



## DIANA SHIPPING, INC. (DSX) – SPIN-OFF DISTRIBUTION

## DESCRIPTION:

Diana Shipping Inc. (DSX) has announced a distribution of Diana Containerships Inc. (DCIX) Common Shares, payable to shareholders of record on Monday, January 3, 2011. The payable date is Tuesday, January 18, 2011. The distribution ratio is **approximately 0.0325** DCIX Common Shares for each DSX Common Share. Cash will be paid in lieu of fractional DCIX Shares. **The ex-distribution date for this spin-off distribution will be Wednesday, January 19, 2011.**

Diana Containerships Inc. is currently trading when issued on the NASDAQ OMX under the symbol DCIXV.

## Contract Adjustments:

Pursuant to the By-Laws of the Options Clearing Corporation ("OCC"), the below Diana Shipping, Inc. options will be adjusted as follows.

<b>Adjustment Date:</b>	<b>Wednesday, January 19, 2011</b>
<b>Option Symbol:</b>	<b>DSX becomes DSX1</b>
<b>Underlying Security:</b>	DSX becomes DSX1
<b>CUSIP:</b>	Y2069P101, Y2066G104
<b>Contract Multiplier:</b>	1
<b>Strike Prices:</b>	unchanged
<b>New Multiplier:</b>	100
<b>Settlement</b>	5%, 95%
<b>New Deliverable:</b>	<b>1) 100 Diana Shipping Inc. (DSX) Common Shares</b> <b>2) Approximately 3 (New) Diana Containerships Inc. (DCIX) Common Shares</b> <b>3) Cash in lieu of approximately .25 fractional DCIX shares, if any</b>

## GTC Order Cancellation:

On Tuesday, January 18, 2011, immediately after the BOX close, all resting orders for DSX in the order book will be canceled by the BOX Market Operations Center. If a BOX Participant wishes to enter orders for the adjusted DSX1 series, the BOX Participant will need to reenter the orders before the open on Wednesday, January 19, 2011.

**Pricing Considerations:** The underlying price for DSX1 will be determined as follows:  
 DSX1 = DSX + approximately .03 (DCIX) + cash in lieu of approximately .25 fractional DCIX shares

## Additional Exchange Info:

Old Option Symbol	Old PutCall Code	Old Strike Price	Old Contract Date	New Option Symbol	New PutCall Code	New Strike Price	New Contract Date
DSX	C/P	2.50	01/22/2011	DSX1	C/P	2.50	01/22/2011
DSX	C/P	5.00	01/22/2011	DSX1	C/P	5.00	01/22/2011
DSX	C/P	7.50	01/22/2011	DSX1	C/P	7.50	01/22/2011
DSX	C/P	9.00	01/22/2011	DSX1	C/P	9.00	01/22/2011
DSX	C/P	10.00	01/22/2011	DSX1	C/P	10.00	01/22/2011
DSX	C/P	11.00	01/22/2011	DSX1	C/P	11.00	01/22/2011
DSX	C/P	12.50	01/22/2011	DSX1	C/P	12.50	01/22/2011
DSX	C/P	14.00	01/22/2011	DSX1	C/P	14.00	01/22/2011

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DSX	C/P	15.00	01/22/2011	DSX1	C/P	15.00	01/22/2011
DSX	C/P	16.00	01/22/2011	DSX1	C/P	16.00	01/22/2011
DSX	C/P	17.50	01/22/2011	DSX1	C/P	17.50	01/22/2011
DSX	C/P	20.00	01/22/2011	DSX1	C/P	20.00	01/22/2011
DSX	C/P	22.50	01/22/2011	DSX1	C/P	22.50	01/22/2011
DSX	C/P	25.00	01/22/2011	DSX1	C/P	25.00	01/22/2011
DSX	C/P	30.00	01/22/2011	DSX1	C/P	30.00	01/22/2011
DSX	C/P	8.00	02/19/2011	DSX1	C/P	8.00	02/19/2011
DSX	C/P	9.00	02/19/2011	DSX1	C/P	9.00	02/19/2011
DSX	C/P	10.00	02/19/2011	DSX1	C/P	10.00	02/19/2011
DSX	C/P	11.00	02/19/2011	DSX1	C/P	11.00	02/19/2011
DSX	C/P	12.00	02/19/2011	DSX1	C/P	12.00	02/19/2011
DSX	C/P	13.00	02/19/2011	DSX1	C/P	13.00	02/19/2011
DSX	C/P	14.00	02/19/2011	DSX1	C/P	14.00	02/19/2011
DSX	C/P	15.00	02/19/2011	DSX1	C/P	15.00	02/19/2011
DSX	C/P	16.00	02/19/2011	DSX1	C/P	16.00	02/19/2011
DSX	C/P	17.00	02/19/2011	DSX1	C/P	17.00	02/19/2011
DSX	C/P	2.50	03/19/2011	DSX1	C/P	2.50	03/19/2011
DSX	C/P	5.00	03/19/2011	DSX1	C/P	5.00	03/19/2011
DSX	C/P	7.50	03/19/2011	DSX1	C/P	7.50	03/19/2011
DSX	C/P	9.00	03/19/2011	DSX1	C/P	9.00	03/19/2011
DSX	C/P	10.00	03/19/2011	DSX1	C/P	10.00	03/19/2011
DSX	C/P	11.00	03/19/2011	DSX1	C/P	11.00	03/19/2011
DSX	C/P	12.00	03/19/2011	DSX1	C/P	12.00	03/19/2011
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DSX	C/P	15.00	03/19/2011	DSX1	C/P	15.00	03/19/2011
DSX	C/P	16.00	03/19/2011	DSX1	C/P	16.00	03/19/2011
DSX	C/P	17.00	03/19/2011	DSX1	C/P	17.00	03/19/2011
DSX	C/P	18.00	03/19/2011	DSX1	C/P	18.00	03/19/2011
DSX	C/P	20.00	03/19/2011	DSX1	C/P	20.00	03/19/2011
DSX	C/P	22.50	03/19/2011	DSX1	C/P	22.50	03/19/2011
DSX	C/P	25.00	03/19/2011	DSX1	C/P	25.00	03/19/2011
DSX	C/P	2.50	06/18/2011	DSX1	C/P	2.50	06/18/2011
DSX	C/P	5.00	06/18/2011	DSX1	C/P	5.00	06/18/2011
DSX	C/P	7.50	06/18/2011	DSX1	C/P	7.50	06/18/2011
DSX	C/P	9.00	06/18/2011	DSX1	C/P	9.00	06/18/2011
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DSX	C/P	20.00	06/18/2011	DSX1	C/P	20.00	06/18/2011
DSX	C/P	22.50	06/18/2011	DSX1	C/P	22.50	06/18/2011
DSX	C/P	2.50	01/21/2012	DSX1	C/P	2.50	01/21/2012
DSX	C/P	5.00	01/21/2012	DSX1	C/P	5.00	01/21/2012
DSX	C/P	7.50	01/21/2012	DSX1	C/P	7.50	01/21/2012
DSX	C/P	10.00	01/21/2012	DSX1	C/P	10.00	01/21/2012
DSX	C/P	12.50	01/21/2012	DSX1	C/P	12.50	01/21/2012
DSX	C/P	15.00	01/21/2012	DSX1	C/P	15.00	01/21/2012
DSX	C/P	20.00	01/21/2012	DSX1	C/P	20.00	01/21/2012
DSX	C/P	22.50	01/21/2012	DSX1	C/P	22.50	01/21/2012

**Questions regarding this memo can be addressed to the BOX Market Operations Center at 617-235-2291 or toll free at 1-866-768-8845.**