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U.S. GEOTHERMAL FORMS EXPLORATION JOINT VENTURE IN NEVADA

BOISE, Idaho – May 21, 2008 (AMEX: **HTM**, TSX: **GTH**) U.S. Geothermal Inc. (the “Company”) announced today that it has entered into a joint venture agreement with Gerlach Green Energy LLC of Nevada (“GGE”). The target of the joint venture is the exploration of the Gerlach geothermal system, which is located in northwestern Nevada, at the town of Gerlach. The joint venture is located near the Company’s Granite Creek leases that were recently acquired as part of the Empire geothermal power plant arrangement.

The JV agreement establishes a limited liability company named Gerlach Geothermal LLC. The agreement provides for a 60 percent U.S. Geothermal ownership interest in the joint venture by a subsidiary of the Company and a 40 percent ownership interest by GGE, with the Company expending \$2,000,000 toward the project, of which \$300,000 is a property contribution in the form of a BLM geothermal lease. GGE has contributed one BLM geothermal lease and one private geothermal lease. These leases have all had previous work including geophysical studies and drilling. The JV agreement gives GGE an option to maintain its 40% ownership interest as additional capital contributions are required. If GGE dilutes to below a 10 percent interest, their ownership position in the joint venture would be converted to a 10 percent net profits interest. U.S. Geothermal will serve as the JV manager for the joint venture’s development activities.

The combined property totals 3,615 acres (5.6 square miles) with 3,415 acres of BLM leases and 200 acres in a private property lease that contains the Great Boiling Springs thermal feature. The geothermal system at Gerlach is well known, with an extensive database from previous studies and exploration drilling, that the Company believes has significant exploration potential. Gerlach was ranked as the No. 3 top resource in Nevada by the United States Geological Survey in Circular 726, “Assessment of Geothermal Resources of the United States; 1975”, and has estimated resource temperatures from geochemical analysis of 338° F to 352° F (USGS Circulars 726 and 790).

“Gerlach is a great exploration target in an area of known geothermal activity that includes our producing San Emidio project 14 miles to the south, and our Granite Ranch project 5 miles to the north”, said Daniel Kunz, President and CEO.

About US Geothermal Inc

U.S. Geothermal is a renewable energy development company that is currently operating geothermal power plants at Raft River, Idaho and San Emidio, Nevada. The Company is also conducting exploration activities at Neal Hot Springs, Oregon.

Please visit our Website at: **www.usgeothermal.com**

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The information provided in this news release contains forward-looking statements within the definition of the Safe Harbor provisions of the US Private Securities Litigation Reform Act of 1995 and under applicable Canadian legislation, including statements regarding the anticipated exploration potential of the joint venture property and the timing and amount of anticipated expenditures. These statements are based on US 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 in forward looking statements, including the results and schedule of explorations activities at the joint venture property, among others. 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 TSX and AMEX do not accept responsibility for the adequacy of this release.