

8 August 2011

OROCOBRE AWARDS DETAILED ENGINEERING CONTRACT TO SKM FOR SALAR DE OLARAZ PROJECT

Orocobre Limited (ASX: ORE) (TSX: ORL) today announced that it has awarded the detailed engineering contract for the Salar de Olaroz lithium-potash project to Sinclair Knight Merz ("SKM").

SKM has been involved in the Olaroz project for over a year and recently completed the engineering and cost estimates for the definitive Feasibility Study for the production of 16,400 tonnes per annum of battery grade lithium carbonate. SKM has significant industry experience, and is the only company that has ever designed and managed the construction of a complete lithium brine operation, one which was also in Argentina, at FMC's Salar de Hombre Muerto facility. SKM has also provided services to lithium projects in Chile.

Orocobre's Managing Director, Richard Seville, said, "We are pleased to be continuing our relationship with SKM in the development of the Olaroz project. SKM's world class capabilities, recognized industry expertise, and familiarity with operating in Argentina will add significant value to the project. Their intimate knowledge of this project should lead to a timely completion of this important work."

SKM is a leading engineering projects firm, with global capability in strategic consulting, design and delivery. It deploys 6,500 people from more than 40 offices in the Asia Pacific, the Americas, Europe, Middle East & African regions.

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About Orocobre Limited

Orocobre Limited is listed on the Australian Securities Exchange (ASX: ORE) and the Toronto Stock Exchange (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 report contains “forward-looking information” within the meaning of applicable securities legislation. Forward-looking information may include, but is not limited to, 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 forecasts relating to the lithium and potash markets provided by Roskill, timing and receipt of approvals, consents and permits under applicable legislation, adequacy of financial resources, production and other milestones for 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 development of the Olaroz project.

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 further funding may be required, but unavailable, for the ongoing development of the Company’s projects; changes in government regulations, policies or legislation; fluctuations or decreases in commodity prices; the possibility that required permits 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, 2010 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 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.