

**Report of Organizational Actions  
 Affecting Basis of Securities**

▶ See separate instructions.

**Part I Reporting Issuer**

1 Issuer's name <b>DIANA SHIPPING INC.</b>		2 Issuer's employer identification number (EIN) <b>98-1221439</b>	
3 Name of contact for additional information <b>MR. IOANNIS ZAFIRAKIS</b>	4 Telephone No. of contact <b>+30-210-9470-100</b>	5 Email address of contact <b>izafirakis@dianashippinginc.com</b>	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact <b>PENDELIS 16, PALAIO FALIRO</b>		7 City, town, or post office, state, and ZIP code of contact <b>ATHENS, GREECE 175 64</b>	
8 Date of action <b>SEE BELOW DATA IN #14</b>	9 Classification and description <b>COMMON SHARES</b>		
10 CUSIP number <b>Y2066G104</b>	11 Serial number(s)	12 Ticker symbol <b>DSX</b>	13 Account number(s)

**Part II Organizational Action** Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ **ON OCTOBER 19, 2021, DIANA SHIPPING INC. (DSI) INITIALLY ANNOUNCED THE INTENTION TO SPIN-OFF ITS WHOLLY OWNED SUBSIDIARY, OCEANPAL INC. (OP) VIA A STOCK DISTRIBUTION TO ITS COMMON SHAREHOLDERS. AS DOCUMENTED IN THE ANNOUNCEMENT ISSUED ON OCTOBER 26, 2021, THE DATE OF RECORD FOR THE OP SPIN-OFF DISTRIBUTION WAS SET AS NOVEMBER 3, 2021. THE OP COMMON SHARES WERE DISTRIBUTED AT A RATIO OF 1 OP SHARE FOR EVERY 10 DSI SHARES. TO THE EXTENT THE DISTRIBUTION RESULTED IN ANY SHAREHOLDER OWNING A FRACTIONAL SHARE OF OP SUCH FRACTIONAL SHARE WAS ROUNDED UP TO THE NEXT WHOLE NUMBER OF SHARES. THE VALUATION ATTRIBUTED TO EACH SHARE OF OP COMMON STOCK DISTRIBUTED WAS \$6.50 PER SHARE. DSI COMPLETED THE OP SPIN-OFF TRANSACTION ON NOVEMBER 29, 2021. AS PREVIOUSLY DISCLOSED IN THE RELATED REGISTRATION STATEMENTS, DSI ASSUMES THE OP SPIN-OFF DOES NOT QUALIFY AS A TAX-FREE CORPORATE DIVISION FOR U.S. FEDERAL INCOME TAX PURPOSES.**

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ **DISTRIBUTIONS IN EXCESS OF CURRENT AND ACCUMULATED EARNINGS AND PROFITS OF A CORPORATION REDUCE THE BASIS OF SHARES OF A CORPORATION PURSUANT TO INTERNAL REVENUE CODE (IRC) SECTIONS 301(c)(2) AND 316(a). TO THE EXTENT A RETURN OF CAPITAL DISTRIBUTION EXCEEDS A SHAREHOLDER'S ADJUSTED COST BASIS, THE SHAREHOLDER SHOULD RECOGNIZE CAPITAL GAIN. BASED ON THE ACCUMULATED AND ESTIMATED CURRENT EARNINGS AND PROFITS, DSI DOES NOT BELIEVE IT HAS ANY DISTRIBUTABLE EARNINGS AND PROFITS AVAILABLE. AS SUCH, THE ENTIRE AMOUNT OF THE OP SPIN-OFF DISTRIBUTION WOULD REPRESENT A RETURN OF CAPITAL TO DSI SHAREHOLDERS. FOLLOWING THE CLOSING OF ITS 2021 FINANCIAL STATEMENT PERIOD, DSI IS FINALIZING THE COMPUTATION OF ITS ACTUAL CURRENT YEAR EARNINGS AND PROFITS. TO THE EXTENT THE FINALIZATION OF THE CALCULATIONS RESULTS IN DISTRIBUTABLE EARNINGS AND PROFITS, DSI WILL PREPARE AN AMENDED FORM 8937 TO PROVIDE UPDATED, RELEVANT INFORMATION.**

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ **BASED ON DSI'S CURRENT AND ACCUMULATED EARNINGS AND PROFITS, ALL OF THE OP SPIN-OFF DISTRIBUTION WILL REDUCE THE BASIS IN SHARES HELD OF EACH DSI SHAREHOLDER RECEIVING A DISTRIBUTION. FOLLOWING THE CLOSING OF ITS 2021 FINANCIAL STATEMENT PERIOD, DSI IS FINALIZING THE COMPUTATION OF ITS ACTUAL CURRENT YEAR EARNINGS AND PROFITS. TO THE EXTENT THE FINALIZATION OF THE CALCULATIONS RESULTS IN DISTRIBUTABLE EARNINGS AND PROFITS, DSI WILL PREPARE AN AMENDED FORM 8937 TO PROVIDE UPDATED, RELEVANT INFORMATION.**

**Part II Organizational Action** (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ IRC SECTIONS 301(c)(2) AND 316(a).

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18 Can any resulting loss be recognized? ▶ FOR U.S. FEDERAL INCOME TAX PURPOSES, THE DISTRIBUTIONS WILL NOT RESULT IN ANY TAX LOSSES FOR SHAREHOLDERS OR DSI.

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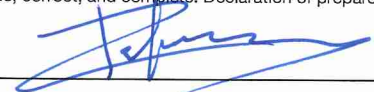
19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ THE REPORTABLE TAX YEAR IS 2021. SHAREHOLDERS OF RECORD ON NOVEMBER 3, 2021 RECEIVING AN OP SPIN-OFF DISTRIBUTION SHOULD REDUCE THEIR BASIS IN THEIR COMMON SHARES BY \$6.50 PER SHARE OF OP STOCK RECEIVED.

FOLLOWING THE CLOSING OF ITS 2021 FINANCIAL STATEMENT PERIOD, DSI IS FINALIZING THE COMPUTATION OF ITS ACTUAL CURRENT YEAR EARNINGS AND PROFITS. TO THE EXTENT THE FINALIZATION OF THE CALCULATIONS RESULTS IN DISTRIBUTABLE EARNINGS AND PROFITS, DSI WILL PREPARE AN AMENDED FORM 8937 TO PROVIDE UPDATED, RELEVANT INFORMATION.

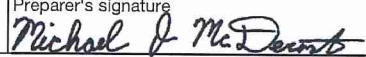
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Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature ▶  Date ▶ JAN 12, 2022

Print your name ▶ MR. IOANNIS ZAFIRAKIS Title ▶ DIRECTOR, CFO, CSO, TREAS., & SEC.

<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	<u>MICHAEL J MCDERMOTT</u>		<u>01/11/2022</u>		<u>P00877281</u>
	Firm's name ▶ <u>ERNST &amp; YOUNG LLP</u>	Firm's EIN ▶ <u>34-6565596</u>		Phone no. <u>+1-561-955-8000</u>	
	Firm's address ▶ <u>5100 TOWN CENTER CIR, STE 500, BOCA RATON, FL 33486</u>				