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**DIANA SHIPPING INC. REPORTS FINANCIAL RESULTS  
FOR THE FOURTH QUARTER AND YEAR ENDED DECEMBER 31, 2014**

**ANNOUNCES APPOINTMENT OF ADDITIONAL DIRECTORS**

ATHENS, GREECE, March 4, 2015 – Diana Shipping Inc. (NYSE: DSX), (the “Company”), a global shipping company specializing in the ownership of dry bulk vessels, today reported net loss of \$6.2 million and net loss available to common stockholders of \$7.7 million for the fourth quarter of 2014, compared to net loss and net loss available to common stockholders of \$9.6 million reported in the fourth quarter of 2013.

Time charter revenues were \$46.1 million for the fourth quarter of 2014, compared to \$39.5 million for the same quarter of 2013. This increase was mainly due to the increase in ownership days resulting from the enlargement of our fleet and was partly offset by decreased time charter rates.

Net loss and net loss available to common stockholders for 2014 amounted to \$10.3 million and \$15.3 million, respectively, compared to net loss and net loss available to common stockholders of \$21.2 million for 2013. Time charter revenues were \$175.6 million for 2014, compared to \$164.0 million for 2013.

**Share Repurchase Plan**

As previously announced, on May 23, 2014, the Company’s Board of Directors authorized a share repurchase plan, under which, during the second half of 2014, the Company repurchased and retired 2,845,549 shares for the aggregate cost of about \$25.3 million, decreasing the Company’s issued and outstanding shares as of December 31, 2014 to 81,859,821.

**Appointment of Additional Directors**

Effective March 4, 2015, the Board of Directors of the Company has increased its size from seven to nine members and has appointed Mr. Kyriacos Riris and Mrs. Semiramis Paliou to fill the resulting vacancies. The Board has determined that Mr. Riris will serve as an independent director. Mrs. Paliou will not be deemed to be an independent director. Mr. Riris will serve as a Class II director with an initial term expiring at the Company’s 2016 annual meeting of shareholders, and Mrs. Paliou will serve as a Class III director with an initial term expiring at the 2017 annual meeting of shareholders.

**Fleet Employment Profile (As of March 03, 2015)**

Currently Diana Shipping Inc.'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							
<b>Panamax Bulk Carriers</b>									
1	DANAE		A	\$8,250	5.00%	Intermare Transport GmbH, Hamburg	10-Mar-13	16-Jan-15	
				\$7,650	3.75%	Glencore Grain B.V., Rotterdam	16-Jan-15	16-Dec-15 - 16-Mar-16	
	2001	75,106							
2	DIONE		A	\$9,250	5.00%	RWE Supply & Trading GmbH, Essen	12-Sep-14	12-Oct-15 - 27-Feb-16	
	2001	75,172							
3	NIREFS		A	\$8,000	5.00%	Intermare Transport GmbH, Hamburg	29-Jan-13	15-Nov-14	
				\$10,700	5.00%	RICS Shipping Co. Ltd., Seoul	15-Nov-14	25-Dec-14	
				\$7,500	5.00%	Glencore Grain B.V., Rotterdam	25-Dec-14	25-Nov-15 - 25-Feb-16	
	2001	75,311							
4	ALCYON		A	\$7,750	5.00%	EDF Trading Limited, UK	21-Dec-12	15-Mar-15 - 21-May-15	1
	2001	75,247							
5	TRITON		A	\$11,000	5.00%	Bunge S.A., Geneva	16-Dec-13	24-Oct-14	
	2001	75,336		\$9,250	5.00%	Glencore Grain B.V., Rotterdam	24-Oct-14	24-Sep-15 - 24-Dec-15	
6	OCEANIS		A	\$9,000	5.00%	Glencore Grain B.V., Rotterdam	19-Jun-14	19-Mar-15	1
	2001	75,211							
7	THETIS		B	\$8,300	5.00%	EDF Trading Limited, UK	1-Sep-13	1-Jul-15 - 1-Dec-15	
	2004	73,583							
8	PROTEFS		B	\$9,000	5.00%	Cargill International S.A., Geneva	14-Sep-12	20-Mar-15	1,2
	2004	73,630							
9	CALIPSO		B	\$8,100	4.75%	Cargill International S.A., Geneva	29-Jul-13	29-Apr-15 - 29-Aug-15	
	2005	73,691							
10	CLIO		B	\$8,600	4.75%	Cargill International S.A., Geneva	22-Aug-13	22-May-15 - 22-Aug-15	
	2005	73,691							
11	NAIAS		B	\$8,500	5.00%	Bunge S.A., Geneva	3-Sep-14	4-Jul-15 - 4-Oct-15	
	2006	73,546							
12	ARETHUSA		B	\$7,300	5.00%	Cargill International S.A., Geneva	22-Nov-12	20-Oct-14	
				\$8,250	5.00%	Intergis Co., Ltd, Seoul	20-Oct-14	20-Nov-14	3
				\$8,250	5.00%	Glencore Grain B.V., Rotterdam	20-Nov-14	5-Mar-15	
				\$7,100	5.00%		5-Mar-15	5-Feb-16 - 5-May-16	
	2007	73,593							

13	ERATO	C	\$6,500	5.00%	Cargill International S.A., Geneva	9-Jan-13	15-Nov-14	
			\$8,500	5.00%	RWE Supply & Trading GmbH, Essen	27-Nov-14	14-Jan-15	
			\$8,000	5.00%	Langlois Enterprises Ltd.	17-Jan-15	7-Mar-15 - 15-Mar-15	1,4
	2004		74,444					
14	CORONIS	C	\$11,550	5.00%	Oberon Holdings Limited	12-Jun-14	12-May-15 - 12-Aug-15	
	2006		74,381					
15	MELITE	D	\$7,750	5.00%	Cargill International S.A., Geneva	28-Dec-12	30-Dec-14	5
			\$7,250	5.00%	Glencore Grain B.V., Rotterdam	29-Jan-15	29-Sep-15 - 29-Jan-16	
	2004		76,436					
16	MELIA	D	\$12,000	3.75%	Rio Tinto Shipping Pty, Ltd., Melbourne	10-May-14	10-Apr-15 - 10-Jul-15	6
	2005		76,225					
17	ARTEMIS		\$9,375	3.75%	Rio Tinto Shipping Pty, Ltd., Melbourne	26-Aug-13	26-Jun-15 - 26-Oct-15	
	2006		76,942					
18	LETO		\$11,350	4.75%	Cargill International S.A., Geneva	19-Jul-14	19-Jun-15 - 19-Sep-15	7
	2010		81,297					
19	CRYSTALIA	E	\$15,800	5.00%	Glencore Grain B.V., Rotterdam	21-Feb-14	21-Aug-15 - 21-Nov-15	
	2014		77,525					
20	ATALANDI	E	\$13,500	5.00%	Glencore Grain B.V., Rotterdam	13-May-14	13-Apr-15 - 13-Jul-15	
	2014		77,529					
<b>Kamsarmax Bulk Carriers</b>								
21	MAIA	F	\$12,000	5.00%	RWE Supply & Trading GmbH, Essen	29-Sep-14	29-Sep-15 - 29-Jan-16	
	2009		82,193					
22	MYRSINI	F	\$15,500	4.75%	Clearlake Shipping Pte. Ltd., Singapore	12-Feb-14	18-Feb-15	8,9
			\$8,250	4.75%		18-Feb-15	18-Dec-15 - 18-Apr-16	
	2010		82,117					
23	MYRTO	F	\$9,000	5.00%	Cargill International S.A., Geneva	25-Jan-13	5-Jan-15	
			\$9,850	5.00%	Glencore Grain B.V., Rotterdam	5-Jan-15	5-Dec-15 - 5-Mar-16	
	2013		82,131					
<b>Post-Panamax Bulk Carriers</b>								
24	ALCMENE		\$7,250	5.00%	ADM International Sarl, Rolle, Switzerland	22-Feb-13	28-Feb-15	10,11
	2010		93,193					
25	AMPHITRITE		\$11,300	5.00%	Bunge S.A., Geneva	15-Aug-14	15-Jul-15 - 15-Oct-15	
	2012		98,697					
26	POLYMNIA		\$7,600	5.00%	Bunge S.A., Geneva	16-Jan-13	3-Jan-15	12
			\$7,500	5.00%	Vroon Dry Cargo Chartering B.V., Breskens	17-Jan-15	17-Oct-15 - 17-Feb-16	13
	2012		98,704					
<b>Capesize Bulk Carriers</b>								

27	NORFOLK		\$10,700	4.50%	Clearlake Shipping Pte. Ltd., Singapore	16-Jan-13	3-Mar-15	1,8,14,15
			\$10,250	4.75%		3-Mar-15	3-Apr-16 - 3-Aug-16	1
	2002		164,218					
28	ALIKI		\$26,500	5.00%	Minmetals Logistics Group Co. Ltd., Beijing	1-Mar-11	1-Feb-16 - 1-Apr-16	16
	2005		180,235					
29	BALTIMORE		\$15,000	5.00%	RWE Supply & Trading GmbH, Essen	8-Jul-13	8-Jul-16 - 8-Jan-17	
	2005		177,243					
30	SALT LAKE CITY		\$13,000	5.00%	Morgan Stanley Capital Group Inc.	11-Aug-12	23-Nov-14	
			\$16,200	5.00%	Kawasaki Kisen Kaisha, Ltd., Tokyo	23-Nov-14	7-Feb-15	
			BCI 4TCs AVG + 3.5%	5.00%	K Noble Hong Kong Ltd., Hong Kong	7-Feb-15	7-Nov-16 - 7-Feb-17	
	2005		171,810					
31	SIDERIS GS	G	\$13,500	4.75%	Cargill International S.A., Geneva	14-Mar-13	21-Feb-15	
			\$10,000	5.00%	Rio Tinto Shipping (Asia) Pte., Ltd., Singapore	22-Feb-15	22-Dec-15 - 22-Apr-16	
	2006		174,186					
32	SEMIRIO	G	\$14,000	4.75%	Cargill International S.A., Geneva	19-Mar-13	20-Feb-15	
			\$10,000	5.00%	Rio Tinto Shipping (Asia) Pte., Ltd., Singapore	20-Feb-15	20-Feb-16 - 20-Jun-16	
	2007		174,261					
33	BOSTON	G	\$14,250	4.75%	Clearlake Shipping Pte. Ltd., Singapore	24-Aug-13	9-Aug-15 - 8-Feb-16	8
	2007		177,828					
34	HOUSTON	G	\$20,500	4.75%	Clearlake Shipping Pte. Ltd., Singapore	3-Dec-13	4-Jan-15	8
			\$12,750	5.00%	RWE Supply & Trading GmbH, Essen	4-Jan-15	4-Jan-16 - 4-Apr-16	
	2009		177,729					
35	NEW YORK	G	\$48,000	3.75%	Nippon Yusen Kaisha, Tokyo (NYK)	3-Mar-10	2-Dec-14	17,18
			\$12,850	4.75%	Clearlake Shipping Pte. Ltd., Singapore	17-Dec-14	17-Feb-16 - 17-Jun-16	8
	2010		177,773					
36	P. S. PALIOS		\$18,350	5.00%	RWE Supply & Trading GmbH, Essen	3-Dec-13	18-Sep-15 - 31-Dec-15	
	2013		179,134					
37	G. P. ZAFIRAKIS	H	\$25,250	5.00%	RWE Supply & Trading GmbH, Essen	23-Aug-14	14-Feb-16 - 23-Jun-16	
	2014		179,492					
38	SANTA BARBARA	H	\$12,000	5.00%	RWE Supply & Trading GmbH, Essen	13-Jan-15	13-Dec-15 - 13-Mar-16	
	2015		179,426					
<b>Newcastlemax Bulk Carriers</b>								
39	LOS ANGELES	I	\$18,000	5.00%	EDF Trading Limited, UK	9-Feb-12	9-Dec-15 - 9-Apr-16	
	2012		206,104					

40	PHILADELPHIA	I	\$18,000	5.00%	EDF Trading Limited, UK	17-May-12	17-Jan-16 - 17-Jul-16
	2012		206,040				

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**Vessels Under Construction**

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41	HULL DY6006		-	-	-	-	---	19
	2016		82,000					
42	HULL H2548	J	-	-	-	-	---	19
	2016		208,500					
43	HULL H2549	J	-	-	-	-	---	19
	2016		208,500					

\* 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 Based on latest information.

2 On October 14, 2014, the Company signed an addendum, extending the initially agreed maximum redelivery date by a month. On December 15, 2014, the Company agreed to further extend the maximum redelivery date till April 14, 2015.

3 Charterers exercised their option to redeliver the vessel back to owners at West Coast India area and paid US\$8,250 per day for the entire period instead of US\$7,600 per day previously announced.

4 Redelivery dates based on an estimated time charter trip duration of about 49-57 days.

5 Vessel on scheduled drydocking from December 30, 2014 to January 22, 2015.

6 Vessel off-hire for drydocking from January 15, 2015 to February 5, 2015.

7 Vessel off-hire for drydocking from February 7, 2015 to February 18, 2015.

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

9 During the third quarter 2014, the vessel was off-hire for approximately 10 days.

10 In February 2015, owners and charterers mutually agreed to extend the optional period.

11 Vessel on scheduled drydocking.

12 Prior to October 12, 2013, chartered to Augustea Bunge Maritime Limited, Malta.

13 Charter includes a one time gross ballast bonus payment of US\$237,500.

14 Vessel off-hire for drydocking from September 11, 2014 to October 14, 2014.

15 Charterers have exercised their right to add the off-hire days and therefore the optional period has been extended up to February 18, 2015. From then onwards, owners and charterers mutually agreed to further extend the optional period.

16 Vessel off-hire for drydocking from October 17, 2014 to November 14, 2014.

17 Nippon Yusen Kaisha, Tokyo (NYK) has agreed to compensate the owners for the early redelivery of the vessel by paying US\$1,104,079.86.

18 Vessel off-hire for drydocking from December 2, 2014 to December 17, 2014.

19 Year of delivery and dwt are based on shipbuilding contract.

## Summary of Selected Financial & Other Data (unaudited)

	Three months ended December 31,		Years ended December 31,	
	2014	2013	2014	2013
<b>STATEMENT OF OPERATIONS DATA (in thousands of US Dollars):</b>				
Time charter revenues	\$ 46,134	\$ 39,464	\$ 175,576	\$ 164,005
Voyage expenses	3,457	1,798	10,665	8,119
Vessel operating expenses	22,336	19,949	86,923	77,211
Net income / (loss)	(6,235)	(9,597)	(10,268)	(21,205)
Net income / (loss) available to common stockholders	(7,677)	(9,597)	(15,348)	(21,205)
<b>FLEET DATA</b>				
Average number of vessels	39.0	35.2	37.9	33.0
Number of vessels	39.0	36.0	39.0	36.0
Weighted average age of vessels	7.1	6.6	7.1	6.6
Ownership days	3,588	3,241	13,822	12,049
Available days	3,530	3,221	13,650	12,029
Operating days	3,501	3,204	13,564	11,944
Fleet utilization	99.2%	99.5%	99.4%	99.3%
<b>AVERAGE DAILY RESULTS</b>				
Time charter equivalent (TCE) rate (1)	\$ 12,090	\$ 11,694	\$ 12,081	\$ 12,959
Daily vessel operating expenses (2)	\$ 6,225	\$ 6,155	\$ 6,289	\$ 6,408

- (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 Wednesday, March 4, 2015.

Investors may access the webcast by visiting the Company's website at [www.dianashippinginc.com](http://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](http://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 13599762.

## 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.

(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**

	<b>Three months ended December 31,</b>		<b>Years ended December 31,</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
<b>REVENUES:</b>				(audited)
Time charter revenues	\$ 46,134	\$ 39,464	\$ 175,576	\$ 164,005
Other revenues	-	-	-	447
<b>EXPENSES:</b>				
Voyage expenses	3,457	1,798	10,665	8,119
Vessel operating expenses	22,336	19,949	86,923	77,211
Depreciation and amortization of deferred charges	18,291	16,876	70,503	64,741
General and administrative expenses	7,481	7,382	26,217	23,724
Foreign currency gain	(248)	(117)	(528)	(690)
<b>Operating loss</b>	<u>(5,183)</u>	<u>(6,424)</u>	<u>(18,204)</u>	<u>(8,653)</u>
<b>OTHER INCOME / (EXPENSES):</b>				
Interest and finance costs	(2,166)	(1,993)	(8,427)	(8,140)
Interest and other income	884	929	3,627	1,800
Income / (loss) from derivative instruments	-	(27)	68	(118)
Income / (loss) from investment in Diana Containerships Inc.	230	(2,082)	12,668	(6,094)
<b>Total other income / (expenses), net</b>	<u>(1,052)</u>	<u>(3,173)</u>	<u>7,936</u>	<u>(12,552)</u>
<b>Net loss</b>	<u>(6,235)</u>	<u>(9,597)</u>	<u>(10,268)</u>	<u>(21,205)</u>
<b>Preferred dividends on series B preferred shares</b>	<u>(1,442)</u>	-	<u>(5,080)</u>	-
<b>Net loss available to common stockholders</b>	<u>(7,677)</u>	<u>(9,597)</u>	<u>(15,348)</u>	<u>(21,205)</u>
<b>Loss per common share, basic and diluted</b>	<u>\$ (0.10)</u>	<u>\$ (0.12)</u>	<u>\$ (0.19)</u>	<u>\$ (0.26)</u>
<b>Weighted average number of common shares, basic and diluted</b>	<u>79,595,251</u>	<u>81,482,997</u>	<u>81,292,290</u>	<u>81,328,390</u>
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
<b>Net loss</b>	\$ (6,235)	\$ (9,597)	\$ (10,268)	\$ (21,205)
Other comprehensive income / (loss) (Actuarial gain/(loss))	(911)	68	(911)	(30)
<b>Comprehensive loss</b>	<u>\$ (7,146)</u>	<u>\$ (9,529)</u>	<u>\$ (11,179)</u>	<u>\$ (21,235)</u>



**CONDENSED CONSOLIDATED BALANCE SHEET DATA (unaudited)**

(in thousands of U.S. Dollars)

	<u>2014</u>	<u>2013</u>
<b><u>ASSETS</u></b>		
Cash and cash equivalents	\$ 218,901	\$ 240,633
Other current assets	19,333	11,235
Advances for vessels under construction and acquisitions and other vessel costs	29,500	38,862
Vessels' net book value	1,373,133	1,320,375
Other fixed assets, net	23,887	22,826
Due from related parties, non-current	50,866	50,233
Investment in Diana Containerships Inc.	67,546	15,640
Other non-current assets	3,956	2,177
<b>Total assets</b>	<b>\$ <u>1,787,122</u></b>	<b>\$ <u>1,701,981</u></b>

**LIABILITIES AND STOCKHOLDERS' EQUITY**

Current liabilities, including current portion of long-term debt	\$ 98,092	\$ 62,297
Long-term debt, net of current portion and deferred financing costs	405,522	385,480
Other non-current liabilities	1,282	812
Total stockholders' equity	1,282,226	1,253,392
<b>Total liabilities and stockholders' equity</b>	<b>\$ <u>1,787,122</u></b>	<b>\$ <u>1,701,981</u></b>

**OTHER FINANCIAL DATA (unaudited)**

	<u>Three months ended December 31,</u>		<u>Years ended December 31,</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Net Cash provided by operating activities	\$ 12,500	\$ 16,395	\$ 44,910	\$ 67,400
Net Cash used in investing activities	(11,411)	(72,617)	(152,513)	(245,156)
Net Cash provided by / (used in) financing activities	\$ 16,636	\$ (18,885)	\$ 85,871	\$ (28,235)