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**DIANA SHIPPING INC. ANNOUNCES TIME CHARTER CONTRACT FOR
M/V CALIPSO WITH CHINA SHIPPING**

**EXERCISE OF OVER-ALLOTMENT OPTION TO PURCHASE ADDITIONAL
SENIOR UNSECURED NOTES DUE 2020**

ATHENS, GREECE, June 8, 2015 – Diana Shipping Inc. (NYSE: DSX), (the “Company”), a global shipping company specializing in the ownership of dry bulk vessels, today announced that, through a separate wholly-owned subsidiary, it entered into a time charter contract with China Shipping Bulk Carrier Co., Ltd., Hong Kong, for one of its Panamax dry bulk vessels, the m/v Calipso. The gross charter rate is US\$6,000 per day, minus a 5% commission paid to third parties, for a period of minimum ten (10) months to maximum fourteen (14) months. The charter is expected to commence tomorrow.

The “Calipso” is a 73,691 dwt Panamax dry bulk vessel built in 2005.

This employment is anticipated to generate approximately US\$1.8 million of gross revenue for the minimum scheduled period of the time charter.

Diana Shipping Inc.’s fleet currently consists of 41 dry bulk vessels (2 Newcastlemax, 12 Capesize, 3 Post-Panamax, 4 Kamsarmax and 20 Panamax). The Company also expects to take delivery of one new-building Capesize dry bulk vessel during August 2015, and 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 four vessels not yet delivered, is approximately 4.7 million dwt with a weighted average age of 7.17 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.

The Company also announced that, in connection with its previously announced US\$55.0 million public offering of 8.500% Senior Unsecured Notes due 2020 (the “Notes”), the

Company has sold to the underwriters an additional US\$8.25 million in aggregate principal amount of the Notes on the same terms and conditions, pursuant to the exercise of their over-allotment option. As previously announced, the Company plans to use the net proceeds of the offering for general corporate purposes and working capital, which may include the acquisition of additional new or secondhand vessels or the construction of newbuildings.

The Notes began trading on the New York Stock Exchange under the symbol “DSXN” on May 29, 2015.

Stifel, Deutsche Bank Securities, Janney Montgomery Scott, BB&T Capital Markets and Wunderlich are acting as joint book-running managers for the offering.

The final prospectus supplement and the accompanying prospectus relating to the offering have been filed with the SEC and are available at the SEC’s website at <http://www.sec.gov>. Copies of the prospectus supplement and accompanying base prospectus related to the offering may be obtained from Stifel, Nicolaus & Company, Incorporated, Attn: Syndicate Department, 1 South Street, 15th Floor, Baltimore, MD 21202, or at 1-855-300-7136 or syndprospectus@stifel.com; and Deutsche Bank Securities Inc., Attn: Prospectus Group, 60 Wall Street, New York, NY 10005, or at 1-800-503-4611 or prospectus.cpdg@db.com.

This press release does not constitute an offer to sell or a solicitation of an offer to buy the securities described herein, nor shall there be any sale of these securities in any state or other jurisdiction in which such an offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. A shelf registration statement relating to the Notes was filed with the SEC and is effective. The offering may be made only by means of a prospectus supplement and accompanying base prospectus.

About the Company

Diana Shipping Inc. is a 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.