



TRADING SYMBOLS - OTCBB: **UGTH** and TSX-V: **GTH**

January 22, 2007

INCENTIVE STOCK OPTIONS GRANTED

BOISE, Idaho – January 22, 2007 (OTCBB: **UGTH**, TSX.V: **GTH**) U.S. Geothermal Inc. (U.S. Geothermal), a renewable energy development company focused on the production of electricity from geothermal energy, announced today the grant of 235,000 incentive stock options to purchase capital stock at a price of \$1.12 per share for a period of five years under the Stock Option Plan, to two employees and a director, as approved by the Board of Directors on January 22, 2007.

About US Geothermal Inc

U.S. Geothermal is a renewable energy development company that is currently developing a geothermal power project at Raft River, Idaho and conducting exploration activities at Neal Hot Springs, Oregon. The company believes Raft River is ideally located to make an important contribution to the power needs of the Pacific Northwest. U.S. Geothermal owns and leases geothermal rights of private lands, which comprise the Raft River project in Southeastern Idaho. On the basis of a report prepared by the company's independent consultant, GeothermEx Inc., of Richmond California, the site has a 50% probability of a power production capacity of 15.6 MW per square mile which may translate to 100 MW or more.

Please visit our Website at: **www.usgeothermal.com**

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The information provided in this news release contains forward-looking statements within the definition of the Safe Harbor provisions of the US Private Securities Litigation Reform Act of 1995, including statements regarding the nature, size and viability of the geothermal resource, the construction of power plants and the projected production date. These statements are based on US Geothermal Inc.'s current expectations and beliefs and are subject to a number of risks and uncertainties that can cause actual results to differ materially from those described in forward looking statements, including the risks that financing will not be available for construction of the power plants, construction will not be completed on budget or on schedule, and the revenues generated under the power sales agreements will not prove sufficient to fund operations and/or service debt, among others. Forward-looking statements are based on management's expectations, beliefs and opinions on the date the statements are made. U.S. Geothermal Inc. assumes no obligation to update forward-looking statements if management's expectations, beliefs, or opinions, or other factors, should change.

The TSX Venture and OTC Bulletin Board Exchanges do not accept responsibility for the adequacy of this release.