

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

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name DIANA SHIPPING INC.		2 Issuer's employer identification number (EIN) 98-1221439	
3 Name of contact for additional information MR. IOANNIS ZAFIRAKIS	4 Telephone No. of contact +30-210-9470-100	5 Email address of contact izafirakis@dianashippinginc.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact PENDELIS 16, PALAIO FALIRO		7 City, town, or post office, state, and ZIP code of contact ATHENS, GREECE 175 64	
8 Date of action SEE BELOW DATA IN #14	9 Classification and description COMMON SHARES		
10 CUSIP number Y2066G104	11 Serial number(s)	12 Ticker symbol DSX	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 USD \$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. ADDITIONALLY, ON OCTOBER 19, 2021, DSI ANNOUNCED A CASH DIVIDEND OF USD \$0.10 PER SHARE OF DSI COMMON SHARES. ON OCTOBER 26, 2021, THE COMPANY ANNOUNCED A REVISED RECORD DATE FOR THE \$0.10 CASH DIVIDEND ON NOVEMBER 3, 2021 AND A PAYMENT DATE ON NOVEMBER 10, 2021.**

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 CURRENT EARNINGS AND PROFITS, A PORTION OF EACH OF THE OP COMMON SHARES AND THE CASH DIVIDEND MADE TO COMMON SHAREHOLDERS, AS OF THE DATE OF RECORD, WILL REDUCE A PORTION OF THE BASIS IN DSI COMMON SHARES HELD AS SHOWN BELOW:**

**USD \$4.5509 PER SHARE OF OP COMMON STOCK RECEIVED RELATIVE TO THE OP STOCK DIVIDEND RECEIVED.
 USD \$0.0700 PER SHARE OF DSI COMMON SHARE RELATIVE TO THE CASH DIVIDEND RECEIVED**

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, A PORTION OF EACH OF THE OP COMMON SHARES AND THE CASH DIVIDEND MADE TO THE COMMON SHAREHOLDERS, AS OF THE DATE OF RECORD, WILL REDUCE A PORTION OF THE BASIS IN DSI COMMON SHARES.**

Part II Organizational Action (continued)

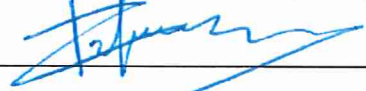
17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ►
IRC SECTIONS 301(c)(2) AND 316(a).

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.**

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 SHOULD REDUCE THEIR BASIS IN THEIR DSI COMMON SHARES HELD ON THOSE DATES BY THE FOLLOWING AMOUNTS:**
USD \$4,5509 PER SHARE OF OP COMMON STOCK RECEIVED RELATIVE TO THE OP STOCK DIVIDEND RECEIVED.
USD \$0.0700 PER SHARE OF DSI COMMON SHARE RELATIVE TO THE CASH DIVIDEND RECEIVED

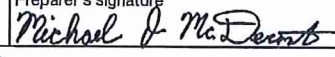
Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature ►  Date ► **February 16, 2022**

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

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
MICHAEL J MCDERMOTT		02/14/2022		P00877281
Firm's name ► ERNST & YOUNG LLP	Firm's EIN ► 34-6565596		Phone no. +1-561-955-8000	
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