

27 March 2008

ASX ANNOUNCEMENT

OLAROZ LITHIUM PROJECT - SAMPLING

COMMENCES

The Directors of Orocobre Ltd are pleased to announce that the first sampling programme has commenced at the Olaroz Lithium project in the Jujuy province in north-west Argentina.

The programme involves the excavation of approximately 30 pits to a depth up to 2m on a 1km by 2km grid pattern. The brines that flow into the pits are then sampled after any sediment has settled out. The surface of the salt lake will also be mapped geologically.

As opposed to most exploration projects the main target at Olaroz are elements in solution in the residual salt brines within the salt lake. The principal target is lithium but other metals such as potassium are also present in significant quantities.

Sampling by University and NGO programmes in the past has indicated attractive grades of 900ppm lithium and 0.6% potassium. Previous sampling has also shown low levels of calcium, magnesium and sulphate which, if confirmed, would be beneficial for mineral processing.

Programme Forward

After completion of the pitting programme, a drilling programme will be undertaken to allow solutions to be sampled over the depth profile of the salt lake and preliminary

pump tests to be undertaken to determine hydrogeological characteristics. This programme is expected to be undertaken in the September quarter and will allow the estimate of resources to be undertaken together with a scoping study for the project prior to years end.

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 Messrs Richard Seville who is a member of the Australian 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 consent to the inclusion in the report of the matters based on his information in the form and context in which it appears.

About Orocobre Limited

Orocobre Limited is an Argentinean focused exploration company with a portfolio of large target, high quality exploration projects. These projects target lithium, gold copper, molybdenum, silver and zinc.

The Olaroz lithium project is in Jujuy province in north-west Argentina where the company is assessing a mineralised salt lake target with an exploration target in the order of 280,000 to 370,000 tonnes of lithium metal contained in solution. This target resource is based on the estimated potential volume of the salt lake, an assumed porosity of 10% , and solution grades from previous sampling. This target would produce 1.5 to 2 million tonnes of lithium carbonate based on a conversion rate of 1 tonne of lithium metal in solution is equivalent to 5.32 tonnes of lithium carbonate product.

The Santo Domingo project area is targeted for very large porphyry-style copper-gold-molybdenum and porphyry-style gold deposits, in the range of 100's of millions of tonnes within a zone of porphyry style mineralisation. Porphyry targets are by their nature inherently very large and commonly in the order of 100 million tonnes to +1,000 million tonnes. There is also potential for epithermal systems such as at the recently acquired Marayes area at the south of the Sierra. The company also has tenements in La Pampa (two projects) targeting low level epithermal silver-zinc and I.O.C.G. (iron oxide-copper-gold) type copper-gold – possible uranium orebodies.*

These quantities are conceptual in nature as there has been insufficient exploration to define a Mineral Resource to a JORC standard and it is uncertain if further exploration will result in the determination of a Mineral Resource.*