



providing optimized global transportation
of drybulk commodities



IMO 2020 Update
22 January 2020

Disclaimer

This presentation contains certain statements that may be deemed to be “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, Section 21E of the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995, and are intended to be covered by the safe harbor provided for under these sections. These statements may include words such as “believe,” “estimate,” “project,” “intend,” “expect,” “plan,” “anticipate,” and similar expressions in connection with any discussion of the timing or nature of future operating or financial performance or other events. Forward-looking statements reflect management’s current expectations and observations with respect to future events and financial performance. Where we express an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, our forward-looking statements are subject to risks, uncertainties, and other factors, which could cause actual results to differ materially from future results expressed, projected, or implied by those forward-looking statements.

The forward-looking statements in this presentation are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, examination of historical operating trends, data contained in our records and other data available from third parties. Although Eagle Bulk Shipping Inc. believes that these assumptions were reasonable when made, because these assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond our control, Eagle Bulk Shipping Inc. cannot assure you that it will achieve or accomplish these expectations, beliefs or projections.

The principal factors that affect our financial position, results of operations and cash flows include, charter market rates, which have declined significantly from historic highs, periods of charter hire, vessel operating expenses and voyage costs, which are incurred primarily in U.S. dollars, depreciation expenses, which are a function of the cost of our vessels, significant vessel improvement costs and our vessels’ estimated useful lives, and financing costs related to our indebtedness. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors which could include the following: (i) changes in demand in the dry bulk market, including, without limitation, changes in production of, or demand for, commodities and bulk cargoes, generally or in particular regions; (ii) greater than anticipated levels of dry bulk vessel new building orders or lower than anticipated rates of dry bulk vessel scrapping; (iii) changes in rules and regulations applicable to the dry bulk industry, including, without limitation, legislation adopted by international bodies or organizations such as the International Maritime Organization and the European Union or by individual countries; (iv) actions taken by regulatory authorities; (v) changes in trading patterns significantly impacting overall dry bulk tonnage requirements; (vi) changes in the typical seasonal variations in dry bulk charter rates; (vii) changes in the cost of other modes of bulk commodity transportation; (viii) changes in general domestic and international political conditions; (ix) changes in the condition of the Company’s vessels or applicable maintenance or regulatory standards (which may affect, among other things, our anticipated drydocking costs); (x) the outcome of legal proceedings in which we are involved; and (xi) and other factors listed from time to time in our filings with the SEC.

We disclaim any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required under applicable security laws.

Introduction

Regulation

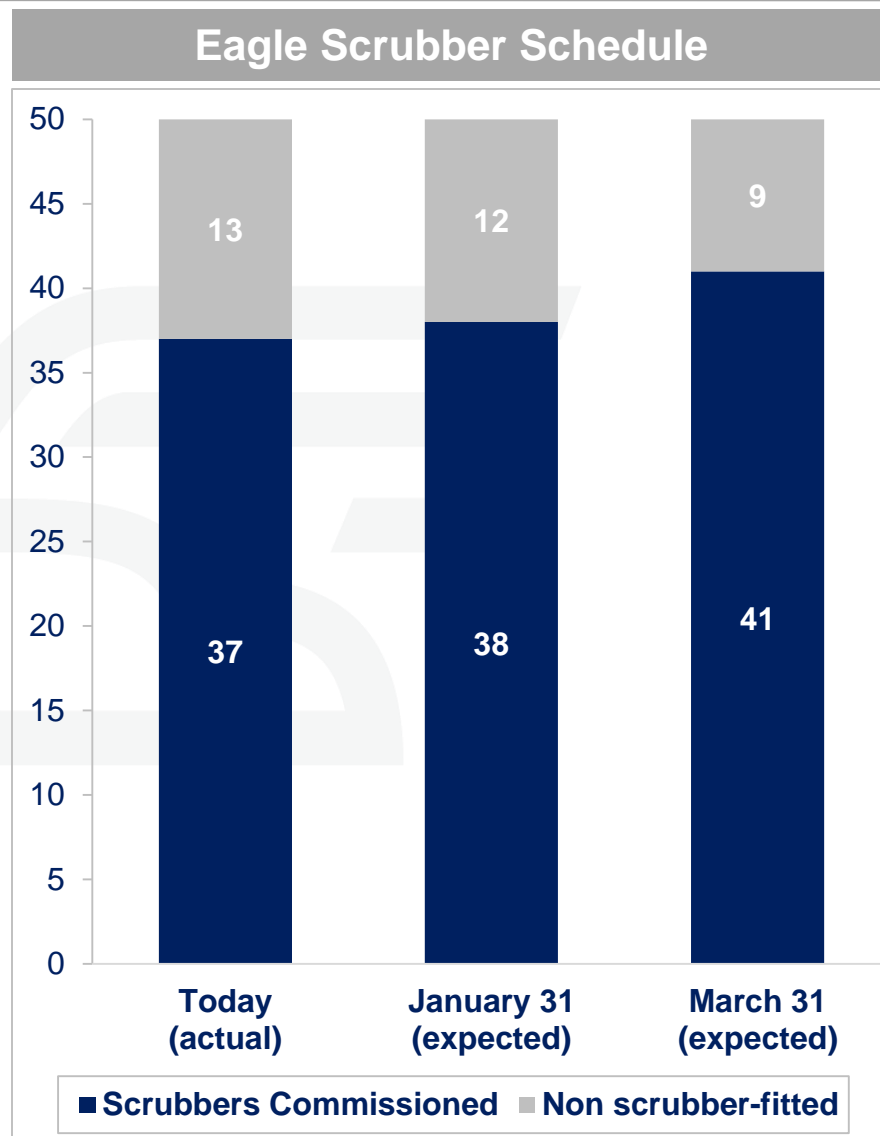
- Regulation went into effect on January 1, 2020; carriage ban goes into effect on March 1, helping to drive enforcement
- Non scrubber-fitted ships required to switch over to 0.5% fuel oil (“VLSFO”), while scrubber-fitted ships allowed to continue to burn 3.5% fuel oil (“HSFO”)
- VLSFO / HSFO Fuel spreads have averaged ~USD 325/MT thus far in January
- Only ~7% of the global Supramax / Ultramax fleet is currently fitted with just ~10% expected to be fitted by the end of 2020

Eagle Strategy

- Eagle is on track to have a total of 41 scrubbers fitted by the end of March, making us the largest owner of scrubber fitted Supramax / Ultramax vessels in the world
- Given our Active Commercial Management approach, we believe Eagle is ideally positioned to extract maximum value from investment in scrubbers
- Due to the limited penetration of scrubbers in the Supramax / Ultramax segment, Eagle is uniquely positioned

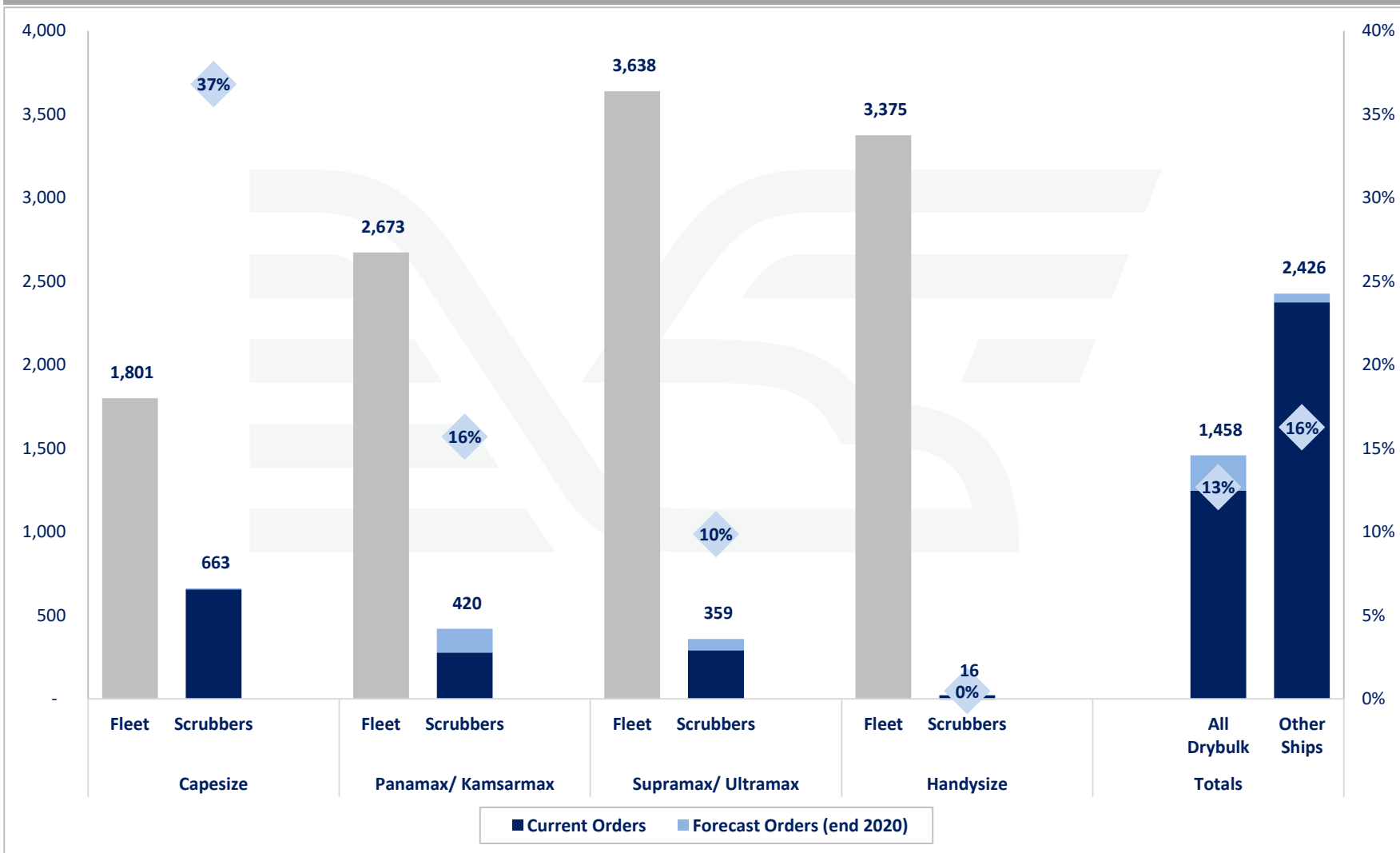
Scrubber Installation Program Nearing Completion

- Eagle will have 41 ships fitted with fully commissioned scrubbers by the end of Q1
- It has been a strategic imperative for Eagle to have the scrubber installation program substantially completed as close to January 1, 2020 as possible
- Fuel cost spread benefit is expected to be the widest in the early days following the implementation of IMO 2020
- Eagle is the world's largest owner of scrubber-fitted Supramax/Ultramax vessels with 41 ships, or 82% of our fleet



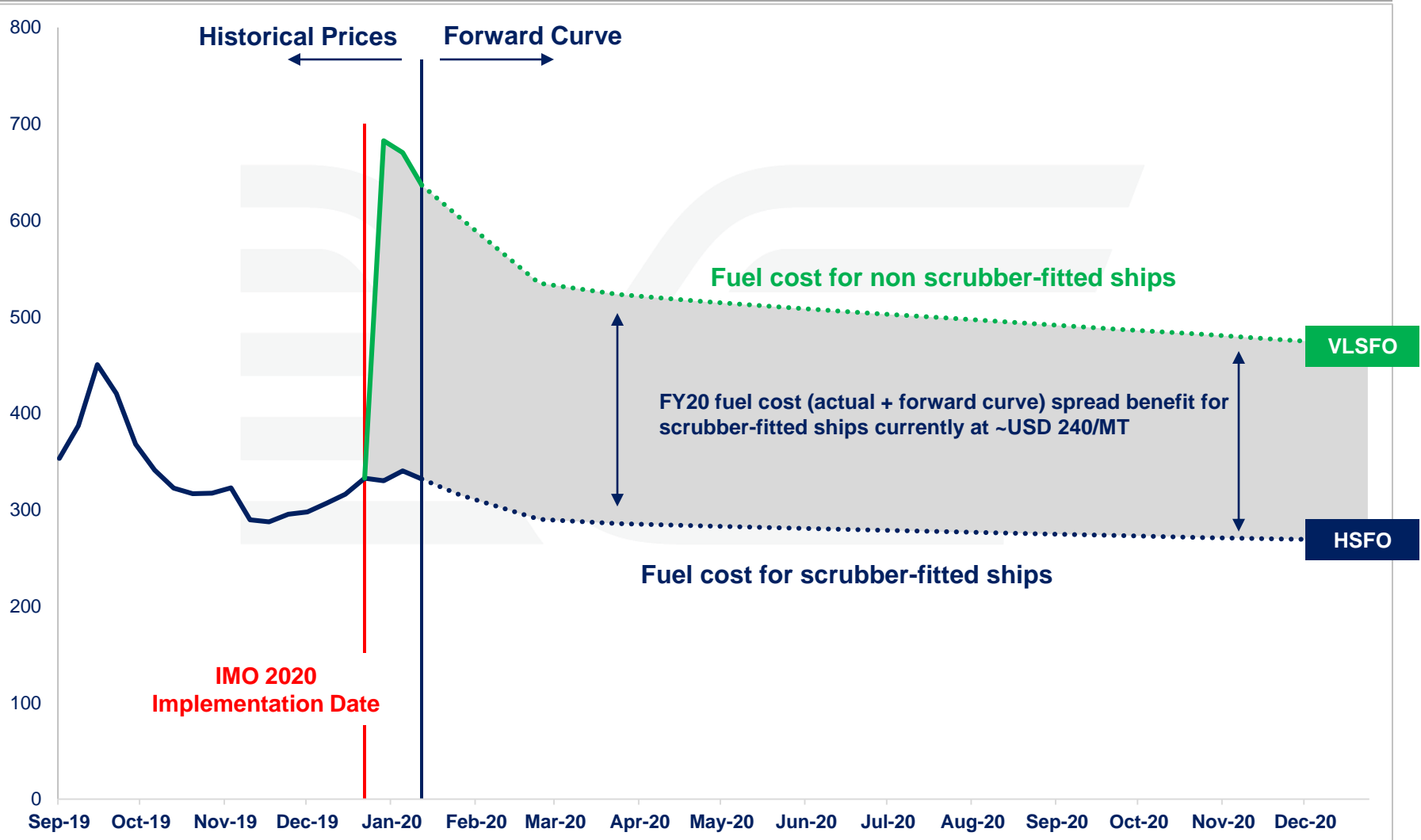
Only ~10% of Supramax/Ultramax Fleet to be Fitted

Scrubber Uptake



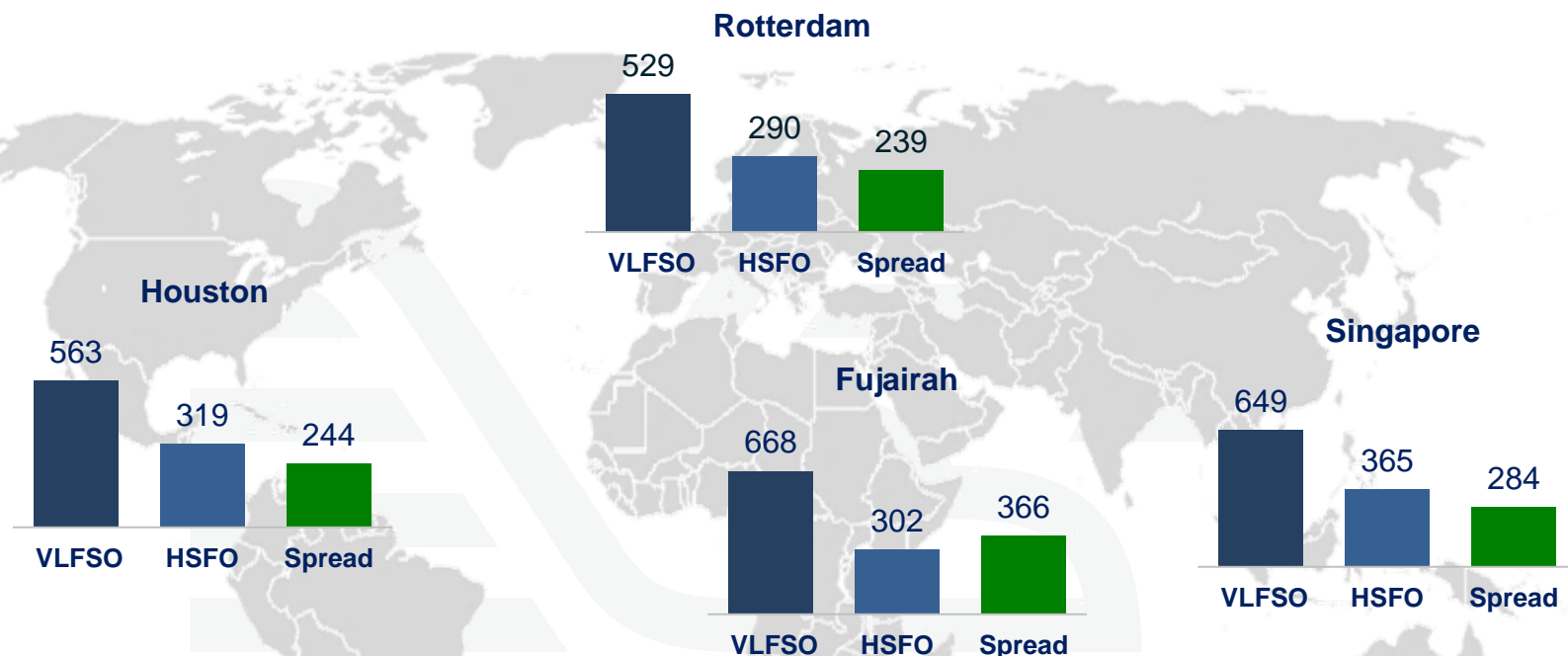
Fuel Costs Have Increased for Majority of Industry

Fuel Prices (USD per MT)



Optimized Fuel Procurement Vital for TCE Returns

Spot VLSFO + HSFO + Fuel Spread Levels (USD per MT)

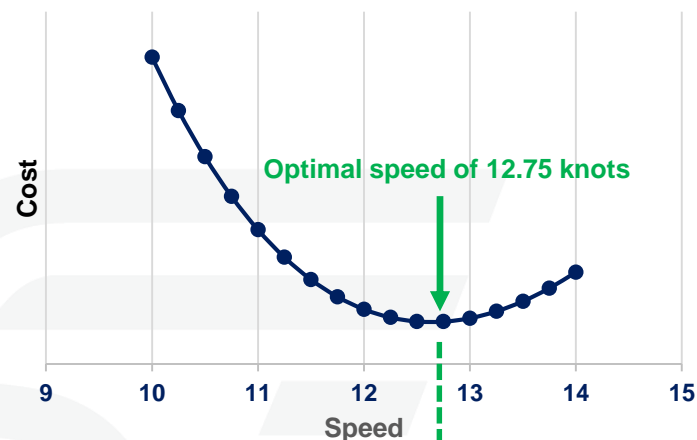


- There are large price discrepancies between the major bunkering ports, and Eagle is optimizing fuel procurement for both its VLSFO and HSFO requirements- focused on procuring larger quantities at the lowest priced locations.
- While we historically trade at many smaller ports, we are able to adjust our trading patterns around major bunkering hubs, where HSFO is expected to be readily available at the most attractive pricing.

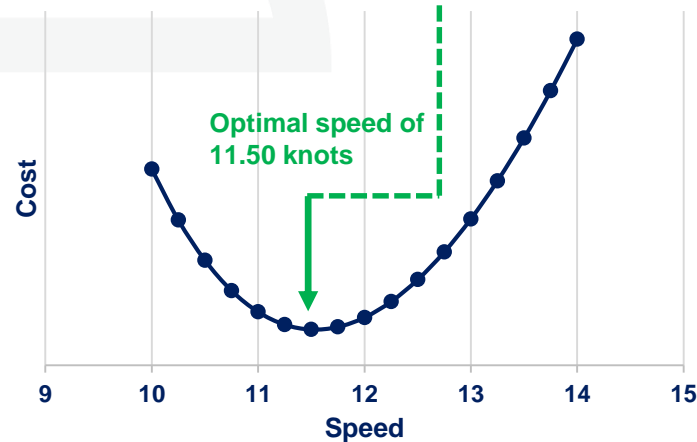
Optimal Speed Driven by Fuel Prices

- Higher fuel costs encourage slow steaming to reduce fuel consumption, particularly in lower rate environments
- Based on an increase in fuel cost of USD 350/MT (for an Ultramax-type vessel), the optimal speed reduces by 10% to 11.5 knots
- Slow steaming effectively reduces supply thereby improving global fleet utilization which correlates to higher rates

Pre-IMO 2020 Fuel Market (USD 300/MT)



Post-IMO 2020 Fuel Market (USD 600/MT)



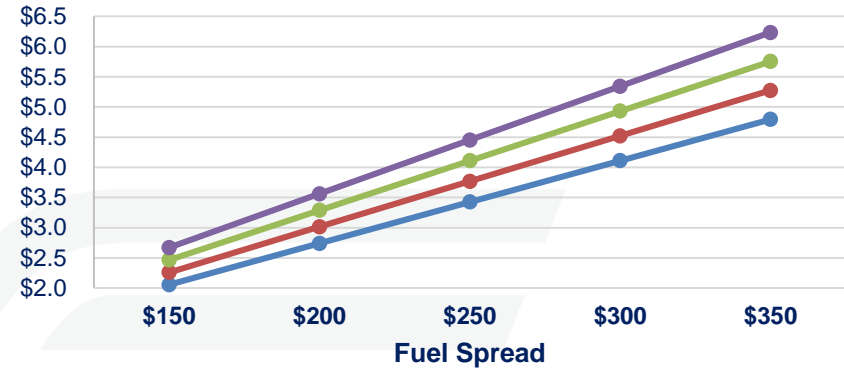
Scrubber Economics

We believe Eagle is uniquely positioned to maximize fuel cost spread benefit due to the scale of its scrubber fitted fleet combined with its active commercial management approach to trading and commercial platform

While underlying trades are key, optimizing trading on scrubber-fitted ships has thus far led to increased sea day voyages which should drive TCE performance

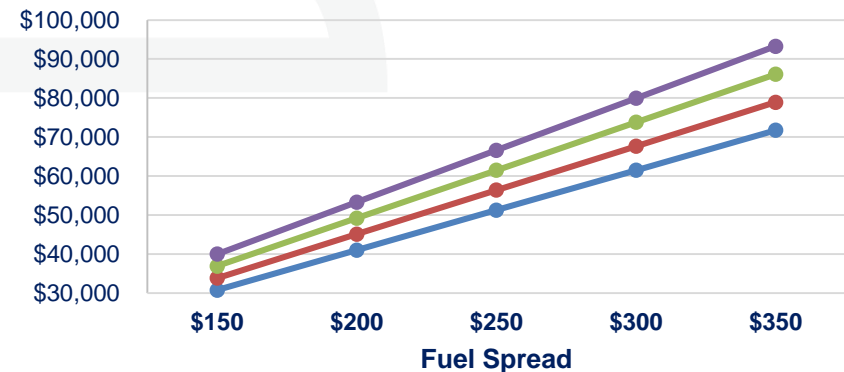
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Incremental TCE vs. Spread + Sea Days



Sailing Days — 200 — 220 — 240 — 260

Annual Fleet CF vs. Spread + Sea Days



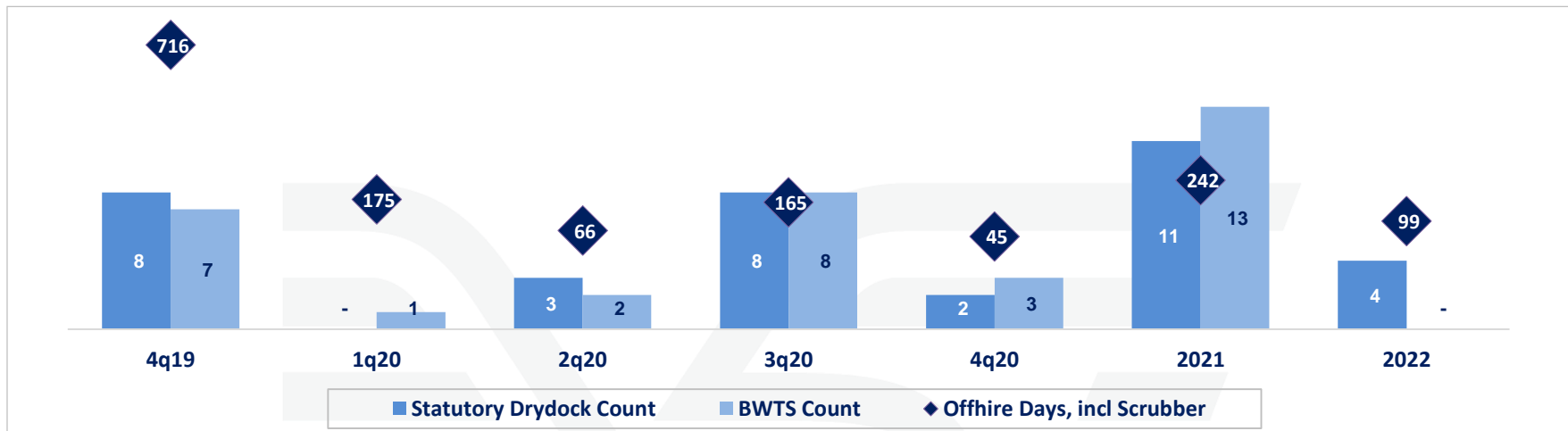
Sailing Days — 200 — 220 — 240 — 260



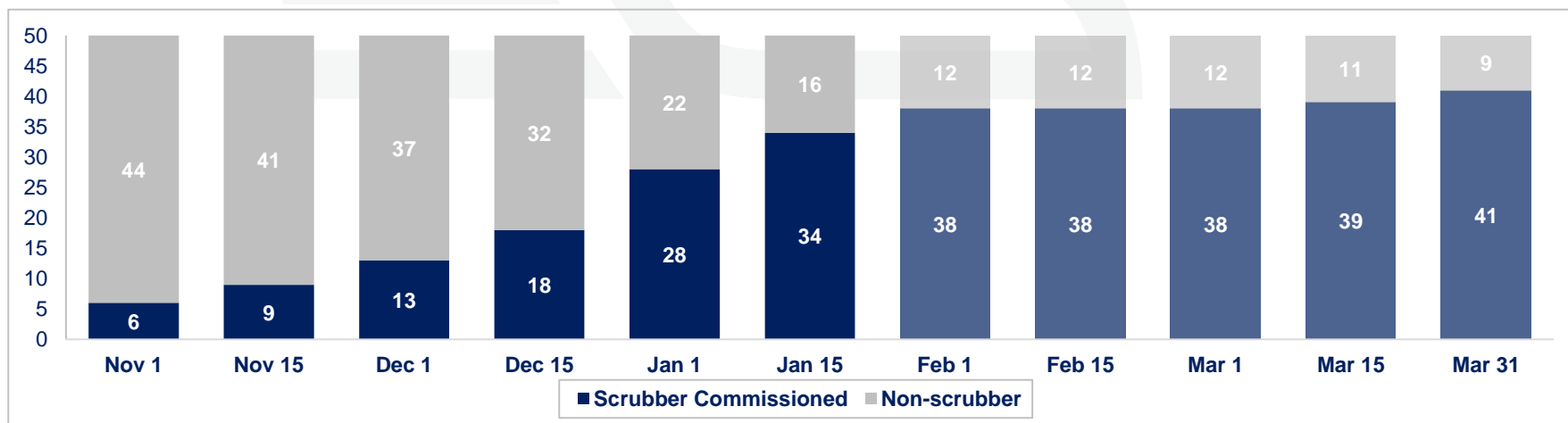
APPENDIX

Drydock and Scrubber Schedule

Offhire Days Schedule



Scrubber Completion Schedule



IMO 2020 Glossary

Term	Abbreviation	Meaning
Carriage Ban	-	Non-scrubber-fitted ships may not have HSFO onboard from Mar 1, 2020- this will assist with enforcement of the IMO 2020 regulations
Emission Control Area	ECA	Protected areas with stricter sulfur emission rules that require ships to use MGO or scrubbers
Exhaust Gas Cleaning System	EGCS	Technical term for a scrubber, equipment used to remove SO _x from ship's exhaust gas
International Maritime Organization	IMO	Specialized UN agency regulating shipping
Sulfur Oxides	SO _x	Emission stream targeted by IMO 2020 regulation

Fuel Type	Abbreviation	Characteristics and use
High Sulfur Fuel Oil	HSFO	Fuel with sulfur content above 0.50% that can only be used on scrubber-fitted ships as of Jan 1
Very Low Sulfur Fuel Oil	VLSFO	Fuel with sulfur content less than or equal to 0.50% that must be used by non-scrubber-fitted ships and can be used by scrubber-fitted ships in locations where scrubbers cannot be operated
Marine Gas Oil	MGO	Fuel with sulfur content less than or equal to 0.10% that must be used in ECA zones by non-scrubber-fitted ships and can be used by scrubber-fitted ships in locations where scrubbers cannot be operated



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