April 13, 2006

Red Lion Hotels Corporation Announces Public Offering of Common Stock

SPOKANE, WA, April 13, 2006 - Red Lion Hotels Corporation (NYSE: RLH) today announced that it has filed a registration statement for the sale of 5,500,000 shares of its common stock in a public offering. The company plans to offer for sale 5,000,000 new shares of its common stock and certain shareholders of the company are offering for sale 500,000 shares of the company's outstanding common stock. The company will receive no proceeds from the sale of its shareholders' common stock. JMP Securities is serving as the book-running manager of the offering.

A registration statement relating to these securities has been filed with the Securities and Exchange Commission but has not yet become effective. These securities may not be sold nor offers to buy accepted prior to the time the registration statement becomes effective. Written prospectuses, when available, may be obtained from Investor Relations, Red Lion Hotels Corporation, 201 W. North River Drive, Suite 100, Spokane, WA 99201.

This press release contains "forward-looking statements" within the meaning of federal securities law. The forward-looking statements in this press release are subject to numerous risks and uncertainties, including the risk the offering may not be completed as described herein, or at all.

About Red Lion Hotels Corporation

Red Lion Hotels Corporation is a hospitality and leisure company primarily engaged in the ownership, management, development and franchising of midscale and upscale, full service hotels under its Red Lio® brand. As of December 31, 2005 the RLH hotel network was comprised of 64 hotels located in 11 states and one Canadian province, with more than 11,330 rooms and 550,929 square feet of meeting space. The company also operates an entertainment and event ticket distribution business and a real estate business that develops, manages and brokers sales and leases of commercial real estate. The company is headquartered in Spokane, Washington. For more information, please visit our website at www.redlion.com.

This press release contains forward-looking statements within the meaning of federal securities law. The forward-looking statements in this press release are inherently subject to a variety of risks and uncertainties that could cause actual results to differ materially from those expressed. Such risks and uncertainties include the risk that the offering may not be completed as described herein, and other matters discussed in the company's annual report on Form 10-K for the 2005 fiscal year and in other documents filed by the company with the Securities and Exchange Commission.

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