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**DIANA SHIPPING INC. MAJORITY OWNED SUBSIDIARY TAKES  
DELIVERY OF THE TWO PREVIOUSLY ANNOUNCED CONTAINERSHIP  
VESSELS**

ATHENS, Greece, July 26, 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, took delivery of the two 3,400 TEU newbuilding containerships built at TKMS Blohm + Voss Nordseewerke GmbH, Emden, Germany from a third-party seller.

The first vessel (MV Sagitta) was delivered on June 29, 2010, and the second (MV Centaurus) was delivered on July 9, 2010. MV Sagitta is currently 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. MV Centaurus is currently employed on charter with Hapag Lloyd AG, Hamburg for a gross daily rate of US\$8,400 for minimum thirty (30) to maximum sixty (60) days and thereafter will be chartered to CSAV, Valparaiso for a period of about twenty four (24) months plus or minus forty five (45) days at a gross daily rate of US\$20,000.

These employments are anticipated to generate approximately US\$18 million of gross revenue for the minimum scheduled period of the charters.

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.

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