Form **8937**
(December 2011)
Department of the Treasury
Internal Revenue Service

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

OMB No. 1545-2224

Part I Reporting Issuer

1 Issuer's name	2 Issuer's employer identification number (EIN)
Diana Containerships Inc.	N/A

3 Name of contact for additional information	4 Telephone No. of contact	5 Email address of contact
Andreas Michalopoulos	011-30-216-600-2400	

6 Number and street (or P.O. box if mail is not delivered to street address) of contact	7 City, town, or post office, state, and Zip code of contact
Pendelis 18, 175 64 Palaio Faliro	Athens, Greece

8 Date of action	9 Classification and description
August 24, 2017	Common Stock

10 CUSIP number	11 Serial number(s)	12 Ticker symbol	13 Account number(s)
Y2069P408		NASDAQ: DCIX	

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ On August 24, 2017, Diana Containerships Inc. (the "Company") effected a 1-for-7 reverse stock split of its common shares, par value $0.01 per share. Effective on that date, every seven (7) shares of the Company's issued and outstanding common stock were automatically combined into one (1) issued and outstanding share of common stock. No fractional shares were issued in connection with the reverse stock split. Shareholders who would otherwise have held a fractional share of the Company's common stock received cash in lieu of such fractional share.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ A shareholder's tax basis in one (1) share of the Company's common stock after the reverse stock split will generally equal seven hundred percent (700%) of the tax basis such shareholder had in one (1) share of the Company's common stock before the reverse stock split.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ See item 15 above

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶

IRC Sections 354 and 358

18 Can any resulting loss be recognized? ▶ In general, no gain or loss is recognized on the exchange of the Company's common shares in the reverse stock split. However, gain or loss could be recognized to the extent of cash received in lieu of fractional shares. Shareholders should consult with their U.S. tax advisors to determine the tax consequences with respect to cash received in lieu of fractional shares.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ The reportable taxable year is 2017 for calendar year taxpayers. For shareholders reporting taxable income on a basis other than the calendar year, the reportable taxable year is the shareholder's tax year that ends on or includes August 24, 2017.

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ▶ _____ Date ▶ AUGUST 29, 2017

Print your name ▶ Andreas Nikolaos Michalopoulos Title ▶ Chief Financial Officer & Treasurer

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Firm's name ▶			Firm's EIN ▶	
Firm's address ▶			Phone no.	

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054