



RED LION®
HOTELS

August 6, 2008

Red Lion Hotels And Preferred Hotel Group™ Offer The World To Red Lion Frequent Travelers

SPOKANE, WA, August 6, 2008 -- Red Lion Hotels Corporation (NYSE: RLH) announced today that it has entered into an agreement with Preferred Hotel Group to provide Red Lion R&R Club members access to more than 450 independently owned luxury hotels and resorts worldwide. Red Lion R&R Club members will soon be able to redeem points at Preferred Hotel Group hotels and resorts in exciting destinations around the world.

"Since launching the Red Lion R&R Club in February 2008, Red Lion has focused on making its new redemption program both easier to use and more rewarding for its members," said Namrata Patel, Director of Marketing for Red Lion Hotels. "Every aspect of the newly formed Red Lion R&R Club has been refined to provide guests with consistently uncomplicated and genuine service. This exciting redemption opportunity is another new benefit for our members. To celebrate this alliance, redemption levels for stays at Preferred Hotel Group properties around the world will start at a special introductory level of 30,000 points."

The Preferred Hotel Group family of brands represents the finest collection of independently owned and managed hotels and resorts in over 75 countries around the world. Brands participating in the Red Lion R&R Club redemption program include: Preferred Hotels® & Resorts, Preferred Boutique™, Summit Hotels & Resorts™, and Sterling Hotels™ brands.

"Red Lion Hotels is proud to be associated with Preferred Hotel Group," said Anupam Narayan, President and Chief Executive Officer, Red Lion Hotels. "This agreement adds value to the hotels in both organizations and it gives our Red Lion R&R Club members another value-added benefit."

The Red Lion R&R Club was launched earlier this year and membership has grown substantially. Enrollment and other information about the Red Lion R&R Club can be found at www.redlion.com/redlionrandrclub. For more information about the program's redemption options, members can call Red Lion R&R Club Member Service Center 24-hours a day, seven days a week. To redeem their points for Preferred Hotels and Resorts stays, members would call the toll-free number for the Red Lion R&R Club Member Service Center at 888-666-0563.

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.

About Preferred Hotel Group:

Preferred Hotel Group is proud to be celebrating 40 years as global leader in the hospitality industry, delivering high-performance sales, marketing, and technology solutions to 600+ independent hotels and resorts in more than 65 countries. Its family of brands represents a collection of the finest hotels in the world and includes Preferred Hotels® & Resorts, (www.preferredhotels.com); Preferred Boutique (www.preferredboutique.com); Summit Hotels & Resorts (www.summithotels.com); and Sterling Hotels (www.sterlinghotels.com), and now Historic Hotels of America (www.historichotels.org). For more information please visit www.preferredhotelgroup.com.

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