

Corporate Contact:

Ioannis Zafirakis

Director, Chief Operating Officer and Secretary

Telephone: + 30-210-9470100

Email: izafirakis@dianashippinginc.com

Website: www.dianashippinginc.com

Investor and Media Relations:

Edward Nebb

Comm-Counsellors, LLC

Telephone: + 1-203-972-8350

Email: enebb@optonline.net

**DIANA SHIPPING INC. REPORTS FINANCIAL RESULTS
FOR THE QUARTER ENDED MARCH 31, 2014**

ATHENS, GREECE, May 14, 2014 – Diana Shipping Inc. (NYSE: DSX), (the “Company”), a global shipping company specializing in the ownership of dry bulk vessels, today reported a net loss of \$6.0 million and net loss available to common stockholders of \$6.8 million for the first quarter of 2014, compared to a net loss and net loss available to common stockholders of \$3.2 million reported in the first quarter of 2013.

Time charter revenues were \$41.1 million for the first quarter of 2014, compared to \$42.6 million for the same period of 2013, 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 enlargement of our fleet.

Fleet Employment Profile (As of May 13, 2014)

Currently Diana Shipping Inc.'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							
Panamax Bulk Carriers									
1	DANAE		A	\$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	\$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	\$11,000	5.00%	Bunge S.A., Geneva	16-Dec-13	1-Sep-14 - 31-Oct-14	
	2001	75,336							
6	OCEANIS		A	\$9,250	5.00%	Ultrabulk A/S, Copenhagen, Denmark	14-Aug-12	4-Jun-14 - 14-Jul-14	1
	2001	75,211							
7	THETIS		B	\$8,300	5.00%	EDF Trading Limited, UK	1-Sep-13	1-Jul-15 - 1-Dec-15	2,3,4
	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	\$8,100	4.75%	Cargill International S.A., Geneva	29-Jul-13	29-Apr-15 - 29-Aug-15	
	2005	73,691							
10	CLIO		B	\$8,600	4.75%	Cargill International S.A., Geneva	22-Aug-13	22-May-15 - 22-Aug-15	5
	2005	73,691							
11	NAIAS		B	\$9,250	5.00%	Ultrabulk A/S, Copenhagen, Denmark	2-Sep-12	12-Jun-14 - 2-Aug-14	1
	2006	73,546							
12	ARETHUSA		B	\$7,300	5.00%	Cargill International S.A., Geneva	22-Nov-12	16-Jun-14 - 22-Nov-14	
	2007	73,593							
13	ERATO		C	\$6,500	5.00%	Cargill International S.A., Geneva	9-Jan-13	9-Jul-14 - 9-Jan-15	6
	2004	74,444							
14	CORONIS		C	\$10,600	5.00%	EDF Trading Limited, UK	12-Mar-12	24-May-14	1
	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	\$9,700	3.75%	Rio Tinto Shipping Pty, Ltd., Melbourne	17-Apr-13	10-May-14	
			\$12,000			10-May-14	10-Apr-15 - 10-Jul-15	
	2005	76,225						
17	ARTEMIS		\$9,375	3.75%	Rio Tinto Shipping Pty, Ltd., Melbourne	26-Aug-13	26-Jun-15 - 26-Oct-15	
	2006	76,942						
18	LETO		\$12,900	5.00%	EDF Trading Limited, UK	17-Jan-12	4-Jun-14 - 17-Nov-14	1
	2010	81,297						
19	CRYSTALIA	E	\$15,800	5.00%	Glencore Grain B.V., Rotterdam	21-Feb-14	21-Aug-15 - 21-Nov-15	
	2014	77,525						
20	ATALANDI	E	\$13,500	5.00%	Glencore Grain B.V., Rotterdam	13-May-14	13-Apr-15 - 13-Jul-15	
	2014	77,529						
Kamsarmax Bulk Carriers								
21	MAIA	F	\$10,900	5.00%	Glencore Grain B.V., Rotterdam	27-Feb-13	12-Aug-14 - 27-Feb-15	
	2009	82,193						
22	MYRSINI					12-Oct-13	12-Feb-14	
		F	\$15,500	4.75%	Clearlake Shipping Pte. Ltd., Singapore	12-Feb-14	15-Feb-15 - 10-May-15	7
	2010	82,117						
23	MYRTO	F	\$9,000	5.00%	Cargill International S.A., Geneva	25-Jan-13	25-Jul-14 - 25-Jan-15	
	2013	82,131						
Post-Panamax Bulk Carriers								
24	ALCMENE		\$7,250	5.00%	ADM International SarI, Rolle, Switzerland	22-Feb-13	7-Aug-14 - 22-Feb-15	
	2010	93,193						
25	AMPHITRITE		\$10,000	5.00%	Bunge S.A., Geneva	15-Aug-12	31-May-14 - 30-Oct-14	8
	2012	98,697						
26	POLYMNIA		\$7,600	5.00%	Bunge S.A., Geneva	16-Jan-13	16-Jul-14 - 16-Jan-15	9,10
	2012	98,704						
Capesize Bulk Carriers								
27	NORFOLK		\$10,700	4.50%	Clearlake Shipping Pte. Ltd., Singapore	16-Jan-13	16-Jul-14 - 16-Jan-15	7
	2002	164,218						
28	ALIKI		\$26,500	5.00%	Minmetals Logistics Group Co. Ltd., Beijing	1-Mar-11	1-Feb-16 - 1-Apr-16	
	2005	180,235						
29	BALTIMORE		\$15,000	5.00%	RWE Supply & Trading GmbH, Essen	8-Jul-13	8-Jul-16 - 8-Jan-17	4
	2005	177,243						
30	SALT LAKE CITY		\$13,000	5.00%	Morgan Stanley Capital Group Inc.	11-Aug-12	11-Jun-14 - 11-Dec-14	
	2005	171,810						
31	SIDERIS GS	G	\$13,500	4.75%	Cargill International S.A., Geneva	14-Mar-13	14-Dec-14 - 14-Jun-15	
	2006	174,186						

32	SEMIRIO	G	\$14,000	4.75%	Cargill International S.A., Geneva	19-Mar-13	19-Jan-15 - 19-Jun-15	
	2007		174,261					
33	BOSTON	G	\$14,250	4.75%	Clearlake Shipping Pte. Ltd., Singapore	24-Aug-13	9-Aug-15 - 8-Feb-16	7
	2007		177,828					
34	HOUSTON	G	\$20,500	4.75%	Clearlake Shipping Pte. Ltd., Singapore	3-Dec-13	19-Oct-14 - 18-Feb-15	7
	2009		177,729					
35	NEW YORK	G	\$48,000	3.75%	Nippon Yusen Kaisha, Tokyo (NYK)	3-Mar-10	3-Jan-15 - 3-May-15	
	2010		177,773					
36	P. S. PALIOS		\$18,350	5.00%	RWE Supply & Trading GmbH, Essen	3-Dec-13	18-Sep-15 - 31-Dec-15	
	2013		179,134					
Newcastlemax Bulk Carriers								
37	LOS ANGELES	H	\$18,000	5.00%	EDF Trading Limited, UK	9-Feb-12	9-Dec-15 - 9-Apr-16	
	2012		206,104					
38	PHILADELPHIA	H	\$18,000	5.00%	EDF Trading Limited, UK	17-May-12	17-Jan-16 - 17-Jul-16	
	2012		206,040					
Vessels Under Construction								
39	HULL DY6006		-	-	-	-	---	11
	2016		82,000					
40	HULL H2548	I	-	-	-	-	---	11
	2016		208,500					
41	HULL H2549	I	-	-	-	-	---	11
	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 Based on latest information.

2 Vessel off-hire for unscheduled maintenance from February 12, 2014 to March 7, 2014.

3 Vessel off-hire from April 21, 2014 to April 23, 2014.

4 Vessel currently off-hire for drydocking.

5 Vessel off-hire for drydocking from December 12, 2013 to January 2, 2014.

6 Vessel off-hire for unscheduled maintenance from February 14, 2014 to February 23, 2014.

7 Clearlake Shipping Pte. Ltd., Singapore is a member of the Gunvor Group.

8 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.

9 The charterer has the option to further employ the vessel for about 11 to a 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.

10 Prior to October 12, 2013, chartered to Augustea Bunge Maritime Limited, Malta.

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

Summary of Selected Financial & Other Data (unaudited)

	Three months ended March 31,	
	2014	2013
STATEMENT OF OPERATIONS DATA (in thousands of US Dollars):		
Time charter revenues	\$ 41,145	\$ 42,601
Voyage expenses	2,398	2,199
Vessel operating expenses	20,656	17,957
Net loss	(6,027)	(3,183)
Net loss available to common stockholders	(6,780)	(3,183)
FLEET DATA		
Average number of vessels	36.4	31.2
Number of vessels	37	32
Weighted average age of vessels	6.7	6.1
Ownership days	3,280	2,806
Available days	3,278	2,806
Operating days	3,238	2,772
Fleet utilization	98.8%	98.8%
AVERAGE DAILY RESULTS		
Time charter equivalent (TCE) rate (1)	\$ 11,820	\$ 14,398
Daily vessel operating expenses (2)	\$ 6,298	\$ 6,400

(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 14, 2014.

Investors may access the webcast by visiting the Company's website at 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. 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 13579143.

About the Company

Diana Shipping Inc. is a leading 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.

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.

(See financial tables attached)

CONDENSED CONSOLIDATED BALANCE SHEET DATA (unaudited)

(in thousands of U.S. Dollars)

	<u>March 31, 2014</u>	<u>December 31, 2013</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 307,406	\$ 240,633
Other current assets	12,928	11,235
Advances for vessels under construction and acquisitions and other vessel costs	27,034	38,862
Vessels' net book value	1,335,348	1,320,375
Other fixed assets, net	22,726	22,826
Other non-current assets	66,791	68,050
Total assets	\$ <u>1,772,233</u>	\$ <u>1,701,981</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities, including current portion of long-term debt	\$ 90,978	\$ 62,752
Long-term debt, net of current portion and deferred financing costs	369,198	385,025
Other non-current liabilities	749	812
Total stockholders' equity	1,311,308	1,253,392
Total liabilities and stockholders' equity	\$ <u>1,772,233</u>	\$ <u>1,701,981</u>

OTHER FINANCIAL DATA (unaudited)

	Three months ended March 31,	
	<u>2014</u>	<u>2013</u>
Net Cash provided by operating activities	\$ 9,637	\$ 17,394
Net Cash used in investing activities	(19,038)	(47,680)
Net Cash provided by / (used in) financing activities	\$ 76,174	\$ (4,008)