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**Diana Shipping Inc. Announces Pricing of Common Stock Offering**

ATHENS, GREECE, September 21, 2007 – Diana Shipping Inc. (NYSE: DSX) today announced the pricing of its previously announced underwritten public offering of 10,000,000 shares of common stock at a price to the public of \$25.00 per share. All of the shares are being offered by the Company and are expected to be delivered at the closing on September 26, 2007.

Wachovia Capital Markets, LLC and J.P. Morgan Securities Inc. are acting as joint bookrunning managers. In connection with the offering, the underwriters have been granted a 30-day option to purchase from the Company up to 1,500,000 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. Copies of the prospectus and prospectus supplement relating to the offering may be obtained from Wachovia Capital Markets, LLC at 375 Park Avenue, New York, NY 10152, telephone: 800-326-5897, or J.P. Morgan Securities Inc. at National Statement Processing, Prospectus Library, 4 Chase Metrotech Center, CS Level, Brooklyn, NY 11245, telephone: 718-242-8002.

**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 and operates thirteen modern Panamax dry bulk carriers and three Capesize dry bulk carriers. The delivery of one newbuilding Capesize dry bulk carrier is scheduled for November 2007, with two additional newbuilding Capesize dry bulk carriers scheduled for delivery in 2010.

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