

Peel Hotels PLC
25 October 2007

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Directors' Dealings - Exercise of Options

The Company announces that its Executive Chairman, Robert Peel, yesterday exercised options to subscribe for an aggregate of 1,000,000 new ordinary shares in the capital of Peel Hotels plc.

The Options had been granted by the Company to Mr Peel in February 1998 in anticipation of the Company's flotation on the AIM Market and were options over 250,000 shares at 25 pence per share, 250,000 shares at 50 pence per share, 250,000 shares at 75 pence per share, and 250,000 shares at 100 pence per share.

Application has been made for the 1,000,000 new ordinary shares issued in connection with the exercise of share options to be admitted to trading on AIM. It is expected that admission will take place on 30th October 2007.

The new ordinary shares will rank pari passu in all respects with the existing ordinary shares

Peel Hotels plc

Robert Peel, Chairman, - 020 7286 6823

Nominated Adviser

KBC Peel Hunt Ltd - Capel Irwin / Nicholas Marren - 020 7418 8900