2 Bethesda Metro Center, Suite 1530, Bethesda, MD 20814
T: (240) 507-1300, F: (240) 396-5626

News Release

PEBBLEBROOK HOTEL TRUST ANNOUNCES EXERCISE OF UNDERWRITERS' OPTION TO PURCHASE ADDITIONAL SHARES AND SUBSEQUENT CLOSING OF PUBLIC OFFERING OF COMMON SHARES

Net Proceeds of $109.6 Million Raised from Offering

BETHESDA, MD, JUNE 22, 2012 -- Pebblebrook Hotel Trust (NYSE: PEB) (the "Company") today announced that it has closed a public offering of 5,175,000 common shares of the Company, including 675,000 common shares issued pursuant to the full exercise of the underwriters' option to purchase additional common shares, at a public offering price of $22.10 per share, less the underwriting discount.

Net proceeds from the public offering, including the underwriters' option, are approximately $109.6 million, after deducting the underwriting discount and other estimated offering-related costs.

The Company contributed the net proceeds of the offering to its operating partnership, which will use the net proceeds for general business purposes, which may include acquiring and investing in hotel properties in accordance with the Company's investment strategy and reducing the Company's debt.

Wells Fargo Securities, BofA Merrill Lynch and Raymond James were the joint book-running managers for the offering. Citigroup and RBC Capital Markets acted as senior co-managers, and Baird, Cowen and Company, Janney Montgomery Scott, Stifel Nicolaus Weisel, Capital One Southcoast and Piper Jaffray acted as co-managers.

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.

About Pebblebrook Hotel Trust

Pebblebrook Hotel Trust (NYSE: PEB) is a publicly traded real estate investment trust ("REIT") organized to opportunistically acquire and invest primarily in upper upscale, full service hotels located in urban markets in major gateway cities. The Company owns 21 hotels, comprised of 15 wholly owned hotels, with a total of 3,920 guest rooms and a 49 percent joint venture interest in six hotels with 1,733 guest rooms. The Company owns, or has an ownership interest in, hotels located in nine states and the District of Columbia, including 14 markets: San Diego, California; San Francisco, California; Santa Monica, California; West Hollywood, California; Washington, DC; Miami, Florida; Buckhead, Georgia; Bethesda, Maryland; Boston, Massachusetts; Minneapolis, Minnesota; New York, New York; Philadelphia, Pennsylvania; Columbia River Gorge, Washington; and Seattle, Washington.

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, including estimates of total offering-related expenses, are based upon the Company's expectations, but these statements are not guaranteed to occur.

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Contact:

Raymond D. Martz, Chief Financial Officer, Pebblebrook Hotel Trust - (240) 507-1330