



## News Release

# GMR Energy Pledges Support for New Board of Directors of Homeland Energy Group

- GMR has assumed three of six seats on HEG board of directors
- HEG board of directors to increase to seven at upcoming AGM

**Toronto, Canada (June 8, 2009) - Homeland Energy Group Ltd. (TSX: HEG)** (“Homeland” or the “Company”) is pleased to announce that the Company’s largest shareholder, GMR Energy Limited (“GMR”), has pledged its support of the Company’s recommended slate of directors that is being put forth for nomination at the upcoming annual general meeting (the “Meeting”) of the Company on June 30, 2009 in Toronto.

Effective June 5, 2009, three of the Company’s directors, Messrs. Robert Munro, Neil McLoughlin and Stephen Coates, have resigned as directors to allow for the appointment of three directors nominated by GMR, being Messrs. B.V.N. Rao, Raaj Kumar and Ashis Basu to the Company’s board of directors.

In addition to the appointment of Messrs. Basu, Kumar and Rao, HEG also agreed as part of an agreement it entered into with GMR on June 3, 2009, to propose for nomination at the Meeting Mr. Valli Moosa as a seventh, independent member of the board of HEG.

Additionally, as the Company moves from exploration and development to operational mining and large mine development, the board of directors of HEG will begin a search for a new President and CEO with the commensurate expertise and experience in mining in particular. Mr. Coates will remain as President and CEO through this transitional phase. All of the parties involved will be working to ensure a smooth transition over the coming months.

“I am very pleased to know that the Company, its employees and shareholders have the support of GMR,” commented Stephen Coates, President and CEO, “Homeland has had a very busy first three years. With a platform and asset base and with the support of GMR and the expertise of Messrs. Rao, Kumar and Basu, Homeland is poised for growth and value creation for all shareholders. On behalf of the Board and on behalf of Shareholders, I thank Neil McLoughlin and Rob Munro for their salient advice and consistent direction and I wish them both every success in the future.”

“GMR wishes to express its deep appreciation for the excellent contribution to HEG that has been made by Messrs. Tom Griffis, Robert Munro, Neil McLoughlin and Stephen Coates. We have every confidence that the new team at HEG will continue the good work achieved to date to grow the Company and create value for all of its stakeholders” said Mr. B.V.N. Rao.

Following are biography briefs for the new directors:

### **Boda Venkata Nageswara Rao**

Mr. B.V.N. Rao is the Business Chairman of GMR Energy Limited, a company that is engaged in the business of developing, owning and operating power generation projects and investments in power and

energy sector. In addition to his position with GMR, Mr. Rao is on the board of several publicly listed and private companies involved in the energy sector in India and abroad. He has 13 years of varied banking experience with exposure in industrial finance, foreign exchange and international trade. Mr. Rao is also experienced through his comprehensive exposure to various sectors including corporate and project planning, taxation and cost reduction measures, designing financial control systems and monitoring of same. Mr. Rao is also on the board of directors of several companies of the GMR group, including the publicly listed GMR Infrastructure Ltd.

#### **Raaj Kumar**

Mr. Kumar is the Chief Executive Officer and Director of GMR Energy Limited, engaged in the business of developing, owning and operating power generation projects and investments in power and energy sector. Mr. Kumar is a qualified Electrical Engineer from BITS, Pilani, India. He has over 30 years of rich experience in reputed organizations like Grasim Industries, AP Rayons, Baroda Rayons, Asian Paints, Jindal Praxair Oxygen Co. Ltd. and JSW Energy Ltd. in various locations across India. Mr. Kumar started his career as a Maintenance Engineer in a large chemical industry and then moved to Grasim Industries where he rose to become Chief Engineer. In 1999, he joined Jindal Praxair Oxygen Company Ltd, first as a director and was subsequently appointed to Managing Director. Before joining GMR, Mr. Kumar was Joint Managing Director and CEO of JSW Energy Ltd. (JSWEL), where he introduced innovations to supply power at very competitive tariffs to the state utilities in various parts of India. Under his leadership, JSWEL has embarked upon very ambitious growth plans which include setting up an imported coal based 1000-1200 MW plant in Ratnagiri, Maharashtra and lignite based 1000 MW capacity in Rajasthan.

#### **Ashis Basu**

Mr. Basu as the Executive Vice President of GMR Energy Limited heads the Commercial & Contract function for the energy business and also heads the group's coal business, which currently includes development of a major thermal coal mine in Indonesia. Mr. Basu is a commerce graduate and a Chartered Accountant and brings nearly 25 years of rich working experience in the energy sector including power generation, transmission, distribution and coal mine development in the commercial, finance and business development areas. Prior to joining GMR Group in 2001, Mr. Basu was working for RPG Group, a major diversified industrial group in India (last position held was that of Chief Manager – Finance) for nearly 17 years. During his career, Mr. Basu been involved in financial and accounting aspects of running a large private utility, has had key roles in the development and financing of a captive coal mine, negotiation and implementation of high value construction contracts, operation and maintenance of such contracts for power projects with domestic and international suppliers, project financing involving multilateral agencies, export credit agencies, financial institutions, negotiation of large value contracts for mine development and operation, setting up joint ventures and all related commercial areas.

**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](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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