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**DIANA SHIPPING INC. REPORTS FINANCIAL RESULTS  
FOR THE FIRST QUARTER ENDED MARCH 31, 2013**

ATHENS, GREECE, May 22, 2013 – Diana Shipping Inc. (NYSE: DSX), a global shipping company specializing in the ownership and operation of dry bulk vessels, today reported a net loss of \$3.2 million for the first quarter of 2013, compared to net income of \$20.0 million reported in the first quarter of 2012. The results for the 2013 first quarter included a loss of \$3.3 million on the Company's investment in Diana Containerships Inc., arising from a non-cash impairment recorded by Diana Containerships related to the sale of certain older container vessels.

Time charter revenues were \$42.6 million for the first quarter of 2013, compared to \$57.6 million for the same period of 2012, mainly due to reduced time charter rates. The decrease in time charter revenues was partly offset by revenues derived from the increase in ownership days resulting from the addition to the Company's fleet of the vessels Leto, delivered in January 2012; Los Angeles, delivered in February 2012; Philadelphia and Melia, delivered in May 2012; Amphitrite, delivered in August 2012; Polymnia, delivered in November 2012; Myrto, delivered in January 2013; and Maia, delivered in February 2013.

**Fleet Employment Profile (As of May 21, 2013)**

Currently Diana's fleet is employed as follows:

Vessel		Sister Ships*	Gross Rate (USD Per Day)	Com**	Charterer	Delivery Date to Charterer	Redelivery Date to Owners***	Notes
BUILT	DWT							
<b>Panamax Bulk Carriers</b>								
1	DANAE	A	\$15,600	5.00%	Hyundai Merchant Marine Co., Ltd., Seoul, South Korea	18-Apr-11	10-Mar-13	1,2
			\$8,250	5.00%	Intermare Transport GmbH, Hamburg	10-Mar-13	10-Sep-14 - 10-Jan-15	
	2001 75,106							
2	DIONE	A	\$9,700	5.00%	EDF Trading Limited, UK	19-Jul-12	19-Jul-14 - 19-Dec-14	
	2001 75,172							
3	NIREFS	A	\$12,250	5.00%	Morgan Stanley Capital Group Inc.	18-Dec-11	29-Jan-13	3,4
			\$8,000	5.00%	Intermare Transport GmbH, Hamburg	29-Jan-13	29-Jul-14 - 29-Jan-15	
	2001 75,311							
4	ALCYON	A	\$7,750	5.00%	EDF Trading Limited, UK	21-Dec-12	21-Nov-14 - 21-May-15	
	2001 75,247							
5	TRITON	A	\$19,500	4.75%	Resource Marine Pte., Ltd, Singapore	11-Dec-10	11-Nov-13 - 11-Feb-14	5
	2001 75,336							
6	OCEANIS	A	\$9,250	5.00%	Ultrabulk A/S, Copenhagen, Denmark	14-Aug-12	14-Jan-14 - 14-Jul-14	
	2001 75,211							
7	THETIS	B	\$10,500	5.00%	EDF Trading Limited, UK	22-Feb-12	22-Aug-13 - 22-Jun-14	6
	2004 73,583							
8	PROTEFS	B	\$9,000	5.00%	Cargill International S.A., Geneva	14-Sep-12	14-Sep-14 - 14-Feb-15	
	2004 73,630							
9	CALIPSO	B	\$12,250	5.00%	Louis Dreyfus Commodities Suisse S.A., Geneva	11-Oct-11	11-Aug-13 - 11-Dec-13	
	2005 73,691							
10	CLIO	B	\$10,750	5.00%	Cargill International S.A., Geneva	22-Feb-12	22-Aug-13 - 22-Feb-14	
	2005 73,691							
11	NAIAS	B	\$9,250	5.00%	Ultrabulk A/S, Copenhagen, Denmark	2-Sep-12	2-Feb-14 - 2-Aug-14	
	2006 73,546							
12	ARETHUSA	B	\$7,300	5.00%	Cargill International S.A., Geneva	22-Nov-12	22-May-14 - 22-Nov-14	7
	2007 73,593							
13	ERATO	C	\$12,200	5.00%	Hyundai Merchant Marine Co., Ltd., Seoul, South Korea	26-Nov-11	9-Jan-13	
			\$6,500	5.00%	Cargill International S.A., Geneva	9-Jan-13	9-Jul-14 - 9-Jan-15	

	2004	74,444						
14	CORONIS	C	\$10,600	5.00%	EDF Trading Limited, UK	12-Mar-12	27-Nov-13 - 27-Jun-14	
	2006	74,381						
15	MELITE	D	\$7,750	5.00%	Cargill International S.A., Geneva	28-Dec-12	1-Jul-14 - 1-Jan-15	
	2004	76,436						
16	MELIA	D	\$10,900	5.00%	STX Panocean Co., Ltd., Seoul	2-May-12	17-Apr-13	8
					Rio Tinto Shipping Pty, Ltd., Melbourne	17-Apr-13	2-Mar-14 - 17-May-14	
	2005	76,225	\$9,700	3.75%				
17	LETO		\$12,900	5.00%	EDF Trading Limited, UK	17-Jan-12	17-Jan-14 - 17-Nov-14	
	2010	81,297						
<b>Kamsarmax Bulk Carriers</b>								
18	MAIA	E	\$10,900	5.00%	Glencore Grain B.V., Rotterdam	27-Feb-13	12-Aug-14 - 27-Feb-15	
	2009	82,193						
19	MYRTO	E	\$9,000	5.00%	Cargill International S.A., Geneva	25-Jan-13	25-Jul-14 - 25-Jan-15	
	2013	82,131						
<b>Post-Panamax Bulk Carriers</b>								
20	ALCMENE		\$7,000	5.00%	NCS Shipping Fareast Company Limited, British Virgin Islands	26-Dec-12	13-Feb-13	9
			\$7,250	5.00%	ADM International Sarl, Rolle, Switzerland	22-Feb-13	7-Aug-14 - 22-Feb-15	
	2010	93,193						
21	AMPHITRITE		\$10,000	5.00%	Bunge S.A., Geneva	15-Aug-12	31-May-14 - 30-Oct-14	10
	2012	98,697						
22	POLYMNIA		\$8,000	5.00%	Sino East Transportation Ltd, Hong Kong	21-Nov-12	7-Jan-13	
			\$7,600	5.00%	Augustea Bunge Maritime Limited, Malta	16-Jan-13	16-Jul-14 - 16-Jan-15	11
	2012	98,704						
<b>Capesize Bulk Carriers</b>								
23	NORFOLK		\$74,750	3.75%	Corus UK Limited	12-Feb-08	16-Jan-13	12
	2002	164,218	\$10,700	4.50%	Clearlake Shipping Pte. Ltd., Singapore	16-Jan-13	16-Jul-14 - 16-Jan-15	
24	ALIKI		\$26,500	5.00%	Minmetals Logistics Group Co. Ltd., Beijing	1-Mar-11	1-Feb-16 - 1-Apr-16	
	2005	180,235						
25	TAMOU		\$9,000	5.00%	RWE Supply & Trading GmbH, Essen	15-Jun-13	30-Jun-13	13,14
	(tbr BALTIMORE)		\$15,000	5.00%		1-Jul-13	1-Jul-16 - 1-Jan-17	
	2005	177,243						
26	SALT LAKE CITY		\$13,000	5.00%	Morgan Stanley Capital Group Inc.	11-Aug-12	11-Jun-14 - 11-Dec-14	
	2005	171,810						
27	SIDERIS GS	F	\$30,500	5.00%	BHP Billiton Marketing AG	16-Oct-10	14-Mar-13	15

			\$13,500	4.75%	Cargill International S.A., Geneva	14-Mar-13	14-Dec-14 - 14-Jun-15	
	2006	174,186						
28	SEMIRIO	F	\$17,350	5.00%	Cargill International S.A., Geneva	30-May-11	19-Mar-13	
			\$14,000	4.75%		19-Mar-13	19-Jan-15 - 19-Jun-15	
	2007	174,261						
29	BOSTON	F	\$14,000	5.00%	Morgan Stanley Capital Group Inc.	29-Oct-11	29-Aug-13 - 29-Dec-13	16
	2007	177,828						
30	HOUSTON	F	\$55,000	4.75%	Shagang Shipping Co.	3-Nov-09	3-Oct-14 - 3-Jan-15	17
	2009	177,729						
31	NEW YORK	F	\$48,000	3.75%	Nippon Yusen Kaisha, Tokyo (NYK)	3-Mar-10	3-Jan-15 - 3-May-15	
	2010	177,773						
<b>Newcastlemax Bulk Carriers</b>								
32	LOS ANGELES	G	\$18,000	5.00%	EDF Trading Limited, UK	9-Feb-12	9-Dec-15 - 9-Apr-16	
	2012	206,104						
33	PHILADELPHIA	G	\$18,000	5.00%	EDF Trading Limited, UK	17-May-12	17-Jan-16 - 17-Jul-16	
	2012	206,040						
<b>Vessels Under Construction</b>								
34	HULL H2528	H	-	-	-	-	---	18
	2013	76,000						
35	HULL H2529	H	-	-	-	-	---	18
	2013	76,000						
36	HULL H2548	I	-	-	-	-	---	18
	2016	208,500						
37	HULL H2549	I	-	-	-	-	---	18
	2016	208,500						

\* Each dry bulk carrier is a "sister ship", or closely similar, to other dry bulk carriers that have the same letter.

\*\* Total commission percentage paid to third parties.

\*\*\* Charterers' optional period to redeliver the vessel to owners. Charterers have the right to add the off hire days, if any, and therefore the optional period may be extended.

1 Vessel off-hire for unscheduled maintenance from March 4, 2013 to March 6, 2013.

2 Hyundai Merchant Marine Co. Ltd., Seoul, South Korea, has agreed to compensate the owners for the early redelivery of the vessel on March 10, 2013 until the minimum agreed redelivery date, March 18, 2013.

3 Vessel off-hire for drydocking from September 26, 2012 to October 15, 2012.

4 Vessel off-hire for unscheduled maintenance from October 18, 2012 to November 30, 2012.

5 Resource Marine Pte., Ltd, Singapore is a guaranteed nominee of Macquarie Bank Limited.

6 Vessel off-hire from September 23, 2012 to October 3, 2012.

7 Vessel off-hire for unscheduled maintenance from April 14, 2013 to April 16, 2013.

8 Vessel off-hire for drydocking from November 27, 2012 to December 10, 2012.

9 Charter includes a one time gross ballast bonus payment of US\$390,000.

10 The charterer has the option to employ the vessel for a further 11 to 14 month period at a gross charter rate of US\$11,300 per day. The optional period, if exercised, must be declared on or before the end of the 21st month of employment and will only commence at the end of the 24th month.

11 The charterer has the option to further employ the vessel for about 11 to maximum 13 months at a gross charter rate of US\$11,000 per day. The optional period, if exercised, must be declared on or before the 22nd month of employment and will only commence at the end of the 24th month.

12 Since September 2010 charterers' name has changed to Tata Steel UK, Limited.

13 Expected date of delivery to the buyers by the end of May 2013 (based on latest information received by the sellers).

14 Estimated date of delivery to the charterers.

15 Since October 25, 2012 charterers have changed to BHP Billiton Singapore Pte Ltd.

16 Morgan Stanley Capital Group Inc. has the option to employ the vessel for a further minimum eleven (11) to a maximum thirteen (13) month period at a gross rate of US\$15,000 per day starting twenty-four (24) months after delivery of the vessel to the charterer.

17 Shagang Shipping Co. is a guaranteed nominee of the Jiangsu Shagang Group Co.

18 Year of delivery and dwt are based on shipbuilding contract.

### Summary of Selected Financial & Other Data (unaudited)

	<b>Three months ended March 31,</b>	
	<b>2013</b>	<b>2012</b>
<b>INCOME STATEMENT DATA (in thousands of US Dollars):</b>		
Time charter revenues	\$ 42,601	\$ 57,601
Voyage expenses	2,199	2,178
Vessel operating expenses	17,957	14,657
Net income / (loss)	(3,183)	19,961
<b>FLEET DATA</b>		
Average number of vessels	31.2	25.4
Number of vessels	32.0	26.0
Weighted average age of vessels	6.1	6.0
Ownership days	2,806	2,313
Available days	2,806	2,283
Operating days	2,772	2,278
Fleet utilization	98.8%	99.8%
<b>AVERAGE DAILY RESULTS</b>		
Time charter equivalent (TCE) rate (1)	\$ 14,398	\$ 24,276
Daily vessel operating expenses (2)	\$ 6,400	\$ 6,337

(1) Time charter equivalent rates, or TCE rates, are defined as our time charter revenues less voyage expenses during a period divided by the number of our available days during the period, which is consistent with industry standards. Voyage expenses include port charges, bunker (fuel) expenses, canal charges and commissions. TCE is a non-GAAP measure. TCE rate is a standard shipping industry performance measure used primarily to compare daily earnings generated by vessels on time charters with daily earnings generated by vessels on voyage charters, because charter hire rates for vessels on voyage charters are generally not expressed in per day amounts while charter hire rates for vessels on time charters are generally expressed in such amounts.

(2) Daily vessel operating expenses, which include crew wages and related costs, the cost of insurance, expenses relating to repairs and maintenance, the costs of spares and consumable stores, tonnage taxes and other miscellaneous expenses, are calculated by dividing vessel operating expenses by ownership days for the relevant period.

### Conference Call and Webcast Information

Diana Shipping Inc. will conduct a conference call and simultaneous Internet webcast to review these results at 9:00 A.M. (Eastern Time) on Wednesday, May 22, 2013.

Investors may access the webcast by visiting the Company's website at [www.dianashippinginc.com](http://www.dianashippinginc.com), and clicking on the webcast link. The conference call also may be accessed by telephone by dialing 1-877-407-8291 (for U.S.-based callers) or 1-201-689-8345 (for international callers), and asking the operator for the Diana Shipping Inc. conference call.

A replay of the webcast will be available soon after the completion of the call and will be accessible for 30 days on [www.dianashippinginc.com](http://www.dianashippinginc.com). A telephone replay also will be available for 30 days by dialing 1-877-660-6853 (for U.S.-based callers) or 1-201-612-7415 (for international callers), and providing the Replay ID number 412822.

## **About the Company**

Diana Shipping Inc. is a leading global provider of shipping transportation services through the ownership and operation 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, vessels 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.

(See financial tables attached)

**DIANA SHIPPING INC.**

**FINANCIAL TABLES**

Expressed in thousands of U.S. Dollars, except share and per share data

**UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME / (LOSS)**

	<b>Three months ended March 31,</b>	
	<b>2013</b>	<b>2012</b>
<b>REVENUES:</b>		
Time charter revenues	\$ 42,601	\$ 57,601
Other revenues	447	568
<b>EXPENSES:</b>		
Voyage expenses	2,199	2,178
Vessel operating expenses	17,957	14,657
Depreciation and amortization of deferred charges	15,549	14,588
General and administrative expenses	5,464	6,118
Foreign currency gains	(74)	(394)
<b>Operating income</b>	<b>1,953</b>	<b>21,022</b>
<b>OTHER INCOME / (EXPENSES):</b>		
Interest and finance costs	(2,064)	(1,543)
Interest income	200	378
Loss from derivative instruments	(4)	(201)
Income / (loss) from investment in Diana Containerships Inc.	(3,268)	305
<b>Total other expenses, net</b>	<b>(5,136)</b>	<b>(1,061)</b>
<b>Net Income / (loss)</b>	<b>(3,183)</b>	<b>19,961</b>
<b>Earnings / (loss) per common share, basic and diluted</b>	<b>\$ (0.04)</b>	<b>\$ 0.25</b>
<b>Weighted average number of common shares, basic and diluted</b>	<b>81,059,313</b>	<b>81,226,051</b>
<b>Three months ended March 31,</b>		
	<b>2013</b>	<b>2012</b>
<b>Net income / (loss)</b>	<b>\$ (3,183)</b>	<b>\$ 19,961</b>
Other comprehensive loss (Actuarial loss)	(98)	-
<b>Comprehensive income / (loss)</b>	<b>\$ (3,281)</b>	<b>\$ 19,961</b>

**CONDENSED CONSOLIDATED BALANCE SHEET DATA (unaudited)**

(in thousands of U.S. Dollars)

	<u>March 31, 2013</u>	<u>December 31, 2012</u>
<b><u>ASSETS</u></b>		
Cash and cash equivalents	\$ 412,330	\$ 446,624
Other current assets	18,773	20,362
Advances for vessels under construction and acquisitions and other vessel costs	13,238	11,502
Vessels' net book value	1,243,880	1,211,138
Other fixed assets, net	23,058	22,774
Other non-current assets	25,425	30,402
<b>Total assets</b>	<b>\$ <u>1,736,704</u></b>	<b>\$ <u>1,742,802</u></b>
<b><u>LIABILITIES AND STOCKHOLDERS' EQUITY</u></b>		
Current liabilities, including current portion of long-term debt	\$ 60,512	\$ 61,477
Long-term debt, net of current portion and deferred financing costs	410,185	414,080
Other non-current liabilities	842	821
Total stockholders' equity	<u>1,265,165</u>	<u>1,266,424</u>
<b>Total liabilities and stockholders' equity</b>	<b>\$ <u>1,736,704</u></b>	<b>\$ <u>1,742,802</u></b>

**OTHER FINANCIAL DATA (unaudited)**

	<b><u>Three months ended March 31,</u></b>	
	<b><u>2013</u></b>	<b><u>2012</u></b>
Net Cash provided by Operating Activities	\$ 17,394	\$ 36,443
Net Cash used in Investing Activities	(47,680)	(61,734)
Net Cash provided by / (used in) Financing Activities	(4,008)	50,639