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DIANA SHIPPING INC. ANNOUNCES DELIVERY OF CAPE SIZE BULK CARRIER AND COMMENCEMENT OF TIME CHARTER WITH CARGILL

ATHENS, GREECE, May 1, 2007 - Diana Shipping Inc. (NYSE: DSX), a global shipping transportation company specializing in dry bulk cargoes, today announced that the Company has taken delivery of the 180,235 dwt Capesize dry bulk carrier, to be renamed "Aliko", built in 2005 by Imabari Shipbuilding Co., Saijo Shipyard. The agreement to purchase this vessel was originally announced on March 6, 2007.

As previously announced, the Company has entered into a time charter contract with Cargill International S.A. for the Aliko for a minimum 46 to maximum 49 month period at an average rate of \$48,500 per day. During the first two years of the charter the gross daily charter hire rate will be \$52,000 and during the third and fourth years of the charter \$45,000. The charterer has the option to employ the vessel for a further 11 to 13 month period at a daily charter rate of \$48,500. The charter commenced on May 1, 2006.

During the initial four years, this employment is expected to generate gross revenues of approximately \$69 million. If the charterer exercises its option for the fifth year, the charter is expected to generate aggregate gross revenues of approximately \$86 million over the entire period.

Including the newly-delivered Aliko, the Diana Shipping fleet currently consists of 16 vessels (13 Panamax and 3 Capesize). Four additional Capesize vessel newbuildings also have been announced, one of which is expected to be delivered in June 2007, another in November 2007, and two others in the second quarter of 2010. The Company also has agreed to sell one older Capesize vessel. An up-to-date table describing the Diana Shipping fleet can be found on the Company's website, www.dianashippinginc.com

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, vessel 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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