



TRADING SYMBOLS:

January 7, 2008

In the U. S.: OTCBB: **UGTH** and in Canada: TSX: **GTH**

U.S. GEOTHERMAL ANNOUNCES COMMERCIAL OPERATION AT RAFT RIVER

BOISE, Idaho – January 7, 2008 (OTCBB: **UGTH**, TSX: **GTH**) U.S. Geothermal Inc. (“U.S. Geothermal”), a renewable energy company focused on the production of electricity from geothermal energy, announced that Idaho Power Company has provided notice that the company’s Unit One geothermal power plant at Raft River, Idaho reached commercial power generation as of January 3, 2008, 00:00:01 (H:M:S) Mountain Standard Time.

Power is being purchased by Idaho Power Company under the terms of a 10-megawatt Public Utility Regulatory Policies Act (“PURPA”) contract. Full energy prices are now being paid under the terms of the agreement.

About U.S. Geothermal:

U.S. Geothermal is a renewable energy development company that is operating a geothermal power project at Raft River, Idaho and developing Neal Hot Springs in eastern Oregon. U.S. Geothermal holds, through ownership or lease, geothermal rights of lands that comprise the Raft River Neal Hot Springs projects.

Please visit our Website at: www.usgeothermal.com

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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, including statements regarding potential energy resources and projects, development possibilities for Raft River and Neal Hot Springs. 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.

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