



GRANDE CACHE COAL CORPORATION

NEWS RELEASE

GRANDE CACHE COAL CORPORATION PROVIDES OPERATIONAL UPDATE AND UPDATED GUIDANCE FOR FISCAL 2012

Calgary, Alberta, April 15, 2011 – Grande Cache Coal Corporation (GCE-TSX) ("Grande Cache Coal" or the "Corporation") today provided the following operational update.

Operational Update

- Grande Cache Coal sold 1.55 million tonnes of coal in the fiscal year ended March 31, 2011, compared to 1.77 million tonnes in the previous fiscal year. Sales for the three months ended March 31, 2011 were 0.37 million tonnes versus 0.43 million tonnes in the comparable period of last year.
- The average sales price of metallurgical coal for the fourth quarter of fiscal 2011 was approximately US\$192 per tonne. Metallurgical coal accounted for approximately 93% of the total sales volume during the fourth quarter.
- Grande Cache Coal commissioned its new P&H 2800 electric shovel in the fourth quarter of fiscal 2011. The shovel, which has been matched up with a fleet of previously acquired new Komatsu 830E haul trucks, went into service in No. 8 pit during late March. The shovel acquisition was financed through a capital lease arrangement.
- The Corporation continues to work cooperatively with the regulatory bodies reviewing its application for the new No. 12 South B2 underground mine that was submitted in November 2009. All of the supplemental information requests received to date have been responded to and the Corporation expects to receive the necessary approvals that will allow it to commence mining operations in the new underground mine before the end of the calendar year.

Fiscal 2012 Guidance Update

- Grande Cache Coal anticipates coal sales volumes of 2.2 to 2.4 million tonnes in fiscal 2012, down from the previous guidance of 2.4 to 2.6 million tonnes. The updated guidance represents an average increase of approximately 48% over the sales volume achieved in fiscal 2011. This guidance is based on an updated operational plan that reflects recent experience in the surface mine where mining conditions have proven to be more challenging than anticipated resulting in lower production volumes in the initial stages of mining.
- Substantially all of the anticipated sales volumes for fiscal 2012 have been contracted for sale with approximately 80% of the anticipated annual sales volumes under quarterly pricing arrangements, similar to other metallurgical coal suppliers. Benchmark contract price settlements for the first quarter of fiscal 2012 are approximately US\$330 per tonne. However, the average selling price of

metallurgical coal for Grande Cache Coal in the first quarter of fiscal 2012 is expected to be US\$230 to US\$240 per tonne due to the impact of carryover tonnage and shipments on annual contracts.

- The average cost of sales for fiscal 2012 is anticipated to be \$125 to \$130 per tonne, which is similar to the range of costs incurred in fiscal 2011. Unit cost improvements expected from an increase in sales volumes in fiscal 2012, are being offset by cost increases from a higher than expected strip ratio, longer waste haul distances, as well as increases in mining input costs and other costs such as third party contractor services.
- Capital expenditures for fiscal 2012 are anticipated to be approximately \$80 million. This includes development expenditures for the surface and underground mining operations, upgrades and refurbishments at the process plant, employee housing projects and other sustainable capital expenditures.

"The outlook for the metallurgical coal markets over the next several years continues to be strong with record high commodity prices expected in the quarter commencing April 1, 2011" said Robert Stan, President and Chief Executive Officer. "We have substantially completed the initial development of the new No. 8 pit and have acquired the major pieces of equipment necessary to complete our expansion program. We are in the initial stages of production in this pit with three separate truck and shovel fleets operating concurrently and expect to be able to gradually increase our annual production rate up to our target of 3.5 million tonnes by the end of fiscal 2013."

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 containing an estimated 235 million tonnes of coal resources 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 2012; anticipated sales prices of metallurgical coal in fiscal 2012; anticipated cost of sales in fiscal 2012; anticipated capital expenditures in fiscal 2012; anticipated development activities in No. 8 pit and anticipated timing of such activities; anticipated increases in production volumes from No. 8 pit and the anticipated timing thereof, and anticipated approval of the No. 12 South B2 underground mine and the timing thereof.

These forward-looking statements are based on certain key assumptions regarding, among other things: that the Corporation will be able to attract and retain the necessary workforce personnel to support the expansion of its operation; no material change in the geological and operating conditions in No. 8 pit; no material disruption in production from the No. 8 pit or the No. 7 underground operation; 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 other than as anticipated; 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 will 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: uncertainties associated geological and operating conditions in the new No. 8 pit; uncertainties associated with production levels during development of the new No. 8 pit, 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; dependence on a single port facility for export sales; 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, 2010, 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 laws.

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