



January 9, 2020

Characterization of distributions in 2019

A distribution by a corporation to its shareholders is treated as a dividend for US federal income tax purposes to the extent it comes from current or accumulated earnings and profits of the corporation and thereafter as a return of capital to the extent of a shareholder's basis in his or her shares, reducing such basis on a dollar-for-dollar basis. Generally, a distribution that exceeds current or accumulated earnings and profits and a shareholder's basis will be treated as capital gains.

In 2019, Scorpio Bulkers Inc. ("SALT") distributed a total of approximately \$5.7 million to holders of its common stock, as well as 0.0138 shares of common stock of Scorpio Tankers Inc. (NYSE: STNG) for each common share that a shareholder held in SALT as of November 15, 2019. SALT has determined that as of December 31, 2019, SALT has current earnings in excess of the amount of cash and the value of the STNG shares distributed to shareholders in 2019. Therefore, the full amount of each distribution will be treated as a dividend for US federal income tax purposes.

You should consult your tax advisor regarding the federal, state, local and other tax consequences of each distribution.