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News Release

PEBBLEBROOK HOTEL TRUST ANNOUNCES EXERCISE OF UNDERWRITERS' OVERALLOTMENT OPTION TO PURCHASE ADDITIONAL SHARES

BETHESDA, MD, JULY 26, 2010 – Pebblebrook Hotel Trust (NYSE: PEB) (the "Company") today announced the full exercise of the underwriters' overallotment option and the purchase of an additional 2,550,000 common shares at a public offering price of $17.00 per share, less the underwriting discount. The overallotment option was granted in connection with the Company's public offering of 17,000,000 common shares which was priced on July 22, 2010.

Net proceeds from the public offering, including the overallotment option, are approximately $318.3 million, after deducting the underwriting discount and other offering costs. The purchase of the shares pursuant to the public offering, including the shares purchased pursuant to the exercise of the overallotment option, is expected to close on July 28, 2010.

The Company will contribute the net proceeds of the offering to its operating partnership, which will use the net proceeds to invest in hotel properties in accordance with the Company's investment strategy and for general business purposes.

A registration statement relating to the offering of the Company's common shares discussed above was declared effective by the Securities and Exchange Commission on July 22, 2010. This press release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities, in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.

Raymond James and BofA Merrill Lynch are the joint book-running managers for the offering. Baird, Credit Agricole CIB, Janney Montgomery Scott and Piper Jaffray are acting as co-managers. A copy of the prospectus can be obtained from Raymond James & Associates, Inc., 880 Carillon Parkway, St. Petersburg, FL 33716 or by calling (800) 248-8863; BofA Merrill Lynch, Attention: Prospectus Department, 4 World Financial Center, New York, NY 10080, telephone: (212) 449-1000, email: dg.prospectus_requests@baml.com; or by contacting any of the other underwriters listed above.

About Pebblebrook Hotel Trust
Pebblebrook Hotel Trust is a real estate investment trust ("REIT") organized to opportunistically acquire and invest primarily in upper-upscale full-service hotels located in large urban and resort markets with an emphasis on the major coastal cities.

This press release contains certain "forward-looking" statements within the meaning of the Private Securities Litigation Reform Act of 1995 and other federal securities laws. These forward-looking statements are based upon the Company's expectations, but these statements are not guaranteed to occur. For example, the fact that the overallotment option has been executed may imply that we will close on the issuance of the common shares subject to the overallotment option, but the closing is subject to conditions customary in transactions of this type and may be delayed or may not occur at all. Investors should not place undue reliance upon forward-looking statements.

Additional Contacts:

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