



**U.S. GEOTHERMAL INC. PROVIDES YEAR-END OPERATING PLANTS UPDATE,
CONFIRMS 2016 GUIDANCE AND PROVIDES 2017 GUIDANCE**

- **Strong Fourth Quarter Returns 2016 Generation to Planned Level**
- **Year End Generation Provided and 2016 Guidance Confirmed**
- **2017 Guidance Reflects Continued Solid Performance from Operating Plants**

Boise, Idaho – January 23, 2017 U.S. Geothermal Inc. (the “Company”) (NYSE MKT: **HTM**), a leading and profitable renewable energy company focused on the development, production and sale of electricity from geothermal energy, is pleased to confirm its previous guidance for 2016 and provide guidance for the full year 2017. Audited financial statements and Form 10-K for the fiscal year ended December 31, 2016 are anticipated to be released in mid-March.

“We are very pleased with the exceptionally strong performance from all of our power plants during the fourth quarter and our overall operational execution in 2016, despite some setbacks earlier in the year”, said Dennis Gilles, Chief Executive Officer. “We continue to maintain the focus on our goal to add approximately 135 megawatts by 2021 through the continued development of our existing projects, advancements of our near-term development projects and growth through several acquisition opportunities.”

2016 GENERATION AND GUIDANCE SUMMARY

Generation by Quarter: (mwh)	Q1	Q2	Q3	Q4	Total
2016	93,788	68,880	66,055	97,876	326,599
2015	95,926	72,947	68,372	94,762	332,007

2016 Full Year Guidance for Existing Operations:

	2016 Consolidated Guidance	2016 USG Portion Guidance
Total Plant Operating Revenue	\$29 - 34 million	N/A
Adjusted EBITDA	\$15 - 19 million	\$9 - 12 million
EBITDA	\$14 - 18 million	\$8 - 10 million
Net Income, As Adjusted	\$4 - 8 million	\$1 - 4 million

2017 GUIDANCE AND OUTLOOK SUMMARY

2017 Full Year Guidance for Existing Operations*:

	2017 Consolidated Guidance	2017 USG Portion Guidance
Total Plant Operating Revenue	\$30 - 34 million	\$18 - 22 million
Adjusted EBITDA	\$15 - 19 million	\$9 - 12 million
EBITDA	\$14 - 18 million	\$8 - 10 million
Net Income, As Adjusted	\$4 - 8 million	\$1 - 4 million

EBITDA is calculated as net income before interest, income taxes, depreciation and amortization, and is not a measurement of financial performance or liquidity under generally accepted accounting principles in the United States. EBITDA is presented as a metric commonly used by securities analysts, investors and other interested parties in the evaluation of a company's ability to service and/or incur debt.

Adjusted EBITDA reflects **EBITDA** adjusted to exclude discretionary exploration costs, non-cash stock compensation as well as the value assigned to stock options granted, and write-off of discontinued exploration activities.

Net Income, As Adjusted is calculated as Net Income Attributable to US Geothermal, adjusted to exclude Income Tax Expense which is offset by Deferred Tax Asset.

NOTABLE HIGHLIGHTS AND ACHIEVEMENTS FOR 2016 INCLUDE

• Operations:

- Achieved annual average availabilities for the twelve months for each plant (excluding planned maintenance hours) as follows: Neal Hot Springs – 98.3%, San Emidio – 95.6%, Raft River – 99.4%.
- Completed planned annual maintenance outages at all three operating facilities.
- Generated fleet wide total 326,599 megawatt-hours for the year.
- Neal Hot Springs, Oregon – Completed the drilling of a second water supply well.
- Raft River, Idaho - Completed the drilling of a second production leg on well RRG-2 at Raft River.

(see Appendix below for detailed information on existing operating power plants)

• Strategic:

- Elected two new independent directors to our Board of Directors and expanded the board to seven members.
- Received approval from stockholders and board for a 1 for 6 share consolidation. Stock began trading on a split-adjusted basis when the market opened on November 10, 2016.
- Concluded engagement of Marathon Capital's investigation of strategic alternatives with the Board of Directors determining that continuing to execute the Company's strategic growth plan is the best path to maximizing long term stockholder value.
- Paid Goldman Sachs the final installment of \$1,635,000 for the purchase of their majority interest in the Raft River project.
- Paid Leidos the final payment of \$750,000 for the three new unconstructed geothermal power plants.

About U.S. Geothermal Inc.:

U.S. Geothermal Inc. is a leading and profitable renewable energy company focused on the development,

production and sale of electricity from geothermal energy. The company is currently operating geothermal power projects at Neal Hot Springs, Oregon, San Emidio, Nevada and Raft River, Idaho for a total power generation of approximately 45 MWs. The company is also developing an additional 90 MWs of projects at: the Geysers, California; a second phase project at San Emidio, Nevada; at Crescent Valley, Nevada; and the El Ceibillo project located near Guatemala City, Guatemala. U.S. Geothermal's growth goal is to reach 200 MWs of generation by 2021 through a combination of internal development and strategic acquisitions.

Please visit our website at: <http://www.usgeothermal.com>

FOR ADDITIONAL INFORMATION PLEASE CONTACT:

Scott Anderson – Director of IR and Corporate Communications

U.S. Geothermal Inc.

Tel: 208-424-1027

Fax: 208-424-1030

sanderson@usgeothermal.com

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. Readers are cautioned to review the risk factors identified by the company in its filings with US and Canadian securities agencies. All statements, other than statements of historical fact, included herein, without limitation, statements relating to the future operating or financial performance, including guidance, of U.S. Geothermal, are forward-looking statements. Forward-looking statements are frequently, but not always, identified by words such as "expects", "anticipates", "believes", "intends", "estimates", "potential", "possible", and similar expressions, or statements that events, conditions, or results "will", "may", "could", or "should" occur or be achieved. These forward-looking statements may include statements regarding perceived merit of properties; interpretation of the results of well tests; project development; resource megawatt capacity; capital expenditures; timelines; strategic plans; or other statements that are not statements of fact. Forward-looking statements involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from U.S. Geothermal's expectations include the uncertainties involving the availability of financing in the debt and capital markets; uncertainties involved in the interpretation of results of well tests; the need for cooperation of government agencies in the development and operation of properties; the need to obtain permits and governmental approvals; risks of construction; unexpected cost increases, which could include significant increases in estimated capital and operating costs; and other risks and uncertainties disclosed in U.S. Geothermal's Annual Report on Form 10-K for the year ended December 31, 2015 filed with the United States Securities and Exchange Commission and Canadian securities regulatory authorities and in other U.S. Geothermal reports and documents filed with applicable securities regulatory authorities from time to time. 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 does not accept responsibility for the adequacy of this release.

(Refer to Next Pages for Appendix)

APPENDIX

OPERATIONS:

Our three operating plants produced 326,599 megawatt-hours during the twelve months, which compares to 332,007 megawatt-hours during the same period of 2016. Historically warm temperatures across the west moderated during the third quarter and turned colder in the fourth quarter, reducing the negative impact on generation seen earlier in the year.

Neal Hot Springs, Oregon

All three units operated smoothly, with annual availability for the facility at 98.3%. Generation for the twelve months was 179,559 megawatt-hours, compared to 176,871 megawatt-hours for the prior year period.

All three high pressure refrigerant pumps were replaced by the manufacturer under warranty and 70% of the Air Cooled Condenser (ACC) fan motors were rebuilt under the terms of the ESA settlement agreement during the year. The remainder of the ACC motors are scheduled to be rebuilt by the end of the second quarter 2017. The Unit 3 annual outage was taken in September. Scale was cleaned out of the vaporizers, and the pump in production well NHS-8 was replaced due to declining output. With the replacement of the pump in NHS-8, brine flow was increased through the plant by 7% resulting in an increase in generation.

The PPA has a seasonal pricing structure that pays 120% of the average price for four months (July, August, November, and December), 100% of the average price for five months (January, February, June, September, and October) and 73.3% of the average price for three months (March, April, May). The average price paid under the PPA for 2016 was \$109.27 per megawatt-hour. The average price to be paid under the PPA for 2017 will be \$111.83 per megawatt-hour.

San Emidio, Nevada

Plant performance was again exceptional, with annual availability of 95.6%. Total generation for the twelve months was 75,049 megawatt hours, which compares to 79,539 megawatt-hours for the prior year period. A high pressure refrigerant pump which had been replaced under warranty earlier during the year, failed during the second quarter, which caused the plant to operate at a reduced generation level for 19 days and required a second outage to replace the pump.

Under the terms of our PPA, generation during 2016 was paid at the average contract price of \$93.01 per megawatt-hour. There is no seasonal adjustment under this PPA. The average price to be paid under the PPA for 2017 will be \$93.94 per megawatt-hour.

Raft River, Idaho

Annual availability for the facility was 99.4%. Total generation for the twelve months was 71,991 megawatt-hours, which compares to 75,599 megawatt-hours for the prior year period. Generation was impacted by the failure of a production pump in February on well RRG-2. The well remained out of service until planned redrill operations were completed, and the well was returned to service in September. The production pump in well RRG-1 failed in late September and a new pump was back on line by early November.

The PPA has a seasonal pricing structure that pays 120% of the average price for four months (July, August, November, and December), 100% of the average price for five months (January, February, June, September, and October) and 73.5% of the average price for three months (March, April, May). The average price paid under the

PPA for 2016 was \$63.30 per megawatt-hour. The average price to be paid under the PPA for 2017 will be \$64.63 per megawatt-hour. In addition to the price paid for energy, Raft River currently receives \$4.75 per megawatt-hour under a separate contract for the sale of Renewable Energy Credits ("REC"). Starting in January 2018, a new REC contract will take effect and the price will be \$17.00 per megawatt-hour with the project owning 49% of the RECs and Idaho Power owning 51%.