



News Release

Homeland Energy Extends Delivery Date of Shares to GMR

Toronto, Canada (January 6, 2009) - Homeland Energy Group Ltd. (TSX: HEG) ('Homeland' or 'the Company') wishes to announce that, at the request of GMR Energy Limited, it has agreed to an extension of the completion date by which its subsidiary, Homeland Energy Corp., must complete the repurchase of shares of the Company's South African operations from GMR Energy Limited of Bangalore, India.

GMR Energy Limited requested the extension to the date of delivery of the 75.79-million shares approved by shareholders on December 30, 2008. The extension will allow the Company to continue discussions with GMR to find an alternative commercial solution to delivery of 75,792,027 shares at \$0.455175/share. Any alternative arrangement, if agreed, will be to the economic and commercial benefit of Homeland. Homeland continues to maintain the right to repurchase the 10% holding of its South African operations with the issuance of shares as referred to above.

The original date of delivery was to be January 5, 2009 under the terms of the Share Purchase Agreement between Homeland Energy Corp., Homeland Mining & Energy SA (Pty) Limited and GMR Energy Limited. The new date will be January 20, 2009. If delivered, GMR will own 33.5% of the issued and outstanding shares of Homeland Energy Group Limited.

Homeland Energy Group Ltd. (TSX:HEG) is a coal producer with operations the Witbank area of South Africa. The company also has a large-scale development property in South Africa and exploration interests in Southern Africa. Homeland is currently negotiating to acquire interests in a number of additional coal properties in eastern South Africa and neighbouring countries as well as in the United States. Homeland is a significant shareholder in Homeland Uranium Inc., a Canadian uranium exploration and development focused on projects in Niger and the United States. Homeland also has an aggressive global acquisition strategy with a focus on energy resources.

Homeland Energy Group Ltd. is currently traded on the Toronto Stock Exchange under the symbol "HEG" with 150,270,478 common shares issued and outstanding. www.homelandenergygroup.com.

For further information, please contact:

Naomi Nemeth, Vice President, Investor Relations
T: +1 416 506 1979
E: nnemeth@homelandenergygroup.com

Or

Stephen Coates, President and Chief Executive Officer
T: +44 207 399 4390
E: scoates@homelandenergygroup.com

Please visit www.homelandenergygroup.com