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DIANA SHIPPING INC. ANNOUNCES NEW LONG TERM TIME CHARTER CONTRACT WITH B.H.P. BILLITON

ATHENS, Greece, April 24, 2007 - Diana Shipping Inc. (NYSE:DSX), a global shipping transportation company specializing in dry bulk cargoes, today announced that it has entered into a long term time charter contract with B.H.P. Billiton Marketing A.G. of Baar, Switzerland for the dry bulk carrier Capesize newbuilding Hull No. H1043. The vessel, approximately 177,000 dwt, is currently being constructed by Shanghai Waigaoqiao Shipbuilding Co., Ltd. and the Company expects to take delivery in November 2007.

The charter contract provides for an approximately 47 to 49 month period at a fixed gross rate of \$52,000 per day. The charterer has the option to employ the vessel for a further 11-13 month period at the same daily gross charter rate. The charter is expected to commence immediately after the delivery of the vessel to the Company.

During the minimum period of approximately four years, this employment is expected to generate gross revenues of approximately \$75 million. If the charterer exercises its option for the fifth year, the charter is expected to generate gross revenues of approximately \$93 million over the entire period.

Diana Shipping Chairman and Chief Executive Officer, Simeon Palios, commented: "Once again Diana Shipping Inc. has demonstrated its ability to acquire and employ a vessel on terms that are accretive to the dividend per share. We believe that in the current market, Capesize vessel prices are justified when an owner can charter the vessels for long periods at attractive rates. In our view, first class charterers are usually prepared to enter into long term relationships only with companies that they consider well-established having stable earnings and no extensive liabilities."

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.

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," "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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