

22 May 2009

ASX ANNOUNCEMENT

Notice to Option Holders

The attached letter has today been dispatched to all Option Holders of Orocobre Limited.

For and on behalf of the Board

Paul Crawford
Company Secretary

For further information contact:
Richard Seville
Phone: 0419 916338
E-Mail: admin@orocobre.com.au

Website: www.orocobre.com.au

22 May 2009

Dear Sir or Madam,

Re: Orocobre Limited – Notice to Option Holder

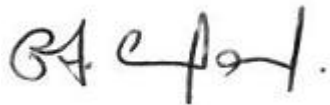
The Option Register for Orocobre Limited (**Company**) indicates that you are a holder of options to acquire ordinary shares in the capital of the Company (**Options**).

Notice is given to you that the Company intends to undertake a non renounceable pro-rata rights issue of new shares (**Rights Issues**), available for subscription by existing holders of ordinary shares in the Company on the basis of one (1) new share for every eight (8) existing shares held in the Company (**New Shares**). The new shares will have an issue price of \$0.38 per New Share.

As an Option Holder, you are entitled to participate in the issue of New Shares under the Rights Issue **only if you exercise your existing (vested and capable of being exercised) options** prior to the record date selected by the Company for determining entitlements to participate in the New Share issue, being 3 June 2009 (**Record Date**).

The Rights Issue is being made pursuant to a prospectus prepared in accordance with section 713 of the *Corporations Act 2001 (Cth)*. The Prospectus will contain detailed information about the Rights Issue and the effect of the Rights Issue on the Company. The Company will send the Prospectus to all eligible shareholders on 9 June 2009.

Yours faithfully
Orocobre Limited



Paul Crawford
Company Secretary