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DIANA SHIPPING INC. ANNOUNCES THAT IT HAS ENGAGED FINANCIAL ADVISORS TO NEGOTIATE AMENDMENTS TO CERTAIN OF ITS LOAN FACILITIES AND THE DEFERRAL OF CERTAIN AMORTIZATION PAYMENTS

ATHENS, GREECE, August 26, 2016 – Diana Shipping Inc. (NYSE: [DSX](#)), (the “Company”), a global shipping company specializing in the ownership of dry bulk vessels, today announced that it has engaged financial advisors and has entered into negotiations with certain of its lenders to amend its outstanding loan facilities. In connection with these negotiations, the Company has reached an agreement in principle with certain lenders, including the Company’s largest lender, for terms that include, among other provisions, the deferral of amortization payments and amending financial covenants. This agreement in principle is subject to the Company reaching similar deferral and covenant terms with its other lenders. In support of its negotiations with lenders, the Company is currently deferring certain amortization payments under its credit facilities. While the Company is in ongoing negotiations with its lenders, it has not obtained formal waivers from any lender regarding payment deferrals or amendments to financial covenants.

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.