

DIANA SHIPPING INC.  
Form 6-K  
August 02, 2012

FORM 6-K

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13A-16 OR 15D-16 OF  
THE SECURITIES EXCHANGE ACT OF 1934

For the month of August 2012  
Commission File Number: 001-32458

DIANA SHIPPING INC.  
(Translation of registrant's name into English)  
Pendelis 16, 175 64 Palaio Faliro, Athens, Greece  
(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F  Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): .

Note: Regulation S-T Rule 101(b)(1) only permits the submission in paper of a Form 6-K if submitted solely to provide an attached annual report to security holders.

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): .

Note: Regulation S-T Rule 101(b)(7) only permits the submission in paper of a Form 6-K if submitted to furnish a report or other document that the registrant foreign private issuer must furnish and make public under the laws of the jurisdiction in which the registrant is incorporated, domiciled or legally organized (the registrant's "home country"), or under the rules of the home country exchange on which the registrant's securities are traded, as long as the report or other document is not a press release, is not required to be and has not been distributed to the registrant's security holders, and, if discussing a material event, has already been the subject of a Form 6-K submission or other Commission filing on EDGAR.

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INFORMATION CONTAINED IN THIS FORM 6-K REPORT

Attached to this report on Form 6-K as Exhibit 99.1 is a press release dated August 2, 2012 of Diana Shipping Inc. ("the Company") reporting the Company's financial results for the second quarter and six months ended June 30, 2012.

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Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

DIANA SHIPPING INC.  
(registrant)

Dated: August 2, 2012

By: /s/ Andreas Michalopoulos  
Andreas Michalopoulos  
Chief Financial Officer

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Corporate Contact:  
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For Immediate Release

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DIANA SHIPPING INC. REPORTS FINANCIAL RESULTS  
FOR THE SECOND QUARTER AND SIX MONTHS ENDED JUNE 30, 2012

ANNOUNCES TIME CHARTER CONTRACTS  
FOR M/V NAIAS AND M/V OCEANIS WITH ULTRABULK

ATHENS, GREECE, August 2, 2012 – Diana Shipping Inc. (NYSE: DSX), a global shipping company specializing in the ownership and operation of dry bulk vessels, today reported net income of \$17.4 million for the second quarter of 2012, compared to net income of \$27.7 million reported in the second quarter of 2011.

Time charter revenues were \$57.6 million for the second quarter of 2012, compared to \$64.6 million for the same period of 2011, mainly due to reduced time charter rates. The decrease in time charter revenues was partly offset by revenues derived from the increase in ownership days resulting from the addition to the Company's fleet of the vessels Arethusa, delivered in July 2011; Leto, delivered in January 2012; Los Angeles, delivered in February 2012; and Philadelphia and Melia, delivered in May 2012.

Net income to Diana Shipping Inc. for the six months ended June 30, 2012 amounted to \$37.3 million, compared to net income of \$60.8 million for the same period of 2011. Time charter revenues were \$115.2 million for the six months ended June 30, 2012, compared to \$134.1 million for the same period of 2011.

Time Charter Contracts

Separately, the Company also announced that it has entered into time charter contracts with Ultrabulk A/S, Copenhagen, Denmark, through separate wholly-owned subsidiaries, for two of its Panamax dry bulk carriers, the m/v "Naias" and the m/v "Oceanis". The gross charter rate for each vessel is US\$9,250 per day, minus a 5% commission paid to third parties, for a period of minimum seventeen (17) months to maximum twenty-three (23) months. The Oceanis charter is expected to commence in mid-August 2012 and the Naias charter is expected to commence at the end of August 2012. The employment of the two vessels is anticipated to generate approximately US\$9.4 million of gross revenue for the minimum scheduled period of the charters.

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The Naias is a 73,546 dwt Panamax dry bulk vessel built in 2006 and the Oceanis is a 75,211 dwt Panamax dry bulk vessel built in 2001.

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Fleet Employment Profile (As of August 2, 2012)

Currently Diana's fleet is employed as follows:

| Vessel                |          | Sister<br>Ships* | Gross Rate<br>(USD Per<br>Day) | Com** | Charterer   | Delivery<br>Date to<br>Charterer | Redelivery Date to<br>Owners*** | Notes |
|-----------------------|----------|------------------|--------------------------------|-------|---|----------------------------------|---------------------------------|-------|
| BUILT                 | DWT      |                  |                                |       |   |                                  |                                 |       |
| Panamax Bulk Carriers |          |                  |                                |       |   |                                  |                                 |       |
| 1                     | CORONIS  | C                | \$10,600                       | 5.00% | EDF Trading<br>Limited,<br>London                                 | 12-Mar-12                        | 27-Nov-13 -<br>27-Jun-14        |       |
| 2006                  | 74,381   |                  |                                |       |   |                                  |                                 |       |
| 2                     | ERATO    | C                | \$12,200                       | 5.00% | Hyundai<br>Merchant<br>Marine Co.,<br>Ltd., Seoul,<br>South Korea | 26-Nov-11                        | 26-Dec-12 -<br>10-Apr-13        |       |
| 2004                  | 74,444   |                  |                                |       |   |                                  |                                 |       |
| 3                     | ARETHUSA | B                | \$13,250                       | 5.00% | Cargill<br>International<br>S.A., Geneva                          | 8-Jul-11                         | 17-May-12                       | 1     |
|                       |          |                  | \$9,250                        | 5.00% | DS Norden<br>A/S,<br>Copenhagen                                   | 17-May-12                        | 2-Oct-12 - 1-Jan-13             |       |
| 2007                  | 73,593   |                  |                                |       |   |                                  |                                 |       |
| 4                     | NAIAS    | B                | \$19,750                       | 5.00% | J. Aron &<br>Company, New<br>York                                 | 24-Sep-10                        | 24-Aug-12                       | 2     |
|                       |          |                  | \$9,250                        | 5.00% | Ultrabulk A/S,<br>Copenhagen,<br>Denmark                          | 24-Aug-12                        | 24-Jan-14 - 24-Jul-14           |       |
| 2006                  | 73,546   |                  |                                |       |   |                                  |                                 |       |
| 5                     | CLIO     | B                | \$10,750                       | 5.00% | Cargill<br>International<br>S.A., Geneva                          | 22-Feb-12                        | 22-Aug-13 -<br>22-Feb-14        | 3     |
| 2005                  | 73,691   |                  |                                |       |   |                                  |                                 |       |

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|            |   |          |         |   |           |                                 |     |
|------------|---|----------|---------|---|-----------|---------------------------------|-----|
| 6 CALIPSO  | B | \$12,250 | 5.00%   | Louis Dreyfus<br>Commodities<br>Suisse S.A.,<br>Geneva              | 11-Oct-11 | 11-Aug-13 -<br>11-Dec-13        | 4   |
| 2005       |   | 73,691   |         |   |           |                                 |     |
| 7 PROTEFS  | B | \$11,750 | 4.75%   | Cargill<br>International<br>S.A., Geneva                            | 6-Aug-11  | 25-Aug-12                       | 2   |
| 2004       |   | 73,630   | \$9,000 | 5.00%   |           | 25-Aug-12 25-Aug-14 - 25-Jan-15 |     |
| 8 THETIS   | B | \$10,500 | 5.00%   | EDF Trading<br>Limited,<br>London                                   | 22-Feb-12 | 22-Aug-13 -<br>22-Jun-14        |     |
| 2004       |   | 73,583   |         |   |           |                                 |     |
| 9 DIONE    | A | \$20,500 | 5.00%   | Louis Dreyfus<br>Commodities<br>Suisse S.A.,<br>Geneva              | 26-Sep-10 | 19-Jul-12                       |     |
|            |   | \$9,700  | 5.00%   | EDF Trading<br>Limited,<br>London                                   | 19-Jul-12 | 19-Jul-14 - 19-Dec-14           | 5   |
| 2001       |   | 75,172   |         |   |           |                                 |     |
| 10 DANAE   | A | \$15,600 | 5.00%   | Hyundai<br>Merchant<br>Marine Co.,<br>Ltd., Seoul,<br>South Korea   | 18-Apr-11 | 18-Mar-13 -<br>18-May-13        | 6   |
| 2001       |   | 75,106   |         |   |           |                                 |     |
| 11 OCEANIS | A | \$19,750 | 5.00%   | China National<br>Chartering Co.<br>Ltd. (Sinochart<br>BJ), Beijing | 17-Sep-10 | 14-Aug-12                       | 2,7 |
|            |   | \$9,250  | 5.00%   | Ultrabulk A/S,<br>Copenhagen,<br>Denmark                            | 14-Aug-12 | 14-Jan-14 - 14-Jul-14           |     |
| 2001       |   | 75,211   |         |   |           |                                 |     |





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Fleet Employment Profile (As of August 2, 2012)

Currently Diana's fleet is employed as follows:

| Vessel<br>BUILT            | DWT    | Sister<br>Ships* | Gross Rate<br>(USD Per<br>Day) | Com** | Charterer                                  | Delivery<br>Date to<br>Charterer | Redelivery Date to<br>Owners*** | Notes |
|----------------------------|--------|------------------|--------------------------------|-------|--|----------------------------------|---------------------------------|-------|
| Panamax Bulk Carriers      |        |                  |                                |       |  |                                  |                                 |       |
| 12 TRITON                  |        | A                | \$19,500                       | 4.75% | Resource<br>Marine Pte.,<br>Ltd, Singapore | 11-Dec-10                        | 11-Nov-13 - 11-Feb-14           | 8     |
| 2001                       | 75,336 |                  |                                |       |  |                                  |                                 |       |
| 13 ALCYON                  |        | A                | \$34,500                       | 4.75% | Cargill<br>International<br>S.A., Geneva   | 21-Feb-08                        | 21-Nov-12 - 21-Feb-13           | 9     |
| 2001                       | 75,247 |                  |                                |       |  |                                  |                                 |       |
| 14 NIREFS                  |        | A                | \$12,250                       | 5.00% | Morgan<br>Stanley Capital<br>Group Inc.    | 18-Dec-11                        | 18-Jan-13 - 18-Apr-13           |       |
| 2001                       | 75,311 |                  |                                |       |  |                                  |                                 |       |
| 15 MELIA                   |        | G                | \$10,900                       | 5.00% | STX Panocean<br>Co., Ltd., Seoul           | 2-May-12                         | 2-Apr-13 - 2-Jul-13             |       |
| 2005                       | 76,225 |                  |                                |       |  |                                  |                                 |       |
| 16 MELITE                  |        | G                | \$16,500                       | 5.00% | Cargill<br>International<br>S.A., Geneva   | 1-Feb-11                         | 1-Jan-13 - 1-Mar-13             |       |
| 2004                       | 76,436 |                  |                                |       |  |                                  |                                 |       |
| 17 LETO                    |        |                  | \$12,900                       | 5.00% | EDF Trading<br>Limited,<br>London          | 17-Jan-12                        | 17-Jan-14 - 17-Nov-14           |       |
| 2010                       | 81,297 |                  |                                |       |  |                                  |                                 |       |
| Post-Panamax Bulk Carriers |        |                  |                                |       |  |                                  |                                 |       |
| 18 ALCMENE                 |        |                  | \$20,250                       | 5.00% | Cargill<br>International<br>S.A., Geneva   | 20-Nov-10                        | 5-Oct-12 - 4-Jan-13             |       |
| 2010                       | 93,193 |                  |                                |       |  |                                  |                                 |       |

|                  |   |   |   |   |     |    |
|------------------|---|---|---|---|-----|----|
| 19 HULL No.      | - | - | - | - | --- | 10 |
| SS-118           |   |   |   |   |     |    |
| (tbn Amphitrite) |   |   |   |   |     |    |
| 2012 98,697      |   |   |   |   |     |    |

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Fleet Employment Profile (As of August 2, 2012)  
 Currently Diana's fleet is employed as follows:

| Vessel<br>BUILT DWT                  | Sister<br>Ships* | Gross Rate<br>(USD Per<br>Day) | Com** | Charterer  | Delivery<br>Date to<br>Charterer | Redelivery Date to<br>Owners*** | Notes |
|--------------------------------------|------------------|--------------------------------|-------|--|----------------------------------|---------------------------------|-------|
| Capesize Bulk Carriers               |                  |                                |       |  |                                  |                                 |       |
| 20 NORFOLK<br>2002 164,218           |                  | \$74,750                       | 3.75% | Corus UK<br>Limited                                  | 12-Feb-08                        | 12-Jan-13 - 12-Mar-13           | 11    |
| 21 ALIKI<br>2005 180,235             |                  | \$26,500                       | 5.00% | Minmetals<br>Logistics<br>Group Co.<br>Ltd., Beijing | 1-Mar-11                         | 1-Feb-16 - 1-Apr-16             |       |
| 22 SALT LAKE<br>CITY<br>2005 171,810 |                  | \$55,800                       | 5.00% | Refined<br>Success<br>Limited                        | 28-Sep-07                        | 29-Jul-12                       | 12,13 |
|                                      |                  | \$13,000                       | 5.00% | Morgan<br>Stanley Capital<br>Group Inc.              | 9-Aug-12                         | 9-Jun-14 - 9-Dec-14             |       |
| 23 SIDERIS GS<br>2006 174,186        | D                | \$30,500                       | 5.00% | BHP Billiton<br>Marketing AG                         | 16-Oct-10                        | 16-Feb-13 - 16-Jun-13           |       |
| 24 SEMIRIO<br>2007 174,261           | D                | \$17,350                       | 5.00% | Cargill<br>International<br>S.A., Geneva             | 30-May-11                        | 15-Mar-13 - 14-Aug-13           |       |
| 25 BOSTON<br>2007 177,828            | D                | \$14,000                       | 5.00% | Morgan<br>Stanley Capital<br>Group Inc.              | 29-Oct-11                        | 29-Aug-13 - 29-Dec-13           | 14    |
| 26 HOUSTON                           | D                | \$55,000                       | 4.75% |  | 3-Nov-09                         | 3-Oct-14 - 3-Jan-15             | 15    |

Shagang  
Shipping Co.

2009 177,729

|             |   |          |       |  |          |                     |
|-------------|---|----------|-------|--|----------|---------------------|
| 27 NEW YORK | D | \$48,000 | 3.75% | Nippon Yusen<br>Kaisha, Tokyo<br>(NYK) | 3-Mar-10 | 3-Jan-15 - 3-May-15 |
|-------------|---|----------|-------|--|----------|---------------------|

2010 177,773

Fleet Employment Profile (As of August 2, 2012)  
Currently Diana's fleet is employed as follows:

| Vessel<br>BUILT DWT             | Sister<br>Ships* | Gross Rate<br>(USD Per<br>Day) | Com** | Charterer                         | Delivery<br>Date to<br>Charterer | Redelivery Date to<br>Owners*** | Notes |
|---------------------------------|------------------|--------------------------------|-------|-----------------------------------|----------------------------------|---------------------------------|-------|
| Newcastlemax Bulk Carriers      |                  |                                |       |                                   |                                  |                                 |       |
| 28 LOS ANGELES<br>2012 206,104  | E                | \$18,000                       | 5.00% | EDF Trading<br>Limited,<br>London | 9-Feb-12                         | 9-Dec-15 - 9-Apr-16             |       |
| 29 PHILADELPHIA<br>2012 206,040 | E                | \$18,000                       | 5.00% | EDF Trading<br>Limited,<br>London | 17-May-12                        | 17-Jan-16 - 17-Jul-16           | 16    |
| Vessels Under Construction      |                  |                                |       |                                   |                                  |                                 |       |
| 30 HULL H2528<br>2013 76,000    | F                | -                              | -     | -                                 | -                                | - - -                           | 17    |
| 31 HULL H2529<br>2013 76,000    | F                | -                              | -     | -                                 | -                                | - - -                           | 17    |

\* Each dry bulk carrier is a "sister ship", or closely similar, to other dry bulk carriers that have the same letter.

\*\* Total commission percentage paid to third parties.

\*\*\* Charterers' optional period to redeliver the vessel to owners. Charterers have the right to add the off hire days, if any, and therefore the optional period may be extended.

1 The previous charterers, Cargill International S.A., Geneva have agreed to compensate the owners for the difference between the new rate and the previous rate from May 17, 2012 to May 24, 2012, for the early redelivery.

2 Estimated date.

3 The previous charterers, Daelim Corporation, Seoul, have agreed to compensate the owners for the early redelivery by paying US\$17,000 gross per day, minus 5% commission paid to third parties, starting from the date of redelivery to owners, on February 22, 2012, to the minimum agreed redelivery date, April 8, 2012.

4 Vessel off-hire for drydocking from March 27, 2012 to April 17, 2012.

5 The previous charterers, Louis Dreyfus Commodities Suisse S.A., Geneva, have agreed to compensate the owners for the early redelivery by paying US\$ 11,875 gross per day, minus 5% commission paid to third parties, starting from the date of redelivery to owners, on July 19, 2012, to the minimum agreed redelivery date, July 26, 2012.

6 Vessel off-hire for unscheduled maintenance from May 5, 2012 to May 9, 2012.

7 The previous charterers, China National Chartering Co. Ltd (Sinchart BJ), Beijing have agreed to compensate the owners for the early redelivery date till the minimum agreed redelivery date, August 17, 2012.

8 Resource Marine Pte., Ltd, Singapore is a guaranteed nominee of Macquarie Bank Limited.

9 Vessel off-hire from July 28, 2012 to July 30, 2012.

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- 10 Expected date of delivery in the middle of August (based on latest information received by the sellers).
  - 11 Since September 2010 charterer's name has changed to Tata Steel UK, Limited.
  - 12 The previous charterers, Refined Success Limited, have agreed to compensate the owners for the early redelivery.
  - 13 Vessel currently in drydock.
  - 14 Morgan Stanley Capital Group Inc. has the option to employ the vessel for a further minimum eleven (11) to a maximum thirteen (13) month period at a gross rate of US\$15,000 per day starting twenty-four (24) months after delivery of the vessel to the charterer.
  - 15 Shagang Shipping Co. is a guaranteed nominee of the Jiangsu Shagang Group Co.
  - 16 Vessel off-hire for unscheduled maintenance from June 1, 2012 to June 5, 2012.
  - 17 Year of delivery and dwt are based on shipbuilding contract.
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## Summary of Selected Financial &amp; Other Data

|  | For the three months ended June<br>30, |                     | For the six months ended<br>June 30, |                     |
|--|--|---------------------|--------------------------------------|---------------------|
|  | 2012<br>(unaudited)                    | 2011<br>(unaudited) | 2012<br>(unaudited)                  | 2011<br>(unaudited) |
| <b>INCOME STATEMENT DATA (in thousands of US Dollars):</b> |  |                     |                                      |                     |
| Time charter revenues                                      | \$ 57,583                              | \$ 64,615           | \$ 115,185                           | \$ 134,051          |
| Voyage expenses  | 2,922                                  | 2,657               | 5,101                                | 5,561               |
| Vessel operating expenses                                  | 15,371                                 | 14,073              | 30,028                               | 26,442              |
| Net income attributed to Diana<br>Shipping Inc.            | 17,377                                 | 27,676              | 37,338                               | 60,813              |
| <b>FLEET DATA</b>  |  |                     |                                      |                     |
| Average number of vessels                                  | 27.2                                   | 23.0                | 26.3                                 | 23.2                |
| Number of vessels  | 28.0                                   | 23.0                | 28.0                                 | 23.0                |
| Weighted average age of vessels<br>(in years)              | 5.9                                    | 5.9                 | 5.9                                  | 5.9                 |
| Ownership days   | 2,472                                  | 2,093               | 4,785                                | 4,199               |
| Available days   | 2,456                                  | 2,025               | 4,739                                | 4,131               |
| Operating days   | 2,445                                  | 1,997               | 4,723                                | 4,098               |
| Fleet utilization  | 99.6%                                  | 98.6%               | 99.7%                                | 99.2%               |
| <b>AVERAGE DAILY RESULTS</b>                               |  |                     |                                      |                     |
| Time charter equivalent (TCE) rate<br>(1)                  | \$ 22,256                              | \$ 30,597           | \$ 23,229                            | \$ 31,104           |
| Daily vessel operating expenses (2)                        | \$ 6,218                               | \$ 6,724            | \$ 6,275                             | \$ 6,297            |

(1) Time charter equivalent rates, or TCE rates, are defined as our time charter revenues less voyage expenses during a period divided by the number of our available days during the period, which is consistent with industry standards. Voyage expenses include port charges, bunker (fuel) expenses, canal charges and commissions. TCE is a non-GAAP measure. TCE rate is a standard shipping industry performance measure used primarily to compare daily earnings generated by vessels on time charters with daily earnings generated by vessels on voyage charters, because charter hire rates for vessels on voyage charters are generally not expressed in per day amounts while charter hire rates for vessels on time charters are generally expressed in such amounts.

(2) Daily vessel operating expenses, which include crew wages and related costs, the cost of insurance, expenses relating to repairs and maintenance, the costs of spares and consumable stores, tonnage taxes and other miscellaneous expenses, are calculated by dividing vessel operating expenses by ownership days for the relevant period.

## Conference Call and Webcast Information

Diana Shipping Inc. will conduct a conference call and simultaneous Internet webcast to review these results at 9:00 A.M. (Eastern Time) on Thursday, August 2, 2012.

Investors may access the webcast by visiting the Company's website at [www.dianashippinginc.com](http://www.dianashippinginc.com), and clicking on the webcast link. The conference call also may be accessed by telephone by dialing 1-877-407-8291 (for U.S.-based callers) or 1-201-689-8345 (for international callers), and asking the operator for the Diana Shipping Inc. conference call.

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A replay of the webcast will be available soon after the completion of the call and will be accessible for 30 days on [www.dianashippinginc.com](http://www.dianashippinginc.com). A telephone replay also will be available for 30 days by dialing 1-877-660-6853 (for U.S.-based callers) or 1-201-612-7415 (for international callers), and providing the Account number 362 and Replay ID number 397233.

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## About the Company

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

In addition to these important factors, other important factors that, in our view, could cause actual results to differ materially from those discussed in the forward-looking statements include 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 our operating expenses, including bunker prices, drydocking and insurance costs, the market for our 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, potential disruption of shipping routes due to accidents or political events, vessels breakdowns and instances of off-hires and other factors. Please see our filings with the Securities and Exchange Commission for a more complete discussion of these and other risks and uncertainties.

(See financial tables attached)

DIANA SHIPPING INC.  
FINANCIAL TABLES

Expressed in thousands of U.S. Dollars, except share and per share data

UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF INCOME

|   | For the three months ended<br>June 30, |            | For the six months ended<br>June 30, |            |
|---|--|------------|--------------------------------------|------------|
|   | 2012                                   | 2011       | 2012                                 | 2011       |
| <b>REVENUES:</b>                                    |  |            |                                      |            |
| Time charter revenues                               | \$57,583                               | \$64,615   | \$115,185                            | \$134,051  |
| Other revenues                                      | 618                                    | 279        | 1,186                                | 401        |
| <b>EXPENSES:</b>                                    |  |            |                                      |            |
| Voyage expenses                                     | 2,922                                  | 2,657      | 5,101                                | 5,561      |
| Vessel operating expenses                           | 15,371                                 | 14,073     | 30,028                               | 26,442     |
| Depreciation and amortization of deferred charges   | 15,327                                 | 13,567     | 29,915                               | 27,064     |
| General and administrative expenses                 | 6,564                                  | 6,204      | 12,682                               | 12,750     |
| Foreign currency gains                              | (378 )                                 | (206 )     | (772 )                               | (198 )     |
| Operating income                                    | 18,395                                 | 28,599     | 39,417                               | 62,833     |
| <b>OTHER INCOME / (EXPENSES):</b>                   |  |            |                                      |            |
| Interest and finance costs                          | (1,855 )                               | (1,176 )   | (3,398 )                             | (2,458 )   |
| Interest income                                     | 517                                    | 226        | 895                                  | 439        |
| Loss from derivative instruments                    | (39 )                                  | (490 )     | (240 )                               | (575 )     |
| Income from investment in Diana Containerships Inc. | 359                                    | 517        | 664                                  | 572        |
| Total other expenses, net                           | (1,018 )                               | (923 )     | (2,079 )                             | (2,022 )   |
| Net Income  | \$17,377                               | \$27,676   | \$37,338                             | \$60,811   |
| Loss assumed by non-controlling interests           | -                                      | -          | -                                    | 2          |
| Net income attributed to Diana Shipping Inc.        | 17,377                                 | 27,676     | 37,338                               | 60,813     |
| Earnings per common share, basic and diluted        | \$0.21                                 | \$0.34     | \$0.46                               | \$0.75     |
| Weighted average number of common shares, basic     | 81,393,077                             | 81,089,440 | 81,309,564                           | 81,027,892 |
| Weighted average number of common shares, diluted   | 81,393,077                             | 81,123,577 | 81,309,564                           | 81,049,777 |

UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

|            | For the three months ended<br>June 30, |          | For the six months ended<br>June 30, |          |
|------------|--|----------|--------------------------------------|----------|
|            | 2012                                   | 2011     | 2012                                 | 2011     |
| Net income | \$17,377                               | \$27,676 | \$37,338                             | \$60,811 |

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|   |          |          |          |          |
|---|----------|----------|----------|----------|
| Comprehensive loss assumed by non-controlling interests | -        | -        | -        | 2        |
| Comprehensive income attributed to Diana Shipping Inc.  | \$17,377 | \$27,676 | \$37,338 | \$60,813 |

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CONDENSED UNAUDITED CONSOLIDATED BALANCE SHEET DATA  
(in thousands of U.S. Dollars)

|   | June 30,<br>2012 | December<br>31, 2011 |
|---|------------------|----------------------|
| <b>ASSETS</b>   |                  |                      |
| Cash and cash equivalents   | \$451,476        | \$416,674            |
| Other current assets  | 13,492           | 16,017               |
| Advances for vessels under construction and acquisitions and other vessel costs | 8,736            | 63,440               |
| Vessels' net book value   | 1,191,560        | 1,046,719            |
| Other fixed assets, net   | 22,194           | 21,659               |
| Investments   | 29,172           | 29,842               |
| Other non-current assets  | 6,990            | 10,120               |
| Total assets  | \$1,723,620      | \$1,604,471          |
| <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>                                     |                  |                      |
| Current liabilities, including current portion of long-term debt                | \$58,086         | \$48,095             |
| Long-term debt, net of current portion and of deferred financing costs          | 417,254          | 345,638              |
| Other non-current liabilities   | 1,967            | 1,860                |
| Total stockholders' equity  | 1,246,313        | 1,208,878            |
| Total liabilities and stockholders' equity                                      | \$1,723,620      | \$1,604,471          |

**OTHER FINANCIAL DATA**

|   | For the three months<br>ended June 30, |                     | For the six months ended<br>June 30, |                     |
|---|--|---------------------|--------------------------------------|---------------------|
|   | 2012<br>(unaudited)                    | 2011<br>(unaudited) | 2012<br>(unaudited)                  | 2011<br>(unaudited) |
| Net Cash provided by Operating Activities             | \$31,590                               | \$38,901            | \$68,033                             | \$81,065            |
| Net Cash used in Investing Activities                 | (55,559 )                              | (35,116 )           | (117,293 )                           | (47,556 )           |
| Net Cash provided by / (used in) Financing Activities | 33,423                                 | (1,497 )            | 84,062                               | (3,310 )            |