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DIANA SHIPPING INC. ANNOUNCES FOLLOW-ON OFFERING

ATHENS, GREECE, March 19, 2007 – Diana Shipping Inc. (NYSE: DSX) announced today that it is commencing a public offering of 8,250,000 shares of its common stock under the Company's effective shelf registration statement. In addition, certain of the Company's shareholders will be offering up to 2,250,000 shares. J.P. Morgan Securities Inc. and Wachovia Capital Markets, LLC will act as joint bookrunning managers. In connection with the offering, the underwriters will be granted a 30-day option to purchase from the Company up to 1,575,000 additional shares of common stock to cover any over-allotments.

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.

The offering of these securities will be made only by means of a prospectus and related prospectus supplement. When available, copies of the prospectus and prospectus supplement relating to the offering may be obtained from J.P. Morgan Securities Inc. at National Statement Processing, Prospectus Library, 4 Chase Metrotech Center, CS Level, Brooklyn, NY 11245, telephone: 718-242-8002 or Wachovia Capital Markets, LLC at 375 Park Avenue, New York, NY 10152, telephone: 800-326-5897.

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 thirteen modern Panamax and two Capesize dry bulk carriers and has agreed to acquire four additional Capesize dry bulk carriers.

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