



TRADING SYMBOLS:

February 6, 2007

In the U. S.: OTCBB: **UGTH** and in Canada: TSX-V: **GTH**

U.S. GEOTHERMAL EXPANDS ENERGY RIGHTS AND INITIATES DEVELOPMENT ACTIVITIES AT ITS NEAL HOT SPRINGS PROPERTY

BOISE, Idaho – February 6, 2007 (OTCBB: **UGTH**, TSX.V: **GTH**) U.S. Geothermal Inc. (“U.S. Geothermal”), a renewable energy development company focused on the production of electricity from geothermal energy, announced today that it has acquired additional geothermal energy rights in the area of their Neal Hot Springs project located in eastern Oregon.

U.S. Geothermal is planning a production well drilling program to determine the commercial viability of the geothermal resource, which was first identified in a drilling program completed by Chevron Minerals in 1979. U.S. Geothermal is currently constructing a 13-megawatt binary cycle geothermal plant at Raft River, Idaho.

“The potential for development of Neal Hot Springs property adds an exciting element to our long term prospects,” said Daniel Kunz, U.S. Geothermal’s President and Chief Executive Officer.

U.S. Geothermal recently entered into a long-term lease with Cyprus Gold Exploration Corporation (“Cyprus”), a subsidiary of Phelps Dodge Corporation (NYSE: PD), for an undivided interest in geothermal rights associated with 4,760 acres (7.4 square miles) at Neal Hot Springs. This lease adds 758 acres (1.2 square miles) of new area, and overlaps both surface and undivided geothermal rights that were previously acquired at the site.

With this lease, U.S. Geothermal has increased its total Neal Hot Springs project holdings to 6,167 acres (9.6 square miles) and increased ownership of the overlapping area to a majority of the geothermal rights in that area. The Cyprus lease has a primary term of 10 years that extends thereafter for as long as commercial production is maintained and includes annual rental and production royalty payment provisions. U.S. Geothermal has ongoing negotiations with additional geothermal rights holders in the area.

Both gravity and magnetic surveys of the project area are part of U.S. Geothermal’s geophysical program for determining the geothermal resource’s potential. The gravity survey, which covered approximately 13 square miles around Neal Hot Springs, was completed by MWH Geo-Surveys Inc. in mid-December 2006. The magnetic survey will be completed during February 2007. Data from these geophysical surveys will be integrated with the existing Chevron Minerals drill hole data and used to finalize the targeting of new, full size geothermal exploration wells.

In August 2006, U.S. Geothermal submitted 26 megawatts of potential power generation from phase one of the Neal Hot Springs geothermal project in response to Idaho Power Company's (IPC) 100 megawatt geothermal Request For Proposal (RFP). IPC short listed this proposal in October 2006 and is expected to announce during its February 2007 proposals that it merits further contract negotiations. As part of the RFP process, an Interconnection Feasibility Study was initiated by IPC on November 20, 2006 to address the transmission of power from the Neal Hot Springs project site to the main transmission line some 11 miles away. The Interconnection Feasibility Study was completed with positive results on January 11, 2007. To study the impact of the proposed project on the area loads and distribution system, a System Integration Study has been recommended by IPC and is expected to begin within 30 days.

About US Geothermal:

U.S. Geothermal is a renewable energy development company that is in the process of constructing a geothermal power project at Raft River, Idaho and developing Neal Hot Springs in eastern Oregon. U.S. Geothermal holds, through ownership or lease, geothermal rights of private lands that comprise the Raft River project in Southeastern Idaho. The Raft River geothermal site is currently under construction of a 13-megawatt power plant expected to be online in the fourth quarter of 2007. U.S. Geothermal has signed power sales contract for one 10-megawatt power plant with the Idaho Power Company, is in negotiations for an additional 26-megawatt with new customers, and has secured transmission for up to 36 megawatt with the Bonneville Power Administration.

Please visit our Website at: www.usgeothermal.com

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The information provided in this news release contains 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 US 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 in forward looking statements, including the risks that financing will not be available for construction of the power plants, construction will not be completed on budget or on schedule, and the revenues generated under the power sales agreements will not prove sufficient to fund operations and/or service debt, among others. 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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