

Corporate Contact:

Ioannis Zafirakis

Director, Chief Operating Officer and Secretary

Telephone: + 30-210-9470100

Email: izafirakis@dianashippinginc.com

Website: www.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, 2017**

ATHENS, GREECE, November 21, 2017 – Diana Shipping Inc. (NYSE: DSX), (the “Company”), a global shipping company specializing in the ownership of dry bulk vessels, today reported a net loss of \$24.5 million and net loss attributed to common stockholders of \$25.9 million for the third quarter of 2017, including an \$8.4 million impairment loss on the m/v *Melite* which was sold for scrap in October 2017 after her grounding in July 2017 and the receipt from the insurers of the insured value. This compares to a net loss of \$78.3 million and net loss attributed to common stockholders of \$79.8 million for the third quarter of 2016.

Time charter revenues were \$43.9 million for the third quarter of 2017, compared to \$27.1 million for the same quarter of 2016. The increase in time charter revenues was due to increased average time charter rates achieved for the Company’s vessels during the quarter and increased revenues resulting from the enlargement of the fleet.

Net loss and net loss attributed to common stockholders for the nine months ended September 30, 2017 amounted to \$74.8 million and \$79.1 million, respectively. This compares to a net loss and net loss attributed to common stockholders of \$141.0 million and \$145.3 million, respectively, for the same period of 2016. Time charter revenues were \$113.0 million for the nine months ended September 30, 2017, compared to \$86.2 million for the same period of 2016.

Fleet Employment Profile (As of November 17, 2017)

Diana Shipping Inc.'s fleet is employed as follows:

	Vessel		Sister Ships*	Gross Rate (USD Per Day)	Com**	Charterers	Delivery Date to Charterers** *	Redelivery Date to Owners****	Notes
	BUILT	DWT							
22 Panamax Bulk Carriers									
1	DANAE		A	\$7,750	5.00%	Phaethon International Company AG	24-May-17	25-Nov-17 - 29-Dec-17	1
	2001	75,106							
2	DIONE		A	\$7,050	5.00%	Caravel Shipping Limited, Hong Kong	4-May-17	27-Nov-17 - 18-Feb-18	1
	2001	75,172							
3	NIREFS		A	\$9,400	5.00%	Jaldhi Overseas Pte. Ltd., Singapore	5-May-17	5-Jun-18 - 5-Sep-18	
	2001	75,311							
4	ALCYON			\$5,000	5.00%	Dampskibsselskabet Norden A/S, Copenhagen	4-May-16	20-Jul-17	
			A	\$8,800	5.00%	Hudson Shipping Lines Incorporated	20-Jul-17	20-Jul-18 - 20-Oct-18	
	2001	75,247							
5	TRITON		A	\$6,500	5.00%	Ausca Shipping Limited, Hong Kong	8-Jun-17	8-Jul-18 - 23-Oct-18	
	2001	75,336							
6	OCEANIS		A	\$7,000	5.00%	Ausca Shipping Limited, Hong Kong	30-May-17	30-Jul-18 - 14-Nov-18	
	2001	75,211							
7	THETIS		B	\$5,150	5.00%	Transgrain Shipping B.V., Rotterdam	19-Jun-16	14-Jul-17	
				\$8,350	5.00%	Ausca Shipping Limited, Hong Kong	14-Jul-17	14-Jul-18 - 14-Oct-18	
	2004	73,583							
8	PROTEFS		B	\$7,900	5.00%	Hudson Shipping Lines Incorporated	24-Jun-17	24-Jun-18 - 9-Oct-18	
	2004	73,630							
9	CALIPSO		B	\$9,000	5.00%	Transgrain Shipping B.V., Rotterdam	14-Mar-17	30-Jan-18 - 14-May-18	
	2005	73,691							
10	CLIO			\$5,350	5.00%	Transgrain Shipping B.V., Rotterdam	22-May-16	9-Jul-17	
			B	\$8,550	5.00%	Phaethon International Company AG	9-Jul-17	9-Aug-18 - 9-Nov-18	
	2005	73,691							
11	NAIAS			\$7,500	5.00%	Glencore Agriculture B.V., Rotterdam	27-Dec-16	11-Nov-17	2
			B	\$10,000	5.00%	Phaethon International Company AG	24-Nov-17	9-Feb-19 - 24-May-19	3
	2006	73,546							
12	ARETHUSA		B	\$7,200	5.00%	Noble Resources International Pte. Ltd., Singapore	23-Jan-17	27-Nov-17 - 23-Mar-18	1,4
	2007	73,593							

13	ERATO	C	\$7,250	5.00%	Phaethon International Company AG	25-May-17	25-Nov-17 - 30-Dec-17	1
	2004		74,444					
14	CORONIS	C	\$9,000	5.00%	Narina Maritime Ltd	16-May-17	16-Apr-18 - 16-Jul-18	5
	2006		74,381					
15	MELITE	D	\$8,000	5.00%	Uniper Global Commodities SE, Düsseldorf	6-Dec-16	- - -	6,7,8
	2004		76,436					
16	MELIA	D	\$9,500	5.00%	Nidera S.P.A., Roma	19-Mar-17	4-Feb-18 - 4-May-18	9
	2005		76,225					
17	ARTEMIS		\$5,350	5.00%	Bunge S.A., Geneva	7-Jun-16	8-Jul-17	
			\$9,000	5.00%	Ausca Shipping Limited, Hong Kong	8-Jul-17	8-Jul-18 - 8-Oct-18	
	2006		76,942					
18	LETO		\$7,750	5.00%	Glencore Agriculture B.V., Rotterdam	29-Dec-16	27-Nov-17 - 29-Jan-18	1
	2010		81,297					
19	SELINA	E	\$7,100	5.00%	BG Shipping Co., Limited, Hong Kong	23-Feb-17	26-Nov-17 - 8-Feb-18	1
	2010		75,700					
20	MAERA		\$8,500	5.00%	Transgrain Shipping B.V., Rotterdam	15-Jun-17	22-Aug-17	10,11
		E	\$11,900	5.00%	Unico Logistics Co., Ltd., Seoul	19-Sep-17	19-Jun-18 - 19-Aug-18	
	2013		75,403					
21	ISMENE		\$5,850	5.00%	Glencore Grain B.V., Rotterdam	7-Aug-16	16-Sep-17	
			\$12,000	5.00%	DHL Project & Chartering Limited, Hong Kong	16-Sep-17	16-Sep-18 - 16-Dec-18	
	2013		77,901					
22	CRYSTALIA		\$6,250	5.00%	SwissMarine Services S.A., Geneva	28-Jun-16	3-Oct-17	
		F	\$11,100	5.00%	Glencore Agriculture B.V., Rotterdam	3-Oct-17	3-Oct-18 - 18-Jan-19	
	2014		77,525					
23	ATALANDI	F	\$5,300	5.00%	Glencore Grain B.V., Rotterdam	26-Mar-16	26-Nov-17 - 26-Apr-18	
	2014		77,529					
5 Kamsarmax Bulk Carriers								
24	MAIA		\$7,500	5.00%	RWE Supply & Trading GmbH, Essen	13-Nov-15	27-Jul-17	12
		G	\$10,125	5.00%	Glencore Agriculture B.V., Rotterdam	27-Jul-17	27-Jul-18 - 27-Oct-18	
	2009		82,193					
25	MYRSINI	G	\$8,650	5.00%	RWE Supply & Trading GmbH, Essen	8-Jun-17	31-Aug-18 - 31-Dec-18	
	2010		82,117					
26	MEDUSA		\$6,300	5.00%	Quadra Commodities S.A., Geneva	7-Apr-16	6-Jul-17	
		G	\$10,000	4.75%	Cargill International S.A., Geneva	6-Jul-17	6-Jul-18 - 6-Oct-18	
	2010		82,194					
27	MYRTO	G	\$8,000	4.75%	Cargill International S.A., Geneva	17-Jan-17	17-Jan-18 - 17-Apr-18	
	2013		82,131					

28	ASTARTE		\$9,000	5.00%	Glencore Agriculture B.V., Rotterdam	12-Jun-17	12-Aug-18 - 12-Nov-18	
	2013	81,513						
5 Post-Panamax Bulk Carriers								
29	ALCMENE		\$8,000	4.75%	Cargill International S.A., Geneva	8-Jun-17	8-Jul-18 - 23-Oct-18	
	2010	93,193						
30	AMPHITRITE		\$7,700	5.00%	Bunge S.A., Geneva	15-Jul-15	8-Sep-17	13,14
		H	\$11,150	4.75%	Cargill International S.A., Geneva	28-Sep-17	28-Oct-18 - 28-Jan-19	
	2012	98,697						
31	POLYMNIA		\$10,100	4.75%	Cargill International S.A., Geneva	15-Mar-17	31-Mar-18 - 15-Jul-18	
	2012	98,704						
32	ELECTRA		\$8,000	5.00%	Uniper Global Commodities SE, Düsseldorf	11-Jun-17	11-Jul-18 - 11-Nov-18	
	2013	87,150						
33	PHAIDRA		\$7,750	5.00%	Jera Trading Singapore Pte. Ltd.	19-May-17	26-Nov-17 - 3-Jan-18	1
	2013	87,146						
14 Capesize Bulk Carriers								
34	NORFOLK		\$12,000	5.00%	Trafigura Maritime Logistics Pte. Ltd., Singapore	26-Apr-17	24-Nov-17	1
	2002	164,218						
35	ALIKI		\$10,300	5.00%	SwissMarine Services S.A., Geneva	14-Feb-17	30-Dec-17 - 14-Apr-18	
	2005	180,235						
36	BALTIMORE		\$11,300	4.75%	Cargill International S.A., Geneva	16-Feb-17	16-Mar-18 - 1-Jul-18	
	2005	177,243						
37	SALT LAKE CITY		\$9,000	5.00%	Uniper Global Commodities SE, Düsseldorf	20-Jan-17	20-Jan-18 - 20-May-18	
	2005	171,810						
38	SIDERIS GS		\$13,000	5.00%	Rio Tinto Shipping (Asia) Pte., Ltd., Singapore	21-Jun-17	21-Jul-18 - 21-Nov-18	
	2006	174,186						
39	SEMIRIO		\$14,150	5.00%	Koch Shipping Pte. Ltd., Singapore	21-May-17	21-May-18 - 21-Sep-18	
	2007	174,261						
40	BOSTON		\$13,000	4.75%	Clearlake Shipping Pte. Ltd., Singapore	9-Aug-15	20-Nov-17	1,15
	2007	177,828						
41	HOUSTON		\$10,000	5.00%	SwissMarine Services S.A., Geneva	17-Feb-17	2-Mar-18 - 17-May-18	16
	2009	177,729						
42	NEW YORK		\$14,450	5.00%	Koch Shipping Pte. Ltd., Singapore	23-Apr-17	25-Nov-17 - 29-Dec-17	1
	2010	177,773						
43	SEATTLE		\$11,700	5.00%	Koch Shipping Pte. Ltd., Singapore	8-Feb-17	8-Apr-18 - 23-Jul-18	
	2011	179,362						

44	P. S. PALIOS	K	\$10,550	5.00%	Koch Shipping Pte. Ltd., Singapore	27-Jan-17	27-Jan-18 - 11-Jun-18	17
	2013	179,134						
45	G. P. ZAFIRAKIS	L	\$6,500	5.00%	RWE Supply & Trading GmbH, Essen	14-Feb-16	14-Aug-17	
	2014	179,492	\$15,000	5.00%		14-Aug-17	29-Sep-18 - 14-Jan-19	
46	SANTA BARBARA	L	\$12,000	4.75%	Cargill International S.A., Geneva	24-Jan-17	9-Jan-18 - 24-Apr-18	
	2015	179,426						
47	NEW ORLEANS		\$11,250	5.00%	Koch Shipping Pte. Ltd., Singapore	10-Dec-16	10-Dec-17 - 10-Apr-18	
	2015	180,960						
4 Newcastlemax Bulk Carriers								
48	LOS ANGELES	M	BCI_2014 5TCs AVG + 14%	5.00%	SwissMarine Services S.A., Geneva	22-Jan-17	7-Feb-18 - 22-Apr-18	
	2012	206,104						
49	PHILADELPHIA	M	\$15,500	5.00%	Koch Shipping Pte. Ltd., Singapore	14-Mar-17	14-Jan-18 - 29-Apr-18	
	2012	206,040						
50	SAN FRANCISCO	N	\$11,750	5.00%	Koch Shipping Pte. Ltd., Singapore	5-Jan-17	5-Jan-18 - 20-May-18	
	2017	208,006						
51	NEWPORT NEWS	N	BCI_2014 5TCs AVG + 24%	5.00%	SwissMarine Services S.A., Geneva	10-Jan-17	10-Nov-18 - 10-Mar-19	
	2017	208,021						

* 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.

*** In case of newly acquired vessel with time charter attached, this date refers to the expected/actual date of delivery of the vessel to the Company.

**** Range of redelivery dates, with the actual date of redelivery being at the Charterers' option, but subject to the terms, conditions, and exceptions of the particular charterparty.

1 Based on latest information.

2 Currently without an active charterparty. Vessel on scheduled drydocking.

3 Estimated delivery date to the charterers.

4 Vessel off-hire from June 27, 2017 to July 1, 2017.

5 Vessel off-hire for drydocking from August 11, 2017 to August 30, 2017.

6 As of July 25, 2017, vessel is off-hire due to a grounding incident.

7 On September 21, 2017, the Owners of the m/v Melite advised Charterers and cargo receivers that due to the impossibility of performance of the voyage under the relevant Bills of Lading, the Time Charterparty contract had been rendered frustrated and cargo owners were asked to make arrangements for the on carriage of their cargo or other disposal thereof.

8 "Melite" sold and delivered to her new Owners on October 24, 2017.

9 Since September 17, 2017, Charterers have changed to COFCO Agri Freight SA.

10 Charter included a one time gross ballast bonus payment of US\$350,000.

11 Vessel on scheduled drydocking from August 24, 2017 to September 19, 2017.

12 Charterers have agreed to pay the weighted average of the 4 T/C routes on 14th July 2017 plus 20% for the excess period commencing July 13, 2017.

13 Charterers have agreed to pay the P2A_03 route plus 10%, as published by The Baltic Exchange on August 30, 2017, for the excess period commencing August 30, 2017.

14 Vessel on scheduled drydocking from September 8, 2017 to September 28, 2017.

15 Clearlake Shipping Pte. Ltd., Singapore is a member of the Gunvor Group.

16 Charterers will pay US\$5,150 per day for the first 15 days of the charter period.

17 Vessel off-hire for drydocking from July 9, 2017 to July 20, 2017.

Summary of Selected Financial & Other Data (unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	2017	2016
STATEMENT OF OPERATIONS DATA (in thousands of US Dollars)				
Time charter revenues	\$ 43,920	\$ 27,122	\$ 112,960	\$ 86,240
Voyage expenses	2,478	2,122	5,597	12,439
Vessel operating expenses	22,697	21,218	66,337	65,093
Net loss	(24,493)	(78,312)	(74,782)	(140,981)
Net loss attributed to common stockholders	(25,936)	(79,754)	(79,109)	(145,308)
FLEET DATA				
Average number of vessels	51.0	46.0	49.4	44.9
Number of vessels	51.0	46.0	51.0	46.0
Weighted average age of vessels	8.2	7.9	8.2	7.9
Ownership days	4,692	4,232	13,495	12,310
Available days	4,632	4,227	13,275	12,232
Operating days	4,533	4,201	13,005	12,144
Fleet utilization	97.9%	99.4%	98.0%	99.3%
AVERAGE DAILY RESULTS				
Time charter equivalent (TCE) rate (1)	\$ 8,947	\$ 5,914	\$ 8,088	\$ 6,033
Daily vessel operating expenses (2)	\$ 4,837	\$ 5,014	\$ 4,916	\$ 5,288

(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

The Company's management will conduct a conference call and simultaneous Internet webcast to review these results at 9:00 A.M. (Eastern Time) on Tuesday, November 21, 2017.

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 Replay ID number 13672574.

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

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.

(See financial tables attached)

DIANA SHIPPING INC.

FINANCIAL TABLES

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

UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	2017	2016
REVENUES:				
Time charter revenues	\$ 43,920	\$ 27,122	\$ 112,960	\$ 86,240
EXPENSES:				
Voyage expenses	2,478	2,122	5,597	12,439
Vessel operating expenses	22,697	21,218	66,337	65,093
Depreciation and amortization of deferred charges	22,363	20,626	65,083	60,940
General and administrative expenses	5,737	5,975	18,175	18,718
Management fees to related party	480	360	1,341	1,080
Impairment loss	8,446	-	8,446	-
Other loss/(income)	43	(53)	287	22
Operating loss	(18,324)	(23,126)	(52,306)	(72,052)
OTHER INCOME / (EXPENSES):				
Interest and finance costs	(6,799)	(5,698)	(19,874)	(16,309)
Interest and other income	1,460	540	3,028	1,637
Loss from equity method investments	(830)	(50,028)	(5,630)	(54,257)
Total other expenses, net	(6,169)	(55,186)	(22,476)	(68,929)
Net loss	\$ (24,493)	\$ (78,312)	\$ (74,782)	\$ (140,981)
Dividends on series B preferred shares	(1,443)	(1,442)	(4,327)	(4,327)
Net loss attributed to common stockholders	(25,936)	(79,754)	(79,109)	(145,308)
Loss per common share, basic and diluted	\$ (0.25)	\$ (0.99)	\$ (0.85)	\$ (1.81)
Weighted average number of common shares, basic and diluted	102,280,234	80,534,351	93,485,656	80,370,383
	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	2017	2016
Net loss	\$ (24,493)	\$ (78,312)	\$ (74,782)	\$ (140,981)
Other comprehensive loss (Actuarial loss)	(7)	(8)	(21)	(23)
Comprehensive loss	\$ (24,500)	\$ (78,320)	\$ (74,803)	\$ (141,004)

CONDENSED CONSOLIDATED BALANCE SHEET DATA

(in thousands of U.S. Dollars)

	<u>September 30, 2017</u> (unaudited)	<u>December 31, 2016*</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 37,201	\$ 98,142
Other current assets	27,932	17,174
Advances for vessels under construction and acquisitions and other vessel costs	-	46,863
Vessels' net book value	1,495,711	1,403,912
Other fixed assets, net	22,733	23,114
Restricted cash	25,500	23,000
Due from related parties, non-current	82,617	45,417
Equity method investments	3,226	6,014
Other non-current assets	7,338	5,027
Total assets	\$ 1,702,258	\$ 1,668,663
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
Long-term debt, net of deferred financing costs	\$ 622,056	\$ 598,181
Other liabilities	19,031	13,893
Total stockholders' equity	1,061,171	1,056,589
Total liabilities and stockholders' equity	\$ 1,702,258	\$ 1,668,663

* The balance sheet data have been derived from the audited consolidated financial statements at that date.

OTHER FINANCIAL DATA (unaudited)

	<u>Three months ended September 30,</u>		<u>Nine months ended September 30,</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Net Cash provided by / (used in) operating activities	\$ 8,251	\$ (4,981)	\$ 11,172	\$ (18,606)
Net Cash provided by / (used in) investing activities	28	(737)	(165,684)	(46,295)
Net Cash provided by / (used in) financing activities	\$ (13,351)	\$ (11,538)	\$ 96,071	\$ 3,065