



TRADING SYMBOLS:

January 16, 2008

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

IDAHO PUBLIC UTILITY COMMISSION APPROVES FULL OUTPUT POWER PURCHASE AGREEMENT FOR RAFT RIVER UNIT ONE

BOISE, Idaho – January 16, 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 the Idaho Public Utility Commission approved its full-output contract for the Unit One power plant at Raft River. The new contract will take effect and replace the existing 10-megawatt Public Utility Regulatory Policies Act (“PURPA”) power purchase agreement. The terms of the new contract allow for variable output up to a maximum of 15.8 megawatts, in place of the previous limit of a 10-megawatt monthly average as stipulated by the existing PURPA contract. In addition, the new contract extends the term from 20 to 25 years and requires that Idaho Power Company reimburse transmission costs.

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 and 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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