

11 February 2015

Dear Shareholder

Share Purchase Plan

Orocobre Limited (**Orocobre**) is pleased to offer existing shareholders the opportunity to participate in a \$15,000,000 Share Purchase Plan (the **Offer**) to acquire additional shares at an Issue Price of \$2.55 per share.

Orocobre has recently completed commissioning the Olaroz Lithium plant which is now ramping up to full production. A copy of our recent ASX announcement is enclosed. Orocobre has also now completed a \$40,000,000 institutional placement at \$2.55 per share.

The Offer will open on 16 February and will remain open for subscription until 5pm (Sydney time) on 10 March 2015.

Key Features of the Offer

- **Shares are offered at \$2.55 per share, being the same price paid by institutional investors for shares in Orocobre in the recently completed \$40,000,000 institutional placement.**
- **Shares will be offered at a 13% discount to the closing price on the last day of trading prior to the announcement of the Offer.**
- **Canaccord Genuity (Australia) Ltd has underwritten the Offer up to \$10,000,000.**
- **There are no transaction costs to participants.**

The right to participate in the Offer is optional and is available exclusively to shareholders who were registered as holders of fully paid ordinary shares in the Company as at 7.00pm Australian Eastern Daylight Time (AEDT) on 4 February 2015 and whose address in the Company's share register was in Australia or New Zealand (**Eligible Shareholders**).

Eligible Shareholders can purchase as little as \$1,000 of shares up to a maximum of \$15,000. All shares issued under the Offer will rank equally with existing Orocobre shares.

If you do not wish to participate in the Offer, you do not have to do anything and may disregard this letter and the other Offer Documents.

The Company reserves the right to scale back applications (in its absolute discretion) in the event that the total value of the acceptances to the Offer exceeds \$15,000,000.

The terms and conditions of the Offer are outlined in the enclosed Offer Booklet. By making an application to purchase shares under the Offer, you will have agreed to be



bound by those terms and conditions. We encourage you to read and consider carefully the Offer terms and conditions.

For all enquiries regarding the Offer, your holding of shares, or other registry enquires please contact Boardroom Pty Ltd, GPO Box 3993, Sydney NSW 2001. Tel (within Australia) 1300 737 760, (outside Australia) +61 2 9290 9600, or Facsimile +61 2 9279 0664.

Yours Sincerely

A handwritten signature in black ink, appearing to read 'Richard Seville'.

Richard Seville

Managing Director

A handwritten signature in black ink, appearing to read 'James O. Calaway'.

James Calaway

Chairman

SHARE PURCHASE PLAN

TERMS AND CONDITIONS

Introduction

The Share Purchase Plan (**Offer**) offers Eligible Shareholders of Orocobre Limited (**Orocobre** or the **Company**) the opportunity to apply for up to AUD\$15,000 worth of fully paid ordinary shares in the Company (**New Shares**) at the Issue Price of AUD\$2.55 per New Share (**Issue Price**).

The Offer is established pursuant to the Corporations Act 2001 (Act) as amended by Australian Securities and Investments Commission (ASIC) Class Order 09/425 (CO 09/425) and the ASX Listing Rules (Listing Rules) (collectively the Regulatory Requirements).

The New Shares offered under the Offer are personal to Eligible Shareholders and are non-renounceable, which means that Eligible Shareholders cannot transfer their rights to the New Shares to another person.

Orocobre and its board of directors (**Board**) do not offer any recommendation or advice regarding participation in the Offer.

This is an important document that should be read in its entirety.

The offer made under this Offer does not take into account the individual investment needs, objectives or financial situation of individuals.

Before making a decision on whether or not to participate in the Offer, Eligible Shareholders should consult their financial or other professional adviser. This document is not a prospectus or other disclosure document under the Corporations Act.

1. Key Dates

1.1 The key dates of the Offer are as follows;

Record Date	4 February 2015
Offer opens	16 February 2015
Offer closes	10 March 2015
Issue of New Shares	16 March 2015
Dispatch date for holding statements	17 March 2015
Quotation of New Shares on ASX	17 March 2015

The timetable is indicative only and may be subject to change.

2. Eligibility to Participate

2.1 Subject to this section 2, all persons:

- a) registered as holders of fully paid ordinary shares in the Company (Shares); and
- b) whose address in the share register of the Company is situated in Australia or New Zealand,

at 7.00pm AEDT on 4 February 2015 may participate in the Offer (**Eligible Shareholders**).

- 2.2 The Company reserves the right (in its absolute discretion) to reject any application for New Shares where it believes the applicant under the Offer is not an Eligible Shareholder.
- 2.3 Orocobre has determined that it is not practical for holders of Orocobre Shares with addresses on the share register in other jurisdictions to participate in the Offer. Shares to be allotted under the Offer have not been and will not be registered under the U.S. Securities Act and may not be offered, sold or delivered, directly or indirectly, in or to persons in, the United States.
- 2.4 Eligible Shareholders can only apply for a maximum of \$15,000 worth of New Shares in aggregate under the Offer (unless you are applying as a Custodian). This limitation applies even if Eligible Shareholders receive more than one Application Form due to multiple holdings, or if they hold Orocobre Shares in more than one capacity such as if they are a sole Eligible Shareholder and a joint Eligible Shareholder and/or an Eligible Shareholder with more than one holding under a separate account or designation.
- 2.5 Eligible Shareholders who hold Orocobre Shares as a custodian, trustee or nominee (**Custodian**) (defined below) may participate on behalf of each Beneficiary (defined below) on whose behalf the Custodian is holding Orocobre Shares. An Eligible Shareholder is deemed to be a Custodian under ASIC Class Order (CO 09/425) if:
 - a) it holds an Australian financial services licence that:
 - (i) covers the provision of a custodial or depository service; or
 - (ii) includes a condition requiring the holder to comply with the requirements of ASIC Class Order (CO 02/294); or
 - b) it is exempt under:
 - (i) paragraph 7.6.01(1)(k) of the Corporations Regulations 2001; or
 - (ii) ASIC Class Order (CO 05/1270) to the extent that it relates to ASIC Class Order (CO 03/184), from the requirement to hold an Australian financial services licence for the provision of a custodial or depository service; or
 - c) it is a trustee of a self-managed superannuation fund or a superannuation master trust; or
 - d) it is the responsible entity of an IDPS-like scheme (as defined by ASIC Class Order (CO 02/296)); or
 - e) it is the registered holder of Orocobre Shares and is noted on the Orocobre register of members as holding Orocobre Shares on account of another person.

A '**Beneficiary**' is a client of a Custodian or Downstream Custodian (defined below) on whose behalf the Custodian or Downstream Custodian held Orocobre Shares on the Record Date.

To the extent that a Custodian holds Orocobre Shares on behalf of a Beneficiary resident outside Australia and New Zealand, it is the responsibility of the Custodian to ensure that any acceptance complies with all relevant foreign laws.

Custodians wishing to participate on behalf of one Beneficiary should pay by BPAY or complete the Application Form and return it to Orocobre's share registry with payment. Custodians wishing to participate on behalf of more than one

Beneficiary should contact Orocobre's share registry and request a Custodian Certificate and Schedule.

- 2.5 If you hold Orocobre Shares as a custodian, trustee or nominee for another person, but are not a Custodian as defined above, you cannot participate for beneficiaries in the manner described above. In this case, the rules for multiple single holdings (above) apply.
- 2.6 If you choose not to participate in the Offer, your right to participate lapses on the Closing Date.

3 Joint holders/joint beneficiaries

If two or more persons are registered on the Orocobre share register as jointly holding Orocobre Shares, they are taken to be a single registered holder of Orocobre Shares and a certification given by any of them is taken to be a certification given by all of them.

4 Application procedure for New Shares

- 4.1 The Offer opens on 16 February, 2015.
- 4.2 Eligible Shareholders may apply for a maximum of \$15,000 worth of New Shares under the Offer. The following options to acquire New Shares under the Offer are available:
 - \$1,000
 - \$2,500
 - \$5,000
 - \$10,000
 - \$15,000
- 4.3 The number of New Shares is rounded up to the nearest whole number after dividing the dollar amount by the Issue Price.
- 4.4 If you do not wish to accept the Offer, you do not need to take any action and the Offer will lapse on the Closing Date.
- 4.5 If you wish to apply for New Shares under the Offer, Eligible Shareholders must either:
 - a) pay by BPAY, using an Australian bank account, in accordance with the instructions on the Application Form to ensure cleared funds are received by the Closing Date. If paying by BPAY you do not need to return the Application Slip, but you are taken to make the certifications and representations described in this booklet; or
 - b) complete the enclosed Application Slip and forward it with a cheque, bank draft or money order to Boardroom Pty Ltd, GPO Box 3993, Sydney NSW 2001 drawn on an Australian bank account and in Australian dollars for the correct amount so that it is received prior to the close of the offer on the Closing Date. Do not forward cash. Cheques, bank drafts and money orders should be made payable to "Orocobre Limited". Receipts for payment will not be issued.
- 4.6 Any application money received in excess of the amount required for the number of New Shares you successfully apply for will be refunded to you without interest. If the amount received is less than \$1,000, Orocobre will not allot any New Shares to you and the money received from you will be refunded without interest.
- 4.7 Orocobre reserves the right to reject any application for New Shares under the Offer that it believes does not comply with these Terms and Conditions.

5 Issue Price

- 5.1 The Issue Price for New Shares is \$2.55. You should note that Orocobre's share price may rise or fall between the date of this offer and the date when New Shares are allotted and issued to you under the Offer. This means that the price you pay per New Share pursuant to this offer may be either higher or lower than Orocobre's share price at the time of the offer or at the time the New Shares are issued and allotted to you under the Offer.
- 5.2 The number of New Shares issued to an applicant will be determined by dividing the value of the New Shares applied for by the Issue Price. If this calculation produces a fractional number, the number of New Shares issued will be rounded up to the nearest whole New Share.

6 Participation is optional

Participation in the Offer is entirely optional (subject to the eligibility criteria set out in these Terms and Conditions). The offer to acquire New Shares is not a recommendation. If you are in any doubt about the Offer, whether you should participate in the Offer or how participation will affect you, you should consider seeking independent financial and taxation advice before making a decision as to whether or not to accept this offer.

7 Underwriting

The Offer is underwritten up to \$10,000,000 by Canaccord Genuity (Australia) Ltd (Underwriter). The underwriting agreement contains customary conditions and warranties and undertakings and is subject to various termination events exercisable by the Underwriter. In the event that less than \$10,000,000 is received the difference between the amount applied for and \$10,000,000 may be subscribed for by the Underwriter or sub-underwriters or placed to nominees of the Underwriter.

8 Issue date

- 8.1 The New Shares will be issued on or around 16 March, 2015 or as soon as possible after that date.
- 8.2 Allotment confirmations will be despatched on or around 17 March 2015. You should confirm your holding before trading in any New Shares you believe have been allotted to you under the Offer.

9 No transfer

The Offer is non-renounceable and non-transferable and, therefore, Eligible Shareholders cannot transfer their right to purchase New Shares under the Offer to a third party.

10 Brokerage and transaction costs

No brokerage or other transaction costs will apply to the acquisition of New Shares under the Offer. The only cost to you is the Issue Price of the New Shares.

11 Quotation

Orocobre will apply for New Shares issued under the Offer to be quoted on the ASX.

12 Class Order compliance

The Offer of New Shares is made in accordance with ASIC Class Order (CO 09/425), which grants relief from the requirement to prepare a prospectus for the Offer of New Shares.

13 Dispute resolution

- 13.1 Orocobre may settle, in any manner it deems, any difficulties, anomalies, or disputes which may arise in connection with the operation of this Offer whether generally or in relation to any participant or any application for New Shares, and its decision shall be conclusive and binding on all participants and other persons to whom the determination relates.
- 13.2 Orocobre reserves the right to waive strict compliance with any provision of these Terms and Conditions.
- 13.3 The powers of Orocobre under these Terms and Conditions may be exercised by its Directors or any delegate or representative of the Directors.

14 Scale Back of offer

- 14.1 If applications for New Shares under the Offer exceed \$15,000,000, Orocobre may in its absolute discretion allocate to you less than the number of New Shares you have applied for (**Scale Back**). If there is a Scale Back, Orocobre may in its absolute discretion determine to apply the Scale Back to the extent and in the manner that it sees fit.
- 14.2 If the Scale Back produces a fractional number of New Shares when applied to your issue of New Shares, the number of New Shares issued will be rounded up to the nearest whole New Share.
- 14.3 If there is a Scale Back, your application money may be greater than the value of the New Shares you will be issued. In that event, the excess application money will be refunded to you without interest on or around 17 March 2015. Any application monies refunded by Orocobre will be paid by cheque or direct credit (the payment method will be determined by Orocobre in its absolute discretion) in Australian currency. By applying for New Shares, each shareholder authorises Orocobre to pay any monies to be refunded by using the payment instructions of the shareholder recorded in Orocobre's share registry if Orocobre should elect to pay in this manner.

15 Variation and termination

- 15.1 Orocobre reserves the right to amend or vary these Terms and Conditions and to suspend or terminate the Offer at any time.
- 15.2 Failure to notify shareholders of a change to or termination of the Offer or the non-receipt of notice will not invalidate the change or termination.
- 15.3 Orocobre reserves the right not to issue New Shares or to issue fewer New Shares than that applied for under the Offer by an Eligible Shareholder (including a Custodian applying on behalf of its Beneficiaries) if Orocobre believes that the issue of those New Shares would contravene any law or the ASX Listing Rules.
- 15.4 In the event that the Offer is terminated prior to the issue of New Shares, all application monies will be refunded. No interest will be paid on any monies returned to you.

16 Acknowledgements

By making payment (including through BPAY) or returning an Application Form or Custodian Certificate and Schedule, you certify, acknowledge, warrant and represent as true, correct and not misleading to Orocobre that:

- a) you have read and accepted the Terms and Conditions in full;
- b) you declare that all details and statements in your application are true and complete and not misleading;

- c) your application, under the Terms and Conditions of the Offer set out in this booklet (including the Application Form and Custodian Certificate and Schedule), will be irrevocable and unconditional (i.e. it cannot be withdrawn);
- d) as at the Record Date, you were recorded on Orocobre's share register as being a registered holder of Orocobre shares and having an address in Australia or New Zealand;
- e) if you have a registered address in New Zealand, you continued to hold Orocobre Shares as at the opening of the Offer on 16 February, 2015;
- f) you and each person for whose account or benefit you are acting is not in the United States and is not a U.S. Person, or acting for the account or benefit of a U.S. Person;
- g) you acknowledge that the New Shares have not, and will not be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction of the United States, and the New Shares may not be offered, sold or otherwise transferred unless an exemption from the registration requirements of the U.S. Securities Act is available;
- h) you represent that you have not, and you agree that you will not, send any materials relating to the Offer to any person in the United States or to any person who is, or is acting for the account or benefit of, a U.S. Person;
- i) if you are applying on your own behalf (and not as a Custodian) you are not applying for New Shares with an aggregate application value, when aggregated with the application value of any Orocobre Shares issued to you or a Custodian on your behalf under the Offer or similar arrangement in the previous 12 months, of more than \$15,000 under the Offer (including by instructing a Custodian to acquire New Shares on your behalf under the Offer), and you are complying with the limitations detailed in clause 3.3 of the Offer Terms and Conditions;
- j) if you are a Custodian and are applying on behalf of a Beneficiary on whose behalf you hold Orocobre Shares:
 - (i) you are a Custodian (as that term is defined in ASIC Class Order (CO 09/425));
 - (ii) either or both of the following apply (as applicable):
 - (A) that on the Record Date you held Orocobre Shares on behalf of one or more other persons (each a Beneficiary) that are not Custodians;
 - (B) that on the Record Date another Custodian (**Downstream Custodian**) held beneficial interests in Orocobre Shares on behalf of one or more other persons (each a Beneficiary), and you hold the shares to which those beneficial interests relate on behalf of the Downstream Custodian or another Custodian;
 - (iii) each Beneficiary has subsequently instructed either you or the Downstream Custodian (as applicable) to apply for shares on their behalf under the Offer;
 - (iv) details of the number of Beneficiaries instructing you to participate, the name and address of each Beneficiary and in respect of each such Beneficiary:
 - (A) the number of Orocobre Shares that you hold on behalf of that Beneficiary; and
 - (B) the dollar amount of New Shares that the Beneficiary, or its agent, has instructed you to accept on behalf of the Beneficiary; as set out

in the Application Form or the Custodian Certificate and Schedule, is true and correct;

- (v) there are no Beneficiaries in respect of whom the total of the application value for (a) the New Shares applied for by you under the Offer on their behalf; and (b) any Orocobre Shares issued to you in the previous 12 months as a result of an instruction given by the Beneficiary to you or a Downstream Custodian to apply for Orocobre Shares on their behalf under an arrangement similar to the Offer, exceeds \$15,000; and
- (vi) a copy of this Offer document was given to each Beneficiary;
- k) you may be offered New Shares pursuant to the Offer in accordance with all applicable laws, and any acceptance by you on your own behalf or in respect of any person for which you are acting complies with all applicable laws;
- l) you accept the risk associated with any refund that may be despatched to you by direct credit or cheque to your address shown on Orocobre's share register;
- m) you are responsible for any dishonour fees or other costs Orocobre may incur in presenting a cheque for payment which is dishonoured;
- n) you agree to be bound by the provisions of the Constitution of Orocobre (as amended and as it may be amended from time to time in the future);
- o) you authorise Orocobre and its affiliates, officers and representatives to do anything on your behalf necessary for New Shares to be issued to you in accordance with these Terms and Conditions;
- p) you authorise Orocobre (and its officers and agents) to correct minor or easily rectified errors in, or omissions from, your application and to complete the application by the insertion of any missing minor detail; and
- q) Orocobre may at any time irrevocably determine that your application is valid in accordance with these Terms and Conditions, even if the application is incomplete, contains errors or is otherwise defective.

17 Governing law

These Terms and Conditions are governed by the laws in force in Queensland.



Share Purchase Plan - Application Form

Record Date: 4 February 2015

Close Date: 10 March 2015

Issue Price \$2.55

A Offer Choice

Indicate your choice below by marking one box only

<input type="checkbox"/>	Offer A 393 shares A\$1,000.00	<input type="checkbox"/>	Offer B 981 shares A\$2,500.00	<input type="checkbox"/>	Offer C 1,961 shares A\$5,000.00	<input type="checkbox"/>	Offer D 3,922 shares A\$10,000.00	<input type="checkbox"/>	Offer E 5,883 shares A\$15,000.00
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B Payment Details

Payment may only be made by BPAY or cheque. Cash will not be accepted via the mail or at the Orocobre Limited Share Registry.
Payments cannot be made at any bank.

Payment Option 1 - BPAY



Biller Code: 27888

Ref:

Telephone & Internet Banking - BPAY®

Contact your bank, credit union or building society to make this payment from your cheque or savings account.

More info: www.bpay.com.au

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- To pay via BPAY please contact your participating financial institution
- If paying by BPAY you do not need to return the Application Form
- If paying by BPAY the amount of your payment received in the account divided by the issue price will be deemed to be the total number of shares you are applying for. For your application to be valid you can only make payment for one of the amounts specified above in section A.

Payment Option 2 – Cheque

Record cheque details below

Drawer	Cheque Number	BSB Number	Account No.	Amount A\$

PAYMENT INSTRUCTIONS:

- Only cheques or bank drafts in Australian dollars and drawn on a bank or financial institution in Australia will be accepted.
- Your cheque or bank draft must be made payable to **Orocobre Limited and crossed Not Negotiable.**
- Please ensure that you submit the correct amount. Incorrect payments may result in your application being rejected.

C Contact Details

Please provide a telephone number and contact name in case we need to contact you regarding your application.

Home telephone number	Work telephone number	Contact name

D Declarations and Acknowledgments

By lodging this form with your cheque you acknowledge and confirm that you have read, understood and agreed to the terms and conditions of the Orocobre Limited Share Purchase Plan (SPP). Orocobre Limited may settle in any manner it deems appropriate, any dispute or anomalies which may arise in connection with or by reason of the operation of the SPP, whether generally or in relation to any applicant or application of shares. The decision of Orocobre Limited will be conclusive and binding on all persons to whom the determination relates. Orocobre Limited reserves the right to waive compliance with any provision of the SPP terms and conditions. The Directors reserve the right to withdraw the offer of shares under the SPP, or reduce the amount of shares that may be subscribed for under the spp in any manner, at any time prior to allotment. Any excess application moneys will be refunded. No interest will be paid on any refunded application money.

NO SIGNATURE IS REQUIRED ON THIS FORM

THIS OFFER IS NON-RENOUNCEABLE

Application Forms and cheques must be received no later than 5.00 pm (Sydney time) on 10 March 2015 at:

MAILING ADDRESS
Boardroom Pty Limited
GPO Box 3993
SYDNEY NSW 2001

DELIVERY ADDRESS
Boardroom Pty Limited
Level 7
207 Kent Street
SYDNEY NSW 2000

You should allow sufficient time for this to occur. The postal acceptance rule does not apply to the SPP.