

**Corporate Contact:**  
Ioannis Zafirakis  
Director and Vice-President  
Telephone: + 30-210-9470100

For Immediate Release

**Investor and Media Relations:**  
Edward Nebb  
Euro RSCG Magnet  
Telephone: + 1-212-367-6848

**DIANA SHIPPING INC. REPORTS NET INCOME  
FOR FIRST QUARTER OF 2005  
AND DECLARES DIVIDEND FOR  
THE 14-DAY STUB PERIOD ENDED MARCH 31, 2005**

ATHENS, GREECE, May 5, 2005 – Diana Shipping Inc. (NYSE: DSX), a global shipping transportation company specializing in dry bulk cargoes, today reported net income of \$14.6 million for the first quarter of 2005. This represents an increase of \$7.4 million or 103% compared to net income of \$7.2 million recorded in the first quarter of 2004.

**Dividend declaration**

The Company has declared a cash dividend on its common stock of \$0.08 per share, based on the Company's operations during the 14-day stub period from March 18, when its shares started trading on the New York Stock Exchange, to March 31, 2005. The cash dividend will be payable on June 2, 2005 to all shareholders of record as at May 16, 2005. The company has 40 million shares of common stock outstanding.

During this 14-day stub period, which followed the pricing of the Company's initial public offering of common stock, there were nine vessels operating as compared to ten vessels expected to be operating in the fleet after the delivery of a newbuilding panamax bulk carrier in May 2005.

## Fleet Employment Profile

Currently Diana's fleet is employed as follows:

Vessel's name	Employment	Expiration <sup>2</sup>
Alcyon	(TC) \$ 22,582	Oct. 15, 2007
Calipso	(TC) \$ 40,000	Jul. 5, 2005
Clio <sup>1</sup>	(TC) \$ 19,800	July 11, 2005
Danae	(TC) \$ 30,000	Jan. 13, 2007
Dione	(TC) \$ 32,500	Nov. 4, 2005
Nirefs	(TC) \$ 40,000	Aug. 6, 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

The Company's fleet is fully employed on time charters for the whole of the second quarter of 2005.

<sup>1</sup>Expected delivery from shipyard on May 9, 2005

<sup>2</sup>Assuming earliest redelivery

## Summary of Selected Financials & Other Data

	Three Months Ended	
	2005	2004
INCOME STATEMENT DATA (in thousands of US Dollars):		
Voyage and time charter revenues	23,906	12,301
Voyage expenses	1,634	836
Vessel operating expenses	3,176	1,943
Net income	14,555	7,248
FLEET DATA:		
Average number of vessels	8.0	6.0
Number of vessels	9.0	6.0
Weighted average age of the fleet	3.8	3.1
Ownership days	723	546
Available days	723	546
Operating days	718	544
Fleet utilization	99.3%	99.6%
AVERAGE DAILY RESULTS:		
Time charter equivalent (TCE) rate	30,805	20,998
Daily voyage operating expenses	4,393	3,559

**Webcast Information**

Diana Shipping Inc. will conduct a conference call and webcast at 10:30 A.M. Eastern Time on Friday, May 6, 2005, to discuss these financial results. Investors may access the webcast on the Company's website at [www.dianashippinginc.com](http://www.dianashippinginc.com) by clicking on the webcast link. The webcast also is accessible at [www.viavid.net](http://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 soon after the completion of the call and will be accessible on both [www.dianashippinginc.com](http://www.dianashippinginc.com) and [www.viavid.net](http://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 6015089.

**About the Company**

Diana Shipping Inc. 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. priced its initial public offering of common stock on March 17, 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)

	<b>Three months ended</b>	
	<b>March 31,</b>	
	<b>2005</b>	<b>2004</b>
<b>REVENUES:</b>		
Revenue from vessels	\$ 23,906	\$ 12,301
<b>EXPENSES:</b>		
Voyage expenses	1,634	836
Vessel operating expenses	3,176	1,943
Depreciation	1,879	1,200
Management fees	363	216
General and administrative expenses	772	384
Foreign currency gains	(8)	-
<b>Operating income</b>	<b>16,090</b>	<b>7,722</b>
<b>OTHER INCOME (EXPENSES):</b>		
Interest and finance costs, net	(1,677)	(489)
Interest income	142	15
<b>Total other income (expenses), net</b>	<b>(1,535)</b>	<b>(474)</b>
<b>Net income</b>	<b>\$ 14,555</b>	<b>\$ 7,248</b>
<b>Earnings per common share, basic and diluted</b>	<b>\$ 0.49</b>	<b>\$ 0.26</b>
<b>Weighted average number of common shares</b>	<b>29,550,000</b>	<b>27,625,000</b>

**BALANCE SHEET DATA**

	<b>March 31,</b>	<b>December 31,</b>
	<b>2005</b>	<b>2004</b>
<b><u>ASSETS</u></b>		
Cash and cash equivalents	\$ 35,329	\$ 1,758
Other current assets	1,376	1,791
Advances for vessels under construction and acquisitions and other vessel costs	6,698	19,234
Vessels' net book value	215,742	132,853
Other non-current assets	100	-
<b>Total assets</b>	<b>\$ 259,245</b>	<b>\$ 155,636</b>

**LIABILITIES AND STOCKHOLDERS' EQUITY**

<b>CURRENT LIABILITIES:</b>		
Current liabilities, including current portion of long term debt	\$ 5,182	\$ 11,344
Long-term debt, net of current portion	-	85,168
Other non-current liabilities	234	72
Total stockholders' equity	253,829	59,052
<b>Total liabilities and stockholders' equity</b>	<b>\$ 259,245</b>	<b>\$ 155,636</b>

**OTHER FINANCIAL DATA**

	<b>Three months ended</b>	
	<b>March 31,</b>	
	<b>2005</b>	<b>2004</b>
Net cash from operating activities	\$ 17,850	\$ 8,508
Net cash used in investing activities	\$ (72,232)	\$ (5,392)
Net cash from / (used in) financing activities	\$ 87,869	\$ (1,931)