

## For Immediate Release

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## Supertel Hospitality Announces \$30.6 Million Secured Loan Refinancing

NORFOLK, NE, November 7, 2012 – Supertel Hospitality, Inc. (NASDAQ: SPPR), a real estate investment trust (REIT), today announced that it has completed a significant refinancing of debt through a new \$30.6 million loan. The loan proceeds were used to pay the company's debt with Greenwich Capital, previously scheduled to mature on December 1, 2012. The loan, originated by Morgan Stanley Capital Holdings LLC, is expected to be securitized. The loan is secured by 22 hotels and carries a fixed annual interest rate of 5.83%. The terms of the loan provide for monthly principal and interest payments based on an 18-year amortization with the principal balance due and payable on December 1, 2017.

The company's debt service obligations are expected to decline by approximately \$1.1 million annually as a consequence of the interest rate and terms of the loan. Ten of the hotels that previously secured the Greenwich Capital loan are now unencumbered. Five of these hotels are held for sale, four of which are currently under contract for sale.

"We have long had the maturity date of the Greenwich Capital loan circled on our calendar and this completion allows us the flexibility to proceed with the next phase of our plan to sell non-strategic assets and begin to rebuild our portfolio with premium-branded, select service hotels," said Kelly Walters, Supertel's president and chief executive officer. "Our debt service obligation is materially reduced with this refinancing and ten of our hotels that secured the prior loan are now available for additional financing and sale as we move forward with our investment strategy."

Supertel has filed a Form 8-K with the Securities and Exchange Commission today regarding the refinancing. A copy of the Form 8-K is available on the SEC's website www.sec.gov and on Supertel's website www.supertelinc.com.

## **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.