



U.S. Energy Corp. Signs Exploration Development and Mine Operating Agreement With Thompson Creek Metals Company Inc.

Agreement Calls for Up to \$400 Million in Expenditures for Thompson Creek Metals to Earn 75 Percent of the Lucky Jack Molybdenum Project in Colorado

RIVERTON, Wyo., Aug 19, 2008 (GlobeNewswire via COMTEX News Network) -- U.S. Energy Corp. ("USE") (Nasdaq:USEG), a natural resources exploration and development company with interests in molybdenum, uranium, oil and gas, gold, and real estate, today announced that it has entered into a definitive Exploration, Development and Mine Operating Agreement for its Lucky Jack molybdenum property, located in Gunnison County, Colorado, with Thompson Creek Metals Company Inc. (TSX:TCM) (NYSE:TC), one of the world's largest publicly traded, pure molybdenum producers. Under the terms of the agreement, which are valued at up to \$400 million, Thompson Creek has the right to earn up to a 75% interest in the project.

"Securing a partnership with a global leader like Thompson Creek provides significant validation of both the Lucky Jack project and our strategy to realize value from this asset over the long-term," said Mark Larsen, President of U.S. Energy Corp. "Thompson Creek brings an outstanding environmental record, substantial expertise, financial resources and a singular focus on the development and operation of molybdenum projects to the table. With an office in Denver, CO, operating mines in the U.S. and Canada, and substantial roasting capacity, we believe that Thompson Creek is the ideal partner for the advancement of the project," he added.

Terms of the Agreement

Thompson Creek has the option to earn up to a 75% interest in the Lucky Jack molybdenum property. TCM has paid USE \$500,000 as an option payment. If TCM pays USE additional option payments (not refundable) of \$1 million on January 1 of each year from 2009 through 2014 and also pays a minimum of \$8.5 million (for a total of \$15 million) in expenditures on or related to the property in stages by June 30, 2011, TCM will earn a 15% interest in the property.

TCM can earn a further 35% by expending an additional \$35 million (for a total of \$50 million) by July 31, 2018 for a total of 50%. At that time, TCM may elect to be a joint venture partner in the project.

TCM can obtain an additional 25% interest in the project (for a total of 75%) by making added expenditures of \$350 million (for a total of \$400 million). Through the option period, TCM will manage the property with USE. At such time as the property goes into production, TCM will purchase USE's portion of output from the mine.

About The Lucky Jack Molybdenum Project

The Lucky Jack (formerly known as Mt. Emmons) molybdenum property was originally discovered by AMAX Inc. ("AMAX") in the 1970s on mineral claims held by USE. The mineral claims were subsequently sold to AMAX with reversionary rights to USE. The property was reacquired by USE in 2006. AMAX reportedly spent in excess of \$150 million delineating, planning and permitting for the production of a "world-class" molybdenum deposit. Water rights for the project were obtained in 2002. Historical records filed with the Bureau of Land Management (BLM) in the 1990s for the application of patented mineral claims identify resources of approximately 220 million tons of ore with a grade of 0.366% MoS₂ and a high grade section of the mineralization containing some 22.5 million tons at a grade of 0.701% MoS₂. The issuance of these mineral patents in 2004 by BLM was upheld by the United States Supreme Court in 2007.

About U.S. Energy Corp.

U.S. Energy Corp. is a diversified natural resource company with interests in molybdenum, oil and gas, gold, and real estate. While the Company primarily invests in the natural resource sector, it is also broadening its business interests to include cash flow generating investments driven by surging growth created by energy and mining activity in the intermountain west region of the United States. The Company is headquartered in Riverton, Wyoming, and its common stock is listed on The NASDAQ Capital Market under the symbol "USEG". For more information on U.S. Energy Corp., visit its website at <http://www.usnrg.com>.

The U.S. Energy Corp. logo is available at <http://www.primenewswire.com/newsroom/prs/?pkgid=5043>

About Thompson Creek Metals Company Inc.

Thompson Creek Metals Company Inc. is one of the largest publicly traded, pure molybdenum producers in the world. The Company owns the Thompson Creek open-pit molybdenum mine and mill in Idaho, a metallurgical roasting facility in Langeloth, Pennsylvania and a 75% share of the Endako open-pit mine, mill and roasting facility in northern British Columbia. Thompson Creek is also developing the Davidson Deposit, a high-grade underground molybdenum project near Smithers, B.C. The Company has approximately 800 employees. Its principal executive office is in Denver, Colorado, and it has other executive offices in Toronto, Ontario and Vancouver, British Columbia. More information is available at www.thompsoncreekmetals.com.

Disclosure Regarding Mineral Resources Under SEC and Canadian Regulations; and Forward-Looking Statements

The Company owns or may come to own stock in companies which are traded on foreign exchanges, and may have agreements with some of these companies to acquire and/or develop the Company's mineral properties. An example is Sutter Gold Mining Inc. These other companies are subject to the reporting requirements of other jurisdictions.

United States residents are cautioned that some of the information available about our mineral properties, which is reported by the other companies in foreign jurisdictions, may be materially different from what the Company is permitted to disclose in the United States.

This news release includes statements which may constitute "forward-looking" statements, usually containing the words "believe," "estimate," "project," "expect," or similar expressions. These statements are made pursuant to the safe harbor provision of the Private Securities Litigation Reform Act of 1995. Forward-looking statements inherently involve risks and uncertainties that could cause actual results to differ materially from the forward-looking statements. Factors that would cause or contribute to such differences include, but are not limited to, future trends in mineral prices, the availability of capital, competitive factors, and other risks. By making these forward-looking statements, the Company undertakes no obligation to update these statements for revision or changes after the date of this release.

For further information on the differences between the reporting limitations of the United States, compared to reports filed in foreign jurisdictions, and also concerning forward-looking statements, please see the Company's Form 10-K ("Disclosure Regarding Forward-Looking Statements"; "Disclosure Regarding Mineral Resources under SEC and Canadian Regulation"; and "Risk Factors"); and similar disclosures in the Company's Forms 10-Q.

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