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**DIANA SHIPPING INC. ANNOUNCES THE ESTABLISHMENT OF A NEW
JOINT VENTURE WITH WILHELMSSEN SHIP MANAGEMENT**

ATHENS, GREECE, May 8, 2015 – Diana Shipping Inc. (NYSE: [DSX](#)), (the “Company” or “Diana Shipping”), a global shipping company specializing in the ownership of dry bulk vessels, and Wilhelmsen Ship Management (“WSM”) today announced that they have established a new 50/50 joint venture named Diana Wilhelmsen Management Limited (“DWM”). Diana Wilhelmsen Management Limited will initially provide management services to a limited number of vessels of Diana Shipping’s fleet when the joint venture commences operations later in the second quarter of this year and may in the future provide management services to unaffiliated third party vessel operators. The DWM office will be located in Limassol, Cyprus.

Chairman and Chief Executive Officer of Diana Shipping Inc., Mr. Simeon Palios, stated:

“Diana Shipping is excited to partner with WSM in creating a world class ship management company. This joint venture will provide Diana Shipping with an expanded capability to provide high quality management services to vessels in its fleet, while creating an opportunity to further enhance shareholder value through increased revenues by eventually providing management services to unaffiliated third party vessel operators.”

Vice President of WSM Europe and the Americas, Mr. Håkon Lenz, stated:

“With our joint venture, we see the best from two well established organisations. WSM’s excellent quality and proven experience within ship management, coupled with Diana Shipping’s global ship operating experience, truly brings forward an exciting new formula. We aim to deliver a well-driven and efficient operating model for our partner, Diana Shipping.”

Diana Shipping Inc.'s fleet currently consists of 40 dry bulk vessels (2 Newcastlemax, 12 Capesize, 3 Post-Panamax, 3 Kamsarmax and 20 Panamax). The Company also expects to take delivery of one Kamsarmax dry bulk vessel during the second quarter of 2015, one new-building Capesize dry bulk vessel during August 2015, two new-building Newcastlemax dry bulk vessels and one new-building Kamsarmax dry bulk vessel during the second quarter of 2016. As of today, the combined carrying capacity of the Company's fleet, excluding the five vessels not yet delivered, is approximately 4.6 million dwt with a weighted average age of 7.1 years. A table describing the current Diana Shipping Inc. fleet can be found on the Company's website, www.dianashippinginc.com. Information contained on the Company's website does not constitute a part of this press release.

About the Company

Diana Shipping Inc. is a leading global provider of shipping transportation services through its ownership of dry bulk vessels. The Company's vessels are employed primarily on medium to long-term time charters and transport a range of dry bulk cargoes, including such commodities as iron ore, coal, grain and other materials along worldwide shipping routes.

Cautionary Statement Regarding Forward-Looking Statements

Matters discussed in this press release may constitute forward-looking statements. The Private Securities Litigation Reform Act of 1995 provides safe harbor protections for forward-looking statements in order to encourage companies to provide prospective information about their business. Forward-looking statements include statements concerning plans, objectives, goals, strategies, future events or performance, and underlying assumptions and other statements, which are other than statements of historical facts.

The Company desires to take advantage of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and is including this cautionary statement in connection with this safe harbor legislation. The words "believe," "anticipate," "intends," "estimate," "forecast," "project," "plan," "potential," "may," "should," "expect," "pending" and similar expressions identify forward-looking statements.

The forward-looking statements in this press release are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, our management's examination of historical operating trends, data contained in our records and other data available from third parties. Although we believe 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, we cannot assure you that we will achieve or accomplish these expectations, beliefs or projections.

In addition to these important factors, other important factors that, in our view, could cause actual results to differ materially from those discussed in the forward-looking statements include the strength of world economies and currencies, general market conditions, including fluctuations in charter rates and vessel values, changes in demand for dry bulk shipping capacity, changes in our operating expenses, including bunker prices, drydocking and insurance costs, the market for our vessels, availability of financing and refinancing, changes in governmental rules and regulations or actions taken by regulatory authorities, potential liability from pending or future litigation, general domestic and international political conditions, potential disruption of shipping routes due to accidents or political events, vessel breakdowns and instances of off-hires and other factors. Please see our filings with the Securities and Exchange Commission for a more complete discussion of these and other risks and uncertainties.