

ROYAL HOST INC. ANNOUNCES A PRICE INCREASE TO ITS SUBSTANTIAL ISSUER BIDS FOR SERIES B AND SERIES D DEBENTURES, ENTERS INTO LOCK-UP AGREEMENTS AND FURTHER EXTENDS SUBSTANTIAL ISSUER BIDS

**For Immediate Release
November 30, 2011**

Halifax, Nova Scotia - Royal Host Inc. ("**Royal Host**" or the "**Corporation**", TSX-RYL, TSX-RYL.DB.B, TSX-RYL.DB.C, TSX-RYL.DB.D) announced today that in relation to two substantial issuer bids (the "**Offers**" and each individually an "**Offer**") and in addition to the extension of the Offers announced on Friday, November 25th, the Corporation has amended the purchase price of the Offers as described in Section 1 of the offer to purchase for cash.

As previously announced on October 13, 2011, the Corporation will offer to purchase for cancellation up to \$15,000,000 aggregate principal amount of the issued and outstanding Series B 6.00% convertible unsecured subordinated debentures of the Corporation due October 31, 2015 (the "**Series B Debentures**") from holders of the Series B Debentures and up to \$10,000,000 aggregate principal amount of the issued and outstanding Series D 5.90% convertible unsecured subordinated debentures of the Corporation due June 30, 2014 (the "**Series D Debentures**" and, together with the Series B Debentures, the "**Debentures**") from holders of the Series D Debentures.

Royal Host has increased the purchase price of the Series B Debentures from \$720 per \$1,000 principal amount, to \$760 per \$1,000 principal amount and has increased the purchase price of the Series D Debentures from \$770 per \$1,000 principal amount, to \$820 per \$1,000 principal amount.

The Offers will now expire at 5:00pm Eastern Standard Time on Friday, December 16, 2011, unless the Offers are extended further. The Offers remain otherwise subject to the terms and conditions set forth in the offer to purchase and issuer bid circulars dated October 13, 2011, as amended by a Notice of Variation and Extension (the "**Notice of Variation**").

Further, Royal Host has entered into lock-up agreements with North Pole Capital Master Fund ("**North Pole Capital**") and Geosam Capital Inc. ("**Geosam**"). North Pole Capital has agreed, pursuant to a lock-up agreement with the Corporation dated November 30, 2011, to tender an aggregate of approximately \$2,700,000 principal amount of Series B Debentures to the Offer and approximately \$5,100,000 principal amount of Series D Debentures to the Offer. Geosam has agreed, pursuant to a lock-up agreement with the Corporation dated November 30, 2011, to tender an aggregate of approximately \$1,600,000 Million principal amount of Series D Debentures to the Offer. Details of the lock-up agreements are summarized in the Notice of Variation.

In accordance with applicable securities laws, Royal Host will take up all securities deposited under the bid at the Original Expiry Time and not withdrawn at the new price for each Offer.

All other conditions to the Offers remain unchanged.

The Corporation will be mailing the Notice of Variation and Extension to all holders of the Debentures in connection with its announcement as soon as practicable. Full details of the Offers are described in the offer to purchase and issuer bid circulars dated October 13, 2011, as well as the related letter of transmittal, copies of which are available under the Corporation's SEDAR profile at www.sedar.com and were filed with SEDAR on October 18, 2011.

About Royal Host Inc.

Royal Host is a diversified hospitality company that delivers shareholder value through hotel ownership, investment and franchising. The Company's hotels, which contain 3,169 rooms, are located in five Provinces and Territories across Canada. Twenty-three of the Company's hotels operate under internationally recognized brands such as Travelodge®, Super 8®, Holiday Inn®, Hilton®, Ramada® and Country Inns & Suites®. Two of the Company's hotels are unbranded. In addition to its real estate holdings, the Company owns and operates the Travelodge Canada franchise business which is currently comprised of over 90 hotels across nine Provinces and Territories.

Royal Host's common shares and convertible debentures are traded on the Toronto Stock Exchange under the trading symbols "RYL", "RYL.DB.B", "RYL.DB.C" and "RYL.DB.D" respectively.

This press release may contain certain forward-looking statements relating, but not limited to, Royal Host's operations, anticipated financial performance, business prospects, and strategies. Forward-looking information typically contains statements with words such as "anticipate", "believe", "expect", "plan", or similar words suggesting future outcomes. Such forward-looking statements are subject to risks, uncertainties, and other factors, which could cause actual results to differ materially from future results expressed, projected, or implied by such forward-looking statements. Such factors include, but are not limited to, economic, competitive, and lodging industry conditions. Royal Host disclaims any responsibility to update any such forward-looking statements except as required by Law.

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