

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name DIANA SHIPPING INC.		2 Issuer's employer identification number (EIN) 98-1221439	
3 Name of contact for additional information MR. IOANNIS ZAFIRAKIS	4 Telephone No. of contact +30-210-9470-100	5 Email address of contact izafirakis@dianashippinginc.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact PENDELIS 16, PALAIO FALIRO		7 City, town, or post office, state, and ZIP code of contact ATHENS, GREECE 175 64	
8 Date of action SEE BELOW DATA IN #14		9 Classification and description SERIES B PEFERRED STOCK	
10 CUSIP number Y2066G112	11 Serial number(s)	12 Ticker symbol DSX-B	13 Account number(s)

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ **DURING THE YEAR ENDED DECEMBER 31, 2019, DIANA SHIPPING INC. (DSI) DECLARED THE FOLLOWING CASH DISTRIBUTIONS TO SERIES B PREFERRED STOCK SHAREHOLDERS OF RECORD ON THE DATES SPECIFIED BELOW:**

DATE OF RECORD	AMOUNT PER SHARE	DATE PAID
JANUARY 14, 2019	\$0.5546	JANUARY 15, 2019
APRIL 12, 2019	\$0.5546	APRIL 15, 2019
JULY 12, 2019	\$0.5546	JULY 15, 2019
OCTOBER 14, 2019	\$0.5546	OCTOBER 15, 2019

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ **DISTRIBUTIONS IN EXCESS OF CURRENT AND ACCUMULATED EARNINGS AND PROFITS OF A CORPORATION REDUCE THE BASIS OF SHARES OF A CORPORATION PURSUANT TO INTERNAL REVENUE CODE (IRC) SECTIONS 301(c)(2) AND 316(a). TO THE EXTENT A RETURN OF CAPITAL DISTRIBUTION EXCEEDS A SHAREHOLDER'S ADJUSTED COST BASIS, THE SHAREHOLDER SHOULD RECOGNIZE CAPITAL GAIN. BASED ON CURRENT AND ACCUMULATED EARNINGS AND PROFITS OF DSI, A PORTION OF THE CASH DISTRIBUTIONS PAID TO SERIES B PEFERRED STOCK SHAREHOLDERS DURING THE TAX YEAR, AS OF THE DATE OF RECORD, WILL REDUCE THE BASIS IN EACH PREFERRED STOCK SHAREHOLDER AS SHOWN BELOW:**

- \$0.0000 PER SHARE ON JANUARY 14, 2019**
- \$0.5546 PER SHARE ON APRIL 12, 2019**
- \$0.5546 PER SHARE ON JULY 12, 2019**
- \$0.5546 PER SHARE ON OCTOBER 14, 2019**

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ **BASED ON DSI'S CURRENT AND ACCUMULATED EARNINGS AND PROFITS, A PORTION OF THE CASH DISTRIBUTIONS TO SERIES B PREFERRED STOCK SHAREHOLDERS, AS OF THE DATES OF RECORD, WILL REDUCE THE BASIS OF EACH SERIES B PREFERRED STOCK SHAREHOLDER.**

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ IRC SECTIONS 301(c)(2) AND 316(a).

18 Can any resulting loss be recognized? ▶ FOR US FEDERAL INCOME TAX PURPOSES, THE DISTRIBUTIONS WILL NOT RESULT IN ANY TAX LOSSES FOR SERIES B PREFERRED STOCK SHAREHOLDERS OR DSI.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ THE REPORTABLE TAX YEAR IS 2019. SHAREHOLDERS AS OF THE BELOW RECORD DATES SHOULD REDUCE THEIR BASIS IN EACH SERIES B PREFERRED STOCK SHARE HELD ON THESE DATES, BY THE FOLLOWING AMOUNTS PER SHARE:

- \$0.0000 PER SHARE ON JANUARY 14, 2019
- \$0.5546 PER SHARE ON APRIL 12, 2019
- \$0.5546 PER SHARE ON JULY 12, 2019
- \$0.5546 PER SHARE ON OCTOBER 14, 2019

THE REDUCTION IN BASIS IS CUMULATIVE SUCH THAT A SHAREHOLDER WHO WAS A SERIES B PREFERRED STOCK SHAREHOLDER ON THE DATE OF RECORD FOR ALL OF THE ABOVE MENTIONED DISTRIBUTIONS IN 2019 WOULD REDUCE ITS BASIS BY A TOTAL OF \$1.6638 PER SHARE.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature ▶ *[Handwritten Signature]* Date ▶ October 21, 2020
 Print your name ▶ IOANNIS ZAFIRAKIS Title ▶ Director, Interim CFO, Chief Strategy Officer, Treasurer & Secretary

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
MICHAEL J McDERMOTT	<i>Michael J Mc Dermott</i>	10/19/20		P00877281
Firm's name ▶	Firm's EIN ▶		Firm's address ▶	
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