



U.S. Energy Corp. Prices Public Offering of 5,000,000 Shares of Common Stock at \$5.25 Per Share

RIVERTON, Wyo., Dec 11, 2009 (GlobeNewswire via COMTEX News Network) -- U.S. Energy Corp. (Nasdaq:USEG) ("USE" or the "Company") today announced that it has priced an underwritten public offering of 5,000,000 shares of common stock at a public offering price of \$5.25 per share. USE has also granted the underwriters a 30-day option to purchase up to 750,000 additional shares of common stock to cover over-allotments, if any.

The Company intends to use the net proceeds from the offering, including the net proceeds from any exercise of the underwriters' over-allotment option, to fund capital requirements under the drilling programs with Brigham Exploration Company and our other joint venture partners, and for other general corporate purposes. The offering is expected to close on or about December 16, 2009, subject to customary closing conditions.

In connection with the offering, Madison Williams and Company LLC (formerly the principal capital markets business of SMH Capital Inc.) is acting as sole book-running and lead manager and C.K. Cooper and Company is acting as co-manager for the offering.

This offering is being made only by means of a prospectus and related prospectus supplement, which has been filed with the Securities and Exchange Commission. A copy of the prospectus and prospectus supplement relating to the offering may also be obtained from the offices of: Madison Williams and Company LLC, 527 Madison Ave., 14th Floor, New York, NY 10022, (212) 317-2700 and C.K. Cooper and Company, 18300 Von Karman Ave., Suite 700, Irvine, CA 92612, (949) 477-9300.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy the shares described herein, nor shall there be any sale of these shares in any state or jurisdiction in which such an offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. The offering is being made only by means of a prospectus and related prospectus supplement, which are part of an effective registration statement.

About U.S. Energy Corp.

U.S. Energy Corp. is a diversified natural resource company with interests in oil and gas, molybdenum, geothermal and real estate assets. The Company is headquartered in Riverton, Wyoming, and its common stock is listed on The NASDAQ Capital Market under the symbol "USEG".

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

Forward-Looking Statement Disclosure

The matters discussed in this news release are forward-looking statements within the meaning of the federal securities laws. These forward-looking statements include, but are not limited to, use of proceeds of the offering and the anticipated closing of the offering. Important factors that could cause our actual results to differ materially from those contained in the forward-looking statements include the closing of the common stock offering; our growth strategies; our ability to finance our exploration and development activities; the impact of governmental regulation; the risks associated with drilling of oil and natural gas wells; our ability to find, acquire, market, develop, and produce new reserves; the risk of drilling dry holes; oil and natural gas price volatility; inaccuracies in our assumptions regarding items of income and expense and the level of capital expenditures; uncertainties in the timing of exploitation expenditures; operating hazards attendant to the oil and natural gas business; potential mechanical failure or underperformance of significant wells; pipeline construction difficulties; climatic conditions; availability and cost of material and equipment; actions or inactions of third-party operators of our properties; our ability to retain skilled personnel; diversion of management's attention from existing operations while pursuing acquisitions or dispositions; availability of capital; the strength and financial resources of our competitors; regulatory developments; environmental risks; uncertainties in the capital markets; general economic and business conditions (including the effects of the worldwide economic recession); industry trends; and other risks more fully described in our filings with the Securities and Exchange Commission. Forward-looking statements are typically identified by use of terms such as "may," "will," "expect," "anticipate," "estimate" and similar words, although some forward-looking statements may be expressed differently. All forward-looking statements contained in this release, including any forecasts and estimates, are based on management's outlook only as of the date of this release, and we undertake no obligation to update or revise these forward-looking statements, whether as a result of subsequent developments or otherwise.

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