



RED LION®
HOTELS

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Red Lion Hotels Completes Denver Hotel Acquisition

SPOKANE, WA, May 29, 2008 - Red Lion Hotels Corporation (NYSE: RLH) today announced that it has completed its acquisition of the 478-room Radisson Hotel Denver Southeast for \$25.3 million. The hotel has been re-named the Red Lion Hotel Denver Southeast.

"We are pleased to welcome the Red Lion Hotel Denver Southeast and its team of associates to the Red Lion family," said Red Lion President and Chief Executive Officer Anupam Narayan. "This property is part of our long-term growth strategy of adding large hotels in prime locations in major Western markets."

The hotel is located along Interstate 225 and is approximately 20 minutes from downtown Denver and 25 minutes from Denver International Airport. It is adjacent to Denver's growing light rail system, providing convenient access to the city. The hotel features 25,000 square feet of meeting space, a two-story parking garage, swimming pool, business center, and full food and beverage service, including a 120-seat restaurant and 50-seat lounge.

Red Lion plans to spend approximately \$8 million on renovations - primarily to guest rooms and public spaces.

About Red Lion Hotels Corporation:

Red Lion Hotels Corporation is a hospitality and leisure company primarily engaged in the ownership, operation and franchising of upscale and midscale hotels under its Red Lion® brand. As of March 31, 2008 the RLH hotel network was comprised of 53 hotels located in nine states and one Canadian province, with 9,266 rooms and 441,640 square feet of meeting space. The company also owns and operates an entertainment and event ticket distribution business. For more information, please visit the company's website at www.redlion.com.

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