

Orocobre Limited

ACN 112 589 910

Notice of Annual General Meeting and Explanatory Statement

Annual General Meeting to be held at the Mayflower Room, Christie Conference Centre, Level 1, 320 Adelaide Street, Brisbane, Queensland Australia on 30 November, 2011 commencing at 10.00 am (Brisbane time).

This Notice of Annual General Meeting and Explanatory Statement should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser without delay.

Directors	Mr James Calaway (Chairman) Mr Richard Seville (Managing Director) Mr Neil Stuart (Non-Executive Director) Mr John Gibson (Non-Executive Director) Mr Courtney Pratt (Non-Executive Director) Mr Fernando Oris de Roa (Non-Executive Director) Mr Federico Nicholson (Non-Executive Director)	
Secretary	Paul Crawford	
Registered Office	Level 1 349 Coronation Drive MILTON, QLD 4064 AUSTRALIA Ph: (+617) 3871 3985 Fax: (+617) 3720 8988 Email: mail@orcobre.com Website: www.orcobre.com	
ACN	112 589 910	
Auditors	Hayes Knight Audit (Qld) Pty Ltd Level 19 127 Creek Street BRISBANE QLD 4000 AUSTRALIA	
Legal Advisers	Hemming+Hart Level 5 307 Queen Street BRISBANE QLD 4000 AUSTRALIA	McCarthy Tetrault LLP Suite 5300 TD Bank Tower Toronto Dominion Centre 66 Wellington Street West TORONTO ON M5K1E6 CANADA
Share Registry	Boardroom Pty Limited Level 7 207 Kent Street SYDNEY NSW 2000 AUSTRALIA	Equity Financial Trust Company 200 University Avenue Suite 400 TORONTO ON M5H4H1 CANADA

NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY STATEMENT

Notice is given that the 2011 Annual General Meeting of Shareholders of Orocobre Limited (**Company**) will be held at the Mayflower Room, Christie Conference Centre, Level 1, 320 Adelaide Street, Brisbane, Queensland Australia on 30 November, 2011 at 10.00 am (Brisbane time).

The Explanatory Statement which accompanies and forms part of this Notice describes the matters to be considered.

Terms used in this Notice will, unless the context otherwise requires, have the same meaning given to them in the Glossary of Terms as contained in the Explanatory Statement.

ORDINARY BUSINESS:

Accounts

To receive and consider the financial report of the Company and the reports of the Directors and auditor for the year ended 30 June 2011.

To consider, and if thought fit, to pass the following resolution as an advisory only resolution:

1. Directors' Remuneration Report

"That the Directors' Remuneration Report for the year ended 30 June 2011 be adopted."

Voting Exclusion

*In accordance with the Corporations Act the Company will disregard any votes cast in relation to this Resolution by or on behalf of the Key Management Personnel (in any capacity), whose remuneration is included in the Remuneration Report (**Excluded Persons**) and closely related parties of an Excluded Person. However, an Excluded Person may cast a vote on the Resolution if that person does so as a proxy appointed in writing that specifies how the proxy is to vote on the Resolution and the vote is not cast on behalf of an Excluded Person. Further details, in relation to the ability of the Chairman to vote on undirected proxies are set out in the Explanatory Statement.*

To consider and if thought fit, to pass, without amendment, the following resolutions as ordinary resolutions:

2. Re-election of Mr James Calaway as a Director

"That Mr James Calaway, a Director of the Company, retires by rotation in accordance with the provisions of the Constitution and being eligible for re-election, be re-elected as a Director of the Company."

3. Re-election of Mr Neil Stuart as a Director

"That Mr Neil Stuart, a Director of the Company, retires by rotation in accordance with the provisions of the Constitution and being eligible for re-election, be re-elected as a Director of the Company."

4. Ratification of Issue of Shares

"That in accordance with Listing Rule 7.4 of the ASX Listing Rules, and for all other purposes, the issue and allotment of 12,158,603 ordinary shares in the capital of the company, as detailed in the Explanatory Statement, be and is hereby approved."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by the allottee as detailed in Annexure A, of the Explanatory Statement and any associate of these allottee. The Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or it is cast by the person chairing the Meeting as a proxy for the person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

5. Approval of Employee and Officer Share Option Plan

"That for the purposes of exception 9 of ASX Listing Rule 7.2 and for all other purposes the Shareholders approve the terms of the Orocobre Limited Employee and Officers Share Option Plan."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by the Directors of the Company and any associate of any Director. However the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

6. Grant of Options to James Calaway

"That in accordance with Chapter 2E of the Corporations Act 2001 and Listing Rule 10.14 and for all other purposes, the grant of 150,000 options to James Calaway, for no consideration and otherwise for the purposes and on the terms and conditions described in the Explanatory Statement, be approved."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by the Directors of the Company and any associate of any Director. The Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or it is cast by the person chairing the Meeting as a proxy for the person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

7. Grant of Options to John Gibson

"That in accordance with Chapter 2E of the Corporations Act 2001 and Listing Rule 10.14 and for all other purposes, the grant of 100,000 options to John Gibson, for no consideration and otherwise for the purposes and on the terms and conditions described in the Explanatory Statement, be approved."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by the Directors of the Company and any associate of any Director. The Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or it is cast by the person chairing the Meeting as a proxy for the person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

8. Grant of Options to Courtney Pratt

"That in accordance with Chapter 2E of the Corporations Act 2001 and Listing Rule 10.14 and for all other purposes, the grant of 100,000 options to Courtney Pratt, for no consideration and otherwise for the purposes and on the terms and conditions described in the Explanatory Statement, be approved."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by the Directors of the Company and any associate of any Director. The Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or it is cast by the person chairing the Meeting as a proxy for the person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

9. Grant of Options to Fernando Oris de Roa

"That in accordance with Chapter 2E of the Corporations Act 2001 and Listing Rule 10.14 and for all other purposes, the grant of 100,000 options to Fernando Oris de Roa, for no consideration and otherwise for the purposes and on the terms and conditions described in the Explanatory Statement, be approved."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by the Directors of the Company and any associate of any Director. The Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or it is cast by the person chairing the Meeting as a proxy for the person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

10. Grant of Options to Federico Nicholson

"That in accordance with Chapter 2E of the Corporations Act 2001 and Listing Rule 10.14 and for all other purposes, the grant of 100,000 options to Federico Nicholson, for no consideration and otherwise for the purposes and on the terms and conditions described in the Explanatory Statement, be approved."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by the Directors of the Company and any associate of any Director. The Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or it is cast by the person chairing the Meeting as a proxy for the person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

11. Grant of Options to Neil Stuart

"That in accordance with Chapter 2E of the Corporations Act 2001 and Listing Rule 10.14 and for all other purposes, the grant of 100,000 options to Neil Stuart, for no consideration and otherwise for the purposes and on the terms and conditions described in the Explanatory Statement, be approved."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by the Directors of the Company and any associate of any Director. The Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or it is cast by the person chairing the Meeting as a proxy for the person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

By Order of the Board

Paul Crawford
Company Secretary

Dated: 28 October 2011

EXPLANATORY STATEMENT

Annual Financial Report

The financial report of the Company for the year ended 30 June 2011, comprising the financial statements, notes, Directors' report and auditor's report, is included with this Notice of Annual General Meeting.

Time will be allowed during the meeting for consideration and questions by the Shareholders of the financial report and associated Directors' and auditor's reports.

Resolution 1: Adoption of the Directors' Remuneration Report.

The Corporations Act requires all listed companies to present their remuneration report for each financial year for adoption by Shareholders at the Company's Annual General Meeting. The report can be found as a separately identified "Remuneration Report" within the Directors' Report section of the Company's 2011 Annual Report.

Time will be allowed during the Annual General Meeting for consideration and questions by Shareholders of the Remuneration Report.

The vote on this Resolution is advisory only and does not bind the Directors or the Company.

In the event that you choose to appoint the Chairman as your proxy:

- The Chairman's voting intention is to vote in favour of this Resolution to adopt the Remuneration Report.
- The attached Proxy Form provides that if the Chairman is appointed as proxy, the Chairman is directed to vote in accordance with the voting intention set out above, unless you direct the Chairman to vote in a different manner.
- The Chairman will only vote in accordance with his stated voting intention if the relevant box is ticked.
- If the relevant box is un-ticked the Chairman will not be permitted to vote the relevant shares on the Resolution in relation to the Remuneration Report.
- For all other Resolutions where the Chairman is appointed as proxy, those proxies will remain undirected and may be voted on by the Chairman on that basis.

Resolution 2: Re-election of Mr James Calaway as a Director

Mr Calaway was appointed to the Board of Directors on 20 May, 2009 as Chairman and Non-executive Director. Mr Calaway is a respected business and civic leader in Houston, Texas. He and his family have considerable experience and success in building young companies into successful commercial enterprises. Mr Calaway has played a major role in the development of both public and private companies in the United States, including companies engaged in oil and gas exploration and production and commercial wind-farm development.

He currently serves as Chairman of the Board of DataCert Inc, the global leader in legal operations management, Chairman of the Board of Open Spirit Corporation, the premier middleware software company in the geological and geophysical software industry, and serves as a Director on several other U.S. corporate boards. Mr Calaway also serves on various boards in regards to the civic affairs of Houston.

Resolution 3: Re-election of Mr Neil Stuart as a Director

Mr. Stuart has over 40 years' experience in the minerals industry as an exploration geologist.

He was a founding director of the Company and an Executive Director of the Company until January 2010. He is currently the Non-executive Chairman of ASX listed Bowen Energy Ltd and a Non-executive Director of ASX listed Elementos Limited, Overseas & General Ltd and Axiom Mining Limited.

Resolution 4: Ratification of Issue of Shares

Under Listing Rule 7.1, the Company is limited to issuing up to 15% of its issued capital in any 12 month period without Shareholder approval, subject to certain exceptions.

An issue of shares made without specific approval under Listing Rule 7.1 is treated as having been made with approval for the purpose of Listing Rule 7.1 if the original issue did not breach Listing Rule 7.1 and is subsequently approved by Shareholders pursuant to the provisions of Listing Rule 7.4.

This Resolution seeks the ratification of Shareholders for the previous issue of 12,158,603 ordinary shares to various allottees as per the details in the attached Annexure A, pursuant to the provisions of Listing Rule 7.5.

Resolution 5 – Approval of Employee and Officer Share Option Plan

The Directors of the Company have previously sought Shareholder approval to the introduction of the Orocobre Limited Employee and Officer Share Option Plan (**Plan**) as part of an incentive and rewards regime within the Company's remuneration policy. Shareholder approval to the Plan was given at the 2008 Annual General Meeting. A summary of the terms of the Plan are attached to this Notice of Meeting at Annexure B.

The Listing Rules provide that options issued under an employee incentive scheme such as the Plan can be considered to be issued under Exception 9 of Listing Rule 7.2 and do not need to be included for the purposes of the calculation of the 15% cap on the issue of shares in an ASX listed company under Listing Rule 7.1. The Company may rely on Exception 9 of Listing Rule 7.2, so long as Shareholder approval for the employee incentive scheme has been given in the last three years. Shareholders previously approved the Plan on 25 November 2008. As more than three years has passed, Shareholder approval to the Plan is now sought.

Since 25 November 2008, 1,860,000 options have been granted under the Plan, of which 950,000 have been exercised and 75,000 have lapsed. Full details of the options issued under the Plan are set out in the 2011 Directors' Report.

Whilst under the provisions of the Plan, options may be issued to Directors, pursuant to the provisions of the Listing Rules and the Corporations Act, no options will be issued to Directors unless further specific approvals for the issue of those options are obtained pursuant to the provisions of Listing Rule 10.14 and Part 2E of the Corporations Act.

Due to a potential personal interest in the outcome, the Directors make no recommendation whether Shareholders approve this Resolution.

Resolutions 6 to 11: Grant of Options to Directors

Introduction

Shareholder approval in accordance with the provisions of Part 2E of the Corporations Act and Listing Rule 10.14 and for all other purposes, is sought for Resolutions 6 to 11 for the grant of options for no consideration (**Options**) pursuant to the Plan to nominated Directors of the Company in accordance with Table A below.

Why are the Options being issued?

The primary purpose of the grant of the Options to the Directors under Resolutions 6 to 11 is not to raise capital but to better align the interests of the Company and Directors by providing an incentive to them to remain with the Company and increase Shareholder value.

Key Details of Options

The Options will be issued for zero consideration. Key details of the Options to be granted by the Company to the Directors are as follows:

Table A – Director and proposed Option issue details

Director Names (relevant Resolution)	Number of Options and vesting rights	Expiry Date	Exercise Price
Mr James Calaway (Resolution 6)	150,000 options 50% vesting 12 months after issue and 50% vesting 24 months after issue	5 years after issue	\$1.50
Mr John Gibson (Resolution 7)	100,000 options 50% vesting 12 months after issue and 50% vesting 24 months after issue	5 years after issue	\$1.50
Mr Courtney Pratt (Resolution 8)	100,000 options 50% vesting 12 months after issue and 50% vesting 24 months after issue	5 years after issue	\$1.50
Mr Fernando Oris de Roa (Resolution 9)	100,000 options 50% vesting 12 months after issue and 50% vesting 24 months after issue	5 years after issue	\$1.50
Mr Federico Nicholson (Resolution 10)	100,000 options 50% vesting 12 months after issue and 50% vesting 24 months after issue	5 years after issue	\$1.50
Mr Neil Stuart(Resolution 11)	100,000 options 50% vesting 12 months after issue and 50% vesting 24 months after issue	5 years after issue	\$1.50

Part 2E of the Corporations Act

Part 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of a public company unless the benefit falls within one of the various exceptions to the general prohibition. One of the exceptions includes where the company first obtains the approval of its shareholders in a general meeting in circumstances where the requirements of Part 2E in relation to the convening of that meeting have been met.

A "related party" for the purposes of the Corporations Act is defined widely and includes a director of the public company and any alternate director.

A "financial benefit" for the purposes of the Corporations Act has a very wide meaning. It includes the public company paying money or issuing securities to the related party. In determining whether or not a financial benefit is being given, it is necessary to look to the economic and commercial substance and effect of what the public company is doing (rather than just the legal form). Any consideration which is given for the financial benefit is to be disregarded, even if it is full or adequate.

Should each of Resolutions 6 to 11 be passed, then this will confer financial benefits to the Directors, as stated in Table A above, and the Company seeks to obtain member approval in accordance with the requirements of Part 2E of the Corporations Act and for this reason and for all other purposes the following information is provided to Shareholders.

1. The Related Party to whom Resolutions 6 to 11 would permit a financial benefit to be given

The persons stated in Table A above, (or each of his respective nominees) being a Director of the Company.

2. The Nature of the Financial Benefit

The nature of the proposed financial benefit to be given is:

- a. the grant of a total of 650,000 Options, to nominated Directors in the proportions set out in Table A;
- b. the vesting conditions for the Options are as set out in Table A;
- c. subject to the vesting conditions, the Options shall be exercisable into fully paid ordinary shares at an Exercise Price of \$1.50 per share exercisable on or before the date that is 5 years from the date of issue; and
- d. the Options shall be granted for no cash consideration. Consequently no funds will be raised as a result of the grant of the Options. A total of \$975,000 in additional share capital would be raised if the Options proposed to be issued as set out in Table A were exercised in full.

The Options shall be issued under the terms of the Plan. A summary of those terms is at Annexure B to this Explanatory Statement.

3. Director's Interest and other Remuneration

Each of the Directors set out in Table A has a material personal interest in the outcome of Resolutions 6 to 11, as it is proposed that the Options be granted to him (or his respective nominee) as set out in Resolutions 6 to 11.

Excluding the Options referred to above, each of the Directors (and entities associated with him) holds Shares and other options of the Company as set out in Table B below.

If all of the Options granted to each Director are exercised the following will be the effect on the share holdings in the Company.

Table B

Director	Current Share Holding (Number of options held)	% of Total Share Capital (103,195,029 shares on issue)	Share Holding upon exercise	% of Total Share Capital (103,845,029 shares on issue)
Mr James Calaway	8,574,000 Shares (Nil options)	8.30%	8,724,000	8.40%
Mr John Gibson	25,000 Shares (Nil options)	0.024%	125,000	0.12%
Mr Courtney Pratt	Nil Shares (Nil options)	Nil	100,000	0.096%
Mr Fernando Oris de Roa	Nil Shares (Nil options)	Nil	100,000	0.096%
Mr Federico Nicholson	Nil Shares (Nil options)	Nil	100,000	0.096%
Mr Neil Stuart	5,642,996 Shares (Nil options)	5.47%	5,742,996	5.53%

Other than the Options to be issued pursuant to Resolutions 6 to 11, details of the payments to Directors for services to the Company are set out below.

Director – Title	Total Remuneration for 2010/2011	Estimate of Total Remuneration for 2011/2012
Mr James Calaway - Executive Chairman	\$127,279	\$200,000
Mr John Gibson - Non-executive Director	\$40,104	\$40,000
Mr Courtney Pratt - Non-executive Director	\$40,515	\$40,000
Mr Fernando Oris de Roa - Non- executive Director	\$40,000	\$40,000
Mr Federico Nicholson - Non-executive Director	\$31,222	\$40,000
Mr Neil Stuart - Non-executive Director	\$40,000	\$40,000

4. Value of options

The Board has determined the value of the options to be issued pursuant to Resolutions 6 to 11 to be approximately 71.5 cents per option (representing a total value of approximately \$464,750). The individual value of the Options to each Director is as follows: Mr James Calaway - \$107,250, Mr John Gibson - \$71,500, Mr Courtney Pratt - \$71,500, Mr Fernando Oris de Roa - \$71,500, Mr Federico Nicholson - \$71,500 and Mr Neil Stuart - \$71,500.

This value has been derived using both a Black Scholes Metroanalytical valuation method assuming the following:

- a Share price of A\$1.38 (being the closing price of Shares on the ASX on 14 October 2011);
- an exercise price of \$1.50;
- a risk free rate of 3.75% per annum;
- a volatility factor of 75%, which has been determined having regard to the historical trading of Shares on ASX;
- an expiry date of five years from the date of issue; and
- all other terms and conditions as outlined in this Explanatory Statement.

5. Any other Information that is reasonably required by Shareholders to make a decision and that is known to the Company or any of its Directors

There is no other information known to the Company or any of its Directors except as follows:

6. Opportunity Costs

The opportunity costs and benefits foregone by the Company issuing the Options as set out in Table A is the potentially dilutionary impact on the issued share capital of the Company (in the event that the Options are exercised). Until exercised, the issue of the Options will not impact upon the number of ordinary shares on issue in the Company. To the extent that upon their exercise the dilutionary impact caused with the issue of shares will be detrimental to the Company, this is more than offset by the advantages accruing from the Company securing the services of experienced and skilled directors on appropriately incentivised terms.

It is also considered that the potential increase of value in the Options is dependent upon a concomitant increase in the value of the Company generally.

Dilutionary Effect

If all of the Options granted to each of the Directors as set out in Table A are exercised, the following will be the dilutionary effect on the current issued capital of the Company.

Shareholder	Current Share Capital		Share Capital upon exercise (assumes all Options issued are exercised)	
Other Current Shareholders	88,953,033	86.206%	88,953,033	85.66%
Mr James Calaway	8,574,000	8.30%	8,350,000	8.40%
Mr John Gibson	25,000	0.024%	125,000	0.12%
Mr Courtney Pratt	Nil	Nil	100,000	0.096%
Mr Fernando Oris de Roa	Nil	Nil	100,000	0.096%
Mr Federico Nicholson	Nil	Nil	100,000	0.096%
Mr Neil Stuart	5,642,996	5.46%	5,742,996	5.532%
Total	103,195,029	100%*	103,845,029	100%*

**Rounded to nearest whole number*

Share Price History

In order to assist Shareholders to appropriately consider this Resolution, it is noted that the Company's shares have traded on ASX in the 3 months prior to the date of this Notice of Annual General Meeting between \$0.975 on 4 October 2011 and \$1.775 on 9 September 2011. At the close of trading on 14 October 2011, the Company's share price was \$1.38.

Why is Shareholder approval required?

Listing Rule 10.14 provides that an entity must not permit any Director, or any associate of a Director, to acquire securities under an employee incentive scheme, without the prior approval of its Shareholders.

Listing Rule 10.15 sets out a number of matters which must be included in a notice of meeting requesting shareholder approval under Listing Rule 10.14. In accordance with Listing Rule 10.15, the following information is provided to Shareholders in relation to Resolutions 6 to 11.

Details of options

If Resolutions 6 to 11 are approved the Company will issue to the Directors Options as set out above, which, if exercised, will entitle them to acquire one Share per Option. The Options are to be issued under the rules of the Plan, a summary of which is set out in the Annexure B to this Explanatory Statement and otherwise each Option will be issued on the following terms:

- for no consideration;
- the exercise price is A\$1.50 per Option;

- 50% of the Options vest 12 months after issue with the remaining 50% vesting 24 months after issue; and
- each Option expires 5 years after issue.

Other information

For the purposes of Listing Rule 10.15, and for all other purposes, the following information is provided to Shareholders for the purposes of Resolutions 6 to 11:

- under Resolutions 6 to 11, approval is being sought to issue a maximum of 650,000 Options to the Directors in the proportions set out in Table A, at an exercise price of \$1.50 per Option;
- the Options will be granted to the Directors as soon as practicable after the Meeting, but in any event, no later than 12 months after the date of the Meeting;
- because the Options are to be issued for no consideration, the Company will not raise any funds from the issue. If any or all of the Options are exercised, the funds raised from the issue of Shares to the Directors will contribute to the Company's working capital;
- each of the Directors is entitled to participate in the Plan;
- since the Plan was adopted, 1,860,000 options have been granted under the Plan, of which 950,000 have been exercised and 75,000 have lapsed. No Options have been issued to Directors since the approval of the Plan by Shareholders in November 2008.
- The following table below sets out the current Options issued under the Plan at the date of this notice;

Number	Class
435,000	Exercisable at A\$2.03, expiring 30 June 2013
400,000	Exercisable at A\$2.03, expiring 30 June 2015

- the remaining unexercised Options have been issued to employees of the Company and not the Directors. All options were issued for no consideration; and
- the Company will not provide a loan in connection with the exercise of any Options issued pursuant to Resolutions 6 to 11.

Directors' interests and recommendations

Resolutions 6 to 11

Each of the Directors, has an interest in Resolutions 6 to 11. Therefore none of the Directors makes a recommendation in relation to Resolutions 6 to 11.

Glossary of Terms

Unless the context indicates a contrary intention, the following terms and abbreviations used in the Notice and this Explanatory Statement have the following meanings:

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) and includes any successor body.

Company means Orocobre Limited ACN 112 589 910.

Constitution means the constitution of the Company.

Corporations Act means the Corporations Act 2001 (Cth).

Explanatory Statement means this explanatory statement that accompanies and forms part of the Notice of Meeting.

Key Management Personnel has the meaning given to that term in the Accounting Standards as published by the Australian Accounting Standards Board from time to time.

Listing Rules means the Listing Rules of the ASX and any other rules of the ASX which are applicable while the Company is admitted to the Official List, each as amended or replaced from time to time, except to the extent of any express written waiver by the ASX.

Notice of Meeting means the notice of annual general meeting dated 27 October 2011 which this Explanatory Statement accompanies and in which the Resolutions are set out.

Resolution means the resolutions referred to in the Notice of Meeting.

Share means a fully paid ordinary share in the Company.

Shareholder means a holder of Shares.

Annexure A-1

Resolution 4: Ratification of Issue of Shares – Information to Shareholders for the purposes of Listing Rule 7.5

Number of Securities Allottee	(1) 20,000 (2) 55,000	(1) 5,570 (2) 6,135	65,000	125,000	4,672,898	6,959,000	250,000
Price at which the Securities were issued	A\$0.375	A\$2.01	A\$2.16	A\$0.375	A\$3.21	C\$3.20/A\$3.21	A\$0.375
Terms of the Securities	Fully Paid Ordinary Shares	Fully Paid Ordinary Shares	Fully Paid Ordinary Shares	Fully Paid Ordinary Shares	Fully Paid Ordinary Shares	Fully Paid Ordinary Shares	Fully Paid Ordinary Shares
Name of the allottee	Marcela Sonia Brkljacic & Ivan Cristobal Brkljacic	Silvia Rodriguez	Luis Losi SA	Jorge Andreani	Allottee under the Australian Placement, details at Annexure A-2	Allottee under the Canadian Placement, details at Annexure A-2	Marcelo Sanchez
Use of the funds	Working capital – exercise of options	Partial settlement of option payment	Settlement under contract to acquire mineral asset	Working capital – exercise of options	Ongoing design work, pilot plant operation and other activities	Ongoing design work, pilot plant operation and other activities	Working Capital
Date of Allotment	(1) 8 July 2010 (2) 30 Sept 2010	(1) 25 August 2010 (2) 15 August 2011	30 September 2010	29 July 2011	11 February 2011	25 February 2011	28 June 2011

Resolution 4: Ratification of Issue of Shares – Information to Shareholders for the purposes of Listing Rule 7.5

Australian Share Placement – 11 February, 2011

ALLOTTEE	NO. OF SHARES ALLOTTED
143 Pty Ltd <JF Pearce Family A/C>	30,375
Amcil Limited	74,455
Bainpro Nominees Pty Limited	249,221
Brispot Nominees Pty Ltd <House Head Nominees No 1 A/C>	300,000
BT Portfolio Services Limited <Warrell Holdings S/F A/C>	38,941
Citicorp Nominees Pty Limited	910,602
Feta Nominees Pty Limited	4,000
Georges Heights Pty Ltd <Georges Heights Unit A/C>	19,471
Headland Capital Pty Limited	23,365
HSBC Custody Nominees (Australia) Limited – GSI EDA	62,305
HSBC Custody Nominees (Australia) Limited – GSCO ECA	202,492
HSBC Custody Nominees (Australia) Limited – A/C 2	38,941
Invia Custodian Pty Limited <RED A/C>	25,000
Irrewarra Investments Pty Ltd <Strategic 4 A/C>	46,729
JP Morgan Nominees Australia Limited	404,984
JP Morgan Nominees Australia Limited <Cash Income A/C>	144,082
Marford Group Pty Ltd <Aggressive Trade A/C>	77,882
Merrill Lynch (Australia) Nominees Pty Limited <Berndale A/C>	264,798
Merrill Lynch (Australia) Nominees Pty Limited	224,299
Mirrabooka Investments Limited	100,000
Mufasa Pty Ltd	15,576
Nambia Pty Ltd <Anthon Family Super Fund A/C>	31,153
National Nominees Limited	152,265
Spring Street Holdings Pty Ltd	20,000
UBS Nominees Pty Ltd	1,211,962

Canadian Share Placement – 25 February, 2011

ALLOTTEE	NO. OF SHARES ALLOTTED
Cormark Securities Inc	6,537,776
Goldman Sachs & Co	113,764
Goldman Sachs & Co	307,460

Summary of the rules of the Orocobre Limited Employee and Officers Share Option Plan

The Orocobre Limited (**Company**) has established the Orocobre Limited Employee and Officer Share Option Plan (the **Plan**) to assist in the attraction, retention and motivation of the Company's officers, employees and senior consultants. The key terms of the Plan are as follows:

1. All directors, officers, employees and senior consultants (whether full or part-time) will be eligible to participate in the Plan after a qualifying period of 12 months employment by the Company or its subsidiaries (or, in the case of a senior consultant, having provided consulting services to the Company or its subsidiaries on a continuous basis for at least 12 months), although the Board may waive this requirement.
2. The allocation of options under the Plan (**Plan Options**) is at the discretion of the Board.
3. If permitted by the Board, Plan Options may be issued to a nominee of a director, officer, employee or senior consultant (for example, to a spouse or family company).
4. Each Plan Option allows the option holder to subscribe for one fully paid ordinary share in the Company and will expire five years from its date of issue.
5. Options will be issued free.
6. The Plan Options may be exercised at any time after their issue.
7. The Plan Options may be exercised wholly or in part by notice in writing to the Company, received at any time during the exercise period together with a cheque for the exercise price and the Plan Option certificate (if any).
8. The exercise price of Plan Options will be determined by the Board at the time the Board resolves to issue the Plan Options.
9. The total number of shares the subject of Plan Options issued under the Plan, when aggregated with other Plan Options issued under the Plan during the previous five years must not exceed five per cent of the Company's issued share capital at the time.
10. If, prior to the expiry date of the Plan Options, a person ceases to be a director, officer, employee or senior consultant to the Company for any reason other than retirement from the workforce, permanent disability or death, the Plan Options held by that person (or nominee) must be exercised within 30 days thereafter or they will automatically lapse.
11. If a person dies, the Plan Options held by that person will be exercisable by that person's legal representative. Options cannot be transferred other than to the legal personal representative of a deceased option holder.
12. The Company will not apply for official quotation of any Plan Options.
13. Shares issued as a result of the exercise of Plan Options will rank equally with the Company's issued shares at the time.
14. Option holders may only participate in new issues of securities by first exercising their Plan Options. If there is a bonus issue to the holders of shares, the number of shares over which a Plan Option is exercisable will be increased by the number of shares which the option holder would have received if the Plan Option had been exercised before the record date for the bonus issue.

15. In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company:
- A. the number of Plan Options, the exercise price of the Plan Options, or both will be reconstructed (as appropriate) in a manner consistent with the ASX Listing Rules, but with the intention that such reconstruction will not result in any benefits being conferred on the holders of the Plan Options which are not conferred on shareholders; and
 - B. subject to the provisions with respect to rounding of entitlements as sanctioned by a meeting of shareholders approving a reconstruction of capital, in all other respects the terms for the exercise of the Plan Options will remain unchanged.

16. If there is a pro rata issue to shareholders (except a bonus issue); the Exercise Price of any Plan Option may be reduced according to the following formula:

$$O^2 = O - \frac{E [P - (S + D)]}{N + 1}$$

Where:

O^2 = the new exercise price of the Plan Option;

O = the old exercise price of the Plan Option;

E = the number of underlying securities into which 1 Plan Option is exercisable;

P = the average market price per security (weighted by reference to volume) of the underlying securities during the 5 trading days ending on the day before the ex right date or the ex entitlements date;

S = the subscription price for a security under the pro rata issue;

D = dividend due but not yet paid on the existing underlying securities (except those to be issued under the pro rata issue);

N = the number of securities with rights or entitlements that must be held to receive a right to 1 new security.

17. If there is a bonus issue to the holders of shares in the Company, the number of shares over which the Plan Option is exercisable may be increased by the number of shares which the Plan Option holder would have received if the Plan Option had been exercised before the record date for the bonus issue.

18. The terms of the Plan Options shall only be changed if holders (whose votes are not to be disregarded) of ordinary shares in the Company approve of such a change. However, the terms of the Plan Options shall not be changed to reduce the exercise price, increase the number of Plan Options or change any period for exercise of the Plan Options.

INFORMATION CIRCULAR

Orocobre Limited (the “**Company**”) is a reporting issuer in each of the provinces of Canada (other than Québec). Accordingly, pursuant to the requirements of National Instrument 51-102 - *Continuous Disclosure Obligations* of the Canadian Securities Administrators, the following disclosure is required to be included with this Explanatory Statement.

Purpose of Solicitation

This management information circular (the “**Information Circular**”) is furnished in connection with the solicitation of proxies by the management of the Company for use at the annual general meeting of the Company (the “**Meeting**”). The Meeting will be held at The Mayflower Room, Level 1, Christie Corporate Centre, 320 Adelaide Street, Brisbane, Queensland, Australia at 10:00 a.m. (Brisbane time), for the purposes set forth in the Notice of Meeting accompanying this Explanatory Statement and Information Circular. Solicitation of proxies will be primarily by mail but may also be by telephone, facsimile or in person by directors, officers and employees of the Company who will not be additionally compensated therefore. Brokers, nominees or other persons holding ordinary shares of the Company (the “**Ordinary Shares**”) in their names for others shall be reimbursed for their reasonable charges and expenses in forwarding proxies and proxy material to the beneficial owners of such Ordinary Shares. The costs of soliciting proxies will be borne by the Company.

Appointment of Proxies by Registered Shareholders

Enclosed herewith is a form of proxy for use at the Meeting.

A Shareholder has the right to appoint any person or company (who need not be a Shareholder) to attend and act for the Shareholder and on the Shareholder’s behalf at the Meeting other than the person or company designated in the form of proxy and may exercise such right by inserting the full name of the desired person or company in the blank space provided in the form of proxy.

A proxy will not be valid unless it is signed by the Shareholder or by the Shareholder’s attorney duly authorized in writing or, if the Shareholder is a corporation, executed by a duly authorized officer or officers in accordance with the instructions attached on the enclosed form of proxy. The proxy to be acted upon must be delivered: (a) in respect of Shareholders registered on the Company’s Australian share register, prior to 10:00 a.m. (Brisbane time) on November 28, 2011 by mail to Boardroom Pty Limited, GPO Box 3993, Sydney NSW 2001 or by facsimile at +61 2 9290 9655 or in person to Boardroom Pty Limited, Level 7, 207 Kent Street, Sydney NSW 2000, and (b) for Shareholders registered on the Company’s Canadian share register, not later than 48 hours prior to the Meeting by mail to Equity Financial Trust Company, attention Proxy Department, at 200 University Avenue, Suite 400, Toronto, Ontario, M5H 4H1 or by facsimile at +1-416-595-9593.

Revocation of Proxies

A Shareholder executing and delivering a proxy has the power to revoke it in accordance with the provisions of the *Corporations Act 2001 (Cth)* (Australia) (the “**Corporations Act**”), which provides that every proxy may be revoked by an instrument in writing executed by the Shareholder or by his or her attorney authorised in writing and delivered either to the registered office of the Company or to the above mentioned address of Equity Financial Trust Company, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof at which the proxy is to be used, or to the Chairman of the Meeting on the day of the Meeting or any adjournment thereof, or in any other manner permitted by law.

Voting of Proxies

A Shareholder must either mark the boxes directing his proxyholder how to vote or mark the box indicating that he does not wish to direct his proxyholder how to vote, otherwise this appointment of proxy form will be disregarded. The Shares represented by properly executed proxies will be voted, or withheld from voting, in accordance with the instructions of the Shareholder on any ballot that may be called for at the Meeting and, if the Shareholder specifies a choice with respect to any matter to be acted upon at the Meeting, such Shares represented by properly executed proxies will be voted accordingly. **If a Shareholder marks the box indicating that he**

does not wish to direct his proxyholder how to vote, the persons designated in the accompanying form of proxy will vote in favour of the applicable matter being voted on. If the Shareholder marks the abstain box, he is directing his proxyholder not to vote on that item on a show of hands or on a poll and that his Ordinary Shares are not to be counted in computing the required majority on a poll.

Advice for Beneficial Holders

Only registered shareholders or the persons they appoint as their proxies are permitted to vote at the Meeting. However, in Canada, Ordinary Shares owned by a person (a “**non-registered owner**”) might not be registered in the Shareholder’s name but instead might be registered either (a) in the name of an intermediary (an “**Intermediary**”) that the non-registered owner deals with in respect of the Ordinary Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered registered savings plans, registered retirement income funds, registered education savings plans and similar plans); or (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited (“**CDS**”)) of which the Intermediary is a participant. In accordance with the requirements of National Instrument 54-101 of the Canadian Securities Administrators, the Company has distributed copies of the Information Circular and the accompanying notice of meeting together with the form of proxy (collectively, the “**Meeting Materials**”) (i) directly to non-registered owners who have advised their Intermediary that they do not object to the Intermediary providing their ownership information to issuers whose securities they beneficially own (“**Non-Objecting Beneficial Owners**” or “**NOBOs**”), and (ii) to the clearing agencies and Intermediaries for onward distribution to non-registered owners who have advised their Intermediary that they object to the Intermediary providing their ownership information (“**Objecting Beneficial Owners**” or “**OBOs**”).

Intermediaries are required to forward the Meeting Materials to Objecting Beneficial Owners unless an Objecting Beneficial Owner has waived the right to receive them. Very often, Intermediaries will use service companies such as Broadridge Financial Solutions, Inc. to forward the Meeting Materials to Objecting Beneficial Owners. Generally, Objecting Beneficial Owners who have not waived the right to receive Meeting Materials will either:

(a) be given a form of proxy which has already been signed by the Intermediary (typically by a facsimile stamped signature), which is restricted as to the number and class of securities beneficially owned by the Objecting Beneficial Owner but which is not otherwise completed. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the non-registered owner when submitting the proxy. In this case, the Objecting Beneficial Owner who wishes to vote by proxy should otherwise properly complete the form of proxy and deliver it as specified; or

(b) be given a machine-readable voting instruction form which is not signed by the Intermediary and which, when properly completed and signed by the Objecting Beneficial Owner and returned to the Intermediary or its service company, will constitute voting instructions (often called a “**Voting Instruction Form**”) which the Intermediary must follow. In order for the form to validly constitute a Voting Instruction Form, the non-registered owner must properly complete and sign the Voting Instruction Form and submit it to the Intermediary or its services company in accordance with the instructions of the Intermediary or its service company.

In either case, the purpose of this procedure is to permit non-registered owners to direct the voting of the Ordinary Shares they beneficially own. Should a non-registered owner who receives a form of proxy or Voting Instruction Form wish to vote at the Meeting in person, the non-registered owner should strike out the persons named in the form of proxy or Voting Instruction Form and insert the non-registered owner’s name in the blank space provided, and should otherwise carefully follow the instructions of their Intermediary including those regarding when and where the form of proxy or Voting Instruction Form is to be delivered.

Proxies returned by Intermediaries as “non-votes” because the Intermediary has not received instructions from the non-registered Shareholder with respect to the voting of certain shares or, under applicable stock exchange or other rules, the Intermediary does not have the discretion to vote those shares on one or more of the matters that come before the Meeting, will be treated as not entitled to vote on any such matter and will not be counted as having been voted in respect of any such matter. Ordinary Shares represented by such broker “non-votes” will, however, be counted in determining whether there is a quorum.

Delivery of Security Holder Material

These security holder materials are being sent, in Canada, to both registered and non-registered owners of the Ordinary Shares. If you are a non-registered owner, and the Company or its agent has sent these materials directly to you, your name and address and information about your holdings of Ordinary Shares have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on your behalf.

By choosing to send these materials to you directly, the Company (and not the Intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

Voting Shares and Record Date

The authorized capital of the Company consists of an unlimited number of Ordinary Shares of which as of October 28, 2011, 103,195,029 Ordinary Shares are issued and outstanding as fully paid. The Ordinary Shares are the only shares of the Company entitled to be voted at the Meeting and each Ordinary Share is entitled to one vote at the Meeting.

In accordance with Regulation 7.11.37 of the *Corporations Regulations 2001 (Cth)*, the directors of the Company have set 5:00 p.m. (Brisbane time) on November 28, 2011 as the snapshot date to determine Shareholders entitled to attend and vote at the Meeting. The directors of the Company have set the record date for Canadian registered Shareholders that are entitled to receive notice of the Meeting as 5:00 p.m. (Toronto time) on October 27, 2011.

A simple majority of votes cast are required to approve all matters to be submitted to a vote of Shareholders at the Meeting.

Date of Information Circular

Unless otherwise stated, the information provided in this Information Circular is given as of October 28, 2011.

Principal Holders of Ordinary Shares

To the knowledge of the directors and executive officers of the Company, no person or company beneficially owns, or exercises control or direction over, directly or indirectly, Ordinary Shares carrying 10% or more of the votes attached to all of the issued and outstanding Ordinary Shares.

Directors and Officers

The following table sets out the name of each nominee for re-election or election as a director of the Company and each director whose term of office as a director will continue after the Meeting, the province or state and the country in which each is ordinarily resident, all offices of the Company now held by each of them, any committee memberships, their present principal occupations, business or employment within the five preceding years, the date on which each commenced being a director of the Company and the number of shares of the Company beneficially owned by each, directly or indirectly, or over which control or direction is exercised, as at the date hereof.

<u>Name and Residence</u>	<u>Position(s) with the Company</u>	<u>Principal Occupation During Past Five Years</u>	<u>Director Since⁽¹⁾</u>	<u>Number of Ordinary Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly</u>
James D. Calaway ⁽³⁾ Texas, USA	Executive Chairman	Managing Member, Calaway Interests LLC (January 2004-present) Managing Member, Lithium Investors	May 2009	8,574,000

Name and Residence	Position(s) with the Company	Principal Occupation During Past Five Years	Director Since⁽¹⁾	Number of Ordinary Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly
		LLC (January 2009- present)		
		Chairman, Datacert Inc. (September 2008- present)		
Richard P. Seville Queensland, Australia	Managing Director	Managing Director of the Company (April 2007-present)	April 2007	4,821,500
		Managing Director, Renison Consolidated Mines (November 2001 until November 2006)		
John W. Gibson ⁽²⁾ Alberta, Canada	Director (non-executive)	President and CEO, CCS Corporation (2010 - present) CEO, Paradigm Geophysical Ltd. (June 2005 until December 2009)	March 2010	25,000
Federico Nicholson Buenos Aires, Argentina	Director (non-executive)	Executive Director, Ledesma S.A.A.I (1992- present)	September 2010	-
Fernando Oris de Roa ^{(2) (3)} Buenos Aires, Argentina	Director (non-executive)	Chief Executive, Avex S.A. (2004 -2010), Presidento, Avex S.A. (May 2010 – present)	June 2010	-
Courtney Pratt ^{(2) (3)} Ontario, Canada	Director (non-executive)	Chairman of Toronto Region Research Alliance (September 2007-present)	March 2010	-
		Chief Executive Officer of Toronto Region Research Alliance (September 2007-May 2010)		
		President & CEO of Stelco Inc. (January 2004 until March 2006) and Chairman of Stelco Inc. (April 2006 until October 2007)		
Neil F. Stuart Queensland, Australia	Director (non-executive)	Executive Director of the Company (January 2005 until December 2009)	January 2005	5,642,996
		Consultant mining geologist and geotechnical engineer (1979-present)		
Paul Crawford Queensland, Australia	Company Secretary	Company Secretary (May 2005-present)	n/a	2,727,687
		Principal, Cambridge Business & Corporate Services (February 2001 until present)		

Name and Residence	Position(s) with the Company	Principal Occupation During Past Five Years	Director Since⁽¹⁾	Number of Ordinary Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly
Jose Gustavo de Castro Alem Salta, Argentina	General Manager, Argentina	General Manager Sales de Jujuy (July – present) Operations Manager, Minera Santa Cruz S.A (Hochschild Mining PLC) (2009 – June 2010) Plant Manager, Compania Cerro Vanguardia S.A. (2008 – 2009) General Manager Tecnologia en Procesamiento de Minerales Argentina S.A. (2002 – 2008)	n/a	– ⁽⁴⁾
Mark Smith Queensland, Australia	Finance and Administration Manager	Finance and Administration Manager (February 2010 – present) Finance and Administration Manager, Renison Consolidated Mines NL (January 2006 until January 2010)	n/a	6,615
Bruce Rose Vancouver, Canada	Vice President – Corporate Development	Vice President – Corporate Development (August 2011 – present) Principal – Raincity Strategic Advisors (2010 – 2011) Chief Operating Officer – Ara Safety Inc. (2009 – 2010) General Manager then Vice President – Ainsworth Group of Companies (2001 – 2009)	n/a	–

Notes:

- (1) The Company’s constating documents provide that one-third of the non-executive Directors, excluding the Managing Director, are retired by rotation annually. Retiring Directors are eligible for re-election at the annual general meeting.
- (2) Member of the Audit Committee.
- (3) Member of the Remuneration Committee.
- (4) Mr. de Castro Alem holds 400,000 options to purchase Ordinary Shares, each exercisable at A\$2.03 prior to June 30, 2015

Each director’s term of office (except the Managing Director) expires on the later of the third annual general meeting of Shareholders or three years after that director’s last election or appointment. One-third of directors must retire at each annual general meeting. Retiring directors are eligible for re-election. Messrs. Calaway and Stuart are to be re-elected at the Meeting. Once elected, each of these directors will hold office until his office is vacated in accordance with the Company’s Constitution or the provisions of the Corporations Act, whichever is earlier.

For the purposes of the following paragraphs Messrs. Calaway and Stuart are collectively referred to as the “Proposed Directors”.

No Proposed Director is as at the date hereof, or has been within the ten years prior to the date hereof, a director, chief executive officer or chief financial officer of any company that (1) while that person was acting in that capacity was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days; (2) was subject to an event that resulted, after that person ceased to be a director, chief executive officer or chief financial officer, in the relevant company being subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days; or (3) while that person was acting in that capacity or within a year of that person ceasing to

act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

No Proposed Director has within the ten years prior to the date hereof become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold such person's assets.

No Proposed Director has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or has had any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a Proposed Director.

Executive Compensation

Named Executive Officers

The Company's compensation practices are designed to attract, motivate and retain highly qualified employees and executives to manage the business of the Company by rewarding individual and corporate performance and aligning the interests of its executive officers with the Company's shareholders.

As at June 30, 2011, the Company had two "Named Executive Officers": Richard Seville, the Managing Director; and Mark Smith, Finance & Administration Manager. For purposes of National Instrument 51-102 – *Continuous Disclosure Obligations* of the Canadian Securities Administrators, "**Named Executive Officer**" means (i) the chief executive officer and chief financial officer (or individuals acting in a similar capacity), (ii) the three most highly compensated executive officers (or individuals acting in a similar capacity) in the most recently completed financial year (in each case with earnings of at least C\$150,000) other than the chief executive officer and the chief financial officer, and (iii) each individual who would have been considered a Named Executive Officer under item (ii) above but for the fact that they were neither an executive officer nor acting in a similar capacity at the end of that financial year.

External Management Companies

Between July 1, 2010 and June 30, 2011, the Company engaged Cambridge Business & Corporate Services ("**Cambridge**"), an entity controlled by Mr. Crawford (Company Secretary), to provide accounting, company secretarial, and other services to the Company. Professional fees paid by the Company to Cambridge for the provision of these services for the period totalled A\$130,900. Mr. Crawford controls Cambridge and thereby indirectly receives the benefit of all such compensation.

Between July 1, 2010 and June 30, 2011, the Company engaged Lithium Investors LLC ("**Lithium Investors**"), an entity controlled by Mr. Calaway, the Chairman of the Company, to provide technical services to the Company. Professional fees for the provision of these services for the period totalled A\$163,552. Mr. Calaway controls Lithium Investors and thereby indirectly receives the benefit of all of such compensation. During such period, compensation paid directly by the Company to Mr. Calaway in consideration for his service as Chairman consisted of A\$70,000.

Compensation Discussion and Analysis

The objective of the Company's compensation strategy is to compensate executive officers such that they are motivated to pursue the long-term growth and success of the Company and there is a clear relationship between performance and compensation.

The Company aims to reward executive officers with a level of remuneration commensurate with their position and responsibilities within the Company and so as to (i) align the interests of the executive officers with those of

the Company's shareholders; (ii) ensure rewards are consistent with the strategic goals and performance of the Company; and (iii) ensure total remuneration is competitive.

For the year ended June 30, 2011, the elements of compensation earned, awarded or paid to the Named Executive Officers included annual compensation in the form of a base salary including the superannuation (pension) contribution required under the *Superannuation Guarantee (Administration) Act 1992* (Cth) (the "**Australian Legislation**"), short term incentives and fixed allowances/benefits. No options were granted to the Named Executive Officers in the year ended June 30, 2011.

A Named Executive Officer's base salary is set so as to provide a base level of remuneration which is both appropriate to the position and competitive. Fixed remuneration is reviewed annually by the Remuneration Committee and the process consists of a review of company-wide, business unit and individual performance, relevant comparative remuneration in the market and in the Company and, where appropriate, external advice on policies and practice. Independent advice on the appropriateness of remuneration packages will be obtained, where necessary.

As required under the Australian Legislation, Named Executive Officers receive superannuation (pension) contributions which are a percentage of base salary.

Although no long-term incentives were awarded to the Named Executive Officers in the year ended June 30, 2011, the Company has a long term incentive policy whose objective is to reward executives and managers in a manner which aligns an element of remuneration with the creation of shareholder wealth. Grants of long term incentives are generally determined by reference to market conditions, comparable companies within the industry and the amount of cash compensation paid to the executive or manager. Given the evolving nature of the Company's business, the Company's overall compensation plan is under constant review so as to continue to address its objectives.

Short term incentives are based on key performance indicators that are set regularly and include factors such as operational and financial performance. Performance factors currently in use are all based on internal factors. Performance is monitored by the Remuneration Committee.

In setting the fixed remuneration and incentive awards of its Named Executive Officers, the Company refers to the remuneration offered by comparable companies in the industry. More specifically, comparable issuers are identified and information is gathered regarding the compensation paid by those issuers to their senior executives. The Company's Named Executive Officers are then benchmarked against positions of similar responsibilities and scope of those other issuers.

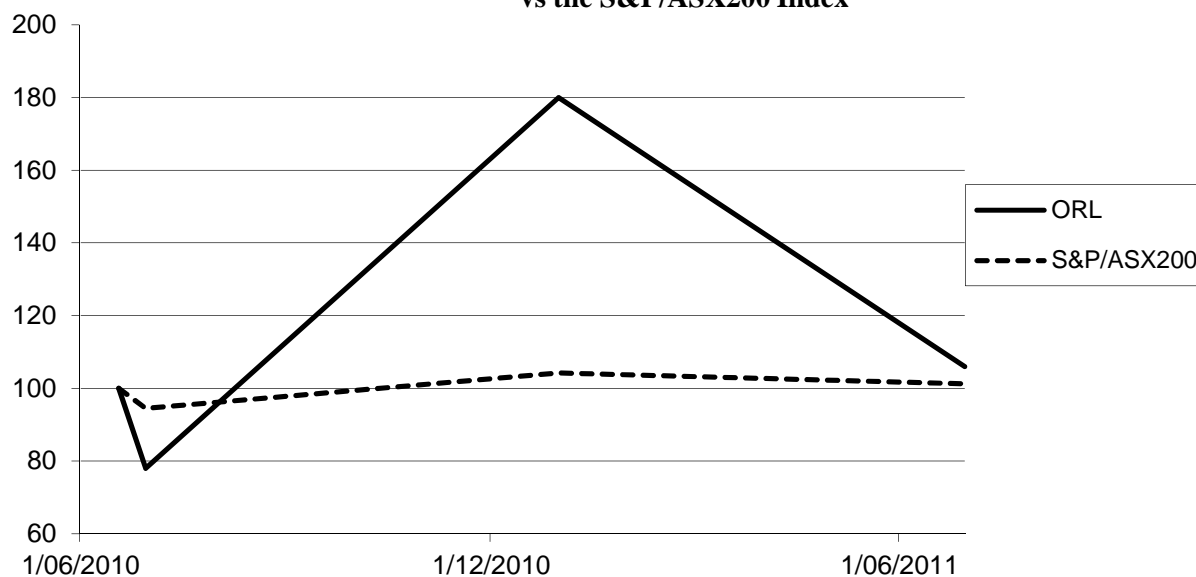
The issuers selected as being comparable for this purpose have been selected on the basis of meeting most or all of the following characteristics that are common to the Company:

- listed companies;
- comparable in size and market capitalization; and
- companies in the pre-production and development stage of mining and resources.

The issuers selected using these criteria at the time of the Company's most recent review were Waratah Gold Limited, Perseus Mining Limited, Adamus Resources Limited, Apex Minerals NL, Gryphon Minerals Limited and Ampella Mining Limited. The list of comparable issuers may change at the time of the Company's next review to reflect the Company's then current stage of development, size and market capitalization.

To date, compensation has been set in the context of the Company's status as an exploration stage company. This may change in the event of the commencement of production and the receipt of revenue therefrom.

**Orocobre Limited (ORL) Share Price Performance
vs the S&P/ASX200 Index**



	June 18 2010	June 30 2010	December 31 2010	June 30 2011
Orocobre Limited	100	78	180	106
S&P/ASX200 Index	100	95	104	101

As noted above, the Remuneration Committee considers a number of factors and performance elements when determining compensation for the NEOs. Although the Company's total shareholder return is one performance measure that is reviewed, it is not the only consideration in executive remuneration determination. Over the formative stage of the Company, there may or may not be a correlation between total shareholder return over a given period and executive compensation.

Summary Compensation Table

The following table provides information for the three most recently completed financial years regarding compensation earned by each of the Named Executive Officers:

Name and Principal Position	Year	Salary	Share-based awards	Option-based awards	Non-equity incentive plan compensation		Pension value	All other Compensation	Total Compensation
					Annual incentive plans	Long-term incentive plans			
		(A\$)	(A\$)	(A\$)	(A\$)	(A\$)	(A\$)	(A\$)	(A\$)
Richard Seville ⁽¹⁾	2011	341,217	-	-	157,500 ⁽²⁾	-	28,125 ⁽³⁾	-	526,842
	2010	312,542	-	-	125,000 ⁽²⁾	-	13,500 ⁽³⁾	-	451,042
	2009	257,322	-	-	-	-	-	-	257,322
Mark Smith	2011	130,000	-	-	-	-	11,700	-	141,700
	2010	54,167	-	-	-	-	4,875	-	59,042
	2009	-	-	-	-	-	-	-	-

Notes:

(1) Includes all amounts paid in 2009 by the Company to Richard Seville & Associates Pty Ltd., an entity controlled by Mr. Seville.

(2) This amount represents a bonus paid to Mr Seville during the applicable year for meeting performance criteria.

(3) This amount relates to the superannuation (pension) contribution required under the *Superannuation Guarantee (Administration) Act 1992* (Cth).

Narrative Discussion

A contract for service between the Company and Mr. Seville was completed in September 2010. It does not provide for a fixed term of employment but provides for annual review of the compensation value. Total remuneration value (excluding equity) is A\$315,000 per annum. The contract also provides the opportunity to earn a cash bonus of up to 75% of the annual base salary, subject to achieving annual key performance indicators.

The Company may terminate Mr. Seville's contract without cause by giving 3 months' notice. If terminated without cause, Mr. Seville is entitled to a severance payment equal to 12 months of annual base salary. In the case of serious misconduct the Company can terminate employment at any time. The terms of this agreement are not expected to change in the immediate future.

Incentive Plan Awards and Securities Authorized for Issuance under Equity Compensation Plans

The following table sets forth information with respect to the Company's employee stock option plan (the "**Option Plan**"), the only compensation plan under which equity securities of the Corporation are authorized for issuance, as at June 30, 2011. As of June 30, 2011, no share options were held by any of the Named Executive Officers. During the 12 month period prior to June 30, 2011 835,000 share options were granted as remuneration to other employees of the Company. In addition, 400,000 options were either exercised or lapsed during the period.

<u>Plan Category</u>	<u>Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights</u>	<u>Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights</u>	<u>Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a))⁽²⁾</u>
Equity compensation plans approved by securityholders	960,000 ⁽¹⁾	A\$1.815	8,446,389
Equity compensation plans not approved by securityholders	Nil	N/A	N/A
Total	<u>960,000</u>	<u>A\$1.815</u>	<u>8,446,389</u>

(1) Of these options 442,500 have vested; 125,000 had an expiry date of July 31, 2011 and were exercised prior to expiry; 100,000 expire on 31 July 2015 and 217,500 expire on 31 July 2013.

(2) As of June 30, 2011, the total number of Ordinary Shares issuable upon exercise of options issued under the Option Plan, when aggregated with other options issued under the Option Plan during the previous five years, could not exceed 10% of the Company's issued share capital at the time.

Narrative Discussion

On November 25, 2008, the Company adopted the Option Plan. The Option Plan is designed to encourage greater interest on the part of employees, consultants and contractors of the Company and to provide such persons with an incentive to increase profitability and returns to shareholders.

All directors, officers, employees and senior consultants (whether full or part-time) are eligible to participate in the Option Plan after a qualifying period of 12 months employment with the Company or one of its subsidiaries (or, in the case of a senior consultant, having provided consulting services to the Company or one of its subsidiaries on a continuous basis for at least 12 months), although the Board has discretion to waive this requirement.

The allocation of options under the Option Plan ("**Options**") is at the discretion of the Board. If permitted by the Board, Options may be issued to a nominee of a director, officer, employee or senior consultant (for example, to a spouse or family company). Subject to the Board's consent and limited exceptions, Options cannot be assigned.

Options are issued for no cash consideration. Each Option allows the option holder to subscribe for one fully paid Ordinary Share and expires six years from its date of issue (or such other date as the Board may determine in its discretion at the time of granting the Option). Options may be exercised at any time after their issue. The exercise price of Options is determined by the Board at the time the Board resolves to issue the Options, subject to any minimum price imposed by relevant regulatory authorities.

The total number of shares issuable upon exercise of Options issued under the Option Plan, when aggregated with other Options issued under the Option Plan during the previous five years, must not exceed 10% of the Company's issued share capital at the time. As of June 30, 2011, the maximum number of available Options under the Option Plan would have been 10,306,389 Options. The Company also grants options from time to time which are outside of the Option Plan. The Board has sole discretion to determine to whom Option grants should be made and to determine the terms and conditions of any such Options (after considering the recommendation of the Remuneration Committee). The number and terms of outstanding Options are taken into consideration when determining whether and how many new Options should be granted.

No key management personnel are entitled to receive securities that are not incentive based as part of their remuneration.

Pension Plan Benefits

The Company does not have a pension plan and has not provided any pension plan benefits to its Named Executive Officers, aside from superannuation contributions provided to Messrs. Seville and Smith as described above under "*Compensation Discussion and Analysis*".

Termination and Change of Control Benefits

Currently, there are no contracts, agreements, plans or arrangements that provide for payments to a Named Executive Officer at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Company or a change in a Named Executive Officer's responsibilities, except under Mr. Seville's contract as described above under "*Compensation Discussion and Analysis - Narrative Discussion*".

Directors' Compensation

The following table sets forth the amount of all compensation provided to the Directors for the year ended June 30, 2011.

<u>Name⁽¹⁾</u>	<u>Fees earned (A\$)</u>	<u>Shared- based awards (A\$)</u>	<u>Option- based awards (A\$)</u>	<u>Non-equity incentive plan compensation (A\$)</u>	<u>Pension value (A\$)</u>	<u>All other compensation (A\$)</u>	<u>Total Compensation (A\$)</u>
James D Calaway	127,279	-	-	-	-	199,766 ⁽²⁾	263,427
Neil F Stuart	40,000	-	-	-	-	-	20,154
John W Gibson	40,104	-	-	-	-	-	-
Courtney Pratt	40,515	-	-	-	-	-	11,153
Fernando Oris de Roa	40,000	-	-	-	-	5,240 ⁽⁸⁾	88,422
Federico Nicolson	31,222	-	-	-	2,812	-	34,062

Notes:

(1) The compensation for Mr. Seville is fully reflected in the "Summary Compensation Table" above.

(2) All of this amount relates to fees paid by the Company to Lithium Investors, an entity controlled by Mr. Calaway, for technical services provided to the Company.

Narrative Discussion

During the most recently completed financial year, each non-executive Director and the Chairman received fees for services rendered during that year as shown in the above table. Directors are also reimbursed for all reasonable expenses incurred in their capacity as Directors. Generally, if the non-executive Directors provide services in excess of those expected of such a position, the Company will provide reasonable remuneration for those services. An agreement for services between the Company and the Chairman was established from February 2011. The agreement provides for a fixed remuneration of A\$125,000 per annum for the performance of specified

functional duties on behalf of the CEO. These duties are performed in addition to the duties of the Chairman of the Board of Directors. Other than those described above, there are no other arrangements under which Directors were compensated for their services as Directors or as consultants or experts during the Company's most recently completed financial year.

The Board seeks to set aggregate remuneration at a level which provides the Company with the ability to attract and retain directors of the highest calibre, at a reasonable cost to the Company. Board policy is to remunerate non-executive Directors at market rates for comparable companies for time, commitment and responsibilities. Individuals may elect to salary sacrifice part of their fees as increased payments toward superannuation.

The ASX listing rules specify that the aggregate remuneration of non-executive Directors is to be determined from time to time by the shareholders in a general meeting. An amount not exceeding that amount is then divided between the Directors as agreed. The latest determination was at last year's general meeting on November 30, 2010 when shareholders approved the adoption of a Directors' Remuneration Report confirming aggregate remuneration of A\$400,000 per year.

Non-executive Directors may also be awarded Options. The issue of Options to non-executive Directors is considered an appropriate method of providing sufficient incentive and reward while maintaining cash reserves.

The Board reviews the remuneration packages for the non-executive Directors on an annual basis. The Board considers fees paid to non-executive Directors of comparable companies when undertaking the annual review process.

Incentive Plan Awards

As of June 30, 2011, no Options were held by any of the Directors, and no Options vested or were granted as remuneration in the 12 month period to June 30, 2011.

Corporate Governance

The Company recognizes that the composition and independence of the Board is an important element of corporate governance. As part of its corporate governance practices, the Company seeks to ensure there are a sufficient number of independent Directors. Pursuant to National Instrument 58-101 - *Disclosure of Corporate Governance Practices* ("NI 58-101"), an independent Director is one who is free from any direct or indirect material relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a Director's independent judgment. In addition, National Instrument 52-110 - *Audit Committees* provides that certain specified relationships will, in all circumstances, be considered material relationships.

Messrs. Gibson, Pratt, Oris de Roa and Nicholson are considered to be "independent" Directors for the purposes of NI 58-101. Mr. Seville is not considered to be independent on the basis that he is the Managing Director of the Company. Mr. Stuart is not considered to be independent on the basis that he was an Executive Director of the Company from January 2005 until December 2009. Mr. Calaway is not considered to be independent on the basis that Lithium Investors, an entity which Mr. Calaway controls and for which he has acted as Managing Member from January 2009 until present, received professional fees from the Company in the amount of A\$163,552 in the fiscal year ended June 30, 2011, and continues to receive professional fees from time to time in respect of its provision of technical services to the Company.

As such, a majority of the Directors are independent of the Company.

Mr. Calaway serves as Executive Chairman of the Board. Mr. Calaway's duties as Chairman of the Board include setting the agenda for, and leading, meetings of the Board. The Chairman is also responsible, in consultation with the Board, for interpreting and monitoring the Company's compliance with its continuous disclosure obligations under applicable stock exchange rules and securities legislation.

The independent Directors do not hold regularly scheduled meetings at which non-independent Directors and members of management are not in attendance. In order to facilitate open and candid discussion among its independent Directors, from time to time as circumstances dictate, the non-independent Directors and any representatives of management in attendance at meetings of the Board may be excused. Because Mr. Calaway is

not considered to be independent under NI 52-110, Mr. Pratt has been appointed as the lead independent Director to act as chair of any such private meetings of independent Directors and in order to ensure appropriate leadership for the independent Directors.

Certain Directors are directors of other reporting issuers (or the equivalent) in Canada or foreign jurisdictions, as set out below:

<u>Director</u>	<u>Name of Issuer(s)</u>
James. D. Calaway	n/a
Richard P. Seville	Leyshon Resources Limited
Neil F. Stuart	Bowen Energy Limited; Axiom Mining Limited; Overseas and General Limited; Elementos Limited
John W. Gibson	Parker Drilling Company
Federico Nicholson	n/a
Fernando Oris de Roa	n/a
Courtney Pratt	407 International Inc.

Since the beginning of the Company's most recently completed financial year there have been 17 formal Board meetings. The meetings attended by each Director were:

DIRECTORS	Board		Audit Committee		Remuneration Committee	
	Meetings	Attend	Meetings	Attend	Meetings	Attend
J Calaway	17	17	-	-	2	2
Richard Seville	17	17	-	-	-	-
Neil Stuart	17	16	-	-	-	-
John Gibson	17	16	6	6	-	-
Courtney Pratt	17	17	6	6	2	2
Fernando Oris de Roa	17	17	6	6	2	2
Federico Nicolson	12	7	-	-	-	-

Mandate of the Board

The Company has developed a Board Charter, which documents the respective roles and responsibilities of the Board and senior executives. Under applicable corporate law, the Board is responsible for setting the strategic direction and establishing the policies of the Company. Otherwise the Board delineates its own role and responsibilities. The Board is responsible for overseeing the Company's financial position, and for monitoring its business and affairs on behalf of the shareholders, by whom the directors are elected and to whom they are accountable. The Board also addresses issues relating to internal controls and risk management. In addition to these duties, the Board monitors and receives advice on areas of operational and financial risk and control framework, and considers strategies for appropriate risk management arrangements. The Board holds regular meetings to discuss operational matters, and holds strategy meetings and other special purpose meetings, at such other times as may be necessary to address any specific significant matters that may arise.

Position Descriptions

The Board has not developed written position descriptions for the executive chairman of the Board or the lead independent Director of the Board. However, by agreement among the Directors, the duties of Mr. Calaway (as executive chairman of the Board) and of Mr. Pratt (as lead independent Director of the Board) are as described above under "– Corporate Governance".

The mandate of the Audit Committee provides that the chairman of the Audit Committee shall be determined by the Board and shall not be the non-executive Chairman of the Board. The mandate of the Audit Committee also provides that its chairman shall report the results of the Audit Committee's deliberations and recommendations directly to the Board.

The mandate of the Remuneration Committee provides that the chairman of the Committee shall lead the Committee in all aspects of its work and is responsible to effectively manage the affairs of the Committee. The chairman of the Remuneration Committee shall report to the Board on any decisions or recommendations of the Committee.

The Board and the Managing Director have not developed a written position description for the Managing Director. The delineation of the role and responsibility of the Managing Director is determined by the Managing Director's employment agreement and by discussions among the Managing Director and the other members of the Board from time to time.

Orientation and Continuing Education

New Directors will undergo an induction process in which they will be given a full briefing on the Company. Where possible, this will include meetings with key executives, visits to the projects, an induction package and presentations. Information conveyed to new Directors includes:

- (a) details of the role and responsibilities of a Director;
- (b) formal policies on Director appointment as well as conduct and contribution expectations;
- (c) details of all relevant legal requirements;
- (d) guidelines on how the Board functions procedurally;
- (e) details of past, recent and likely future developments relating to the Board;
- (f) background information on and contact information for key people in the organization;
- (g) an analysis of the Company;
- (h) a synopsis of the current strategic direction of the Company including a copy of the current strategic plan and annual budget; and
- (i) a copy of the Constitution of the Company.

In order to achieve continuing improvement in Board performance, all Directors are encouraged to undergo continual professional development.

The Company is of the view that these orientation and education activities are appropriate given the nature and scope of the Company's business activities. Each Director also has the right to seek independent professional advice at the Company's expense provided that prior approval of the Chairman is obtained, which will not be unreasonably withheld.

Ethical Business Conduct

As part of its commitment to recognising the legitimate interest of stakeholders, the Company has developed a Code of Conduct to guide compliance with legal and other obligations to stakeholders. The Board seeks to promote the highest standard of ethical conduct among Directors, executive officers and employees. All representatives of the Company are expected to act in accordance with all applicable laws and regulations. In accordance with the provisions of applicable corporate law, any Director or executive officer who has a material interest in a proposed transaction or agreement involving the Company must disclose such interest prior to consideration of the relevant matter by the Board and abstain from voting on approval of such transactions as appropriate.

Nomination of Directors

The Board believes that the Company is currently not of sufficient size to justify the establishment of a nomination committee.

The Board has a policy and procedure for nominating and appointing new Directors. Candidates for the Board are considered and selected by reference to a number of factors which include, but are not limited to, their relevant experience and achievements, independence, compatibility with other Board members, credibility within the Company's scope of activities, and intellectual and physical ability to undertake Board duties and responsibilities. Directors are initially appointed by the full Board, subject to election by shareholders at the next general meeting. Directors (with the exception of the Managing Director) are required to retire and be subject to re-election by shareholders at least every three years.

Compensation

The Board has established a remuneration committee (the "**Remuneration Committee**") comprised of Messrs. Pratt, Calaway and Oris de Roa. A majority of the members of the Remuneration Committee (being Messrs. Pratt and Oris de Roa, but not Mr. Calaway) are considered to be "independent" for the purposes of NI 58-101. The Remuneration Committee is responsible for, among other things, developing and making recommendations to the Board on the short and long-term remuneration for the chief executive officer, as well as his annual performance goals and key performance indicators to measure performance; reviewing and approving recommendations from the chief executive officer on performance targets and remuneration for employees; and reviewing and making recommendations to the Board on the appropriate grant of any equity securities under the Option Plan.

Committees of the Directors

The Board has no other standing committees at this time other than the Audit Committee and the Remuneration Committee.

Assessments

The Company has conducted a formal performance review of the Board as a whole, which was undertaken in conjunction with the performance evaluation process of senior executives of the Company and was based on specific criteria, including whether strategic and operational objectives were being met. The Company intends to conduct a formal review in respect of the Board and its standing committees annually. The Board also monitors the performance of the individual Directors, but at present does not have a formal assessment process in place. Based on the Company's size and the number of individuals on its Board, the Board considers a formal assessment process in respect of individual Directors to be unnecessary at this time, but may consider the adoption of a formal assessment process at a later stage.

Other Board Committees

The Board currently has no standing committees other than the Audit Committee and the Remuneration Committee. The information prescribed by Part 5 of National Instrument 52-110 - *Audit Committees* is set out under the heading "Audit Committee" in the Company's Annual Information Form dated September 28, 2011, a copy of which is available under the Company's profile at www.sedar.com.

Indebtedness of Directors and Executive Officers

As at October 27, 2011, no executive officer, director, employee or former executive officer, director or employee of the Company or any of its subsidiaries is indebted to the Company or any of its subsidiaries in connection with a purchase of securities or otherwise. In addition, as at October 27, 2011, no executive officer, director, employee or former executive officer, director or employee of the Company or any of its subsidiaries is indebted to another entity where the indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries.

No person who is a director or executive officer of the Company or who was a director or executive officer of the Company at any time during the most recently completed financial year, nor any proposed nominee for election as a director, nor any person who is an associate of any such director, executive officer, former director, former executive officer or proposed nominee is, or at any time since the beginning of the most recently completed financial year of the Company was, indebted to the Company or any of its subsidiaries, or to another entity where

such indebtedness is or has been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries.

Interest of Certain Persons or Companies in Matters to be Acted Upon

No person who has been a director or executive officer of the Company at any time since the beginning of the Company's last financial year, nor any proposed director, nor any associate or affiliate of the foregoing persons, has a material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in the matters to be acted upon at the Meeting other than as described in the Explanatory Statement.

Interest of Informed Persons in Material Transactions

Since the commencement of the Company's most recently completed financial year, there were no transactions and there are no proposed transactions that has materially affected or would materially affect the Company or any of its subsidiaries in which any informed person of the Company, or any proposed director of the Company or any associate or affiliate of any informed person or any proposed director of the Company, has any material interest (direct or indirect).

Auditors

The auditors of the Company are Hayes Knight Audit (QLD) Pty Ltd., Chartered Accountants. They were appointed as auditors of the Company on 21 August 2007.

Additional Information

The Company will provide to any person, upon request to the Company Secretary, one copy of the Company's Annual Report for the year ended June 30, 2011, which includes the financial statements of the Company for the most recently completed financial year and the audit opinion issued thereon and/or one copy of the Company's Management's Discussion and Analysis in respect of such financial year. Financial information about the Company is provided in the Company's comparative annual financial statements and Management's Discussion and Analysis.

Copies of the above document will be provided free of charge to Shareholders. The Company may require the payment of a reasonable charge by any person or company who is not a Shareholder of the Company and who requests a copy of such document. Additional information relating to the Company can be found under the Company's profile at www.asx.com.au or at www.sedar.com.

Directors' Approval

The contents of this Explanatory Statement and Information Circular and the sending thereof to the Shareholders have been approved by the Board.

By Order of the Board of Directors

Paul Crawford
Company Secretary

Dated: October 28, 2011



FOR ALL ENQUIRIES CALL:
(within Australia) 1300 737 760 (outside
Australia) +61 2 9290 9600

FACSIMILE
+61 2 9290 9655

ALL CORRESPONDENCE TO:
Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001
Australia

YOUR VOTE IS IMPORTANT

FOR YOUR VOTE TO BE EFFECTIVE IT MUST BE RECORDED BEFORE 10:00am
(BRISBANE TIME) MONDAY 28th NOVEMBER 2011

Your Address

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction on the form. Securityholders sponsored by a broker should advise your broker of any changes. **Please note, you cannot change ownership of your securities using this form.**

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 Appointment of Proxy

Indicate here who you want to appoint as your Proxy
If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chairman of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a security holder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- (a) complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) return both forms together in the same envelope.

STEP 2 Voting Directions to your Proxy

You can tell your Proxy how to vote

To direct your proxy how to vote, place a mark in one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

STEP 3 Sign the Form

The form **must** be signed as follows:

Individual: This form is to be signed by the securityholder.

Joint Holding: where the holding is in more than one name, all the securityholders must sign.

Power of Attorney: to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. **Please indicate the office held by signing in the appropriate place.**

STEP 4 Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below not later than 48 hours before the commencement of the meeting at **10:00 am (Brisbane time) on Wednesday, 30th November 2011**. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxies may be lodged:

BY MAIL - Share Registry – Equity Financial Trust Company, ATT Proxy Department
200 University Avenue, Suite 400, Toronto, Ontario M5H 4H1 Canada

BY FAX - + 1-416-595-9593

IN PERSON - Share Registry – Equity Financial Trust Company, ATT Proxy Department
200 University Avenue, Suite 400, Toronto, Ontario M5H 4H1 Canada

Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

STEP 1 - Appointment of Proxy

I/We being a member/s of Orocobre Limited and entitled to attend and vote hereby appoint

the Chairman of the Meeting (mark with an OR

If you are not appointing the Chairman of the Meeting as your proxy please write here the full name of the individual or body corporate (excluding the registered Securityholder) you are appointing as your proxy.

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy at the **Annual General Meeting of Orocobre Limited to be held at The Mayflower Room, Christie Conference Centre, 320 Adelaide Street, Brisbane QLD 4000 on Wednesday the 30th of November 2011 at 10:00am (Brisbane time)** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

If the Chairman of the Meeting is appointed as your proxy or may be appointed by default, and you do not wish to direct your proxy how to vote in respect of resolutions 1 & 5 to 11, please mark this box. By marking this box, you acknowledge that the Chairman of the Meeting may vote as your proxy even if he has an interest in the outcome of the resolution and votes cast by the Chairman of the Meeting for those resolutions, other than as proxy holder, will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chairman of the Meeting will not cast your votes on the resolution and your votes will not be counted in calculating the required majority if a poll is called. By marking this box I/we acknowledge the Chairman of the Meeting can exercise my/our proxy even though he has an interest in the outcome of the resolution and unless a specific voting direction has been specified below, the Chairman of the Meeting is directed to vote in accordance with his voting intention as set out below.

The Chair will vote all undirected proxies in favour of resolutions 1 & 5 to 11.

This proxy is solicited on behalf of management of Orocobre Limited.

STEP 2 - Voting directions to your Proxy – please mark to indicate your directions

RESOLUTION	For	Against	Abstain	RESOLUTION	For	Against	Abstain
1. Adoption of the Directors Remuneration report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7. Grant of Options to John Gibson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Re-election of Mr James Calaway as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	8. Grant of Options to Courtney Pratt	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Re-election of Mr Neil Stuart as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9. Grant of Options to Fernando Oris de Roa	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Ratification of Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10. Grant of Options to Federico Nicholson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Approval of Employee and Officer Share Option Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11. Grant of Options to Neil Stuart	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Grant of Options to James Calaway	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

In addition to the intentions advised above, the Chairman of the Meeting intends to vote undirected proxies in favour of each of the items of business.

*If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

STEP 3 - PLEASE SIGN HERE This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Securityholder 1

Securityholder 2

Securityholder 3

Sole Director and Sole Company Secretary

Director

Director/Company Secretary

Contact Name

Contact Daytime Telephone Date / / 2011