

WFW ADVISES DNB ON US\$310M LOAN FACILITY TO STAR BULK CARRIERS CORP

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Watson Farley & Williams (“WFW”) advised Norway’s DNB Bank ASA (“DNB”), as facility agent and security agent for a syndicate of banks comprising itself, ABN AMRO Bank N.V., BNP Paribas, Danish Ship Finance and Skandinaviska Enskilda Banken AB, in relation to a US\$310m loan facility provided to Star Bulk Carriers Corp. (“Star Bulk”).

Secured on 26 vessels in Star Bulk’s fleet, the facility consists of two tranches:

- (a) a first tranche of US\$240m used to refinance Star Bulk’s debt under five existing facility agreements; and
- (b) a second tranche of US\$70m used to finance the prospective capital expense for the retrofitting of vessels in the Star Bulk fleet with scrubbers ahead of the entry into force of the 2020 IMO regulations.

Star Bulk is a global shipping company providing worldwide seaborne transportation of dry bulk cargoes. Star Bulk’s vessels transport major bulks, which include iron ore, coal and grain, and minor bulks, such as bauxite, fertilisers and steel products.

The new facility was a key part of Star Bulk’s successful refinancing of its existing facilities, which were subject to the restructuring agreement of September 2016 and included restrictions on the company on the acquisition of new vessels and the raising of new debt.

At the same time, the facility will enable the company to implement its announced strategy to retrofit its fleet vessels with scrubbers, which clean the vessels’ exhaust gases in accordance with the International Maritime Organisation’s 0.1% Emission Control Area requirement, as well as ensure compliance with the 0.5% global sulphur cap requirement coming into force in January 2020.

The WFW Athens team advising DNB was led by Office Head and Partner George Paleokrassas, supported by Associates Konstantinos Mexias, Eleni Antonakou and Ilias Tsigos, as well as Paralegal Katerina Dimitriou.

George commented: “It was a pleasure working with DNB on this important transaction which enables Star Bulk to not only consolidate their existing debt and complete the refinancing of all debt amounts previously deferred under its restructuring agreement of September 2016, but also ensures their fleet will comply with the highest environmental standards through their retrofitting of scrubbers”.

WATSON FARLEY & WILLIAMS

In May of this year, George jointly led with Corporate Partner Daniel Saunders a cross-border WFW Athens and London team that advised Star Bulk on its acquisition of 16 vessels from Augustea and York Capital.

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