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TRADING SYMBOLS:

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

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

BOISE, Idaho – September 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 it initiated development drilling at the Neal Hot Springs Geothermal Project located in eastern Oregon. Well NHS-5, the first well in this new program, is currently drilled to a depth of 300 feet. The total depth of the well is planned to be drilled to approximately 2,800 feet where it is expected to encounter a large aperture fracture containing geothermal fluid. Up to three large diameter wells, ranging in depth from 2,300 to 3,800 feet are planned in this drilling program.

Construction of the associated drill pads began during the week of August 17, 2009. One drill pad is complete and a second pad is currently under construction. Trinity Drilling of Gillette, Wyoming has been contracted to drill the wells, mobilized their drill rig to the site, and initiated drilling on September 18, 2009. Permits for four exploration wells were received from the Oregon Department of Geology and Mineral Industries on September 11, 2009 allowing for expansion of the program based on results. The Bureau of Land Management has issued a Record of Decision for an Environmental Assessment which allows surface access and pad construction to a well site that is located on federal surface lands that overlay private geothermal rights.

In addition to these deep, large diameter production wells, a temperature gradient well program consisting of up to 9 small-diameter wells each approximately 500 feet in depth was initiated during the week of September 7, 2009. The temperature gradient well program will acquire field data necessary to better understand the full geothermal resource potential at Neal Hot Springs.

“Further definition of the Neal Hot Springs geothermal resource is a significant part of our company’s growth plan”, said Daniel Kunz, President and CEO. “These drilling programs are expected to maintain our current project development schedule and help define a geothermal reservoir needed to construct a power plant that will deliver 22 megawatts of electricity”.

Well NHS-1, the first production well at Neal Hot Springs, was drilled in June 2008 and flowed under artesian pressure at a rate of 2,315 gallons per minute with a flowing production temperature of 286.5° F (141° C).

U.S. Geothermal is also very pleased to announce that Dr. Ian Warren has joined the company as Chief Geologist. Dr. Warren is a Registered Professional Geologist who earned his PhD Geology from the University of Auckland, New Zealand, and his M.Sc. Geology from Idaho State University. His studies in New Zealand included field and course work at

the Geothermal Institute on the geology and geochemistry of modern geothermal systems and epithermal environments. He was formerly a Project Geologist for Yamana Gold Inc. and Meridian Gold Inc. and was a consulting geologist for Cominco Alaska, Cominco American, and White Knight Resources.

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. The Company is proceeding with development drilling at Neal Hot Springs in eastern Oregon and an expansion development plan at San Emidio. The Company also is part of an Enhanced Geothermal Study at Raft River funded in part by the U.S Department of Energy to determine thermal fracturing characteristics.

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 about the development of Neal Hot Springs, San Emidio, and Raft River 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 the TSX do not accept responsibility for the adequacy of this release.