



For Immediate Release

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Supertel Hospitality Obtains \$6.15 Million Secured Debt Financing on Hilton Garden Inn; Proceeds To Be Used For Future Acquisitions

NORFOLK, NE, October 19, 2012 – Supertel Hospitality, Inc. (NASDAQ: SPPR), a real estate investment trust (REIT) which currently owns 94 hotels in 23 states, today announced that it has successfully obtained a new \$6.15 million secured loan with Cantor Commercial Real Estate, collateralized by Supertel’s 100-room Hilton Garden Inn in Solomons Island (Dowell), Maryland. Supertel purchased this hotel for cash in May 2012. The hotel opened in 2007, and includes 3,650 square feet of function space, two pools, and a restaurant. It is located on Dowell Road in historic Solomons Island and is 2.5 miles from the Naval Air Station Patuxent River. It is Supertel’s second property in Solomons Island, as it also owns the 60-room Comfort Inn Beacon Marina. The five-year loan on the hotel carries a fixed interest rate of 4.247% per annum, and is based on a 30-year amortization. Proceeds from the loan will be used to fund future acquisitions.

“The financing on the hotel represents a loan-to-value ratio of approximately 50%, demonstrating Supertel’s commitment to reducing its leverage as the firm repositions its portfolio,” said Kelly Walters, Supertel’s president and chief executive officer. “We believe the acquisition/financing model utilized in this transaction will continue to be viable as we move forward with our investment strategy to recycle capital into premium-branded, select-service hotels, focusing our efforts on a reasonably narrow group of strong franchisors and markets.”

About Supertel Hospitality, Inc.

Supertel Hospitality, Inc. (NASDAQ: SPPR) is a self-administered real estate investment trust that specializes in the ownership of select-service hotels. The company currently owns 94 hotels comprising 8,283 rooms in 23 states. Supertel’s hotels are franchised by a number of the industry’s most well-regarded brand families, including Hilton, IHG, Choice and Wyndham. For more information or to make a hotel reservation, visit www.supertelinc.com.

Certain matters within this press release are discussed using forward-looking language as specified in the Private Securities Litigation Reform Act of 1995, and, as such, may involve known and unknown risks, uncertainties and other factors that may cause the actual results or performance to differ from those projected in the forward-looking statement. These risks are discussed in the Company’s filings with the Securities and Exchange Commission.