



TRADING SYMBOLS: OTCBB: **UGTH** and TSX: **GTH**

October 16, 2007

PACIFIC GROWTH EQUITIES INITIATES RESEARCH COVERAGE OF U.S.GEOTHERMAL INC.

BOISE, Idaho – October 16, 2007 (OTCBB: **UGTH**, TSX: **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 Pacific Growth Equities, LLC (“Pacific Growth”) has initiated research coverage of the company.

“We are pleased that Pacific Growth Equities has chosen to initiate independent research coverage on U.S. Geothermal”, said Daniel Kunz, President and CEO of U.S. Geothermal. “This represents another positive step in advancing our company’s story.”

About U.S. Geothermal:

U.S. Geothermal is a renewable energy development company that is constructing a geothermal power project at Raft River, Idaho and developing Neal Hot Springs in eastern Oregon. 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 signed a power sales contract for one 13-megawatt power plant with Idaho Power and is in negotiations for additional output with them and new customers, and has secured transmission for up to 36 megawatts with the Bonneville Power Administration. Please visit our website at: www.usgeothermal.com

About Pacific Growth Equities, LLC:

Pacific Growth is a client-focused, research-driven, independent investment banking and institutional brokerage firm. The firm is dedicated to helping its clients achieve their financial and strategic objectives. Copies of research can be obtained directly from Pacific Growth by sending an email to mhorwitz@pacgrow.com.

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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 the size and viability of the geothermal resource. 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 in forward looking statements. Readers are cautioned to review the risk factors identified by the company in its filings with Canadian and US securities agencies.

The TSX and OTC Bulletin Board Exchanges do not accept responsibility for the adequacy of this release.