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TRADING SYMBOLS:

August 18, 2010

In the United States: NYSE Amex: **HTM** and in Canada: TSX: **GTH**

## **CONSTRUCTION PERMIT APPROVED FOR PHASE 1 OF SAN EMIDIO PROJECT**

**BOISE, Idaho** – August 18, 2010 (NYSE Amex: **HTM**, TSX: **GTH**) U.S. Geothermal Inc. (“U.S. Geothermal”), a renewable energy company focused on the development, production and sale of electricity from geothermal energy, announced today that it has received the Special Use Permit from the Washoe County Planning Commission for construction of its proposed 8.6 net megawatt Phase 1 power plant at the San Emidio Project in northern Nevada. The Special Use Permit was unanimously approved at an August 3, 2010 Planning Commission meeting and was issued on August 4, 2010.

The Special Use Permit allows for the replacement and relocation of the existing power plant, and is subject to the issuance of any other necessary permits from the Washoe County Building and Safety Department. Construction on the project is anticipated to begin during the 3<sup>rd</sup> quarter of 2010 which will qualify the San Emidio project for the Federal ITC cash grant. Final completion of the new plant is scheduled for the 4<sup>th</sup> quarter of 2011.

The full development of, San Emidio is planned as a two phase program that will result in a total of 35 megawatts of net generation capacity from four binary cycle power plant modules. Phase 2 will require additional drilling and resource development. Resource expansion efforts are underway with funding assistance from the \$3.77 million dollar Department of Energy Innovative Exploration Grant that was awarded to U.S. Geothermal in 2009. To date, approximately 80% of the geologic mapping is complete. PSInSAR data acquisition and processing, and permitting for the seismic refraction survey are nearly complete. The seismic survey is scheduled to start in mid-September.

### **About U.S. Geothermal:**

U.S. Geothermal is a renewable energy development company that is operating geothermal power projects at Raft River, Idaho and San Emidio, Nevada. The company is initiating construction of Phase 1 at San Emidio and is proceeding with documentation for the closing of a \$30 million vendor-financed construction contract for the installation of a new 8.6 net megawatt geothermal power plant.

Please visit our Website at: [www.usgeothermal.com](http://www.usgeothermal.com)

### **FOR ADDITIONAL INFORMATION PLEASE CONTACT:**

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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. 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.

**Website:** [www.usgeothermal.com](http://www.usgeothermal.com)

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