TRADING SYMBOLS: July 10, 2008
In the United States: AMEX: **HTM** and in Canada: TSX: **GTH**

U.S. GEOTHERMAL ANNOUNCES SUCCESSFUL COMPLETION OF FIRST WELL AT NEAL HOT SPRINGS

BOISE, Idaho – July 10, 2008 (AMEX: **HTM,** TSX: **GTH**) U.S. Geothermal Inc. ("U.S. Geothermal"), a renewable energy company focused on the production of electricity from geothermal energy, announced today that the first full size production well (NHS-1) at the Neal Hot Springs Project was successfully completed on May 23 and an initial flow test confirms the presence of a geothermal reservoir.

NHS-1 encountered a large, productive, geologic fracture in the Neal Hot Springs geothermal reservoir at 2,287 feet below surface and was completed to a depth of 2,305 feet. Drilling was stopped 375 feet above the original target due to high torque on the drill bit and a total loss of drilling mud returning to the surface.

Initial flow testing resulted in a flowing temperature inside the well casing of 277º F (136º C). The new well flowed under artesian pressure at 1,200 gallons per minute ("gpm"), but was controlled and reduced to 800 gpm for the duration of the test due to equipment constraints. Mr. Richard Holt, an independent consulting geothermal reservoir engineer, has calculated a productivity index for the well with a range of 300 to 500 gpm/psi. "Any productivity index over 100 gpm/psi is extremely high in relation to the worldwide geothermal industry," said Mr. Holt.

"Although the flowing temperature at this specific depth is 277º F (136º C)-, the extremely high productivity index indicates potential production of five to six megawatts from this well," said Daniel Kunz, President and CEO. "This is a great start for development of the Neal Hot Springs project."

The bottom hole flowing temperature of the well was measured 287º F (142º C) and indicates that increased depth may yield higher reservoir temperatures. Geothermometer analysis of the geothermal fluid produced during the test also indicates that the reservoir temperature may be higher at greater depth. The chalcedony geothermometer shows a reservoir temperature of 322º F and the Sodium-Potassium-Calcium geothermometer is 350º F.

A second, higher rate flow test is planned within the next 30 days to provide additional data that will be used for reservoir analysis. Permits for three more wells were submitted to the Oregon Department of Geology Mineral Industries in April and are pending approval.

About U.S. Geothermal:
U.S. Geothermal is a renewable energy development company that is operating geothermal power plants at Raft River, Idaho and at the San Emidio Desert in Nevada. The Neal Hot Springs project in eastern Oregon is being explored for a commercial reservoir. U.S. Geothermal

holds, through ownership or lease, geothermal rights of lands that comprise the Raft River project in Idaho, San Emidio, Granite Ranch, and Gerlach in Nevada, and the Neal Hot Springs project in Oregon.

Please visit our Website at: www.usgeothermal.com

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