

***Corporate Contact:***

Ioannis Zafirakis

Director and Vice-President

Telephone: + 30-210-9470100

[izafirakis@dianashippinginc.com](mailto:izafirakis@dianashippinginc.com)

***Investor and Media Relations:***

Edward Nebb

Euro RSCG Magnet

Telephone: + 1-212-367-6848

[ed.nebb@eurorscg.com](mailto:ed.nebb@eurorscg.com)

**Diana Shipping Inc. Announces Exercise of Over-Allotment Option**

ATHENS, GREECE, June 14, 2006 – Diana Shipping Inc. (NYSE: DSX) today announced that the underwriters of its follow-on offering of 7,000,000 common shares that was priced on June 8, 2006, exercised in full an over-allotment option granted to the underwriters by the Company. The Company will sell an additional 1,050,000 common shares as a result of the over-allotment exercise. Following the exercise of the over-allotment, the Company will have 53,050,000 shares of common stock outstanding.

A portion of the net proceeds of the offering will be used to fund, as previously announced, the purchase of the Panamax bulk carrier that is expected to be delivered to the Company in July 2006. The balance of the net proceeds will be used to repay indebtedness and any amounts not used for such purposes will be applied to general corporate purposes.

Bear, Stearns & Co. Inc. and Wachovia Capital Markets, LLC are the joint global coordinators and joint book-running managers for the offering.

A registration statement relating to these securities has been filed with and declared effective by the Securities and Exchange Commission. This communication shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction. A copy of the final prospectus may be obtained from the offices of Bear, Stearns & Co. Inc. at 383 Madison Avenue, New York, New York 10179, Attention: Prospectus Department or from Wachovia Capital Markets, LLC at 375 Park Avenue, New York, NY 10152.

**About Diana Shipping Inc.**

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. The Company currently owns twelve modern Panamax bulk carriers and one modern Capesize bulk carrier and has exercised an option to purchase one additional Panamax bulk carrier that it expects to take delivery of in July 2006. Diana Shipping Inc. priced its initial public offering of common stock on March 17, 2005.