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**DIANA SHIPPING INC. REPORTS FINANCIAL RESULTS
FOR THE FIRST QUARTER ENDED MARCH 31, 2006**

DECLARES CASH DIVIDEND OF \$0.345 PER SHARE FOR THE FIRST QUARTER

CONFERENCE CALL AND WEBCAST TO BE HELD ON MAY 12, 2006

ATHENS, GREECE, May 11, 2006 – Diana Shipping Inc. (NYSE: DSX), a global shipping transportation company specializing in dry bulk cargoes, today reported net income of \$11.7 million for the three months ended March 31, 2006 compared to \$14.6 million for the same period of 2005. Voyage and time charter revenues were \$24.2 million for the three months ended March 31, 2006, compared to \$23.9 million for the same period of 2005. Voyage and time charter revenues and net income reported for the first quarter of 2006 have been reduced by \$0.8 million, reflecting the non-cash amortization of the prepaid time charter revenue of the vessel Thetis.

Dividend declaration

The Company has declared a cash dividend on its common stock of \$0.345 per share, based on the Company's results from operations during the quarter ended March 31, 2006. The cash dividend will be payable on or about June 8, 2006 to all shareholders of record as of May 18, 2006. The Company has 45 million shares of common stock outstanding.

During the quarter ended March 31, 2006, there were 12.7 vessels on average operating in the Company's fleet, as compared with 8.0 vessels during the corresponding period of 2005.

Fleet Employment Profile

Currently Diana's fleet is employed as follows:

<u>Name</u>	<u>Sister ships³</u>	<u>Year Built</u>	<u>DWT</u>	<u>Employment¹</u>	<u>Expiration²</u>
Nirefs	A	2001	75,311	4TCs Average + 4.5% ⁴	Mar 04, 2006
Alcyon	A	2001	75,247	\$ 22,582	Oct 15, 2007
Triton	A	2001	75,336	\$18,250	May 12, 2006
Oceanis	A	2001	75,211	\$17,000	May 20, 2006
Dione	A	2001	75,172	\$16,300	June 10, 2006
Danae	A	2001	75,106	\$ 30,000	Jan 13, 2007
Protefs	B	2004	73,630	4TCs Average ⁴	Jan 04, 2007
Calipso	B	2005	73,691	4TCs Average ⁴	Dec 21, 2007
Clio	B	2005	73,691	4TCs Average +\$850 ⁴	Jan 02, 2007
Thetis	B	2004	73,583	\$ 25,000	Jul 19, 2007
Erato	C	2004	74,444	\$ 21,000	Oct 22, 2006
Coronis	C	2006	74,381	\$ 21,000	Dec 27, 2006
Pantelis SP	-	1999	169,883	\$ 47,500	Jan 25, 2008
		Total:	1,064,686		

¹ Gross Time Charter Rate per day.

² Estimated dates assuming earliest redelivery by charterers.

³ Each vessel is a sister ship of the other vessels that have the same letter.

⁴ Adjustable every 15 days based on the average of four main pre-determined time charter routes, as published by the Baltic Exchange.

Summary of Selected Financial & Other Data

	Three Months Ended March 31,	
	2006	2005
	(unaudited)	(unaudited)
INCOME STATEMENT DATA (in thousands of US Dollars):		
Voyage and time charter revenues	\$ 24,179	\$ 23,906
Voyage expenses	1,755	1,634
Vessel operating expenses	4,927	3,176
Net income	11,716	14,555
FLEET DATA		
Average number of vessels	12.7	8.0
Number of vessels at the end of the period	13.0	9.0
Weighted average age of fleet (in years)	3.8	3.8
Ownership days	1,146	723
Available days	1,112	723
Operating days	1,108	718
Fleet utilization	99.6%	99.3%
AVERAGE DAILY RESULTS		
Time charter equivalent (TCE) rate (1)	\$ 20,165	\$ 30,805
Daily vessel operating expenses (2)	\$ 4,299	\$ 4,393

- (1) Time charter equivalent rates, or TCE rates, are defined as our voyage and 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 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 webcast to review these results at 10:00 A.M. (Eastern Time) on Friday, May 12, 2006.

Investors may access the webcast by visiting the Company's website at www.dianashippinginc.com, and clicking on the webcast link. The webcast also is accessible at www.viavid.net, by clicking on the Diana Shipping link under "Events". The conference call also may be accessed by telephone by dialing 1-877-692-2086 (for U.S.-based callers) or 1-973-935-8599 (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 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 7358810.

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. 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, per day and fleet data

CONSOLIDATED STATEMENTS OF INCOME

	Three Months Ended March 31,	
	2006	2005
	(unaudited)	(unaudited)
REVENUES:		
Voyage and time charter revenues	\$ 24,179	\$ 23,906
EXPENSES:		
Voyage expenses	1,755	1,634
Vessel operating expenses	4,927	3,176
Depreciation and amortization of deferred charges	3,757	1,879
Management fees	572	363
Executive management services and rent	76	342
General and administrative expenses	824	430
Foreign currency losses (gains)	10	(8)
Operating income	<u>12,258</u>	<u>16,090</u>
OTHER INCOME (EXPENSES):		
Interest and finance costs, net	(785)	(1,677)
Interest Income	243	142
Total other income (expenses), net	<u>(542)</u>	<u>(1,535)</u>
Net Income	<u>\$ 11,716</u>	<u>\$ 14,555</u>
Earnings per common share, basic and diluted	<u>\$ 0.26</u>	<u>\$ 0.49</u>
Weighted average number of common shares, basic and diluted	<u>45,000,000</u>	<u>29,550,000</u>

BALANCE SHEET DATA

	March 31,	December 31,
	2006	2005
	(unaudited)	
<u>ASSETS</u>		
Cash and cash equivalents	19,418	21,230
Other current assets	5,319	5,367
Advances for vessels under construction and acquisitions and other vessel costs	-	4,221
Vessels' net book value	345,840	307,305
Other non-current assets	3,408	3,826
Total assets	<u>\$ 373,985</u>	<u>\$ 341,949</u>
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
Current liabilities, including current portion of long term debt	4,619	4,667
Long-term debt, net of current portion	51,169	12,859
Other non-current liabilities	247	265
Total stockholders' equity	317,950	324,158
Total liabilities and stockholders' equity	<u>\$ 373,985</u>	<u>\$ 341,949</u>

OTHER FINANCIAL DATA

	Three Months Ended March 31,	
	2006	2005
	(unaudited)	(unaudited)
Net cash from operating activities	\$ 15,605	\$ 17,754
Net cash used in investing activities	(37,917)	(72,232)
Net cash from financing activities	20,500	88,049