

ASX ANNOUNCEMENT

SIGNIFICANT EXPANSION OF LAND HOLDINGS AROUND OLARAZ LITHIUM-POTASH PROJECT

HIGHLIGHTS

- Orocobre acquires approximately 41,000 hectares of land at its Salar de Olaroz Lithium-Potash Project, increasing its tenement holdings to approximately 53,000 hectares.
- The acquisitions nearly double, to 14,000 hectares, the area of salar nucleus and salar margins held by the company. These areas, particularly the salar nucleus, are prospective for sub-surface lithium and potassium brines. The salar nucleus was increased by 35% to 10,000 hectares and 4,000 hectares of salar margins were added.
- The new areas are extensions and are contiguous to the existing Olaroz inferred resource of 350 million kilolitres (kL) of brine at 800g/kL lithium and 6,600g/kL potassium, representing 1.5 million tonnes of lithium carbonate and 4.4 million tonnes of potash and highlight the potential to increase the near surface resource during the Definitive Feasibility Study.
- The acquisitions are also strategically located around the Salar de Olaroz and provide development optionality and flexibility for the location of processing plant, support infrastructure, improved access via Provincial Route 70 and potentially access to additional high quality water supplies.

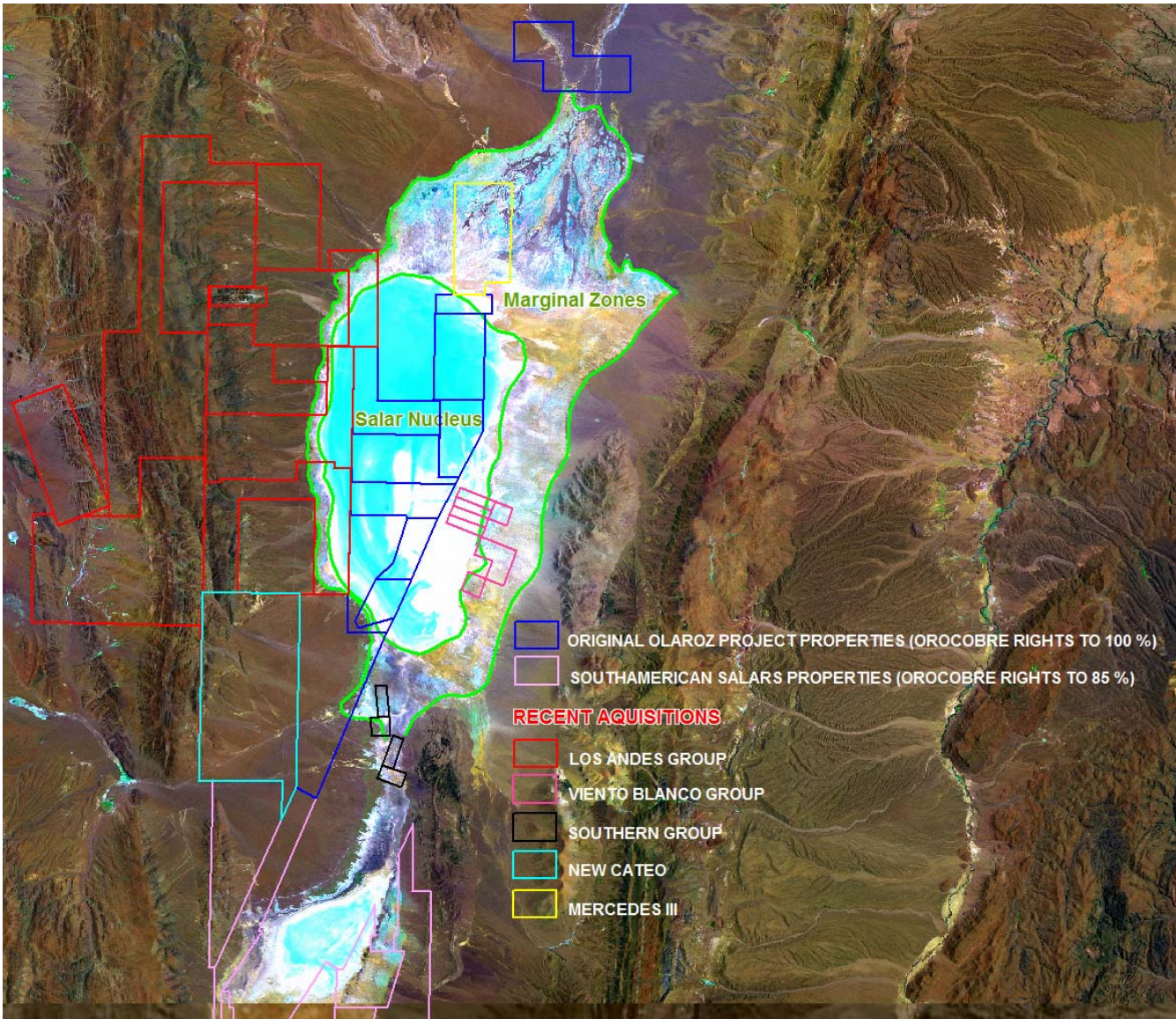
The Directors of Orocobre Ltd (“Orocobre”) are pleased to announce completion of a number of strategic purchases and purchase contracts on approximately 41,000 hectares of properties around its Olaroz Lithium-Potash project in Argentina.

STRATEGY

Orocobre’s strategy has been to grow its land position around the Olaroz Lithium-Potash project by the acquisition of 1) areas which are prospective for additional lithium-potash mineralised brines surrounding the current Olaroz inferred resource 2) ground which will enhance the development options of future plant or infrastructure and improve project access, and 3) ground which will allow drilling and geophysical studies to be undertaken to allow a basin hydro-geological model to be developed.

Recent acquisitions have delivered on this strategy and provide the following strategic benefits to Olaroz:

- Increase target exploration areas under control, especially on the areas adjacent to the current inferred resource. The larger surface area provides opportunities for resource extensions around the current Olaroz resource and increased target dimensions beneath the current shallow resource, where limited past drilling has highlighted potential aquifers;
- Provide increased ground area, optionality and flexibility with regard to the location of processing and supporting infrastructure including, solar evaporation ponds, and the lithium-potash plant;
- Direct access to the Provincial Route 70, along the entire western side of the Olaroz salar which leads to Route 40 and then to world’s primary lithium export port of Antofagasta in Chile; and
- Provide ground areas outside the salar nucleus and in the immediate surrounds that can be used for technical drilling and geophysical assessment activities as part of the Definitive Feasibility Study. This is necessary to develop a basin wide hydro-geological model, necessary to estimate future extractable reserves from the resource.



Details of the three major tenement areas acquired are given below. In addition, some smaller leases have been acquired to the south of Olaroz and an application has been made for an exploration license to the south-west.

The Los Andes Group

The Los Andes acquisition comprises a series of tenements situated to the north west of Olaroz. The Los Andes acquisition adds significant potential to expand the mineral resources on the western margin of the Olaroz by providing:

- Approximately 3,600 hectares of salar nucleus and margins prospective for lithium-potash brines which forms the western contiguous margin of the current Olaroz resource;
- Large areas of non-salar ground which has been identified as a potential future development site for the Olaroz processing plant and supporting infrastructure;
- Access to Provincial Route 70 over the length of the salar. This leads to Route 40 which is the main sealed highway to the port of Antofagasta in Chile; and,
- Access to additional and potential high-quality, fresh water supplies from the perennial springs in the hills to the west.

In addition, the Los Andes Group properties contain a potential alluvial gold exploration target down slope from historical hard rock mine workings on the northwest margin of the Olaroz salar. A recent due diligence of historical exploration activities indicates the potential for high alluvial grades over extended areas, and additional hard rock gold and silver targets have been identified in the hills. Orocobre intends to farm-out the gold and silver targets to reduce the acquisition cost of the tenements, but retain the rights to exploit water resources on the tenements.

The four year option to purchase contract provides for regular six monthly payments and a final purchase price of US\$1.4 million. The first payment of US\$150,000 was made in November 2009. There are no royalties associated with the contract and when completed, the Company will be entitled to full surface rights over the project area.

MERCEDES 111

Mercedes 111 is located on the northern side of Olaroz in the delta of the Rio Rosario, and covers approximately 1,700 hectares of salar margins prospective for mineralised brines. The area was purchased for US\$300,000. There are no royalties

associated with the purchase, and the company is entitled to full surface rights and access to all minerals.

VIENTO BLANCO

The Viento Blanco Group is a tract of tenements located on the east side of Olaroz covering approximately 900 hectares of salar nucleus and margins. The area was being mined for borates at the time of the purchase, but the small-scale mining operations have now ceased. The acquisition includes a field camp, storage areas, and some plant and equipment that is currently being used by Orocobre for its exploration and development activities for the Definitive Feasibility Study.

The area was purchased for US\$300,000. There are no royalties associated with the purchase and the company has full surface rights to access to all minerals.

Managing Director, Richard Seville, said,

“Through the acquisition of properties on the western side of Olaroz and the other strategic acquisitions we have almost doubled our prospective exploration areas to approximately 14,000 hectares. With this increase, we expect to significantly increase our resource at Olaroz during the current exploration drilling programmes as part of the Definitive Feasibility Study. Moreover, there is increased upside for discoveries of new mineralised zones at depth. In addition we have provided ample areas for development and operational flexibility”

“Although not the main objective, we have also, with the Los Andes Group, acquired the rights to both significant alluvial and hard rock gold exploration targets associated with old workings. Orocobre remains solely focussed on its lithium-potash salar properties, and will be pursuing a joint venture partner to manage and fund exploration and development of these gold and silver targets until the properties can be separated.”

For and on behalf of the Board

Paul Crawford

Company Secretary

For further information contact:

Corey Nolan, Corporate Development Manager

Phone: (07) 3871 3985

E-Mail: mail@orocobre.com.au

Website: www.orocobre.com.au

Competent Persons Statement

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Richard Seville who is a member of the Australasian Institute of Mining and Metallurgy. Mr Seville is an executive of Orocobre Limited and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as Competent Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.' Mr Seville consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.