



TRADING SYMBOLS:

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

U.S. GEOTHERMAL STARTS DRILLING AT NEAL HOT SPRINGS PROJECT

BOISE, Idaho – May 7, 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 drilling has begun on the first full size exploration well at the Neal Hot Springs Project located in eastern Oregon.

Well NHS-1 is permitted for 3,500 feet of depth and is being drilled parallel to the discovery well drilled in 1979 by Chevron Resources. The drilling program is estimated to take 30 days and will be followed by a well flow test and reservoir program of approximately 60 days.

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, San Emidio and Neal Hot Springs projects.

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 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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