



August 11, 2011

TRADING SYMBOLS:

In the U.S.: NYSE Amex: **HTM** and in Canada: TSX: **GTH**

**CORRECTION FROM SOURCE:
U.S. GEOTHERMAL PROVIDES UPDATE
ON SAN EMIDIO PROJECT**

BOISE, Idaho, August 11, 2011 (NYSE Amex: **HTM**, TSX: **GTH**) *A Correction from source is issued for the press release disseminated today at 9:00 AM ET. The text of the third paragraph has been revised. The corrected press release follows:*

U.S. Geothermal Inc., a leading renewable energy company focused on the development, production and sale of electricity from geothermal energy, today announced an update of construction activities at its 100% owned San Emidio, Nevada geothermal power project. An existing 2.8 net megawatt (“MW”) power plant is being repowered with a new modular high efficiency 8.6 net MW plant that is expected to triple the power output using the existing proven geothermal well field. A second power plant unit is also under development for a total project net annual average capacity of approximately 17.2 MW.

Construction of the new replacement plant and associated site improvements began on August 30, 2010. Construction is progressing on schedule with the new plant expected to go online in the 4th quarter 2011. The on-site work is ahead of schedule, with all foundations, electrical conduit, transmission tie line, cooling water line, and chemical building complete. The cooling tower is nearly complete. Major equipment components are starting to arrive on site including: vaporizers, the motor control center module, transformers, and a 1.5 MW black-start generator. To date, the \$30 million project is on budget and fully funded by a non-recourse project construction loan provided by the turnkey contractor. The new power plant is located on 40 acres of land owned by USG Nevada LLC, the company’s wholly owned subsidiary. This land also includes several existing buildings, with 91,200 square feet of space, which will be used for the office, maintenance shop, equipment storage, and power plant control room.

A signed 19.9 MW, 25-year power purchase agreement (“PPA”), which amends and replaces the existing PPA was announced on June 1, is expected to be submitted this month to the Public Utilities Commission of Nevada by Sierra Pacific Power Company (d/b/a NV Energy) as part of their Amended Integrated Resource Plan. Upon submittal, the approval process is expected to be completed within 135 days thereafter. The existing PPA will remain in place until the amended PPA is approved and, upon approval, will be replaced by the amended PPA. The existing 2.8 MW plant is operating well and the project is selling power under the current PPA. The replacement PPA amends the existing PPA to provide for the development and construction of a

second power plant unit nearly identical to the new replacement plant with the exception that the second unit will be air-cooled.

The project has an approved small generator interconnection agreement in place. USG Nevada LLC continues discussions with the DOE and several senior lenders regarding its loan guarantee application and a project loan to take out the construction loan.

The development of reservoir capacity for the second power plant is underway with extensive geophysical and resource modeling completed under a \$3.77 million DOE Innovative Exploration and Drilling cost share grant. Under the grant, drilling of up to ten 2,000 to 3,000 foot observation wells is scheduled to begin next week. These wells are located in areas identified from advance exploration techniques and are expected to confirm the locations of two production wells required to be drilled for the new power plant.

About US Geothermal:

U.S. Geothermal Inc. is a leading renewable energy development company that is operating geothermal power projects at Raft River, Idaho and San Emidio, Nevada. The Neal Hot Springs project, which is currently under construction, will be the company's third operating power project. The company holds geothermal energy rights to 69,500 acres comprising six advanced stage geothermal development projects. The San Emidio project is currently undergoing construction of a new 9.6 net MW binary cycle power plant.

Please visit our Website at: www.usgeothermal.com

FOR ADDITIONAL INFORMATION PLEASE CONTACT:

Saf Dhillon - Investor Relations

U.S. Geothermal Inc.

Tel: 866-687-7059

Fax: 208-424-1030

saf@usgeothermal.com

The information provided in this news release may contain forward-looking statements within the definition of the Safe Harbor provisions of the US Private Securities Litigation Reform Act of 1995. These statements are based on U.S. 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, including but not limited to, the results from the exploration drilling at San Emidio and Neal Hot Springs. Readers are cautioned to review the risk factors identified by the company in its filings with Canadian and US securities agencies. 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 NYSE Amex and the TSX do not accept responsibility for the adequacy of this release.