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**DIANA SHIPPING INC. SUBSIDIARY AGREES TO ACQUIRE
CONTAINERSHIPS**

ATHENS, Greece, June 21, 2010 - Diana Shipping Inc. (NYSE:DSX), a global shipping company specializing in the transportation of dry bulk cargoes, today announced that Diana Containerships Inc., its majority-owned subsidiary formed for the purpose of investing in containerships, has entered into agreements to acquire two 3,400 TEU newbuilding containerships built at TKMS Blohm + Voss Nordseewerke GmbH, Emden, Germany from a third-party seller for a purchase price of Euro 37,300,000 each (approximately US\$45.5 million based on the Euro/Dollar exchange rate as of June 8, 2010).

The first vessel is scheduled to be delivered to Diana Containerships Inc. by June 25, 2010, and the second is scheduled to be delivered between July 5 and July 15, 2010. Upon delivery, the first vessel is scheduled to be employed on charter with A.P. Møller-Maersk A/S for a period of minimum nine (9) to maximum twelve (12) months at a gross daily rate of US\$16,000.

As previously announced, Diana Shipping has made an investment of US\$50 million in Diana Containerships Inc., representing approximately 55% of the issued and outstanding shares of the new entity, with the balance of the common shares held by institutional and accredited investors that acquired the shares in a private transaction.

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," "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.