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

U.S. GEOTHERMAL COMPLETES SECOND SUCCESSFUL PRODUCTION WELL AT NEAL HOT SPRINGS PROJECT

BOISE, Idaho – October 22, 2009 (NYSE Amex: **HTM**, TSX: **GTH**) U.S. Geothermal Inc. (“U.S. Geothermal”), a renewable energy company focused on the production and sale of electricity from geothermal energy, announced today that well NHS-5, the second full size production well at the Neal Hot Springs project located in eastern Oregon, was successfully completed on October 15.

NHS-5 encountered several lost circulation zones within the targeted horizon and intercepted a large aperture fracture at 2,796 feet resulting in a total loss of circulation. The well was completed to a depth of 2,896 feet. An initial 16 hour flow test completed using air lift produced fluid at a rate of 1,500 gallons per minute and resulted in a down hole flowing temperature of 286° F (141° C).

The reservoir-hosting fracture zone intersected in NHS-5 is 509 feet deeper in the geologic system than the large producing fracture intersected by NHS-1 which is located approximately 600 feet to the southeast. Both wells were instrumented with pressure and temperature equipment during the flow test. Geologic information and flow data from the drilling and flow test is being incorporated into the ongoing development of a reservoir model of the Neal Hot Springs geothermal system.

In addition to the drilling program for production-sized wells, the company has a temperature gradient (“TG”) drilling program underway utilizing a small diameter drill hole. Five TG holes ranging in depth from 500 to 900 feet have been completed, and are already providing valuable temperature gradient data for the overall area that hosts the Neal Hot Springs reservoir. Currently, another seven TG holes will be drilled with three of the holes expected to reach a depth of 1,500 feet in areas near the identified production zone.

Daniel Kunz, U.S. Geothermal’s President and CEO said, “This second production well encountered the same fluid temperature as our first production well and demonstrates a significant flow rate. We will now take the time to analyze the data being generated by the current temperature gradient drilling and the pending results of the updated reservoir model to determine the best location for a third production well and the necessary injection well locations”.

About U.S. Geothermal:

U.S. Geothermal is a renewable energy development company that is operating geothermal power projects at Raft River, Idaho and San Emidio, Nevada and is proceeding with development drilling at Neal Hot Springs in eastern 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. 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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