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**DIANA SHIPPING INC. ANNOUNCES RESULTS OF HEARING INVOLVING
THE M/V THETIS**

ATHENS, GREECE, December 5, 2013 – Diana Shipping Inc. (NYSE: DSX), (the “Company”), today announced that its subsidiary, Diana Shipping Services S.A. (“DSS”), was sentenced by the United States District Court in Norfolk, Virginia to a fine of \$1,100,000 and a period of probation of three years and six months as a result of a conviction earlier this year by which DSS was held vicariously liable for the illegal acts of the M/V Thetis’s Chief Engineer and 2nd Engineer who were found guilty by the Court of violating several U.S. statutes and regulations in failing to properly handle bilge wastes, maintain required records and for obstruction of justice.

The Director and Treasurer of DSS, Mr Ioannis Zafirakis, stated to the court that DSS has previously undertaken a comprehensive review of its existing Management System and operations, and implemented an Enhanced Environmental Management System, or EEMS, to ensure that all of the vessels managed by DSS are operated in accordance with applicable maritime environmental laws and regulations. Mr Zafirakis also noted that the EEMS has been independently audited and certified as being ISO 14001 compliant and that environmental compliance will continue to be given utmost priority by Diana Shipping Services S.A. He added that DSS intends to continue to transform its corporate culture and operations to make certain that it is a model in the maritime industry for environmental compliance.

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, vessel 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.