



TRADING SYMBOLS:

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

## **U.S. GEOTHERMAL ANNOUNCES RECEIPT OF DRILLING PERMITS FOR SAN EMIDIO PROJECT**

**BOISE, Idaho** – July 22, 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 a Project Area Permit was issued by the State of Nevada, Division of Minerals on July 7, 2008 for the San Emidio project in northwestern Nevada. In conjunction with the Project Area Permit, the Division of Minerals also issued individual drilling permits for the first three new production wells. These wells are intended to provide geothermal fluid for the planned 27 megawatt, new development at the San Emidio project.

The Project Area Permit provides notification that allows the drilling of up to 14 wells on private property within the designated San Emidio project area. In addition to the project area permit, Geothermal Resource Development Permit Applications must be submitted for each individual well within the permit area.

Drill pad construction at the site began during the week of July 7. Drilling operations are expected to begin near the end of July or in early August.

The San Emidio Project, formerly know as Empire, was acquired by U.S. Geothermal on April 30, 2008. It includes a binary cycle, geothermal power plant that has been operating since 1987 with an installed capacity of 3.6 megawatts. Plant production averaged 3.1 net megawatts for 2007 and is sold to Sierra Pacific Power. The project is comprised of 22,944 acres (35.9 square miles) of private and federal geothermal leases located approximately 100 miles north of Reno, Nevada. Black Mountain Technology, an independent geothermal consulting firm, has estimated a resource potential of 44 megawatts at the San Emidio project using a 90% probability factor.

### **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](http://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 drilling plans, or development possibilities at San Emidio. 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 American Stock Exchange and the TSX do not accept responsibility for the adequacy of this release.