## Form **8937**

(December 2017)
Department of the Treasury
Internal Revenue Service

## Report of Organizational Actions Affecting Basis of Securities

► See separate instructions.

OMB No. 1545-0123

Reporting Issuer							
1 Issuer's name	2 Issuer's employer identification number (EIN)						
DIANA SHIPPING INC.	00 1221420						
3 Name of contact for additional information	4 Telephone No. of contact	98-1221439 5 Email address of contact					
NAD TO ANNAIG TA FID A 1/10	+30-210-9470-100						
MR. IOANNIS ZAFIRAKIS	izafirakis@dianashippinginc.com						
6 Number and street (or P.O. box if mail is not	delivered to street address) of contact	7 City, town, or post office, state, and ZIP code of contact					
PENDELIS 16, PALAIO FALIRO		ATHENS, GREECE 175 64					
8 Date of action	9 Classification and description						
SEE DELOW DATA IN #44							
SEE BELOW DATA IN #14  10 CUSIP number	COMMON SHARES	40.4					
11 Serial number(s	s) 12 Ticker symbol	13 Account number(s)					
Y2066G104	DSX						
Part II Organizational Action Attac	h additional statements if needed. See	back of form for additional questions.					
		against which shareholders' ownership is measured for					
the action ► ON OCTOBER 19, 2021, DI	ANA SHIPPING INC. (DSI) INITIALLY ANN	OUNCED THE INTENTION TO SPIN-OFF ITS					
WHOLLY OWNED SUBSIDIARY, OCEANPAL II	NC. (OP) VIA A STOCK DISTRIBUTION TO	ITS COMMON SHAREHOLDERS. AS DOCUMENTED					
IN THE ANNOUCEMENT ISSUED ON OCTOBE	R 26, 2021, THE DATE OF RECORD FOR	THE OP SPIN-OFF DISTRIBUTION WAS SET AS					
		1 OP SHARE FOR EVERY 10 DSI SHARES. TO THE					
<b>EXTENT THE DISTRIBUTION RESULTED IN AN</b>	NY SHAREHOLDER OWNING A FRANCTI	ONAL SHARE OF OP SUCH FRACTIONAL SHARE WAS					
ROUNDED UP TO THE NEXT WHOLE NUMBER	R OF SHARES. THE VALUATION ATTRIBU	JTED TO EACH SHARE OF OP COMMON STOCK					
		TION ON NOVEMBER 29, 2021. AS PREVIOULSY					
		SPIN-OFF DOES NOT QUALIFY AS A TAX-FREE					
CORPORATE DIVISION FOR U.S. FEDERAL IN							
15 Describe the quantitative effect of the organ	nizational 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 ► DIS	STRIBUTIONS IN EXCESS OF CURRENT	AND ACCUMULATED EARNINGS AND PROFITS					
OF A CORPORATION REDUCE THE BASIS OF	SHARES OF A CORPORATION PURSUA	NT TO INTERNAL REVENUE CODE (IRC) SECTIONS					
		OS A SHAREHOLDER'S ADJUSTED COST BASIS,					
		ATED 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 STATEMEN							
		IS RESULTS IN DISTRIBUTABLE EARNINGS AND					
PROFITS, DSI WILL PREPARE AN AMENDED F	ORM 8937 TO PROVIDE LIPDATED REL	EVANT INFORMATION					
, , , , , , , , , , , , , , , , , , , ,	ONW GOOT TO TROVIDE OF DATES, REE	EVAINT IN ORWATION.					
16 Describe the calculation of the change in ba	onic and the data that augments the sale	and another the contest of the second					
valuation dates > DACED ON DOUG OUR	asis and the data that supports the calculation	on, such as the market values of securities and the					
valuation dates ► BASED ON DSI'S CURR	ENT AND ACCUMULATED EARNINGS AN	ND PROFITS, ALL OF THE OP SPIN-OFF					
DISTRIBUTION WILL REDUCE THE BASIS IN S	HARES HELD OF EACH DSI SHAREHOLI	DER RECEIVING A DISTRIBUTION.					
FOLLOWING THE CLOSING OF ITS 2021 FINAN	NCIAL STATEMENT PERIOD, DSLIS FINA	LIZING THE COMPLITATION OF ITS ACTUAL					
		IE CALCULATIONS RESULTS IN DISTRIBUTABLE					
EARNINGS AND PROFITS, DSI WILL PREPARE							
The state of the s	THE TOTAL PROVIDE	OF DATED, RELEVANT INFORMATION.					

Part	Ш	Organizational Action (continued)				
47 1	:-1.16	analizable lateral Decrease Order and Section (1)				
		applicable Internal Revenue Code section(s) and subsection(s) upon which the tax	treatment	is based		
IKC SE	CHO	IS 301(c)(2) AND 316(a).				
		resulting loss be recognized? ► FOR U.S. FEDERAL INCOME TAX PURPOSES FOR SHAREHOLDERS OR DSI.	, THE DIS	TRIBUTI	ONS WILL NO	OT RESULT IN ANY
-						
		any other information necessary to implement the adjustment, such as the reportab				
		HOLDERS OF RECORD ON NOVEMBER 3, 2021 RECEIVING AN OP SPIN-OFF	DISTRIBU	TION SE	IOULD REDUC	CE THEIR
BASIS	IN THI	IR COMMON SHARES BY \$6.50 PER SHARE OF OP STOCK RECEIVED.				
FOLLO	MINIC	THE CLOSING OF ITS 2021 FINANCIAL STATEMENT PERIOD, DSI IS FINALIZII	NC THE C	OMPLITA	ATION OF ITC	ACTUAL
		AR EARNINGS AND PROFITS. TO THE EXTENT THE FINALIZATION OF THE C				
		ND PROFITS, DSI WILL PREPARE AN AMENDED FORM 8937 TO PROVIDE UPI				
						, , , , , , , , , , , , , , , , , , , ,
	Unde belief	penalties of perjury, I declare that I have examined this return, including accompanying scheit is true, correct, and complete Declaration of preparer (other than officer) is based on all infor	dules and s	tatements	, and to the bes arer has any kno	t of my knowledge and wledge.
Sign						
Here	Signa	ure •	Date ►	SAN	12.2	022
	-		-		D CEC 000	TDEAC ACEC
Delal	Print	our name ► MR. IOANMS ZAFIRAKIS  Print/Type preparer's name  Preparer's signature	Title ► I	JIKECIO		, TREAS., & SEC.
Paid Prepa	aror.	MICHAEL J MCDERMOTT Michael & McDeront			Check if self-employed	P00877281
Use (		Firm's name FRNST & YOUNG LLP			Firm's EIN ▶	34-6565596
	- · · · y	Firm's address ► 5100 TOWN CENTER CIR, STE 500, BOCA RATON, FL 33486			Phone no.	+1-561-955-8000
Sand Fo	rm 80	37 (including accompanying statements) to: Department of the Treasury Internal Re	Wanua Sa	vice Oa	don III 84201	0054

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