



GRANDE CACHE COAL CORPORATION

NEWS RELEASE

GRANDE CACHE COAL CORPORATION ANNOUNCES RECORD SALES VOLUMES DURING FIRST QUARTER FISCAL 2010 AND PROVIDES OPERATIONAL UPDATE

Calgary, Alberta, July 14, 2009 – Grande Cache Coal Corporation (GCE-TSX) ("Grande Cache Coal" or the "Corporation") today provided the following operational update.

- Grande Cache Coal sold 0.51 million tonnes of metallurgical coal during the three months ended June 30, 2009, representing the largest quarterly sales volumes in the Corporation's history. The higher sales volumes were mainly driven by a significant increase in spot sales, primarily into the Chinese market.
- The Corporation anticipates sales volumes for fiscal 2010 will be 1.3 to 1.5 million tonnes, up from the previous guidance of 1.2 to 1.4 million tonnes. The increase is due to a higher level of spot sales experienced to date, together with a modest recovery in demand from traditional customers compared to the latter part of fiscal 2009.
- The average sales price for fiscal 2010 is expected to be in the range of US\$115 to US\$125 per tonne, which includes spot sales and carryover shipments from the prior coal year as well as contract sales negotiated for the new coal year that commenced on April 1, 2009. The expected average sales price may vary depending on the Corporation's ability to successfully negotiate spot sales or sales within new markets.
- Grande Cache Coal has recently taken steps to increase its current level of production to meet anticipated sales volumes for fiscal 2010. Additional manpower has been added at both the surface mine and the underground mining operations resulting in the hiring of over forty new employees.
- Grande Cache Coal is continuing to work with the Alberta regulatory authorities to address supplemental information requests related to the Corporation's application for a license and permit to commence mining operations in the No. 8 surface mine. Progress has been made since the original application was filed in March 2008, and Grande Cache Coal expects to have approval to proceed by the fall of this year.
- Grande Cache Coal will be taking delivery of new equipment this year, including a fleet of eight new Komatsu AC 830E haul trucks and a new Hitachi EX5500 Hydraulic Excavator, in preparation for the development of the No. 8 surface mine later this year. The accelerated delivery of the haul truck equipment this year is expected to result in fiscal 2010 capital expenditures approximating \$85 million, representing an \$18 million increase from previous guidance. Approximately \$46 million of the capital expenditures is for the acquisition of new surface mining equipment and approximately \$20 million is for the development of the No. 8 surface mine and the No. 12 South B2 underground mine, pending receipt of regulatory approvals. Fiscal 2010 capital expenditures are expected to be funded by existing cash, cash flow from operations and equipment leases.

- Grande Cache Coal has entered into a series of monthly agreements to hedge US dollar revenues totaling US\$45 million to April 2010, at an average rate of Canadian dollars 1.157 to the US dollar.
- An updated version of the Grande Cache Coal corporate presentation dated July 2009 will be available on the Corporation's website at www.gccoal.com.

"Amidst continued uncertainty in the global economy we were able to adapt to changing market conditions through spot sales that led to record sales volumes in the first quarter" said Robert Stan, President and Chief Executive Officer. "We will continue to pursue new market opportunities and spot sales and adjust our operational plans to deal with the current economic climate, while at the same time positioning our company for expansion as market conditions improve. The pending approval of the No. 8 surface mine will improve our ability to manage production levels to meet demand at a time when labor, equipment and other resources are more readily available than they have been in the recent past."

Grande Cache Coal is an Alberta based metallurgical coal mining company whose experienced team of coal professionals are managing a mine that produces metallurgical coal for the steel industry and holds coal leases covering over 22,000 hectares in the Smoky River Coalfield located in west-central Alberta. Grande Cache Coal's common shares are listed on the Toronto Stock Exchange under the trading symbol "GCE".

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Forward-Looking Statement Advisory

In the interest of providing Grande Cache Coal's shareholders and potential investors with information regarding Grande Cache Coal, including management's assessment of Grande Cache Coal's future plans and operations, certain statements in this news release are "forward-looking statements" within the meaning of applicable Canadian securities legislation. In some cases, forward-looking statements can be identified by terminology such as "anticipate", "believe", "continue", "could", "estimate", "expect", "forecast", "intend", "may", "objective", "ongoing", "outlook", "potential", "project", "plan", "should", "target", "would", "will" or similar words suggesting future outcomes, events or performance. The forward-looking statements contained in this news release speak only as of the date of this document and are expressly qualified by this cautionary statement.

Specifically, this news release contains forward-looking statements relating to: anticipated sales volumes of metallurgical coal in fiscal 2010; management of coal production in fiscal 2010; the timing of the delivery of equipment; future development activities and related capital expenditures; the capital expenditure program for fiscal 2010; and funding sources for the capital expenditure program.

These forward-looking statements are based on certain key assumptions regarding, among other things: no material disruption in production; no material variation in anticipated coal sales volumes; no material variations in markets and pricing of metallurgical coal other than anticipated variations; no material variation in the anticipated timing of equipment delivery; continued availability of and no material

disruption in rail service and port facilities; no material delays in the current timing for completion of ongoing projects; financing will be available on terms favourable to the Corporation; no material variation in historical coal purchasing practises of customers; coal sales contracts will be entered into with new customers; parties execute and deliver contracts currently under negotiation; and no material variations in the current regulatory environment. The reader is cautioned that such assumptions, although considered reasonable by Grande Cache Coal at the time of preparation, may prove to be incorrect.

Actual results achieved during the forecast period will vary from the information provided herein as a result of numerous known and unknown risks and uncertainties and other factors. Such factors include, but are not limited to: changes in general economic, market and business conditions; uncertainties associated with estimating the quantity and quality of coal reserves and resources; commodity prices, currency exchange rates, the availability of credit facilities for capital expenditure requirements, debt service requirements; dependence on a single rail system; changes to legislation; liabilities inherent in coal mine development and production; competition for, among other things, capital, acquisitions of reserves, undeveloped lands and skilled personnel; geological, mining and processing technical problems; ability to obtain required mine licenses, mine permits and regulatory approvals required to proceed with mining and coal processing operations; ability to comply with current and future environmental and other laws; actions by governmental or regulatory authorities including increasing taxes and changes in other regulations; and the occurrence of unexpected events involved in coal mine development and production; and other factors, many of which are beyond the control of Grande Cache Coal. These risk factors are discussed in Grande Cache Coal's Annual Information Form for the fiscal year ended March 31, 2009, as filed with Canadian securities regulatory authorities.

There is no representation by Grande Cache Coal that actual results achieved during the forecast period will be the same in whole or in part as those forecast and Grande Cache Coal does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities law.

*The Toronto Stock Exchange has neither approved nor disapproved
the information contained herein.*