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**DIANA SHIPPING INC. ANNOUNCES DEVELOPMENTS
RELATED TO THE PURCHASE OF THREE PANAMAX VESSELS**

ATHENS, GREECE, March 22, 2016 – Diana Shipping Inc. (NYSE: [DSX](#)), (the “Company”), a global shipping company specializing in the ownership of dry bulk vessels, today announced that the aggregate purchase price of the three Panamax vessels, m/v Infinity 9 (tbr. “Ismene”), m/v Manzoni (tbr. “Maera”) and m/v Sunshine (tbr. “Selina”), was reduced from US\$39.8 million, initially agreed in February 2016, to US\$39.265 million, through the signing of two addenda.

In addition, the Company announced that it signed, through two separate wholly-owned subsidiaries, a term sheet with ABN AMRO Bank N.V. for a term loan facility of up to US\$25.755 million to finance the entire acquisition cost of m/v Infinity 9, that was delivered to the Company yesterday, and m/v Sunshine, that is expected to be delivered to the Company by the end of March 2016.

The m/v Infinity 9 is chartered to Glencore Grain B.V., Rotterdam at a gross charter rate of US\$7,825 per day minus a 5% commission paid to third parties, for a period of up to minimum June 24, 2016 to maximum October 24, 2016. This employment is anticipated to generate approximately US\$0.74 million of gross revenue for the minimum scheduled period of the time charter.

The m/v Infinity 9 is a 77,901 dwt Panamax dry bulk vessel built in 2013.

Separately, the Company also announced that consummation of the purchase of m/v Manzoni is still subject to the Company obtaining bank financing from the sellers’ existing lenders, for substantially all of the purchase price of the vessel.

Including the newly delivered m/v Infinity 9, Diana Shipping Inc.’s fleet currently consists of 44 dry bulk vessels (2 Newcastlemax, 14 Capesize, 3 Post-Panamax, 4 Kamsarmax and 21 Panamax). The Company also expects to take delivery of one Panamax dry bulk vessel by the end of March 2016, one Panamax dry bulk vessel by the

end of April 2016, one new-building Newcastlemax dry bulk vessel during the third quarter of 2016, as well as one new-building Newcastlemax dry bulk vessel and one new-building Kamsarmax dry bulk vessel during the fourth quarter of 2016. As of today, the combined carrying capacity of the Company's fleet, excluding the five vessels not yet delivered, is approximately 5.1 million dwt with a weighted average age of 7.49 years. A table describing the current Diana Shipping Inc. fleet can be found on the Company's website, www.dianashippinginc.com. Information contained on the Company's website does not constitute a part of this press release.

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.