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**PERFORMANCE SHIPPING INC. ANNOUNCES DELIVERY OF ITS FIFTH
AFRAMAX TANKER, M/T P. YANBU**

ATHENS, GREECE, December 15, 2020 – Performance Shipping Inc. (NASDAQ: PSHG), (the “Company”), a global shipping company specializing in the ownership of tankers, today announced that in Manila, Philippines, it has taken delivery of the M/T P. Yanbu (formerly “Kalamas”), a 2011-built 105,400 dwt Aframax tanker that the Company entered into an agreement to purchase in November 2020, through a separate wholly-owned subsidiary. The vessel has been retrofitted with a ballast water treatment system (BWTS), has completed its dry dock survey in July 2020, and its special survey in October 2020, and will be employed in the spot market.

As previously announced, the M/T P. Yanbu was acquired for a total purchase price of US\$22.0 million and financed with US\$13.2 million cash on hand and US\$8.8 million from the term loan facility with Piraeus Bank S.A. In keeping with the Company’s stated low net financial leverage policy, pro-forma net debt upon acquisition was estimated at 35% of the value of its fleet.

Including the newly delivered M/T P. Yanbu, the Company’s fleet currently consists of five (5) Aframax tankers.

Commenting on the delivery, Mr. Andreas Michalopoulos, the Company’s Chief Executive Officer, stated:

“Our fifth Aframax tanker is the third vessel delivered to the Company during the course of this year and marks the completion of our internally financed growth stage. Following the partial refinancing of the Nordea facility and the closing of our term loan facility with Piraeus Bank S.A., our quarterly principal installments starting in 2021 will be approximately US\$1.97 million. This will reduce our indicative estimated daily cashflow breakeven rate to about US\$15,500 per vessel per day. This is an important watermark as we expect, pursuant and subject to our variable dividend policy, to declare and pay dividends to our shareholders following quarters when our fleet average daily time charter equivalent (TCE) rate is above that level.”

About the Company

Performance Shipping Inc. is a global provider of shipping transportation services through its ownership of Aframax tankers. The Company's current fleet is employed primarily on short to medium term charters with leading energy companies and traders.

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 our vessels, changes in our operating expenses, including bunker prices, dry-docking 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, the length and severity of the novel coronavirus (COVID-19) pandemic and its impact on the demand for seaborne transportation of petroleum and other types of products, potential disruption of shipping routes due to accidents or political events, vessel breakdowns and instances of off-hires and other factors. Please see our filings with the U.S. Securities and Exchange Commission for a more complete discussion of these and other risks and uncertainties.