

29 June 2015

ASX / TSX ANNOUNCEMENT

\$32.3 million Capital Raising Completed

Orocobre Limited (ASX: ORE, TSX:ORL) (“Orocobre” or “the Company”) wishes to announce that it has raised A\$32.3 million through a Placement to both domestic and international institutional and sophisticated investors. The raising was significantly oversubscribed, with support shown by both existing and new shareholders.

The proceeds will be used principally to provide funding to the Olaroz Lithium Facility joint venture company, Sales de Jujuy SA (SDJ SA), where Orocobre’s ownership structure requires the Company to contribute 75% of the project funding. Use of funds includes: working capital and capex requirements at the SDJ SA project level during the production ramp up period at the Olaroz lithium facility, financing costs during the ramp up period, and costs incurred in rectifying operational issues and production bottlenecks (US\$7m). The funds will be provided to SDJ SA through a shareholder loan mechanism.

As discussed in the update announcement on 17 June 2015, production ramp up has been slower than expected due to equipment limitations and early operational issues, however these areas have now been identified and rectified, with the final rectification in the purification circuit anticipated to be completed within 3-4 months. It is expected that the nameplate monthly run rate of 1,450 tonnes will be met during Q4.

The slower than anticipated production ramp up has impacted the working capital position of SDJ SA. During the ramp up period, operating costs of a typically fixed nature have been incurred, whilst lower revenue was received due to slower than anticipated production quantities.

Placement

The Placement of approximately 17 million shares will be issued pursuant to Orocobre’s 15% capacity under ASX Listing Rule 7.1 at a price of A\$1.90 per share, representing a 9.5% discount to the ASX closing price prior to the Company entering into a trading halt on 25 June. The Placement will raise a total of \$32.3m.

The Lead Manager and Bookrunner for the placement was Canaccord Genuity (Australia) Ltd.

Managing Director, Richard Seville, said. “We are both very appreciative of the strong level of support shown by existing shareholders and also pleased in the level of interest shown by new institutional shareholders. We are now appropriately funded to take Olaroz through to becoming a profitable operating

company. It is a great time to be in the lithium sector and we will continue to work hard to deliver the results our shareholders expect and to take full advantage of being in such a favourable sector.”

For more information please contact:

Australia and Asia

David Hall
Business Development Manager
Orocobre Limited
T: +61 7 3871 3985
M: +61 407 845 052
E: dhall@orocobre.com

North America

James Calaway
Chairman
Orocobre Limited
M: +1 (713) 818 1457
E: jcalaway@orocobre.com

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 has built, in partnership with Toyota Tsusho Corporation and JEMSE, the first large-scale, greenfield brine based lithium project in 20 years at the Salar de Olaroz with planned production of 17,500 tonnes per annum of low-cost battery grade lithium carbonate. The full monthly production rate is expected to be reached in the last quarter 2015.

The Olaroz Lithium Project 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. All 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 maximum fresh water consumption of <20 l/s, which is low by industry standards.
- 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.

The Company continues to follow the community and shared value policy to successfully work with suppliers and the employment bureau to focus on the hiring of local people from the communities of Olaroz, Huancar, Puesto Sey, Pastos Chicos, Catua, Susques, Jama, El Toro, Coranzulí, San Juan and Abrapampa. The project implementation is through EPCM (Engineering, Procurement and Construction Management) with a high proportion of local involvement through construction and supply contracts and local employment. The community and shared value policy continues to be a key success factor, training local people under the supervision of high quality experienced professionals.

The Company also wholly-owns Borax Argentina, an important regional borate producer. For further information, please visit www.orocobre.com.au.

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 may include, but is not limited to, the drawdown of finance for the Olaroz Project, the completion of construction and commissioning of the Olaroz Project and the timing thereof, the commencement of commercial production at the Olaroz Project and the timing thereof, the cost of construction relative to the estimated capital cost of the Olaroz Project, the design production rate for lithium carbonate and potash at the Olaroz Project, the expected brine grade at the Olaroz Project, the expected operating costs at the Olaroz Project and the comparison of such expected costs to expected global operating costs, and the ongoing working relationship between Orocobre and the Province of Jujuy.

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 changes in government regulations, policies or legislation; the possibility that required concessions may not be obtained, or may be obtained only on terms and conditions that are materially worse than anticipated; that further funding may be required, but unavailable, for the ongoing development of the Company’s projects; fluctuations or decreases in commodity prices and market demand for product; 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 commissioning of the Olaroz Project to full capacity; unexpected capital or operating cost increases; uncertainty of meeting anticipated program milestones at the Olaroz Project; general risks associated with the further development of the Olaroz Project; as well as

those factors disclosed in the Company's Consolidated Financial Report for the half year ended Dec 31, 2014 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 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, potash and borates; market demand for product 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.