



TRADING SYMBOLS:

February 12, 2009

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

U.S. GEOTHERMAL SIGNS INTERCONNECTION AGREEMENT FOR NEAL HOT SPRINGS POWER PROJECT

BOISE, Idaho – February 12, 2009 (NYSE Alternext: **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 an interconnection agreement for the Neal Hot Springs project has been signed with the Idaho Power Company (“IPC”).

The agreement encompasses the design and construction of a key transmission line and substation from the Neal Hot Springs project site to IPC’s nearby transmission grid. The new 10.3 mile line is being designed for 36 megawatts of transmission capacity. A recent study completed by IPC estimated the construction cost of the new connection to be \$3.2 million.

IPC is responsible for the design, engineering, right-of-way acquisition and construction of the new line and its associated facilities. This line is part of the development plan for the Neal Hot Springs project that is currently expected to deliver electrical power beginning in early 2011. U.S. Geothermal is completing a feasibility study and preparing project loan and technical documents required to obtain funding for development and construction of the project. The power is expected to be sold under a long term agreement that is currently under negotiations.

“This agreement is a critical milestone in the development of our project at Neal Hot Springs”, said Daniel Kunz, CEO and President. “Initiation of this interconnection agreement, to gain access to the transmission grid, is a critical path activity that allows us to maintain our current development schedule for the project.”

About U.S. Geothermal:

U.S. Geothermal is a renewable energy development company that is operating geothermal power plants at Raft River, Idaho and at the San Emidio Desert in Nevada. The Neal Hot Springs project in eastern Oregon is being explored for a commercial reservoir. U.S. Geothermal holds, through ownership or lease, geothermal rights of lands that comprise the Raft River project in Idaho, San Emidio, Granite Ranch, and Gerlach in Nevada, and the Neal Hot Springs project in 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, including statements regarding drilling plans, or development possibilities at Neal Hot Springs. 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 Alternext and the Toronto Stock Exchange do not accept responsibility for the adequacy of this release.