entitled to vote. Star Bulk's organizational documents require that a special meeting of stockholders may only be called by the board of directors, jointly by the Co-Chairmen or the President. In addition, Star Bulk's articles of incorporation include a provision which limits Star Bulk from engaging in a business combination transaction with stockholders owning 20% or more of the outstanding voting stock of Star Bulk.

Regulatory Approvals (page 56)

Star Maritime and Star Bulk do not expect that the Redomiciliation Merger will be subject to any state or federal regulatory requirements other than filings under applicable securities laws and the effectiveness of the registration statement of Star Bulk of which this joint proxy statement/prospectus is part, and the filing of certain merger documents with the Registrar of Corporations of the Republic of the Marshall Islands and with the Secretary of State of the State of Delaware. Star Maritime and Star Bulk intend to comply with all such requirements. We do not believe that, in connection with the completion of the Redomiciliation Merger, any consent, approval, authorization or permit of, or filing with or notification to, any merger control authority will be required in any jurisdiction.

STAR BULK SUMMARY FINANCIAL INFORMATION

Because Star Bulk was incorporated on December 13, 2006, and has no operating history, Star Bulk does not have any historical financial statements for any period other than a balance sheet as of February 5, 2007, which is included later in this joint proxy statement/prospectus.

	As of February 5, 2007	
	(Expressed in U.S. dollars, except for share and per share data)	
<u>Assets</u>		
Current assets:		
Cash and cash equivalents	\$	1,000
Total current assets		1,000
Total assets	\$	1,000
<u>Liabilities and Shareholders' Equity</u>		
Commitments and contingencies (Note 4)		
Shareholders' Equity		
Common stock (100,000,000 shares authorized, par value \$0.01 per share, 500 issued and outstanding)		5
Preferred stock (25,000,000 shares authorized, par value \$0.01 per share, none issued and outstanding)		
Paid-in capital		995
Total shareholders' equity		1,000
Total liabilities and shareholders' equity	\$	1,000

As of February 5, 2007

STAR MARITIME SUMMARY FINANCIAL INFORMATION

Star Maritime Acquisition Corp. was incorporated in Delaware on May 13, 2005 to serve as a vehicle for the acquisition through a merger, capital stock exchange, asset acquisition, or other similar business combination with one or more businesses in the shipping industry. Star Maritime has not acquired an entity as of the date of this prospectus. Star Maritime has selected December 31 as its fiscal year end. Star Maritime is considered to be in the development stage and is subject to the risks associated with activities of development stage companies. The summary financial information set forth below should be read in conjunction with the audited financial statements of Star Maritime for the period from inception to December 31, 2006 and for the fiscal years ended December 31, 2005 and 2006 and related notes included elsewhere in this joint proxy statement/prospectus.

Star Maritime Acquisition Corp.
(a development stage company)

Balance Sheets
(in U.S. dollars)

	March 31, 2007 (unaudited)	December 31, 2006	December 31, 2005
ASSETS			
Current Assets:			
Cash	\$ 944,208	\$ 2,118,141	\$ 593,281
Investments in Trust Account	194,571,504	192,915,257	188,858,542
Prepaid expenses and other current assets	220,502	149,647	118,766
Total Current Assets	195,736,214	195,183,045	189,570,589
Property and Equipment, net	6,304	3,256	
Deferred tax asset			9,000
TOTAL ASSETS	\$ 195,742,518	\$ 195,186,301	\$ 189,579,589
LIABILITIES & STOCKHOLDERS' EQUITY			
Liabilities			
Accounts payable & accrued	\$ 544,930	\$ 603,520	\$ 344,638
Deferred Interest on investments	2,709,453	2,163,057	
Deferred underwriting fees	4,000,000	4,000,000	4,000,000
Income taxes payable		206,687	
Total Liabilities	7,254,383	6,973,264	4,344,638
Common Stock, \$0.0001 par value, 6,599,999 shares subject to possible redemption, at redemption value of \$9.80 per share	64,679,990	64,679,990	64,679,990
Commitments			
Stockholders' Equity:			
Preferred Stock, \$0.0001 par value; authorized, 1,000,000 shares; none issued or outstanding			
Common Stock, \$0.0001 par value, authorized, 100,000,000 shares; 29,026,924 shares issued and outstanding (including 6,599,999 shares subject to possible redemption)	2,903	2,903	2,903
Additional paid in capital	120,441,727	120,441,727	120,441,727
Earnings accumulated in the development stage	3,363,515	3,088,417	110,331

Edgar Filing: Star Maritime Acquisition Corp. - Form PRER14A

	March 31, 2007 (unaudited)	December 31, 2006	December 31, 2005
Total Stockholders' Equity	123,808,145	123,533,047	120,554,961
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 195,742,518	\$ 195,186,301	\$ 189,579,589

17

Star Maritime Acquisition Corp.
(a development stage company)

Statements of Income
(in U.S. dollars)

	Three Months Ended March 31, 2007	Three Months Ended March 31, 2006	May 13, 2005 (date of inception) to March 31, 2007	For the Year Ended December 31, 2006	May 13, 2005 (date of inception) to December 31, 2005	May 13, 2005 (date of inception) to December 31, 2006
	(unaudited)	(unaudited)	(unaudited)			
Operating expenses						
Professional fees	\$ 591,494	\$ 21,017	\$ 1,207,517	\$ 596,423	\$ 19,600	\$ 616,023
Insurance	26,280	26,250	142,756	112,242	4,234	116,476
Due diligence costs	43,297	11,296	306,174	262,877		262,877
Other	186,611	17,268	452,546	239,558	26,377	265,935
Total operating expenses	847,682	75,831	2,108,993	1,211,100	50,211	1,261,311
Interest income	1,122,780	994,654	5,702,195	4,395,873	183,542	4,579,415
Income before provision for income taxes	275,098	918,823	3,593,202	3,184,773	133,331	3,318,104
Provision for income taxes		121,206	229,687	206,687	23,000	229,687
Net income	\$ 275,098	\$ 797,617	\$ 3,363,515	\$ 2,978,086	\$ 110,331	\$ 3,088,417
Earnings per share (basic and diluted)	\$ 0.01	\$ 0.03	\$ 0.15	\$ 0.10	\$ 0.01	\$ 0.14
Weighted average shares outstanding basic and diluted	29,026,924	29,026,924	22,573,933	29,026,924	9,918,282	21,601,120

Star Maritime Acquisition Corp.
(a development stage company)

Statements of Cash Flows
(in U.S. dollars)

	Three Months Ended March 31, 2007	Three months ended March 31, 2006	May 13, 2005 (date of inception) to March 31, 2007	For the Year Ended December 31, 2006	May 13, 2005 (date of inception) to December 31, 2005	May 13, 2005 (date of inception) to December 31, 2006
	(unaudited)	(unaudited)	(unaudited)			
Cash flows from operating activities:						
Net Income	\$ 275,098	\$ 797,617	\$ 3,363,515	\$ 2,978,086	\$ 110,331	\$ 3,088,417
Adjustments to reconcile net income to net cash used in operating activities:						
Depreciation	610		1,018	408		408
Changes in operating assets and liabilities:						
Increase in value of Trust Account	(1,656,247)	(1,169,638)	(5,896,504)	(4,056,715)	(183,542)	(4,240,257)
Increase in prepaid expenses and other current assets	(70,855)	(53,730)	(220,502)	(30,881)	(118,766)	(149,647)
Increase (Decrease) in deferred tax asset				9,000	(9,000)	
Increase (Decrease) in accounts payable and accrued expenses	(58,590)	(291,276)	544,930	429,467	174,053	603,520
Increase in deferred interest	546,396	489,683	2,709,453	2,163,057		2,163,057
Increase (Decrease) in taxes payable	(206,687)	121,206		206,687		206,687
Net cash provided by (used in) operating activities	(1,170,275)	(106,138)	501,910	1,699,109	(26,924)	1,672,185
Cash flows from investing activities:						
Payment to trust account			(188,675,000)		(188,675,000)	(188,675,000)
Capital expenditures	(3,658)		(7,322)	(3,664)		(3,664)
Net cash used in investing activities	(3,658)		(188,682,322)	(3,664)	(188,675,000)	(188,678,664)
Cash flows from financing activities:						
Gross proceeds from public offering			188,675,000		188,675,000	188,675,000
Gross proceeds from private placement			11,325,000		11,325,000	11,325,000
Proceeds of note payable to stockholder			590,000		590,000	590,000
			(590,000)		(590,000)	(590,000)

Edgar Filing: Star Maritime Acquisition Corp. - Form PRER14A

	Three Months Ended March 31, 2007	Three months ended March 31, 2006	May 13, 2005 (date of inception) to March 31, 2007	For the Year Ended December 31, 2006	May 13, 2005 (date of inception) to December 31, 2005	May 13, 2005 (date of inception) to December 31, 2006
Repayment of note payable to stockholder						
Proceeds from sale of shares of common stock			25,000		25,000	25,000
Payment of offering costs			(10,900,380)	(170,585)	(10,729,795)	(10,900,380)
Net cash provided by financing activities			189,124,620	(170,585)	189,295,205	189,124,620
Net cash increase (decrease) for period	(1,173,933)	(106,138)	944,208	1,524,860	593,281	2,118,141
Cash at beginning of period	2,118,141	593,281		593,281		
Cash at end of period	\$ 944,208	\$ 487,143	\$ 944,208	\$ 2,118,141	\$ 593,281	\$ 2,118,141
Supplemental cash disclosure						
Interest paid	\$	\$	\$ 9,163	\$	\$ 9,163	\$ 9,163
Supplemental schedule of non-cash financing activities						
Accrual of deferred underwriting fees	\$	\$	\$ 4,000,000	\$	\$ 4,000,000	\$ 4,000,000
Accrual of offering costs	\$	\$	\$	\$	\$ 170,585	\$

**STAR MARITIME ACQUISITION CORP.
UNAUDITED PRO FORMA COMBINED BALANCE SHEET**

The following unaudited pro forma combined balance sheet presents the financial position of Star Maritime as of March 31, 2007, assuming the acquisition of the vessels had been completed as of March 31, 2007. The historical financial information has been adjusted to give effect to pro forma events that are directly attributable to the Redomiciliation Merger, factually supportable, and expected to have a continuing impact on the combined results. Star Bulk was recently formed on December 13, 2006, does not have any material assets or operations as of March 31, 2007, and therefore has not been included within this analysis because its results would not materially affect those of Star Maritime.

We are providing the following information to aid you in your analysis of the financial aspects of the Redomiciliation Merger. We derived this information from the unaudited balance sheet of Star Maritime as of March 31, 2007. This information should be read together with the Star Maritime audited financial statements and related notes and "Management's Discussion and Analysis of Financial Condition and Results of Operations" for Star Maritime and other financial information included elsewhere in this joint proxy statement/prospectus.

The unaudited pro forma combined information is for illustrative purposes only. You should not rely on the unaudited pro forma combined balance sheet as being indicative of the historical financial position that would have been achieved had the Redomiciliation Merger been consummated as of this date.

See Notes to Unaudited Pro Forma Combined Balance Sheet

UNAUDITED PRO FORMA COMBINED BALANCE SHEET
AS OF MARCH 31, 2007
(in U.S. dollars)

	<u>Star Maritime Acquisition Corp.</u>	<u>Pro Forma Adjustments (with no stock redemption)</u>	<u>Combined</u>	<u>Additional Pro Forma Adjustments (with 6,599,999 shares of common stock redemption)</u>	<u>Combined (stock redemption)</u>
<u>ASSETS</u>					
CURRENT ASSETS:					
Cash and cash equivalents	944,208	40,000,000 (a) 194,571,504 (b) (224,500,000)(c) (4,900,000)(e) (4,000,000)(f)	2,115,712	66,843,047 (h) (64,679,990)(i) (2,709,453)(j)	1,569,316
Investment in Trust Account	194,571,504	(194,571,504)(b)			
Prepaid expenses and other current assets	220,502		220,502		220,502
Total current assets	195,736,214		2,336,214		1,789,818
Fixed assets, net	6,304		6,304		6,304
Vessels, net		345,237,520 (c)	345,237,520		345,237,520
Total assets	195,742,518		347,580,038		347,033,642
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>					
CURRENT LIABILITIES:					
Accounts payable and accrued expenses	544,930		544,930		544,930
Deferred interest on investment	2,709,453	(2,709,453)(g)			
Deferred underwriting fees	4,000,000	(4,000,000)(f)			
Income taxes payable					
Total current liabilities	7,254,383		544,930		544,930
Long-term debt		40,000,000 (a)	40,000,000	66,843,047 (h)	106,843,047
Total liabilities	7,254,383		40,544,930		107,387,977
Common Stock, 6,599,999 subject to possible redemption at a redemption value of \$9.80 per share	64,679,990	(64,679,990)(d)			
Commitments					
STOCKHOLDERS' EQUITY:					
Preferred stock, \$0.0001 par value; authorized, 1,000,000 shares, none issued or outstanding					
Common stock, \$0.0001 par value; authorized, 100,000,000 shares; 29,026,924 shares issued and outstanding (including 6,599,999	2,903	1,254 (c)			

Edgar Filing: Star Maritime Acquisition Corp. - Form PRER14A

	Star Maritime Acquisition Corp.	Pro Forma Adjustments (with no stock redemption)	Combined	Additional Pro Forma Adjustments (with 6,599,999 shares of common stock redemption)	Combined (stock redemption)
shares subject to possible redemption)		660 (d)	4,817	(660)(i)	4,157
Additional paid-in capital	120,441,727	120,736,266 (c)	300,957,323	(20)(k)	
		64,679,330 (d)		(64,679,330)(i)	
		(4,900,000)(e)		20 (k)	236,277,993
Earnings accumulated in the development stage	3,363,515	2,709,453 (g)	6,072,968	(2,709,453)(j)	3,363,515
Total stockholders' equity	123,808,145		307,035,108		239,645,665
Total liabilities and stockholders' equity	195,742,518		347,580,038		347,033,642

STAR MARITIME ACQUISITION CORP.
NOTES TO UNAUDITED PRO FORMA COMBINED BALANCE SHEET
AS OF MARCH 31, 2007

The pro forma balance sheet reflects the acquisition of the fleet of vessels from the subsidiaries of TMT and the drawdown of the loan to partially finance that transaction as further discussed in the "Summary" section of this document. The historical balance sheet of Star Maritime at March 31, 2007 used in the preparation of the unaudited pro forma financial information has been derived from the unaudited balance sheet of Star Maritime at March 31, 2007. Star Bulk did not have any material assets or operations as of March 31, 2007 and has therefore not been reflected in the unaudited pro forma financial information. The Redomiciliation Merger is to be accounted for as a merger of entities under common control, and as such assets will continue to be recorded at their historical cost.

Separate pro forma balance sheets have been presented for the following circumstances (1) that no Star Maritime stockholders exercise their right to have their shares redeemed upon the consummation of the Redomiciliation Merger and (2) that holders of 6,599,999 shares of Star Maritime common stock elect to have their shares redeemed upon the consummation of the Redomiciliation Merger at the redemption value of \$9.80 per share, based on the amount held in the Star Maritime Trust Account, plus interest income to date thereon, at March 31, 2007.

Descriptions of the adjustments included in the unaudited pro forma balance sheets are as follows:

- (a) Reflects the drawdown of the loan of \$40,000,000 under the credit facility described in "Acquisition Financing". Star Bulk has entered into a commitment letter with an international shipping lender that will, subject to the approval of the Agreement and Plan of Merger, provide Star Bulk with a credit facility of up to \$120,000,000 with a nine-year term and secured by five of the eight drybulk carriers that Star Bulk has agreed to acquire from TMT. Star Bulk intends to draw down \$40,000,000 under the credit facility on the effective date of the Redomiciliation Merger to fund a portion of the cash consideration of the aggregate purchase price of in the initial fleet. The remaining funds under the credit facility may be used to replace funds from our Trust Account used to pay costs relating to the redemption of Star Maritime stockholders who vote against the Redomiciliation Merger and elect to redeem their shares. Any excess un-drawn funds under the credit facility may be used for additional vessel acquisitions and to provide working capital.
- (b) To transfer the total Investment in trust account balance to the operating cash account.
- (c) Reflects the acquisition of eight drybulk carriers from certain subsidiaries of TMT for an aggregate purchase price of \$345.2 million consisting of \$224.5 million payable in cash and \$120.7 million payable in 12,537,645 common shares of Star Bulk.
- (d) In conjunction with the Redomiciliation Merger, all non-redeemed common stock forfeits redemption rights.
- (e) To record transaction costs comprised of: advisor fees of \$2.8 million, legal fees of \$1.1 million, \$0.7 million in accounting fees and other fees of \$0.3 million totalling \$4.9 million. The advisory fees of Maxim, CF&Co. and Bongard are payable only upon the successful completion of the Redomiciliation Merger.
- (f) To reflect payment of underwriters' deferred compensation, related to services provided in connection with Star Maritime's initial public offering in December 2005.
- (g) To record interest on Trust Account previously deferred.

Edgar Filing: Star Maritime Acquisition Corp. - Form PRER14A

- (h) To drawdown an additional \$66.8 million under the Company's credit facility of up to \$120 million to replace funds from the Trust Account used for the payment of redemption value and deferred interest to investors.
- (i) Reflects the redemption of 32.99% of Star Maritime shares of common stock issued in the Company's initial public offering, at March 31, 2007 redemption value of \$9.80 per share. The number of shares assumed redeemed, 6,599,999, is based on 32.99% of the IPO shares outstanding prior to the Redomiciliation Merger and represents the maximum number of shares that may be redeemed without precluding the consummation of the Redomiciliation Merger.
- (j) To reflect the payment of interest earned by the redeeming shareholders.
- (k) Reflects the 200,000 common shares certain of our officers and directors have agreed to surrender for cancellation upon the consummation of a business combination in the event public stockholders exercise their right to have Star Maritime redeem their shares for cash.

MARKET PRICE AND DIVIDEND INFORMATION

Star Maritime's units commenced trading on the American Stock Exchange under the symbol "SEAU," on December 16, 2005. Effective on February 27, 2006, Star Maritime's common stock and warrants began to trade separately under the symbols "SEA," and "SEA.WS", respectively, and the units ceased trading. The closing high and low sales prices of Star Maritime's units, common stock, and warrants as reported by the American Stock Exchange, for the quarters indicated are as follows:

	Units		Common Stock		Warrants	
	High	Low	High	Low	High	Low
2005:						
Fourth Quarter (December 16 to December 31)	\$ 10.00	\$ 9.82	NA	NA	NA	NA
2006:						
First Quarter (January 1 to February 27)(1)	\$ 10.25	\$ 9.84	NA	NA	NA	NA
First Quarter (February 27 to March 31)	NA	NA	\$ 9.92	\$ 9.62	\$ 1.25	\$ 0.87
Second Quarter (April 1 to June 30)	NA	NA	\$ 10.16	\$ 9.47	\$ 1.20	\$ 0.87
Third Quarter (July 1 to September 31)	NA	NA	\$ 9.74	\$ 9.45	\$ 1.06	\$ 0.70
Fourth Quarter (October 1 to December 31)	NA	NA	\$ 9.90	\$ 9.60	\$ 0.84	\$ 0.55
2007:						
First Quarter (January 1 to January 16)(2)	NA	NA	\$ 9.93	\$ 9.87	\$ 0.87	\$ 0.72
First Quarter (January 17 to March 31)	NA	NA	\$ 10.30	\$ 9.86	\$ 2.15	\$ 1.20
Second Quarter (April 1 to May 11)(3)	NA	NA	\$ 11.75	\$ 10.34	\$ 3.48	\$ 2.18

- (1) Star Maritime's units ceased trading on February 27, 2006. Star Maritime's common stock and warrants commenced trading separately as of this date.
- (2) The last full trading day prior to the announcement of a proposal for a business combination involving Star Bulk. On January 16, 2007, the closing price of Star Maritime common stock and warrants was \$9.90 and \$0.87, respectively.
- (3) On May 11, 2007 the closing price of the common stock and warrants of StarMaritime was \$11.60 and \$3.43 respectively.

As of May 11, 2007, there were nine stockholders of record of Star Maritime common stock and five holders of record of Star Maritime warrants. Such numbers do not include beneficial owners holding shares or warrants through nominee names.

Star Maritime is a blank check company and as a result, has never declared or paid any dividends on its common stock.

Stockholders are urged to obtain a current market quotation for Star Maritime securities.

Star Bulk's securities are not currently listed and do not trade on any stock exchange. Star Bulk has applied to list its common stock and warrants on the Nasdaq Global Market under the symbols "SBLK" and "SBLKW" respectively. Star Bulk is recently formed company and no dividends have been paid on any Star Bulk securities.

RISK FACTORS

You should consider carefully the following risk factors, as well as the other information set forth in this joint proxy statement/prospectus, before making a decision on the Redomiciliation Merger. The following risk factors contain all material risks that are currently known or we believe are reasonably foreseeable. Some of the following risks relate principally to the industry in which Star Bulk, as the surviving corporation, will operate and its business in general. Any of the risk factors could significantly and negatively affect Star Bulk's business, financial condition or operating results.

Company Risk Factors Relating to the Surviving Corporation

Star Bulk has no operating history and may not operate profitably in the future.

Star Bulk was formed December 13, 2006. Star Bulk has entered into agreements to acquire eight drybulk carriers and expects to take delivery of the vessels within sixty days following the effective date of the Redomiciliation Merger. However, Star Bulk has no operating history. Its financial statements do not provide a meaningful basis for you to evaluate its operations and ability to be profitable in the future. Star Bulk may not be profitable in the future.

Star Bulk's senior executive officers and directors may not be able to organize and manage a publicly traded operating company.

None of Star Bulk's senior executive officers or directors has previously organized and managed a publicly traded operating company, and Star Bulk's senior executive officers and directors may not be successful in doing so. The demands of organizing and managing a publicly traded operating company are much greater as compared to a private or blank check company and some of Star Bulk's senior executive officers and directors may not be able to meet those increased demands.

If any of the eight drybulk carriers in Star Bulk's fleet are not delivered on time or delivered with significant defects, Star Bulk's proposed business, results of operations and financial condition could suffer.

Star Bulk has entered into separate memoranda of agreement with wholly-owned subsidiaries of TMT to acquire the eight drybulk carriers in its initial fleet. On the effective date of the Redomiciliation Merger, at least one of the vessels in the initial fleet will be delivered to Star Bulk. Star Bulk expects to take delivery of the remaining vessels within sixty days following the effective date of the Redomiciliation Merger. A delay in the delivery of any of these vessels to Star Bulk or the failure of TMT to deliver a vessel at all could adversely affect Star Bulk's business, results of operations and financial condition. The delivery of these vessels could be delayed or certain events may arise which could result in Star Bulk not taking delivery of a vessel, such as a total loss of a vessel, a constructive loss of a vessel, or substantial damage to a vessel prior to delivery. In addition, the delivery of any of these vessels with substantial defects could have similar consequences.

If Star Bulk fails to manage its planned growth properly, it may not be able to successfully expand its fleet.

Star Bulk intends to continue to expand its fleet. Star Bulk's growth will depend on:

- locating and acquiring suitable vessels;
- identifying and consummating acquisitions or joint ventures;
- integrating any acquired vessels successfully with its existing operations;
- enhancing its customer base;
- managing its expansion; and
- obtaining required financing.

Edgar Filing: Star Maritime Acquisition Corp. - Form PRER14A

Growing any business by acquisition presents numerous risks such as undisclosed liabilities and obligations, difficulty experienced in obtaining additional qualified personnel and managing relationships with customers and suppliers and integrating newly acquired operations into existing infrastructures. Star Bulk may not be successful in executing its growth plans and may incur significant expenses and losses.

Star Bulk's loan agreements may contain restrictive covenants that may limit its liquidity and corporate activities.

The new senior secured credit facility that Star Bulk expects to enter into and any future loan agreements may impose operating and financial restrictions on it. These restrictions may limit its ability to:

incur additional indebtedness;

create liens on its assets;

sell capital stock of its subsidiaries;

make investments;

engage in mergers or acquisitions;

pay dividends;

make capital expenditures;

change the management of its vessels or terminate or materially amend the management agreement relating to each vessel;
and

sell its vessels.

Therefore, Star Bulk may need to seek permission from its lenders in order to engage in some important corporate actions. The lenders' interests may be different from those of Star Bulk, and Star Bulk cannot guarantee that it will be able to obtain the lenders' permission when needed. This may prevent Star Bulk from taking actions that are in its best interest.

Servicing debt will limit funds available for other purposes, including capital expenditures and payment of dividends.

Star Bulk expects to incur up to \$40,000,000 of indebtedness in connection with the purchase of the vessels in the initial fleet and may also incur additional secured debt to finance the acquisition of additional vessels. Star Bulk may also incur up to an additional \$70,000,000 of indebtedness to replace funds from our Trust Account that have been utilized to cover the cost of redeeming stockholders of Star Maritime. Star Bulk may be required to dedicate a portion of its cash flow from operations to pay the principal and interest on its debt. These payments limit funds otherwise available for working capital expenditures and other purposes, including payment of dividends. Star Bulk has not yet determined whether to purchase additional vessels or incur debt in the near future for additional vessel acquisitions. Assuming that no shareholders elect to redeem, Star Bulk will have available approximately \$70,000,000 under its credit facility to fund future acquisitions. If Star Bulk is unable to service its debt, it could have a material adverse effect on Star Bulk's financial condition and results of operations.

Star Bulk's revenues may be dependent on the performance of its charterers.

Star Bulk will enter into time charters with Worldlink Shipping Limited, North China Shipping Limited Bahamas, Essar, Neptune, and TMT. Star Bulk's revenues may be dependent on the

performance of its charterers and, as a result, defaults by its charterers may materially adversely affect Star Bulk's revenues. Star Bulk has not independently analyzed the creditworthiness of the charterers, consistent with industry practice in the drybulk shipping industry.

In the highly competitive international drybulk shipping industry, Star Bulk may not be able to compete for charters with new entrants or established companies with greater resources which may adversely affect its results of operations.

Star Bulk will employ its vessels in a highly competitive market that is capital intensive and highly fragmented. Competition arises primarily from other vessel owners, some of whom have substantially greater resources than Star Bulk. Competition for the transportation of drybulk cargoes can be intense and depends on price, location, size, age, condition and the acceptability of the vessel and its managers to the charterers. Due in part to the highly fragmented market, competitors with greater resources could operate larger fleets through consolidations or acquisitions that may be able to offer better prices and fleets.

Star Bulk may be unable to attract and retain key management personnel and other employees in the shipping industry, which may negatively affect the effectiveness of its management and its results of operations.

Star Bulk's success will depend to a significant extent upon the abilities and efforts of its management team. Star Bulk has only two employees, its Chief Executive Officer and Chief Financial Officer. Star Bulk's wholly-owned subsidiary, Star Bulk Management Inc., or Star Bulk Management, plans to hire additional employees following the Redomiciliation Merger to perform the day to day management of the vessels in the initial fleet. Star Bulk Management does not currently have any employees. Star Bulk's success will depend upon its ability to retain key members of its management team and the ability of Star Bulk Management to recruit and hire suitable employees. The loss of any of these individuals could adversely affect Star Bulk's business prospects and financial condition. Difficulty in hiring and retaining personnel could adversely affect Star Bulk's results of operations. Star Bulk does not intend to maintain "key man" life insurance on any of its officers. Star Bulk intends to enter into employment agreements with Mr. Akis Tsirigakis and Mr. George Syllantavos, Star Bulk's Chief Executive Officer and Chief Financial Officer, respectively, and has adopted an equity incentive plan in order to provide the board of directors a mechanism for incentivizing key employees in the future.

As Star Bulk commences its business, it will need to implement its operations and financial systems and hire new shoreside staff; if it cannot implement these systems or recruit suitable employees, its performance may be adversely affected.

Star Bulk's operating and financial systems may not be adequate as it commences operations, and its attempts to implement those systems may be ineffective. In addition, as Star Bulk expands its fleet, it will have to rely on its wholly-owned subsidiary, Star Bulk Management, to recruit shoreside administrative and management personnel. Star Bulk Management intends to sub-contract crew management, which includes the recruitment of seafarers, to third-party technical management companies. On-shore personnel will be recruited by Star Bulk Management through referrals from other shipping companies and traditional methods of securing personnel, such as placing classified advertisements in shipping industry periodicals. Star Bulk cannot assure you that Star Bulk Management will be able to continue to hire suitable employees as Star Bulk expands its fleet. If Star Bulk Management's unaffiliated crewing agent encounters business or financial difficulties, Star Bulk may not be able to adequately staff its vessels. If Star Bulk is unable to operate its financial and operations systems effectively or to recruit suitable employees, its performance may be materially adversely affected.

Risks involved with operating ocean going vessels could affect Star Bulk's business and reputation, which would adversely affect its revenues.

The operation of an ocean-going vessel carries inherent risks. These risks include the possibility of:

crew strikes and/or boycotts;

marine disaster;

piracy;

environmental accidents;

cargo and property losses or damage; and

business interruptions caused by mechanical failure, human error, war, terrorism, political action in various countries or adverse weather conditions.

Any of these circumstances or events could increase Star Bulk's costs or lower its revenues.

Star Bulk's vessels may suffer damage and it may face unexpected drydocking costs, which could adversely affect its cash flow and financial condition.

If Star Bulk's vessels suffer damage, they may need to be repaired at a drydocking facility. The costs of drydock repairs are unpredictable and can be substantial. Star Bulk may have to pay drydocking costs that its insurance does not cover. The loss of earnings while these vessels are being repaired and reconditioned, as well as the actual cost of these repairs, would decrease its earnings.

Purchasing and operating secondhand vessels may result in increased operating costs and vessel off-hire, which could adversely affect Star Bulk's earnings.

Star Bulk's inspection of secondhand vessels prior to purchase does not provide it with the same knowledge about their condition and cost of any required or anticipated repairs that it would have had if these vessels had been built for and operated exclusively by Star Bulk. Generally, Star Bulk will not receive the benefit of warranties on secondhand vessels.

In general, the costs to maintain a vessel in good operating condition increase with the age of the vessel. Older vessels are typically less fuel efficient and more costly to maintain than more recently constructed vessels. Cargo insurance rates increase with the age of a vessel, making older vessels less desirable to charterers.

Governmental regulations, safety or other equipment standards related to the age of vessels may require expenditures for alterations, or the addition of new equipment, to Star Bulk's vessels and may restrict the type of activities in which the vessels may engage. Star Bulk cannot assure you that, as Star Bulk's vessels age, market conditions will justify those expenditures or enable it to operate its vessels profitably during the remainder of their useful lives.

Star Bulk has inspected the vessels that it will acquire from TMT, has considered the age and condition of the vessels in budgeting for operating, insurance and maintenance costs, and that if Star Bulk acquires additional second hand vessels in the future, it may encounter higher operating and maintenance costs due to the age and condition of those additional vessels.

Star Bulk's worldwide operations will expose it to global risks that may interfere with the operation of its vessels.

Star Bulk is expected to primarily conduct its operations worldwide. Changing economic, political and governmental conditions in the countries where Star Bulk is engaged in business or in the Marshall Islands where Star Bulk intends to register all of its vessels, affect Star

Bulk's operations. In the past, political conflicts, particularly in the Arabian Gulf, resulted in attacks on vessels, mining of waterways

and other efforts to disrupt shipping in the area. Acts of terrorism and piracy have also affected vessels trading in regions such as the South China Sea. The likelihood of future acts of terrorism may increase, and Star Bulk's vessels may face higher risks of being attacked. In addition, future hostilities or other political instability in regions where Star Bulk's vessels trade could have a material adverse effect on its trade patterns and adversely affect its operations and performance.

Star Bulk may not have adequate insurance to compensate it if it loses its vessels, which may have material adverse effect on its financial condition and results of operation.

Star Bulk is expected to procure hull and machinery insurance, protection and indemnity insurance, which includes environmental damage and pollution insurance coverage and war risk insurance for its fleet. Star Bulk does not expect to maintain for all of its vessels insurance against loss of hire, which covers business interruptions that result from the loss of use of a vessel. Star Bulk may not be adequately insured against all risks. Star Bulk may not be able to obtain adequate insurance coverage for its fleet in the future. The insurers may not pay particular claims. Star Bulk's insurance policies may contain deductibles for which it will be responsible and limitations and exclusions which may increase its costs or lower its revenue. Moreover, Star Bulk cannot assure that the insurers will not default on any claims they are required to pay. If Star Bulk's insurance is not enough to cover claims that may arise, the deficiency may have a material adverse effect on Star Bulk's financial condition and results of operations.

Star Bulk is incorporated in the Republic of the Marshall Islands, which does not have a well-developed body of corporate law, which may negatively affect the ability of public shareholders to protect their interests.

Star Bulk's corporate affairs are governed by its Articles of Incorporation and By-laws and by the Marshall Islands Business Corporations Act or BCA. The provisions of the BCA resemble provisions of the corporation laws of a number of states in the United States. However, there have been few judicial cases in the Republic of the Marshall Islands interpreting the BCA. The rights and fiduciary responsibilities of directors under the law of the Republic of the Marshall Islands are not as clearly established as the rights and fiduciary responsibilities of directors under statutes or judicial precedent in existence in certain United States jurisdictions. Shareholder rights may differ as well. While the BCA does specifically incorporate the non-statutory law, or judicial case law, of the State of Delaware and other states with substantially similar legislative provisions, public shareholders may have more difficulty in protecting their interests in the face of actions by the management, directors or controlling shareholders than would shareholders of a corporation incorporated in a United States jurisdiction.

Star Bulk is incorporated under the laws of the Marshall Islands and its directors and officers are non-U.S. residents, and although you may bring an original action in the courts of the Marshall Islands or obtain a judgment against Star Bulk, its directors or its management based on U.S. laws in the event you believe your rights as a shareholder have been infringed, it may be difficult to enforce judgments against Star Bulk, its directors or its management.

Star Bulk is incorporated under the laws of the Republic of the Marshall Islands, and all of its assets are located outside of the United States. Star Bulk's business will be operated primarily from its offices in Athens, Greece. In addition, Star Bulk's directors and officers, following the Redomiciliation Merger, will be non-residents of the United States, and all or a substantial portion of the assets of these non-residents are located outside the United States. As a result, it may be difficult or impossible for you to bring an action against Star Bulk or against these individuals in the United States if you believe that your rights have been infringed under securities laws or otherwise. Even if you are successful in bringing an action of this kind, the laws of the Marshall Islands and of other jurisdictions may prevent or restrict you from enforcing a judgment against Star Bulk's assets or the assets of its directors and officers. Although you may bring an original action against Star Bulk, its affiliates or any expert named in this prospectus in the courts of the Marshall Islands based on U.S. laws, and the

courts of the Marshall Islands may impose civil liability, including monetary damages, against Star Bulk, its affiliates or any expert named in this prospectus for a cause of action arising under Marshall Islands law, it may be impracticable for you to do so given the geographic location of the Marshall Islands. For more information regarding the relevant laws of the Marshall Islands, please read "Enforceability of Civil Liabilities."

There is a risk that Star Bulk could be treated as a U.S. domestic corporation for U.S. federal income tax purposes after the Redomiciliation Merger which would adversely affect its earnings.

Section 7874(b) of the Code provides that, unless certain requirements are satisfied, a corporation organized outside the United States which acquires substantially all of the assets of a corporation organized in the United States will be treated as a U.S. domestic corporation for U.S. federal income tax purposes if shareholders of the U.S. corporation whose assets are being acquired own at least 80% of the non-U.S. acquiring corporation after the acquisition. If Section 7874(b) of the Code were to apply to Star Maritime and the Redomiciliation Merger, then, among other consequences, Star Bulk, as the surviving entity of the Redomiciliation Merger, would be subject to U.S. federal income tax as a U.S. domestic corporation on its worldwide income after the Redomiciliation Merger. The Redomiciliation Merger has been structured so that upon completion of the Redomiciliation Merger and the concurrent issuance of stock to TMT is under the Acquisition Agreements, the stockholders of Star Maritime will own less than 80% of Star Bulk and therefore, Star Bulk should not be subject to Section 7874(b) of the Code after the Redomiciliation Merger. Star Maritime has obtained an opinion of its counsel, Seward & Kissel, LLP, that Section 7874(b) should not apply to the Redomiciliation Merger. However, Star Maritime has not sought a ruling from the U.S. Internal Revenue Service, or the IRS, on this point. Therefore, there is no assurance that the IRS would not seek to assert that Star Bulk is subject to U.S. federal income tax on its worldwide income after the Redomiciliation Merger although Star Maritime believes that such an assertion should not be successful.

Star Bulk may have to pay tax on United States source income, which would reduce its earnings.

Under the Code, 50% of the gross shipping income of a vessel owning or chartering corporation, such as Star Bulk and its subsidiaries, that is attributable to transportation that begins or ends, but that does not both begin and end, in the United States is characterized as U.S. source shipping income and such income is subject to a 4% U.S. federal income tax without allowance for deduction, unless that corporation qualifies for exemption from tax under Section 883 of the Code and the Treasury regulations promulgated thereunder.

Star Bulk expects that it and each of its subsidiaries will qualify for this statutory tax exemption and Star Bulk will take this position for U.S. federal income tax return reporting purposes. However, there are factual circumstances beyond our control that could cause Star Bulk to lose the benefit of this tax exemption and thereby become subject to U.S. federal income tax on Star Bulk's U.S. source income.

If Star Bulk or its subsidiaries are not entitled to this exemption under Section 883 for any taxable year, Star Bulk or its subsidiaries would be subject for those years to a 4% U.S. federal income tax on its U.S.-source shipping income. The imposition of this taxation could have a negative effect on Star Bulk's business and would result in decreased earnings.

U.S. tax authorities could treat Star Bulk as a "passive foreign investment company," which could have adverse U.S. federal income tax consequences to U.S. holders.

A foreign corporation will be treated as a "passive foreign investment company," or PFIC, for U.S. federal income tax purposes if either (1) at least 75% of its gross income for any taxable year consists of certain types of "passive income" or (2) at least 50% of the average value of the corporation's assets produce or are held for the production of those types of "passive income." For purposes of these tests,

"passive income" includes dividends, interest, and gains from the sale or exchange of investment property and rents and royalties other than rents and royalties which are received from unrelated parties in connection with the active conduct of a trade or business. For purposes of these tests, income derived from the performance of services does not constitute "passive income." U.S. shareholders of a PFIC may be subject to a disadvantageous U.S. federal income tax regime with respect to the income derived by the PFIC, the distributions they receive from the PFIC and the gain, if any, they derive from the sale or other disposition of their shares in the PFIC.

Based on Star Bulk's proposed method of operation, Star Bulk does not believe that it will be a PFIC with respect to any taxable year. In this regard, Star Bulk intends to treat the gross income it will derive or will be deemed to derive from its time chartering activities as services income, rather than rental income. Accordingly, Star Bulk believes that its income from its time chartering activities will not constitute "passive income," and the assets that it will own and operate in connection with the production of that income will not constitute passive assets.

There is, however, no direct legal authority under the PFIC rules addressing Star Bulk's proposed method of operation. Accordingly, no assurance can be given that the U.S. Internal Revenue Service, or the IRS, or a court of law will accept Star Bulk's position, and there is a risk that the IRS or a court of law could determine that Star Bulk is a PFIC. Moreover, no assurance can be given that Star Bulk would not constitute a PFIC for any future taxable year if there were to be changes in the nature and extent of its operations.

If the IRS were to find that Star Bulk is or has been a PFIC for any taxable year, its U.S. shareholders will face adverse U.S. tax consequences. Under the PFIC rules, unless those shareholders make an election available under the Code (which election could itself have adverse consequences for such shareholders), such shareholders would be liable to pay U.S. federal income tax at the then highest income tax rates on ordinary income plus interest upon excess distributions and upon any gain from the disposition of Star Bulk's common shares, as if the excess distribution or gain had been recognized ratably over the shareholder's holding period of Star Bulk's common shares.

Star Bulk cannot assure you that it will pay dividends.

Star Bulk's intention is to pay quarterly dividends as described in "Star Bulk's Dividend Policy." However, Star Bulk may incur other expenses or liabilities that would reduce or eliminate the cash available for distribution as dividends. Star Bulk's loan agreements, including the credit facility agreement that Star Bulk expects to enter into, may also prohibit or restrict the declaration and payment of dividends under some circumstances.

In addition, the declaration and payment of dividends will be subject at all times to the discretion of Star Bulk's board of directors. The timing and amount of dividends will depend on Star Bulk's earnings, financial condition, cash requirements and availability, fleet renewal and expansion, restrictions in its loan agreements, the provisions of Marshall Islands law affecting the payment of dividends and other factors. Marshall Islands law generally prohibits the payment of dividends other than from surplus or while a company is insolvent or would be rendered insolvent upon the payment of such dividends, or if there is no surplus, dividends may be declared or paid out of net profits for the fiscal year in which the dividend is declared and for the preceding fiscal year. Star Bulk may not pay dividends in the anticipated amounts and frequency set forth in this joint proxy statement/prospectus or at all.

Star Bulk is a holding company, and will depend on the ability of its subsidiaries to distribute funds to it in order to satisfy its financial obligations or to make dividend payments.

Star Bulk is a holding company and its subsidiaries, all of which are, or upon their formation will be, wholly-owned by it either directly or indirectly, will conduct all of Star Bulk's operations and own all of Star Bulk's operating assets. Star Bulk will have no significant assets other than the equity interests in its wholly-owned subsidiaries. As a result, Star Bulk's ability to make dividend payments depends on its subsidiaries and their ability to distribute funds to Star Bulk. If Star Bulk is unable to obtain funds from its subsidiaries, Star Bulk's board of directors may exercise its discretion not to pay dividends.

Star Bulk may not be able to borrow amounts under its credit facility which may affect its ability to purchase the vessels in the initial fleet.

Star Bulk's ability to borrow amounts under its credit facility to acquire the initial fleet from TMT will be subject to the satisfaction of customary conditions precedent and compliance with terms and conditions included in the loan documents, and to circumstances that may be beyond its control such as world events, economic conditions, the financial standing of the bank or its willingness to lend to shipping companies such as Star Bulk. Prior to each drawdown, Star Bulk will be required, among other things, to provide the lender with acceptable valuations of the vessels in its fleet confirming that they are sufficient to satisfy minimum security requirements. To the extent that Star Bulk is not able to satisfy these requirements, including as a result of a decline in the value of its vessels, Star Bulk may not be able to draw down the full amount under its credit facility without obtaining a waiver or consent from the lender. Star Bulk will also not be permitted to borrow amounts under the facility if it experiences a change of control.

The assumptions underlying Star Bulk's "Forecasted Cash Available for Dividends, Reserves and Extraordinary Expenses" are inherently uncertain and are subject to significant business, economic, financial, regulatory and competitive risks and uncertainties that could cause actual results to differ materially from those forecasted.

The financial forecast in Star Bulk's "Forecasted Cash Available for Dividends, Reserves and Extraordinary Expenses" has been prepared by the management of Star Bulk and Star Bulk has not received an opinion or report on it from any independent registered public accounting firm and the forecast has not been prepared in accordance with generally accepted accounting principles. The assumptions underlying the forecast are inherently uncertain and are subject to significant business, economic, regulatory and competitive risks and uncertainties that could cause actual results to differ materially from those forecasted. If Star Bulk does not achieve the forecasted results, Star Bulk may not be able to operate profitably, successfully implement its business strategy to expand its fleet or pay dividends to its shareholders in which event the market price of Star Bulk's common shares may decline materially.

If the Redomiciliation Merger is completed, the Star Maritime warrants, which will be assumed by Star Bulk, become exercisable and you may experience dilution.

Under the terms of the Star Maritime warrants, the warrants become exercisable upon the completion of a business combination transaction. If the Redomiciliation Merger is approved, Star Maritime expects to complete the Redomiciliation Merger during the third quarter of 2007. Star Maritime has 20,000,000 warrants to purchase common stock issued and outstanding at an exercise price of \$8.00 per common share. Star Maritime warrants will become exercisable upon the effective date of the Redomiciliation Merger and as a result, you may experience dilution.

Registration rights held by Star Maritime's stockholders who purchased shares prior to the initial public offering may have an adverse effect on the market price of Star Bulk's common stock.

Star Maritime's initial stockholders who purchased common stock prior to the initial public offering are entitled to demand that Star Bulk register the resale of their shares at any time after they are released from escrow which, except in limited circumstances, will not be before December 21, 2008. If such stockholders exercise their registration rights with respect to all of their shares, there will be an additional 9,026,924 shares of common stock eligible for trading in the public market. In addition, certain of Star Maritime's officers and directors who purchased units in Star Maritime's private placement in December 2005 are entitled to demand the registration of the securities underlying the 1,132,500 units at any time after Star Maritime announces that it has entered into a letter of intent, an agreement in principle or a definitive agreement in connection with a business combination. Star Maritime announced Star Bulk's entry into the Acquisition Agreements on January 17, 2007. If all of these stockholders exercise their registration rights with respect to all of their shares of common stock, there will be an additional 1,132,500 shares of common stock eligible for trading in the public market. The presence of these additional shares may have an adverse effect on the market price of Star Bulk's common stock.

Star Maritime's directors and executive officers have interests in the Redomiciliation Merger that are different from yours.

In considering the recommendation of Star Maritime's directors to vote to approve the Redomiciliation Merger, you should be aware that they have agreements or arrangements that provide them with interests in the Redomiciliation Merger that differ from, or are in addition to, those of Star Maritime stockholders generally. If the Redomiciliation Merger is not approved, Star Maritime will be liquidated and we will distribute to all of the holders of our shares issued in our initial public offering in proportion to their respective equity interests, an aggregate amount equal to funds on deposit in the Trust Account, including any interest (net of any taxes payable) not previously released to us, plus any remaining net assets. If we fail to consummate a business combination transaction, our officers and directors have waived their respective rights to participate in any liquidation distribution with respect to the 9,026,924 shares of common stock issued to them prior to our initial public offering and with respect to the 1,132,500 shares of common stock acquired by certain of our officers and directors in the private placement and we would not distribute funds from the Trust Account with respect to the Star Maritime warrants, which would expire. The personal and financial interests of the members of our board of directors and executive officers may have influenced their motivation in identifying and selecting a target business and completing a business combination timely. Consequently, their discretion in identifying and selecting a suitable target business may result in a conflict of interest when determining whether the terms, conditions and timing of a particular business combination are appropriate and in Star Maritime's stockholders' best interest.

Company Risk Factors Relating to Star Maritime Acquisition Corp.

Star Maritime will dissolve and liquidate if it does not consummate the Redomiciliation Merger, in which event its stockholders may be held liable for claims by third parties against Star Maritime to the extent of distributions received by them.

If Star Maritime does not consummate the Redomiciliation Merger or another business combination by December 21, 2007, then, pursuant to Article SIXTH of its Certificate of Incorporation, Star Maritime's officers must take all actions necessary in accordance with the Delaware General Corporation Law to dissolve and liquidate Star Maritime within 60 days of that date. Therefore, Star Maritime will dissolve and liquidate the Trust Account to its public stockholders if it does not complete the Redomiciliation Merger, or another business combination, by December 21, 2007.

Under Sections 280 through 282 of the Delaware General Corporation Law, stockholders of a corporation may be held liable for claims by third parties against the corporation to the extent of distributions received by them in dissolution of the corporation. If a corporation complies with certain procedures intended to ensure that it makes reasonable provision for all claims against it, including a 60-day notice period during which any third-party claims can be brought against the corporation, a 90-day period during which the corporation may reject any claims brought, and an additional 150-day waiting period before any liquidating distributions are made to stockholders, any liability of stockholders with respect to a liquidating distribution is limited to the lesser of such stockholder's pro rata share of the claim or the amount distributed to the stockholder, and any liability of the stockholder would be barred after the third anniversary of the dissolution. Although Star Maritime will seek stockholder approval to liquidate the Trust Account to its public stockholders as part of a plan of dissolution and liquidation, it does not intend to comply with those procedures. In the event that Star Maritime's directors recommend, and the stockholders approve, a plan of dissolution and liquidation where it is subsequently determined that the reserve for claims and liabilities was insufficient, stockholders who received a return of funds from the Trust Account could be liable for claims made by creditors to the extent of distributions received by them. As such, Star Maritime's stockholders could potentially be liable for any claims to the extent of distributions received by them in dissolution, and any such liability of Star Maritime stockholders will likely extend beyond the third anniversary of such dissolution. Accordingly, Star Maritime cannot assure its stockholders that third parties will not seek to recover from Star Maritime stockholders amounts owed to them by Star Maritime.

The procedures Star Maritime must follow under Delaware law if it dissolves and liquidates may result in substantial delays in the liquidation of the Trust Account to its public stockholders as part of its plan of dissolution and distribution.

If third parties bring claims against Star Maritime, the proceeds held in trust could be reduced which would result in a per-share liquidation value receivable by Star Maritime's public stockholders from the Trust Account as part of its plan of dissolution and liquidation that is less than \$10.00.

Star Maritime's placing of funds in trust may not protect those funds from third party claims against it. Star Maritime has not procured waivers from any creditors or prospective target businesses, and if the Redomiciliation Merger is not effected, the material creditors of Star Maritime would consist of its legal advisors, accountants, and service providers in connection with the Redomiciliation Merger, such as experts and printers. As of March 31, 2007, there are no creditor claims against Star Maritime.

Accordingly, the proceeds held in trust could be subject to claims that could take priority over the claims of Star Maritime's public stockholders, which would result in a per-share liquidation value receivable by Star Maritime's public stockholders from funds held in the Trust Account that is less than \$10.00.

In connection with our initial public offering, our initial stockholders each entered into a letter agreement whereby our initial stockholders agreed to indemnify Star Maritime against any loss, liability, claims, damage and expense whatsoever (including, but not limited to, any and all legal and other expenses reasonably incurred in investigating, preparing or defending against any litigation, whether pending or threatened, or any claim whatsoever) which the Star Maritime may become subject as a result of any claim by any vendor that is owed money by Star Maritime for services rendered or products sold but only to the extent necessary to ensure that such loss, liability, claim, damage or expense does not reduce the amount in the Trust Account. Pursuant to this letter agreement, Star Maritime may seek indemnity from the initial stockholders to the extent amounts in the Trust Account are not sufficient to fund the Star Maritime's liabilities and expenses.

In the event that Star Maritime's board recommends and its stockholders approve a plan of dissolution and liquidation where it is subsequently determined that the reserve for claims and

liabilities is insufficient, stockholders who received a return of funds from the Trust Account as part of the liquidation could be liable for claims made by creditors.

Additionally, if Star Maritime is forced to file a bankruptcy case or an involuntary bankruptcy case is filed against it which is not dismissed, the funds held in the Trust Account may be subject to applicable bankruptcy law, and may be included in Star Maritime's bankruptcy estate and subject to the claims of third parties with priority over the claims of Star Maritime's stockholders. Star Maritime's stockholders could also be required to return any distributions received by them in dissolution as a preference or under other avoidance or recovery theories under applicable bankruptcy law. To the extent any bankruptcy claims deplete the Trust Account, Star Maritime cannot assure its public stockholders that it will be able to return the liquidation amounts due them.

If the Redomiciliation Merger or another business combination is not approved by Star Maritime's stockholders by December 21, 2007, then the funds in the Trust Account may only be distributed upon Star Maritime's dissolution and therefore, payments from the Trust Account to public stockholders may be delayed.

If the Redomiciliation Merger or another business combination is not approved by Star Maritime's stockholders by December 21, 2007, then the funds held in the Trust Account may not be distributed except upon Star Maritime's dissolution. Unless and until stockholder approval to dissolve Star Maritime is obtained from Star Maritime's stockholders, the funds held in the Trust Account will not be released. Consequently, holders of a majority of Star Maritime's outstanding stock must approve the dissolution in order to receive the funds held in the Trust Account and the funds will not be available for any other corporate purpose. The procedures required for Star Maritime to liquidate under the Delaware General Corporation Law, or a vote to reject any plan of dissolution and distribution by its stockholders, may result in substantial delays in the liquidation of the Trust Account to Star Maritime's public stockholders as part of its plan of dissolution and distribution.

Star Maritime currently believes that any plan of dissolution and liquidation subsequent to December 21, 2007 would proceed in approximately the following manner:

Star Maritime's directors would, consistent with Delaware law and the obligations described in its amended and restated certificate of incorporation to dissolve, prior to the passing of the December 21, 2007 deadline, convene and adopt a specific plan of dissolution and liquidation, which it would then vote to recommend to its stockholders; at such time it would also cause to be prepared a preliminary proxy statement setting out such plan of dissolution and liquidation as well as the board's recommendation of such plan;

upon such deadline, it would file a preliminary proxy statement with the Securities and Exchange Commission;

if the Securities and Exchange Commission does not review the preliminary proxy statement, then, approximately 10 days following the passing of such deadline, it would mail the proxy statements to its stockholders, and approximately 30 days following the passing of such deadline it would convene a meeting of stockholders, at which they would either approve or reject the plan of dissolution and liquidation; and

if the Securities and Exchange Commission does review the preliminary proxy statement, Star Maritime currently estimates that it would receive their comments approximately 30 days following the passing of such deadline. Star Maritime would mail the proxy statements to stockholders following the conclusion of the comment and review process (the length of which cannot be predicted with any certainty, and which may be substantial) and it would convene a meeting of its stockholders at which they would either approve or reject the plan of dissolution and liquidation.

Edgar Filing: Star Maritime Acquisition Corp. - Form PRER14A

Pursuant to the terms of its certificate of incorporation, Star Maritime's powers following the expiration of the permitted time periods for consummating a business combination would automatically thereafter be limited to acts and activities relating to dissolving and winding up affairs, including liquidation. The funds held in the Trust Account may not be distributed except upon dissolution and, unless and until such approval is obtained from stockholders, the funds held in the Trust Account would not be released. Consequently, holders of a majority of Star Maritime's outstanding stock must approve the dissolution in order to receive the funds held in the Trust Account and the funds would not be available for any other corporate purpose.

The procedures required for Star Maritime to liquidate under the Delaware law, or a vote to reject any plan of dissolution and liquidation by Star Maritime's stockholders, may result in substantial delays in the liquidation of the Trust Account to Star Maritime's public stockholders as part of the plan of dissolution and liquidation.

Industry Risk Factors Relating to Star Bulk

The drybulk shipping industry is cyclical and volatile, and this may lead to reductions and volatility of charter rates, vessel values and results of operations.

The degree of charter hire rate volatility among different types of drybulk carriers has varied widely. If Star Bulk enters into a charter when charter hire rates are low, its revenues and earnings will be adversely affected. In addition, a decline in charter hire rates likely will cause the value of the vessels that Star Bulk will own, to decline. Star Bulk cannot assure you that we will be able to successfully charter its vessels in the future at rates sufficient to allow it to operate its business profitably or meet its obligations. The factors affecting the supply and demand for drybulk carriers are outside of Star Bulk's control and are unpredictable. The nature, timing, direction and degree of changes in drybulk shipping market conditions are also unpredictable.

Factors that influence demand for seaborne transportation of cargo include:

demand for and production of drybulk products;

the distance cargo is to be moved by sea;

global and regional economic and political conditions;

environmental and other regulatory developments; and

changes in seaborne and other transportation patterns, including changes in the distances over which cargo is transported due to geographic changes in where commodities are produced and cargoes are used.

The factors that influence the supply of vessel capacity include:

the number of newbuilding deliveries;

the scrapping rate of older vessels;

vessel casualties;

price of steel;

number of vessels that are out of service;

Edgar Filing: Star Maritime Acquisition Corp. - Form PRER14A

changes in environmental and other regulations that may limit the useful life of vessels; and

port or canal congestion.

Star Bulk anticipates that the future demand for its vessels will be dependent upon continued economic growth in the world's economies, including China and India, seasonal and regional changes in

demand, changes in the capacity of the world's drybulk carrier fleet and the sources and supply of cargo to be transported by sea. If the global vessel capacity increases in the drybulk shipping market, but the demand for vessel capacity in this market does not increase or increases at a slower rate, the charter rates could materially decline. Adverse economic, political, social or other developments could have a material adverse effect on our business, financial condition, results of operations and ability to pay dividends.

Charter rates in the drybulk shipping market are at historically high levels and future growth will depend on continued economic growth in the world economy that exceeds growth in vessel capacity.

Charter rates for the drybulk carriers recently have been at historically high levels. Star Bulk anticipates that future demand for its vessels, and in turn future charter rates, will be dependent upon continued economic growth in the world's economy, particularly in China and India, as well as seasonal and regional changes in demand and changes in the capacity of the world's fleet. According to Drewry Shipping Consultants Limited, or Drewry, the world's drybulk carrier fleet is expected to increase in 2007 as a result of substantial scheduled deliveries of newly constructed vessels and low forecasts for scrapping of existing vessels. Continued economic growth in the world economy that exceeds growth in vessel capacity will be necessary to sustain current charter rates. There can be no assurance that economic growth will not decline or that vessel scrapping will occur at an even lower rate than forecasted. A decline in charter rates could have a material adverse effect on Star Bulk's business, financial condition and results of operations.

An economic slowdown in the Asia Pacific region could have a material adverse effect on Star Bulk's business, financial position and results of operations.

A significant number of the port calls made by Star Bulk's vessels may involve the loading or discharging of raw materials and semi-finished products in ports in the Asia Pacific region. As a result, a negative change in economic conditions in any Asia Pacific country, but particularly in China or India, may have an adverse effect on Star Bulk's future business, financial position and results of operations, as well as its future prospects. In particular, in recent years, China has been one of the world's fastest growing economies in terms of gross domestic product. Star Bulk cannot assure you that such growth will be sustained or that the Chinese economy will not experience contraction in the future. Moreover, any slowdown in the economies of the United States, the European Union or certain Asian countries may adversely effect economic growth in China and elsewhere. Star Bulk's business, financial position and results of operations, as well as its future prospects, will likely be materially and adversely affected by an economic downturn in any of these countries.

Star Bulk may become dependent on spot charters in the volatile shipping markets.

Star Bulk may employ one or more of its vessels on spot charters, including when time charters on vessels expire. The spot charter market is highly competitive and rates within this market are subject to volatile fluctuations, while longer-term period time charters provide income at pre-determined rates over more extended periods of time. If Star Bulk decides to spot charter its vessels, there can be no assurance that Star Bulk will be successful in keeping all its vessels fully employed in these short-term markets or that future spot rates will be sufficient to enable its vessels to be operated profitably. A significant decrease in charter rates could affect the value of Star Bulk's fleet and could adversely affect its profitability and cash flows with the result that its ability to pay debt service to its lenders and dividends to its shareholders could be impaired.

Star Bulk's operating results will be subject to seasonal fluctuations, which could affect its operating results and the amount of available cash with which Star Bulk can pay dividends.

Star Bulk will operate its vessels in markets that have historically exhibited seasonal variations in demand and, as a result, in charter hire rates. This seasonality may result in quarter to quarter volatility in its operating results, which could affect the amount of dividends that Star Bulk pays to its shareholders from quarter to quarter. The drybulk carrier market is typically stronger in the fall and winter months in anticipation of increased consumption of coal and other raw materials in the northern hemisphere during the winter months. In addition, unpredictable weather patterns in these months tend to disrupt vessel scheduling and supplies of certain commodities. As a result, revenues of drybulk carrier operators in general have historically been weaker during the fiscal quarters ended June 30 and September 30, and, conversely, been stronger in fiscal quarters ended December 31 and March 31. This seasonality may materially affect Star Bulk's operating results and cash available for dividends.

Star Bulk will be subject to regulation and liability under environmental laws that could require significant expenditures and affect its cash flows and net income.

Star Bulk's business and the operation of its vessels will be materially affected by government regulation in the form of international conventions, national, state and local laws and regulations in force in the jurisdictions in which its vessels operate, as well as in the country or countries of their registration. Because such conventions, laws, and regulations are often revised, Star Bulk cannot predict the ultimate cost of complying with such conventions, laws and regulations or the impact thereof on the resale prices or useful lives of its vessels. Additional conventions, laws and regulations may be adopted which could limit Star Bulk's ability to do business or increase the cost of its doing business and which may materially and adversely affect its operations. Star Bulk will be required by various governmental and quasi-governmental agencies to obtain certain permits, licenses and certificates with respect to its operations.

The operation of Star Bulk's vessels is affected by the requirements set forth in the United Nations' International Maritime Organization's International Management Code for the Safe Operation of Ships and Pollution Prevention, or ISM Code. The ISM Code requires shipowners, ship managers and bareboat charterers to develop and maintain an extensive "Safety Management System" that includes the adoption of a safety and environmental protection policy setting forth instructions and procedures for safe operation and describing procedures for dealing with emergencies. The failure of a shipowner or bareboat charterer to comply with the ISM Code may subject it to increased liability, may invalidate existing insurance or decrease available insurance coverage for the affected vessels and may result in a denial of access to, or detention in, certain ports. Each of Star Bulk's vessels will be ISM code-certified but we cannot assure that such certificate will be maintained indefinitely.

Star Bulk expects to maintain, for each of its vessels, pollution liability coverage insurance in the amount of \$1 billion per incident. If the damages from a catastrophic incident exceeded Star Bulk's insurance coverage, it could have a material adverse effect on Star Bulk's financial condition and results of operations.

The operation of drybulk carriers has particular operational risks which could affect our earnings and cash flow.

The operation of certain ship types, such as drybulk carriers, has certain particular risks. With a drybulk carrier, the cargo itself and its interaction with the vessel can be an operational risk. By their nature, drybulk cargoes are often heavy, dense, easily shifted, and react badly to water exposure. In addition, drybulk carriers are often subjected to battering treatment during unloading operations with grabs, jackhammers (to pry encrusted cargoes out of the hold) and small bulldozers. This treatment may cause damage to the vessel. Vessels damaged due to treatment during unloading procedures may

be more susceptible to breach while at sea. Hull breaches in drybulk carriers may lead to the flooding of the vessels' holds. If a drybulk carrier suffers flooding in its forward holds, the bulk cargo may become so dense and waterlogged that its pressure may buckle the vessel's bulkheads leading to the loss of a vessel. If Star Bulk is unable to adequately maintain its vessels, it may be unable to prevent these events. Any of these circumstances or events could negatively impact Star Bulk's business, financial condition, results of operations and ability to pay dividends. In addition, the loss of any of its vessels could harm Star Bulk's reputation as a safe and reliable vessel owner and operator.

If any of Star Bulk's vessels fails to maintain its class certification and/or fails any annual survey, intermediate survey, drydocking or special survey, it could have a material adverse impact on Star Bulk's financial condition and results of operations.

The hull and machinery of every commercial vessel must be classed by a classification society authorized by its country of registry. The classification society certifies that a vessel is safe and seaworthy in accordance with the applicable rules and regulations of the country of registry of the vessel and the Safety of Life at Sea Convention or SOLAS. Star Bulk's vessels are expected to be classed with one or more classification societies that are members of the International Association of Classification Societies.

A vessel must undergo annual surveys, intermediate surveys, drydockings and special surveys. In lieu of a special survey, a vessel's machinery may be on a continuous survey cycle, under which the machinery would be surveyed periodically over a five-year period. Star Bulk's vessels are expected to be on special survey cycles for hull inspection and continuous survey cycles for machinery inspection. Every vessel will also be required to be drydocked every two to three years for inspection of the underwater parts of such vessels.

If any vessel does not maintain its class and/or fails any annual survey, intermediate survey, drydocking or special survey, the vessel will be unable to carry cargo between ports and will be unemployable and uninsurable. Any such inability to carry cargo or be employed, or any such violation of covenants, could have a material adverse impact on Star Bulk's financial condition and results of operations.

Maritime claimants could arrest Star Bulk's vessels, which could interrupt its cash flow.

Crew members, suppliers of goods and services to a vessel, shippers of cargo and other parties may be entitled to a maritime lien against that vessel for unsatisfied debts, claims or damages. In many jurisdictions, a maritime lien holder may enforce its lien by arresting a vessel through foreclosure proceedings. The arresting or attachment of one or more of Star Bulk's vessels could interrupt its cash flow and require it to pay large sums of funds to have the arrest lifted which would have a material adverse effect on Star Bulk's financial condition and results of operations. In addition, in some jurisdictions, such as South Africa, under the "sister ship" theory of liability, a claimant may arrest both the vessel which is subject to the claimant's maritime lien and any "associated" vessel, which is any vessel owned or controlled by the same owner. Claimants could try to assert "sister ship" liability against one of Star Bulk's vessels for claims relating to another of its vessels.

Governments could requisition Star Bulk's vessels during a period of war or emergency, resulting in loss of earnings.

A government could requisition for title or seize Star Bulk's vessels. Requisition for title occurs when a government takes control of a vessel and becomes the owner. Also, a government could requisition Star Bulk's vessels for hire. Requisition for hire occurs when a government takes control of a vessel and effectively becomes the charterer at dictated charter rates. Generally, requisitions occur

during a period of war or emergency. Government requisition of one or more of Star Bulk's vessels could have a material adverse effect on Star Bulk's financial condition and results of operations.

Because Star Bulk will operate its vessels worldwide, terrorism and other events outside Star Bulk's control may negatively affect its operations and financial condition.

Because Star Bulk will operate its vessels worldwide, terrorist attacks such as the attacks on the United States on September 11, 2001, the bombings in Spain on March 11, 2004 and in London on July 7, 2005, and the continuing response of the United States to these attacks, as well as the threat of future terrorist attacks, continue to cause uncertainty in the world financial markets and may affect Star Bulk's business, results of operations and financial condition. The continuing conflict in Iraq may lead to additional acts of terrorism and armed conflict around the world, which may contribute to further economic instability in the global financial markets. These uncertainties could also have a material adverse effect on Star Bulk's ability to obtain additional financing on terms acceptable to it or at all. In the past, political conflicts have also resulted in attacks on vessels, mining of waterways and other efforts to disrupt international shipping, particularly in the Arabian Gulf region. Acts of terrorism and piracy have also affected vessels trading in regions such as the South China Sea. Any of these occurrences could have a material adverse impact on our operating results, revenues and costs.

Terrorist attacks may also negatively affect Star Bulk's operations and financial condition and directly impact its vessels or its customers. Future terrorist attacks could result in increased volatility of the financial markets in the United States and globally and could result in an economic recession in the United States or the world. Any of these occurrences could have a material adverse impact on Star Bulk's financial condition and costs.

Risks Factors Relating to the Redomiciliation Merger

There may not be an active market for Star Bulk's common stock or warrants, which may cause its common stock or warrants to trade at a discount and make it difficult to sell your common stock or warrants.

Prior to the Redomiciliation Merger, there has been no public market for Star Bulk's common stock or warrants. Star Bulk cannot assure you that an active trading market for Star Bulk's common stock or warrants will develop or be sustained after the Redomiciliation Merger or that the price of Star Bulk's common stock or warrants in the public market will reflect its actual financial performance.

The price of Star Bulk's shares after the Redomiciliation Merger may be volatile.

The price of Star Bulk's shares after the Redomiciliation Merger may be volatile, and may fluctuate due to factors such as:

actual or anticipated fluctuations in quarterly and annual results;

limited operating history;

mergers and strategic alliances in the shipping industry;

market conditions in the industry;

changes in government regulation;

fluctuations in Star Bulk's quarterly revenues and earnings and those of its publicly held competitors;

shortfalls in Star Bulk's operating results from levels forecasted by securities analysts;

announcements concerning Star Bulk or its competitors; and

the general state of the securities markets.

Edgar Filing: Star Maritime Acquisition Corp. - Form PRER14A

The international drybulk shipping industry has been highly unpredictable and volatile. The market for common shares in this industry may be equally volatile.

Star Bulk may choose to redeem its outstanding warrants at a time that is disadvantageous to warrant holders.

Star Bulk may redeem the warrants issued as a part of the units in Star Maritime's Initial Public Offering that will be assumed by Star Bulk in the Redomiciliation Merger at any time after the warrants become exercisable, in whole and not in part, at a price of \$0.01 per warrant, upon a minimum of 30 days prior written notice of redemption, if and only if, the last sales price of Star Bulk's common stock equals or exceeds \$14.25 per share for any 20 trading days within a 30 trading day period ending three business days before the notice of redemption is sent. Redemption of the warrants could force the warrant holders to (i) exercise the warrants and pay the exercise price therefor at a time when it may be disadvantageous for the holders to do so, (ii) sell the warrants at the then-current market price when they might otherwise wish to hold them, or (iii) accept the nominal redemption price which, at the time the warrants are called for redemption, is likely to be substantially less than the market value of the warrants.

Star Maritime and Star Bulk expect to incur significant costs associated with the Redomiciliation Merger, whether or not the Redomiciliation Merger is completed and the incurrence of these costs will reduce the amount of cash available to be used for other corporate purposes.

Star Maritime and Star Bulk expect to incur significant costs associated with the Redomiciliation Merger, whether or not the Redomiciliation Merger is completed. In connection with the Redomiciliation Merger, if the merger is completed we expect to incur \$4.9 million in expenses inclusive of \$2.85 million paid as contingent compensation to our advisors, and if the Redomiciliation Merger is not consummated we expect to incur \$2.05 million in expenses. The incurrence of these expenses will reduce the amount of cash available to be used for other corporate purposes, including distribution upon a liquidation. As of March 31, 2007 approximately \$395,000 of such expenses had been incurred and paid out of Star Maritime's working capital.

As a result of the Redomiciliation Merger, Star Bulk stockholders will be solely dependent on a single business.

As a result of the Redomiciliation Merger, Star Bulk stockholders will be solely dependent upon the performance of Star Bulk and its drybulk shipping business. Star Bulk will be subject to a number of risks that relate generally to the shipping industry and other risks that specifically relate to Star Bulk. See "Company Risk Factors Relating to the Surviving Corporation" and "Industry Risk Factors Relating to the Surviving Corporation."

Star Maritime may waive one or more of the conditions to the Redomiciliation Merger without resoliciting stockholder approval for the Redomiciliation Merger.

Star Maritime may agree to waive, in whole or in part, some of the conditions to its obligations to complete the Redomiciliation Merger, to the extent permitted by applicable laws. The board of directors of Star Maritime will evaluate the materiality of any waiver to determine whether amendment of this joint proxy statement/prospectus and resolicitation of proxies is warranted. In some instances, if the board of directors of Star Maritime determines that a waiver is not sufficiently material to warrant resolicitation of stockholders, Star Maritime has the discretion to complete the Redomiciliation Merger without seeking further stockholder approval.

FORWARD-LOOKING STATEMENTS

This joint proxy statement/prospectus contains forward-looking statements. These forward-looking statements include information about possible or assumed future results of operations or the performance of the Star Bulk after the Redomiciliation Merger, the expected completion and timing of the Redomiciliation Merger and other information relating to the Redomiciliation Merger. Words such as "expects," "intends," "plans," "believes," "anticipates," "estimates," and variations of such words and similar expressions are intended to identify the forward-looking statements. Although we believe that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. These statements involve known and unknown risks and are based upon a number of assumptions and estimates which are inherently subject to significant uncertainties and contingencies, many of which are beyond our control. Actual results may differ materially from those expressed or implied by such forward-looking statements. Forward-looking statements include statements regarding:

the delivery and operation of assets of Star Bulk, the surviving corporation in the Redomiciliation Merger;

Star Bulk's future operating or financial results;

future, pending or recent acquisitions, business strategy, areas of possible expansion, and expected capital spending or operating expenses; and

drybulk market trends, including charter rates and factors affecting vessel supply and demand.

THE STAR MARITIME SPECIAL MEETING

Time, Place and Purpose of the Special Meeting

This joint proxy statement/prospectus is being furnished to Star Maritime stockholders as part of the solicitation of proxies by Star Maritime's board of directors for use at the special meeting of Star Maritime stockholders to be held at _____, New York, New York on _____, 2007, at 10:00 a.m. The purpose of the special meeting is for Star Maritime stockholders to consider and vote upon a proposal to approve and authorize the Agreement and Plan of Merger by and between Star Maritime with and into its wholly-owned Marshall Islands subsidiary, Star Bulk, with Star Bulk as the surviving corporation. Star Bulk has entered into separate definitive agreements to acquire the vessels in the initial fleet. The eight Memoranda of Agreement relating to the purchase of the vessels in the initial fleet are attached as Appendix A through Appendix H, the Supplemental Agreement is attached as Appendix I and the Master Agreement is attached as Appendix J to this joint proxy statement/prospectus. The Agreement and Plan of Merger is attached as Appendix K. This joint proxy statement/prospectus and the enclosed form of proxy are first being mailed to Star Maritime stockholders on or about _____, 2007.

Record Date and Voting

The holders of record of shares of Star Maritime common stock as of the close of business on the record date, which was _____, 2007, are entitled to receive notice of, and to vote at, the special meeting. On the record date, there were 29,026,924 shares of Star Maritime common stock outstanding.

The holders of a majority of the shares of Star Maritime common stock that were outstanding on the record date, represented in person or by proxy, will constitute a quorum for purposes of the special meeting. A quorum is necessary to hold the special meeting. Abstentions and properly executed broker non-votes will be counted as shares present and entitled to vote for the purposes of determining a quorum. "Broker non-votes" result when the beneficial owners of shares of Star Maritime common stock do not provide specific voting instructions to their brokers. Brokers are precluded from exercising their voting discretion with respect to the approval of non-routine matters such as the proposed merger, and, thus, absent specific instructions from the beneficial owner of those shares, brokers are not empowered to vote the shares with respect to the approval of such matters.

Holders of shares of Star Maritime common stock will have one vote for each share of Star Maritime common stock held by them at the close of business on the record date. Star Maritime warrants do not have voting rights.

Required Vote

Star Maritime cannot complete the Redomiciliation Merger unless (1) the holders of at least a majority of the issued and outstanding shares of Star Maritime entitled to vote at the special meeting vote in favor of the Redomiciliation Merger; (2) holders of at least a majority of the shares of common stock issued in the initial public offering and the private placement vote in favor of the Redomiciliation Merger; and (3) holders of less than 6,600,000 shares of common stock, such number representing 33.0% of the 20,000,000 shares of Star Maritime common stock issued in the initial public offering and private placement, vote against the Redomiciliation Merger and exercise their redemption rights to have their shares redeemed for cash.

Because the vote is based on the number of shares of Star Maritime common stock outstanding rather than on the number of votes cast, failure to vote your shares (including as a result of broker non-votes), and votes to abstain, are effectively votes "against" the Redomiciliation Merger. A vote in favor of the Redomiciliation Merger is, in effect, a vote in favor of Star Bulk's acquisition of the vessels from TMT. You may vote your shares of Star Maritime common stock by completing and returning the

enclosed proxy card by mail or by appearing and voting in person by ballot at the special meeting. Regardless of whether you plan to attend the special meeting, you should vote your shares by proxy as described above as soon as possible.

If you hold your shares through a bank, brokerage firm or nominee, you must vote in accordance with the instructions on the voting instruction card that your bank, brokerage firm or nominee provides to you. You should instruct your bank, brokerage firm or nominee as to how to vote your shares, following the directions contained in such voting instruction card.

Holders of more than 10,000,000 shares of common stock issued in the initial public offering and the private placement must vote in favor of the Redomiciliation Merger for it to be approved. Messrs. Tsirigakis and Syllantavos, our senior executive officers, and Messrs. Pappas and Erhardt, two of our directors, have agreed to vote an aggregate of 1,132,500 shares, or 3.9% of Star Maritime's outstanding common stock, owned by them and any shares of Star Maritime common stock they may acquire in favor of the Redomiciliation Merger and thereby waive redemption rights with respect to such shares. All of Star Maritime's officers and directors have agreed to vote an aggregate of 9,026,924 shares or 31.1% of Star Maritime's outstanding common stock, held by them in accordance with the vote of the holders of a majority of the shares issued in Star Maritime's initial public offering.

Proxies; Revocation

If you vote your shares of Star Maritime common stock by signing a proxy card, your shares will be voted at the special meeting as you indicate on your proxy card. If no instructions are indicated on your signed proxy card, your shares will be voted "**FOR**" the approval and authorization of the Redomiciliation Merger.

You may revoke your proxy at any time before your proxy is voted at the special meeting. A proxy may be revoked prior to the vote at the special meeting in any of three ways:

by executing and returning a proxy card dated later than the previous one to Star Maritime at 103 Foulk Road, Wilmington, Delaware 19803, Attention: Corporate Secretary;

by attending the special meeting in person and casting your vote by ballot; or

by submitting a written revocation to Star Maritime at 103 Foulk Road, Wilmington, Delaware 19803, Attention: Corporate Secretary.

Attendance at the special meeting will not, in itself, constitute revocation of a previously granted proxy. If you do not hold your shares of Star Maritime common stock in your own name, you may revoke or change a previously given proxy by following the instructions provided by the bank, brokerage firm, nominee or other party that is the registered owner of the shares.

Star Maritime does not expect that any matters other than the proposal to authorize and adopt the Redomiciliation Merger will be brought before the special meeting. If, however, such a matter is properly presented at the special meeting or any adjournment or postponement of the special meeting, the persons appointed as proxies will have discretionary authority to vote the shares represented by duly executed proxies in accordance with their discretion and judgment.

Star Maritime will pay the cost of soliciting proxies for the special meeting. In addition to soliciting proxies by mail, Star Maritime's directors and executive officers may solicit proxies personally and by telephone, facsimile or other electronic means of communication. These persons will not receive additional or special compensation for such solicitation services. Star Maritime will, upon request, reimburse banks, brokerage firms and other nominees for their expenses in sending proxy materials to their customers who are beneficial owners and obtaining their voting instructions.

Redemption Rights

As provided in Star Maritime's Certificate of Incorporation, holders of Star Maritime common stock have the right to redeem their shares for cash by voting against the Redomiciliation Merger and electing to have such shares redeemed for cash. The exercise of redemption rights must be made on the proxy card at the same time that the stockholder votes against the Redomiciliation Merger. The per-share redemption price is equal to \$10.00 per share, which amount represents \$9.80 per share, plus the pro rata portion of any accrued interest earned on the Trust Account (net of taxes payable) not previously distributed to us and \$0.20 per share plus interest thereon (net of taxes payable) of contingent underwriting compensation which the underwriters have agreed to forfeit to pay redeeming stockholders, calculated as of two days prior to the consummation of the Redomiciliation Merger. Accordingly, the actual per-share redemption price will fluctuate prior to the date such shares would be redeemed. Based on the amount of cash held in the Trust Account at March 31, 2007, you would have been entitled to redeem each share of common stock that you hold for approximately \$10.31. The actual per share redemption price will be calculated two business days prior to the consummation of the Redomiciliation Merger. If you exercise your redemption rights, then you will be exchanging your shares of Star Maritime common stock for cash and will no longer own these shares. You will only be entitled to receive cash for these shares if you continue to hold these shares through the effective date of the Redomiciliation Merger and then tender your stock certificate to Star Maritime. If the Redomiciliation Merger is not completed, then these shares will not be redeemed for cash. A stockholder who exercises redemption rights will continue to own any warrants to acquire Star Maritime common stock owned by such stockholder as such warrants will remain outstanding and unaffected by the exercise of redemption rights.

As of March 31, 2007, funds available from the Trust Account to fund vessel acquisitions, working capital, and deferred underwriting fees and other corporate expenses were \$194,571,504 assuming no shares are redeemed and \$126,525,514 if the maximum 32.99% of shareholders redeem assuming a redemption price of \$10.31. Star Bulk intends to draw down amounts under its credit facility sufficient to fund the balance of the cash portion of the aggregate purchase price of the vessels in the initial fleet. To the extent funds from the Trust Account are used to pay redeeming stockholders, Star Bulk intends to draw down amounts under its credit facility so that following the acquisition of the vessels, Star Bulk would have working capital of \$1.6 million.

Star Maritime cannot complete the Redomiciliation Merger unless (1) the holders of at least a majority of the issued and outstanding shares of Star Maritime entitled to vote at the special meeting vote in favor of the Redomiciliation Merger; (2) holders of at least a majority of the shares of common stock issued in the initial public offering and the private placement vote in favor of the Redomiciliation Merger; and (3) holders of less than 6,600,000 shares of common stock, such number representing 33.0% of the 20,000,000 shares of Star Maritime common stock issued in the initial public offering and private placement, vote against the Redomiciliation Merger and exercise their redemption rights to have their shares redeemed for cash. Although broker non-votes and abstentions effectively count as votes against the Redomiciliation Merger, in order to exercise redemption rights, an eligible stockholder must vote against the Redomiciliation Merger and elect to exercise redemption rights on the enclosed proxy card. If a stockholder votes against the Redomiciliation Merger but fails to properly exercise redemption rights, such stockholder will not be entitled to have its shares redeemed for cash. Any request for redemption, once made, may be withdrawn at any time up to the date of the special meeting.

Prior to exercising redemption rights, Star Maritime stockholders should verify the market price of Star Maritime's common stock as they may receive higher proceeds from the sale of their common stock in the public market than from exercising their redemption rights. Star Maritime's shares of common stock are listed on The American Stock Exchange under the symbol "SEA."

Adjournments and Postponements

If you vote in favor of the Redomiciliation Merger on the enclosed proxy card, in the event that a quorum is not represented at the meeting or even if a quorum is represented at the meeting, if sufficient votes are not received in favor of the Redomiciliation Merger, you will also be voting in favor of granting the persons named as proxies the authority to propose and vote for one or more adjournments of the special meeting for the purpose of soliciting additional proxies. The individuals named as proxies will vote against any adjournment if you vote against or abstain from voting on the Redomiciliation Merger on the enclosed proxy card. Notice of any adjournment may be sent to each Star Maritime stockholder by mail, facsimile or other electronic means of communication. In the event the meeting is adjourned, Star Maritime's board of directors may fix a new record date for the adjourned meeting; in which case, a notice of the adjourned meeting will be given to each Star Maritime stockholder of record on the new record date. If you transfer your shares of Star Maritime common stock prior to such new record date then you may not be entitled to vote on the Redomiciliation Merger. Any adjournment or postponement of the special meeting for the purpose of soliciting additional proxies will allow Star Maritime stockholders who have already sent in their proxies to revoke them at any time before they are voted at the special meeting.

BACKGROUND AND REASONS FOR THE REDOMICILIATION MERGER

History of the Agreements to Acquire the Vessels

Prior to the first contact between Star Maritime and TMT on July 25, 2006 in Milan, Italy, Star Maritime, its subsidiaries, affiliates and related parties had no prior connections or business contacts with TMT or its subsidiaries, affiliates and related parties. Further, there is no relationship, affiliation or other connection between the officers, directors, and affiliates of Star Maritime and the officers, directors, and affiliates of TMT. However, Oceanbulk Shipping & Trading (OBST) a private company affiliated with our directors Mr. Petros Pappas, has been party to Forward Freight Agreements (FFAs) with TMT. As is customary in FFA contracts, they are negotiated anonymously through a broker on a "subject to approval of the counter-party" basis. Only after the negotiation is complete and the terms of the trade have been agreed upon, will the names of each party be revealed. At this point the parties have the opportunity to either approve or disapprove of the transaction.

On July 23, 2006, following an industry meeting in Monte Carlo, our director Mr. Koert Erhardt arranged a meeting between Messrs. Nobu Su, Petros Pappas and Koert Erhardt.

The discussion during the meeting involved general information regarding each other's business activities, exchange of business views, casual, social issues, and Star Maritime being mentioned by Mr. Pappas when providing an overview of his recent activities. No proposals or agreements were made other than Mr. Pappas indicating that he would revert with more information. Mr. Erhardt followed up that meeting by calling Mr. Su to inquire whether TMT would be interested in selling any of its vessels to which he received a negative response. The matter was not pursued further until Mr. Su called Mr. Pappas inquiring further about Star Maritime and on October 5, 2006 Mr. Pappas and Mr. Su discussed potential concepts for a transaction with Star Maritime. On November 9, 2006, with Messrs. Nobu Su, Peter Espig, Petros Pappas, Akis Tsirigakis, and George Syllantavos attending, the concept and parameters of the deal were discussed.

On November 13 to 17, 2006, a series of meetings were held in New York with Messrs. Tsirigakis and Syllantavos representing Star Maritime and Mr. Espig representing TMT as well as their respective attorneys and Star Maritime's financial advisors Maxim and Cantor Fitzgerald. During this series of negotiations, the specific vessels to be acquired were determined, the transaction structure was developed and finalized, TMT's obligation to source time charters for certain of the vessels at minimum warranted levels was agreed, the earn-out structure for additional stock was determined and the basic financial terms were formulated.

A conference call followed on November 23, 2006, attended by members of both parties during which Messrs. Akis Tsirigakis and Nobu Su reached an agreement on the deal and finalized the responsibilities of the two parties in attaching charter employment to the vessels and the associated process to be followed. The parties memorialized their agreement in principle by signing a non-binding memorandum of understanding dated November 23, 2006, summarizing the terms of the proposed transaction. In furtherance of the memorandum of understanding, the parties commenced the implementation phase, during which the agreed terms were not altered in substance but the process of reflecting them into legal documents took place.

On January 7, 2007 a new series of meetings commenced in New York between Messrs. Tsirigakis and Syllantavos representing Star Maritime and Mr. Espig representing TMT as well as their respective attorneys and Star Maritime's financial advisors Maxim and Cantor Fitzgerald to finalize the definitive agreements, joined later by Messrs. Nobu Su and Petros Pappas. The process culminated in the signing of definitive agreements on January 12, 2007, which were the separate Memoranda of Agreement for each of the eight drybulk carriers, the related Supplemental Agreement and the Master Agreement, by Mr. Tsirigakis and Mr. Su. Although vessel prices had appreciated somewhat between the end of November when the MOU was executed and January 12, 2007 when the definitive agreements were

signed, the financial terms remained unchanged from the terms agreed upon in New York in mid-November.

Acquisition Target Review

During the period from the date of Star Maritime's initial public offering through November 2006, Star Maritime's executive officers evaluated 32 prospective transactions in the shipping industry, in addition to the proposed Redomiciliation Merger with Star Bulk. Exploratory discussions were held with respect to effecting a business combination, either through a merger, the acquisition of an operating business or an asset acquisition, with 18 of such prospective transactions. These candidates were engaged in the drybulk, tanker, offshore supply, passenger cruise, bunkering and oil rig sectors. Star Maritime did not agree to substantive terms of a business combination, or enter into a letter of intent with any of these companies.

Further to exploratory discussions, Star Maritime's executive officers offered for, or considered offering or entered into negotiations with the prospective business combinations appearing below. All of the prospective business combinations other than the proposed transaction were accorded serious consideration by Star Maritime's executive officers but were rejected prior to reaching an agreement in principle.

Nature of Business	Activity Period	Reasons for rejection
Capesize drybulk carrier	March 2006	Price disagreement fleet
Tanker fleet	March 2006	Seller decided not to sell
Luxury cruise line	April 2006	Did not agree on valuation
Tanker pool operator	April 2006	Sellers opted for other buyer
Heavy Lift fleet	July 2006	Star's proposal deemed low by sellers
Bulk carrier fleet	July 2006	Down-payment requirements
Tanker fleet	August 2006	Seller decided not to sell
Reefer fleet	September 2006	Sector dynamics
Bunkering company	October 2006	Did not agree on valuation
Offshore Supply vessels	Sept/Oct 2006	U.S. Jones Act restrictions
Numerous small tanker and drybulk carrier fleets		High execution risk for a transaction involving multiple sellers plus down-payment requirements needed to combine two or more small fleets into a business combination meeting the 80% Test.

In evaluating each prospective business combination transaction, Star Maritime's executive officers considered all or a majority of the following factors:

earnings potential of the acquired assets;

the ability to redomicile outside of the United States;

the ability or willingness of the acquisition target to wait for the period required for the approval process;

degree of demand for the provision of seaborne transportation versus the vessel supply in the sectors examined;

the willingness of the acquisition target to accept no deposit or a deposit that could be paid from Star Maritime's working capital;

Edgar Filing: Star Maritime Acquisition Corp. - Form PRER14A

the proposed acquisition price compared to our assessment of potential share price development post-acquisition;

the willingness of the acquisition target to accept equity as part of the consideration;

charter rates in the shipping sectors examined;

regulatory environment of the international shipping industry;

costs associated with effecting the business combination; and

the tax implications of each transaction reviewed.

The executive officers also considered that the initial target business or businesses or assets that Star Maritime acquires must have a collective fair market value equal to at least 80% of Star Maritime's net assets (exclusive of the underwriters' contingent compensation being held in the Trust Account), as determined by Star Maritime's board of directors.

All of the above listed potential transactions either did not progress due to either the counterparty decision or did not satisfy the requisite criteria.

The asset purchase transaction with TMT was the only acquisition target that fulfilled all of the requisite criteria. In addition, the transaction is in the drybulk sector, the sector in which Star Maritime's management has the most knowledge and background in and a sector that, in management's view, is supported by favorable fundamentals. See "The International Drybulk Shipping Industry." An asset acquisition of eight vessels was considered by Star Maritime's management as more favorable by creating more value for investors, versus the potential acquisition of an operating company of similar size. The rationale is that in an asset acquisition the consideration comprises of the value of the assets and does not involve a premium that would normally be applicable or demanded for an operating company and possible "good will" value. All except one of the vessels being acquired from TMT presented the added advantage of being operated in the spot market at the time of entering into the definitive agreements. By Star Maritime obtaining TMT's obligation to source time charters for certain of the vessels as part of the transaction, we were able to secure charters during a high charter rate environment as well as provide visibility of revenue for a period following the Redomiciliation Merger. Star Maritime's management considered the attachment of time charters as a highly favorable feature of the proposed transaction between Star Bulk and TMT.

Further, TMT's agreement to accept shares as part of the purchase price will enable Star Bulk to commence its operation with a lower debt level and stronger balance sheet to the benefit of the company's shareholders. In view of the above the asset purchase transaction with TMT was re