

ASX/TSX ANNOUNCEMENT

27 May 2011

PROGRESS WITH OLAROZ FINAL APPROVALS PROCESS

Highlights

- **Committee of Experts has been convened and is meeting regularly**
- **Olaroz Project being reviewed**
- **Local community has expressed strong support of Olaroz Project and is encouraging authorities to provide final approval**
- **Community benefits of the Olaroz Project have been recognised, including employment, health and education**
- **Orocobre pleased with progress and it's engagement with government authorities**

Orocobre Limited (ASX: ORE, TSX: ORL) (the Company or Orocobre) is pleased to report progress on the approvals process for its flagship lithium-potash project, Salar de Olaroz (Olaroz Project).

The secondary approval process in the province of Jujuy has been underway for sometime. The Committee of Experts was constituted and is meeting regularly. Following a process of "fact finding" about the sector in general the committee and the Ministry of Production have been engaged on reviewing the Olaroz Project. The committee members have visited the project site and the Company has been providing information to them regarding the project and the sector in general.

Representatives of the communities in proximity to the project have, on 24th May provided written support of the Olaroz Project to the provincial Minister of Production. The document expresses the strong desire that the Olaroz Project receives all requisite approvals to allow commercial production to commence.

The local community has highlighted their strong support of the commercial exploitation of lithium and their satisfaction with Orocobre, the Project and Orocobre's contribution to the local community. In a letter addressed to the Minister of Production, the community recognised Orocobre's assistance to the community in the areas of employment, health and education and have noted that at least 40 local families are reliant upon the project's future.

To the Company's knowledge, no opposition to the Olaroz Project has been lodged with the provincial Minister of Production or the Committee of Experts.

Orocobre Managing Director, Mr. Richard Seville said he was pleased with the status of the secondary approvals process.

"We are encouraged by the progress that has been reached in the secondary approvals process so far, and we are optimistic we will receive the approval within a reasonable timeframe," Mr Seville said.

"We have been working closely with the local community for many years now, particularly in areas of health, education and employment and have always been confident that strong local community support exists for our Project."

"Representatives of the community recently documented their support by writing to the Minister of Production stating that they want the project to go ahead to allow all communities in the region to have a better future."

"Orocobre has had positive experience with the provincial government during the EIS approvals process and will continue to work closely with the provincial government and the Committee of Experts towards securing final approval for the Olaroz Project.

"In parallel with the secondary approvals process, we are working closely with partner Toyota Tsusho to finalise due diligence and financing for the project. As such, the receipt of these secondary approvals is not currently delaying the project."

Orocobre recently delivered the results of definitive Feasibility Study for Olaroz which highlighted the strong project fundamentals, low operating costs and a very large resource base to underpin a long project life.

Orocobre's second major project, Salinas Grandes, is in Salta Province and is therefore not subject to this secondary approvals process.

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Company Secretary

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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 Lithium Province of Argentina.

For further information, please visit www.orocobre.com.

This new release contains forward-looking information within the meaning of applicable Canadian securities legislation. Specifically, this press release contains forward-looking statements relating to the use of proceeds of the offering. The forward looking statements are based on certain key expectations and assumptions made by Orocobre, including assumptions concerning the timing of development, construction, and production from the Salar de Olaroz project, which expectations and assumptions management of Orocobre believes to be reasonable at this time. Although Orocobre believes that the expectations and assumptions on which such forward –looking statements are based are reasonable as of the date of this news release, undue reliance should not be placed on the forward – looking statements and

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