

31 May, 2012

ASX/TSX ANNOUNCEMENT

OROCOBRE PROVIDES UPDATE ON OLAROZ PROJECT APPROVALS

Orocobre Limited (ASX: ORE, TSX: ORL) provides a brief update on its flagship lithium-potash Olaroz project in Jujuy, Argentina.

On 26 April, 2012, the Company announced that it was in discussions with Jujuy Energía y Minería Sociedad del Estado (“JEMSE”), the recently formed mining investment company owned by the provincial Government of Jujuy, concerning its participation in the Olaroz project. Since then, Orocobre has made significant progress in finalising the structure of the Company’s relationship with JEMSE. In addition, the Company continues to constructively engage with the Jujuy government concerning a limited number of matters required for final project approvals.

While the definitive timing to complete the approvals process is to a degree uncertain, the Company believes that the final approvals required to begin construction will be received in the near term.

Orocobre has now completed the construction engineering for the Olaroz bore-fields, ponds and related infrastructure in order to facilitate the start of construction once final governmental approvals are received and the Japanese financing is closed.

Further guidance will be provided, as it is available.

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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 region of Argentina. For further information, please visit www.orocobre.com.

Caution Regarding Forward-Looking Information

This news release contains “forward-looking information” within the meaning of applicable securities legislation. Forward-looking information contained in this release includes, but is not limited to, the JEMSE’s potential participation in the Olaroz Project, the potential receipt of final approval from the Government of Jujuy for the Olaroz Project, the completion of a definitive agreement between Orocobre and TTC and lending documentation with Mizuho and JOGMEC, the financing of the Olaroz Project, the commencement of construction at the Olaroz Project, and the timing of each of the foregoing.

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 of further changes in government regulations, policies or legislation; the possibility that required permits and leases, including approval from the Government of Jujuy in respect of the Olaroz Project, may not be obtained, or may be obtained only on terms and conditions that are materially worse than anticipated; a final agreement with respect to JEMSE’s participation in the project may not be reached, or may be reached only on terms and conditions that are materially worse than anticipated herein; that the financing of the Olaroz Project, and/or the return on investment at the Olaroz Project, will be materially and negatively impacted by the terms of JEMSE’s participation in the Olaroz Project; that further funding may be required, but unavailable, for the ongoing development of the Company’s projects; fluctuations or decreases in commodity prices; uncertainty in the estimation, economic viability, recoverability and processing of mineral resources; risks associated with construction and development of the Olaroz Project; unexpected capital or operating cost increases; uncertainty of meeting anticipated program milestones at the Olaroz Project; general risks associated with the feasibility and development of the Olaroz Project; as well as those factors disclosed in the Company’s Annual Information Form for the year ended June 30, 2011 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 timely receipt of required approvals and completion of agreements on reasonable terms and conditions; the ability of the Company to obtain financing as and when required and on reasonable terms and conditions; the prices of lithium and potash; and the ability of the Company to operate in a safe, efficient and effective manner. 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.