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TRADING SYMBOLS:

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

U.S. GEOTHERMAL ACQUIRES MINERAL OWNERSHIP INTERESTS AT NEAL HOT SPRINGS PROJECT

Boise, Idaho – June 29, 2010 (NYSE Amex: **HTM**, TSX: **GTH**) U.S. Geothermal Inc., a renewable energy company focused on the development, production and sale of electricity from geothermal energy, announced today that its subsidiary, USG Oregon LLC (“USG Oregon”), has acquired two underlying geothermal mineral ownership interests at the Neal Hot Springs project in eastern Oregon.

A 25% mineral interest, which encompasses 600 acres, was purchased from a private estate. An option to purchase an additional 25% interest in 2,110 acres was executed with GCO Minerals Company, a subsidiary of International Paper. The two mineral interest acquisitions in part overlie each other, and when combined provide USG Oregon with 600 acres of 50% mineral ownership and 1,510 acres of 25% mineral ownership in the heart of the defined Neal Hot Springs geothermal reservoir. This acreage includes the two existing production wells, and all of the currently planned new production and injection wells for the 22 megawatt development.

Daniel Kunz, President and CEO of U.S. Geothermal Inc. said, “We can either lease the energy rights by paying a royalty each year or we can own them outright and reduce the annual royalty burden. With the acquisition of these two mineral interests the Neal Hot Springs project will have increased annual cash flows.”

About U.S. Geothermal Inc.:

U.S. Geothermal Inc. is a renewable energy development company that is operating geothermal power projects at Raft River, Idaho and San Emidio, Nevada. USG Oregon has an approved power purchase agreement with Idaho Power Company and has received a conditional commitment for a \$102.2 million loan through the Department of Energy Section 1703 loan guarantee program for the development and construction of the Neal Hot Springs project.

FOR ADDITIONAL INFORMATION PLEASE CONTACT:

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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 development possibilities at Neal Hot Springs and in Guatemala. 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 NYSE Amex and the Toronto Stock Exchange do not accept responsibility for the adequacy of this release.