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DIANA SHIPPING INC. ANNOUNCES TERMINATION OF CHARTER

ATHENS, GREECE, November 27, 2013 – Diana Shipping Inc. (NYSE: DSX), (the “Company”), a global shipping company specializing in the ownership of dry bulk vessels, today announced that its wholly-owned vessel subsidiary Gala Properties Inc. has received a notice from the charterers of the M/V “Houston” claiming that they are entitled to terminate the charter effective November 26, 2013 for purported breaches by the owners. The Company believes that the owners have fully performed under the terms of the charter since its inception and that the charterers have no basis for the purported termination of the charter. The charterers have not previously alleged breaches by the owners. In contrast, payments by charterers under the charter have been late on numerous occasions.

Despite efforts by the owners to resolve the dispute with the charterers, the charterers have been unwilling to remedy their breach and anticipatory repudiation and/or renunciation of the charter by withdrawing their wrongful termination and providing the vessel with employment orders in accordance with the charter. Owners have informed charterers that their conduct constitutes a continuing repudiatory and/or renunciatory breach of the charter bringing the charterparty to an end. Owners will now seek to mitigate their losses as a result of the charterers’ breach and reserve all their rights to claim such losses from charterers and/or to take appropriate steps to protect their position.

As it has been previously announced, Gala Properties Inc. has time chartered the vessel to Shagang Shipping Company Limited a guaranteed nominee of the Jiangsu Shagang Group Co., at a gross charter hire rate of \$55,000 per day for a period of a minimum of fifty-nine (59) months and a maximum of sixty-two (62) months. The charter commenced on November 3, 2009 and has an initial termination date of October 3, 2014.

About the Company

Diana Shipping Inc. is a leading global provider of shipping transportation services through its ownership of dry bulk vessels. The Company’s vessels are employed primarily on medium to long-term time charters and transport a range of 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.