

DIANA SHIPPING INC.
Form F-3D
April 24, 2008

Registration Statement No. 333-

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM F-3
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

DIANA SHIPPING INC.

(Exact name of registrant as specified in its charter)

Republic of the Marshall Islands
(State or other jurisdiction of
incorporation or organization)

4412

(Primary Standard Industrial
Classification Code Number)

N/A

(I.R.S. Employer
Identification No.)

Diana Shipping Inc.
Attn: Andreas Michalopoulos
Pendelis 16
175 64 Palaio Faliro
Athens, Greece
(30) 210 947-0100
(Name, address and telephone number
of Registrant's principal executive
office)

Seward & Kissel LLP
Attention: Gary J. Wolfe, Esq.
One Battery Park Plaza
New York, New York 10004
(212) 574-1200
(Name, address and telephone number
of
agent for service)

Copies to:

Gary J. Wolfe, Esq.
Seward & Kissel LLP
One Battery Park Plaza
New York, New York 10004
(212) 574-1200

Approximate date of commencement of proposed sale to the public: From time to time after this registration statement becomes effective as determined by market conditions and other factors.

If only securities being registered on the Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box. x

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box.

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If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective Registration Statement for the same offering.

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box.

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price Per Security (1)	Proposed Maximum Aggregate Offering Price (1)	Amount of Registration Fee
Common Shares, par value \$0.01 per share	2,500,000	\$27.66	\$69,150,000	\$2,900

(1) Estimated solely for the purpose of calculating the registration fee based upon the average of the high and low prices reported for the common shares on the New York Stock Exchange on April 17, 2008, pursuant to Rule 457(c).

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

PROSPECTUS

DIANA SHIPPING INC.

DIVIDEND REINVESTMENT AND DIRECT STOCK PURCHASE PLAN

2,500,000 Common Shares, \$0.01 Par Value

We are an international shipping company that is engaged in the ownership and operation of dry bulk carriers. With this Prospectus we are offering you the opportunity to participate in our Dividend Reinvestment and Direct Stock Purchase Plan, or the "Plan." The Plan allows our existing shareholders to increase their holdings of our common shares and gives new investors an opportunity to make an initial investment in our common shares.

PLAN HIGHLIGHTS

- If you are an existing shareholder, you may purchase additional common shares by reinvesting all or a portion of the dividends paid on your common shares and by making optional cash investments of not less than \$100 each and up to a maximum of \$10,000 per month. In some instances, we may permit optional cash investments in excess of this maximum.
- If you are a new investor, you may join the Plan by making an initial investment of not less than \$250 and up to a maximum of \$10,000. In some instances, we may permit initial investments in excess of this maximum.
- As a participant in the Plan, you may authorize electronic deductions from your bank account for optional cash investments.
- We may offer discounts ranging from 0% to 5% on optional and initial cash investments that are made pursuant to a request for waiver (i.e., on investments that are in excess of \$10,000). At our discretion the discount may be offered at variable rates on one, all, or a combination of the sources of investments, or not at all.

Investing in our common shares involves risks. You should consider certain risk factors before enrolling in the Plan. See "Risk Factors" on page 1 of this Prospectus and the documents incorporated herein by reference for more information. We suggest you retain this Prospectus for future reference.

Our common shares are listed on the New York Stock Exchange under the symbol "DSX." The last reported sales price of our common shares on April 22, 2008 was \$30.25.

Unless specifically noted otherwise in this Prospectus, all references to "we," "us," "our," or the "Company" refer to Diana Shipping Inc. and its subsidiaries.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The date of this Prospectus is April 23, 2008.

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RISK FACTORS

Before you decide to participate in the Plan and invest in our common shares, you should be aware of the following material risks in making such an investment. You should consider carefully this risk factor together with all risk factors and information included or incorporated by reference in this Prospectus before you decide to participate in the Plan and purchase common shares. In addition, you should consult your own financial and legal advisors before making an investment.

Risks Related to the Plan

You will not know the price of the common shares you are purchasing under the Plan at the time you authorize the investment or elect to have your dividends reinvested.

The price of our common shares may fluctuate between the time you decide to purchase common shares under the Plan and the time of actual purchase. In addition, during this time period, you may become aware of additional information that might affect your investment decision.

Mellon Bank, N.A., or the Plan Administrator, administers the Plan. If you instruct the Plan Administrator to sell common shares under the Plan, you will not be able to direct the time or price at which your common shares are sold. The price of our common shares may decline between the time you decide to sell common shares and the time of actual sale.

If you decide to withdraw from the Plan, the Plan Administrator will continue to hold your common shares unless you request a certificate for whole shares.

CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

Certain matters discussed herein 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 we are including this cautionary statement in connection with this safe harbor legislation. The words “believe,” “anticipate,” “intend,” “estimate,” “forecast,” “project,” “plan,” “potential,” “will,” “may,” “should,” “expect,” “pending” and expressions identify forward-looking statements.

The forward-looking statements 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. We undertake no obligation to update any forward-looking statement, whether as a result of new information, future events or otherwise.

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 hire rates and vessel values, changes in demand in the dry bulk vessel market, changes in the company's operating expenses, including bunker prices, drydocking and insurance costs, changes in governmental rules and regulations or actions taken by regulatory authorities including those that may limit the commercial useful lives of dry bulk vessels, potential liability from pending or future litigation, general domestic and international political conditions, potential disruption of shipping routes due to accidents or political events, and other important factors described from time to time in the reports we file with the Commission and the New York Stock Exchange.

AVAILABLE INFORMATION

We file annual, periodic and other reports, proxy statements and other information with the Securities and Exchange Commission, or the SEC. You may read and copy any materials that we file with the SEC at the SEC's public reference room at 100 Fifth Street, N.E., Room 1580 Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference room. The SEC maintains an Internet site that contains reports, proxy, and information statements, and other information regarding issuers that file electronically with the SEC. The address for the Internet site is: <http://www.sec.gov>.

You can also inspect our reports, proxy statements, and other information about us at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York 10005.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The SEC allows us to “incorporate by reference” the information we file with them, which means that we can disclose important information to you by referring to those documents. The information incorporated by reference is considered to be a part of this Prospectus, and information that we file later with the SEC will automatically update and supersede this information.

We incorporate by reference the documents listed below and the documents that we file in the future with the SEC under Sections 13(a), 13(c) or 15(d) the Securities Exchange Act until the termination of this offering. Nothing contained herein shall be deemed to incorporate by reference documents that we furnish to, but do not file with, the SEC unless such documents state that they are incorporated by reference into this Prospectus.

- Our Registration Statement on Form F-3 filed with the SEC on June 11, 2007 and our Amendment No. 1 to this Registration Statement on Form F-3/A filed with the SEC on June 13, 2007;
- Our Annual Report on Form 20-F for the fiscal year ended December 31, 2007, filed with the SEC on March 14, 2008; and
 - Our Reports of Foreign Private Issuer on Form 6-K furnished to the SEC on April 7, and April 23, 2008.

We are also incorporating by reference all subsequent annual reports on Form 20-F that we file with the SEC and certain Reports on Form 6-K that we furnish to the SEC after the date of this Prospectus (if they state that they are incorporated by reference into this prospectus) until we file a post-effective amendment indicating that the offering of the securities made by this prospectus has been terminated. In all cases, you should rely on the later information over different information included in this prospectus or the prospectus supplement.

You may request a free copy of the above mentioned filings or any subsequent filing we incorporate by reference to this Prospectus by writing or telephoning us at the following address:

Diana Shipping Inc.
Attn: Andreas Michalopoulos
Pendelis 16
175 64 Palaio Faliro
Athens, Greece
(30) 210 947-0100
e-mail: amichalopoulos@dianashippinginc.com

THE COMPANY

We are Diana Shipping Inc., a Marshall Islands company that owns and operates dry bulk carriers that transport iron ore, coal, grain and other dry cargoes along worldwide shipping routes. Our fleet consists of 13 modern Panamax dry bulk carriers, six Capesize dry bulk carriers that we currently own and operate, and two additional Capesize dry bulk carriers that we expect to take delivery of in the second quarter of 2010. Excluding the two Capesize dry bulk carriers that we expect to take delivery of in 2010, the combined carrying capacity of our fleet is two million dead weight tons (dwt) and the vessels in our fleet have a weighted average age of 3.5 years as of April 7, 2008, based upon dwt capacity.

For the twelve months ended December 31, 2007, we had a fleet utilization of 99.3%, our vessels achieved daily time charter equivalent rates of \$31,272 and we generated revenues of \$190.5 million. During 2006, we had a fleet utilization of 99.9%, our vessels achieved daily time charter equivalent rates of \$22,661 and we generated revenues of \$116.1 million. During 2005, we had a fleet utilization of 99.7%, our vessels achieved daily time charter equivalent rates of \$27,838 and we generated revenues of \$103.1 million. Net income and net income available to common stockholders for the twelve months ended December 31, 2007, was \$134.2 million. For 2006 and 2005, we recorded net income of \$61.1 million and \$65.0 million, respectively. Net income available to common stockholders for 2006 was \$40.8 million as a result of the payment of a preferential deemed dividend relating to our acquisition of our fleet manager in April 2006.

Our objective is to continue to expand our presence in the dry bulk shipping industry. In furtherance of this objective, since the completion of our initial public offering in March 2005, we have increased the size of our fleet from eight Panamax dry bulk carriers and one Capesize dry bulk carrier with a combined carrying capacity of 768,587 dwt to 13 Panamax dry bulk carriers and six Capesize dry bulk carriers with a combined carrying capacity of two million dwt. The two additional Capesize dry bulk carriers that we have agreed to purchase will further increase the carrying capacity of our fleet by 354,000 dwt. In addition, we intend to continue to grow our fleet through timely and selective acquisitions of vessels in a manner that is accretive to dividends per share. We expect to focus future vessel acquisitions primarily on Panamax and Capesize dry bulk carriers. However, we will also consider purchasing other classes of dry cargo vessels, including container vessels, when we determine that those vessels would, in our view, present favorable investment opportunities.

DESCRIPTION OF THE PLAN

1. What is the Plan?

Our Dividend Reinvestment and Direct Stock Purchase Plan, or the Plan, enables new investors to make an initial investment in our common shares and existing investors to increase their holdings of our common shares. Participants can purchase our common shares with optional monthly cash investments and/or cash dividends.

The Plan is designed for long-term investors who wish to invest and build their share ownership over time. The Plan is not intended to provide holders of common shares with a mechanism for generating assured short-term profits through rapid turnover of shares acquired at a discount. The Plan's intended purpose precludes any person, organization or other entity from establishing a series of related accounts for the purpose of conducting arbitrage operations and/or exceeding the optional monthly cash investment limit.

We reserve the right to modify, suspend or terminate participation by a shareholder who is using the Plan for purposes inconsistent with its intended purpose.

2. What features does the Plan offer?

Initial investment. If you are not an existing shareholder, you can make an initial investment in our common shares, starting with as little as \$250 and up to a maximum of \$10,000. See “7. How do I enroll if I am not currently a shareholder?” below for more information.

Optional monthly cash investments. Once you are enrolled in the Plan, you can buy our common shares and pay fees and commissions lower than those typically charged by stockbrokers for small transactions. You can increase your holdings of our common shares through optional monthly cash investments of \$100 or more, up to a maximum of \$10,000 per month. You can make optional monthly cash investments by check or