

SAFE BULKERS INC.



Forward Looking Statements

This presentation contains forward-looking statements (as defined in Section 27A of the Securities Exchange Act of 1933, as amended, and in the Section 21E of the Securities Act of 1934, as amended) concerning future events, the Company’s growth strategy and measures to implement such strategy, including expected vessel acquisitions and entering into further time charters. Words such as “expects,” “intends,” “plans,” “believes,” “anticipates,” “hopes,” “estimates” and variations of such words and similar expressions are intended to identify forward-looking statements. Although the Company believes 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 that are inherently subject to significant uncertainties and contingencies, many of which are beyond the control of the Company. Actual results may differ materially from those expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially include, but are not limited to, changes in the demand for drybulk vessels, competitive factors in the market in which the Company operates, risks associated with operations outside the United States and other factors listed from time to time in the Company’s filings with the Securities and Exchange Commission. The Company expressly disclaims any obligations or undertaking to release any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company’s expectations with respect thereto or any change in events, conditions or circumstances on which any statement is based.

Management Team

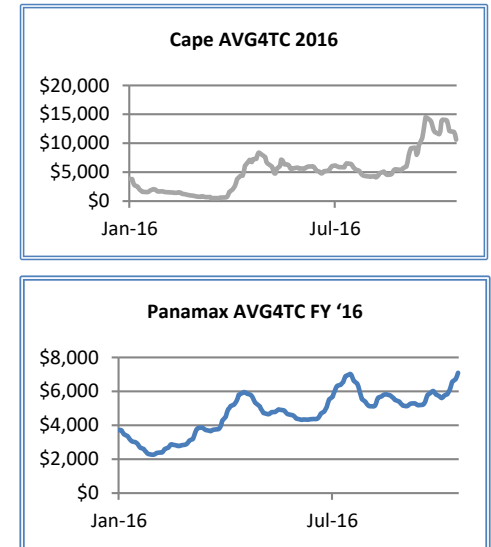
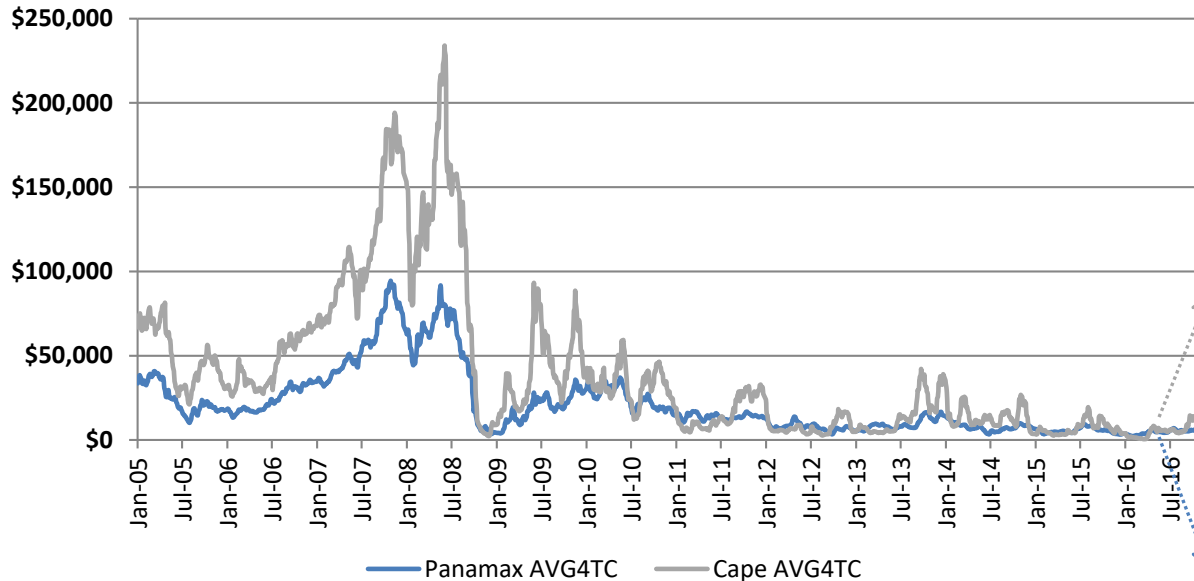
Polys Hajioannou: Chairman and CEO

Dr. Loukas Barmparis: President

Konstantinos Adamopoulos: Chief Financial Officer

Ioannis Foteinos: Chief Operating Officer

Capes & Panamax Charter Market



Current Charter Market Synopsis

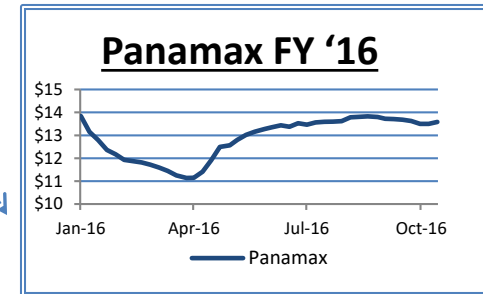
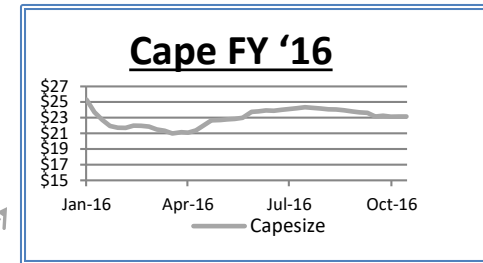
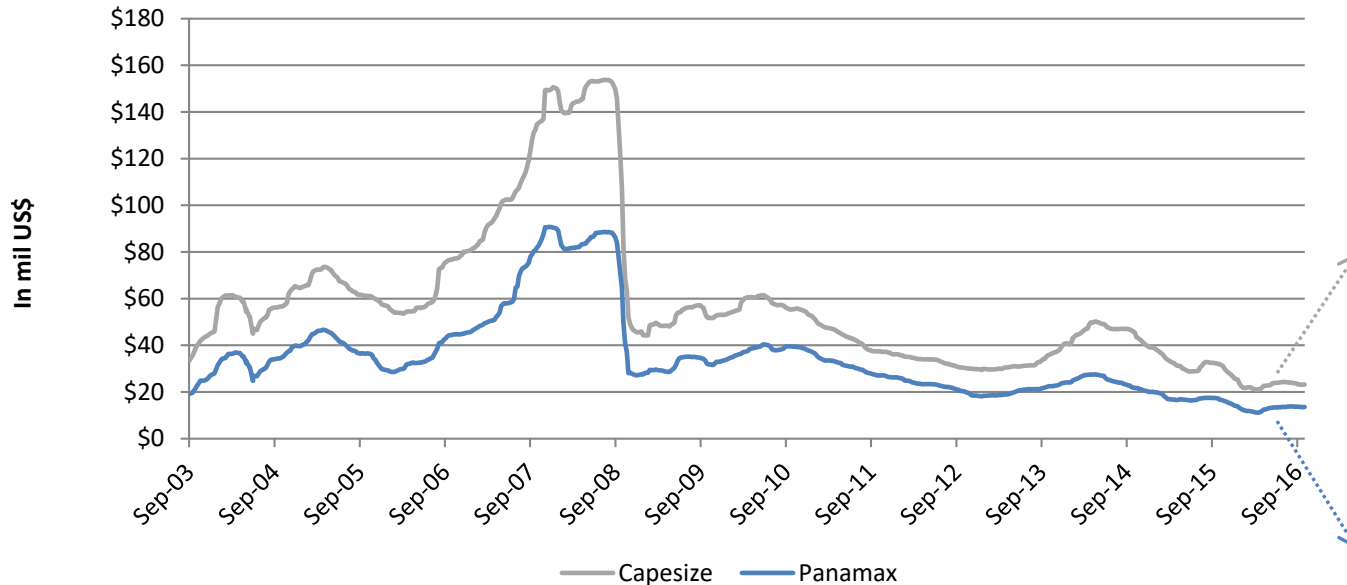
Cape: Cape Index off the bottom recorded in the beginning of the year. Market recovered with charter hire over \$10k since September 2016

Cape AVG4TC: Presently: **~\$10.5k** 2016 YTD Average: **\$5.2k**

Panamax: Panamax recovery after the summer.

Panamax AVG 4TC: Presently: **~\$7.2k** 2016 YTD Average: **\$4.7k**

Cape & Panamax Asset Values



Current Market Outlook Synopsis

Capesize

About 7% recovery of asset values

5-year old second hand vessels bottomed in March at **\$21 mill**

Prices: Presently: **~\$23mill** High: \$154mill 12-year Average: \$58mill

Panamax:

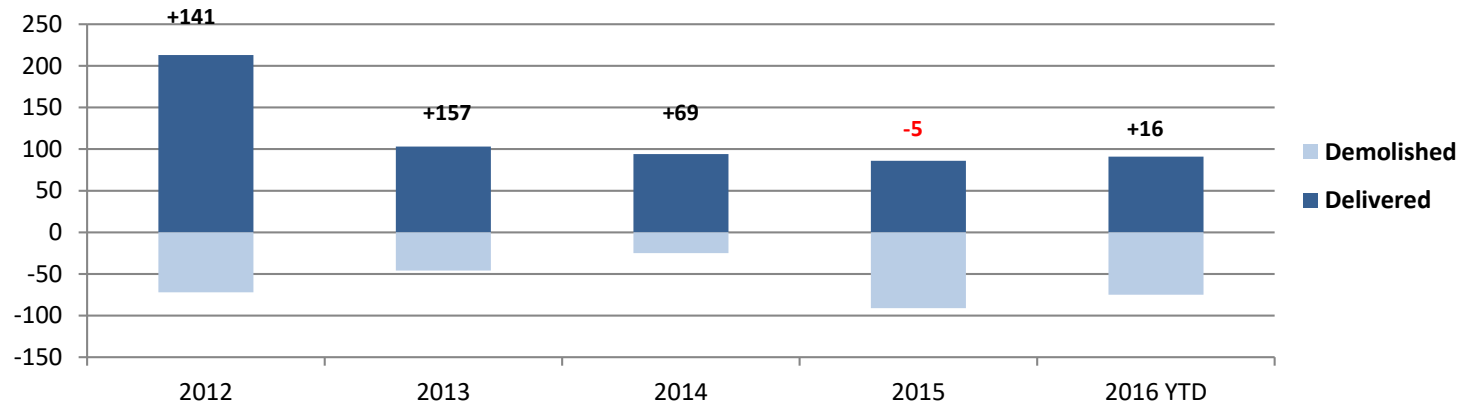
About 15% recovery of asset values

5-year old second hand vessels bottomed in March at **\$11.1 mill**

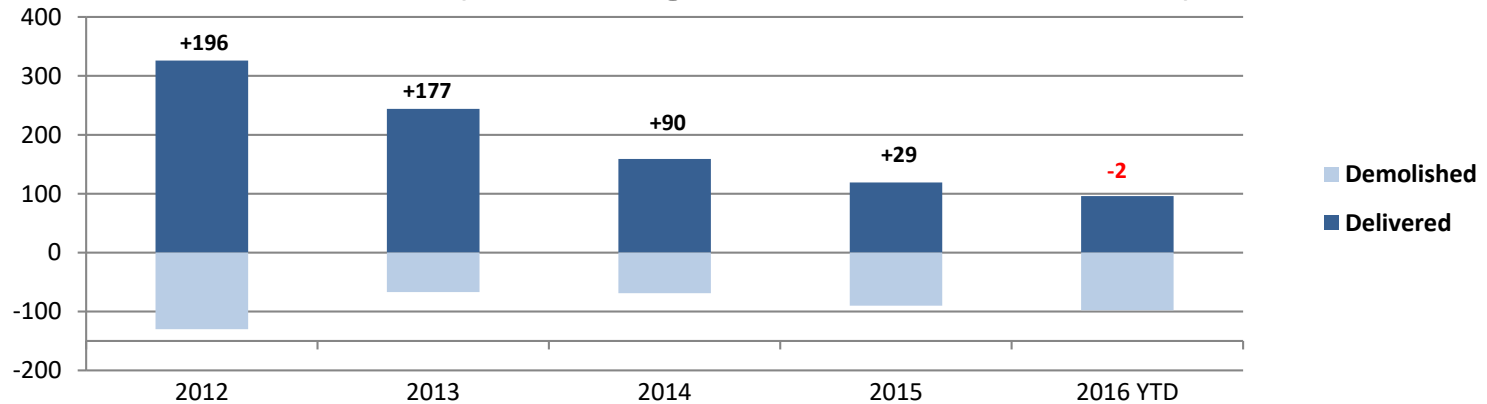
Prices: Presently: **~\$14mill** High: \$91mill 12-year Average: \$35mill

Supply Developments

Capes Fleet (net change in number of vessels)

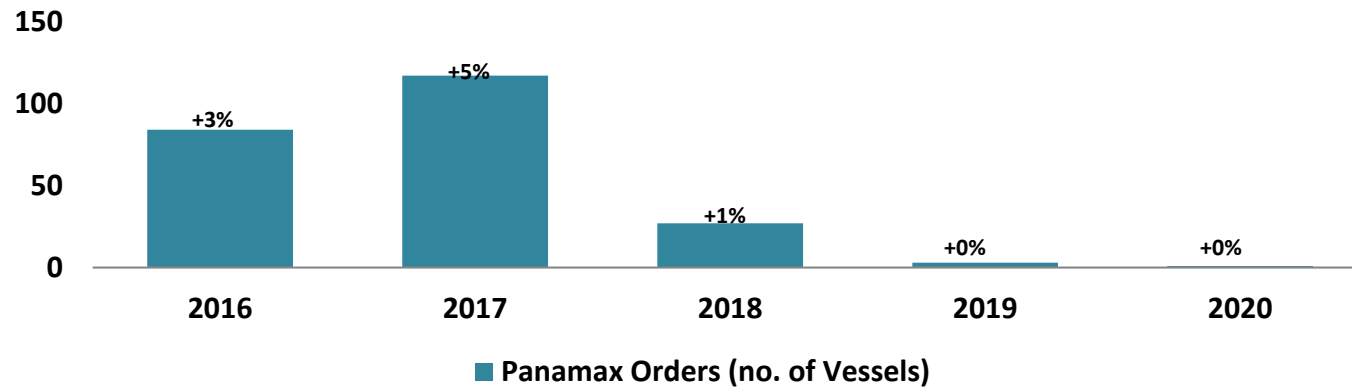


Panamax Fleet (net change in number of vessels)

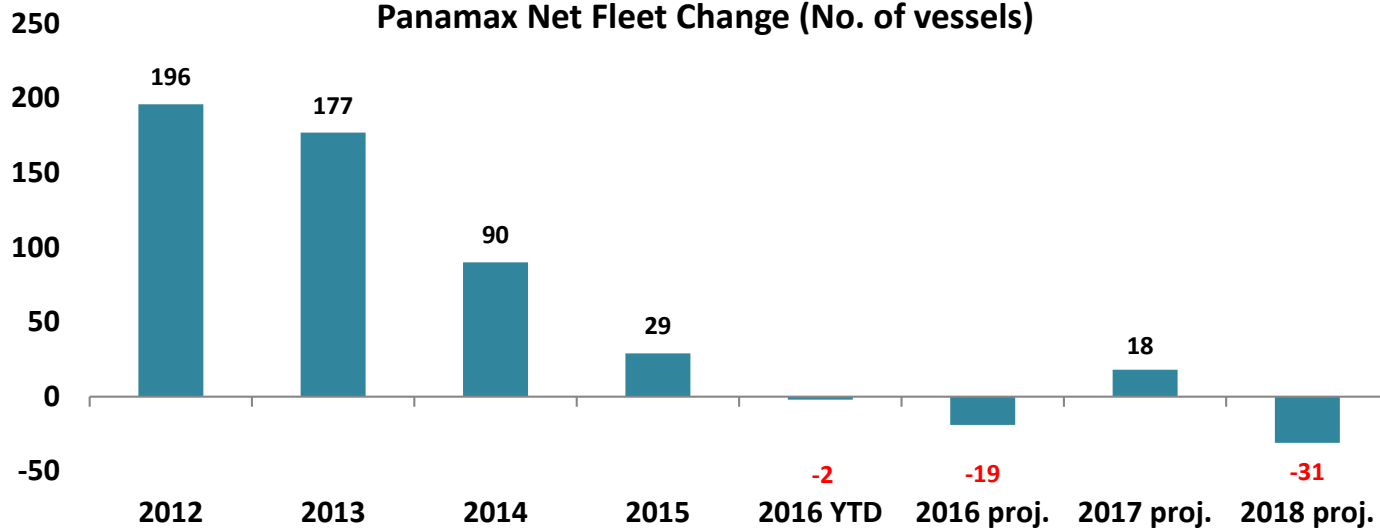


Panamax Orderbook through 2020

Panamax Orders (no. of Vessels) – *without slippage/cancellations*

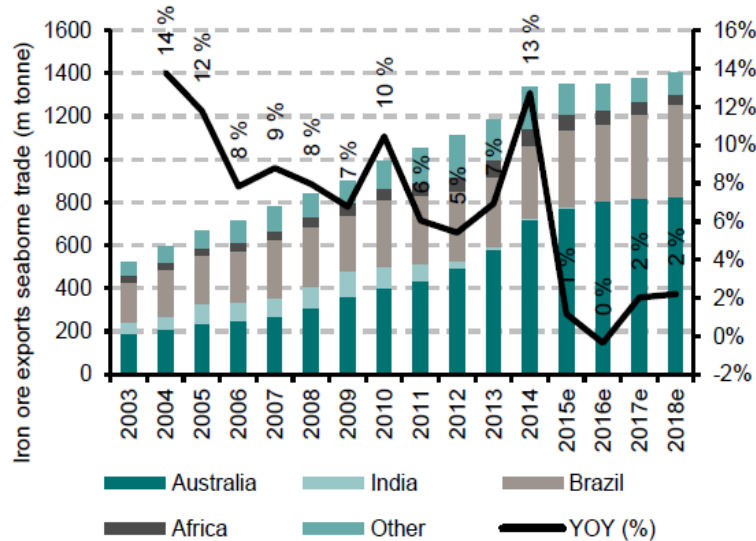


Panamax Net Fleet Change (No. of vessels)

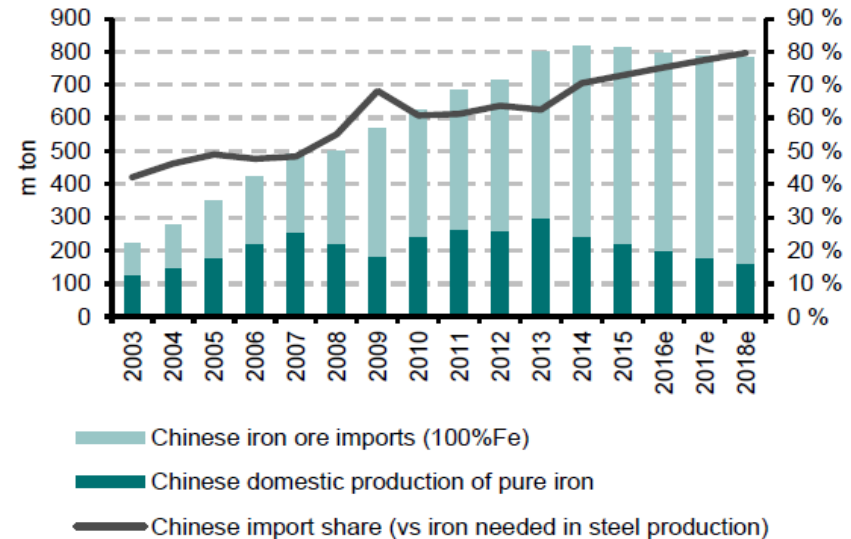


Global Iron Ore Demand Developments

Iron ore trade by exporter,



Imported versus domestically produced iron

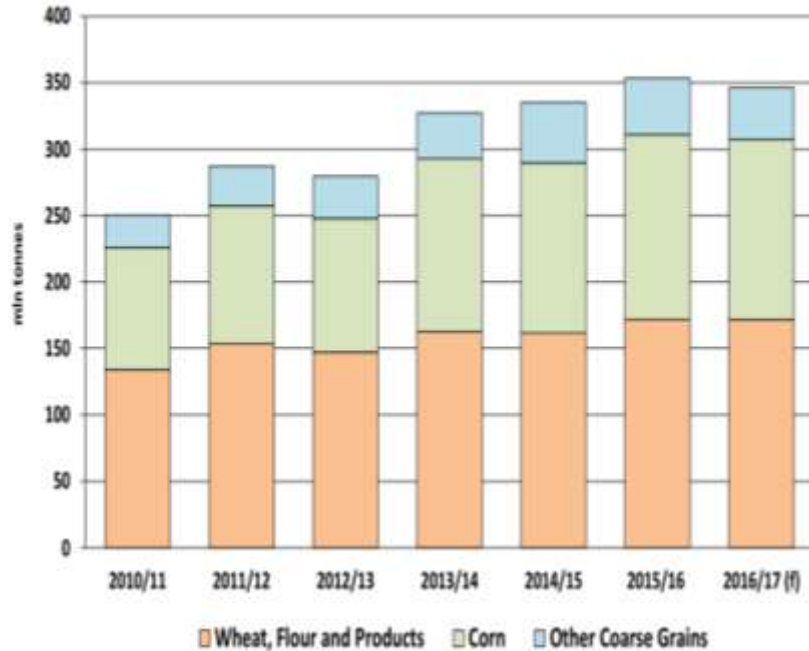


- **China's iron ore imports better than expected.**
- **Iron Ore import substitution:** Iron ore imports increased ~7% in 9M 2016 vs. 2015
- **Improved ton-miles effect:** ~9% Brazil's export increase in 2016 vs. ~2% from Australia.

Grain Demand Developments

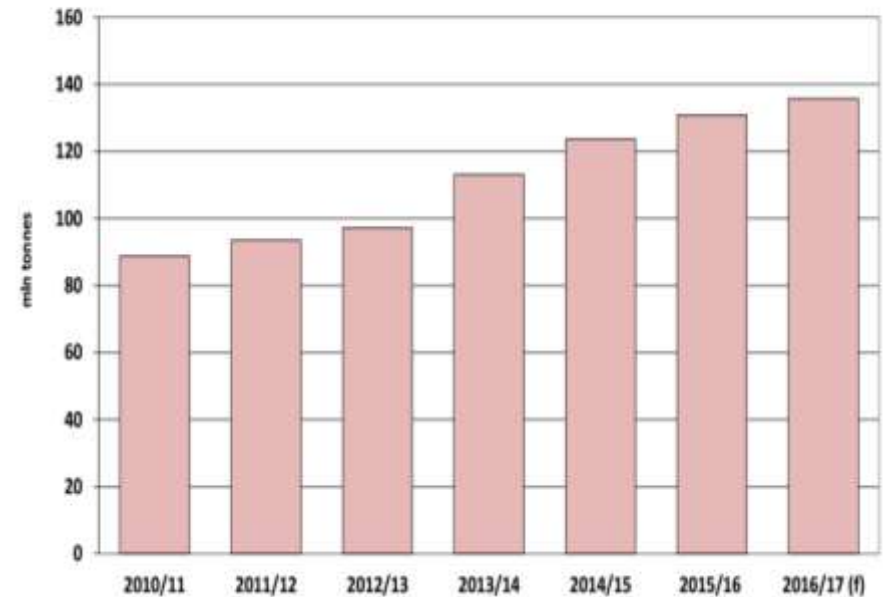
Global Wheat and Coarse Grain Exports

(source: USDA (september forecast) , in mln metric tonnes)



Global Soybean Exports

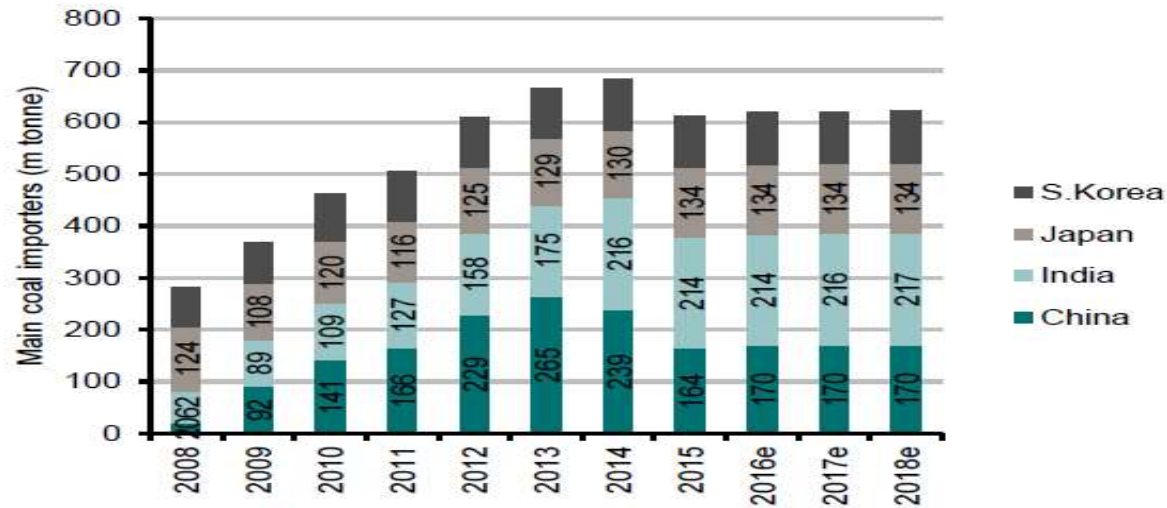
(source: USDA (september forecast) , in mln metric tonnes)



Grain supports historically dry bulk transportation demand providing season peaks

Global Coal Demand Developments

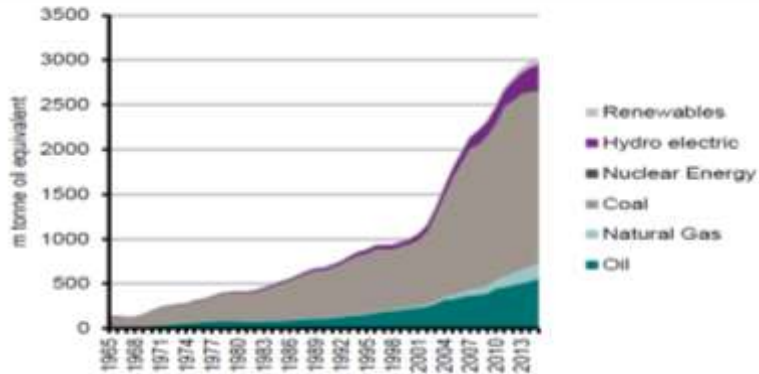
Main coal importers



- 9M 2016 China coal imports increased by about 18% vs. 2015, due to import substitution.
- India's development related to use of coal.
- Emerging Asian nations may provide a growing market for coal imports.

China Coal Demand Developments

Chinese energy mix, 1965–2015

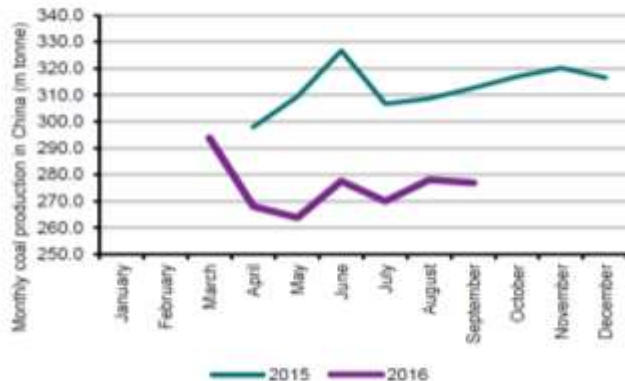


Coal the preferred energy fuel.

Electricity production up 8% (9M 2016 vs. 2015).

About 74% of Electricity production coal-derived.

Chinese coal production, 2015–2016

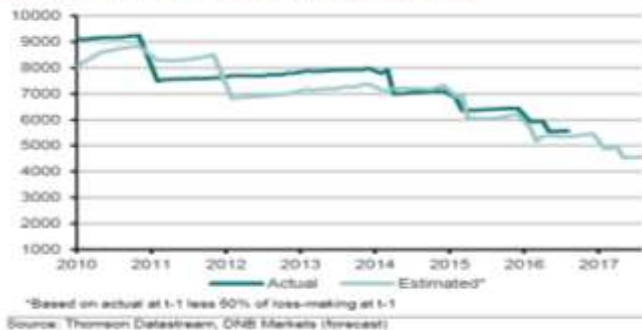


Chinese coal output reduced by 12% or 450mt/year.

Reduction of working days for coal mining from 330 to 276.

Chinese coal output substituted by coal imports.

China: number of coal mining companies

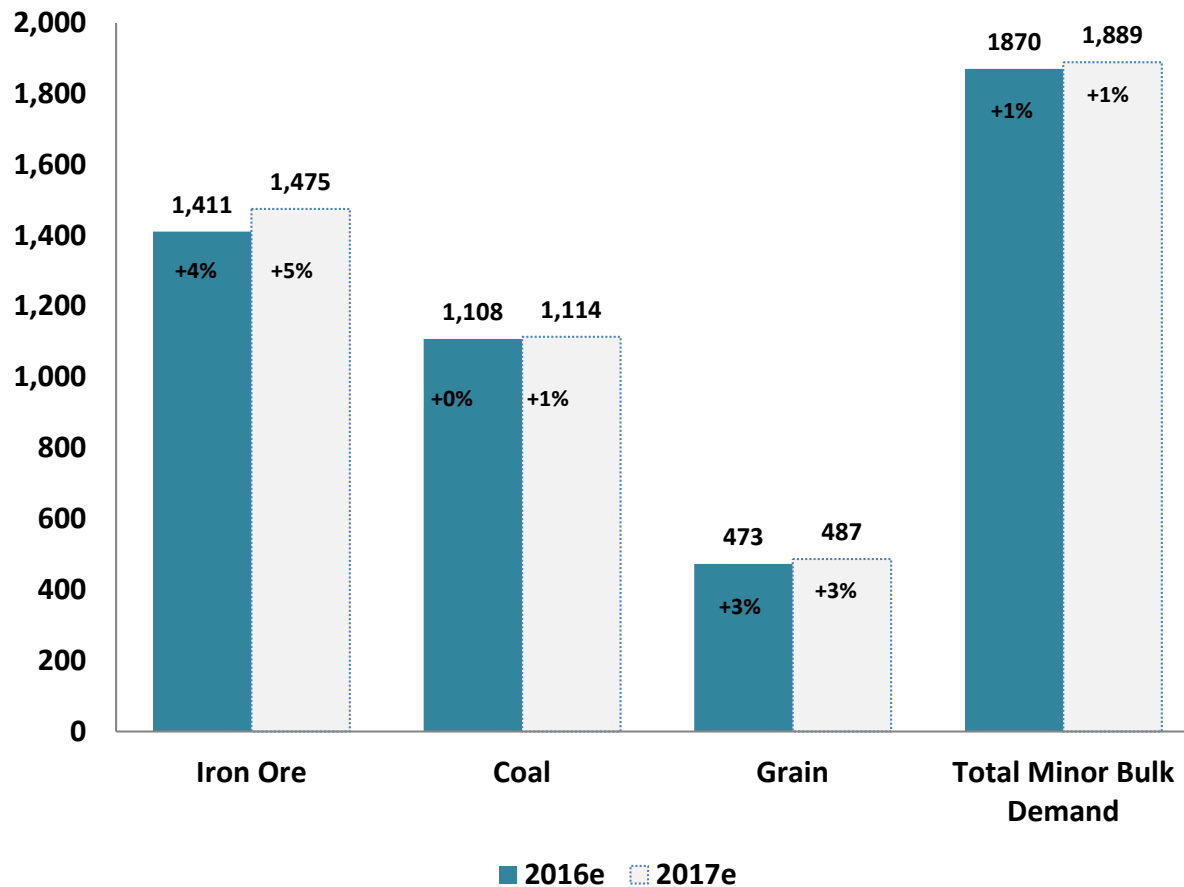


Until 2017 more than 1000 Chinese coal mines are expected to shut down.

China imports only about 5% of coal consumption.

Import substitution expected to grow.

2016 and 2017 Global Major Bulk Demand Growth Forecasts in MT



Global Sea-born trade growth expectation the following year

Summary: Supply vs. Demand equilibrium

- Excessive past order-book is exhausted by 2017.
- No additional dry-bulk orders.
- Financial squeeze in ship-owners and yards.
- Technological constraints in relation to BWTP.
- Stabilization or decrease of dry bulk fleet.
- Sea born trade growth forecasts.
- China, a key player in dry-bulk transportation.
- Substitution of Chinese local production of Iron ore and Coal.
- Chinese infrastructure projects.
- India and Emerging Asian nations may provide a growing market for coal imports.

Any spike in demand will boost charter market after 2017.

FLEET DATA AND AVERAGE DAILY INDICATORS

| | Three-Months Period Ended September 30, | |
|---|--|----------|
| | 2015 | 2016 |
| <u>FLEET DATA</u> | | |
| Number of vessels at period's end | 36 | 37 |
| Average age of fleet (in years) | 5.92 | 6.43 |
| Ownership days (1) | 3,310 | 3,401 |
| Available days (2) | 3,225 | 3,392 |
| Operating days (3) | 3,148 | 3,329 |
| Fleet utilization (4) | 95.1% | 97.9% |
| Average number of vessels in the period (5) | 35.98 | 36.97 |
| <u>In Million U.S. Dollars</u> | | |
| Net revenue | \$33.5 | \$27.1 |
| Net loss | \$(7.5) | \$(24.5) |
| Adjusted Net loss | \$(6.3) | \$(9.0) |
| <u>In U.S. Dollars</u> | | |
| Time charter equivalent rate (6) | \$8,843 | \$ 7,637 |
| Daily vessel operating expenses (7) | \$4,550 | \$ 3,617 |
| Daily general and administrative expenses (8) | \$1,182 | \$1,196 |
| Loss per share basic and diluted (9) | \$(0.13) | \$(0.34) |
| Adjusted Loss per share (9) | \$(0.12) | \$(0.15) |

(1) Ownership days represents the aggregate number of days in a period during which each vessel in our fleet has been owned by us.

(2) Available days represents the total number of days in a period during which each vessel in our fleet was in our possession, net of off-hire days associated with scheduled maintenance, which includes major repairs, drydockings, vessel upgrades or special or intermediate surveys.

(3) Operating days represents the number of our available days in a period less the aggregate number of days that our vessels are off-hire due to any reason, excluding scheduled maintenance.

(4) Fleet utilization is calculated by dividing the number of our operating days during a period by the number of our ownership days during that period.

(5) Average number of vessels in the period is calculated by dividing ownership days in the period by the number of days in that period.

(6) Time charter equivalent rate, or TCE rate, represents our charter revenues less commissions and voyage expenses during a period divided by the number of available days during such period.

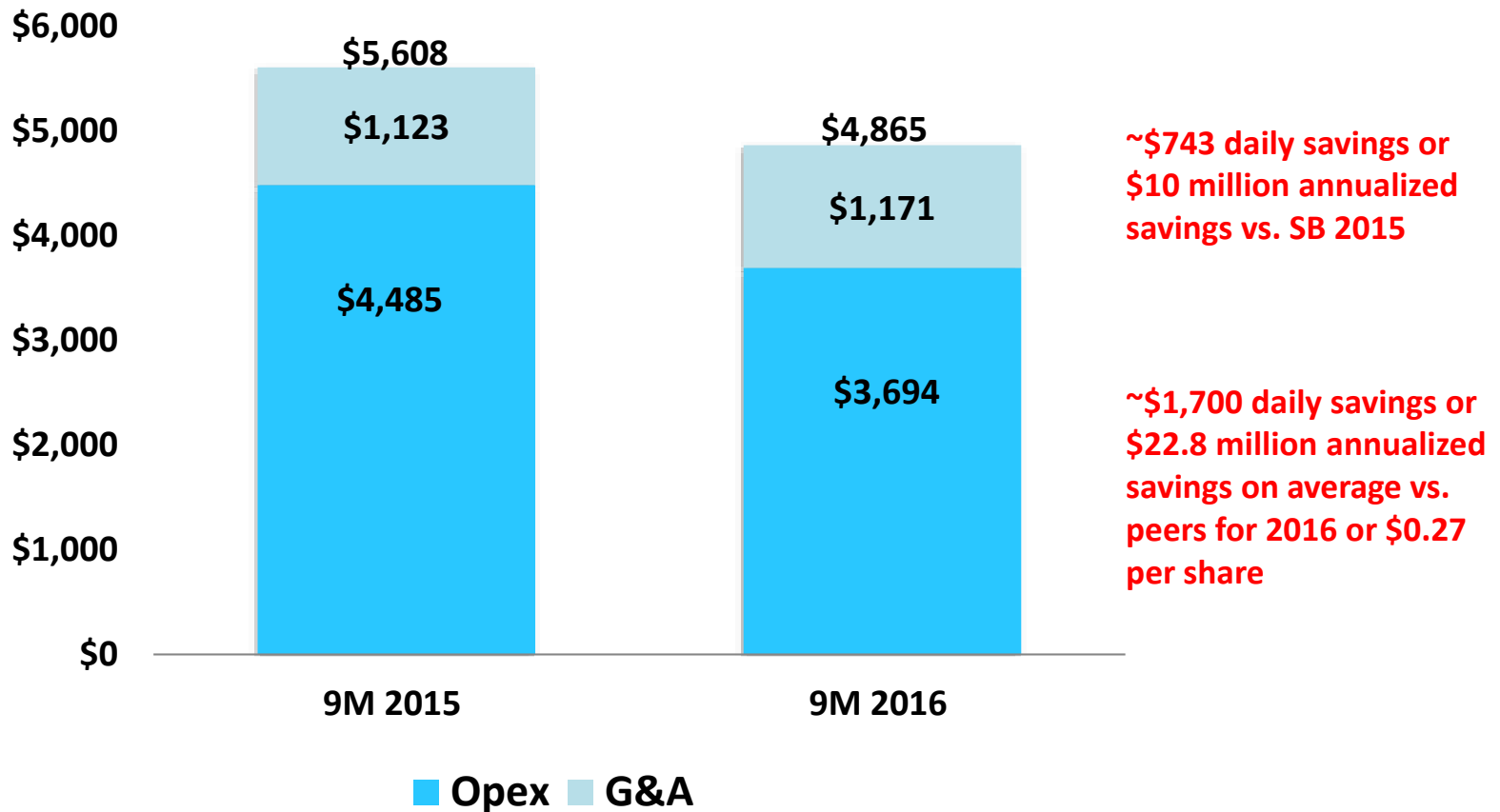
(7) Daily vessel operating expenses include the costs for crewing, insurance, lubricants, spare parts, provisions, stores, repairs, maintenance, statutory and classification expense, drydocking, intermediate and special surveys and other miscellaneous items. Daily vessel operating expenses are calculated by dividing vessel operating expenses for the relevant period by ownership days for such period.

(8) Daily general and administrative expenses include daily fixed and variable management fees payable to our Manager and daily costs in relation to our operation as a public company. Daily general and administrative expenses are calculated by dividing general and administrative expenses for the relevant period by ownership days for such period.

(9) Adjusted Earnings/(loss) per share are not recognized measurements under US GAAP. Adjusted Earnings/(loss) per share have limitations as analytical tools, and should not be considered in isolation, or as a substitute for analysis of the Company's results as reported under US GAAP. Earnings/(loss) per share and Adjusted Earnings/(loss) per share represent Net Income/(loss) and Adjusted Net income/(loss) less preferred dividend divided by the weighted average number of shares respectively. For further analysis and reconciliation please refer to earnings press release issued Monday, October 31, 2016.

Operational Cash Flows

Daily Vessel Operating Expenses and Daily G&A*



* Daily vessel operating expenses include the costs for crewing, insurance, lubricants, spare parts, provisions, stores, repairs, maintenance, statutory and classification expense, dry-docking, initial supplies, intermediate and special surveys and other miscellaneous items. Daily vessel operating expenses are calculated by dividing vessel operating expenses for the relevant period by ownership days for such period.

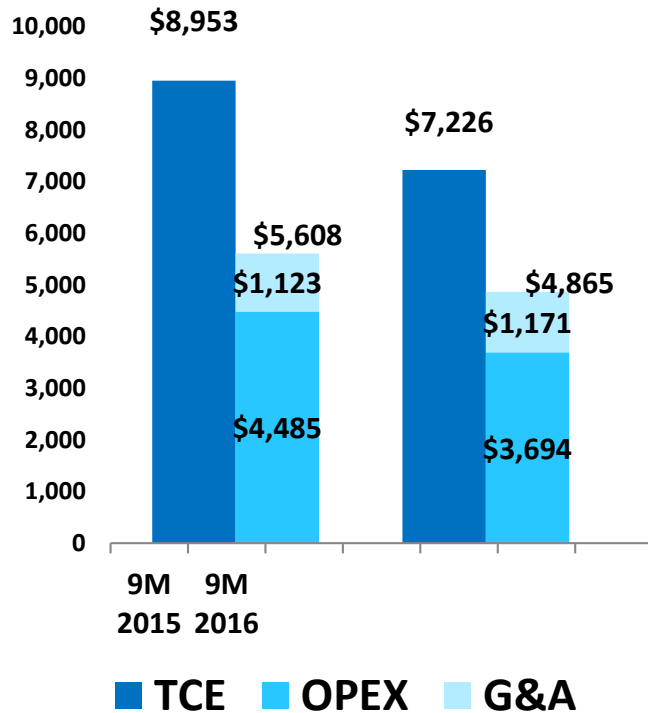
Daily general and administrative expenses include daily fixed and variable management fees and daily costs in relation to operation as a public company. Daily general and administrative expenses are calculated by dividing general and administrative expenses for the relevant period by ownership days for such period.

Operational Cash Flows

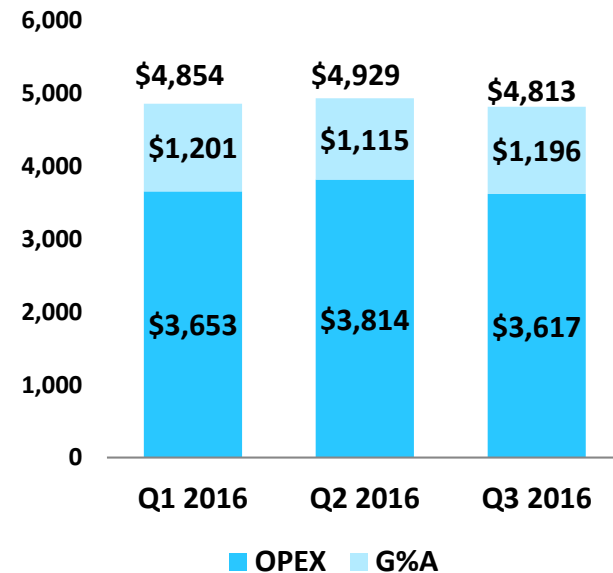
Daily Operating and G&A expenses LOWER than TCE in the lowest freight market of the past 30 years

**Daily OPEX include Dry-Docking costs and initial supplies
Daily G&A include public company expenses and management fees**

Daily TCE vs. daily OPEX and G&A expenses



DAILY OPEX AND G&A PER QUARTER



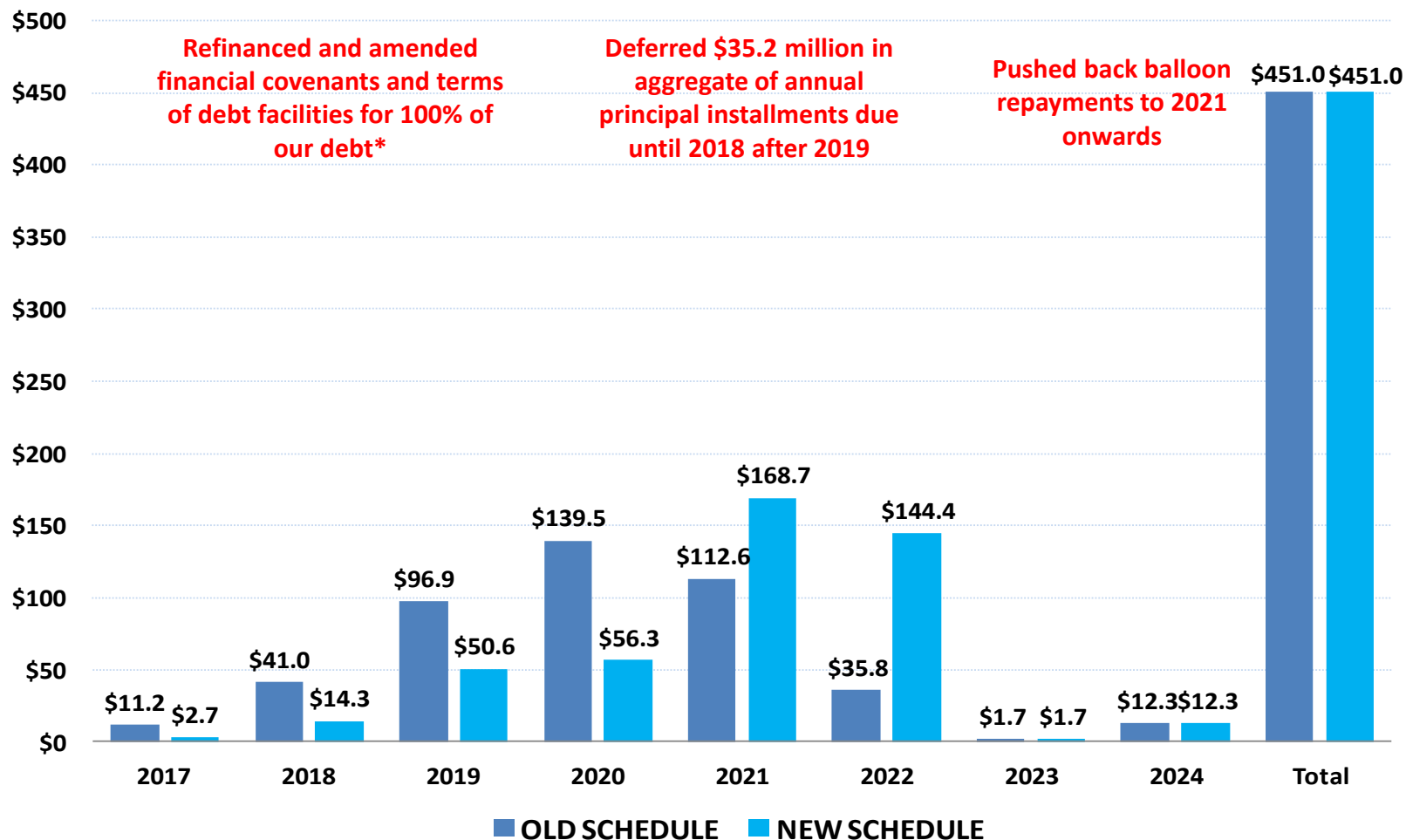
* Time charter equivalent rate, or TCE rate, represents charter revenues of all fleet less commissions and voyage expenses during a period divided by the number of available days during such period.

** Daily vessel operating expenses include the costs for crewing, insurance, lubricants, spare parts, provisions, stores, repairs, maintenance, statutory and classification expense, dry-docking, intermediate and special surveys and other miscellaneous items. Daily vessel operating expenses are calculated by dividing vessel operating expenses for the relevant period by ownership days for such period.

*** Daily general and administrative expenses include daily fixed and variable management fees and daily costs in relation to operation as a public company. Daily general and administrative expenses are calculated by dividing general and administrative expenses for the relevant period by ownership days for such period.

Financing Cash Flows

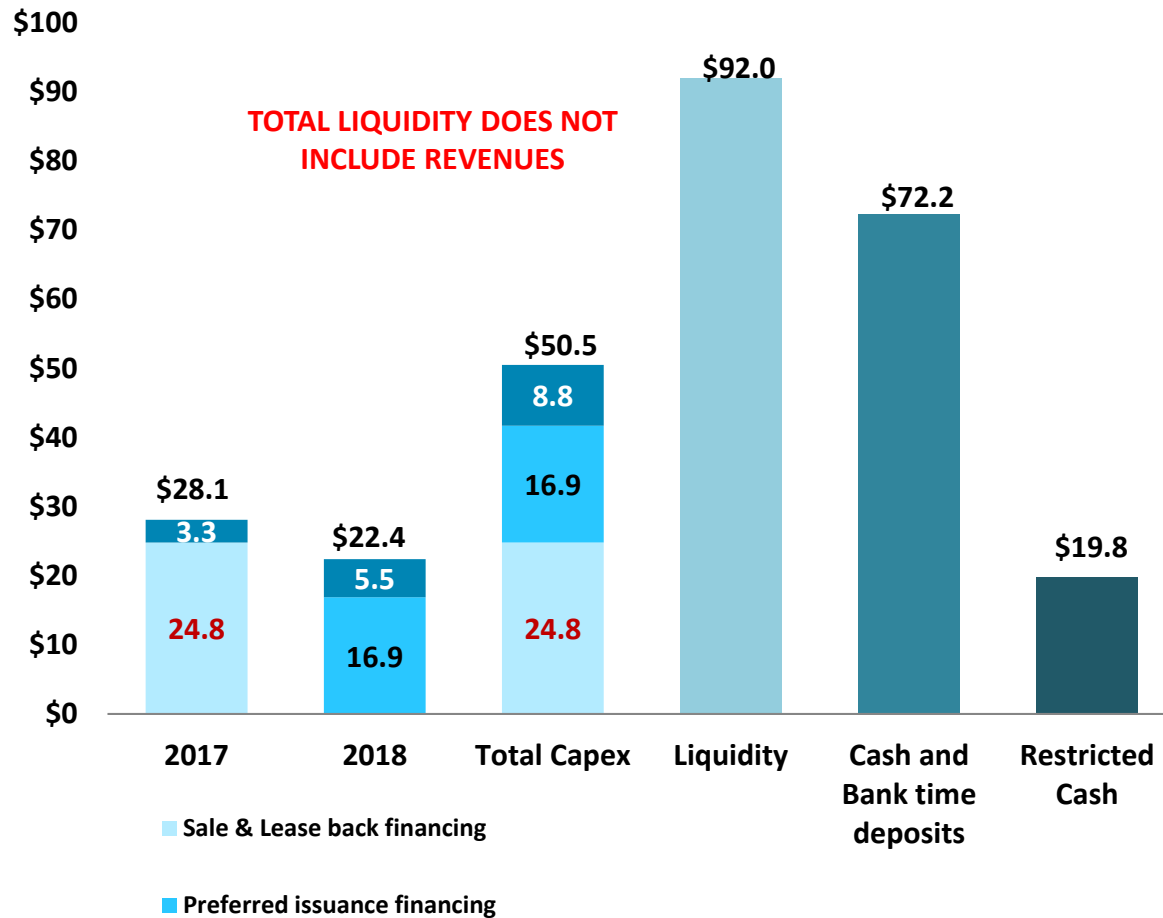
Repayment schedule of refinanced facilities on an annual basis (in US\$ million)



*Data presented as of September 30, 2016, in US\$ millions. As of September 30, 2016, the Company has refinanced or accepted term sheets, to amend certain financial covenants and terms of its credit, term and loan agreements, representing 100% of our debt, excluding sale and lease back financing arrangements and debt from State institutions, resulting in the deferral of an aggregate of \$35.2 million of annual principal instalments that were due until 2018 after 2019.

Investing Cash Flows

Capex vs. Liquidity in \$US million



In 2017 \$24.8 million Capex financed through sale and lease back financing agreement

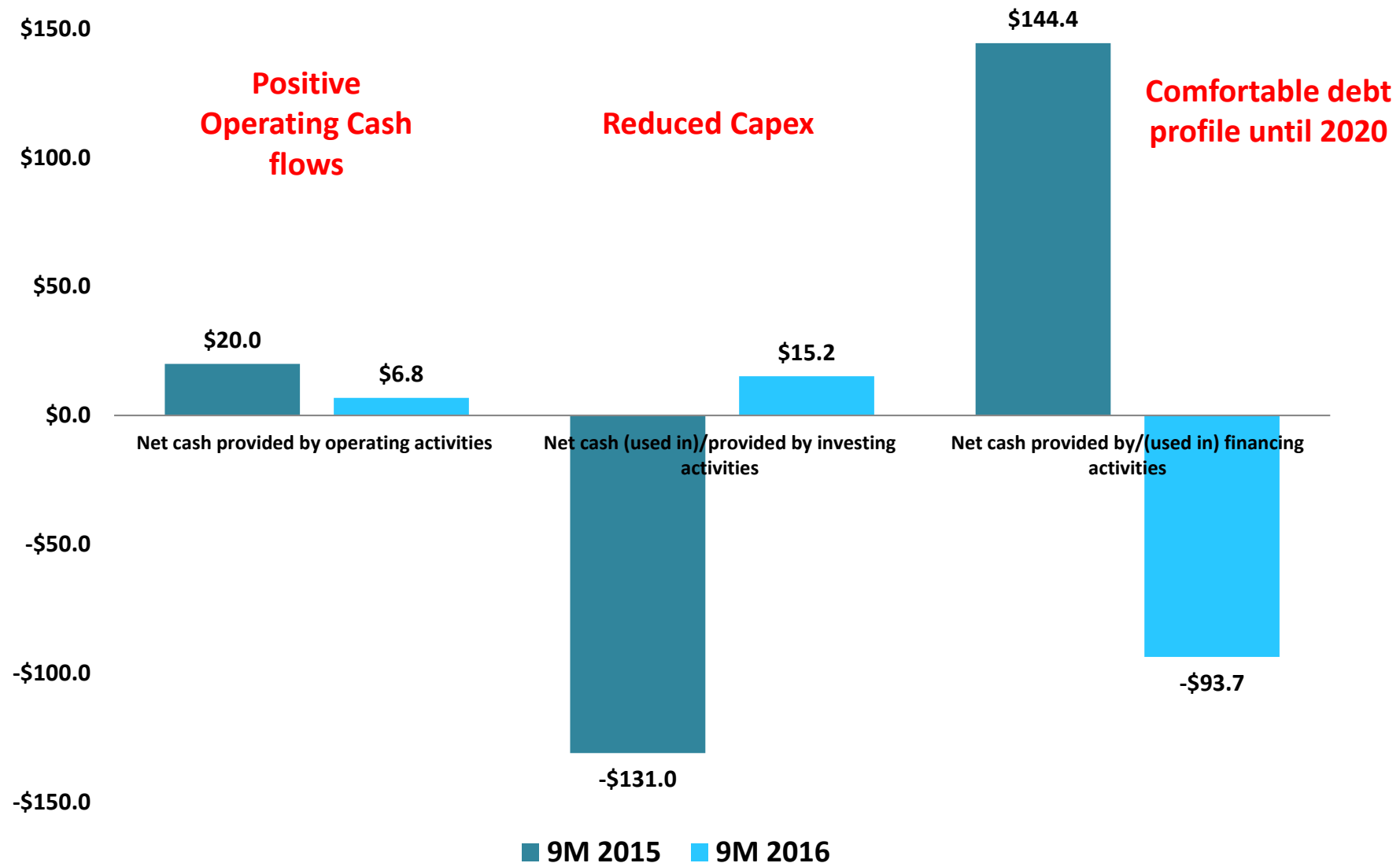
In 2018 \$16.9 million Capex financed through preferred issuance

\$8.8 million unfinanced Capex to be covered by SB liquidity

Data as of October 26, 2016.

Controlled Cash flows

Cash flow data in \$U.S millions





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