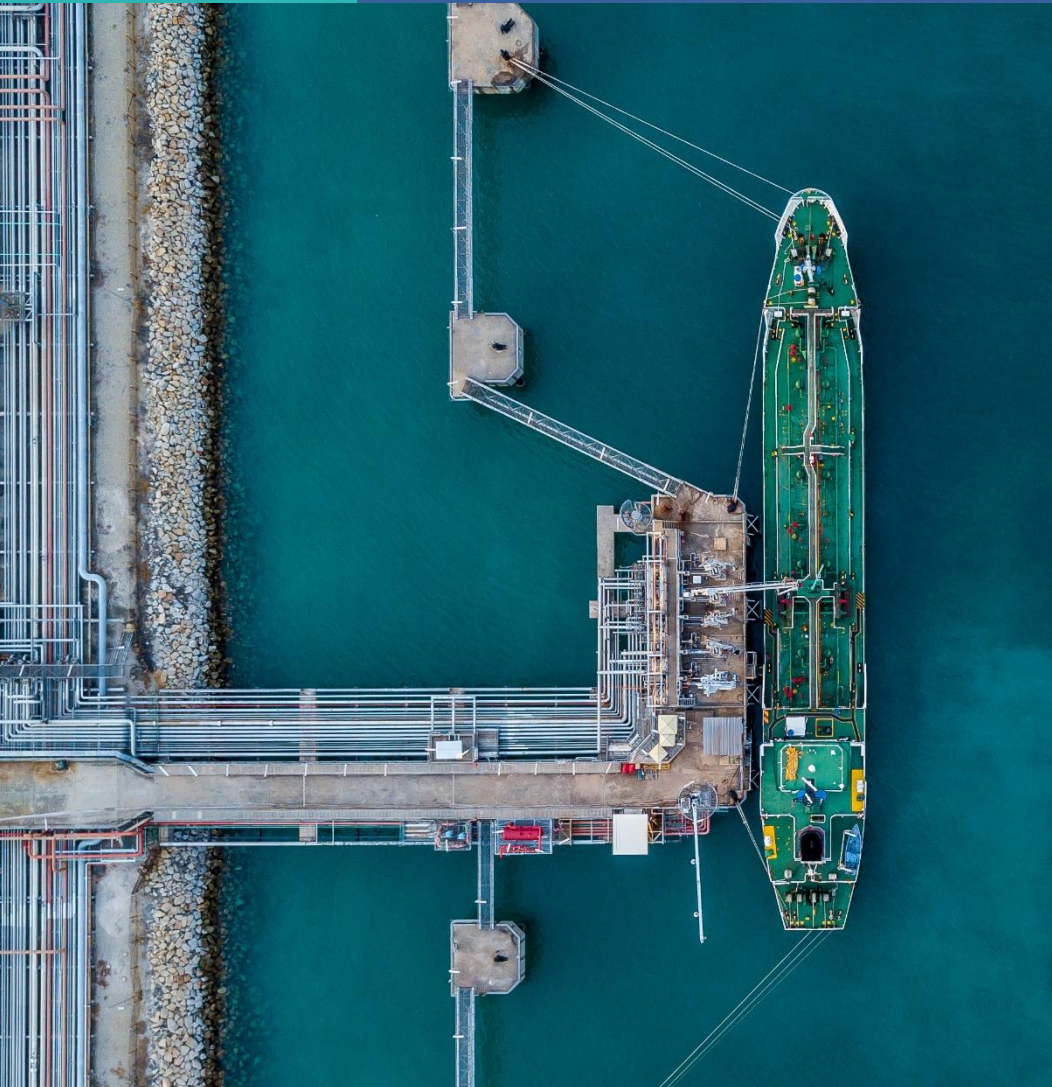


October 2020



PERFORMANCE
Shipping Inc.

A Pure - Play Tanker Company

Disclosure

Matters discussed in this presentation 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 presentation 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 vessels, changes in operating expenses, including bunker prices, dry-docking and insurance costs, the market for 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 Securities and Exchange Commission for a more complete discussion of these and other risks and uncertainties.

Agenda

Section 1: Company Overview

Section 2: Financial Presentation



Experienced Senior Management

Name / Title	Biography
<p data-bbox="631 339 927 405">Symeon Palios <i>Chairman of the Board</i></p> 	<ul data-bbox="996 339 1931 572" style="list-style-type: none">▪ Naval architect and engineer▪ Founded Diana Shipping Agencies S.A. in 1972▪ Director and Chairman of the Board of Performance Shipping Inc.▪ Director of the UK Freight Demurrage and Defense Association Ltd.
<p data-bbox="596 648 973 714">Andreas Michalopoulos <i>CEO, Director and Secretary</i></p> 	<ul data-bbox="996 642 2252 868" style="list-style-type: none">▪ Ex-CFO Performance Shipping Inc. (2010-2020)▪ Ex-CFO Diana Shipping Inc. (2006-2020)▪ Previous experience: Merrill Lynch, Nestle S.A. and McKinsey and Company▪ MSc in Economics, MBA & Master's degree in Management Sciences specialized in Finance
<p data-bbox="614 948 935 1013">Anthony Argyropoulos <i>CFO</i></p> 	<ul data-bbox="996 942 2219 1168" style="list-style-type: none">▪ Managing Director, Seaborne Capital Advisors▪ 20+ years investment banking & corporate finance experience▪ Previously with Cantor Fitzgerald & Co and Jefferies & Company, Inc. in the United States▪ MBA in Finance, Bentley College, Waltham Massachusetts

History & Transition

Performance Shipping has completed its stated transition to more than just a pure-play tanker company

THEN	NOW
<ul style="list-style-type: none">Public since 2010, Nasdaq listed under ticker PSHGFocused on Panamax ContainershipsHigher leverage, no dividendsComplex ownership & capital structureParent company, large stakeholder	<ul style="list-style-type: none">New management, 4 Aframax tankersIndependent company, simplified ownership and securitiesFocused commercial and financial strategyStrong Corporate governance, majority independent BODIn-house management, UOT-wholly owned subsidiary








CONTAINERS



TANKERS

Fleet & Employment Profile

Mid-point age, high specifications & quality assets under spot to medium term charters.
Organic expansion to 5 tankers, target another 5 tankers in 12-24 months.

Vessel	Built	Shipyard	Size (DWT)	Type	Status	Special Survey	Survey Cost ⁽¹⁾	Employment
Blue Moon (ex. Maersk) 	2011	Sumitomo, Japan	104,623	Aframax	Delivered	Aug 8, 2021	\$1.3 million	\$28,000 Saudi Aramco
Briolette (ex. Maersk Jamnagar) 	2011	Sumitomo, Japan	104,588	Aframax	Delivered	March 25, 2021	\$1.3 million	Spot
P. Fos (ex. Virgo Sun) 	2007	Sasebo, Japan	115,577	Aframax	Delivered	Dec 12, 2021	\$1.5 million	Spot
P. Kikuma (ex. FSL Shanghai) 	2007	Samsung, S. Korea	115,915	Aframax	Delivered	Oct 26, 2022	\$1.5 million	Spot
TBN 	[2009-2011]	[Yard TBD]	[105-115,000]	Aframax	To be acquired	-	-	-

(1) Represents estimated cost of special survey, drydock and ballast water treatment system.

Recent Developments

Gradual transition to pure tanker fleet profile and simple corporate structure with removal of legacy corporate structure and implementation of new strategy

January 2020

- Delivery of the Aframax tanker M/T P. Fos

March 2020

- Repurchase and cancellation of all outstanding Series C preferred voting shares
- Delivery of the Aframax tanker M/T P. Kikuma

April 2020

- Repurchase and cancellation of all remaining Series B-2 preferred shares
- Receipt of NASDAQ notification for extension of the compliance period to cure the bid price deficiency to November 2020
- Sale and delivery to her owners of the Post-Panamax containership, the M/V Rotterdam, for gross proceeds of \$18.5m

June 2020

- Secured a time charter contract of minimum seventeen (17) months to maximum nineteen (19) months for our M/T Blue Moon at \$28,000 per day with Saudi Aramco

August 2020

- Sale and delivery to her new owners of the last containership in our fleet, the M/V Domingo, for gross proceeds of \$5.6m

October 2020

- Appointment of new management team
- Initiation of a variable quarterly dividend policy and leverage target
- Declaration of first US\$0.01 dividend payable in November 2020

Focused Business Strategy

Transparent company provides investors with low leverage variable dividend exposure to the tanker sector

Fleet

- High specifications & quality
- Mid-point age profile acquisitions
- Growing sector presence
- Continued fleet renewal

Commercial

- Spot market focus, short to medium term charters
- Established commercial relationships
- Presence in all major markets
- East and west of Suez Canal

Financial

- Target net leverage below 35% LTV
- Equity capital markets reliance for disciplined growth
- Debt repayment and reserves for fleet replacement
- Cash to shareholders through variable cash dividends

Management

- Significant expertise in all areas
 - Technical
 - Commercial
 - Financial
- Highly efficient operations

Governance

- In-house technical and commercial manager
- Majority independent board of directors
- Simplified security & transparent corporate structure
- Management a major shareholder

Sustainability

- Strive towards sustainable development goals
- Maintain sustainable business practices
- Focus on expanding our ESG efforts
- Reporting of sustainability, operating & financial performance

Technical & Commercial Management

Technical & Commercial Manager, Unitized Ocean Transport Limited (UOT) our Wholly Owned Subsidiary

Established efficient operations with low vessel operating expenses

We fully fund all commercial and technical services provided by UOT

Full-Service Platform Services

- Chartering
- Operations
- Insurance/Claims
- Technical
- Purchasing
- Crewing
- Quality Assurance
- Finance
- Accounting/Reporting
- Legal
- S&P

Access to Top-Tier Charterers



Key Professionals

- Mr. Ioannis Karagiannis – Commercial Director
- Captain Nikolaos Gavalas – Operations Director
- Captain Panos Chatzikyriakos – HSQE Director
- Mr. Argyris L. Chachalis – Technical Director

Agenda

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Solid Balance Sheet

Solid balance sheet targeting leverage < 35% net LTV. 5th Aframax acquisition financed organically.

	June 30, 2020	August	Year End
	Fleet:	Domingo Sale: \$5.6m	Aframax Acquisition: \$27.0m
# of Tankers	4	4	5
Asset Value	\$110.0m	\$100.0m	\$127.0m
Bank Debt	\$54.2m	\$51.8m	\$60.8m
# of Containers	1		
Asset Value	\$5.6m		
Bank Debt	-		
Cash	\$32.0m	\$37.3m	\$19.3m
LTV	46.9%	51.8%	47.9%
Net LTV	19.2%	14.5%	32.7%

Debt Description

Working to refinance debt facility to reduce annual repayment and facilitate 5th Aframax acquisition

Vessel	Debt Drawdown (\$m)	Debt Outstanding (June 30, 2020)	Annual Repayment (\$m)	Interest Rate	Maturity
Blue Moon	16.5	15.0	2.07	L + 2.75%	July 30, 2024
Briquette	16.5	15.4	2.26	L + 2.75%	July 30, 2024
P. Fos	14.0	12.5	2.95	L + 2.75%	July 30, 2024
P. Kikuma	12.0	11.3	2.53	L + 2.75%	Sep 30, 2024
TOTAL	59.0	54.2	9.81	-	-

Bank Relationships

Nordea

ABN-AMRO

DNB



Capital Markets

Company has one class of equity securities, target to gradually increase its free float and trading volume
Currently trading below cash! And at a very deep discount to our net asset value!

Capital Markets	
Performance Shipping is listed on:	NASDAQ
Category	Capital Market
Ticker	PSHG
Outstanding Shares	50,155,299
Share Price	\$0.50
Market Capitalization (Oct 19, 2020)	\$25.1m
Average Daily Trading Volume (30 days)	
# Shares	1,631,567
\$ Value	\$501,356
Major Shareholders	
% Owned by Aliko Palios, Director	46.73%



Historical Rates vs Cash Break Even

5th Aframax acquisition and debt refinancing to reduce daily breakeven significantly.

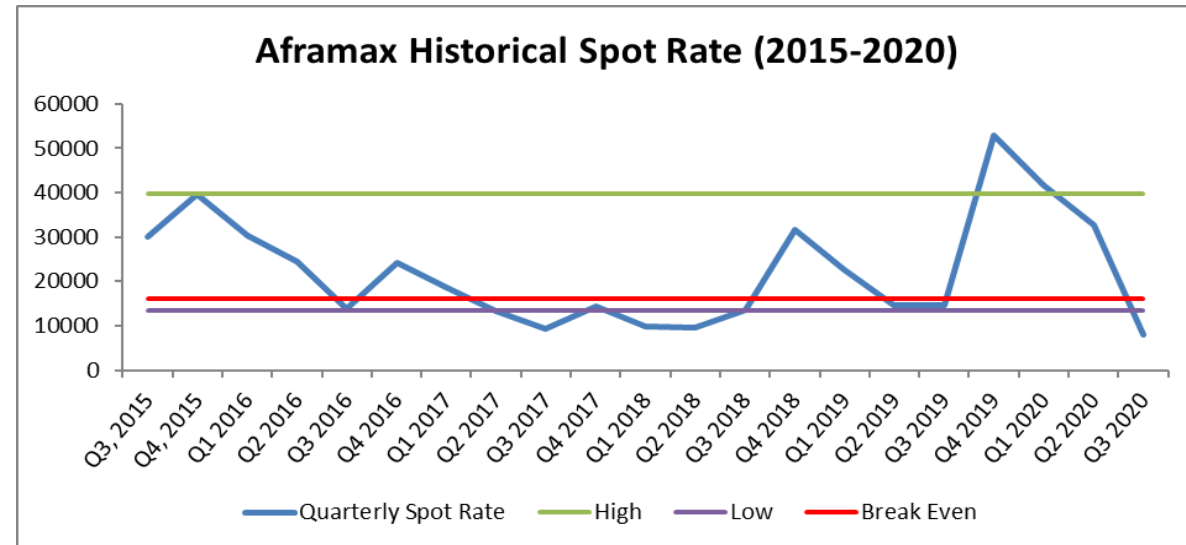
Indicative Run Rate Cash Breakeven

<i>Amounts in millions except daily figures</i>	4 Ships	5 Ships ⁽¹⁾	10 Ships
DAILY OPEX	\$7,250	\$7,250	\$7,250
OWNERSHIP DAYS	1,460	1,825	3,650
<hr/>			
FLEET OPEX	\$10.6	\$13.2	\$26.5
G&A EXPENSES	\$5.6	\$5.6	\$6.5
DEBT REPAYMENT	\$9.8	\$8.4	\$15.0
INTEREST EXPENSE	\$1.7	\$2.1	\$4.5
TOTAL OUTFLOWS	\$27.7	\$29.3	\$52.5
<hr/>			
DAILY CASH BREAK EVEN RATE	\$18,972	\$16,055	\$14,384

The above figures do not include non-cash items which will result in differences with actual reported figures.

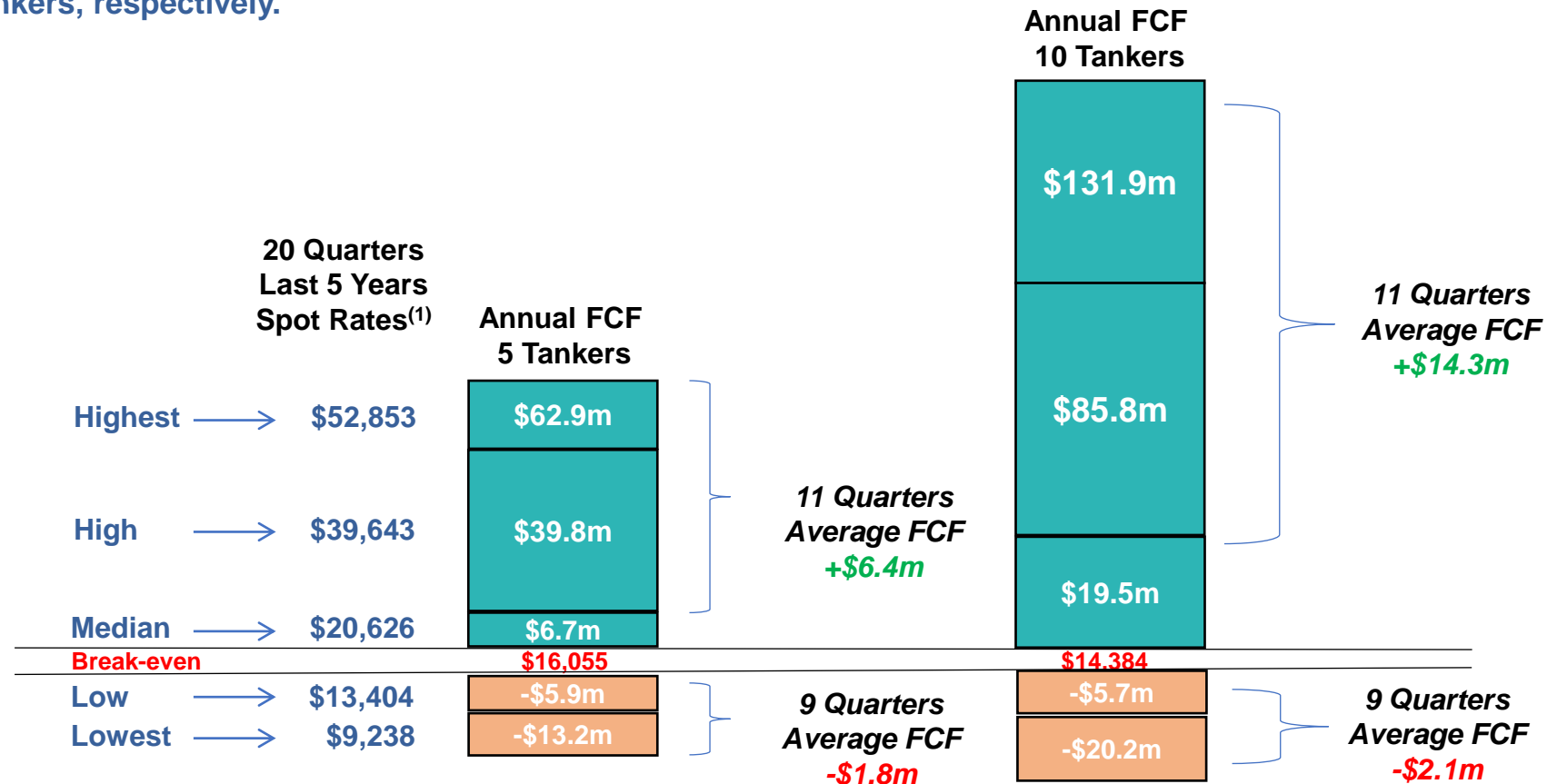
(1) Targeted debt repayment following our planned refinancing.

Expected daily breakeven rate per vessel (5 Aframax fleet)



Through Cycle Value Generation

Annual free cash flow available for dividends after \$8.4 and \$15.0 million debt repayment under 5 and 10 tankers, respectively.



Value created under most market scenarios with median and above charter rates generating multiples of free cash flow after debt repayment compared to those below median.

(1) Refers to Aframax tankers quarterly spot charter rates from Q3 2015 through Q2 2020.

Attractive Equity Story

Performance Shipping is a compelling play on a continued Aframax tanker recovery

