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**DIANA SHIPPING INC. ANNOUNCES PRICING OF US\$100 MILLION SENIOR
UNSECURED BOND OFFERING**

ATHENS, GREECE, September 18, 2018 – Diana Shipping Inc. (NYSE: DSX), (the “Company”), a global shipping company specializing in the ownership of dry bulk vessels, today announced the pricing of a US\$100 million private placement of senior unsecured bonds maturing in September 2023 and callable beginning three years after issuance. In addition, the Company may issue up to an additional US\$25 million of the bonds on one or more occasions. The bond offering was priced with a U.S. dollar fixed-rate coupon of 9.50%. Interest will be payable semi-annually in arrears in March and September of each year. The Company will apply for listing of the bonds on the Oslo Stock Exchange. The offering is expected to close on September 27, 2018, subject to customary closing conditions.

The net proceeds from the bonds shall be used to redeem all of the Company’s 8.5% Senior Notes due 2020 pursuant to the terms of such notes, in an aggregate principal amount of US\$63.25 million, and to prepay other debt of the Company or for general corporate purposes.

Fearnley Securities and Nordea acted as Joint Bookrunners.

Important Information

The bonds offered as described in this press release have not been, and will not be, registered under the Securities Act of 1933, as amended (the “Securities Act”), or the securities laws of any state of the United States or other jurisdiction, and may not be offered or sold absent registration or an applicable exemption from registration requirements under the Securities Act or any state or other jurisdiction’s securities laws. The bonds will be sold only to qualified institutional buyers in the United States in reliance on Rule 144A under the Securities Act and to persons outside the United States in reliance on Regulation S under the Securities Act.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any offer, solicitation or sale of securities, in any state or other jurisdiction in which such offer, solicitation or sale would be unlawful.

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.