► See separate instructions.

	ант кероншу	ISSUEI						
1	ssuer s name			2 Issuer's employer i	dentification number (EIN)			
	SAFE BULKERS, INC			98 (0614567			
	Name of contact for ad		Te ephone No. of contact	5 Ema address of con				
	Nicolas Bornozis		(212) 661 7566	safebulkers@capita				
6	Number and street (or I	P.O. box f ma s not d	e vered to street address) of contact	ct 7 City, town, or post office	e, state, and Zip code of contact			
8	230 Park Avenue, Suit Date of act on	te 1536	9 C ass f cat on and descr pt or	New York, N.Y. 1016	9			
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	April 7, 2017		Preferred Stock Series B 8	Common Stock	non Stock			
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14			p cab e, the date of the act on or th	e date aga nst wh ch shareho ders c	wnersh p s measured for			
	the act on ► See at	tached statement						
15 		at ve effect of the organ age of o d bas s ► <u>See</u>		secur ty n the hands of a U.S. taxpay	er as an adjustment per			
16		on of the change n ba e attached statement	s s and the data that supports the c	a cu at on, such as the market va ues	of securt es and the			
For	Paperwork Reduction	Act Notice, see the s	eparate Instructions	Cat No 37752P	Form 8937 (2 20))			
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Part II Organizational Action (cont nued)

17 L st the app cab e nterna Revenue Code sect on(s) and subsect on(s) upon which the tax treatment is based ►

See attached statement

18 Can any resut ng oss be recogn zed? ► <u>See attached statement</u>

19 Prov de any other nformat on necessary to mp ement the adjustment, such as the reportable tax year **See attached statement**

	Under penalties of perjury declare that have examined this return including accompanying schedules and statements and to the best of my knowledge and belief it is true correct and complete Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge								
Sign Here	Signa	ignature▶ rint your name▶ Kostantinos Adamopoulos			October 6, 2017				
	Print				Chief F	Financial Officer			
Paid		Print/Type preparer s name	Preparer s signature	Date		Check 🗌 if	PT N		
Preparer		Joseph Siegmann		Octobe	r 11, 2017	self employed	P01621897		
Use C							54 1833719		
	, ,	Firm s address > PO Box 17655, Arlington, VA 22216 7655					(703) 525 5110		
Send Form 8937 (nc ud ng accompany ng statements) to: Department of the Treasury, nterna Revenue Serv ce, Ogden, UT 84201-0054									

Attachment to Form 8937 Report of Organizational Actions Affecting Basis of Securities

Disclaimer: This Form 8937 and its attachment do not constitute tax advice. Neither document analyzes any specific Shareholder's facts and circumstances. Shareholders should seek independent counsel from qualified tax advisors regarding the U.S. tax consequences of the transaction described in this statement and its impact on their tax basis.

Form 8937, Part II, Line 14

On March 9, 2017 ("Offer Date"), Safe Bulkers, Inc. ("SB") announced an exchange offer (the "Exchange Offer") for any and all of its outstanding 8.00% Series B Cumulative Redeemable Perpetual Preferred Shares ("Series B Shares"). Pursuant to the Exchange Offer, in exchange for each Series B Preferred Share each holder of Series B Shares (each, a "Shareholder") was offered: (i) \$22.50 in cash; and (ii) two (2) newly issued shares of common stock, par value \$0.001 per share, of SB ("Common Stock").

On April 5, 2017, the Exchange Offer expired. Of the 1,485,768 shares of Series B Shares outstanding on that date, 1,106,254 Series B Shares were validly tendered and not properly withdrawn prior to the expiration of the Exchange Offer. The settlement date of the Exchange Offer (the "Settlement Date") was April 7, 2017.

In the aggregate, the Exchange Offer resulted in a cash payment of \$24,890,715 and issuance of 2,212,508 shares of Common Stock to Shareholders of validly tendered and accepted Series B Preferred Shares.

Form 8937, Part II, Line 15

Receipt of shares of Common Stock qualifies as a recapitalization for U.S. federal income tax purposes, which is a type of reorganization described in section 368(a)(1)(E) of the Internal Revenue Code ("the Code") pursuant to Treasury Regulation 1.368-2(e)(4). Treatment as a recapitalization generally defers the recognition of any gain or loss by Shareholders. However, since Shareholders who exchanged their Series B Shares in the Exchange Offer received cash they may have a taxable gain.

Form 8937, Part II, Line 16

Shareholders may recognize gain (but not loss) on the Exchange Offer. The amount of gain that would be recognized is an amount equal to the lesser of the gain realized on the Exchange Offer and the amount of cash received. The amount of gain realized will equal the amount by which (a) the cash plus the fair market value ("FMV") of the Common Stock received exceed (b) the tax basis in the Series B Shares tendered. The tax basis in the Common Stock received will generally be the same as the tax basis in the Series B Shares tendered, increased by the amount of gain, if any, recognized and reduced by the amount of cash received.

Fair Market Value:

As of the Offer Date, SB asserts that the FMV of the Series B Shares was \$24.25 per share and the FMV of Common Shares was \$1.59 per share.

The tax basis of any non-qualifying property received by the Shareholder (*e.g.*, cash) equals the FMV of the non-qualifying property received.

Form 8937, Part II, Line 17

The relevant sections of the Code are; 301, 354, 356, 358, 368, 1223.

Form 8937, Part II, Line 18

The Exchange Offer is unlikely to result in a recognizable loss to U.S. Shareholders for federal tax purposes to the extent the Exchange qualifies as a tax-free reorganization pursuant to Section 368(a) of the Code.

Form 8937, Part II, Line 19

SB does not provide tax advice to its Shareholders. The explanation in this statement is neither intended nor written to be used, and cannot be used, for purposes of avoiding any penalties under the Code. The explanation does not purport to be a complete explanation of the tax consequences for any individual Shareholder, including the possibility of applying different methods for determining a Shareholder's tax basis.