

► See separate instructions.

Part I	Reporting Issuer
---------------	-------------------------

1 Issuer's name		2 Issuer's employer identification number (EIN)	
DIANA SHIPPING INC.		98-1221439	
3 Name of contact for additional information	4 Telephone No. of contact	5 Email address of contact	
MR. IOANNIS ZAFIRAKIS	+30-210-9470-100	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 BELOW DATA IN #14		COMMON SHARES	
10 CUSIP number	11 Serial number(s)	12 Ticker symbol	13 Account number(s)
Y2066G104		DSX	

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 ► [SEE ATTACHMENT](#)

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 ► [SEE ATTACHMENT](#)

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 ► [SEE ATTACHMENT](#)

Part II Organizational Action (continued)17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ► SEE ATTACHMENT18 Can any resulting loss be recognized? ► SEE ATTACHMENT19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ► SEE ATTACHMENT**Sign
Here**

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.

Signature ►

Date ► 02/22/2024

Print your name ► MR. IOANNIS ZAFIRAKIS

Title ► DIRECTOR, CFO, CSO, TREAS., & SEC.

**Paid
Preparer
Use Only**

Print/Type preparer's name

MICHAEL J MCDERMOTT

Preparer's signature

Michael J McDermott

Date

02/21/2024

Check ☐ if
self-employed

PTIN

P00877281

Firm's name ► ERNST & YOUNG LLP

Firm's EIN ► 34-6565596

Firm's address ► 5100 TOWN CENTER CIR, STE 500, BOCA RATON, FL 33486

Phone no. +1-561-955-8000

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054

Diana Shipping, Inc.
EIN: 98-1221439
Attachment to Form 8937

PLEASE CONSULT YOUR TAX ADVISOR

The information contained herein is being provided pursuant to the requirements of Section 6045B of the Internal Revenue Code of 1986, as amended (the "Code")¹, and includes a general summary regarding the application of certain United States ("U.S.") federal income tax laws and U.S. Department of Treasury regulations ("Treasury Regulations") related to the various distributions made to the common shareholders of Diana Shipping, Inc. ("Diana Shipping" or the "Company") during the calendar year ended December 31, 2023. The information contained herein does not constitute tax advice and does not purport to be complete or describe the tax consequences that may apply to particular persons or categories of persons. You are encouraged to consult your own tax advisor regarding the applicability and effect of all U.S. federal, state, local and foreign tax laws. In particular, all non-U.S. shareholders of Diana Shipping should confirm the tax treated of the different distributions to them in each of their relevant, non-U.S. jurisdictions.

Line 14 – Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for action.

Cash Dividend Distributions

During the year ended December 31, 2023, the Company declared the following cash distribution(s) to common shareholders of record on the date(s) specified below:

Date of Record	Amount per Share	Date Paid
March 13, 2023	\$0.15	March 20, 2023

Mixed Cash and Stock Dividend Distributions

During the year ended December 31, 2023 the Company declared the following stock distribution(s) to the common shareholder of record on the date(s) specified below:

Date of Record	Amount per Share	Date Paid
June 12, 2023	\$0.15	July 10, 2023
August 14, 2023	\$0.15	September 8, 2023

¹ Unless otherwise specified herein, "section" references are to the Code.

As part of the stock distribution, the common shareholders of the Company were given the option to receive cash in lieu of the stock distribution. The amount of cash payment equates to \$0.15 per share of Diana Shipping common stock held at each date of record.

OceanPal Series D Convertible Preferred Shares

On May 12, 2023, the Company announced a special dividend to common shareholders of record as of April 24, 2023 of 13,157 Series D convertible preferred shares of OceanPal Inc. ("OP") held by Diana Shipping. Because there is no public market currently existing or expected to develop for the OP Series D convertible preferred shares, as an accommodation to its common shareholders the Company automatically converted the OP Series D convertible preferred shares into OP common shares on or around the stock dividend payment date and distributed such OP common shares to each common shareholder of the Company in lieu of OP Series D convertible preferred shares. As part of the distribution, the Diana Shipping common shareholders were given the election to opt out of the conversion and to receive OP Series D convertible preferred shares instead. As of the date of record there were 106,437,232 Diana Shipping common shares issued and outstanding. The Company made the special dividend distribution on June 9, 2023. The total value of the special dividend was determined to be \$10,761,462. The dividend amount was determined based upon the fair market value of the OP Series D convertible preferred shares distributed. The fair market value of the OP common shares was determined to be \$3.38 per share and the fair market value of the Series D convertible preferred shares was determined to be \$817.93 per share.

Distribution of Diana Shipping Common Shares

During the year ended December 31, 2023, the Company declared the following stock distribution(s) to the common shareholder of record on the date(s) specified below:

Date of Record	Amount per Share	Date Paid
November 27, 2023	\$0.15	December 4, 2023

As part of the stock distribution, the common shareholders of the Company were not given the option to receive cash in lieu of the stock distribution. The amount of stock distribution equated to \$0.15 worth of Diana Shipping common shares for every share of the Company's common stock held at the date of record.

Some shareholders received cash for fractional shares. The receipt of cash for fractional shares is treated as a redemption for U.S. federal income tax purposes. Please consult your tax advisor if you have questions about the tax implications of cash paid for fractional shares.

Distribution of Diana Shipping Stock Warrants

On November 20, 2023 the Company announced that it would be making a pro rata distribution of warrants to acquire additional shares of common stock of the Company to common shareholders of record as of December 6, 2023. Diana Shipping common shareholders received one warrant for every five shares of common stock held as of the date of record (rounded down to the nearest whole number for any fractional warrant). Each warrant entitles the owner to purchase additional common shares of the Company's stock.

Line 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.

Cash Dividend Distributions

Distributions in excess of current and accumulated earnings and profits of a corporation reduce the basis of shares of a corporation pursuant to 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 current and accumulated earnings and profits of Diana Shipping, a portion of the cash distributions paid to common shareholders during the tax year, as of the date of record, will reduce the basis in each common shareholder as shown below:

- \$0.13301406 per share on March 13, 2023

Mixed Cash and Stock Dividend Distributions

Under section 305(b), a distribution is, at the election of any of the shareholders, payable either in stock or in property, the distribution is treated as a distribution pursuant to section 301. Distributions in excess of current and accumulated earnings and profits of a corporation reduce the basis of shares of a corporation pursuant to 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 current and accumulated earnings and profits of Diana Shipping, a portion of the mixed cash and stock dividend distributions paid to common shareholders during the tax year, as of the date of record, will reduce the basis in each common shareholder as shown below:

- \$0.13301406 per share on June 12, 2023
- \$0.13301406 per share on August 14, 2023

OceanPal Series D Convertible Preferred Shares

Under section 305(b), distributions of common stock to some common shareholders and of preferred stock by some common shareholders are treated as distributions pursuant to section 301. Distributions in excess of current and accumulated earnings and profits of a corporation reduce the basis of shares of a corporation pursuant to 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 current and accumulated earnings and profits of Diana Shipping, a portion of the OP Series D convertible preferred share distribution to common shareholders, as of the date of record, will reduce a portion of the basis in Diana Shipping Common shares. Specifically, 88.6760% of the OP Series D convertible preferred share distribution represents a non-dividend distribution. The amount of the basis reduction expressed as a function of the OP shares distributed is as follows:

- \$2.9972 per share of OP common stock received
- \$725.3076 per share of OP Series D convertible preferred share received

Distribution of Diana Shipping Common Shares

A common shareholder will divide the total adjusted basis in its shares of the Company's common stock held before the common share distribution by the total number of shares of the Company's common stock owned after the common share distribution after considering the impacts of any cash paid in lieu of fractional shares.

Distribution of Diana Shipping Stock Warrants

Common shareholders receiving stock warrants will allocate their existing adjusted tax basis in their Diana Shipping common shares held immediately prior to the distribution of the warrants between the shares of Diana Shipping common stock held and the warrants received in proportion to the relative fair market value of the common shares of the Company held and the warrants on the date of the distribution of the warrants (i.e., December 14, 2023). For purposes of the distribution of the warrants, the Company has valued the warrants on the date of distribution at \$0.54 per warrant.

Line 16 – Describe the calculation of the change in basis and the data that supports the calculation, such as the market value of securities and the valuation dates.

Cash Dividend Distributions

Based on the Company's current and accumulated earnings and profits, a portion of the cash distribution(s) to the common shareholders, as of the date(s) of record, will reduce the basis of each common shareholder.

Mixed Cash and Stock Dividend Distributions

Based on the Company's current and accumulated earnings and profits, a portion of the mixed cash and stock dividend distribution(s) to the common shareholders, as of the date(s) of record, will reduce the basis of each common shareholder.

OceanPal Series D Convertible Preferred Shares

Based on the Company's current and accumulated earnings and profits, a portion of the OP Series D convertible preferred share distribution to the common shareholders, as of the date(s) of record, will reduce the basis of each common shareholder.

Distribution of Diana Shipping Common Shares

A shareholder will divide the adjusted basis in the Diana Shipping common stock held before the stock dividend by the total number of Diana Shipping common stock owned after the stock dividend. Before the stock distribution, a shareholder holds X number of shares with an adjusted basis of \$Y per share. As part of the distribution, the shareholder receives Z number of additional shares of Diana Shipping common stock. The shareholders adjusted basis can be calculated as:

$$\text{Adjusted per share price} = \frac{(\text{X number of shares} \times \$Y \text{ per share adjusted basis})}{(\text{X number of shares} + \text{Z additional shares received})}$$

In lieu of any fractional shares, the shareholder will receive cash and must recognize gain or loss equal to the difference between the cash received and the portion of the original basis allocable to the fractional share. Please consult your tax advisor if you have questions about the tax implications of cash paid for fractional shares.

Distribution of Diana Shipping Stock Warrants

The following is a numerical example of the tax basis calculation. Amounts and values are provided for illustrative purposes only and are not intended to be relied upon by shareholders.

A shareholder who held 100 shares of Diana Shipping common stock with a tax basis of \$3.50 per share (or \$350 of total basis) would have received 20 warrants. The shareholder would allocate their \$350 total tax basis between the 100 shares of Diana Shipping common stock and the 20 warrants based on the relative fair market value on the date of the dividend. The tax law does not provide any specific guidance on the determination of fair market value, but one approach is to use the opening trading price for the Company's common shares (i.e., \$2.96 per share) on December 15, 2023, the first day following the distribution, and the fair value for the warrants (i.e., \$0.54 per warrant) as determined by the Company. Using this approach, the

shareholder would allocate the existing adjusted tax basis of \$350 between the 100 common shares of the Company valued at \$296 (i.e., 100 shares x \$2.96 per share December 15, 2023 opening price) and the value of the warrants at \$10.80 (i.e., 20 warrants x \$0.54 value per warrant). The result would be that the common shares would have a total basis of \$337.68 (or \$3.3768 per share) and the warrants would have a total basis of \$12.32 (or \$0.616 per warrant).

Line 7 - List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based.

Cash Dividend Distributions

Code sections 301(c)(2) and 316(a).

Mixed Cash and Stock Dividend Distributions

Code sections 301(c)(2), 305(b) and 316(a).

OceanPal Series D Convertible Preferred Shares

Code sections 301(c)(2), 305(b) and 316(a).

Distribution of Diana Shipping Common Shares

Code sections 305(a) and 307(a).

Distribution of Diana Shipping Stock Warrants

Code sections 305(a) and 307(a).

Line 18 – Can any resulting loss be recognized?

Cash Dividend Distributions

For U.S. federal income tax purposes, the distribution(s) will not result in any tax losses for the common shareholders of Diana Shipping.

Mixed Cash and Stock Dividend Distributions

For U.S. federal income tax purposes, the distribution(s) will not result in any tax losses for the common shareholders of Diana Shipping.

OceanPal Series D Convertible Preferred Shares

For U.S. federal income tax purposes, the distribution(s) will not result in any tax losses for the common shareholders of Diana Shipping.

Distribution of Diana Shipping Common Shares

Shareholders who receive cash lieu of fractional shares as part of the stock dividend will be treated as having received the fractional shares and then as having exchanged them for cash. These holders will generally recognize gain or loss equal to the difference between the tax basis allocable to the fractional share and the amount of cash received.

Distribution of Diana Shipping Stock Warrants

For U.S. federal income tax purposes, the distribution(s) is not intended to result in any tax losses for the common shareholders of Diana Shipping.

Line 19 – Provide any other information necessary to implement the adjustment, such as the reportable tax year.

Cash Dividend Distributions

The reportable tax year is 2023. Common shareholders as of the below record dates should reduce their basis in each common share held on the following date(s), by the following amount(s) per share:

- \$0.13301406 per share on March 13, 2023

The reduction in basis is cumulative such that a shareholder who was a common shareholder on the date(s) of record for all the above mentioned distributions in 2023 would recognize a total basis reduction of \$0.13301406 per share. This basis reduction is in addition to any other applicable basis reductions recognized for the year ended December 31, 2023 (i.e., mixed cash and stock dividend distribution(s) and / or the OP Series D convertible preferred share distribution(s)).

Mixed Cash and Stock Dividend Distributions

The reportable tax year is 2023. Common shareholders as of the below record dates should reduce their basis in each common share held on the following date(s), by the following amount(s) per share:

- \$0.13301406 per share on June 12, 2023
- \$0.13301406 per share on August 14, 2023

The reduction in basis is cumulative such that a shareholder who was a common shareholder on the date(s) of record for all the above mentioned distributions in 2023 would recognize a total basis reduction of \$0.26602812 per share. This basis reduction is in addition to any other applicable basis reductions recognized for the year ended December 31, 2023 (i.e., cash dividend distribution(s) and / or the OP Series D convertible preferred share distribution).

OceanPal Series D Convertible Preferred Shares

The reportable tax year is 2023. Common shareholders of record on April 24, 2023 should reduce their basis in their Diana Shipping common shares held. Specifically, 88.6760% of the OP Series D convertible preferred share distribution represents a non-dividend distribution. The amount of the basis reduction expressed as a function of OP shares distributed is as follows:

- \$2.9972 per share of OP common stock received
- \$725.3076 per share of OP Series D convertible preferred share received

This basis reduction is in addition to any other applicable basis reduction recognized for the year ended December 31, 2023 (i.e., cash dividend distribution(s) and / or mixed cash and stock dividend distribution(s)).

Distribution of Diana Shipping Common Shares

The reportable tax year is 2023.

Distribution of Diana Shipping Stock Warrants

The reportable tax year is 2023.