

4th January 2011

ASX/TSX ANNOUNCEMENT

Environmental Impact Statement for the Development and Exploitation of the Salar de Olaroz Lithium-Potash Project Approved

The Directors of Orocobre Ltd (ASX:ORE, TSX:ORL) are pleased to announce that the Company has received approval from the Jujuy provincial government of the Environmental Impact Statement for the development and exploitation of its Salar de Olaroz Lithium-Potash Project in Jujuy Province, northern Argentina.

The approval by the Provincial Director on Mines and Energy Resources was received by the company on 31st December following the recommendation by the Unit of Mining Environmental Management (“UGAMP”) on 12 November, 2010. UGAMP is a body comprised of twelve members representing various government departments, stakeholder groups and local communities. The development recommendation was fully supported by the local community of Olaroz Chico and other regional community leaders. As part of the approval, the Company must comply with various monitoring obligations, provide additional information on its planned construction works as the project design is finalised, and keep the local communities informed about its activities.

Subsequent to the recommendation of UGAMP, the Company also signed an access and compensation agreement with the local community of Olaroz Chico.

Orocobre Managing Director, Richard Seville, said. “We are delighted to have received approval of the EIS for the development and operation of our Olaroz project. This is a major milestone for the Company and is the key government approval. The project was fully supported by the local community and regional leaders.”

“We lodged our development and exploitation EIS with the government in May 2010 and are the first project to be assessed under new provincial government legislation. The fact that it only took six months whilst operating in a new approval system is a testament to the professionalism of our people and their documented work, coupled with the reputation we have developed with stakeholder groups over the last three years working in Jujuy.”

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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.