

29 November 2012

## **ASX/TSX ANNOUNCEMENT**

### **Orocobre Comments on Argentine Sovereign Debt Litigation**

Orocobre Limited (**ORE:ASX, ORL:TSX**) (“the Company”) wishes to provide the following comments on the recent court rulings related to so-called “hold out” creditors who rejected Argentina’s 2005 and 2010 sovereign debt restructurings offer.

Orocobre does not consider the Argentine sovereign bond litigation germane to the activities and developments of the Company. Orocobre is neither a bond market participant nor is it dependent on the Government of Argentina for financial support that could be affected by a sovereign debt problem.

Orocobre is pleased that the United States Appeals Court yesterday elected to stay an earlier ruling by US District Court Judge Thomas Griesa, thus averting an immediate problem. The Company recognizes that the judicial review scheduled to begin February 27, 2013 may, if adverse to Argentina, negatively affect the economy of Argentina. Opinions regarding potential legal strategies, financial implications for Argentina, and governmental actions are clearly beyond the scope of the Company.

Orocobre’s flagship Olaroz lithium project is a hard asset, not a bond, and is under construction with the full support of our strong and capable partner, Toyota Tsusho Corporation and our valued Jujuy Province governmental partner, JEMSE. The development and operation of this export orientated lithium project, and the participation of JEMSE is supported by both national and provincial governments. The Company has no reason to believe that the outcome of the sovereign debt litigation proceedings in the United States, whenever they are resolved, would have any direct bearing on the support and encouragement Orocobre now has from both provincial and national governments. Any statement to the contrary, is, in the Company’s opinion, speculative.

As well, Orocobre has no reason to believe that if a default situation developed, the

national government would then choose to exacerbate its economic challenges and discourage foreign investment by imposing restrictions. While the Company remains hopeful that Argentina is able to resolve this matter without undue damage to its economy, Orocobre will be in an investing-building phase for the next 18 months, and will then be exporting all of its lithium carbonate production to Japan and other world markets. The Company acknowledges that a sovereign debt default crisis could cause considerable hardship for the people and economy of Argentina, however, the Company is not dependent upon the Argentine domestic economy for any of its lithium carbonate sales.

Orocobre has been operating in Argentina for more than five years. During that time, the Company has faced many business challenges, and has always been forthright with investors and the investment markets about the challenges faced. In this case, Orocobre believes that the sovereign debt litigation issue does not represent a material risk to the Company and its business plans.

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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 building a substantial Argentinian-based industrial minerals company through the construction and operation of its portfolio of lithium, potash and boron projects and facilities in the Puna region of northern Argentina. The Company is building in partnership with Toyota Tsusho Corporation and JEMSE, the first large-scale, “greenfield” brine based lithium plant in nearly 20 years at the Salar de Olaroz. This high-margin project has a planned production rate after ramp up of 17,500 tonnes per annum of battery grade lithium carbonate scheduled to commence in Q2 2014. The Company also wholly-owns Borax Argentina, an important regional borate producer. Orocobre has recently been included in the S&P/ASX 300 Index and was named 2012 Mining Company of the Year by Argentine mining magazine Panorama Minero and the Fundacion para el desarrollo de la Minería Argentina (“Fundamin” or Foundation for Development of Argentina Mining). For further information, please visit [www.orocobre.com](http://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 outcome of Argentina’s sovereign debt litigation, any actions by the Argentinean government relating thereto, any consequences for Orocobre’s projects, operations or sales resulting from such matters, the construction at the Olaroz Project and the timing thereof, the commencement of commercial production at the Olaroz Project and the timing thereof, and the expected brine grade at the Olaroz Project, y.*

*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 developments in Argentina’s sovereign debt litigation that are adverse to the Argentinean economy or government; changes in government regulations, policies or legislation resulting therefrom or otherwise; the possibility that required concessions may not be obtained, or may be obtained only on terms and conditions that are materially worse than anticipated; the risk that required guarantees will not be provided or that the project financing will otherwise not be completed with Mizuho Corporate Bank and JOGMEC; 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 weather patterns and impact on production rate; 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, 2012 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 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.*