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**DIANA SHIPPING INC. ANNOUNCES SALE AND LEASEBACK
OF M/V DSI ANDROMEDA AND TIME CHARTER CONTRACT FOR
M/V DSI PEGASUS WITH REACHY**

ATHENS, GREECE, December 7, 2022 – Diana Shipping Inc. (NYSE: DSX), (the “Company”), a global shipping company specializing in the ownership and bareboat charter-in of dry bulk vessels, today announced that, through a separate wholly-owned subsidiary, it has entered into a sale and leaseback agreement with an unaffiliated Japanese third party for the 2016-built Ultramax dry bulk vessel, m/v DSI Andromeda. Upon completion of the transaction, which is estimated to take place by the end of the fourth quarter of 2022, the Company’s gross proceeds will be US\$29.85 million. As part of the agreement, the Company will bareboat charter-in the vessel for a period of ten years plus 30 days at the charterer’s option, and will have purchase options beginning at the end of the third year of the bareboat charter period.

The Company also announced that, through a separate wholly-owned subsidiary, it has entered into a time charter contract with Reachy Shipping (SGP) Pte. Ltd., for one of its Ultramax dry bulk vessels, the m/v DSI Pegasus. The gross charter rate is US\$14,000 per day, minus a 5% commission paid to third parties, for a period until minimum July 15, 2024 up to maximum September 15, 2024. The charter is expected to commence later today.

The “DSI Pegasus” is a 60,508 dwt Ultramax dry bulk vessel built in 2015.

The employment of “DSI Pegasus” is anticipated to generate approximately US\$8.09 million of gross revenue for the minimum scheduled period of the time charter.

Diana Shipping Inc.’s fleet currently consists of 41 dry bulk vessels (4 Newcastlemax, 11 Capesize, 5 Post-Panamax, 6 Kamsarmax, 8 Panamax and 7 Ultramax). The Company also expects to take delivery of 2 Ultramax dry bulk vessels in the fourth quarter of 2022.

As of today, the combined carrying capacity of our fleet, excluding the 2 Ultramax dry bulk vessels not yet delivered, is approximately 4.8 million dwt with a weighted average age of 10.18 years. A table describing the current Diana Shipping Inc. fleet can be found on the Company's website, www.dianashippinginc.com. Information contained on the Company's website does not constitute a part of this press release.

About the Company

Diana Shipping Inc. is a global provider of shipping transportation services through its ownership and bareboat charter-in of dry bulk vessels. The Company's vessels are employed primarily on short to medium-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, Company management's examination of historical operating trends, data contained in the Company's records and other data available from third parties. Although the Company believes that these assumptions were reasonable when made, because these assumptions are inherently subject to significant uncertainties and contingencies that are difficult or impossible to predict and are beyond the Company's control, the Company cannot assure you that it will achieve or accomplish these expectations, beliefs or projections.

In addition to these important factors, other important factors that, in the Company's view, could cause actual results to differ materially from those discussed in the forward-looking statements include the severity, magnitude and duration of the COVID-19 pandemic, including impacts of the pandemic and of businesses' and governments' responses to the pandemic on our operations, personnel, and on the demand for seaborne transportation of bulk products; 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 the Company's operating expenses,

including bunker prices, drydocking and insurance costs, the market for the Company's 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, including risks associated with the continuing conflict between Russia and Ukraine and related sanctions, potential disruption of shipping routes due to accidents or political events, vessel breakdowns and instances of off-hires and other factors. Please see the Company's filings with the U.S. Securities and Exchange Commission for a more complete discussion of these and other risks and uncertainties. The Company undertakes no obligation to revise or update any forward-looking statement, or to make any other forward-looking statements, whether as a result of new information, future events or otherwise.