

Corporate Contact:

Ioannis Zafirakis

Director, Executive Vice-President and Secretary

Telephone: + 30-210-947-0100

Email: izafirakis@dianashippinginc.com

Investor and Media Relations:

Edward Nebb

Comm-Counsellors, LLC

Telephone: + 1-203-972-8350

Email: enebb@optonline.net

**DIANA SHIPPING INC. REPORTS FINANCIAL RESULTS
FOR THE THIRD QUARTER AND NINE MONTHS ENDED SEPTEMBER 30, 2011**

BOARD OF DIRECTORS AUTHORIZES A NEW SHARE REPURCHASE PROGRAM

ATHENS, GREECE, November 23, 2011 – Diana Shipping Inc. (NYSE: DSX), a global shipping company specializing in the transportation of dry bulk cargoes, today reported net income of \$26.4 million for the third quarter of 2011, compared to net income of \$33.8 million reported in the third quarter of 2010.

Time charter revenues were \$64.2 million for the third quarter of 2011, compared to \$71.6 million for the same period of 2010, mainly due to reduced average time charter rates and the deconsolidation of Diana Containerships Inc. The decrease in time charter revenues was partly offset by revenues derived from the increase in ownership days resulting from the addition to the Company's fleet of the vessels Alcmena and Arethusa in November 2010 and July 2011, respectively.

Net income to Diana Shipping Inc. for the nine months ended September 30, 2011 amounted to \$87.3 million, compared to net income of \$96.5 million for the same period of 2010. Time charter revenues were \$198.3 million for the nine months ended September 30, 2011, compared to \$202.5 million for the same period of 2010.

Authorization of Share Repurchase Program

The Company has further announced that the Board of Directors has authorized a new share repurchase program for up to U.S. \$100 million of the Company's common shares, which may be repurchased from time to time until December 31, 2012. The new authorization replaces the Company's previous share repurchase program, which was scheduled to expire on December 31, 2011. The Company noted that it did not repurchase any shares under the prior buyback authorization.

Fleet Employment Profile (As of November 18, 2011)

Currently Diana's fleet is employed as follows:

| | Vessel | | Sister Ships* | Gross Rate (USD Per Day) | Com** | Charterer | Delivery Date to Charterer | Redelivery Date to Owners*** | Notes |
|------------------------|----------|--------|------------------|-----------------------------------|-------|---|----------------------------------|------------------------------|-------|
| | BUILT | DWT | | | | | | | |
| Panamax Vessels | | | | | | | | | |
| 1 | CORONIS | | C | \$24,000 | 5.00% | Siba Ships Asia Pte. Ltd. | 6-Apr-10 | 6-Mar-12 - 21-Jun-12 | |
| | 2006 | 74,381 | | | | | | | |
| 2 | ERATO | | C | \$20,500 | | C Transport Panamax Ltd., Isle of Man | 4-Mar-10 | 24-Nov-11 | 1,2 |
| | | | | \$12,200 | 5.00% | Hyundai Merchant Marine Co. Ltd., Seoul, South Korea | 24-Nov-11 | 24-Dec-12 - 8-Apr-13 | 3 |
| | 2004 | 74,444 | | | | | | | |
| 3 | ARETHUSA | | B | \$13,250 | 5.00% | Cargill International S.A., Geneva | 8-Jul-11 | 24-May-12 - 23-Aug-12 | |
| | 2007 | 73,593 | | | | | | | |
| 4 | NAIAS | | B | \$19,750 | 5.00% | J. Aron & Company, New York | 24-Sep-10 | 24-Aug-12 - 24-Oct-12 | |
| | 2006 | 73,546 | | | | | | | |
| 5 | CLIO | | B | \$25,000 | 5.00% | Daelim Corporation, Seoul | 8-May-10 | 8-Apr-12 - 8-Jun-12 | |
| | 2005 | 73,691 | | | | | | | |
| 6 | CALIPSO | | B | \$23,000 | | Cargill International S.A., Geneva | 4-Sep-10 | 20-Jul-11 | |
| | | | | \$13,750 | | | 20-Jul-11 | 11-Oct-11 | 4 |
| | 2005 | 73,691 | | \$12,250 | 5.00% | Louis Dreyfus Commodities S.A., Geneva | 11-Oct-11 | 11-Aug-13 - 11-Dec-13 | 5 |
| 7 | PROTEFS | | B | \$59,000 | 5.00% | Hanjin Shipping Co. Ltd., Seoul | 18-Sep-08 | 6-Aug-11 | 6,7 |
| | 2004 | 73,630 | | \$11,750 | 4,75% | Cargill International S.A., Geneva | 6-Aug-11 | 6-Jul-12 - 6-Oct-12 | |
| 8 | THETIS | | B | \$13,750 | 5.00% | Cargill International S.A., Geneva | 23-Feb-11 | 23-Jan-12 - 23-Apr-12 | |
| | 2004 | 73,583 | | | | | | | |
| 9 | DIONE | | A | \$20,500 | 5.00% | Louis Dreyfus Commodities S.A., Geneva | 26-Sep-10 | 26-Jul-12 - 26-Nov-12 | |
| | 2001 | 75,172 | | | | | | | |
| 10 | DANAE | | A | \$15,600 | 5.00% | Hyundai Merchant Marine Co., Ltd., Seoul, South Korea | 18-Apr-11 | 18-Mar-13 - 18-May-13 | |
| | 2001 | 75,106 | | | | | | | |
| 11 | OCEANIS | | A | \$19,750 | 5.00% | China National Chartering Co. Ltd. (Sinochart), Beijing | 17-Sep-10 | 17-Aug-12 - 1-Nov-12 | |
| | 2001 | 75,211 | | | | | | | |
| 12 | TRITON | | A | \$19,500 | 4.75% | Resource Marine Pte., Ltd, Singapore | 11-Dec-10 | 11-Nov-13 - 11-Feb-14 | 8 |
| | 2001 | 75,336 | | | | | | | |

| | | | | | | | | |
|-----------------------------------|---------------------|---|----------|-------|---|-----------|-----------------------|----------|
| 13 | ALCYON | A | \$34,500 | 4.75% | Cargill International S.A., Geneva | 21-Feb-08 | 21-Nov-12 - 21-Feb-13 | |
| | 2001 75,247 | | | | | | | |
| 14 | NIREFS | A | \$21,000 | 5.00% | Louis Dreyfus Commodities S.A., Geneva | 12-Feb-10 | 12-Dec-11 | 9 |
| | | | \$12,250 | | Morgan Stanley Capital Group Inc. | 12-Dec-11 | 12-Jan-13 - 12-Apr-13 | 10 |
| | 2001 75,311 | | | | | | | |
| 15 | MELITE | | \$16,500 | 5.00% | Cargill International S.A., Geneva | 1-Feb-11 | 1-Jan-13 - 1-Mar-13 | |
| | 2004 76,436 | | | | | | | |
| 16 | VATHY (tbr LETO) | | - | - | - | - | - - - | 11 |
| | 2010 81,297 | | | | | | | |
| Post-Panamax Vessels | | | | | | | | |
| 17 | ALCMENE | | \$20,250 | 5.00% | Cargill International S.A., Geneva | 20-Nov-10 | 5-Oct-12 - 4-Jan-13 | |
| | 2010 93,193 | | | | | | | |
| Capesize Vessels | | | | | | | | |
| 18 | NORFOLK | | \$74,750 | 3.75% | Corus UK Limited | 12-Feb-08 | 12-Jan-13 - 12-Mar-13 | |
| | 2002 164,218 | | | | | | | |
| 19 | ALIKI | | \$26,500 | 5.00% | Minmetals Logistics Group Co. Ltd., Beijing | 1-Mar-11 | 1-Feb-16 - 1-Apr-16 | |
| | 2005 180,235 | | | | | | | |
| 20 | SALT LAKE CITY | | \$55,800 | 5.00% | Refined Success Limited | 28-Sep-07 | 28-Aug-12 - 28-Oct-12 | |
| | 2005 171,810 | | | | | | | |
| 21 | SIDERIS GS | D | \$30,500 | 5.00% | BHP Billiton Marketing AG | 16-Oct-10 | 16-Feb-13 - 16-Jun-13 | 12 |
| | 2006 174,186 | | | | | | | |
| 22 | SEMIRIO | D | \$17,350 | 5.00% | Cargill International S.A., Geneva | 30-May-11 | 15-Mar-13 - 14-Aug-13 | |
| | 2007 174,261 | | | | | | | |
| 23 | BOSTON | D | \$52,000 | 5.00% | BHP Billiton Marketing AG | 13-Nov-07 | 29-Sep-11 | |
| | | | 4TC AVG | 5.00% | BHP Billiton Marketing AG | 29-Sep-11 | 17-Oct-11 | 13 |
| | 2007 177,828 | | \$14,000 | 5.00% | Morgan Stanley Capital Group Inc. | 29-Oct-11 | 29-Aug-13 - 29-Dec-13 | 14,15 |
| 24 | HOUSTON | D | \$55,000 | 4.75% | Shagang Shipping Co. | 3-Nov-09 | 3-Oct-14 - 3-Jan-15 | 16 |
| | 2009 177,729 | | | | | | | |
| 25 | NEW YORK | D | \$48,000 | 3.75% | Nippon Yusen Kaisha, Tokyo (NYK) | 3-Mar-10 | 3-Jan-15 - 3-May-15 | |
| | 2010 177,773 | | | | | | | |
| Vessels Under Construction | | | | | | | | |
| 26 | LOS ANGELES | E | \$18,000 | 5.00% | EDF Trading Limited, London | 29-Feb-12 | 29-Dec-15 - 29-Apr-16 | 17,18,20 |
| | 2012 206,000 | | | | | | | |

| | | | | | | | | |
|----|--------------|---|----------|-------|--------------------------------|-----------|-----------------------|----------|
| 27 | PHILADELPHIA | E | \$18,000 | 5.00% | EDF Trading Limited, London | 30-Apr-12 | 30-Dec-15 - 30-Jun-16 | 17,19,20 |
| | 2012 | | 206,000 | | | | | |

* Each dry bulk carrier is a "sister ship", or closely similar, to other dry bulk carriers that have the same letter.

** Total commission percentage paid to third parties.

*** Charterers' optional period to redeliver the vessel to owners. Charterers have the right to add the off hire days, if any, and therefore the optional period may be extended.

1 Vessel off-hire for drydocking from July 30, 2011 to August 15, 2011.

2 Estimated date.

3 C Transport Panamax Ltd. has agreed to compensate the Owners for the difference between the new rate and the previous rate from November 24, 2011 to December 4, 2011.

4 Period extended for one (1) or two (2) laden legs in charterers' option at US\$ 13,750 per day.

5 Vessel off-hire for unscheduled maintenance from October 29, 2011 to November 4, 2011.

6 Hanjin Shipping Co. Ltd., has agreed to compensate the Owners for the difference between the new rate and the previous rate for the period from August 6, 2011 to August 18, 2011.

7 Vessel off-hire for unscheduled maintenance from November 13, 2011 to November 17, 2011.

8 Resource Marine Pte., Ltd, Singapore is a guaranteed nominee of Macquarie Bank Limited.

9 Estimated redelivery date.

10 Louis Dreyfus Commodities S.A. has agreed to compensate the Owners for the difference between the new rate and the previous rate from the estimated redelivery date to December 28, 2011.

11 Expected date of delivery during the first quarter of 2012 (based on latest information received by the Sellers).

12 Vessel off-hire for drydocking from October 11, 2011 to October 26, 2011.

13 Daily rate based on the average rate of four pre-determined Capesize time charter routes as published by the Baltic Exchange.

14 Vessel off-hire for drydocking from October 17, 2011 to October 29, 2011.

15 Morgan Stanley Capital Group Inc. has the option to employ the vessel for a further minimum eleven (11) to a maximum thirteen (13) month period at a gross rate of US\$15,000 per day starting twenty-four (24) months after delivery of the vessel to the charterer.

16 Shagang Shipping Co. is a guaranteed nominee of the Jiangsu Shagang Shipping Group Co.

17 Year of delivery and dwt are based on shipbuilding contracts.

18 This newbuilding is also referred to as Hull H1234.

19 This newbuilding is also referred to as Hull H1235.

20 Based on expected date of delivery to owners.

Summary of Selected Financial & Other Data

| | For the three months ended September 30, | | For the nine months ended September 30, | |
|--|---|-------------|--|-------------|
| | 2011 | 2010 | 2011 | 2010 |
| | (unaudited) | (unaudited) | (unaudited) | (unaudited) |
| INCOME STATEMENT DATA (in thousands of US Dollars): | | | | |
| Time charter revenues | \$ 64,248 | \$ 71,607 | \$ 198,299 | \$ 202,472 |
| Voyage expenses | 3,105 | 3,335 | 8,666 | 8,878 |
| Vessel operating expenses | 14,065 | 13,117 | 40,507 | 37,658 |
| Net income attributed to Diana Shipping Inc. | 26,443 | 33,801 | 87,256 | 96,458 |
| FLEET DATA | | | | |
| Average number of vessels | 23.9 | 23.9 | 23.4 | 22.3 |
| Number of vessels | 24.0 | 24.0 | 24.0 | 24.0 |
| Weighted average age of vessels (in years)* | 6.1 | 5.3 | 6.1 | 5.3 |
| Ownership days | 2,202 | 2,200 | 6,401 | 6,097 |
| Available days | 2,187 | 2,161 | 6,318 | 6,010 |
| Operating days | 2,181 | 2,154 | 6,279 | 5,992 |
| Fleet utilization | 99.7% | 99.7% | 99.4% | 99.7% |
| AVERAGE DAILY RESULTS | | | | |
| Time charter equivalent (TCE) rate (1) | \$ 27,957 | \$ 31,593 | \$ 30,015 | \$ 32,212 |
| Daily vessel operating expenses (2) | \$ 6,387 | \$ 5,962 | \$ 6,328 | \$ 6,176 |

* Excluding the container vessels Sagitta and Centaurus for 2010

- (1) Time charter equivalent rates, or TCE rates, are defined as our time charter revenues less voyage expenses during a period divided by the number of our available days during the period, which is consistent with industry standards. Voyage expenses include port charges, bunker (fuel) expenses, canal charges and commissions. TCE is a non-GAAP measure. TCE rate is a standard shipping industry performance measure used primarily to compare daily earnings generated by vessels on time charters with daily earnings generated by vessels on voyage charters, because charter hire rates for vessels on voyage charters are generally not expressed in per day amounts while charter hire rates for vessels on time charters are generally expressed in such amounts.
- (2) Daily vessel operating expenses, which include crew wages and related costs, the cost of insurance, expenses relating to repairs and maintenance, the costs of spares and consumable stores, tonnage taxes and other miscellaneous expenses, are calculated by dividing vessel operating expenses by ownership days for the relevant period.

Conference Call and Webcast Information

Diana Shipping Inc. will conduct a conference call and simultaneous Internet webcast to review these results at 9:00 A.M. (Eastern Time) on Wednesday, November 23, 2011.

Investors may access the webcast by visiting the Company's website at www.dianashippinginc.com, and clicking on the webcast link. The conference call also may be accessed by telephone by dialing 1-877-407-8291 (for U.S.-based callers) or 1-201-689-8345 (for international callers), and asking the operator for the Diana Shipping Inc. conference call.

A replay of the webcast will be available soon after the completion of the call and will be accessible for 30 days on www.dianashippinginc.com. A telephone replay also will be available for 30 days by dialing 1-877-660-6853 (for U.S.-based callers) or 1-201-612-7415 (for international callers), and providing the Account number 362 and Replay ID number 381975.

About the Company

Diana Shipping Inc. is a leading global provider of shipping transportation services through the ownership and operation 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.

(See financial tables attached)

DIANA SHIPPING INC.

FINANCIAL TABLES

Expressed in thousands of U.S. Dollars, except share and per share data

UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF INCOME

| | For the three months ended September 30, | | For the nine months ended September 30, | |
|--|---|-------------------|--|-------------------|
| | 2011 | 2010 | 2011 | 2010 |
| REVENUES: | | | | |
| Time charter revenues | \$ 64,248 | \$ 71,607 | \$ 198,299 | \$ 202,472 |
| Other revenues | 352 | - | 753 | - |
| EXPENSES: | | | | |
| Voyage expenses | 3,105 | 3,335 | 8,666 | 8,878 |
| Vessel operating expenses | 14,065 | 13,117 | 40,507 | 37,658 |
| Depreciation and amortization of deferred charges | 14,105 | 13,818 | 41,169 | 38,829 |
| General and administrative expenses | 6,099 | 6,346 | 18,849 | 18,210 |
| Foreign currency gains | (145) | (867) | (343) | (1,504) |
| Operating income | <u>27,371</u> | <u>35,858</u> | <u>90,204</u> | <u>100,401</u> |
| OTHER INCOME / (EXPENSES): | | | | |
| Interest and finance costs | (1,212) | (1,499) | (3,670) | (3,762) |
| Interest income | 258 | 221 | 697 | 702 |
| Loss from derivative instruments | (381) | (802) | (955) | (1,785) |
| Income from investment in Diana Containerships Inc. | 407 | - | 978 | - |
| Total other expenses, net | <u>(928)</u> | <u>(2,080)</u> | <u>(2,950)</u> | <u>(4,845)</u> |
| Net Income | <u>\$ 26,443</u> | <u>\$ 33,778</u> | <u>\$ 87,254</u> | <u>\$ 95,556</u> |
| Loss assumed by non-controlling interests | - | 23 | 2 | 902 |
| Net income attributed to Diana Shipping Inc. | <u>26,443</u> | <u>33,801</u> | <u>87,256</u> | <u>96,458</u> |
| Earnings per common share, basic | <u>\$ 0.33</u> | <u>\$ 0.42</u> | <u>\$ 1.08</u> | <u>\$ 1.20</u> |
| Earnings per common share, diluted | <u>\$ 0.33</u> | <u>\$ 0.42</u> | <u>\$ 1.08</u> | <u>\$ 1.19</u> |
| Weighted average number of common shares, basic | <u>81,089,446</u> | <u>80,666,390</u> | <u>81,048,635</u> | <u>80,654,304</u> |
| Weighted average number of common shares, diluted | <u>81,143,058</u> | <u>80,768,569</u> | <u>81,079,457</u> | <u>80,748,633</u> |

CONDENSED UNAUDITED CONSOLIDATED BALANCE SHEET DATA

(in thousands of US Dollars)

| | <u>September 30, 2011</u> | <u>December 31, 2010</u> |
|---|-------------------------------|--------------------------|
| <u>ASSETS</u> | | |
| Cash and cash equivalents | \$ 395,267 | \$ 345,414 |
| Other current assets | 12,639 | 9,235 |
| Advances for vessels under construction and acquisitions and other vessel costs | 53,897 | 35,280 |
| Vessels' net book value | 1,060,047 | 1,160,850 |
| Other fixed assets, net | 21,700 | 21,842 |
| Investments | 30,113 | - |
| Other non-current assets | 10,188 | 12,768 |
| Total assets | \$ 1,583,851 | \$ 1,585,389 |

LIABILITIES AND STOCKHOLDERS' EQUITY

| | | |
|--|---------------------|---------------------|
| Current liabilities, including current portion of long-term debt | \$ 30,877 | \$ 32,510 |
| Long-term debt, net of current portion | 362,075 | 376,303 |
| Other non-current liabilities | 3,066 | 6,646 |
| Total stockholders' equity | 1,187,833 | 1,169,930 |
| Total liabilities and stockholders' equity | \$ 1,583,851 | \$ 1,585,389 |

OTHER FINANCIAL DATA

| | For the three months ended September 30, | | For the nine months ended September 30, | |
|---|---|-------------|--|-------------|
| | <u>2011</u> | <u>2010</u> | <u>2011</u> | <u>2010</u> |
| | (unaudited) | (unaudited) | (unaudited) | (unaudited) |
| Net Cash provided by Operating Activities | \$ 39,458 | \$ 44,329 | \$ 120,523 | \$ 127,941 |
| Net Cash used in Investing Activities | (33,259) | (49,439) | (80,815) | (197,718) |
| Net Cash provided by Financing Activities | 13,455 | 18,115 | 10,145 | 98,534 |