



March 5, 2007

Homeland Energy Solutions, LLC

P.O. Box C

106 West Main

Riceville, IA 50466

Homeland Energy Solutions Board of Directors would like to thank our investors for their prompt response in remitting the balance due on the units you purchased in December during the equity drive.

Your payments were put into an interest bearing escrow account. The interest earned on this account will reduce the amount needed to finance the project from the bank.

A lot of activities have been accomplished with the project and on the project site. The site has been surveyed with the land elevations taken. The engineer has been working on the final grading plan for the site along with the soil borings being taken. Testing on the quantity and quality of the water source was completed in February. Shawver Well Company drilled a test well on site in order to analysis the water source. Analysis of the water available on site revealed high quality water which will help reduce the costs associated with water treatment for production.

The recommendation of our water quality consultants is to drill three ten inch wells which will be approximately 1100 feet deep to the Jordan aquifer. This supply of water will provide sufficient water for processing and fire protection. A public shallower well will be drilled by the administration building for public consumption. This well will also be used during construction.

EPIC Inc. recently took a few of the board members to China to evaluate and become educated on the coal gasification process, which has been used in China for over fifty years. The syngas produced in these gasifiers toured in China is being used as the energy source to run large plate glass manufactures, anhydrous ammonia production facility and a steel casting foundry. The fabrication plant that will design and manufacture the main components for Homeland Energy's Coal gasifiers was also toured.

Touring the coal gasifiers reinforced Homelands Boards decision to using syngas from the gasifiers to being a least cost producer in the ethanol industry. With Homeland producing its own syngas versus purchasing natural gas drastically reduces production cost. The decision to use coal gasification was reinforced by the project team of Burns McDonnell, EPIC and Hill & Associates guarantee that the plant would experience 98% production time during the year.

The current timeline for completion of the project calls for the finish grade specifications and bid letting to be completed this month. The dirt work to begin in April/May; soil conditions permitting. Our build design contractor, Fagen to pour concrete in July with ethanol production to begin in September 2008.

As time permits and new information is available please visit our website @ [www.homelandenergysoluitons.com](http://www.homelandenergysoluitons.com)

If you are receiving this newsletter by U.S. mail and have an e-mail address, please notify us in order to keep expenses to a minimum.

Thank you for your support and trust in Homeland Energy Solutions.

Respectively,  
Your Board of Directors