



TRADING SYMBOLS:

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

U.S. GEOTHERMAL ANNOUNCES MORE TEST RESULTS FROM THE NEAL HOT SPRINGS PRODUCTION WELL AND A KEY ADDITION TO SENIOR STAFF

BOISE, Idaho – July 29, 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 results from a second, higher rate flow test of the first full size production well (NHS-1) at the Neal Hot Springs Project which indicate the well has significant energy potential and reconfirms the presence of a commercial geothermal reservoir.

The second flow test, a step-rate-test with pressure buildup, was conducted for 12 hours on July 12, 2008 and resulted in a flowing production temperature of 286.5° F (141° C), approximately 10 degrees higher than the initial test. The new well flowed under artesian pressure at a peak rate of 2,055 gallons per minute (“gpm”) and then was stepped down to a lower flow rate of 1,210 gpm before it was shut in and the pressure buildup monitored. Richard Holt of Geothermal Science, Inc., an independent geothermal reservoir engineer, calculated a well productivity index of 450 gpm/psi, which is considered to be very high in the geothermal industry

“This second test allowed the well to flow without restriction and resulted in a much higher flow rate and higher flowing temperature, thereby confirming the potential production of at least five to six megawatts from this single well,” said Daniel Kunz, President and CEO.

Permits to drill three more wells were submitted to the Oregon Department of Geology and Mineral Industries in April and are pending approval. Additional wells and reservoir testing is needed before the size and power generation potential of the Neal Hot Springs geothermal reservoir can be determined.

Additionally, the company is pleased to announce that Mr. John Van Haren has joined the staff as General Manager of US Geothermal Services, our power plant operations subsidiary. Mr. Van Haren was the Plant Manager for a 63 megawatt combined cycle power plant in Rhode Island, and was previously the Assistant Manager for Black Hills Colorado LLC where he managed operations and maintenance of both the 122 megawatt Arapahoe combined cycle plant and the Valmont 80 MW simple cycle facility. Mr. Van Haren’s experience in power plant operations strengthens the U.S. Geothermal team in preparation for planned expansions at San Emidio and Neal Hot Springs.

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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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 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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