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**DIANA SHIPPING INC. ANNOUNCES OFF HIRE DAYS IN CONNECTION  
WITH AN INCIDENT PERTAINING TO MV CORONIS**

ATHENS, GREECE, March 2, 2007 – Diana Shipping Inc. (NYSE: DSX), a global shipping company specializing in the transportation of dry bulk cargoes, today announced that the employment of one of its Panamax bulk carriers, the MV Coronis, has been temporarily disrupted due to a grounding incident during a ballast trip towards her next loading port in the Baltic Sea. The vessel suffered minor damage to the hull with no pollution resulting from the grounding and subsequent re-floating.

The vessel is on her way to a ship repair yard in Poland for dry-docking and hull repairs.

The ballast trip together with delays caused by the incident and consequent repairs are expected to result in approximately 22 days off-hire, which can be translated into an approximately \$605,000 reduction in the Company's gross revenues. The repair and other expenses are currently estimated to be in the region of \$500,000. All repair costs and related expenses in excess of \$100,000 are expected to be covered under the vessel's Hull and Machinery Insurance Policy.

The MV Coronis is a 74,381 dwt Panamax dry bulk carrier built in 2006.

**About the Company**

Diana Shipping Inc. (NYSE: DSX) 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.

**Cautionary Statement Regarding Forward-Looking Statement**

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," "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.

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