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**DIANA SHIPPING INC. ANNOUNCES PRICING OF \$55 MILLION
OF SENIOR UNSECURED NOTES DUE 2020**

ATHENS, Greece, May 20, 2015 – Diana Shipping Inc. (NYSE: DSX) (the “Company”), a global shipping company specializing in the ownership of dry bulk vessels, announced today that it has priced its \$55 million public offering of senior unsecured notes due 2020 (the “Notes”). The Notes will mature on May 15, 2020, and may be redeemed, in whole or in part, at any time on or after May 15, 2017 at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued and unpaid interest to, but excluding, the redemption date. Prior to May 15, 2017, we may redeem the Notes, in whole or in part, at a price equal to 100% of the principal amount plus a make-whole premium and accrued interest to, but excluding, the date of redemption. The Notes will bear interest at a rate of 8.500% per annum, payable quarterly on each February 15, May 15, August 15 and November 15, commencing on August 15, 2015. The Company has granted the underwriters of the offering a 30-day option to purchase up to an additional \$8,250,000 in aggregate principal amount of the Notes on the same terms and conditions. The offering is expected to close on May 28, 2015. The Company intends to use the net proceeds from the offering for general corporate purposes and working capital, which may include the acquisition of additional new or secondhand vessels or the construction of newbuildings.

The Company’s Chief Executive Officer, Mr. Simeon Palios, or entities affiliated with him, and certain other executive officers of the Company have purchased \$12,750,000 aggregate principal amount of the Notes in this offering at the public offering price.

In connection with this offering, the Company has submitted an application to list the Notes on the New York Stock Exchange (the “NYSE”) under the symbol “DSXN.” If approved for listing, trading on the NYSE is expected to commence within 30 days after the Notes are first issued. The Notes will be issued in minimum denominations of \$25.00 and integral multiples of \$25.00 in excess thereof.

Stifel, Deutsche Bank Securities, Janney Montgomery Scott, BB&T Capital Markets and Wunderlich will act as joint book-running managers for the offering.

When available, copies of the prospectus supplement and accompanying base prospectus related to the offering may be obtained from Stifel, Nicolaus & Company, Incorporated, Attn: Syndicate Department, 1 South Street, 15th Floor, Baltimore, MD 21202, or at 1-855-300-7136 or syndprospectus@stifel.com; and Deutsche Bank Securities Inc., Attn: Prospectus Group, 60 Wall Street, New York, NY 10005, or at 1-800-503-4611 or prospectus.cpdg@db.com.

This press release does not constitute an offer to sell or a solicitation of an offer to buy the securities described herein, nor shall there be any sale of these securities in any state or other jurisdiction in which such an offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. A shelf registration statement relating to the Notes was filed with the SEC and is effective. The offering may be made only by means of a prospectus supplement and accompanying base prospectus.

About the Company

Diana Shipping Inc. is a 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

Certain of the statements made in this press release are "forward-looking statements" as defined by U.S. federal securities laws, such as those, among others, relating to the Company's expectations regarding the completion of the proposed public offering and use of proceeds of the proposed public offering. All forward-looking statements involve risks and uncertainties. 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 and other risks set forth in the prospectus for the offering described herein. 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.