

25 July 2012

TSX / ASX ANNOUNCEMENT

OROCOBRE RECEIVES PROJECT APPROVAL AND MINING LEASES FOR OLARAZ LITHIUM PROJECT

Orocobre Limited (“the Company”) (ASX:ORE, TSX:ORL) is pleased to report that following the recommendation of the Expert Committee responsible for assessing lithium projects in Jujuy province, as announced on 27 June, the Jujuy Government, through the joint resolution of the Production Minister and Secretary to the Government, has approved the development of the Olaraz lithium project. In addition, and following receipt of the development approval, the mining leases for the project have been granted.

The receipt of the project mining concessions clears the path for Orocobre to finalise the proposed project financing with Mizuho Bank, the associated loan guarantees with JOGMEC, and the definitive agreements with the Company’s Olaraz project partner, Toyota Tsusho Corporation. The Company anticipates completing these arrangements before the end of September, with project construction to commence immediately thereafter.

For more information please contact:

Richard Seville
Managing Director
Orocobre Limited
M: +61 419 916 338
E: rseville@orocobre.com

Bruce Rose
VP- Corporate Development
Orocobre Limited
M: + 1 (604) 377 1423
E: brose@orocobre.com

About Orocobre Limited

Orocobre Limited is listed on the Australian Securities Exchange and Toronto Stock Exchange (ASX:ORE, TSX:ORL), and is the leading lithium-potash developer in the lithium and potassium rich Puna region of Argentina. Orocobre’s Olaraz Project’s definitive feasibility study outlines a project with a 40-year life producing 16,400 tonnes annually of battery grade lithium carbonate and 10,000 tonnes annually of potash. The Company intends to commence construction in 2012, with commercial production following in 2014. For further information, please visit www.orocobre.com.

Technical Information, Competent Persons’ and Qualified Persons Statements

The technical information in this announcement has been reviewed and approved by Mr. Neil Stuart, a non-executive director of Orocobre. Neil Stuart is a geologist and is a Fellow of The Australasian Institution of Mining and Metallurgy. Neil has sufficient relevant experience to qualify as a competent person as defined in the 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. He is also a “Qualified Person” as defined in NI 43-101.

Additional information relating to the Company's projects is available in "Technical Report – Salar de Olaroz Lithium-Potash Project, Argentina" dated May 30, 2011, (the Olaroz Report) and the "Technical Report – Salar de Cauchari Project, Argentina" dated April 30, 2010, which have each been prepared by John Houston, Consulting Hydrogeologist, together with, in the case of the Olaroz Report, Mike Gunn, Consulting Processing Engineer, in accordance with NI 43-101, as well as in the "Technical Report on the Salinas Grandes Lithium Project" dated April 16, 2012, which was prepared by Murray Brooker, an independent geologist and hydrogeologist.

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 completion of a definitive agreement between Orocobre and Toyota Tsusho Corporation and lending documentation with Mizuho and JOGMEC, the financing and profitability of the Olaroz Project, the commencement of construction at the Olaroz Project, and the timing of each of the foregoing.

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; the risk that a definitive joint venture agreement with Toyota Tsusho Corporation may not be completed and/or that project financing will not be arranged 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 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, 2011 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 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.