

Corporate Contact:

Ioannis Zafirakis
Director and Vice-President
Telephone: + 30-210-9470100
izafirakis@dianashippinginc.com

Investor and Media Relations:

Edward Nebb
Euro RSCG Magnet
Telephone: + 1-212-367-6848
ed.nebb@eurorscg.com

Diana Shipping Inc. Announces Exercise of Over-Allotment Option in Follow-on Offering

ATHENS, GREECE, April 13, 2007 – Diana Shipping Inc. (NYSE: DSX) today announced that the underwriters of its follow-on offering of an aggregate of 10,500,000 common shares, which closed on April 3, 2007, exercised in full an over-allotment option granted to them by the Company. The Company will sell an additional 1,575,000 common shares as a result of the over-allotment exercise at the public offering price of \$17.00 per share and will receive additional net proceeds of \$25,570,125. Following the exercise of the over-allotment, the Company will have 62,875,000 common shares outstanding.

J.P. Morgan Securities Inc. and Wachovia Capital Markets, LLC acted as joint bookrunning managers of 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. The offering of these securities will be made only by means of a prospectus and related prospectus supplement. 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 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.

#