ASX/TSX Announcement 21 November 2011

Orocobre Completes Grid Auger Drilling at Salinas Grandes Lithium-Potash Project

Highlights

- **Follow up auger drilling program completed at the Salinas Grandes Lithium-Potash Project, with an average hole spacing of 1.7 km.**
- **Auger drilling has defined the shallow stratigraphy and areas of higher permeability (sand).**
- **Auger drilling results average 9,950 mg/l K, 825 mg/l Li and 2,226 mg/l Mg, with a Mg/Li ratio of 2.7 over an average hole depth of 9.6 m.**
- **Results confirm the lithium grades and distribution in previous Orocobre pit sampling and in the upper zone intersected with the recent diamond drilling.**
- **Brine chemistry is attractive, with a low Mg/Li ratio, high K/Li ratio and low sulphate and calcium levels. High recoveries of both potassium and lithium could be expected using a simple, low operating cost, process route.**
- **Porosity results received from the British Geological Survey show similar values to the Olaroz project for the same sediment types. Pump testing is underway on auger holes and two, 8 inch diameter test wells.**
- **Resource modeling has commenced. Guidance on brine extractability will be provided with the resource estimate.**

OROCOBRE LIMITED ABN 31 112 589 910. Level 1, 349 Coronation Drive, Milton, QLD 4064
TELEPHONE +61 7 3871 3985 FACSIMILIE +61 7 3720 8988 EMAIL mail@orocobre.com.au
WEBSITE www.orocobre.com.au

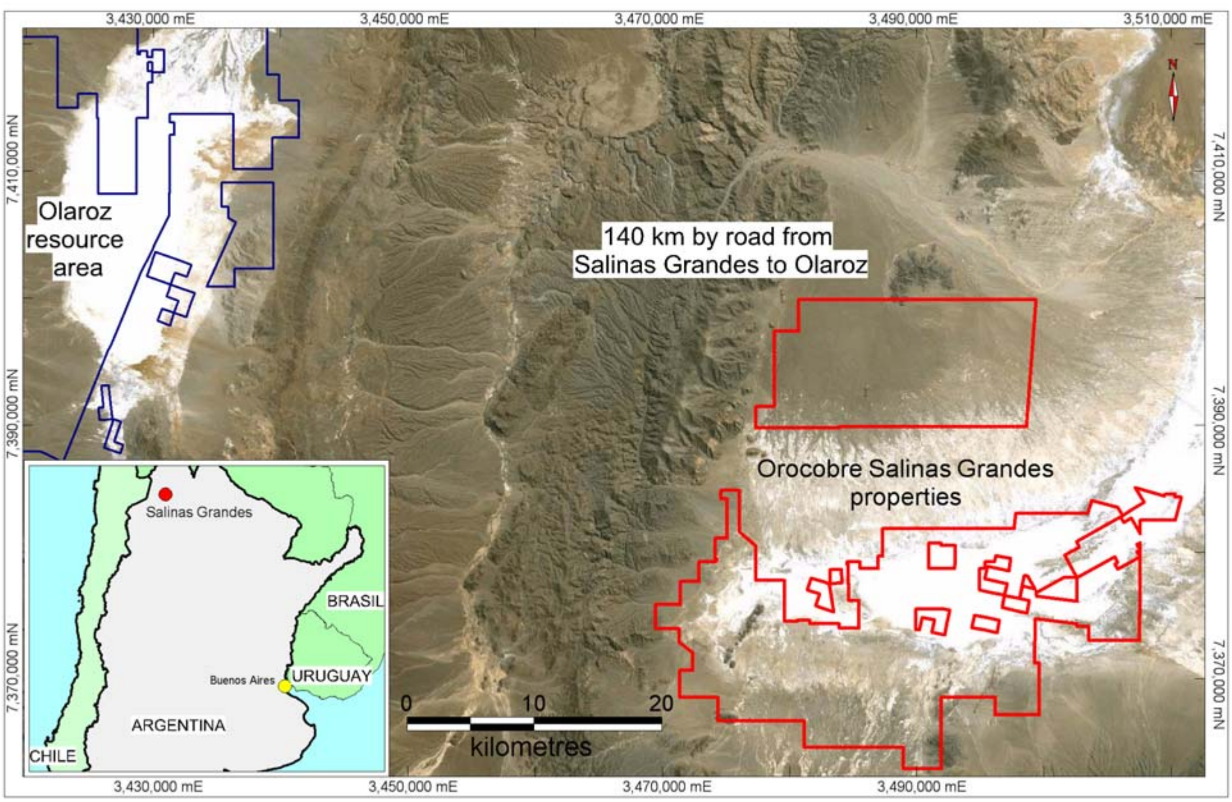
Orocobre Limited (ASX: ORE; TSX: ORL) (the Company or Orocobre) is pleased to announce the completion of a grid auger drilling program on the Salinas Grandes Lithium-Potash project ("Salinas Grandes") in Salta Province, North West Argentina as shown Figure 1 and is available on http://www.orocobre.com/Maps/Salinas_Olaroz_Fig1_16Nov11.jpg

Orocobre Managing Director, Richard Seville, stated "We are pleased to have the additional level of information from the auger drilling program at Salinas Grandes. This complements the previous diamond drilling, increases the density of sample points and provides a solid information base for resource modeling".

"We have received the results of specific yield porosity determinations made at the British Geological Survey Laboratories. These results are very similar to those at our Olaroz project for the same sediment types and will be used in the resource estimate."

"Pump testing of the auger drill holes is underway to provide information on variations in permeability and flow rates across the salar. Two pumping test installations with 8 inch bore holes have been drilled to allow the undertaking of longer term constant flow rate tests. This information will be used to assess the extractability of the brine, with guidance on this aspect of the project to be provided at the same time as the resource estimate."

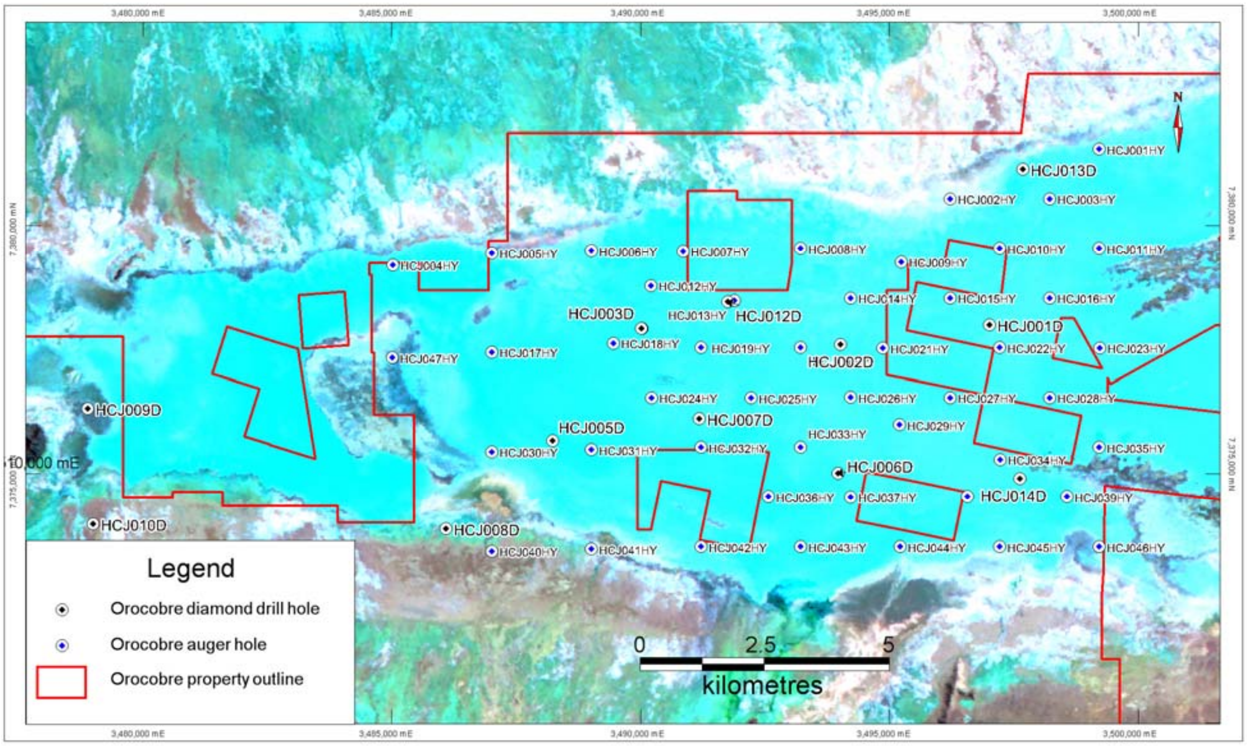
Figure 1: The location of the Salinas Grandes and Olaroz projects in northern Argentina



Auger Drilling Results

A total of 47 solid stem auger holes were drilled on a north–south oriented grid, with an average spacing of 1.7 km between drill holes. Holes were drilled vertically to depths of 2m to 20 m, depending on access conditions within the salar. Geological samples were logged and results compiled on geological sections, which show a significant increase in sand on the northern margins of the salar, where sand has been sourced from the northern alluvial fan. Locations of the auger holes are shown in Figure 2 below and is available on http://www.orocobre.com/Maps/Salinas_Fig2_16Nov11.jpg

Figure 2: The location of auger drill holes at Salinas Grandes within the Orocobre tenements



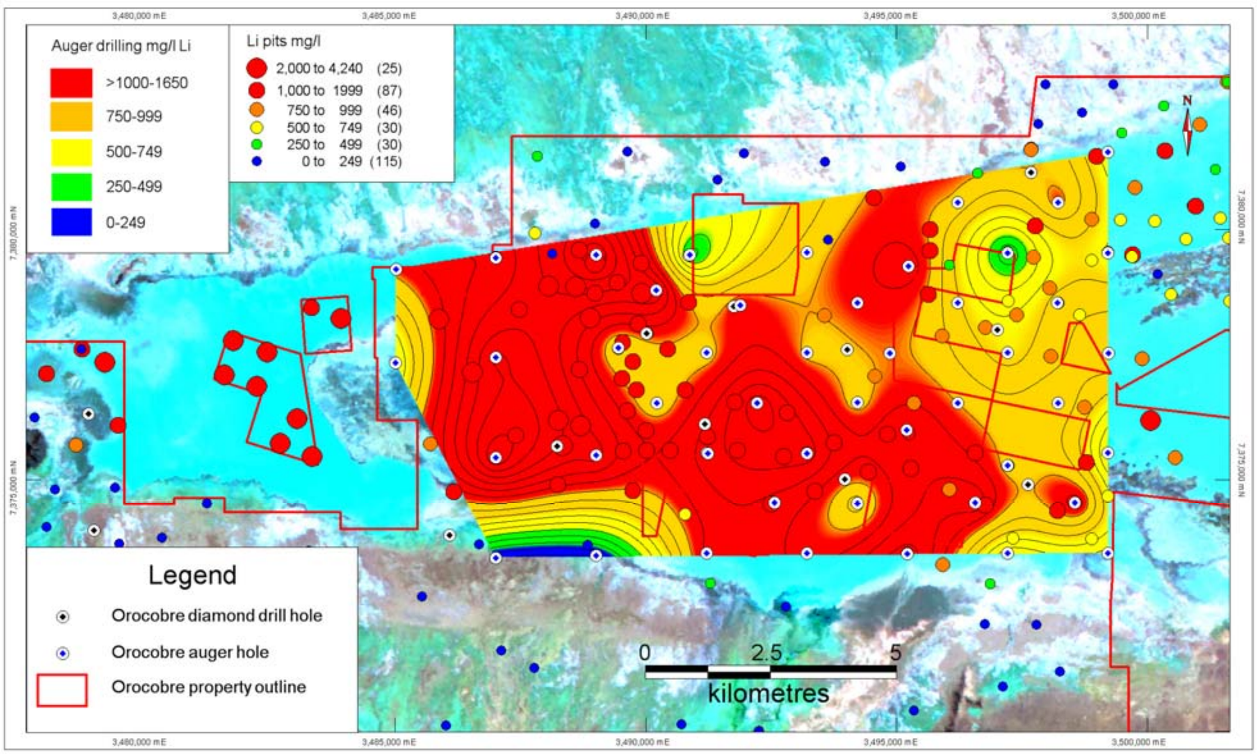
Samples were collected during the drilling by bailing brine from the hole every 4 metres (and at 2 m in 4 m deep holes). The upper 4 m sample is representative of the interval 0-4 m, the deeper samples (4-8 m, 8-12 m, 12-16 m, 16-20 m) are composites from the hole to the depth at the point of sampling. Average results for each auger hole are presented in Table 1.

It should be noted the composite values are influenced by the lithium concentrations in each lithological unit and the permeability of individual lithological units, with higher permeability units influencing brine sample compositions more than lower permeability units. The shallow brine body occurs over an area of approximately 170 square kilometres, of which approximately 110 square kilometres are located within Orocobre's properties.

Samples in the shallow brine body exhibit attractively low Mg/Li ratios, averaging 2.7 for all samples, with lithium values from 0-4 m samples shown in Figure 3. Sulphate levels are low, ranging from 947 mg/l on the margins of the salar to an isolated maximum of 11,978 mg/l within the salar, with an average of 3,628 mg/l. Within the zone of >1,000 mg/l Li in the 0-4 m samples sulphate averages 3,572 mg/l.

The shallow brine body is hosted in a sequence of sand, silt and clay units, with an increase in sand content in the north of the salar. Halite is limited to a maximum thickness of 0.5 m from surface in the center-south of the salar. The elevated lithium brine concentrations encountered during auger sampling correlate well with the distribution of elevated lithium values from previous pit sampling as shown in Figure 3 below and is available at http://www.orocobre.com/Maps/Salinas_Fig3_16Nov11.jpg

Figure 3: Gridded lithium values from 0-4 m samples



Resource estimation and porosity/permeability measurements

Specific yield porosity determinations have been received for cores samples analysed by the British Geological Survey. The results are similar to those obtained at the company's Olaroz project for the same types of sediments.

The specific yield porosity data, auger drilling and previous diamond drilling results will be used to undertake a resource estimate on the shallow brine body. Guidance on the potential for extraction of the brine will be released with the resource estimate.

Quality Assurance/ Quality Control

Auger drilling was conducted with 110 mm diameter solid stem augers, without use of drilling fluids. Sediment samples were collected from the augers and geologically logged, with samples preserved in chip boxes. Single valve steel bailers were used to obtain brine samples once drill holes were purged of water.

Brine samples were submitted to Alex Stuart Assayers (ASA) in Mendoza, Argentina. This ASA laboratory has extensive experience analyzing lithium bearing brines. They are ISO 9001 accredited, and operate according to Alex Stewart Group standards consistent with ISO 17025 methods at other laboratories.

Laboratory prepared standards were submitted in all sample batches sent to ASA, with a minimum of one standard every 5 primary samples. Three standards with different ranges were used to evaluate laboratory performance. Duplicate samples were submitted with one duplicate every ten primary samples.

Overall the analyses are considered to be of acceptable quality, based on the results of the QA/QC samples. The results have been verified by Murray Brooker, Geological and Hydrogeological Consultant, who is a Qualified Person as defined in NI 43-101.

For more information please contact:

Richard Seville
Managing Director
Orocobre Limited
M +61 419 916 338

Bruce Rose
VP- Corporate Development
Orocobre Limited
M + 1 (604) 377 1423
E. brose@orocobre.com

About Orocobre Limited

Orocobre Limited is listed on the Australian Securities Exchange and Toronto Stock Exchange (ASX:ORE, TSX:ORL) and is the leading lithium-potash developer in the lithium and potassium rich Puna region of Argentina. For further information, please visit www.orocobre.com.

Competent Person's and Qualified Person's Statement

The technical information in this announcement has been prepared by Murray Brooker. Murray Brooker is a geologist and hydrogeologist and is a Member of the Australian Institute of Geoscientists. Murray has sufficient relevant experience to qualify as a competent person as defined in the 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. He is also a "Qualified Person" as defined by Canadian Securities Administrators' National Instrument 43-101. Murray Brooker consents to the inclusion in this announcement of this information in the form and context in which it appears.

Additional information relating to the Company's Salinas Grandes project is available in the existing technical report entitled "Technical Report – Salinas Grandes Project, Argentina" dated April 30, 2010, which was prepared by John Houston, and in the Company's press release.

Caution Regarding Forward-Looking Information

This report contains "forward-looking information" within the meaning of applicable securities legislation. Forward-looking information contained in this report may include, but is not limited to, the estimation and realization of resources at the Salinas Grandes project, the viability, recoverability and processing of such resources, potential operating synergies between the Salinas Grandes project and the Olaroz project, and other matters related to the development of the Salinas Grandes project.

Such forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause actual results to be materially different from those expressed or implied by such forward-looking information, including but not limited to the risk that further funding may be required, but unavailable, for the ongoing development of the Company's projects; changes in government regulations, policies or legislation; fluctuations or decreases in commodity prices; the possibility that required permits may not be obtained; uncertainty in the estimation or economic viability of mineral resources; general risks associated with the feasibility and development of the Salinas Grandes project; unexpected capital or operating cost increases; the risk that a definitive joint venture agreement with Toyota Tsusho Corporation in respect of the Company's Olaroz project may not be completed; uncertainty of meeting anticipated program milestones; as well as those factors disclosed in the Company's Annual Information Form for the year ended June 30, 2010 filed at www.sedar.com.

The Company believes that the assumptions and expectations reflected in such forward-looking information are reasonable. Assumptions have been made regarding, among other things: the Company's ability to carry on its exploration and development activities, the timely receipt of required approvals, the prices of lithium and potash, the ability of the Company to operate in a safe, efficient and effective manner and the ability of the Company to obtain financing as and when required and on reasonable terms. Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used.

There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

Table 1: Drilling results as averages per hole

Hole ID	From	To	Intersection (m)	K mg/l	Li mg/l	Mg mg/l	Mg/Li
HCJ001HY	0	12	12	6,336	548	1,223	2.2
HCJ002HY	0	4	4	10,887	1098	2,698	2.5
HCJ003HY	0	12	12	8,958	684	1,700	2.5
HCJ004HY	0	4	4	10,284	962	2,319	2.4
HCJ005HY	0	4	4	13,872	1107	2,620	2.4
HCJ006HY	0	4	4	18,553	1601	4,889	3.1
HCJ007HY	0	8	8	4,289	257	494	1.9
HCJ008HY	0	8	8	7,910	558	1,249	2.2
HCJ009HY	0	12	12	12,647	1049	2,632	2.5
HCJ010HY	0	16	16	2,888	181	338	1.9
HCJ011HY	0	12	12	7,894	599	1,648	2.8
HCJ012HY	0	12	12	13,831	1117	3,008	2.7
HCJ013HY	0	16	16	8,342	752	2,103	2.8
HCJ014HY	0	12	12	7,946	733	2,119	2.9
HCJ015HY	0	12	12	9,398	714	1,790	2.5
HCJ016HY	0	20	20	9,251	744	2,104	2.8
HCJ017HY	0	4	4	17,959	1546	4,691	3.0
HCJ018HY	0	4	4	9,378	775	2,042	2.6
HCJ019HY	0	8	8	9,711	747	2,079	2.8
HCJ020HY	0	12	12	9,994	822	2,168	2.6
HCJ021HY	0	13	12.5	10,827	868	2,587	3.0
HCJ022HY	0	12	12	7,187	539	1,498	2.8
HCJ023HY	0	13	12.5	10,072	809	2,409	3.0
HCJ024HY	0	12	12	9,502	784	1,763	2.2
HCJ025HY	0	12	12	14,735	1356	3,714	2.7
HCJ026HY	0	16	16	9,804	816	2,148	2.6
HCJ027HY	0	12	12	8,852	705	1,744	2.5
HCJ028HY	0	12	12	10,434	878	2,396	2.7
HCJ029HY	0	12	12	8,472	702	1,775	2.5
HCJ030HY	0	4	4	18,459	1608	5,034	3.1
HCJ031HY	0	12	12	15,906	1243	3,625	2.9
HCJ032HY	0	12	12	13,049	1136	3,123	2.7
HCJ033HY	0	12	12	10,990	969	2,590	2.7
HCJ034HY	0	8	8	10,133	858	2,292	2.7
HCJ035HY	0	12	12	6,702	343	496	1.4
HCJ036HY	0	12	12	11,638	1043	2,631	2.5
HCJ037HY	0	12	12	9,450	759	1,744	2.3
HCJ038HY	0	12	12	12,846	1089	3,313	3.0
HCJ039HY	0	12	12	13,282	1079	3,259	3.0
HCJ040HY	0	2	2	131	10	38	3.7
HCJ041HY	0	4	4	333	15	80	5.4
HCJ042HY	0	4	4	12,664	1035	2,961	2.9
HCJ043HY	0	13	12.5	11,896	992	3,223	3.2
HCJ044HY	0	4	4	13,070	1267	3,605	2.8
HCJ045HY	0	4	4	6,024	417	806	1.9
HCJ046HY	0	4	4	6,862	467	934	2.0
HCJ047HY	0	2	2	4,103	478	916	1.9
Average shallow body			9.6	9,950	825	2,226	2.7