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TRADING SYMBOLS:

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

U.S. GEOTHERMAL AWARDED \$3.77 MILLION IN DEPARTMENT OF ENERGY GRANTS AT ITS SAN EMIDIO PROJECT

BOISE, Idaho – October 30, 2009 (NYSE Amex: **HTM**, TSX: **GTH**) U.S. Geothermal Inc. (“U.S. Geothermal”), a renewable energy company focused on the development, production and sale of electricity from geothermal energy, announced today that it has been awarded \$3.77 million in Recovery Act funding for the exploration and development of its San Emidio geothermal power project using advanced geophysical exploration techniques. This award was categorized under the ‘Innovative Exploration and Drilling Projects’ section of the American Recovery and Reinvestment Act.

The project at San Emidio will apply innovative, seismic and satellite imagery techniques along with state-of-the-art structural modeling, to locate large aperture fractures that represent high-productivity geothermal drilling targets. “This award will assist in increasing per-well productivity and thereby reducing the number of production wells required to develop a geothermal resource. It also has a good chance of substantially increasing the San Emidio resource base while reducing overall field development costs. I expect that advanced exploration techniques developed with this DOE funding will provide powerful new tools for full development of all five of our geothermal properties,” noted William Teplov, Vice President Exploration for U.S. Geothermal.

About U.S. Geothermal:

U.S. Geothermal, a renewable energy development company that is operating geothermal power projects at Raft River, Idaho and San Emidio, Nevada, is proceeding with a temperature gradient drilling program and has recently completed development drilling of a second full scale production well 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.

Website: www.usgeothermal.com

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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 TSX do not accept responsibility for the adequacy of this release.