



News Release

Homeland Energy Group Retires Short-term Loan from Homeland Uranium

Toronto, Canada (June 2, 2009) - Homeland Energy Group Ltd. (TSX: HEG) ('Homeland' or 'the Company') announces that it has retired its CAD\$2.5 million loan from Homeland Uranium Inc. (HUI). The loan was fully drawn on January 20, 2009 to improve the Company's short-term working capital position. The loan was repayable one year from the draw date and accrued interest at a rate of 10% per annum and was secured by the 22.25 million common shares of Homeland Uranium held by Homeland Energy Corp, a wholly-owned subsidiary of HEG. Homeland Energy Corp. agreed to sell to HUI 10,350,000 shares and directed that the proceeds be used to retire the loan of its parent company.

Prior to retiring this loan, Homeland held approximately 42% (22.25 million common shares) of Homeland Uranium. Following retirement of the debt, Homeland continues to have an approximately 28% ownership interest (approximately 11.9 million common shares) in Homeland Uranium.

As Homeland Energy owns approximately 28% of the issued and outstanding capital of Homeland Uranium, 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 to seek out interests in additional coal projects in South Africa and neighbouring countries as well as internationally. Homeland is a significant shareholder in Homeland Uranium Inc., a Canadian uranium exploration 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.

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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