

DIANA SHIPPING INC.  
Form 424B5  
April 18, 2017  
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**This preliminary prospectus supplement relates to an effective registration statement under the Securities Act of 1933, as amended, but is not complete and may be changed. This preliminary prospectus supplement and the accompanying base prospectus are not an offer to sell these securities in any jurisdiction where the offer or sale is not permitted and they are not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.**

Filed Pursuant to Rule 424(b)(5)

Registration No. 333-205491

**SUBJECT TO COMPLETION, DATED APRIL 18, 2017**

**PRELIMINARY PROSPECTUS SUPPLEMENT**

*(To Prospectus dated July 21, 2015)*

**\$70,000,000 of Common Shares**

**Diana Shipping Inc.**

We are offering \$70,000,000 of our common shares, par value \$0.01 per share, pursuant to this prospectus supplement. In addition, entities affiliated with Simeon Palios, our Chief Executive Officer and Chairman, and certain of our executive officers and directors have agreed to purchase approximately \$20,000,000 of our common shares in the offering.

Our common shares are listed on the New York Stock Exchange, or the NYSE, under the symbol DSX. On April 17, 2017, the last reported sale price of our common shares on the NYSE was \$5.59 per share.

**Investing in our common shares involves risks. You should carefully consider each of the factors described under Risk Factors beginning on page S-10 of this prospectus supplement, on page 6 of the accompanying base prospectus and in the documents incorporated by reference into this prospectus supplement and the accompanying base prospectus, before you make any investment in our common shares.**

**Neither the U.S. Securities and Exchange Commission, or the SEC, nor any state securities commission has approved or disapproved of these securities, or determined if this prospectus supplement or the accompanying base prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

	<b>PER SHARE</b>	<b>TOTAL</b>
Public Offering Price	\$	\$
Underwriting Discounts <sup>(1)</sup>	\$	\$
Proceeds to Us (Before Expenses)	\$	\$

(1) See Underwriting for additional information regarding underwriter compensation.

We have granted the underwriters an over-allotment option for a period of 30 days to purchase up to additional common shares from us on the same terms and conditions as set forth above. If the underwriters exercise the over-allotment option in full, the total underwriting discounts will be \$ , and the total proceeds to us, before expenses, will be \$ .

The underwriters are offering the common shares as set forth in the section of this prospectus supplement entitled Underwriting. Delivery of the common shares will be made on or about , 2017.

*Joint Book-Running Managers*

**Wells Fargo Securities**

*Co-Manager*

**Clarksons Platou Securities**

**BNP PARIBAS**

**Prospectus Supplement dated , 2017**

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**IMPORTANT NOTICE ABOUT INFORMATION IN THIS PROSPECTUS SUPPLEMENT**

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of this offering of common shares and also adds to and updates information contained in the accompanying base prospectus and the documents incorporated by reference into this prospectus supplement and the base prospectus. The second part, the base prospectus, gives more general information about securities we may offer from time to time, some of which does not apply to this offering. Generally, when we refer only to the prospectus, we are referring to both parts combined, and when we refer to the accompanying prospectus, we are referring to the base prospectus.

If the description of this offering varies between this prospectus supplement and the accompanying base prospectus or the information contained in any document incorporated by reference herein or therein, you should rely on the information in this prospectus supplement. This prospectus supplement, the accompanying base prospectus and the documents incorporated into each by reference include important information about us, the common shares being offered and other information you should know before investing. You should read this prospectus supplement and the accompanying base prospectus together with additional information described under the heading, *Where You Can Find Additional Information* before investing in our common shares.

Unless otherwise indicated, all references to dollars and \$ in this prospectus supplement are to, and amounts presented in, United States dollars and financial information presented in this prospectus supplement that is derived from financial statements incorporated herein by reference is prepared in accordance with accounting principles generally accepted in the United States, or U.S. GAAP. We have a fiscal year end of December 31.

**We have authorized only the information contained in or incorporated by reference into this prospectus supplement, the accompanying base prospectus and any free writing prospectus prepared by or on behalf of us or to which we have referred you. We have not, and the underwriters have not, authorized anyone to provide you with information that is different. We and the underwriters take no responsibility for, and can provide no assurance as to the reliability of, any information that others may give you. We are offering to sell, and seeking offers to buy, our common shares only in jurisdictions where offers and sales are permitted. The information contained in or incorporated by reference into this document is accurate only as of the date such information was issued, regardless of the time of delivery of this prospectus supplement or any sale of our common shares.**

**ENFORCEABILITY OF CIVIL LIABILITIES**

Diana Shipping Inc. is a Marshall Islands corporation. The Marshall Islands has a less developed body of securities laws than the United States and provides protections for investors to a significantly lesser extent.

Our principal executive offices are located outside the United States in Athens, Greece, and a majority of our directors and officers and the experts named in this prospectus supplement reside outside the United States. In addition, a substantial portion of our assets and the assets of our directors, officers and experts are located outside the United States. As a result, you may have difficulty serving legal process within the United States upon us or any of these persons. You may also have difficulty enforcing, both in and outside the United States, judgments you may obtain in United States courts against us or these persons in any action, including actions based upon the civil liability provisions of United States federal or state securities laws. Furthermore, there is substantial doubt that the courts of the Marshall Islands or Greece would enter judgments in original actions brought in those courts predicated on United States federal or state securities laws.



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**CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS**

Matters discussed in this document 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.

We desire to take advantage of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and are including this cautionary statement in connection with this safe harbor legislation. This document and any other written or oral statements made by us or on our behalf may include forward-looking statements which reflect our current views with respect to future events and financial performance. The words believe, expect, anticipate, intends, estimate, forecast, project, plan, potential, may, should, expect and similar expressions identify forward-looking statements.

The forward-looking statements in this document are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, 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 and matters discussed elsewhere in this prospectus supplement and the documents incorporated by reference herein, 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, fluctuations in currencies and interest rates, general market conditions, including fluctuations in charter hire rates and vessel values, changes in demand in the dry bulk shipping industry, changes in the supply of vessels, changes in the Company's operating expenses, including bunker prices, crew costs, drydocking and insurance costs, 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 or labor disruptions, potential disruption of shipping routes due to accidents or political events, and other important factors described from time to time in the reports filed by the Company with the SEC and the NYSE. We caution readers of this prospectus supplement and the documents incorporated by reference into this prospectus supplement not to place undue reliance on these forward-looking statements, which speak only as of their dates. We undertake no obligation to update or revise any forward-looking statements.

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**PROSPECTUS SUMMARY**

*This section summarizes some of the key information that is contained in or incorporated by reference into this prospectus supplement. It may not contain all of the information that may be important to you in making an investment decision. You should carefully review the entire prospectus supplement and the accompanying base prospectus, any free writing prospectus that may be provided to you in connection with this offering of our common shares and the information incorporated by reference into this prospectus supplement, including the section entitled **Risk Factors** beginning on page S-10 of this prospectus supplement, on page 6 of the accompanying base prospectus, and in our Annual Report on Form 20-F for the year ended December 31, 2016, filed with the SEC on February 17, 2017.*

*Unless the context otherwise requires, when used in this prospectus supplement, the terms **we**, **our**, **us** and the **Company** refer to Diana Shipping Inc. and its subsidiaries. We use the term **deadweight tons**, or **dwt**, expressed in metric tons, each of which is equivalent to 1,000 kilograms, in describing the size of our vessels. Unless otherwise indicated, all references to **dollars** and **\$** in this prospectus supplement are to, and amounts are presented in, United States dollars and the financial information presented in this prospectus supplement that is derived from financial statements incorporated herein by reference is prepared in accordance with U.S. GAAP.*

*Unless otherwise indicated, all information in this prospectus supplement assumes that the underwriters have not exercised their over-allotment option to purchase additional shares.*

**Our Company**

We are a global provider of shipping transportation services through our ownership of dry bulk vessels. We wholly own, directly or indirectly, each of the subsidiaries which own the vessels that comprise our fleet. Our vessels are employed on short, medium and 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. Currently, our operating fleet consists of 48 dry bulk vessels (4 Newcastlemax, 14 Capesize, 3 Post-Panamax, 4 Kamsarmax and 23 Panamax), having a combined carrying capacity of approximately 5.7 million dwt and a weighted average age of 7.9 years. The commercial and technical management of our fleet, as well as the provision of administrative services relating to our fleet's operations, are carried out by Diana Shipping Services S.A., our wholly-owned subsidiary, and Diana Wilhelmsen Management Limited, a 50/50 joint venture with Wilhelmsen Ship Management.

We intend to continue to grow our fleet through timely and selective acquisitions of vessels or the construction of newbuildings in a manner that we believe will position the Company to benefit from the eventual recovery in the dry bulk shipping market. We expect to focus future vessel acquisitions on dry bulk carriers with a capacity of 70,000 dwt and above. However, we will also consider purchasing other classes of dry bulk vessels, if we determine that those vessels would, in our view, present favorable investment opportunities.

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The following table presents certain information concerning our fleet as of April 17, 2017:

<b>Vessel</b>	<b>Gross Rate (USD Per Day)</b>	<b>Sister Ships*</b>	<b>Com**</b>	<b>Charterers</b>	<b>Delivery Date to Charterers***</b>	<b>Redelivery Date to Owners****</b>	<b>Notes</b>
<b>23 Panamax Bulk Carriers</b>							
1 DANAE	\$ 4,900	A	5.00%	Dampskibsselskabet Norden A/S, Copenhagen	9-Dec-15	11-Feb-17	
	\$ 9,000		4.75%	Cargill International S.A., Geneva	8-Mar-17	7-May-17 - 12-May-17	1,2
2001	75,106						
2 DIONE	\$ 4,350	A	5.00%	Nidera S.P.A., Roma	4-Feb-16	28-Jan-17	
	\$ 7,200		5.00%	Caravel Shipping Limited, Hong Kong	3-Feb-17	4-May-17	
	\$ 7,050		5.00%		4-May-17	3-Nov-17 - 18-Feb-18	
2001	75,172						
3 NIREFS	\$ 4,600	A	5.00%	Transgrain Shipping B.V., Rotterdam	15-Jan-16	14-Feb-17	
	\$ 6,500		5.00%	Raffles Shipping International Pte. Ltd., Singapore	14-Feb-17	28-Apr-17	3,4
2001	75,311						
4 ALCYON	\$ 5,000	A	5.00%	Dampskibsselskabet Norden A/S, Copenhagen	4-May-16	4-May-17 - 4-Sep-17	5
2001	75,247						
5 TRITON	\$ 6,300	A	5.00%	Windrose SPS Shipping and Trading S.A., Geneva	25-Oct-16	24-Apr-17 - 9-Jun-17	4
2001	75,336						
6 OCEANIS	\$ 5,200	A	5.00%	Nidera S.P.A., Roma	30-Jun-16	22-Apr-17 - 30-May-17	4
2001	75,211						
7 THETIS	\$ 5,150	B	5.00%	Transgrain Shipping B.V., Rotterdam	19-Jun-16	19-Apr-17 - 3-Aug-17	
2004	73,583						
8 PROTEFS	\$ 4,500	B	5.00%	Transgrain Shipping B.V., Rotterdam	23-Feb-16	24-Apr-17 - 23-Jun-17	4
2004	73,630						
9 CALIPSO	\$ 6,020	B	5.00%	Windrose SPS	24-Aug-16	14-Mar-17	



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				Shipping and Trading S.A., Geneva				
		\$ 9,000	5.00%	Transgrain Shipping B.V., Rotterdam	14-Mar-17	30-Jan-18 - 14-May-18		
2005	73,691							
10	CLIO	B	\$ 5,350	5.00%	Transgrain Shipping B.V., Rotterdam	22-May-16	22-Apr-17 - 22-Jul-17	
2005	73,691							
11	NAIAS	B	\$ 7,500	5.00%	Glencore Agriculture B.V., Rotterdam	27-Dec-16	12-Jul-17 - 11-Nov-17	
2006	73,546							
12	ARETHUSA	B	\$ 5,000	5.00%	United Bulk Carriers International S.A., Luxembourg	10-Jun-16	23-Jan-17	6
			\$ 7,200	5.00%	Noble Resources International Pte. Ltd., Singapore	23-Jan-17	23-Nov-17 - 23-Mar-18	
2007	73,593							
13	ERATO	C	\$ 4,650	5.00%	Glencore Grain B.V., Rotterdam	26-Mar-16	21-Apr-17 - 26-May-17	4
2004	74,444							

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Vessel		Sister Ships*	Gross Rate (USD Per Day)	Com**	Charterers	Delivery Date to Charterers***	Redelivery Date to Owners****	Notes
BUILT	DWT							
14	CORONIS	C	\$ 4,750	5.00%	Narina Maritime Ltd	19-Mar-16	18-Apr-17 - 19-May-17	4
	2006	74,381						
15	MELITE	D	\$ 8,000	5.00%	Uniper Global Commodities SE, Düsseldorf	6-Dec-16	6-Jul-17 - 6-Oct-17	
	2004	76,436						
16	MELIA	D	\$ 7,200	5.00%	Nidera S.P.A., Roma	24-Oct-15	19-Mar-17	7
			\$ 9,500	5.00%		19-Mar-17	4-Feb-18 - 4-May-18	
	2005	76,225						
17	ARTEMIS		\$ 5,350	5.00%	Bunge S.A., Geneva	7-Jun-16	18-Apr-17 22-Jul-17	4
	2006	76,942						
18	LETO		\$ 7,750	5.00%	Glencore Agriculture B.V., Rotterdam	29-Dec-16	29-Sep-17 - 29-Jan-18	
	2010	81,297						
19	SELINA	E	\$ 5,800	5.00%	Dampskibsselskabet Norden A/S, Copenhagen	24-Mar-16	24-Jan-17	
			\$ 4,500	5.00%	BG Shipping Co.,	24-Jan-17	23-Feb-17	
			\$ 7,100	5.00%	Limited, Hong Kong	23-Feb-17	24-Oct-17 - 8-Feb-18	
	2010	75,700						
20	MAERA	E	\$ 4,500	5.00%	United Bulk Carriers International S.A., Luxembourg	10-May-16	20-Apr-17 - 28-Apr-17	4
	2013	75,403						
21	ISMENE		\$ 5,850	5.00%	Glencore Grain B.V., Rotterdam	7-Aug-16	23-May-17 - 22-Sep-17	
	2013	77,901						
22	CRYSTALIA	F	\$ 6,250	5.00%	SwissMarine Services S.A., Geneva	28-Jun-16	28-May-17 28-Aug-17	8
	2014	77,525						
23	ATALANDI	F	\$ 5,300	5.00%	Glencore Grain B.V., Rotterdam	26-Mar-16	26-Nov-17 - 26-Apr-18	
	2014	77,529						
<b>4 Kamsarmax Bulk Carriers</b>								
24	MAIA	G	\$ 7,500	5.00%	RWE Supply & Trading GmbH, Essen	13-Nov-15	23-Apr-17 - 13-Jul-17	4
	2009	82,193						
25	MYRSINI	G	\$ 5,550	5.00%		9-Mar-16	23-Apr-17 - 24-Jun-17	4

RWE Supply & Trading GmbH, Essen								
	2010	82,117						
26	MEDUSA	G	\$ 6,300	5.00%	Quadra Commodities S.A., Geneva	7-Apr-16	18-Apr-17 - 30-Jul-17	4
	2010	82,194						
27	MYRTO	G	\$ 6,000	4.75%	Cargill International S.A., Geneva	24-Dec-15	17-Jan-17	
			\$ 8,000	4.75%		17-Jan-17	17-Jan-18 - 17-Apr-18	
	2013	82,131						
3 Post-Panamax Bulk Carriers								
28	ALCMENE		\$ 6,750	5.00%	ADM International Sarl, Rolle, Switzerland	13-May-15	22-Apr-17 - 2-Jun-17	4
	2010	93,193						
29	AMPHITRITE	H	\$ 7,700	5.00%	Bunge S.A., Geneva	15-Jul-15	30-Apr-17 - 30-Aug-17	
	2012	98,697						

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Vessel		Sister Ships*	Gross Rate (USD Per Day)	Com**	Charterers	Delivery Date to Charterers***	Redelivery Date to Owners****	Notes
BUILT	DWT							
30	POLYMNIA	H	\$ 5,650	4.75%	Cargill International S.A., Geneva	15-Dec-15	15-Mar-17	
			\$ 10,100	4.75%		15-Mar-17	31-Mar-18 - 15-Jul-18	
2012	98,704							
<b>14 Capesize Bulk Carriers</b>								
31	NORFOLK		\$ 4,350	5.00%	SwissMarine Services S.A., Geneva	28-Mar-16	30-Mar-17	9,10
2002	164,218							
32	ALIKI		\$ 5,300	5.00%	SwissMarine Services S.A., Geneva	16-Jan-16	14-Feb-17	