



News Release

Homeland Energy Group Terminates Agreement with Appolo Fuels & Diversified Energy

- **Termination triggers issue of Homeland common shares to satisfy contractual break fee**
- **Diversified Energy owns 31,561,671 common shares representing 12.19% of the 258,874,176 shares outstanding**

Toronto, Canada (Mar 2, 2009) - Homeland Energy Group Ltd. (TSX: HEG) ('Homeland' or 'the Company') has issued 31,561,671 Homeland common shares at CAD\$0.16 to Diversified Energy Inc. today as per the agreement dated January 16, 2009 (see Homeland press release January 16, 2009) at the election of Diversified Energy and Appolo Fuels ("Appolo"). The issue of these shares satisfies the contractual break fee requirement and signifies the termination of the original asset purchase agreement between Homeland and Appolo.

"We fully recognize the challenges that Homeland faced in securing financing to support the transaction due to the deteriorating market conditions over the past several months. We appreciate the operating skill set that the Homeland team possess and as such, have invited Homeland to assume a management contract for the day-to-day operations of our mines," commented Randy Edgemon, President, Diversified Energy Inc.

"While the parties were in the final stages of completing a transaction, the launch of the proxy dispute initiated last week added too much uncertainty to complete a deal at this time," commented Stephen Coates, President and CEO. "We welcome an opportunity to maintain a good working relationship with both Appolo and Diversified and to build upon the goodwill established between the parties over the past year,"

Appolo Fuels is a platform-launching asset and combined with the client-base and industry knowledge of Diversified Energy, would have provided Homeland with a world-class operation in a world-class coal producing district.

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 258,874,176 common shares issued and outstanding. 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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