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For Immediate Release

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**DIANA SHIPPING INC. REPORTS RESULTS FOR
FOURTH QUARTER AND FULL YEAR 2004**

ATHENS, GREECE, April 25, 2005 – Diana Shipping Inc. (NYSE: DSX), a global shipping transportation company specializing in dry bulk cargoes, today reported net income of \$31.6 million for the fourth quarter of 2004. This represents an increase of \$28.2 million or 829% compared to net income of \$3.4 million for the fourth quarter of 2003. Results for the twelve months ended December 31, 2004, show net income of \$60.1 million, which increased by \$50.6 million or 533% compared to net income of \$9.5 million for 2003.

The company attributed the sharp increase in earnings primarily to higher voyage and time charter revenues, as well as a gain on the sale of a vessel in October 2004. Voyage and time charter revenues rose 111% for the fourth quarter and 153% for the year ended December 31, 2004, as compared with the respective 2003 periods, largely due to fleet expansion and increases in time charter hire rates.

Announcement of First Quarter Results; Expected Dividend Declaration

Diana Shipping expects to report its financial results for the first quarter of 2005, including the declaration of its dividend for the 14-day stub period ended March 31, 2005, on May 5, 2005. The daily Time Charter Equivalent rate for the first quarter of 2005 is expected to be approximately 15% higher than the Time Charter Equivalent for the fourth quarter of 2004 and approximately 45% higher than the Time Charter Equivalent for the first quarter of 2004.

Summary of Selected Financials and Other Data

	Year Ended December 31,		Three Months Ended December 31,	
	2004	2003	2004	2003
INCOME STATEMENT DATA (in thousands of US Dollars)				
Voyage and time charter revenues	63,839	25,277	18,452	8,749
Voyage expenses	4,330	1,549	1,243	595
Vessel operating expenses	9,514	6,267	2,747	2,231
Net income	60,083	9,489	31,570	3,399
FLEET DATA:				
Average number of vessels	6.3	5.1	7.0	6.0
Number of vessels	7.0	6.0	7.0	6.0
Weighted average age of the fleet	3.4	2.9	3.4	2.9
Ownership days	2,319	1,852	644	552
Available days	2,319	1,852	644	552
Operating days	2,315	1,845	644	552
Utilization	99.8%	99.6%	100%	100%
AVERAGE DAILY RESULTS:				
Time charter equivalent (TCE) rate	25,661	12,812	26,722	14,772
Daily vessel operating expenses	4,103	3,384	4,266	4,042

Fleet Employment Profile

Currently Diana's fleet is employed as follows:

Vessel's name	Employment	Expiration ²
Alcyon	(TC) \$ 22,582	Oct. 15, 2007
Calipso	(TC) \$ 40,000	Jul. 5, 2005
Clio ¹	N/A	N/A
Danae	(TC) \$ 30,000	Jan. 13, 2007
Dione	(TC) \$ 32,500	Nov. 4, 2005
Nirefs	(TC) \$ 40,000	Aug. 15, 2005
Oceanis	(TC) \$ 30,650	Aug. 20, 2005
Pantelis SP	(TC) \$ 47,500	Jan. 25, 2008
Protefs	(TC) \$ 31,000	Aug. 5, 2005
Triton	(TC) \$ 37,300	Nov. 27, 2005

¹ Expected delivery from the shipyard on May 15, 2005

² Assuming earliest redelivery

Webcast Information

Diana Shipping Inc. will conduct a conference call and webcast at 10:30 A.M. (Eastern Time) on Tuesday, April 26, 2005, to discuss these financial results. Investors may access the webcast on the Company's website at www.dianashippinginc.com by clicking on the webcast link. The webcast also is accessible at www.viavid.net, by clicking on the Diana Shipping link under "Events". Listeners should allow extra time before the webcast begins to register for the webcast and download any necessary audio software. The conference call also may be accessed by telephone by dialing 1-888-858-4756 (for U.S.-based callers) or 1-973-935-2405

(for international callers).

A replay of the webcast will be available shortly after the completion of the call and will be accessible on both www.dianashippinginc.com and www.viavid.net. A telephone replay will be available by dialing 1-877-519-4471 (for U.S.-based callers) or 1-973-341-3080 (for international callers); callers must use the PIN number 5978642.

About the Company

Diana Shipping Inc. (NYSE: DSX) is a global provider of shipping transportation services. The Company specializes in transporting dry bulk cargoes, including such commodities as iron ore, coal, grain and other materials along worldwide shipping routes.

Diana Shipping Inc. completed its initial public offering of common stock on March 23, 2005.

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," "except," "anticipate," "intends," "estimate," "forecast," "project," "plan," "potential," "will," "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.

(See financial tables attached)

DIANA SHIPPING INC.
CONSOLIDATED STATEMENTS OF INCOME

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

	Three Months Ended December 31,		Year Ended December 31,	
	2004	2003	2004	2003
REVENUES:				
Revenue from vessels	\$ 18,452	\$ 8,749	\$ 63,839	\$ 25,277
EXPENSES:				
Voyage expenses	1,243	595	4,330	1,549
Vessel operating expenses	2,747	2,231	9,514	6,267
Depreciation	1,421	1,201	5,087	3,978
Management fees	287	216	947	728
Executive management services and rent	382	367	1,528	1,470
General and administrative expenses	89	63	300	123
Foreign currency losses	1	10	3	20
Operating income	12,282	4,066	42,130	11,142
OTHER INCOME (EXPENSES):				
Interest and finance costs, net	(757)	(674)	(2,165)	(1,680)
Interest income	63	7	136	27
Gain on vessel's sale	19,982	-	19,982	-
Total other income (expenses), net	19,288	(667)	17,953	(1,653)
Net income	\$ 31,570	\$ 3,399	\$ 60,083	\$ 9,489
Earnings per common share, basic and diluted	\$ 1.14	\$ 0.12	\$ 2.17	\$ 0.37
Weighted average number of common shares	27,625,000	27,625,000	27,625,000	25,340,596

BALANCE SHEET DATA

	December 31,	
	2004	2003
<u>ASSETS</u>		
Cash and cash equivalents	\$ 1,758	\$ 7,441
Other current assets	1,791	1,631
Advances for vessels under construction and acquisitions and other vessel costs	19,234	8,642
Vessels' net book value	132,853	116,703
Other non-current assets	-	77
Total assets	\$ 155,636	\$ 134,494

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES:

Current liabilities, including current portion of long term debt	\$ 11,344	\$ 9,107
Long-term debt, net of current portion	85,168	76,601
Other non-current liabilities	72	345
Total stockholders' equity	59,052	48,441
Total liabilities and stockholders' equity	\$ 155,636	\$ 134,494

	Year ended December 31,	
	2004	2003
Cash Flows from Operating Activities:		
Net income	\$ 60,083	\$ 9,489
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	5,087	3,978
Executive management services and rent	1,528	1,470
Amortization of financing costs	88	73
Gain on sale of vessel	(19,982)	-
Other	(264)	(245)
Change in operating assets and liabilities	839	453
Net Cash from Operating Activities	<u>47,379</u>	<u>15,218</u>
Cash Flows from Investing Activities:		
Advances for vessels under construction and acquisitions and other vessel costs	(17,021)	(10,854)
Vessel acquisitions	(35,956)	(41,869)
Proceeds from sale of vessel	41,199	-
Net Cash used in Investing Activities	<u>(11,778)</u>	<u>(52,723)</u>
Cash Flows from Financing Activities:		
Proceeds from long-term debt	15,750	33,500
Issuance of common stock	-	14,000
Decrease in restricted cash	169	334
Other	86	(357)
Payments of long-term debt	(6,289)	(4,398)
Cash dividends	(51,000)	-
Net Cash from (used in) Financing Activities	<u>(41,284)</u>	<u>43,079</u>
Net increase (decrease) in cash and cash equivalents	(5,683)	5,574
Cash and cash equivalents at beginning of year	<u>7,441</u>	<u>1,867</u>
Cash and cash equivalents at end of year	\$ <u>1,758</u>	\$ <u>7,441</u>
SUPPLEMENTAL CASH FLOW INFORMATION		
Cash paid during the year for:		
Interest payments, net of amounts capitalized	\$ <u>2,279</u>	\$ <u>1,393</u>
Non-cash financing activities:		
Executive management services and rent	\$ <u>1,528</u>	\$ <u>1,470</u>