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**DIANA SHIPPING INC. ANNOUNCES TIME CHARTER CONTRACT
FOR M/V DANAE**

ALSO ANNOUNCES FILING OF 2010 ANNUAL REPORT

ATHENS, GREECE, April 5, 2011 – Diana Shipping Inc. (NYSE: DSX), a global shipping company specializing in the transportation of dry bulk cargoes, today announced that it has entered into a time charter contract with Hyundai Merchant Marine Co., Ltd., Seoul, South Korea for one of its Panamax dry bulk carriers, the m/v Danae, at a gross charter rate of US\$15,600 per day, minus a 5% commission paid to third parties, for a period of minimum twenty-three (23) months to maximum twenty-five (25) months. The charter is expected to commence by the end of April, 2011.

This employment is anticipated to generate approximately US\$11 million of gross revenue for the minimum scheduled period of the charter. The m/v Danae is a 75,106 dwt Panamax dry bulk carrier built in 2001.

Separately, the Company also announced today that it has filed its 2010 Annual Report on Form 20-F with the United States Securities and Exchange Commission on March 31, 2011. The report is available for download on the Company's website, www.dianashippinginc.com. Any shareholder may receive a hard copy of the Company's complete Annual Report, which includes the Company's complete 2010 audited financial statements, free of charge upon request.

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.