

**28 October 2011**

**ASX/TSX Announcement  
Orocobre Responds To New Argentine  
Foreign Currency Transfer Regulations**

**Orocobre Limited (ASX:ORE, TSX:ORL, “Orocobre” or the “Company”)** wishes to inform shareholders of the changes to foreign currency transfer regulations in Argentina.

The national Government of Argentina has announced via decree that export revenues from mining projects must be repatriated to Argentina and converted to Argentine currency prior to being distributed either locally or overseas. The payment for goods and supplies from overseas and the distribution of dividends will then require the Argentine currency to be converted to the foreign currency of the transmittal. This overturns the previous benefits provided by Argentina to oil and mining companies, in 2002 and 2003-04 respectively, that exempted them from the currency repatriation laws that apply to all other primary producers in the country.

A preliminary analysis of the decree by our legal counsel in Argentina indicates that it does not change the current regulations that allow, subject to the Argentinean central bank rules, the unlimited purchase and transfer of foreign currency to offshore destinations in consideration the purchase of equipment or supplies, debt repayment or dividend payments.

Orocobre will continue to investigate through its Argentine legal counsel and advisors any other implications on the financial and operational aspects of the Company that may arise from the new regulations.

In the meantime, the Company continues to advance the Olaroz project with the detailed engineering and is also undertaking exploration programs at Cauchari and Salinas Grandes Projects.

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**About Orocobre Limited**

Orocobre Limited is listed on the Australian Securities Exchange (ASX:ORE) and Toronto

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Stock Exchange (TSX:ORL) and is the leading lithium-potash developer in the lithium and potassium rich Puna region of Argentina. Orocobre recently delivered the results of a Definitive Feasibility Study for its flagship Olaroz Project which highlighted the strong project fundamentals, low operating costs and a very large resource base to underpin a long project life.

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***Caution Regarding Forward-Looking Information***

*This report contains “forward-looking information” within the meaning of applicable securities legislation. Forward-looking information may include, but is not limited to, the implications of the changes to foreign currency transfer regulations in Argentina that are described herein, the results of the feasibility study, the estimation and realization of mineral resources, the economic viability of such mineral resources, costs and timing of development of the Olaroz project, the Olaroz project’s future financial and operating performance including production, rates of return, operating costs, capital costs and cash flows, and other matters related to the foreign currency transfer regulations described herein or to the development of the Company’s projects.*

*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 there will be changes in government regulations, policies or legislation, including the foreign currency transfer regulations described in this press release, or changes in the interpretation or application thereof; the possibility that required permits or approvals may not be obtained; uncertainty in the estimation or economic viability of mineral resources; general risks associated with the project’s feasibility; risks associated with construction and development of the Olaroz project; unexpected capital or operating cost increases; the risk that a definitive joint venture agreement with Toyota Tsusho Corporation 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, 2011 filed at [www.sedar.com](http://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.*