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**DIANA SHIPPING INC. REPORTS FINANCIAL RESULTS  
FOR THE SECOND QUARTER AND SIX MONTHS ENDED JUNE 30, 2016**

ATHENS, GREECE, July 28, 2016 – 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 \$31.3 million and net loss attributed to common stockholders of \$32.7 million for the second quarter of 2016, compared to a net loss of \$14.1 million and net loss attributed to common stockholders of \$15.5 million for the second quarter of 2015.

Time charter revenues were \$28.3 million for the second quarter of 2016, compared to \$38.6 million for the same quarter of 2015. The decrease in time charter revenues was mainly due to decreased average time charter rates that we achieved for our vessels during the quarter and was partly offset by revenues derived from the increase in ownership days resulting from the enlargement of our fleet.

Net loss and net loss attributed to common stockholders for the six months ended June 30, 2016 amounted to \$62.7 million and \$65.6 million, respectively, compared to a net loss and net loss attributed to common stockholders of \$24.8 million and \$27.7 million, respectively, for the same period of 2015. Time charter revenues were \$59.1 million for the six months ended June 30, 2016, compared to \$80.6 million for the same period of 2015.

**Fleet Employment Profile (As of July 27, 2016)**

Diana Shipping Inc.'s fleet is employed as follows:

	Vessel		Sister Ships*	Gross Rate (USD Per Day)	Com**	Charterers	Delivery Date to Charterers** *	Redelivery Date to Owners****	Notes
	BUILT	DWT							
<b>23 Panamax Bulk Carriers</b>									
1	DANAE		A	\$4,900	5.00%	Dampskibsselskabet Norden A/S, Copenhagen	9-Dec-15	9-Nov-16 - 9-Mar-17	
	2001	75,106							
2	DIONE		A	\$4,350	5.00%	Nidera S.P.A., Roma	4-Feb-16	20-Jan-17 - 4-May-17	
	2001	75,172							
3	NIREFS		A	\$4,600	5.00%	Transgrain Shipping B.V., Rotterdam	15-Jan-16	15-Dec-16 - 30-Mar-17	
	2001	75,311							
4	ALCYON		A	\$7,600	5.00%	Transgrain Shipping B.V., Rotterdam	22-Aug-15	28-Apr-16	
				\$5,000	5.00%	Dampskibsselskabet Norden A/S, Copenhagen	4-May-16	4-May-17 - 4-Sep-17	
	2001	75,247							
5	TRITON		A	\$6,800	5.00%	Glencore Grain B.V., Rotterdam	28-Oct-15	13-Sep-16 - 28-Dec-16	
	2001	75,336							
6	OCEANIS		A	\$6,750	5.00%	Bunge S.A., Geneva	13-Apr-16	8-Jun-16	1,2
				\$5,200	5.00%	Nidera S.P.A., Roma	30-Jun-16	30-Mar-17 - 30-May-17	
	2001	75,211							
7	THETIS		B	\$7,000	5.00%	Dampskibsselskabet Norden A/S, Copenhagen	14-Jul-15	16-Jun-16	
				\$5,150	5.00%	Transgrain Shipping B.V., Rotterdam	19-Jun-16	19-Apr-17 - 3-Aug-17	
	2004	73,583							
8	PROTEFS		B	\$4,500	5.00%	Transgrain Shipping B.V., Rotterdam	23-Feb-16	8-Feb-17 - 23-Jun-17	
	2004	73,630							
9	CALIPSO		B	\$6,000	5.00%	China Shipping Bulk Carrier Co., Ltd., Hong Kong	9-Jun-15	8-Apr-16	
				\$6,300	5.00%	Polaris Shipping Co., Ltd., Seoul	8-Apr-16	17-Aug-16 - 27-Aug-16	3
	2005	73,691							
10	CLIO		B	\$6,500	5.00%	Transgrain Shipping B.V., Rotterdam	4-Aug-15	22-May-16	
				\$5,350	5.00%		22-May-16	22-Apr-17 - 22-Jul-17	
	2005	73,691							
11	NAIAS		B	\$6,800	4.75%	Cargill International S.A., Geneva	12-Jul-15	26-May-16	
				\$5,000	5.00%	Bunge S.A., Geneva	26-May-16	11-Oct-16 - 10-Jan-17	
	2006	73,546							

12	ARETHUSA	B	\$7,100	5.00%	Glencore Grain B.V., Rotterdam	5-Mar-15	10-Jun-16	4
			\$5,000	5.00%	United Bulk Carrier International S.A., Luxembourg	10-Jun-16	26-Oct-16 - 10-Jan-17	
	2007		73,593					
13	ERATO	C	\$4,650	5.00%	Glencore Grain B.V., Rotterdam	26-Mar-16	11-Feb-17 - 26-May-17	
	2004		74,444					
14	CORONIS	C	\$6,500	5.00%	Sandgate Maritime Ltd	3-Jul-15	19-Mar-16	5
			\$4,750	5.00%	Narina Maritime Ltd	19-Mar-16	19-Feb-17 - 19-May-17	
	2006		74,381					
15	MELITE	D	\$7,250	4.75%	Cargill International S.A., Geneva	13-Oct-15	13-Sep-16 - 13-Dec-16	
	2004		76,436					
16	MELIA	D	\$7,200	5.00%	Nidera S.P.A., Roma	24-Oct-15	24-Nov-16 - 24-Feb-17	
	2005		76,225					
17	ARTEMIS		\$7,500	5.00%	China Shipping Bulk Carrier Co., Ltd., Hong Kong	16-Aug-15	7-Jun-16	
			\$5,350	5.00%	Bunge S.A., Geneva	7-Jun-16	7-Apr-17 - 22-Jul-17	
	2006		76,942					
18	LETO		\$7,100	4.75%	Cargill International S.A., Geneva	19-Jun-15	4-Sep-16 - 3-Jan-17	
	2010		81,297					
19	SELINA	E	\$5,800	5.00%	Dampskibsselskabet Norden A/S, Copenhagen	24-Mar-16	15-Oct-16 - 15-Feb-17	
	2010		75,700					
20	MAERA	E	\$4,500	5.00%	United Bulk Carrier International S.A., Luxembourg	10-May-16	28-Dec-16 - 28-Apr-17	
	2013		75,403					
21	ISMENE		\$7,825	5.00%	Glencore Grain B.V., Rotterdam	21-Mar-16	19-Jul-16	6,7
	2013		77,901					
22	CRYSTALIA	F	\$9,000	5.00%	Glencore Grain B.V., Rotterdam	29-Aug-15	28-Jun-16	8
			\$6,250	5.00%	SwissMarine Services S.A., Geneva	28-Jun-16	28-May-17 - 28-Aug-17	
	2014		77,525					
23	ATALANDI	F	\$5,300	5.00%	Glencore Grain B.V., Rotterdam	26-Mar-16	26-Nov-17 - 26-Apr-18	
	2014		77,529					
<b>4 Kamsarmax Bulk Carriers</b>								
24	MAIA	G	\$7,500	5.00%	RWE Supply & Trading GmbH, Essen	13-Nov-15	13-Apr-17 - 13-Jul-17	
	2009		82,193					
25	MYRSINI	G	\$5,550	5.00%	RWE Supply & Trading GmbH, Essen	9-Mar-16	9-Mar-17 - 24-Jun-17	
	2010		82,117					

26	MEDUSA	G	\$7,450	4.75%	Clearlake Shipping Pte. Ltd., Singapore	2-Jun-15	7-Apr-16	9
			\$6,300	5.00%	Quadra Commodities S.A., Geneva	7-Apr-16	15-Mar-17 - 30-Jul-17	
	2010		82,194					
27	MYRTO	G	\$6,000	4.75%	Cargill International S.A., Geneva	24-Dec-15	24-Oct-16 - 8-Feb-17	
	2013		82,131					
<b>3 Post-Panamax Bulk Carriers</b>								
28	ALCMENE		\$6,750	5.00%	ADM International Sarl, Rolle, Switzerland	13-May-15	13-Feb-17 - 2-Jun-17	
	2010		93,193					
29	AMPHITRITE	H	\$7,700	5.00%	Bunge S.A., Geneva	15-Jul-15	30-Apr-17 - 30-Aug-17	
	2012		98,697					
30	POLYMNIA	H	\$5,650	4.75%	Cargill International S.A., Geneva	15-Dec-15	30-Nov-16 - 15-Mar-17	
	2012		98,704					
<b>14 Capesize Bulk Carriers</b>								
31	NORFOLK		\$10,250	4.75%	Clearlake Shipping Pte. Ltd., Singapore	4-Mar-15	28-Mar-16	9,10
			\$4,350	5.00%	SwissMarine Services S.A., Geneva	28-Mar-16	28-Dec-16 - 28-Mar-17	
	2002		164,218					
32	ALIKI		\$5,300	5.00%	SwissMarine Services S.A., Geneva	16-Jan-16	16-Dec-16 - 16-Mar-17	
	2005		180,235					
33	BALTIMORE		\$15,000	5.00%	RWE Supply & Trading GmbH, Essen	8-Jul-13	29-Jul-16	11
	2005		177,243					
34	SALT LAKE CITY		BCI 4TCs AVG + 3.5%	5.00%	K Noble Hong Kong Ltd., Hong Kong	7-Feb-15	7-Nov-16 - 7-Feb-17	
	2005		171,810					
35	SIDERIS GS	I	\$6,500	5.00%	Rio Tinto Shipping (Asia) Pte., Ltd., Singapore	22-Dec-15	22-Jan-17 - 7-Jul-17	
	2006		174,186					
36	SEMIRIO	I	\$4,800	5.00%	SwissMarine Services S.A., Geneva	6-Feb-16	6-Jan-17 - 6-May-17	
	2007		174,261					
37	BOSTON	I	\$13,000	4.75%	Clearlake Shipping Pte. Ltd., Singapore	9-Aug-15	25-May-17 - 24-Oct-17	9
	2007		177,828					
38	HOUSTON	I	\$5,150	5.00%	SwissMarine Services S.A., Geneva	29-Jan-16	29-Dec-16 - 29-Mar-17	
	2009		177,729					
39	NEW YORK	I	\$5,200	5.00%	Rio Tinto Shipping (Asia) Pte., Ltd., Singapore	3-Feb-16	3-Jan-17 - 18-May-17	
	2010		177,773					
40	SEATTLE	J	\$7,300	4.75%	SwissMarine Services S.A., Geneva	9-Dec-15	25-Oct-16 - 9-Feb-17	
	2011		179,362					

41	P. S. PALIOS	J	\$13,000	5.00%	RWE Supply & Trading GmbH, Essen	18-Sep-15	31-Dec-16 - 31-Mar-17	
	2013		179,134					
42	G. P. ZAFIRAKIS	K	\$6,500	5.00%	RWE Supply & Trading GmbH, Essen	14-Feb-16	14-May-17 - 14-Aug-17	
	2014		179,492					
43	SANTA BARBARA	K	\$7,500	5.00%	RWE Supply & Trading GmbH, Essen	18-Dec-15	18-Dec-16 - 18-Mar-17	
	2015		179,426					
44	NEW ORLEANS		\$11,650	5.00%	SwissMarine Services S.A., Geneva	11-Nov-15	11-Oct-16 - 26-Feb-17	
	2015		180,960					
<b>2 Newcastlemax Bulk Carriers</b>								
45	LOS ANGELES	L	\$7,750	5.00%	SwissMarine Services S.A., Geneva	9-Dec-15	24-Nov-16 - 24-Mar-17	
	2012		206,104					
46	PHILADELPHIA	L	\$6,450	5.00%	RWE Supply & Trading GmbH, Essen	20-Jan-16	20-Dec-16 - 20-Mar-17	
	2012		206,040					
<b>3 Vessels Under Construction</b>								
47	HULL No. DY6006 (tbn. PHAIDRA)		-	-	-	-	---	12
	2016		82,000					
48	HULL No. H2548 (tbn. SAN FRANCISCO)	M	-	-	-	-	---	12
	2016		208,500					
49	HULL No. H2549 (tbn. NEWPORT NEWS)	M	-	-	-	-	---	12
	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.

\*\*\* In case of newly acquired vessel with time charter attached, this date refers to the expected/actual date of delivery of the vessel to the Company.

\*\*\*\* Range of redelivery dates, with the actual date of redelivery being at the Charterers' option, but subject to the terms, conditions, and exceptions of the particular charterparty.

1 Charter included a one time gross ballast bonus payment of US\$175,000.

2 Vessel on scheduled drydocking from June 8, 2016 to June 30, 2016.

3 Redelivery dates based on an estimated time charter trip duration of about 131-141 days.

4 It was agreed the charterparty to be extended from May 5, 2016 until June 10, 2016.

5 Sandgate Maritime Ltd has agreed to compensate the owners for the early redelivery of the vessel until the minimum agreed redelivery date, April 3, 2016.

6 Currently without an active charterparty.

7 Vessel on scheduled drydocking from July 19, 2016 to July 23, 2016.

8 Glencore Grain B.V., Rotterdam has agreed to compensate the owners for the early redelivery of the vessel until the minimum agreed redelivery date, June 29, 2016.

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

10 Clearlake Shipping Pte. Ltd., Singapore has agreed to compensate the owners for the early redelivery of the vessel until the minimum agreed redelivery date, April 4, 2016.

11 Based on latest information.

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

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

	Three months ended June 30,		Six months ended June 30,	
	2016	2015	2016	2015
<b>STATEMENT OF OPERATIONS DATA (in thousands of US Dollars)</b>				
Time charter revenues	\$ 28,326	\$ 38,569	\$ 59,118	\$ 80,575
Voyage expenses	3,562	4,127	10,318	9,052
Vessel operating expenses	21,933	21,333	43,874	43,122
Net loss	(31,285)	(14,058)	(62,670)	(24,820)
Net loss attributed to common stockholders	(32,727)	(15,500)	(65,554)	(27,705)
<b>FLEET DATA</b>				
Average number of vessels	45.6	40.3	44.4	40.1
Number of vessels	46.0	41.0	46.0	41.0
Weighted average age of vessels	7.7	7.2	7.7	7.2
Ownership days	4,147	3,670	8,078	7,258
Available days	4,125	3,583	8,005	7,103
Operating days	4,099	3,519	7,943	7,006
Fleet utilization	99.4%	98.2%	99.2%	98.6%
<b>AVERAGE DAILY RESULTS</b>				
Time charter equivalent (TCE) rate (1)	\$ 6,003	\$ 9,613	\$ 6,096	\$ 10,069
Daily vessel operating expenses (2)	\$ 5,289	\$ 5,813	\$ 5,431	\$ 5,941

(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

The Company's management will conduct a conference call and simultaneous Internet webcast to review these results at 9:00 A.M. (Eastern Time) on Thursday, July 28, 2016.

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 13639636.

## About the Company

Diana Shipping Inc. is a 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)

**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 LOSS**

	<b>Three months ended June 30,</b>		<b>Six months ended June 30,</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>REVENUES:</b>				
Time charter revenues	\$ 28,326	\$ 38,569	\$ 59,118	\$ 80,575
<b>EXPENSES:</b>				
Voyage expenses	3,562	4,127	10,318	9,052
Vessel operating expenses	21,933	21,333	43,874	43,122
Depreciation and amortization of deferred charges	20,309	18,818	40,314	37,264
General and administrative expenses	6,465	6,185	12,743	11,897
Management fees to related party	360	-	720	-
Foreign currency loss / (gain)	(86)	44	75	(481)
<b>Operating loss</b>	<u>(24,217)</u>	<u>(11,938)</u>	<u>(48,926)</u>	<u>(20,279)</u>
<b>OTHER INCOME / (EXPENSES):</b>				
Interest and finance costs	(5,586)	(3,351)	(10,611)	(5,893)
Interest and other income	541	928	1,097	1,801
Gain / (loss) from equity method investments	(2,022)	303	(4,230)	(449)
<b>Total other expenses, net</b>	<u>(7,067)</u>	<u>(2,120)</u>	<u>(13,744)</u>	<u>(4,541)</u>
<b>Net loss</b>	<u>\$ (31,284)</u>	<u>\$ (14,058)</u>	<u>\$ (62,670)</u>	<u>\$ (24,820)</u>
<b>Dividends on series B preferred shares</b>	<u>(1,442)</u>	<u>(1,442)</u>	<u>(2,884)</u>	<u>(2,885)</u>
<b>Net loss attributed to common stockholders</b>	<u>(32,726)</u>	<u>(15,500)</u>	<u>(65,554)</u>	<u>(27,705)</u>
<b>Loss per common share, basic and diluted</b>	<u>\$ (0.41)</u>	<u>\$ (0.19)</u>	<u>\$ (0.82)</u>	<u>\$ (0.35)</u>
<b>Weighted average number of common shares, basic and diluted</b>	<u>80,534,351</u>	<u>79,562,705</u>	<u>80,287,498</u>	<u>79,412,074</u>
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Net loss</b>	\$ (31,284)	\$ (14,058)	\$ (62,670)	\$ (24,820)
Other comprehensive loss (Actuarial loss)	(8)	-	(15)	-
<b>Comprehensive loss</b>	<u>\$ (31,292)</u>	<u>\$ (14,058)</u>	<u>\$ (62,685)</u>	<u>\$ (24,820)</u>



**CONDENSED CONSOLIDATED BALANCE SHEET DATA**

(in thousands of U.S. Dollars)

	<u>June 30, 2016</u> (unaudited)	<u>December 31, 2015</u>	*
<b>ASSETS</b>			
Cash and cash equivalents	\$ 125,638	\$ 171,718	
Other current assets	19,586	21,795	
Advances for vessels under construction and acquisitions and other vessel costs	50,631	44,514	
Vessels' net book value	1,442,470	1,440,803	
Other fixed assets, net	23,303	23,489	
Compensating cash balance	23,000	21,500	
Due from related parties, non-current	41,250	43,750	
Equity method investments	58,161	62,487	
Other non-current assets	6,662	6,909	
<b>Total assets</b>	<u>\$ 1,790,701</u>	<u>\$ 1,836,965</u>	
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>			
Long-term debt, net of deferred financing costs	\$ 618,689	\$ 600,071	
Other liabilities	15,032	18,528	
Total stockholders' equity	1,156,980	1,218,366	
<b>Total liabilities and stockholders' equity</b>	<u>\$ 1,790,701</u>	<u>\$ 1,836,965</u>	

\* The balance sheet data as of December 31, 2015 has been derived from the audited consolidated financial statements at that date.

**OTHER FINANCIAL DATA (unaudited)**

	<u>Three months ended June 30,</u>		<u>Six months ended June 30,</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Net Cash provided by/(used in) operating activities	\$ (4,192)	\$ 5,833	\$ (13,625)	\$ 14,266
Net Cash used in investing activities	(19,010)	(29,262)	(45,558)	(76,867)
Net Cash provided by financing activities	\$ 309	\$ 66,656	\$ 13,103	\$ 117,451