



News Release

## **Homeland Energy Group Announces Private Placement to a Controlled Affiliate of GMR Holdings**

**- GMR to maintain 33.3% interest in Homeland with purchase of 15,776,512 common shares to total 91,568,539**

**Toronto, Canada (Mar 2, 2009) - Homeland Energy Group Ltd. (TSX: HEG)** ('Homeland' or 'the Company') has agreed to issue 15,776,512 common shares to Crossridge Investments Limited, a controlled affiliate of GMR Holdings, ("GMR") at a price of C\$0.20/share. This represents a 25% discount to the five-day Volume Weighted Average Price of the Homeland shares trading on the TSX in the previous five days of trading. This placement is expected to close on Wednesday, March 4, 2009.

"Homeland and GMR have been working together for more than a year and we are grateful for today's commitment by GMR to maintain their percentage interest in Homeland." commented Stephen Coates, President and CEO of Homeland Energy Group, "We look forward to growing the Company to capitalize on opportunities and to grow value for all shareholders." added Mr. Coates.

As GMR owns approximately 33.3% of the issued and outstanding capital of Homeland Energy Group, this transaction is a related party transaction within the meaning of Multilateral Instrument 61-101 ("MI 61-101"). The transaction is exempt from the valuation and minority shareholder approval requirements of MI 61-101 pursuant to the exemptions contained in sections 5.5(a) and 5.7(a) of MI 61-101 in that the fair market value of the transaction does not exceed 25% of Homeland Energy's market capitalization

**Homeland Energy Group Ltd. (TSX: HEG)** is a coal producer with operations in 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 continues seek out interests in additional coal projects in 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 company 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 274,650,688 common shares issued and outstanding. [www.homelandenergygroup.com](http://www.homelandenergygroup.com).

#### *Forward-Looking Statements*

*"This press release contains or refers to forward-looking information, including statements regarding the estimation of mineral resources, exploration results, potential mineralization, exploration and mine development plans, timing of the commencement of operations and estimates of market conditions, and is based on current expectations that involve a number of business risks and uncertainties. Factors that could cause actual results to differ materially from any forward-looking statement include, but are not limited to, failure to convert estimated mineral resources to reserves, the grade and recovery of ore which is mined varying from estimates at the Kendal Colliery, capital and operating costs varying significantly from estimates, the preliminary nature of metallurgical test results, delays in obtaining or failures to obtain required governmental, environmental or other project approvals, political risks, uncertainties relating to the availability and costs of financing needed in the future, changes in equity markets, inflation, changes in exchange rates, fluctuations in commodity prices, delays in the development of projects and the other risks involved in the mineral exploration and development industry. Forward-looking statements are subject to significant risks and uncertainties, and other factors that could cause actual results to differ materially from expected results. Readers should not place undue reliance on forward-looking statements. These forward-looking statements are made as of the date hereof and the Company assumes no responsibility to update them or revise them to reflect new events or circumstances other than as required by law."*

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