

***Corporate Contact:***

Ioannis Zafirakis

Director, Executive Vice-President and Secretary

Telephone: + 30-210-9470100

Email: [izafirakis@dianashippinginc.com](mailto:izafirakis@dianashippinginc.com)

***Investor and Media Relations:***

Edward Nebb

Comm-Counsellors, LLC

Telephone: + 1-203-972-8350

Email: [enebb@optonline.net](mailto:enebb@optonline.net)

**DIANA SHIPPING INC. ANNOUNCES PRICING  
OF COMMON STOCK OFFERING**

ATHENS, GREECE, May 7, 2009 – Diana Shipping Inc. (the “Company”) (NYSE: DSX), a global shipping company specializing in the transportation of dry bulk cargoes, today announced a public offering of 6,000,000 shares of its common stock at a price to the public of \$16.85 per share. All of the shares are being offered by the Company and are expected to be delivered at the closing on May 12, 2009.

UBS Investment Bank is acting as the sole underwriter for the offering. In connection with the offering, the underwriter has been granted a 30-day option to purchase from the Company up to 900,000 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 and sale 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 UBS Investment Bank, Attn: Prospectus Department, 299 Park Avenue, New York, New York 10171, or by calling (888) 827-7275.

**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.

## **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,” “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.