

12 August 2010

ASX/TSX ANNOUNCEMENT

OROCOBRE APPOINTS SINCLAIR KNIGHT MERZ AS DEFINITIVE FEASIBILITY STUDY ENGINEERS

- **Orocobre appoints Sinclair Knight Merz as engineers for the Definitive Feasibility Study on the Salar de Olaroz lithium-potash brine project.**
- **Sinclair Knight Merz selected due to strong lithium brine processing credentials, direct Argentina experience and world class engineering and design capabilities.**

The Directors of Orocobre Ltd (ASX:ORE, TSX:ORL) are pleased to announce that the it has appointed Sinclair Knight Merz (“SKM”) as engineers for the Definitive Feasibility Study (“DFS”) on its flagship Salar de Olaroz lithium-potassium brine project.

SKM were chosen after an extensive selection process because of its lithium brine processing experience, direct experience in Argentina, and its recognized world class engineering design capabilities.. SKM will be responsible for the engineering design, and capital and operating cost estimates whilst Orocobre’s existing DFS team will continue to be responsible for the processing test work and flow sheet development as successfully undertaken over the past two years.

Orocobre Managing Director, Richard Seville, believes the appointment of such a highly regarded engineering group with direct experience in engineering and construction in Argentina will add great value to the Company’s Definitive Feasibility Study.

“This appointment is a very important step in the development of our Salar de Olaroz lithium-potassium brine project.” Mr Seville said.

“We expect SKM’s background in the design and construction management of FMC’s Salar de Hombre Muerto lithium operation in Argentina, coupled with experience at Salar de Atacama in Chile, will add significant value to our project.”

Walter Cantatore, General Manager, for SKM in South America added that “SKM is delighted to join the Orocobre team at the Salar de Olaroz project. Orocobre has assembled a high quality team of lithium professionals working to complete its DFS

and we look forward to taking the results of the last two years intensive work and, working together, moving the DFS to a rapid and successful conclusion.”

Orocobre expects to complete its Definitive Feasibility Study for the Salar de Olaroz Project in 1Q 2011.

Paul Crawford
Company Secretary

For more information please contact:

Australia and Asia

Richard Seville
Managing Director
Orocobre Limited
T +61 7 3871 3985
M +61 419 916 338

Gemma Young
FD Third Person
T: +61 8 9386 1233
M: +61 412 349 345
E: gemma.young@fdthirdperson.com.au

North America

James D. Calaway
Chairman
Orocobre Limited
T: +1 (713) 366-0301
M: +1 (713)-818-1457

Jessica Wagner
FD
T: +1 (312) 861 4707
M: +1 (646) 258 7439
E: Jessica.wagner@fd.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 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 information, as Orocobre can give no assurance that they will prove to be correct. Since forward-looking statements address future events and conditions, by their nature they involve inherent risks and uncertainties. The intended use of the proceeds of the offering by Orocobre may change if the board of directors of Orocobre determines that it would be in the best interests of Orocobre to apply the proceeds of the offering for some other purpose. The forward-looking statements contained in this news release are made as of the date hereof and Orocobre undertakes no obligation to update publicly or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws