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**DIANA SHIPPING INC. PRICES PUBLIC OFFERING OF
\$60.0 MILLION OF ITS 8.875% SERIES B CUMULATIVE REDEEMABLE
PERPETUAL PREFERRED SHARES**

ATHENS, Greece, February 10, 2014 – Diana Shipping Inc. (NYSE:DSX) (the “Company”) today announced that it priced its public offering of 2,400,000 shares of its 8.875% Series B Cumulative Redeemable Perpetual Preferred Shares, par value \$0.01 per share, liquidation preference \$25.00 per share (the “Series B Preferred Shares”) in an underwritten public offering at \$25.00 per share. The gross proceeds from the offering before the underwriting discount and other offering expenses payable by the Company are expected to be \$60.0 million. The Company has granted the underwriters a 30-day option to purchase up to an additional 360,000 Series B Preferred Shares on the same terms and conditions to cover over-allotments, if any. The offering is expected to close on February 14, 2014.

Dividends will be payable on the Series B Preferred Shares at a rate of 8.875% per annum of the stated liquidation preference. The Company has applied to list the Series B Preferred Shares on the New York Stock Exchange under the symbol “DSXPRB.”

The Company plans to use the net proceeds of the offering for general corporate purposes, which may include the repayment of debt and the acquisition of vessels.

Morgan Stanley & Co. LLC, UBS Securities LLC and Deutsche Bank Securities Inc. are acting as the joint bookrunning managers for the offering.

The offering is being made pursuant to the Company’s existing shelf registration statement previously filed with the Securities and Exchange Commission (“SEC”) and declared effective. This offering is being made only by means of a prospectus supplement and accompanying base prospectus. A preliminary prospectus supplement related to the offering has been filed with the SEC and is available on the SEC’s website located at www.sec.gov. When available, copies of the final prospectus supplement and the accompanying prospectus relating to this offering may be obtained from Morgan Stanley & Co. LLC, 180 Varick Street, 2nd Floor, New York, NY 10014, Attention: Prospectus Department, or by calling 1 866 718-1649 or by e-mail at prospectus@morganstanley.com; UBS Securities LLC, 299 Park Avenue, New York, NY 10171, Attention: Prospectus Specialist, or by calling: 1 877 827-6444, ext. 561 3884; or Deutsche Bank Securities Inc., Harborside Financial Center, 100 Plaza One, Floor 2, Jersey City, NJ 07311-3988, Attention: Prospectus Department, or by calling 1 (800) 503-4611 or by email at prospectus.cpdg@db.com.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy these securities, nor shall there be any sale of these securities, in any state or other jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or other jurisdiction.

About Diana Shipping Inc.

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. The Company's common shares trade on the New York Stock Exchange under the symbol "DSX."

Forward-Looking Statements

Certain of the statements made in this press release are forward looking, such as those, among others, relating to the Company's expectations regarding the completion of the proposed public offering. Actual results or developments may differ materially from those projected or implied in these forward-looking statements. Factors that may cause such a difference include, without limitation, risks and uncertainties related to market conditions and the satisfaction of customary closing conditions related to the proposed public offering. There can be no assurance that the Company will be able to complete the proposed public offering on terms satisfactory to it, or at all.