October 13, 2008

Red Lion Hotels Corporation Refinances Bellevue Hotel

SPOKANE, WA, October 13, 2008 - Red Lion Hotels Corporation (NYSE: RLH) announced today that it has closed on a $14 million loan from Wells Fargo Bank, National Association on Red Lion's 181-room hotel in Bellevue, Washington. The loan provides for a five-year term and a variable spread over LIBOR based on certain financial ratios. The current pricing is 1.75% over LIBOR. Red Lion used part of the proceeds of the loan to pay off its existing higher-rate loan in the approximate amount of $8.2 million and will use the remainder for general corporate purposes.

Dan Adams, Vice President of Wells Fargo Bank, National Association, said, "Red Lion Hotels Corporation is a valuable customer of ours. Red Lion's financial performance and solid management along with the clear value of Red Lion's Bellevue hotel justified the expansion of our excellent existing relationship with the company."

Anthony Dombrowik, Chief Financial Officer of Red Lion Hotels Corporation, said, "Our ability to refinance this hotel on such favorable terms in the current credit environment speaks volumes of the financial strength of our company and of our relationship with Wells Fargo. We appreciate their continued support of Red Lion's growth."

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 June 30, 2008, the RLH hotel network was comprised of 50 hotels located in nine states and one Canadian province, with 9,326 rooms and 448,626 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.

Contact:
Red Lion Hotels Corporation
Julie Langenheim, Investor Relations Manager
(509) 777-6322

Investor Relations:
ICR Inc.
William Schmitt
(203) 682-8200