



TRADING SYMBOLS:

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

## **U.S. GEOTHERMAL ANNOUNCES POWER PURCHASE AGREEMENT FOR PLANNED RAFT RIVER UNIT TWO**

**BOISE, Idaho** – March 12, 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 Eugene Water and Electric Board (“EWEB”), of Eugene Oregon, has signed a power purchase agreement (“PPA”) for the planned Unit Two power plant at Raft River. The PPA allows for variable electrical output up to a maximum of 16 megawatts with a term of 25 years. The PPA is subject to successful drilling and resource development at Raft River. Under the terms of a related agreement entered into by U.S. Geothermal, EWEB and the Bonneville Power Administration (“BPA”), the power generated from Unit Two at Raft River will be delivered to BPA’s customer load in Idaho. The same amount of power will be made available by BPA to serve EWEB’s load.

“EWEB has been at the forefront of developing renewable energy resources to meet its increased demand and we welcome them as a potential new customer for Raft River. We extend our thanks to BPA for supporting renewable energy development at Raft River,” said Daniel Kunz, President and Chief Executive Officer of U.S. Geothermal.

A computer model of the Raft River reservoir is being developed which includes data collected from current injection and production well tests. The model will be used to help locate new wells for increasing production at Unit One, from its current production of between 9 to 9.5 megawatts, to the plant’s full output potential of an annual average of 13 megawatts and for the planned development of Unit Two. A development timetable for U.S. Geothermal projects including Raft River Unit Two is being finalized and will be announced within the next calendar quarter.

### **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](http://www.usgeothermal.com)

### **FOR ADDITIONAL INFORMATION PLEASE CONTACT:**

Saf Dhillon - Investor Relations

U.S. Geothermal Inc.

Tel: 866-687-7059

Fax: 604-688-9895

[saf@usgeothermal.com](mailto:saf@usgeothermal.com)

Melinda Keckler

Scott Peyron & Associates, Inc.

Tel: 208-388-3800

Fax: 208-388-8898

[speyron@peyron.com](mailto:speyron@peyron.com)

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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