

U.S. Geothermal Announces Agreement to Acquire Ram Power's Geysers Project

BOISE, IDAHO--(Marketwired - April 7, 2014) - U.S. Geothermal Inc. (NYSE MKT:HTM)(TSX:GTH) (the "Company"), a leading renewable energy company focused on the development, production and sale of electricity from geothermal energy, announced today that it has signed a Stock Purchase Agreement to acquire Ram Power Corp.'s ("Ram") Geysers project for \$6,400,000 in cash. The Ram subsidiaries included in the transaction are Western Geopower, Inc., Skyline Geothermal Holdings, Inc., and Etoile Holdings, Inc., which, in turn, includes all membership interests in Mayacamas Energy LLC and Skyline Geothermal LLC. The transaction, which is subject to customary closing conditions, is expected to close on or before April 30, 2014. The acquisition will be funded with cash on hand.

The acquired Geysers project is located at the former Pacific Gas and Electric (PG&E) Unit 15 project site, which once had a 62 megawatt (gross) capacity power plant. The project is located within the broader Geysers geothermal field located in Sonoma County, California, approximately 75 miles north of San Francisco. The broader Geysers geothermal resource is the largest producing geothermal field in the world, and has been generating greater than 850 megawatts of power for more than 30 years.

The acquired Ram subsidiaries possess the full development interest in the project. These interests include all geothermal leases (covering 3809 acres), development design plans, and permits for a proposed 26 net megawatt power plant. Also included is land and geothermal mineral rights ownership of the Mayacamas property purchased by Ram in 2010. This property contains 4 of the 5 existing geothermal wells immediately available for production or injection. Finally, the acquisition includes a 50% undivided interest in the geothermal mineral rights relating to the property that contains the 5th existing well also purchased by Ram in 2010. The other 50% interest in this property is contained within an acquired leasehold interest.

At the time Western Geopower was merged into Ram, the drilling by Western Geopower had successfully developed an initial steam flow totaling 462,000 pounds per hour. A report prepared in 2012 by Geothermex, a third party reservoir engineering firm, states that the total initial power capacity from these existing wells is estimated at about 30 megawatts. The report further estimated that the sustainable long-term production from the resource is conservatively estimated at approximately 30 megawatts gross (26 megawatt net), assuming only 25% of the withdrawn geothermal fluid is injected back into the reservoir.

"We are very pleased to add this advanced stage development project to our portfolio," said Dennis Gilles, Chief Executive Officer of U.S. Geothermal Inc. "Acquiring this project having 5 completed wells available for immediate production with roughly 30 megawatts of total steam behind pipe, is a significant near-term growth opportunity for our company. We are currently evaluating two development approaches for the acquired project. The first involves obtaining a power purchase agreement and constructing a power plant, while the second option involves selling steam to one of several companies currently operating power plants in the Geysers. We are pleased with the terms of the transaction, recognizing that the Ram Power subsidiaries have previously invested over \$90 million in the project. We had previously announced that our plan for continued

growth would come through a combination of the development of internal projects and growth thru strategic acquisition. This acquisition at the Geysers is a solid first step in the execution of that plan."

California has the most aggressive Renewable Portfolio Standard in the country, with a requirement that 33% of all retail power sold in California must come from renewable energy sources by 2020. Additionally, with the recent closure of the San Onofre nuclear power plant, as well as other discussed power plant closures along the California coast, the need for replacement base load power is high. Geothermal power fits well as a replacement since it generates power 24 hours per day, 7 days per week, making it highly predictable and excellent for maintaining grid reliability, unlike other renewable power sources like wind and solar that are intermittent.

About U.S. Geothermal Inc.:

U.S. Geothermal Inc. is a leading renewable energy company focused on the development, production and sale of electricity from geothermal energy and is operating geothermal power projects at Neal Hot Springs, Oregon, San Emidio, Nevada and Raft River, Idaho. The company is currently developing a second phase project at San Emidio Nevada, as well as at El Ceibillo, an advanced stage, geothermal prospect located within a 24,710 acre (100sq km) energy rights concession area in Guatemala, located 8.5 miles (14 km) from Guatemala City, the largest city in Central America.

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. U.S. Geothermal's views with respect to the potential development potential of the Geysers project and the potential timing of the closing of the transaction constitute forward-looking statements for the purposes of the safe harbor provisions under The 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, including but not limited to, the completion of the closing conditions, the results from further development at the Geysers project. 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 MKT and the TSX do not accept responsibility for the adequacy of this release.

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