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DIANA SHIPPING INC.
Form 6-K
September 19, 2006

Report of Foreign Private Issuer
Pursuant to Rule 13a-16 or 15d-16 of
the Securities Exchange Act of 1934

For the month of September 2006

DIANA SHIPPING INC.
(Translation of registrant's name into English)

Diana Shipping Inc.
Pendelis 16
175 64 Palaio Faliro
Athens, Greece
(Address of principal executive offices)

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): ____

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: ____

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934. Yes ☐ No ☒

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): _____.

INFORMATION CONTAINED IN THIS FORM 6-K REPORT

Attached to this Report on Form 6-K as Exhibit 1 is a press release issued by Diana Shipping Inc. (the "Company") announcing that the Company has assumed the shipbuilding contract of two dry bulk carriers and the Company has accepted a commitment letter to enter into a term loan agreement that the Company expects to use to finance the pre-delivery costs of the vessels.

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For Immediate Release

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DIANA SHIPPING INC. ASSUMES SHIPBUILDING CONTRACTS FOR THE PURCHASE OF TWO CAPE-SIZE DRY BULK CARRIERS AND ACCEPTS COMMITMENT LETTER FOR THE PRE-DELIVERY FINANCING FACILITY

ATHENS, Greece, September 18, 2006 - Diana Shipping Inc. (NYSE:DSX), a global shipping transportation company specializing in dry bulk cargoes, today announced that it has assumed shipbuilding contracts from two unaffiliated parties for the construction of two Capesize dry bulk carriers of approximately 175,000 dwt each for a price of \$60.4 million each. The vessels will be constructed by Shanghai Waigaoqiao Shipbuilding Co., Ltd. and Diana Shipping Inc. expects to take delivery of the vessels during the second quarter of 2010.

The Company also announced that it has accepted a Commitment Letter from Fortis Bank for a secured term loan of \$62 million which the Company will use to pay the pre-delivery installments of these two newbuilding dry bulk carriers. An affiliate of Fortis Bank is a shareholder of the Company. There will be no principal payments on this loan before delivery of the ships, at which time this loan may be refinanced. Interest on this facility during the construction period of the ships will be capitalized and included in the construction cost of the ships being acquired. As such, this interest will not affect the Company's calculation of the quarterly dividend per share.

About the Company

Diana Shipping Inc. is a global provider of shipping transportation services. The Company specializes in transporting dry bulk cargoes, including such commodities as iron ore, coal, grain and other materials along worldwide shipping routes. Diana Shipping Inc. priced its initial public offering of common stock on March 17, 2005.

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," "except," "anticipate," "intends," "estimate," "forecast," "project," "plan," "potential," "will," "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

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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.

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SIGNATURES

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: September 18, 2006

By: /s/ Anastassis Margaronis

Anastassis Margaronis
President