



GRANDE CACHE COAL CORPORATION

NEWS RELEASE

GRANDE CACHE COAL CORPORATION PROVIDES OPERATIONAL UPDATE

Calgary, Alberta, April 27, 2010 – Grande Cache Coal Corporation (GCE-TSX) ("Grande Cache Coal" or the "Corporation") today provided the following operational update.

World steel production continues to rebound from the global economic crisis. The World Steel Association is forecasting a 9.2% increase in steel demand for 2010 and a return to the record production levels of 2008. Emerging economies, especially China and India, will be the critical factor driving world steel demand in the near future. China currently accounts for almost 50% of both the supply and demand of steel products and Indian steel manufacturing is forecasted to reach record levels this year. This has resulted in strong demand and higher prices for metallurgical coal in fiscal 2011.

- Grande Cache Coal sold a record 1.77 million tonnes of coal in the fiscal year ended March 31, 2010 which represents a 67% increase over sales of 1.06 million tonnes in the previous fiscal year. Sales for the three months ended March 31, 2010 were 0.43 million tonnes versus 0.11 million tonnes in the comparable period of last year.
- The Corporation anticipates sales volumes of 2.0 to 2.2 million tonnes in fiscal 2011. Substantially all of the expected production volumes for fiscal 2011 have been contracted for sale with approximately 85% of the anticipated annual sales volumes contracted for sale under quarterly pricing arrangements similar to other metallurgical coal suppliers. Contract price settlements for the first quarter of fiscal 2011 are approximately US\$195 per tonne. However, the average selling price of metallurgical coal for the first quarter of fiscal 2011 is expected to be US\$150 to US\$160 per tonne due to the shipment of approximately 0.2 million tonnes of carryover tonnage during April primarily due to congestion at the port at the end of March.
- In December 2009, Grande Cache Coal announced plans to increase annual production to three million tonnes by March 31, 2013. Measures are being taken to accelerate these growth plans and to further increase annual production to 3.5 million tonnes by the end of fiscal 2013. This is expected to require aggregate capital expenditures of \$225 million over the three year period, up from previous guidance of \$180 million. The incremental capital expenditures are primarily related to the cost of acquiring electric powered equipment instead of diesel powered equipment, upgrading the fleet of haul trucks and additional development and infrastructure at the No. 8 pit. The Corporation expects that approximately \$165 million of this capital will be spent during fiscal 2011 and will include:
 - New surface mine equipment for the No. 8 pit at a cost approximately \$46 million, including a P&H 2800 XPC electric shovel, a P&H 320 electric drill, a P&H 250 XP diesel hydraulic drill, and a fleet of six Komatsu AC 830E haul trucks.
 - Development and infrastructure costs of approximately \$63 million. This includes approximately \$27 million for road construction, pre-stripping, and development of the No. 8

pit, as well as approximately \$36 million for the initial cost of a new maintenance facility and a coal conveyor system.

- Capital expenditures are expected to be funded by existing cash balances, cash flow from operations and equipment leases. Grande Cache Coal has received commitments to finance US\$45 million of new equipment through US dollar denominated capital leases and is currently in the process of finalizing these agreements.
- Grande Cache Coal has been working with its logistics partners to ensure that the necessary infrastructure is in place to support the Corporation's growth plans. The Corporation's rail service provider, CN Rail, is developing schedules and working with longer trains to increase their rail capacity to the Corporation's mine site. Westshore Terminals, the Corporation's primary port facility and the largest bulk terminal on the west coast of the Americas, recently completed an expansion that will increase their annual capacity to 30 million tonnes.

"The outlook for the metallurgical coal markets over the next several years looks very promising" said Robert Stan, President and Chief Executive Officer. "We believe that we are well positioned to benefit from the anticipated demand for our product. We continue to maintain a strong balance sheet and have the coal resources, a modern fleet of equipment and the operational expertise necessary to successfully execute our growth plans for the benefit of all stakeholders."

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".

All dollar amounts referenced in this news release are in Canadian dollars unless otherwise indicated.

For further information, please contact:

Ian Bootle
Vice President, Finance and Chief Financial Officer

Grande Cache Coal Corporation
Suite 1610, 800 - 5th Avenue S.W.
Calgary, Alberta T2P 3T6
Canada

Telephone: (403) 543-7070

Facsimile: (403) 543-7092

www.gccoal.com

ADVISORY REGARDING FORWARD-LOOKING STATEMENTS

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 2011; anticipated sales prices of metallurgical coal in fiscal 2011; management of coal production in fiscal 2011; future development activities and related capital expenditures; the capital expenditure program for fiscal 2011; 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; 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 practices 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.*