Orocobre Limited (ASX: ORE, TSX: ORL) (“Orocobre” or “the Company”), a dynamic global lithium chemicals supplier, today released its financial results for the half-year ended 31 December 2018 (“H1 FY19”).

Highlights:

- H1 FY19 profit of US$24 million including a tax benefit of US$15.2 million and a foreign exchange charge of US$7.9 million. This is up from US$8.2 million in the previous corresponding period (“PCP”)¹

- Total production of 6,075 tonnes of lithium carbonate

- Strong results from the Olaroz Lithium Facility:
  - revenue of US$63.5 million, on sales of 5,163 tonnes of lithium carbonate
  - EBITDA² of US$36.6 million, after deducting export tax of US$2.9 million
  - average price received of US$12,295/tonne, up from US$11,415/tonne in PCP
  - gross operating margins of 65% with lithium production costs at US$4,251/tonne, excluding royalties and corporate costs making Olaroz one of the lowest cost producers of lithium chemicals in the world
  - gross cash margin of US$8,044/tonne, up from US$7,079/tonne in PCP

- As of 31 December 2018, Orocobre corporate had available cash of US$284 million. Including SDJ and Borax cash and project debt, net group cash is US$207.7 million

- Final Investment Decision (“FID”) approval for Stage 2 Expansion of the Olaroz Lithium Facility given by Orocobre, Toyota Tsusho Corporation (“TTC”) and JV boards

- Further to the soft lithium carbonate pricing experience in the December quarter, Orocobre expects the average sales price for the March 2019 quarter to be approximately US$9,000 per tonne (FOB).

Orocobre Managing Director and CEO, Mr Martín Pérez de Solay said, “Orocobre has continued to bolster its position as a mainstream, profitable, low cost producer of lithium carbonate.
“During Q4 FY18 Orocobre signed three pivotal agreements with our joint venture partner TTC – a new Olaroz Shareholders Agreement, Sales and Marketing Agreement and Orocobre Management Agreement (see ASX Release dated 28 November 2018). Orocobre, TTC and JV boards also gave their approval to the FID for the Stage 2 Expansion of the Olaroz Lithium Facility.

“Construction activities for our Stage 2 Expansion are progressing well with development of key items such as production boreholes, a secondary liming plant, evaporation/harvest ponds, roads and camp upgrades” he said.

**Outlook, Guidance and Data**

Subject to market and operating conditions Orocobre provides the following guidance:

**Olaroz Lithium Facility**
- Orocobre expects full year production (FY19) will be approximately the same as achieved in FY18.

**Borax Argentina**
- Production forecast of 35,000 - 40,000 tonnes for FY19

**Corporate**
- Corporate costs of ~US$7-8 million for FY19.

**Proforma Financials**


Sales de Jujuy PTE and hence the Olaroz Lithium Facility, recorded positive EBITDA IX of US$36.6 million for the six months to 31 December 2018. Borax Argentina recorded EBITDA IX of US$0.6 million which represents an increased profit US$1.6 million compared to PCP, the operations and expansion studies remain under internal review.

**Proportionally Consolidated Profit and Loss**

<table>
<thead>
<tr>
<th>Proportionally Consolidated P&amp;L</th>
<th>ORE Group Statutory Results</th>
<th>SDJ PTE (100%)</th>
<th>Eliminate NCI of PTE (33.5%)</th>
<th>Add back equity accounting of PTE profit</th>
<th>Consolidated Group incl PTE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>US$9.3</td>
<td>US$63.5</td>
<td>(US$21.3)</td>
<td>-</td>
<td>US$51.5</td>
</tr>
<tr>
<td>EBITDA IX</td>
<td>(US$3.3)</td>
<td>36.6</td>
<td>(12.3)</td>
<td>-</td>
<td>21.0</td>
</tr>
<tr>
<td>Depreciation &amp; amortisation</td>
<td>-</td>
<td>(4.4)</td>
<td>1.5</td>
<td>-</td>
<td>(2.9)</td>
</tr>
<tr>
<td>EBITIX XX</td>
<td>(US$3.3)</td>
<td>32.2</td>
<td>(10.8)</td>
<td>-</td>
<td>18.1</td>
</tr>
<tr>
<td>Interest</td>
<td>6.9</td>
<td>(10.9)</td>
<td>3.6</td>
<td>-</td>
<td>(0.4)</td>
</tr>
<tr>
<td>EBITIX XXX</td>
<td>3.6</td>
<td>21.3</td>
<td>(7.2)</td>
<td>-</td>
<td>17.7</td>
</tr>
<tr>
<td>Foreign currency gains/(losses)</td>
<td>(3.4)</td>
<td>(6.9)</td>
<td>2.3</td>
<td>-</td>
<td>(7.9)</td>
</tr>
<tr>
<td>Impairment</td>
<td>(0.2)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(0.2)</td>
</tr>
<tr>
<td>Share of loss of associates</td>
<td>(0.8)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(0.8)</td>
</tr>
<tr>
<td>Share of profit of joint ventures</td>
<td>24.8</td>
<td>-</td>
<td>-</td>
<td>(24.8)</td>
<td>-</td>
</tr>
<tr>
<td>Total profit/(loss) for the year before tax</td>
<td>24.0</td>
<td>24.4</td>
<td>(4.8)</td>
<td>(24.8)</td>
<td>8.8</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>-</td>
<td>21.2</td>
<td>6.0</td>
<td>-</td>
<td>15.2</td>
</tr>
<tr>
<td>Total profit/(loss) for the year after tax</td>
<td>24.0</td>
<td>35.6</td>
<td>(10.8)</td>
<td>(24.8)</td>
<td>24.0</td>
</tr>
</tbody>
</table>
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**Notes:**

Unless otherwise stated, all financial data in this release is quoted in US dollars³.

1 Statutory profit (loss) is profit after tax attributable to owners of the Company

2 Orocobre’s results are reported under International Financial Reporting Standards (IFRS). This report also includes certain non-IFRS financial information, including the following:

- “Proportional consolidation” is a method of including items of income, expense, assets and liabilities in proportion to the company’s percentage of participation in the joint venture
- “NCI” is the non-controlling interest which represents the portion of equity ownership in the Joint Venture not attributable to Orocobre Limited
- “EBITDAIX” is ‘Earnings before interest, tax, depreciation and amortisation, impairment and foreign currency gains/(losses)’
- “EBITIX” is ‘Earnings before interest, tax, impairment and foreign currency gains/(losses)’
- “EBTIX” is ‘Earnings before tax, impairment and foreign currency gains/(losses)’

³ Financial data has been translated to US Dollars using average exchange rates for the relevant period in the income statement.
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 chemicals and 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 has built, in partnership with Toyota Tsusho Corporation and JEMSE, the first large-scale, greenfield brine-based lithium project in approximately 20 years at the Salar de Olaroz with planned production of 42,500 tpa of low-cost lithium carbonate.

The Olaroz Lithium Facility has a low environmental footprint because of the following aspects of the process:

- The process is designed to have a high processing recovery of lithium. With its low unit costs, the process will result in low cut-off grades, which will maximise resource recovery.

- The process route is designed with a zero liquid discharge design. Waste products are stored in permanent impoundments (the lined evaporation ponds). At the end of the project life the ponds will be capped and returned to a similar profile following soil placement and planting of original vegetation types.

- Brine is extracted from wells with minimum impact on freshwater resources outside the salar. Because the lithium is in sedimentary aquifers with relatively low permeability, drawdowns are limited to the salar itself. This is different from halite hosted deposits such as Salar de Atacama, Salar de Hombre Muerto and Salar de Rincon where the halite bodies have very high near surface permeability and the drawdown cones can impact on water resources around the Salar affecting the local environment.

- Energy used to concentrate the lithium in the brine is solar energy. The carbon footprint is lower than other processes.

- The technology developed has a very low Stage 1 maximum fresh water consumption of <20 l/s, which is low by industry standards. This fresh water is produced by reverse osmosis from non-potable brackish water.

- Sales de Jujuy S.A. is also committed to the ten principles of the sustainable development framework as developed by The International Council on Mining and Metals. The Company has an active and well-funded “Shared Value” program aimed at the long-term development of the local people.

In accordance with its Community Policy, Orocobre continues to empower its communities through capacity building initiatives, and to encourage and facilitate direct and indirect community involvement in its activities. Priority in employment and procurement is given to the local communities of Olaroz, Huancar, Puesto Sey, Pastos Chicos, Susques, Catua, Jama, El Toro, Coranzuli and San Juan, all of which receive the necessary education, training, development and support through Orocobre’s Shared Value program.

The Company also wholly-owns Borax Argentina S.A., an important regional borate producer.

For further information, please visit www.orocobre.com.