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TRADING SYMBOLS:
In the U. S.: NYSE Amex: **HTM** and in Canada: TSX: **GTH**

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U.S. DEPARTMENT OF ENERGY FINALIZES AWARD GRANT FOR RAFT RIVER EGS PROGRAM

BOISE, Idaho – September 15, 2009 (NYSE 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 the U.S. Department of Energy (“DOE”) has formally awarded the Enhanced Geothermal Systems (“EGS”) grant that was announced on October 14, 2008. The Raft River EGS program now totals up to \$10.21 million, with the DOE providing up to \$7.39 million as part of the cost-sharing arrangement. The program is designed to perform a staged, thermal stimulation of an existing injection well to improve permeability within the geologic horizon that hosts the Raft River geothermal reservoir.

The program team is being led by the Energy & Geoscience Institute from the University of Utah. Team members APEX Petroleum Engineering Services, and HiPoint Reservoir Imaging are providing key technical service and contributions. U.S. Geothermal is providing “in kind” contributions to the program through the use of a spare injection well, technical personnel, access to the existing Raft River wellfield and technical data.

The Raft River EGS project is one of 21 projects that are scheduled to conduct research, develop and demonstrate the viability of Enhanced Geothermal Systems. The DOE provided up to \$78 million in funding for the 2008/2009 programs.

The Technology and Site

The Raft River site was chosen for the EGS development program because it has access to the typical range of production temperatures in EGS projects. U.S. Geothermal has a spare injection well and several monitoring wells that will be utilized for the demonstration. The program will study the in-place permeability of the geologic horizon that hosts the geothermal reservoir and then will measure the impact of thermal fracturing using three different temperatures of fluid. Fracturing can occur when cold water is injected into a well where the hot rock exists. If targeted results are not achieved after thermal fracturing, hydraulic fracturing using pressurized fluids may be studied. In each case the increase in permeability due to fracturing will be measured.

Successful completion of the DOE program at Raft River will provide key information on the future development of the Raft River resource to increase the probability of drilling commercial production and injection wells. In addition the data will provide new information on the successive changes in fracturing and permeability due to increasing differences between the temperature of the in-place rock and the temperatures of the injected fluid.

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 developing the Neal Hot Springs Project 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.

The NYSE AMEX and TSX do not accept responsibility for the adequacy of this release.