



FOR IMMEDIATE RELEASE

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**AMERICAN HOTEL INCOME PROPERTIES REIT LP
COMPLETES ITS INITIAL PUBLIC OFFERING**

VANCOUVER, BC (February 20, 2013) American Hotel Income Properties REIT LP (“AHIP”) announced today the successful closing of its initial public offering of 9,570,000 limited partnership units (“Units”) priced at Cdn\$10.00 per Unit, for total gross proceeds of Cdn\$95.7 million. Included in the closing were 870,000 Units (Cdn\$8.7 million) from a partial exercise of the over-allotment option described in AHIP’s final prospectus dated February 12, 2013. The balance of the over-allotment option, being for 435,000 Units, remains exercisable for a period of 30 days and, if exercised, would bring the total gross proceeds of the offering to Cdn\$100.1 million.

The offering was underwritten by a syndicate of underwriters co-led by Canaccord Genuity Corp. and National Bank Financial Inc., and included TD Securities Inc., BMO Nesbitt Burns Inc., CIBC World Markets Inc., Scotia Capital Inc., Dundee Securities Ltd., GMP Securities L.P., Macquarie Capital Markets Canada Ltd., Burgeonvest Bick Securities Limited and Haywood Securities Inc.

The net proceeds of the offering are being used primarily to indirectly acquire 32 hotel properties located in 19 U.S. states which focus on railroad employee accommodation. All closing arrangements for the acquisition have been made and the acquisition is to close later today.

Robert O'Neill, Chief Executive Officer of AHIP, commented that, “We are excited about the initial public offering of American Hotel Income Properties REIT LP. The initial portfolio of hotel properties represents a unique and stable platform upon which we intend to further develop AHIP’s considerable potential.”

The Units will commence trading today on the Toronto Stock Exchange under the symbol HOT.UN.

The initial cash distribution, which will be for the period from the date of closing of the offering to March 31, 2013, is expected to be paid on or about April 15, 2013 to unitholders of record on March 29, 2013, in an amount estimated to be Cdn\$0.096 per Unit. AHIP intends to make monthly cash distributions to its unitholders at a rate of Cdn\$0.075 per Unit. Units are initially expected to provide an annual yield of 9.0%.

These securities have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States of America without registration or an applicable exemption from the registration requirements of that Act. This news release does not constitute an offer for sale of these securities in the United States of America.

Forward-Looking Information

This news release contains forward-looking information within the meaning of applicable securities legislation, which reflects AHIP's current expectations regarding future events. Forward-looking information is identified by the use of terms and phrases such as "anticipate", "believe", "could", "estimate", "expect", "intend", "may", "plan", "predict", "project", "will", "would" and similar terms and phrases and includes, but is not limited to, the amount of the expected monthly cash distributions and annual yield for the Units, the timing of the payment of the first cash distribution to unitholders, the intention to use the net proceeds from AHIP's initial public offering primarily to acquire the initial portfolio of 32 hotel properties, the expected closing of such acquisition and the commencement of trading of the Units on the Toronto Stock Exchange. Forward-looking information is based on a number of assumptions and is subject to a number of risks and uncertainties, many of which are beyond AHIP's control, that could cause actual results and events to differ materially from those that are disclosed in, or implied by, such forward-looking information. Such assumptions include, but are not limited to, a reasonably stable North American economy and stock market. Such risks and uncertainties include, but are not limited to, failure to complete the acquisition of the initial portfolio and the factors discussed under "Risk Factors" in the final prospectus of AHIP dated February 12, 2013. The forward-looking information contained herein is made as of the date of this news release and, except as expressly required by applicable law, AHIP assumes no obligation to publicly update or revise such information, whether as a result of new information, future events or otherwise.

About American Hotel Income Properties REIT LP

AHIP has been formed to indirectly own and acquire hotel properties in the United States. The net proceeds from its initial public offering are being used primarily to indirectly acquire 32 hotel properties located in 19 U.S. states. AHIP's long-term objectives are to: (i) generate stable and growing cash distributions from hotel properties substantially in the United States; (ii) enhance the value of its assets and maximize the long-term value of the hotel properties through active management; and (iii) expand its asset base and increase its Adjusted Funds From Operations ("AFFO") per Unit through an accretive acquisition program, participation in strategic development opportunities and improvements to the properties through targeted value-added capital expenditure programs.

Additional information relating to AHIP, including the final prospectus and other public filings, is available on SEDAR at www.sedar.com and will be available on AHIP's website at www.ahipreit.com.

For further information, please contact:

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