



**Jefferies 2012 Global  
Shipping Conference**

**September 5, 2012**  
New York City

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# 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*

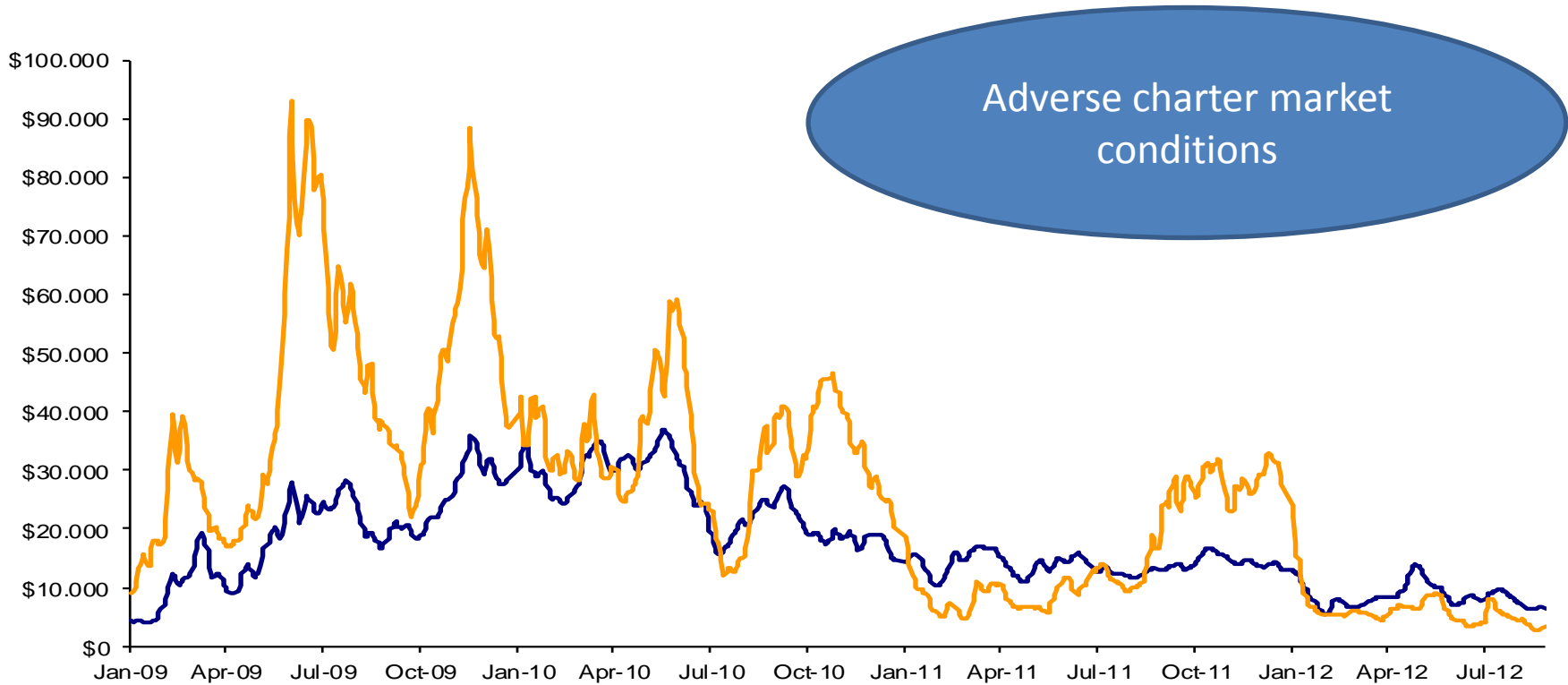
**Ioannis Foteinos**  
*Chief Operating Officer*



## INDUSTRY SECTION

# BALTIC EXCHANGE DRYBULK INDEX

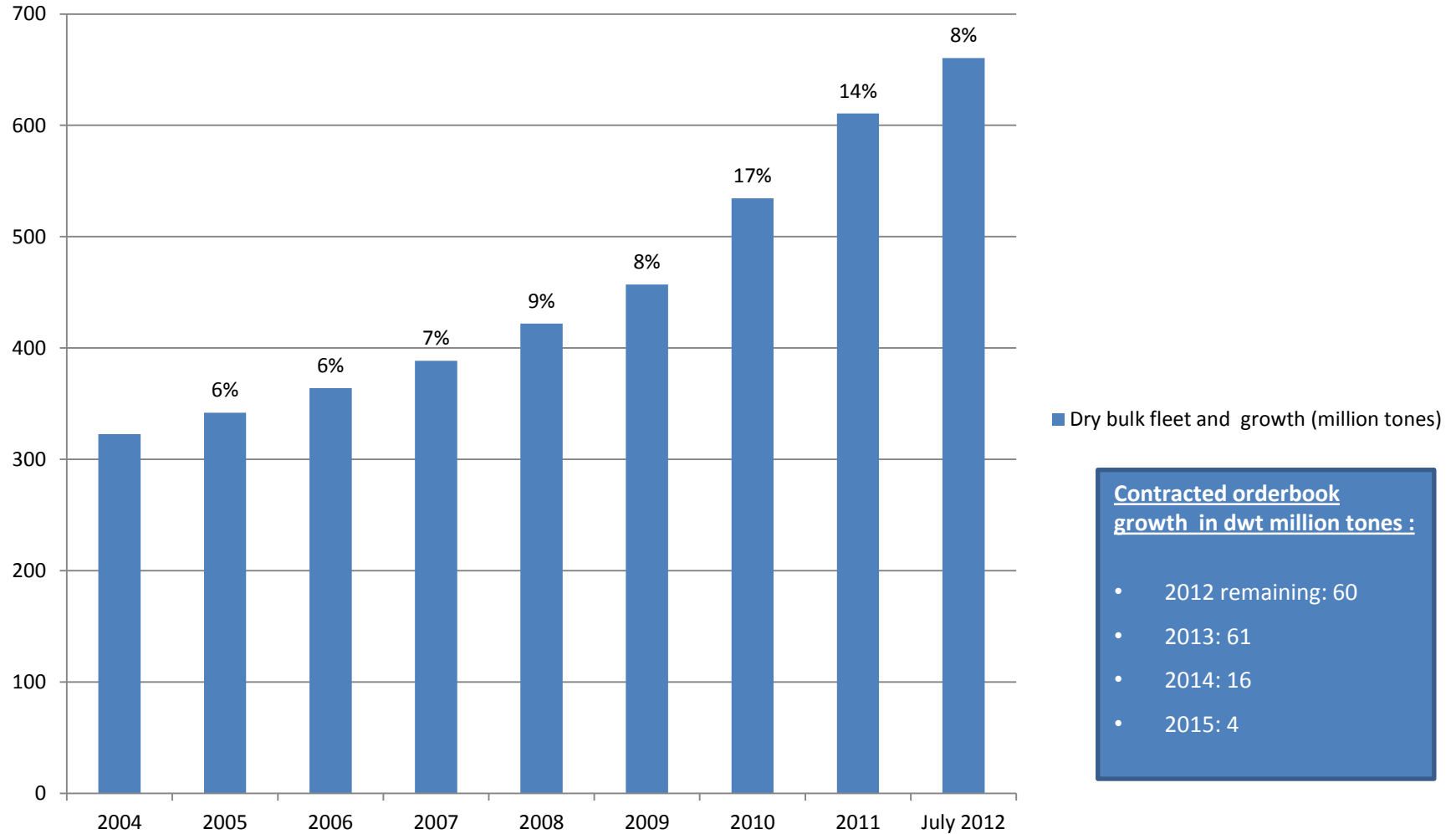
Daily Closing of Average 4TC



Source: Baltic Exchange

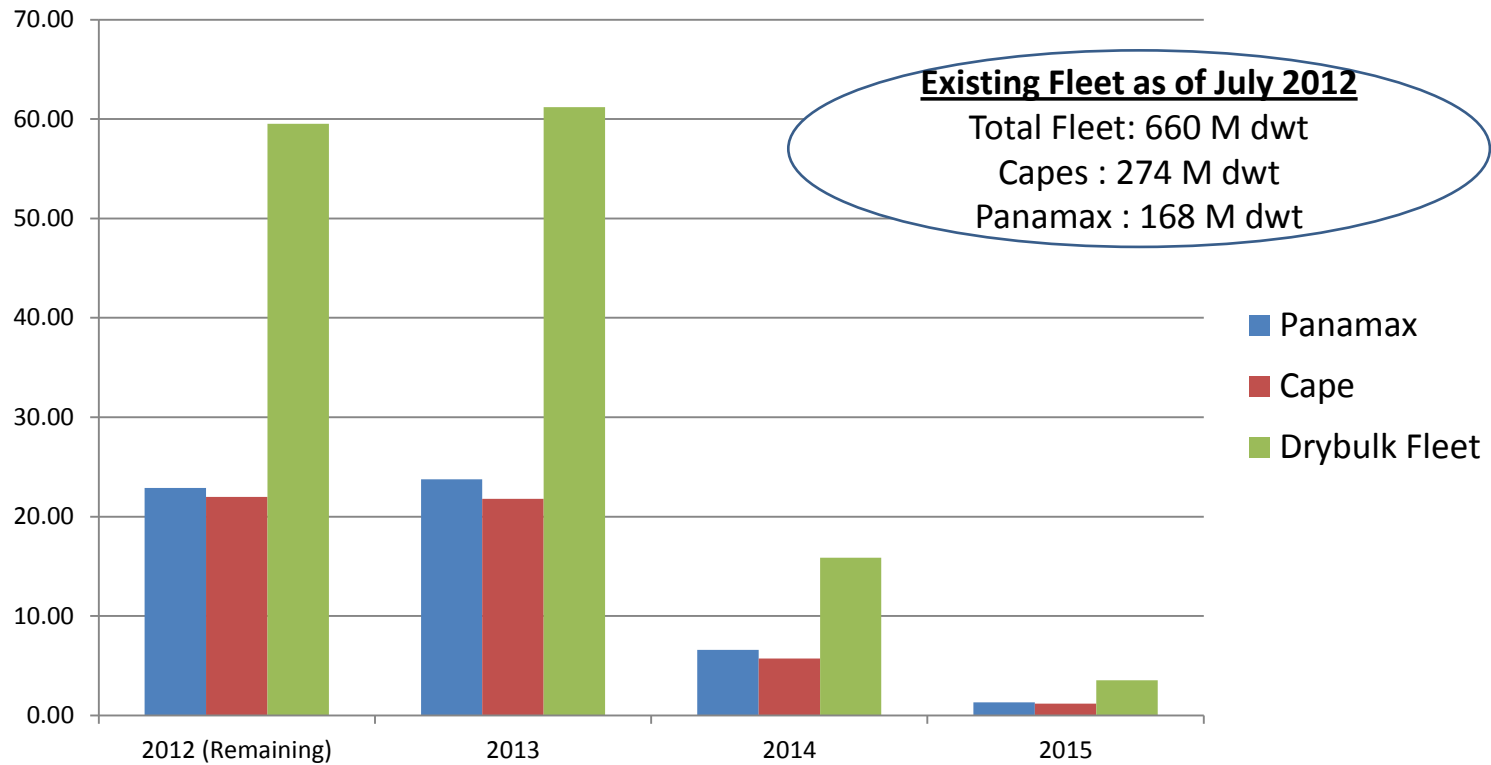
Data as of August 30, 2012.

## SUPPLY SIDE: Dry bulk fleet and growth (Million tons)



Source: SSY - Data as of July 30, 2012

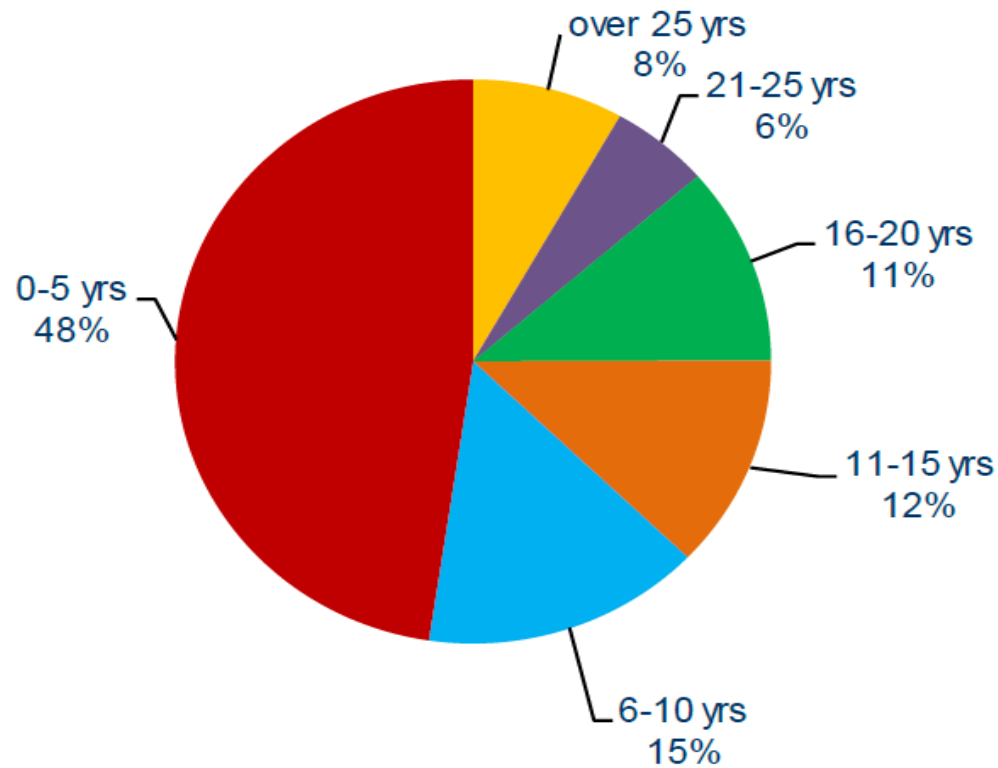
# SUPPLY SIDE: ORDERBOOK (Million tons)



**Existing Fleet as of July 2012**  
Total Fleet: 660 M dwt  
Capes : 274 M dwt  
Panamax : 168 M dwt

Excess supply of drybulk vessels

## SUPPLY SIDE: AGE OF FLEET



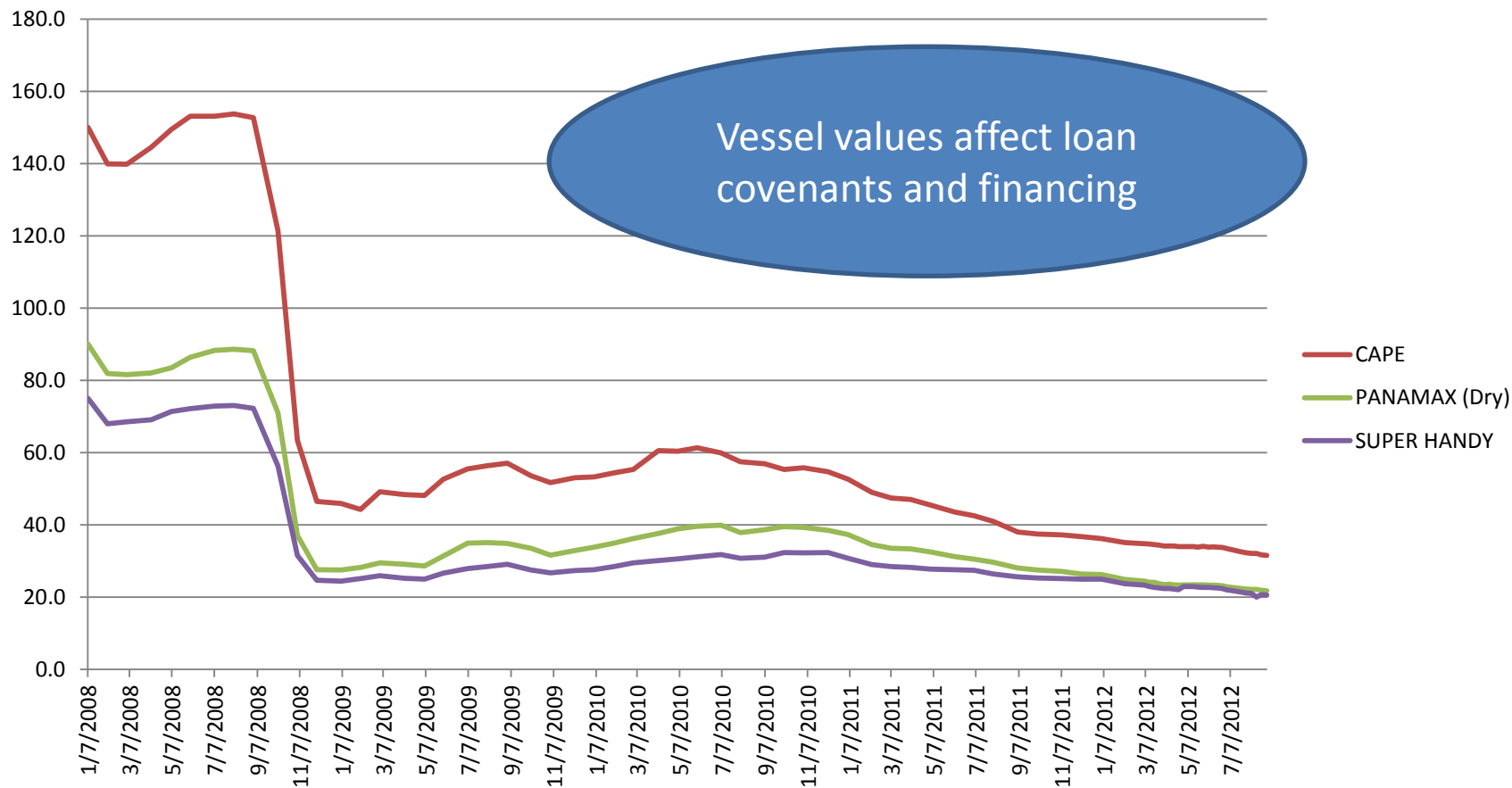
Source: Morgan Stanley Research, - Data as of June 30, 2012

14% of drybulk fleet is more than 20 year old and expected to be scrapped



# SUPPLY SIDE: VESSELS' VALUES

## Baltic Sales and Purchase Assessment (5 years old)



Source: Baltic Exchange

Data as of August 30, 2012.

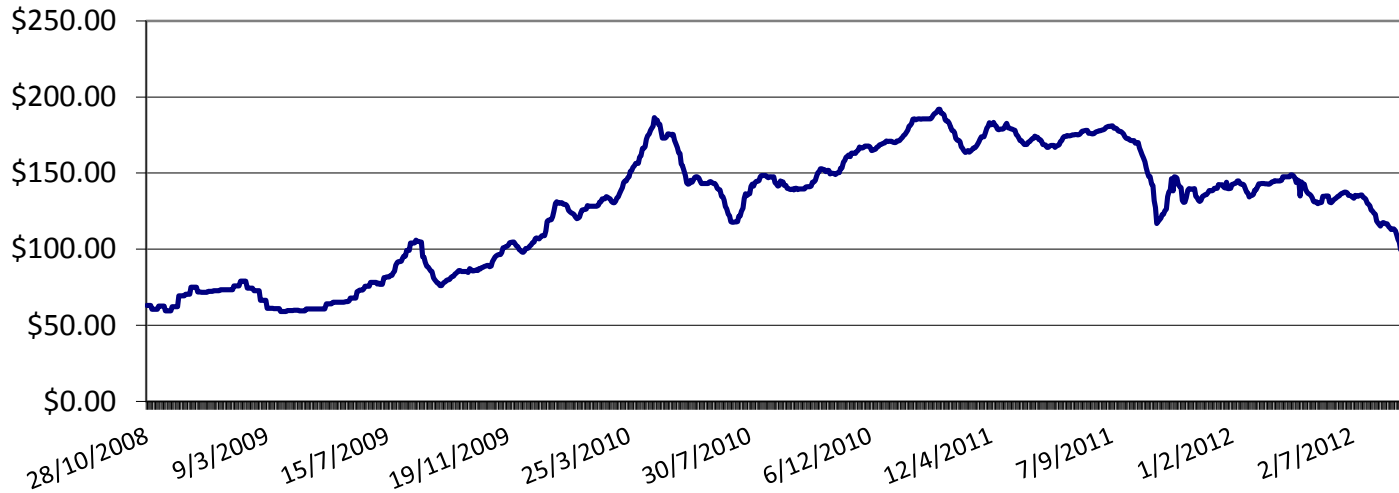
## SUPPLY SIDE: SLIPPAGE - SCRAPPING

- ✓ Slippage or cancellations expected to account for approximately 20% of the order-book
- ✓ Scrapping during 2011 amounted 23,8 mil dwt tones
- ✓ Scrapping until July 2012 amounts 20,4 mil dwt tones

Excess supply of drybulk vessels adversely influences the charter market

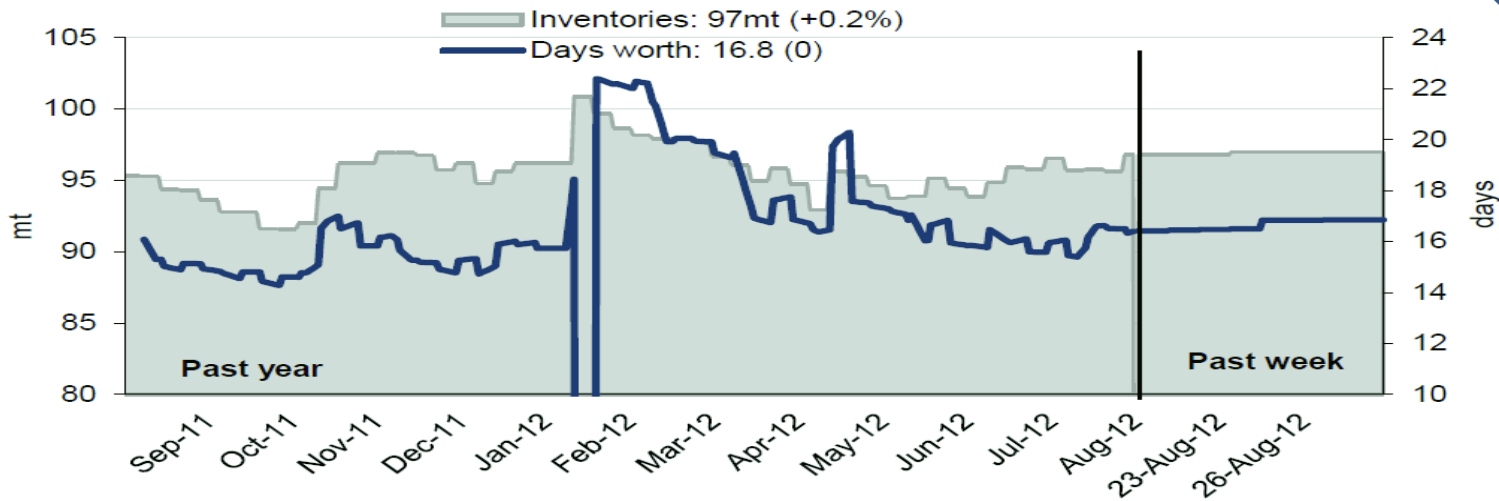
# DEMAND SIDE: IRON ORE MARKET

## TSI Iron Ore 62% FE Price



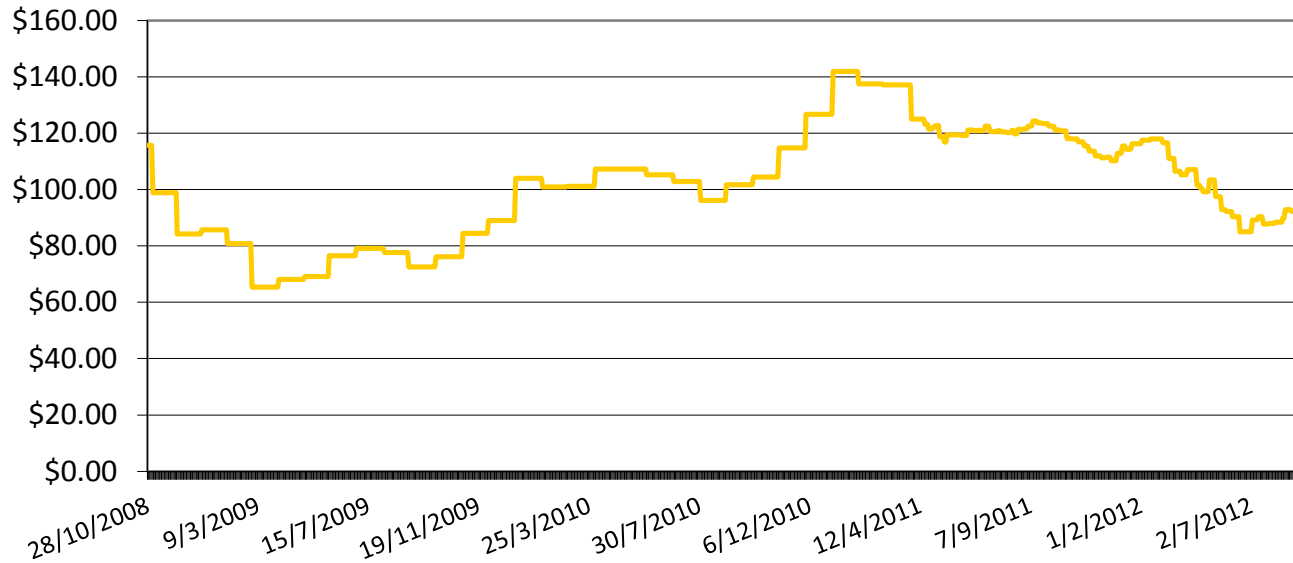
Dropping iron ore market

## Chinese Iron Ore Inventories



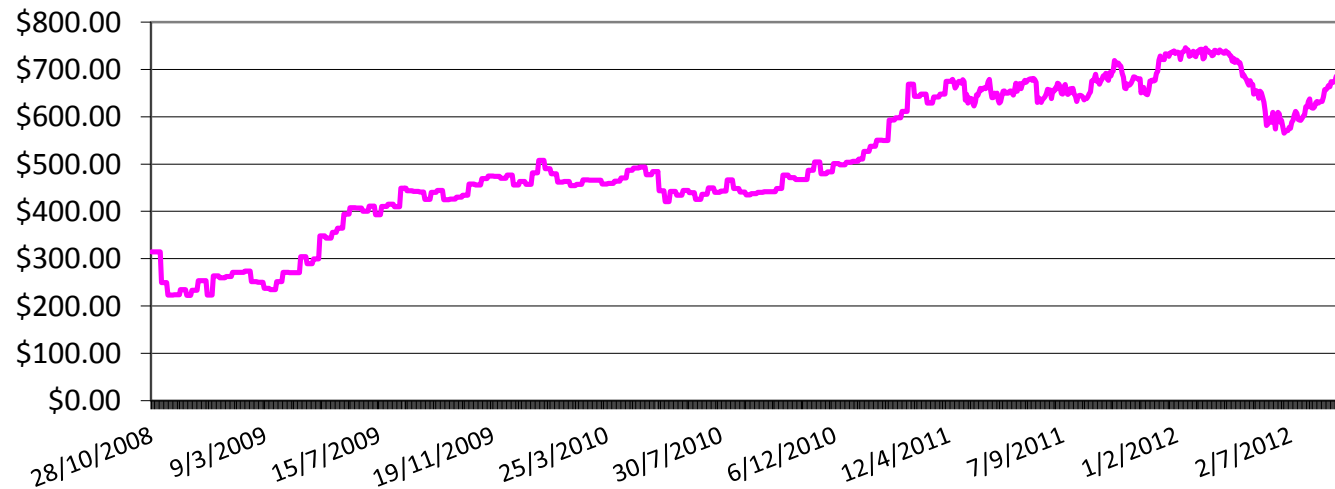
# DEMAND SIDE: COAL – BUNKERS MARKET

## Newcastle Coal Prices

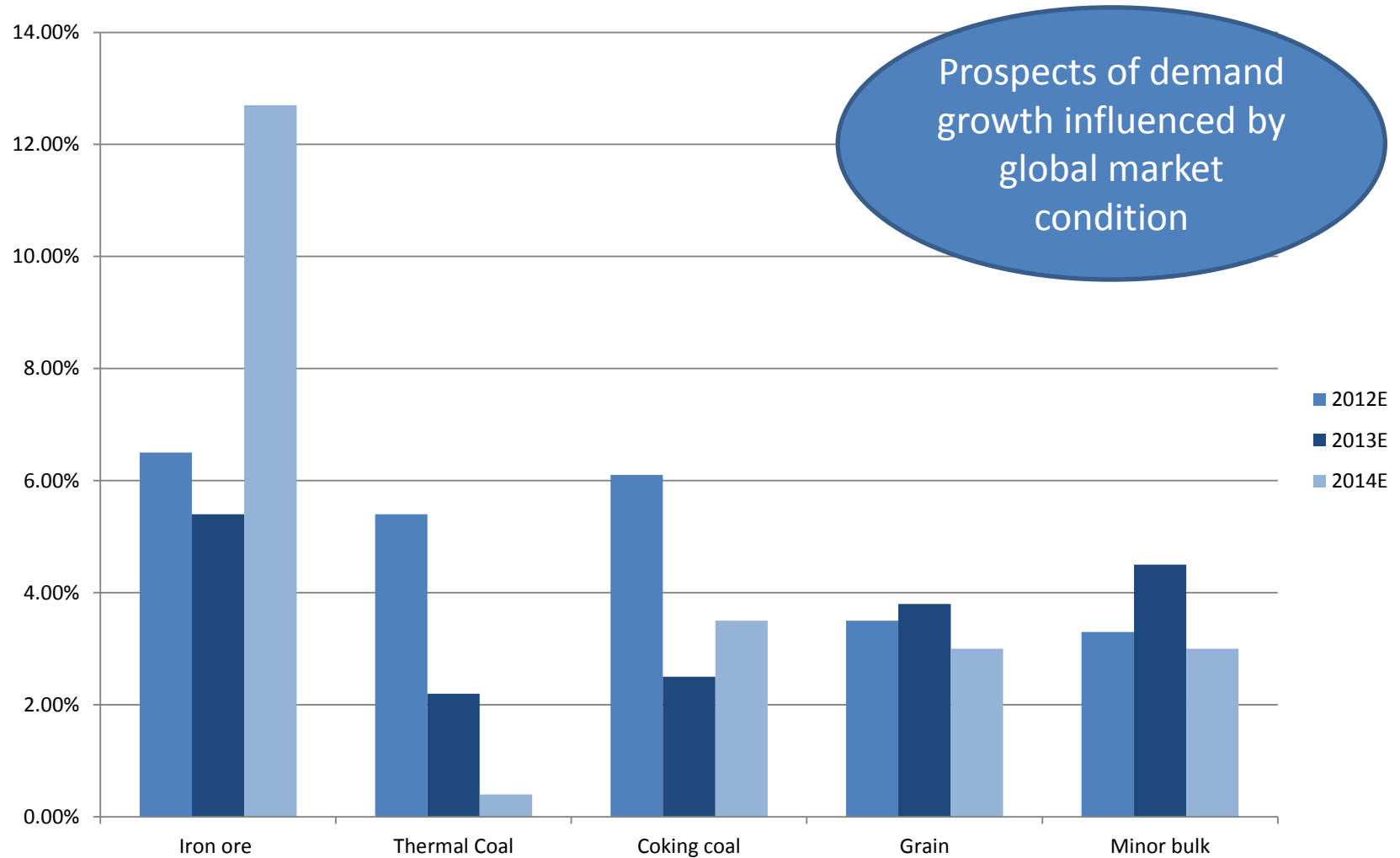


Adverse conditions for commodities trading

## 380 CST Singapore prices



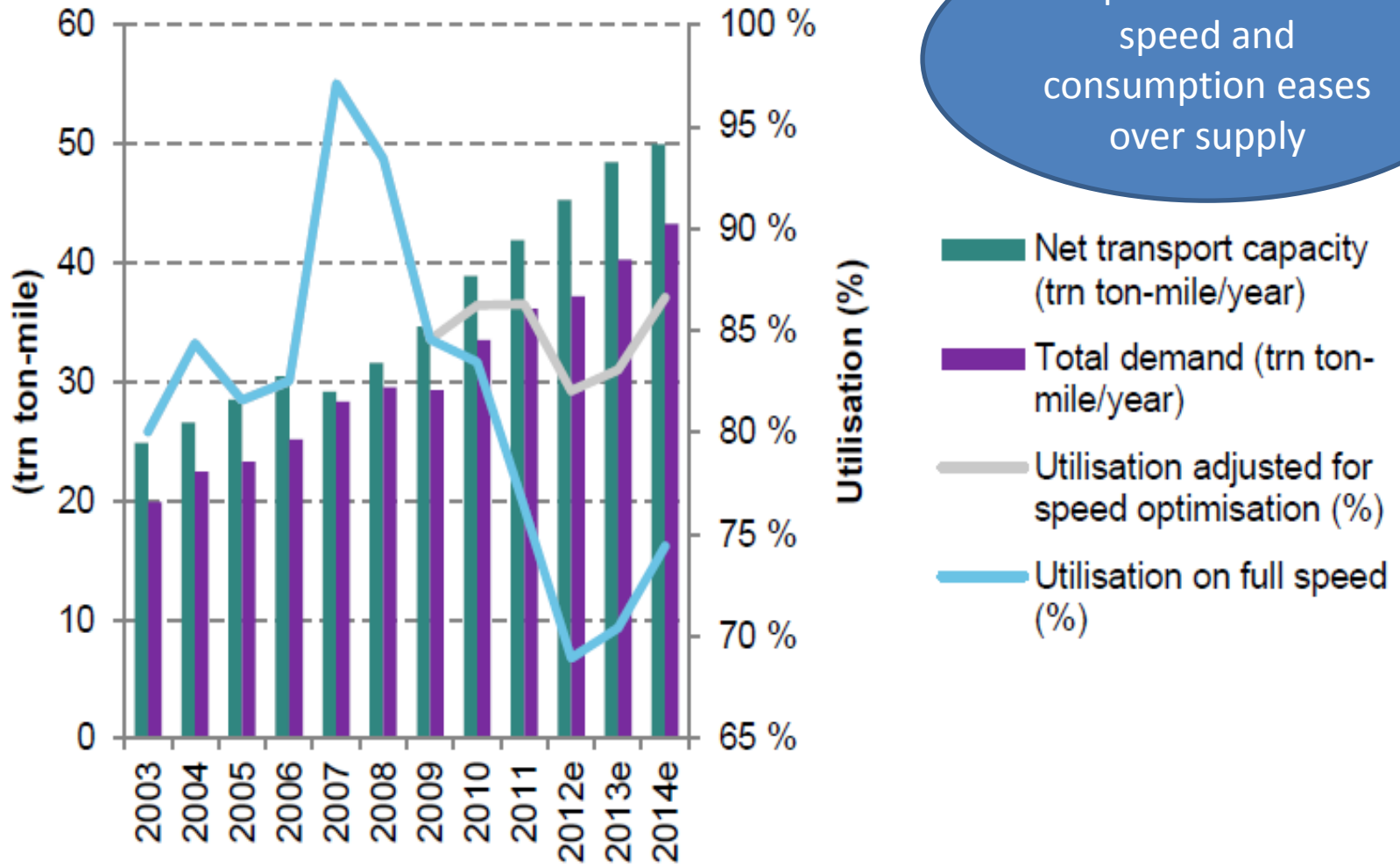
## DEMAND SIDE: MAJOR COMMODITIES GROWTH



Source: Deutsche Bank, data as of June 30, 2012

# DEMAND SIDE: DEMAND GROWTH AND UTILIZATION

Optimization of speed and consumption eases over supply



Source: DNB Markets, Clarksons Data as of June 30, 2012.

## Supply Side

- ✓ Excess supply of vessels.
- ✓ 20% of the orderbook to be delayed or cancelled due to financing restrictions.
- ✓ Scrapping is peaking up in low charter markets.

## Demand Side

- ✓ Dropping of major commodities prices.
- ✓ Increased stock-piles of iron ore and coal in Chinese ports.
- ✓ Increased bunkers prices.
- ✓ Speed-consumption optimization eases oversupply.

Global financial conditions in the near term  
will dictate charter market conditions



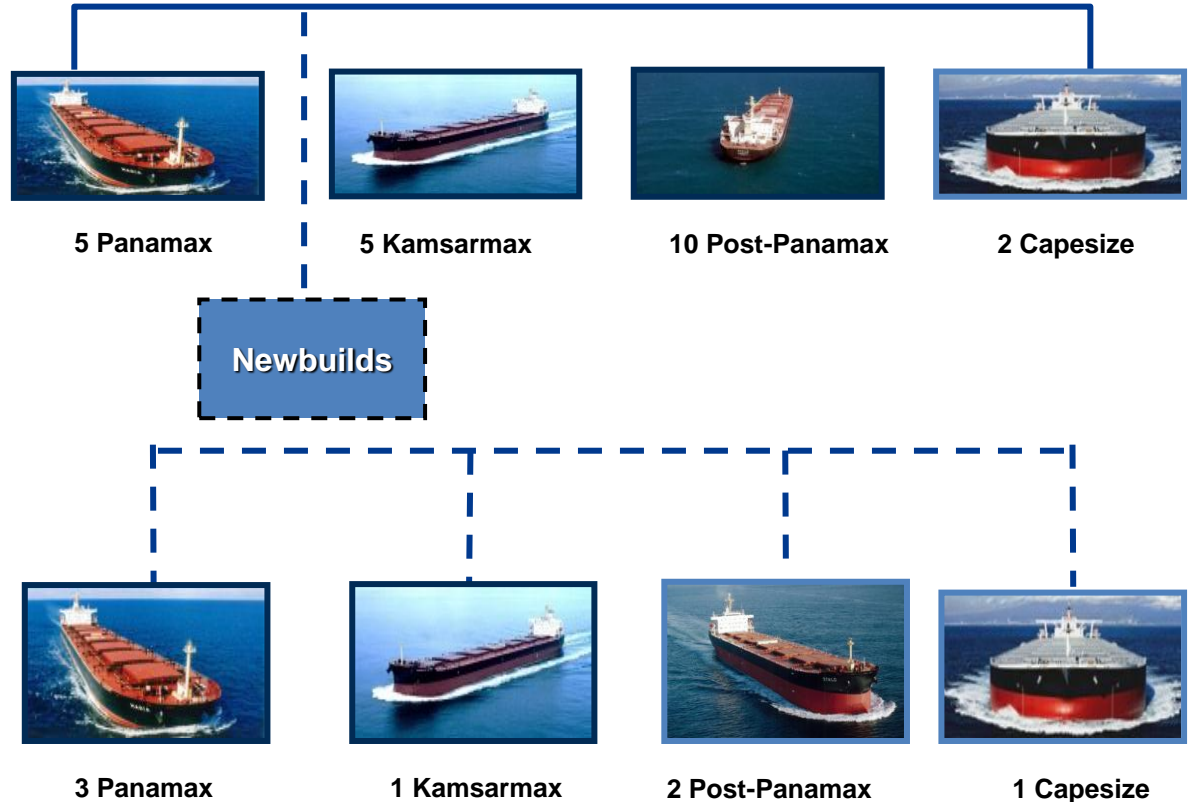
## COMPANY SECTION



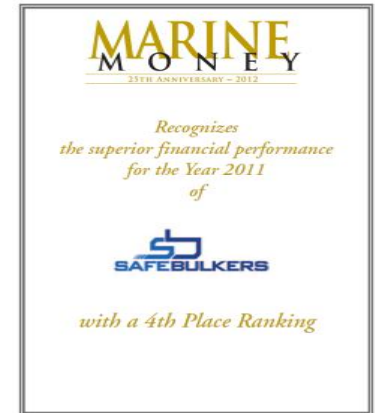
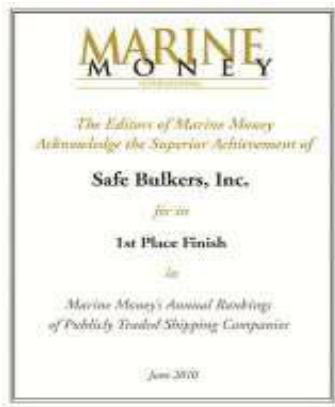
# COMPANY OVERVIEW

## Highlights as of August 31, 2012:

- Current fleet: 22 vessels
- Classes:  
Panamax to Capes  
75,000 dwt to 178,000 dwt
- Transport coal, grain, iron ore  
and other dry-bulk  
commodities
- Fleet age: 4.1 years
- Fleet age upon all scheduled  
deliveries by 2014 : 5.2 years
- Contracted fleet expansion: 7  
newbuilds
- Very high spec ships from  
quality yards



# COMPANY OVERVIEW



## Highlights:

- Our predecessor Alassia Steamship was founded in 1958
- Our Manager Safety Management Overseas was founded in 1993
- Safe Bulkers was founded in 2007
- Safe Bulkers IPO 2008 NYSE
- Follow-on Offering: March 2010 \$75.0 M Net
- Follow-on Offering: April 2011 \$39.6 M Net
- Follow-on Offering: March 2012 \$35.3 M Net
- Industry recognition

## COMPANY OVERVIEW

- Long history in shipping
- Management invest in ship owning activities only through Safe Bulkers
- Hands - on business approach
- Significant contracted growth
- Recognized consistent management policies over the years
- Prudent financing
- Dividend policy



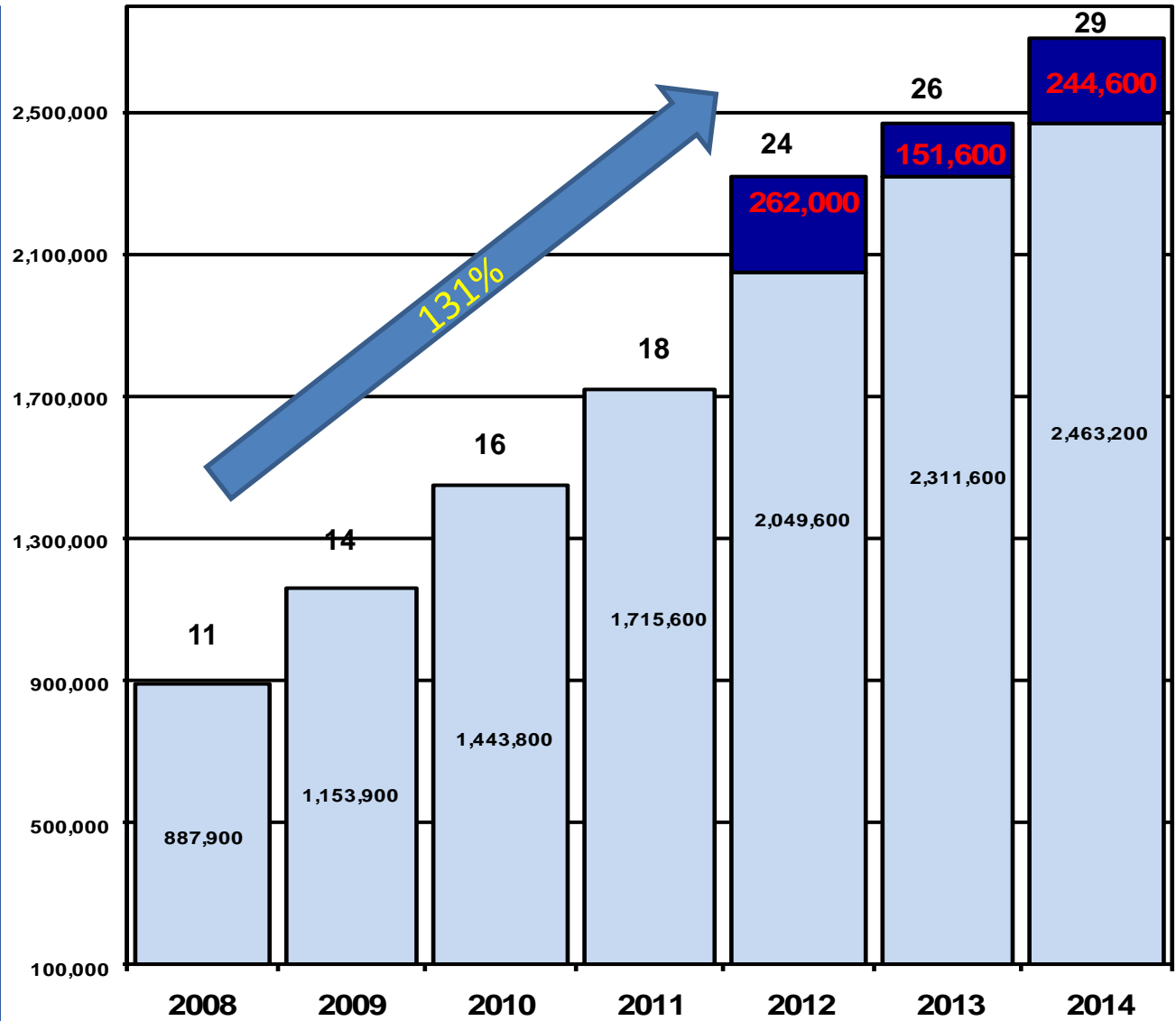
- Experience, market knowledge and proven track record over many shipping cycles.
- Management fully aligned with shareholders' interests
- Low OPEX and reputation of operating excellence reflected in utilization rates.
- Create value for our shareholders
- Business expansion and investor credibility
- Leveraging flexibility
- Sustainable growth and rewarding investors

## POLICY

- Invest in the lower part of the cycle in newbuild vessels
- Sell second hand vessels at relatively young age on attractive prices
- Cooperate with quality shipyards
- Active orderbook management targeting to lower CAPEX requirements.

## VESSEL SPECIFICATIONS

- Fuel efficient designs to compete
- Shallow-drafted designs to carry more cargo in the same draft
- Incorporation of latest environmental regulations



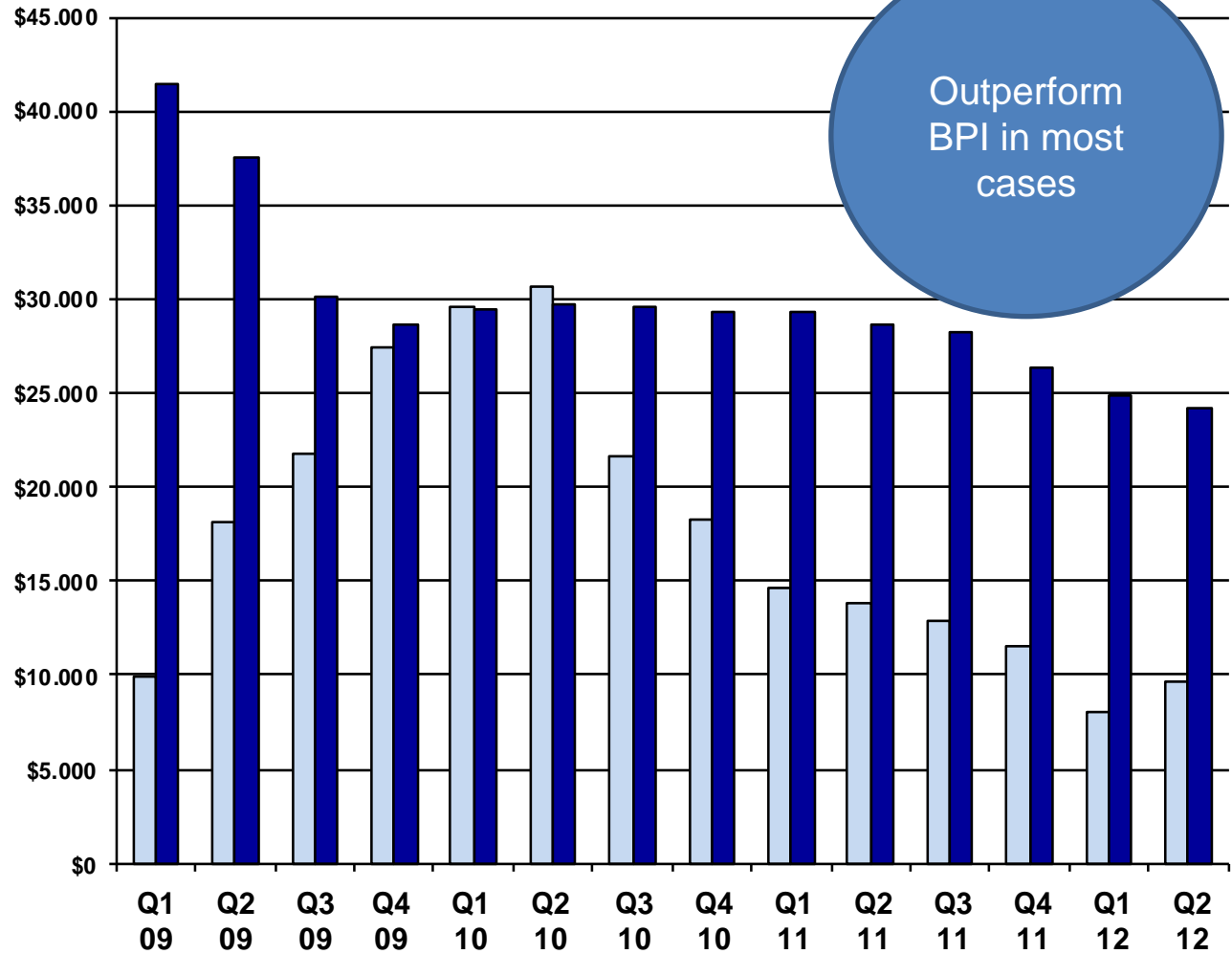
■ Scheduled Deliveries in Dwt

□ Existing Fleet in Dwt

Data as of August 31, 2012.

## POLICY

- Balance of long-term period and spot charter employment.
- Employment in long-term period time charters to provide visibility in future cash flows.
- Employment in spot charters to maintain flexibility in low charter market conditions, and provide better profitability in high charter markets
- Early redelivery of vessels to take advantage of favorable market conditions, or to reduce risk exposure in adverse market conditions

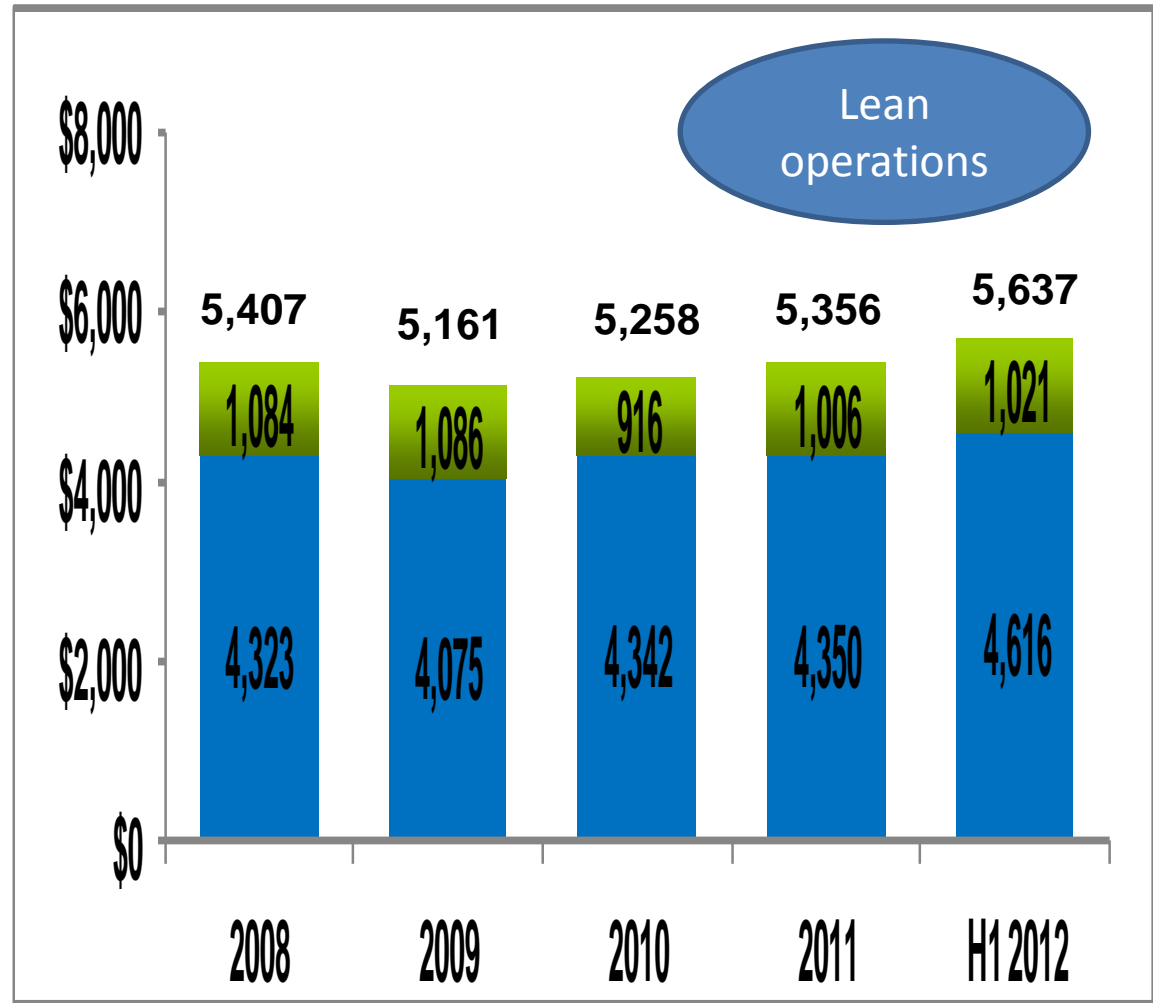


Outperform BPI in most cases

□ BPI\* 4tc Average  
 ■ SB TCE\*\* rate

## POLICY

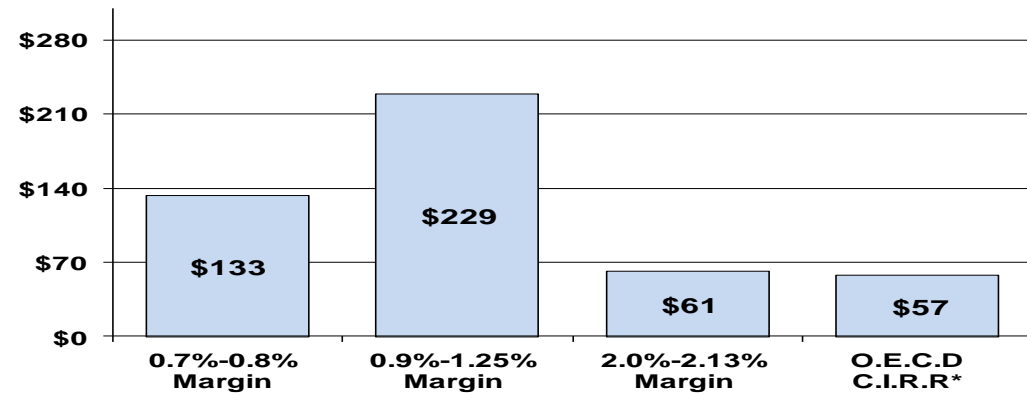
- Hands-on approach
- Vessels managed by Safety Management Overseas
- Exclusive 10 year management agreement
- Competitive operations compared to industry as displayed by our daily operating expenses
- High fleet utilization rate
- Experienced team in operations, technical support and newbuild supervision
- Low average fleet age
- High quality vessels
- Sister-ship factor



■ Daily Operating expenses in US\$    
 ■ Daily Management Fees in US\$

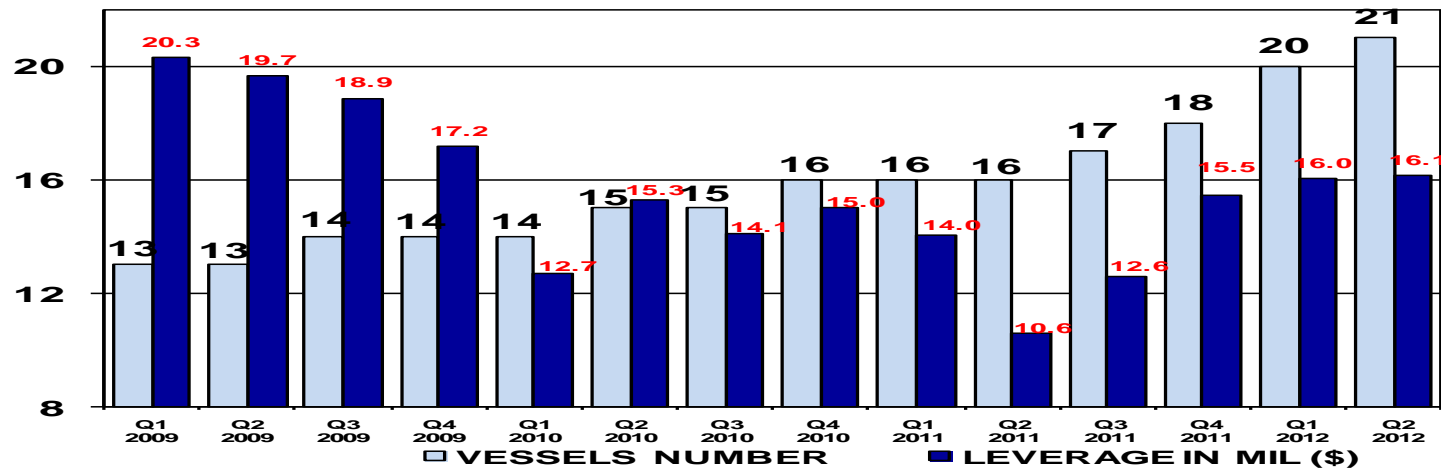
- Financing with equity and debt
- Maintain comfortable leverage in line with financial covenants
- Low financing costs

Allocation of Debt per Margin Level\*\*



\* Debt in O.E.C.D Commercial Interest Reference Rate  
 \*\* As of June 30, 2012

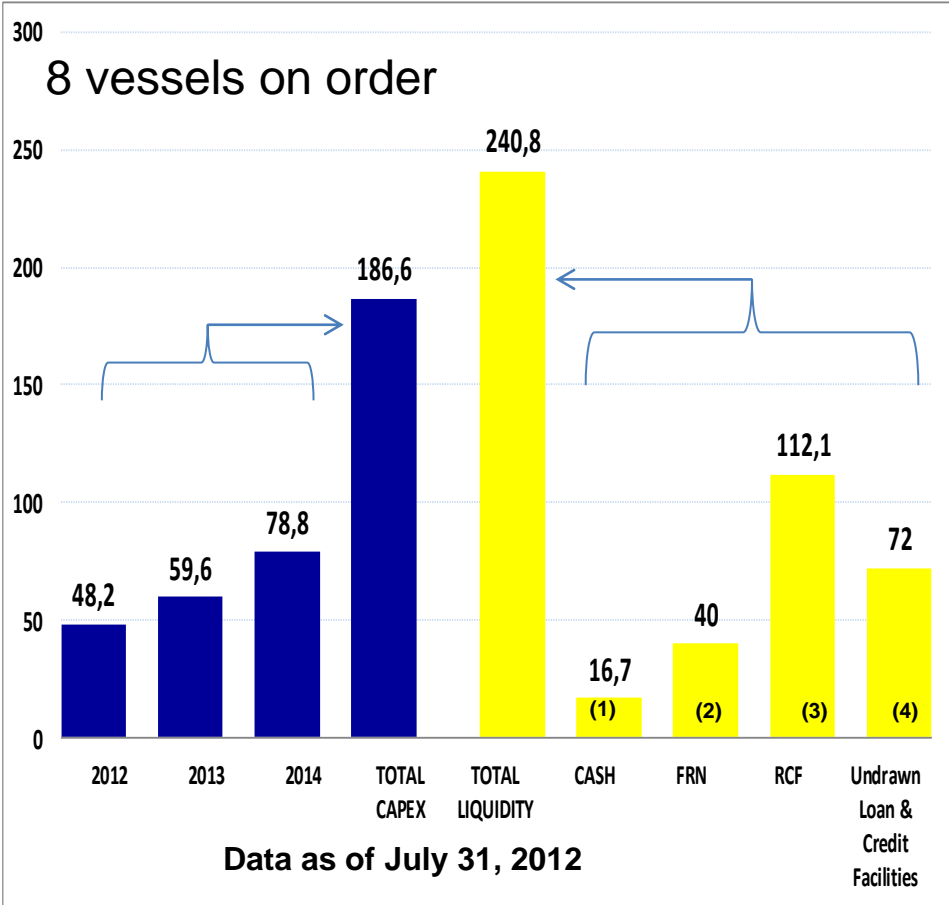
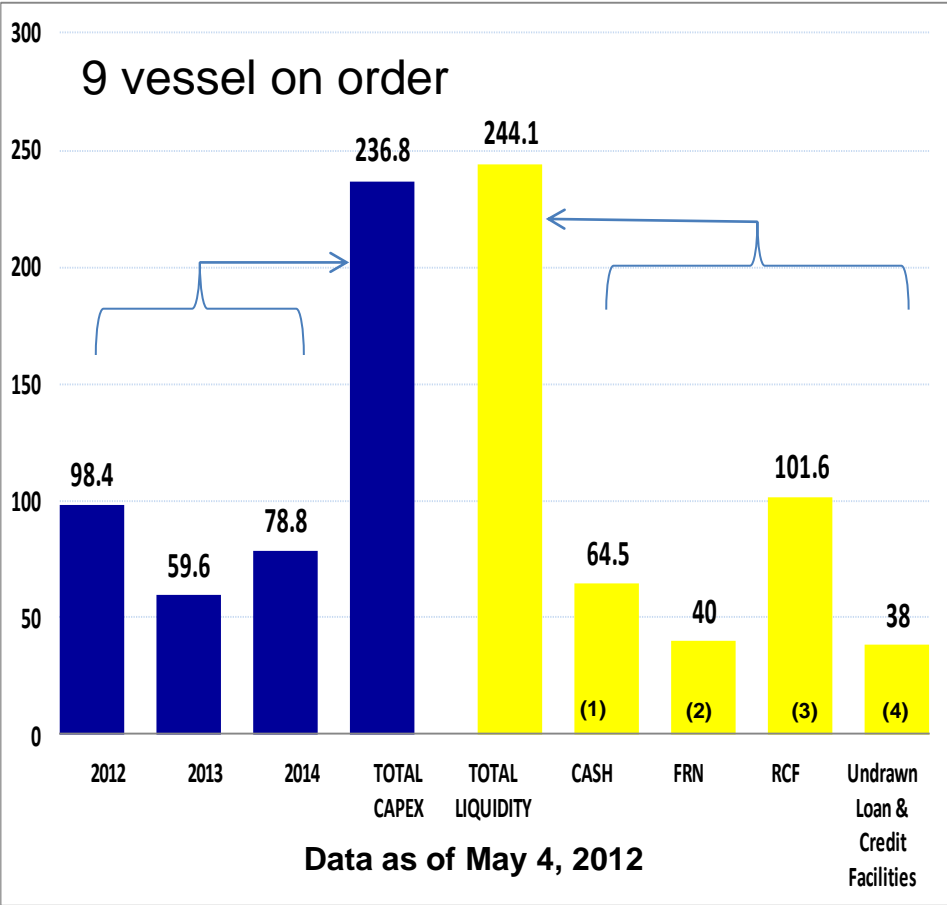
Net Debt per Vessel



As of June 30, 2012 Net debt per vessel consists of total debt less cash, time deposits, restricted cash, long-term floating rate note and advances for newbuilds divided by number of vessels "in the water" as of quarter end. Assumption: Contracted value of newbuilds equals market value.

- Strong Balance Sheet
- Liquidity to ensure current capex requirements
- Flexibility to invest in low point of the cycle

- Operational surplus until 2014 not included
- Ability to raise additional indebtedness against 7 debt-free newbuild vessels also not included



(1) Cash, short-term time deposits and long-term restricted cash

(2) Remaining undrawn availability against our Long-term floating rate note (FRN) of \$50 Million from which we may borrow up to 80% under certain conditions

(3) Available under existing revolving reducing credit facilities (RCF)

(4) Undrawn loan and credit facilities

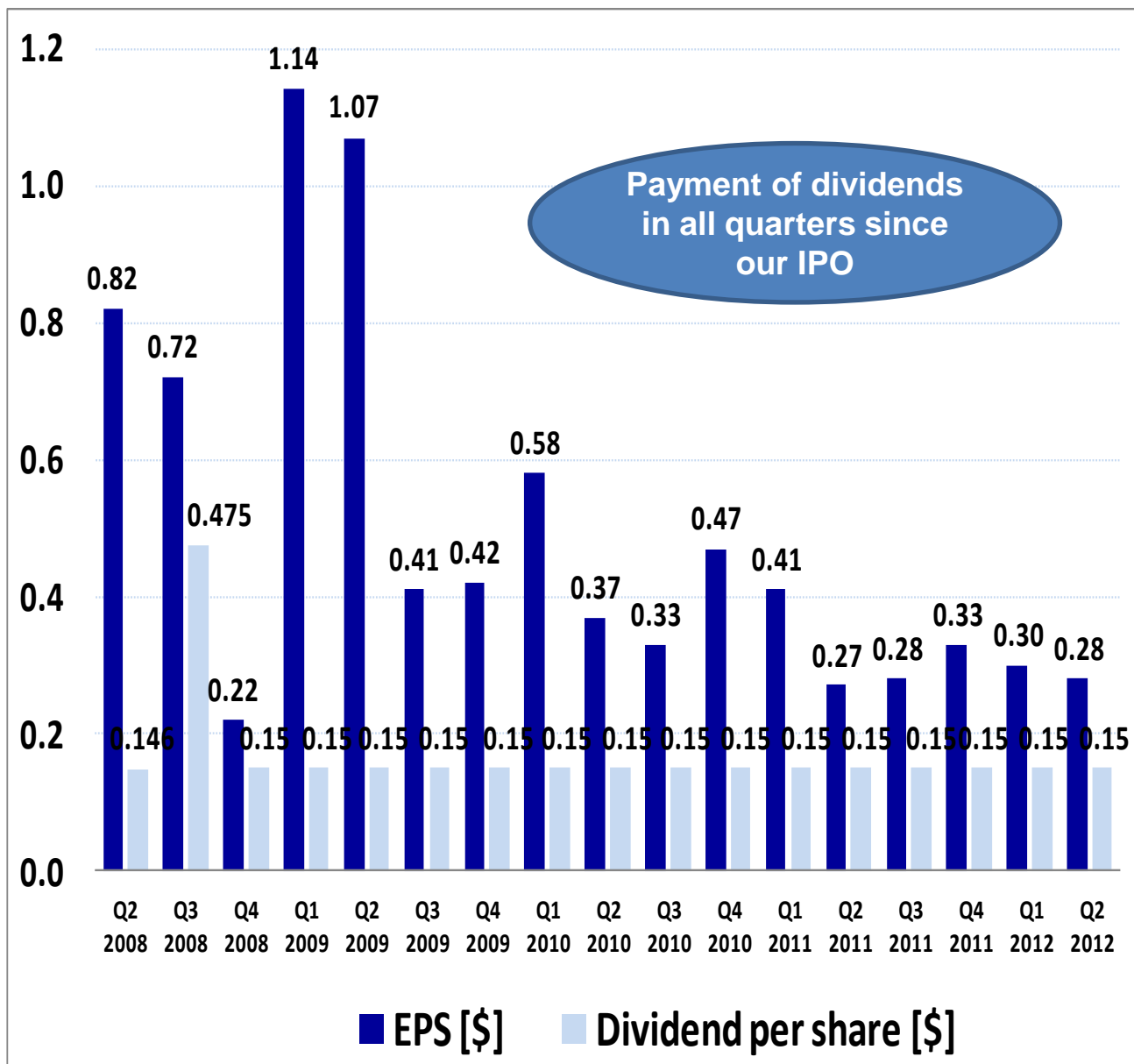


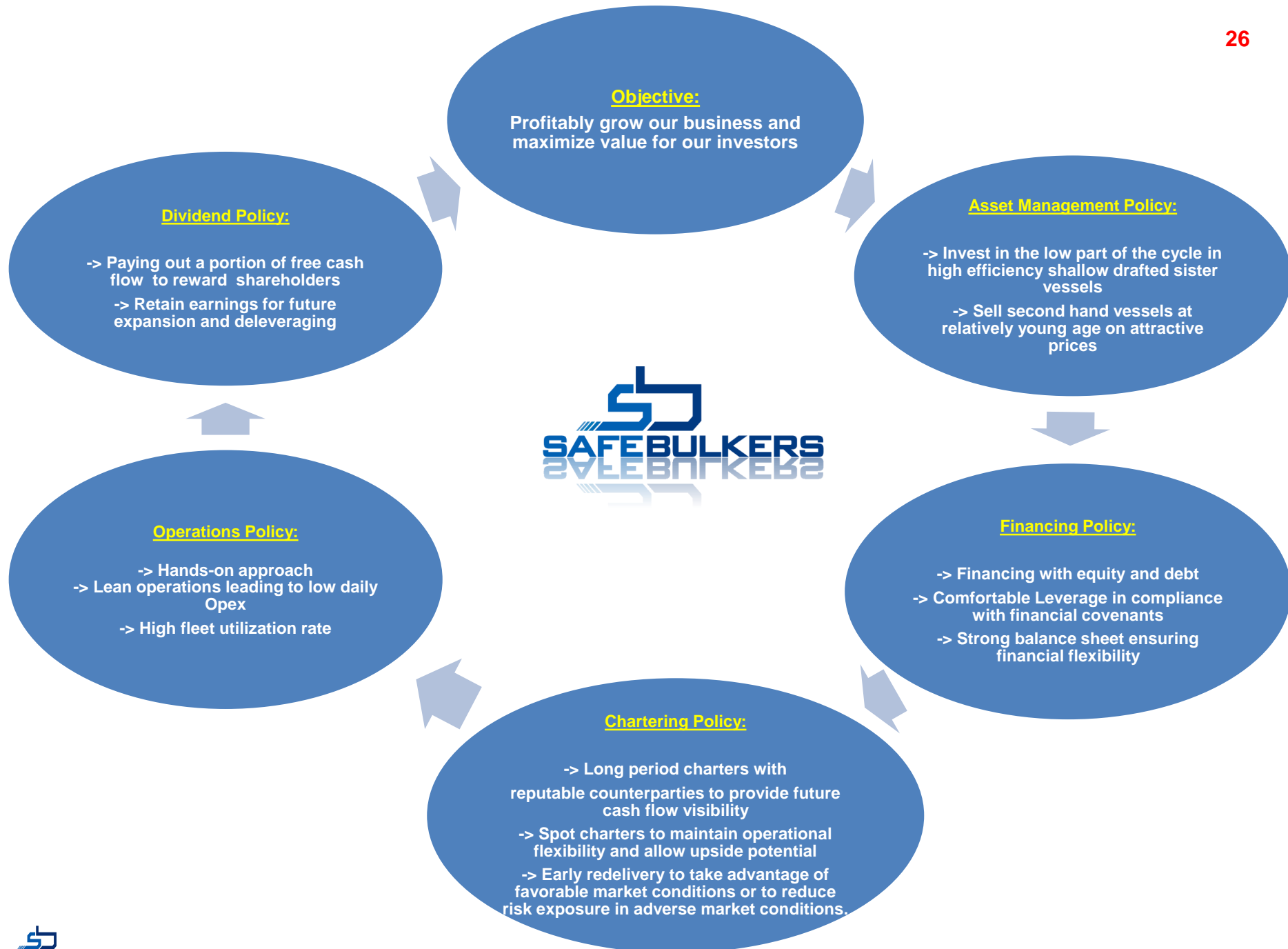
The Board of Directors of the Company is continuing a policy of paying out a portion of the Company's free cash flow at a level it considers prudent in light of the current economic and financial environment.

The declaration and payment of dividends, if any, will always be subject to the discretion of the Board of Directors of the Company. The timing and amount of any dividends declared will depend on, among other things:

- (i) the Company's earnings, financial condition and cash requirements and available sources of liquidity,
- (ii) decisions in relation to the Company's growth strategies,
- (iii) provisions of Marshall Islands and Liberian law governing the payment of dividends,
- (iv) restrictive covenants in the Company's existing and future debt instruments and
- (v) global financial conditions.

Accordingly, dividends might be reduced or not be paid in the future.







## Company Contact

Dr. Loukas Barmparis

President

Safe Bulkers, Inc.

Athens, Greece

Tel: +30 (210) 8994980

Fax: +30 (210) 8954159

E-mail: [directors@safebulkers.com](mailto:directors@safebulkers.com)

## Investor Relations/Media Contact

Matthew Abenante

Investor Relations Advisor

Capital Link Inc.

New York, USA

Tel: +1 (212) 661-7566

Fax: +1 (212) 661-7526

E-mail: [safebulkers@capitallink.com](mailto:safebulkers@capitallink.com)