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News Release

PEBBLEBROOK HOTEL TRUST ANNOUNCES EXERCISE OF UNDERWRITERS' OVERALLOTMENT OPTION AND SUBSEQUENT CLOSING OF PUBLIC OFFERING OF 8.00% SERIES B CUMULATIVE REDEEMABLE PREFERRED SHARES

NET PROCEEDS OF $81.9 MILLION RAISED FROM OFFERING

BETHESDA, MD, SEPTEMBER 21, 2011 -- Pebblebrook Hotel Trust (NYSE: PEB) (the "Company") today announced the full exercise of the underwriters' overallotment option and the sale of an additional 400,000 8.00% Series B Cumulative Redeemable Preferred Shares ("Series B Preferred Shares"). The overallotment option was granted in connection with the Company's public offering of 3,000,000 common shares which was priced on September 14, 2011 (the "Series B Offering").

The Company also announced the closing today on the Series B Offering of 3,400,000 Series B Preferred Shares, including 400,000 Series B Preferred Shares pursuant to the full exercise of the underwriters' overallotment option, at a public offering price of $25.00 per share. Total net proceeds, after deducting the underwriting discount and estimated offering-related costs were approximately $81.9 million.

The Company will contribute the net proceeds from the sale of the shares to its operating partnership. The operating partnership will use approximately $42.0 million of the net proceeds to repay the debt outstanding on the Company's senior unsecured credit facility and the balance for general corporate purposes, which may include acquiring and investing in hotel properties in accordance with the Company's investment strategy, reducing the Company's debt and repurchasing the Company's outstanding common shares.

Raymond James, BofA Merrill Lynch and Wells Fargo Securities were the joint book-running managers of the offering. Citigroup and RBC Capital Markets acted as senior co-managers and Baird, Janney Montgomery Scott, Morgan Keegan and Stifel Nicolaus Weisel acted as co-managers.

About Pebblebrook Hotel Trust

Pebblebrook Hotel Trust is a publicly traded 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. The Company owns 20 hotels, comprised of 14 wholly owned hotels, with a total of 3,812 guest rooms and a 49% joint venture interest in 6 hotels with 1,732 guest rooms. The Company owns, or has an ownership interest in, hotels located in nine states and the District of Columbia, including 14 markets: Bethesda, Maryland; San Francisco, California; Buckhead, Georgia; Washington, DC; Minneapolis, Minnesota; Stevenson, Washington; Santa Monica, California; Philadelphia, Pennsylvania; San Diego, California; Seattle, Washington; West Hollywood, California; Miami, Florida; Boston, Massachusetts; and New York, New York.

All information in this release is as of September 21, 2011. The Company undertakes no duty to update the statements in this release to conform the statements to actual results or changes in the Company's expectations.

Contact:

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