OROCOBRE LIMITED

ABN 31 112 589 910

CONSOLIDATED FINANCIAL REPORT FOR THE HALF - YEAR ENDED 31 DECEMBER 2007

OROCOBRE LIMITED
ABN 31 112 589 910

DIRECTORS' REPORT

Your directors submit the financial report of the consolidated group for the half-year ended 31 December 2007.

Directors

The following persons were Directors of the company during or since the end of the half year:

N. F. Stuart	P.A. Crawford
R. P. Seville	J. Tan
D. C. O'Neill	

Review of Operations

The group's operating loss for the half year, after applicable income tax was $319,987 (2006: $70,269). Exploration and evaluation expenditure during the period totalled $208,701 (2006: $18,538).

Orocobre embarked on a major development phase when it closed its initial public offering in November 2007, raising $6.25 million through the issue of 25 million shares at 25 cents each. The issue closed oversubscribed. The company commenced trading on the Australian Securities Exchange in December 2007.

During the reporting period exploration and assessment work was undertaken on the portfolio of exploration assets.

Santo Domingo Porphyry Copper-Gold-Molybdenum Project

The Santo Domingo project is located in the San Juan province, Argentina. During period exploration work consisted of a number of campaigns covering:

- Satellite imagery interpretation (ASTER) and identification of specific types of spectral anomalies;
- Follow-up helicopter surveys; and
- Ground reconnaissance, mapping and sampling of new targets and also in the vicinity of the Santo Domingo Porphyry system.

The work programmes have lead to the discovery of two new areas of alteration and mineralisation, named "Alunita" and "La Virgen", located within existing tenements approximately 6 kilometres and 2.5 kilometres respectively from the Santo Domingo porphyry. New tenements have been applied for over spectral anomalies outside existing tenure and these will be appraised in the field over coming months.

Further follow-up field surveys in the general vicinity of the Santo Domingo porphyry area (now called "El Arriero") has extended observed areas of hydrothermal alteration and mineralisation (elevated copper and gold values and some visible copper mineralisation) to an area of some 2,000m by 600-800m.

There are a number of other areas of interest that have been located during reconnaissance work within a few kilometres of the El Arriero area.

Salar Olaroz

During the period the Group established the exploration team and general operational infrastructure required to commence active field operations. Group executives met representatives of the Jujuy Provincial Government and of the Olaroz Chico community to present plans for the project.

Prospecting work programmes were approved by the local community and will commence in March 2008.

Subsequent Events

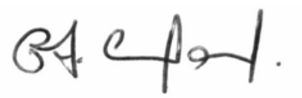
In February 2008, the Group entered into an agreement to acquire 100% of two cateos (exploration licences) and one minas (mining lease) making up the "Marayes Gold Project" in San Juan Province of Argentina. The group has been granted an exclusive period of 3 months to undertake due diligence. At the end of this period the group can elect to proceed with the purchase by making a payment of US$20,000. Further payments of US$30,000 after 12 months, US$40,000 after 24 months, US$60,000 after 36 months are then payable with a final payment of US$450,000 after 48 months.

No other material matters or circumstances have arisen since balance date.

Auditor's Independence Declaration

The auditor's independence declaration under section 307C of the Corporations Act 2001 is included in this half year financial report.

Signed in accordance with a resolution of the Board of Directors.



N F Stuart
Executive Chairman

P A Crawford
Director

Signed: 13 March 2008
Brisbane, Queensland

Hayes Knight Audit
chartered accountants

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Registered Audit Company 299289

Auditor's Independence Declaration
Under Section 307C of the Corporations Act 2001

To the Directors of Orocobre Limited

I declare that, to the best of my knowledge and belief, in relation to our review of the financial report of Orocobre Limited for the half-year ended 31 December 2007 there have been:

(i) no contraventions to the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and

(ii) no contraventions of any applicable code of professional conduct in relation to the review.

Hayes Knight Audit (Qld) Pty Ltd

Hayes Knight Audit (Qld) Pty Ltd

Nigel Bamford

N D Bamford
Director

Date: 13 March 2008

OROCOBRE LIMITED
ABN 31 112 589 910

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The attached financial statements and notes are in accordance with the Corporations Act 2001, including:

   (a) complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and

   (b) giving a true and fair view of the economic entity's financial position as at 31 December 2007 and of its performance for the half year ended on that date.

2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

N F Stuart
Executive Chairman

P A Crawford
Director

Dated this: 13th day of March 2008

OROCOBRE LIMITED

ABN 31 112 589 910

CONDENSED CONSOLIDATED INCOME STATEMENT

for the half-year ended 31 December 2007

	Note	Half- year ended 31 December 2007 $	Half- year ended 31 December 2006 $
Revenue	2	27,378	8,864
Less expenses:			
Corporate expenses		(339,294)	(27,309)
Exploration & evaluation expenses		(8,071)	(51,824)
Loss before income tax expense		(319,987)	(70,269)
Income tax expense		-	-
Loss for the period		(319,987)	(70,269)
Loss attributable to members of the parent entity		(319,987)	(70,269)
Basic earnings per share (cents per share)	10	(1.01)	(0.22)

The accompanying notes form part of these financial statements.

OROCOBRE LIMITED

ABN 31 112 589 910

CONDENSED CONSOLIDATED BALANCE SHEET

As at 31 December 2007

	Note	31 December 2007 $	30 June 2007 $
CURRENT ASSETS			
Cash and cash equivalents	3	6,068,384	498,491
Trade and other receivables	4	60,027	17,951
Other	5	-	15,564
Total Current Assets		6,128,411	532,006
NON-CURRENT ASSETS			
Exploration and evaluation asset	6	383,897	184,639
Total Non-Current Assets		383,897	184,639
TOTAL ASSETS		6,512,308	716,645
CURRENT LIABILITIES			
Trade and other payables	7	305,224	112,927
Total Current Liabilities		305,224	112,927
TOTAL LIABILITIES		305,224	112,927
NET ASSETS		6,207,084	603,718
EQUITY			
Issued Capital	8	6,697,612	877,155
Reserves	9	103,209	313
Accumulated losses		(593,737)	(273,750)
TOTAL EQUITY		6,207,084	603,718

The accompanying notes form part of these financial statements.

OROCOBRE LIMITED

ABN 31 112 589 910

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the half year ended 31 December 2007

	Share Capital	Accumulated Losses	Option Reserve	Foreign Currency Translation Reserve	Total
	$	$	$	$	$
Balance at 1 July 2006	135,003	(104,910)	-	-	30,093
Shares issued during the period	419,458	-	-	-	419,458
Loss attributable to members of the company	-	(70,269)	-	-	(70,269)
Translation of foreign controlled entities	-	-	-	(29)	(29)
Balance at 31 December 2006	554,461	(175,179)	-	(29)	379,253
Balance at 1 July 2007	877,155	(273,750)	-	313	603,718
Shares issued during the period	6,325,000	-	-	-	6,325,000
Transaction costs	(504,543)	-			(504,543)
Loss attributable to members of the company	-	(319,987)	-	-	(319,987)
Options issued during the period	-	-	114,610	-	114,610
Translation of foreign controlled entities	-	-		(11,714)	(11,714)
Balance at 31 December 2007	6,697,612	(593,737)	114,610	(11,401)	6,207,084

The accompanying notes form part of these financial statements.

OROCOBRE LIMITED

ABN 31 112 589 910

CONDENSED CONSOLIDATED CASH FLOW STATEMENT
for the half-year ended 31 December 2007

	31 December 2007 $	31 December 2006 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(160,550)	(109,410)
Interest received	27,378	8,864
Net cash provided by (used in) operating activities	(133,172)	(100,546)
CASH FLOWS FROM INVESTING ACTIVITIES		
Exploration expenditure	(208,701)	(18,538)
Net cash provided by (used in) investing activities	(208,701)	(18,538)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	6,325,000	143,258
Costs associated with share issue	(412,252)	-
Net cash provided by (used in) financing activities	5,912,748	143,258
Net increase in cash held	5,570,875	24,174
Cash at beginning of year	498,491	375,411
Effect of exchange rates on cash holdings in foreign currencies	(982)	(65)
Cash at end of year	6,068,384	399,520

The accompanying notes form part of these financial statements.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This general purpose financial report for the interim half-year reporting period ended 31 December 2007 has been prepared in accordance with the Corporations Act 2001, Australian Accounting Standard AASB 134: Interim Financial Reporting, Australian Accounting Interpretations and other authoritive pronouncements of the Australian Accounting Standards Board.

This interim financial report does not include all notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report of Orocobre Limited as at 30 June 2007, together with any public announcements made by Orocobre Limited during the interim reporting period in accordance with the continuous disclosure obligations of the Corporations Act 2001.

The accounting policies and methods of computation adopted are consistent with those of the previous financial period as disclosed in the 30 June 2007 annual report.

Comparative figures for the Statement of Changes in Equity, Cash Flow Statement and Income Statement are for the 6 month period to 31 December 2006. The company listed on the Australian Securities Exchange in December 2007 and thus those comparative figures cover the period when the company was unlisted and privately held.

The interim financial report was approved by the Board of Directors on 13 March 2007.

The half-year report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

The following is a summary of the material accounting policies adopted by the economic entity in the preparation of the financial report. The accounting policies have been consistently applied unless otherwise stated.

Principles of Consolidation

A controlled entity is any entity Orocobre Limited has the power to control the financial and operating policies of so as to obtain benefits from its activities.

All inter-company balances and transactions between entities in the economic entity, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the parent entity.

Where controlled entities have entered or left the economic entity during the period, their operating results have been included/excluded from the date control was obtained or until the date control ceased.

Minority equity interests in the equity and results of the entities that are controlled are shown as a separate item in the consolidated financial report.

Income Tax

The charge for current income tax expense is based on the result for the period adjusted for non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Exploration and Evaluation Assets

Exploration and evaluation expenditure incurred is recognised as exploration and evaluation assets, measured on the cost basis and classified as an intangible asset. The expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves and where the rights to tenure of the area of interest are current.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. Recoverability of the carrying amount of the exploration and evaluation assets is dependent on the successful development and commercial exploitation or alternatively sale of the respective areas of interest.

Restoration Costs

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the exploration and mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

The economic entity currently has no obligation for any restoration costs in relation to discontinued operations, nor is it currently liable for any future restoration costs in relation to current areas of interest. Consequently, no provision for restoration has been deemed necessary.

Impairment of Assets

At each reporting date, the economic entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset’s fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of less than 3 months, and bank overdrafts.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Instruments

Recognition:

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Loans and receivables:

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Financial liabilities:

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Impairment:

At each reporting date, the economic entity assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

Issued Capital

Ordinary shares are classified as equity. Transaction costs (net of tax) arising on the issue of ordinary shares are recognised in equity as a reduction of the share proceeds received.

Equity Settled Transactions

The company has issued options to directors and others for services provided. The fair value of options granted as remuneration is recognised as an expense with a corresponding increase in equity, whereas for options issued for services provided in relation to initial public offering, the fair value is charged direct to share raising costs in equity.

Revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Balance Sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis except for the GST component of investing and financing activities which are disclosed as operating cash flow.

Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred. Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign Currency Transactions and Balances

Functional and presentation currency:

The economic entity's financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transaction and balances:

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the income statement, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the income statement.

Group companies:
The financial results and position of foreign operations whose functional currency is different from the group's presentation currency are translated as follows:

- assets and liabilities are translated at period-end exchange rates prevailing at that reporting date;
- income and expenses are translated at average exchange rates for the period; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the group's foreign currency translation reserve in the balance sheet. These differences are recognised in the income statement in the period in which the operation is disposed.

Notes to the Financial Statements
for the half year ended 31 December 2007

NOTE 2: PROFIT FOR THE PERIOD	Half year ended 31 Dec 2007 $	Half year ended 31 Dec 2006 $
The following revenue and expense items are relevant in explaining the financial performance for the interim period:		
Interest received from other persons	27,378	8,864
Write-off of exploration expenditure	8,071	51,824

NOTE 3: CASH AND CASH EQUIVALENTS	31 December 2007 $	30 June 2007 $
Cash at bank and on hand	4,068,384	498,491
Short term deposits	2,000,000	-
	6,068,384	498,491

NOTE 4: TRADE AND OTHER RECEIVABLES

Current:		
Other receivables	60,027	17,951

NOTE 5: OTHER ASSETS

Current:		
Prepayments	-	15,564

NOTE 6: EXPLORATION AND EVALUATION ASSET

Exploration and evaluation expenditure carried forward in respect of areas of interest are:		
Exploration and evaluation phase - at cost	383,897	184,639
Movement in exploration and evaluation asset:		
Opening balance - at cost	184,639	-
Capitalised exploration expenditure	208,701	192,621
Written off from abandoned areas of interest	-	-
Foreign currency translation movement	(9,443)	(7,982)
Carrying amount at the end of year	383,897	184,639

Recoverability of the carrying amount of exploration assets is dependent on the successful exploration and development of projects or alternatively through the sale of the areas of interest.

NOTE 7: TRADE AND OTHER PAYABLES

Current:		
Sundry payables and accrued expenses (unsecured)	30,250	14,327
Payable to director related entities	274,974	98,600
	305,224	112,927

NOTE 8: ISSUED CAPITAL	31 December 2007 $	30 June 2007 $
Fully paid ordinary shares	6,697,612	877,155
Ordinary shares	**No.**	**No.**
Balance at the beginning of the reporting period	25,869,187	13,500,003
Shares issued during the period for cash:		
Previous financial year	-	12,369,184
9 August 2007	1,250,000	-
26 November 2007	25,000,000	-
Balance at reporting date	52,119,187	25,869,187

On 26 November 2007 the company issued 25,000,000 shares pursuant to an initial public offering. The company successfully applied to the Australian Securities Exchange for admission to the Official List of the Exchange and commenced trading on 4 December 2007.

Options	**No. of Options**	**No. of Options**
Unlisted Share Options	8,000,000	-
Balance at the beginning of the reporting period	-	-
Options issued during the period:		
Award of options to Directors as approved by shareholders at the 2007 Annual General Meeting	7,000,000	-
Grant of options to Martin Place Securities Limited, pursuant to an agreement relating to services provided in relation to the initial public offering	1,000,000	-
Balance at reporting date	8,000,000	-

Other details of the option granted are:	Director Options	IPO Services Options
Number of options granted	7,000,000	1,000,000
Date of grant and vesting of options	30 August 2007	26 November 2007
Option expiry date	31 December 2010	31 December 2010
The fair value of share options and assumptions for the six months ended 31 December 2007:		
Fair value at grant date	6.54 cents	6.54 cents
Share price	6 cents	6 cents
Exercise price	25 cents	25 cents
Expected volatility	55.00%	55.00%
Option life	3.33 years	3.08 years
Expected dividends	nil	nil
Risk-free interest rate	6.25%	6.25%

The amount of the expense during the period in relation to these options is $114,610. This amount has been credited to the Option Reserve.

NOTE 9: RESERVES	31 December 2007 $	30 June 2007 $
Foreign currency translation reserve	(11,401)	313

The foreign currency translation reserve records exchange differences arising on translation of a foreign controlled subsidiary.

Options reserve	114,610	-

The options reserve records amounts recognised as expenses on valuation of share options granted to directors and others for services provided.

NOTE 10: EARNINGS PER SHARE	Half year ended 31 Dec 2007 cents	Half year ended 31 Dec 2006 cents
Basic earnings per share (cents)	(1.01)	(0.22)
Diluted earnings per share (cents)	(1.01)	(0.22)
Net profit/(loss) after tax used in the calculation of basic and diluted earnings per share	(319,987)	(70,269)

Options are considered potential ordinary shares. The average market price of ordinary shares during the half-year ended 31 December 2007 did not exceed the exercise price of the options. Accordingly, the options were not considered dilutive for the reporting periods during which they were on issue and were not included in the determination of diluted earnings per share for the period.

NOTE 11: COMMITMENTS

Exploration Commitments

The economic entity must meet minimum expenditure commitments in relation to option agreements over exploration tenements and to maintain those tenements in good standing.

The following commitments exist at balance date but have not been brought to account. If the relevant mineral tenement is relinquished the expenditure commitment also ceases.

	31 December 2007 $	30 June 2007 $
Not later than 1 year	191,428	184,524
Later than 1 year but not later than 5 years	1,171,429	1,327,381
Total commitment	1,362,857	1,511,905

NOTE 12: CONTINGENT LIABILITIES

There were no contingent liabilities at the end of the reporting period.

NOTE 13: RELATED PARTY TRANSACTIONS

The company undertakes transactions with related parties in the normal course of business. In the current period, arrangements with related parties continue to be in place, consistent with those reported in the 30 June 2007 annual financial report.

NOTE 14: EVENTS AFTER BALANCE SHEET DATE

In February 2008, the Group entered into an agreement to acquire 100% of two cateos (exploration licences) and one minas (mining lease) making up the "Marayes Gold Project" in San Juan Province of Argentina.

The group has been granted an exclusive period of 3 months to undertake due diligence. At the end of this period the group can elect to proceed with the purchase by making a payment of US$20,000. Further payments of US$30,000 after 12 months, US$40,000 after 24 months, US$60,000 after 36 months are then payable with a final payment of US$450,000 after 48 months.

There have been no other significant events since balance date.

NOTE 15: SEGMENT REPORTING

The company operates internationally, in the mineral exploration industry. The exploration focus is on Argentina.

Primary Reporting: Geographical Segments

	Australia Half Year ended 31 December		Argentina Half Year ended 31 December		Economic Entity Half Year ended 31 December	
	2007 $	2006 $	2007 $	2006 $	2007 $	2006 $
REVENUE						
Segment revenue	27,378	8,864	-	-	27,378	8,864
Total revenue					27,378	8,864
RESULT						
Segment result	(281,898)	(45,166)	(38,089)	(25,103)	(319,987)	(70,269)
Loss before income tax expense					(319,987)	(70,269)
Income tax expense					-	-
Loss after income tax expense					(319,987)	(70,269)

NOTE 16: DIVIDENDS

No dividends were declared or paid during the period.

Hayes Knight Audit
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Registered Audit Company 299289

Independent auditor's review report to the members of Orocobre Limited

We have reviewed the accompanying half-year financial report of Orocobre Limited and Controlled Entities (the consolidated entity), which comprises the consolidated balance sheet as at 31 December 2007 and the income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration of the consolidated entity, comprising the company and the entities it controlled at the half-year's end or from time to time during the financial half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the consolidated entity are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2007 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Orocobre Limited and Controlled Entities, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independent auditor's review report to the members of Orocobre Limited (continued)

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of Orocobre Limited and Controlled Entities on 13 March 2008, would be in the same terms if provided to the directors as at the date of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Orocobre Limited and Controlled Entities is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2007 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001.*

Hayes Knight Audit (Qld) Pty Ltd

Hayes Knight Audit (Qld) Pty Ltd

Nigel Bamford

N D Bamford
Director

Level 4, 127 Creek Street,
Brisbane, QLD, 4000

Date: 13 March 2008