

23 December 2009

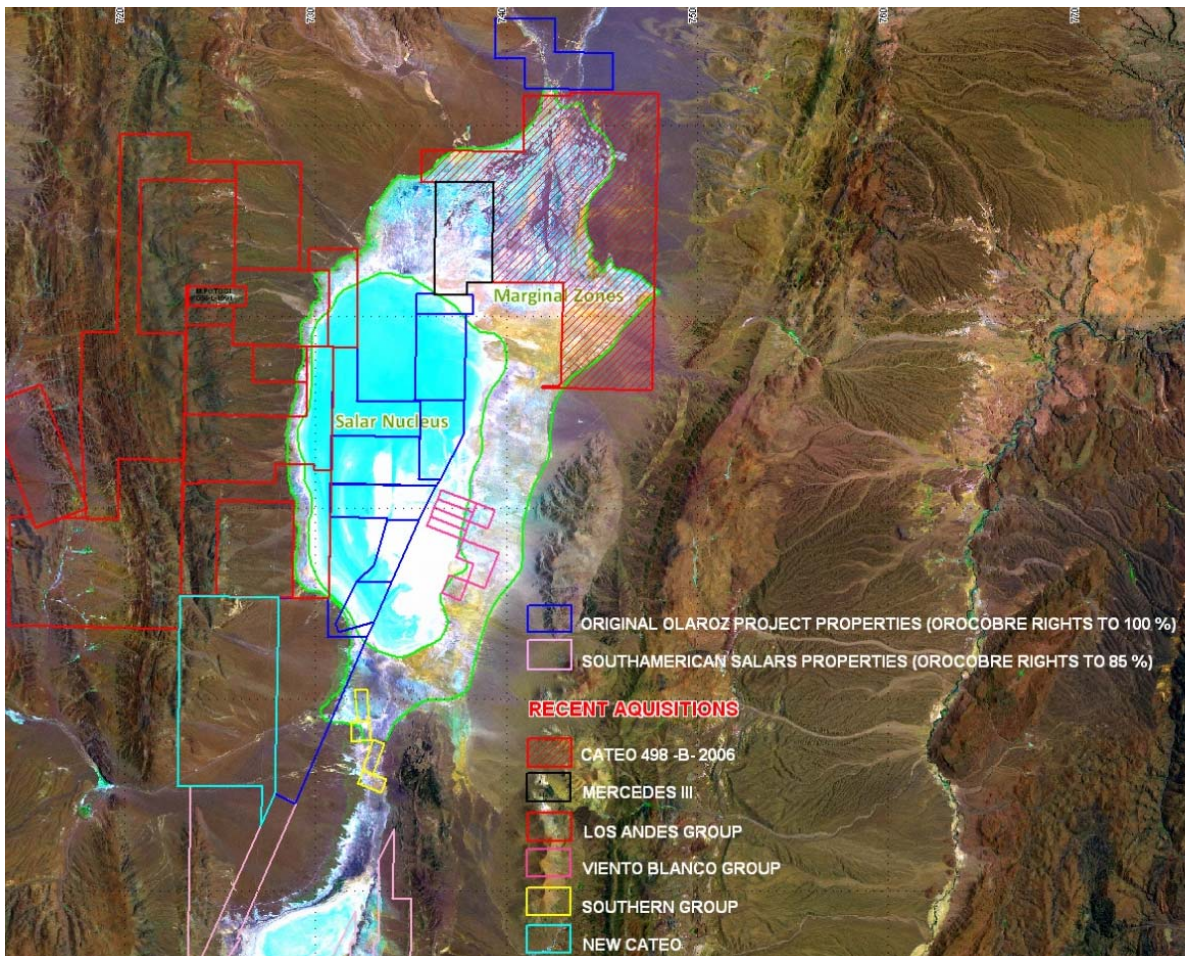
ASX ANNOUNCEMENT

SIGNIFICANT EXPANSION OF LAND HOLDINGS AT THE OLAROZ LITHIUM-POTASH PROJECT

- **Orocobre expands position through the acquisition of approximately 11,250 hectares at its Salar de Olaroz Lithium-Potash Project.**
- **The acquisition increases by 50% to nearly 21,000 hectares the area of salar nucleus and salar margins held by the company. These areas, in particular the nucleus, are prospective for near surface lithium and potassium brines.**
- **The new area is adjacent to the current Olaroz inferred resource to 55m of 350 million kL of brine at 800g/kL lithium and 6,600g/kL potassium (equivalent to 1.5 million tonnes of lithium carbonate and 4.4 million tonnes of potash) on which the Company is undertaking a Definitive Feasibility Study.**

The Directors of Orocobre Ltd (“Orocobre”) are pleased to announce it has entered into a contract to purchase a property of approximately 11,250 hectares at its Olaroz Lithium-Potash project in Argentina.

The acquisition increases by over 50%, to 21,000 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 consideration under the contract is US\$750,000 to be paid on transfer of the property. In the event of commercial production from the Olaroz project there will also be a royalty of US\$100,000 per annum. The company has the option to purchase the royalty at any time for US\$1,000,000. In addition, the vendor retains a right to

exploit the properties for borates subject to a number of conditions which include the primacy of Orocobre's interests.

For and on behalf of the Board

Paul Crawford
Company Secretary

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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 a Director of Orocobre Ltd and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are 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.