

ASX/TSX Announcement

5th November 2010

OROCOBRE COMMENCES DRILLING ON SALINAS GRANDE LITHIUM - POTASH PROJECT

- **Drilling has commenced at Orocobre's Salinas Grandes Lithium- Potash Project**
- **Program aims to estimate inferred resource in 1st Quarter calendar 2011**
- **Potential for greater Potash focus at Salinas Grandes than other Argentine salars**
- **Orocobre and JV partner Toyota Tsushu are on track to deliver Olaroz DFS in 1st Quarter calendar 2011**

Orocobre Limited (ASX: ORE, TSX: ORL) (the Company or Orocobre) has commenced an initial drilling program at its Salinas Grandes Lithium-Potash Project (Salinas Grandes) in North West Argentina.

The drilling program will assess the sub-surface geology and hydrogeology with the objective of estimating an inferred resource at Salinas Grandes in 1Q CY2011.

Previous pit sampling at Salinas Grandes shows very high Lithium and Potassium grades with the nucleus of the salar covering an area of approximately 60 km², with lithium concentrations over 2000 mg/l, reaching a maximum of 3117 mg/l. In addition potassium values of >20,000 mg /l occur over an area of approximately 40 km², and boron values >500 mg/l occur over more than 50 km².

The drilling program comprises 1,200 metres of drilling and all holes will be followed up with down hole geophysical surveys. Samples will be taken for hydro-geological test work.

Previous surface sampling data also highlights the potential for Salinas Grandes to have a greater Potash focus than other Argentine salars due to very low sulphate levels and unusually high potassium grades.

The project is located in the Salta and Jujuy Provinces in north-west Argentina less than 70 kilometres from Orocobre's flagship Olaroz Lithium Project (Olaroz) which provides the potential for operational synergies.

Orocobre is currently working with joint venture partner Toyota Tsushu towards delivering a Definitive Feasibility Study (DFS) for its flagship Olaroz Project in 1Q CY2011. Olaroz is widely recognized as the world's next large scale, low cost lithium-potash brine resource.

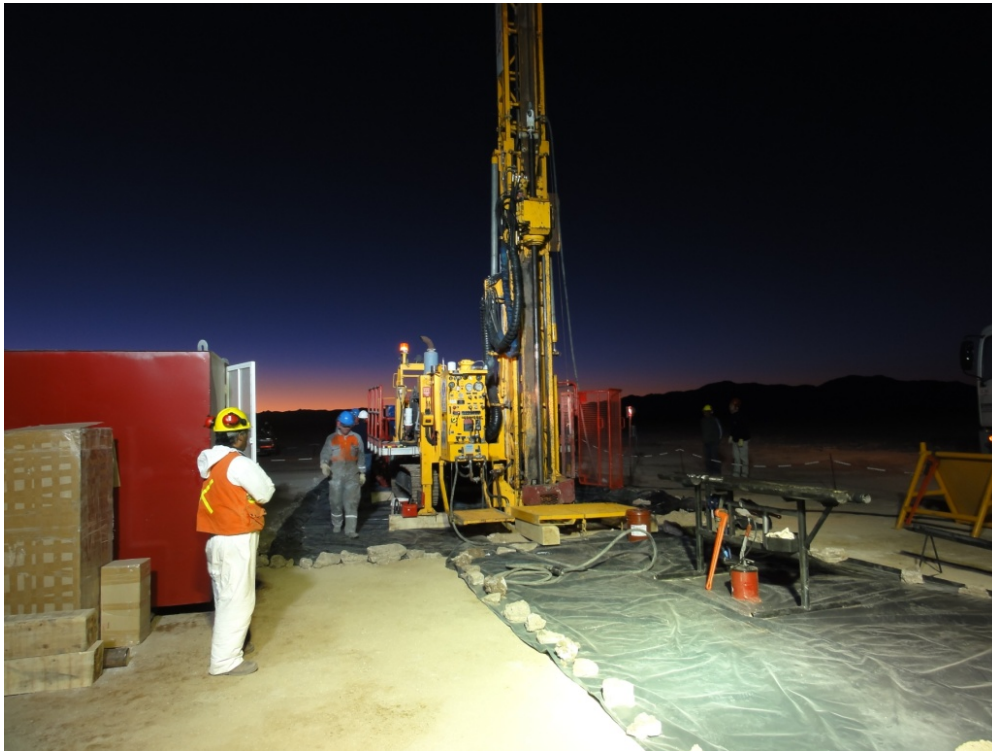


Figure 1 – Drill rig at Salinas Grandes Lithium Potash Project

Orocobre Managing Director, Mr Richard Seville was very pleased to have commenced drilling at the company's highly prospective Salinas Grandes project.

"Results from the previous pit sampling at Salinas Grandes are believed to show the highest average lithium and potassium grade results from any sampling program undertaken in Argentina and are comparable with the brine grades reported at Atacama in Chile," said Mr Seville.

"We are delighted to have commenced the Salinas Grandes drilling program and expect the results will allow us to estimate an inferred resource at Salinas Grandes in early 2011.

"If drilling shows the same brine grades and chemistry beneath surface, Salinas Grandes could join Atacama as one of the lowest operating cost brines in the world.

"In addition, pit sampling showed potential for the project to have a greater potash focus than other Argentine salars due to very low sulphate levels and unusually high potassium grades.

"The strategic and economic significance of potash has been highlighted by recent corporate activity and we continue to be confident in the outlook for lithium. In fact, at current growth rates, a new project the size of Olaroz will be needed every two to three years just to keep up with demand."

Paul Crawford
Company Secretary

About Orocobre Limited

Orocobre Limited is the leading lithium-potash developer in the lithium and potassium rich Puna region in Argentina. Orocobre is in partnership with Toyota Tsushu Corporation to develop its flagship project, Salar de Olaroz and the parties are currently working towards delivering a Definitive Feasibility Study in early 2011. Drilling has commenced at the Company's highly prospective Salinas Grandes with the objective of estimating an inferred resource in Q1 CY2011. With such quality assets Orocobre is poised to become a major new force in the growing lithium market. Orocobre is listed on the Australian Securities Exchange and Toronto Stock Exchange (ASX:ORE, TSX:ORL).

For more information please contact:

Australia and Asia

Richard Seville
Managing Director
Orocobre Limited
T +61 7 3871 3985
M +61 419 916 338

Gemma Young
FD
T: +61 8 9386 1233
M: +61 412 349 345
E: gemma.young@fd.com

North America

James D. Calaway
Chairman
Orocobre Limited
T: +1 (713) 366-0301
M: +1 (713)-818-1457

Jessica Wagner
FD
T: +1 (312) 861 4707
M: +1 (646) 258 7439
E: Jessica.wagner@fd.com

Competent persons Report/Technical Information

The information in this report that relates to exploration results and mineral resources is based on information prepared by or under the supervision of Mr Richard Seville, who is a member of the Australian Institute of Mining and Metallurgy. Mr Seville is a director of Orocobre Ltd and has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking 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', and as a "qualified person" under National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101"). Mr Seville consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. Additional information relating to the Company's projects is available in the technical reports entitled "Technical Report – Salar de Olaroz Project, Argentina" dated April 30, 2010 (the "Olaroz Report"), "Technical Report – Salinas Grandes Project" dated April 30, 2010 and "Technical Report – Salar de Cauchari Project, Argentina" dated April 30, 2010, respectively, which have each been prepared by John Houston, Consulting Hydrogeologist, together with, in the case of the Olaroz Report, Peter Ehren, Consulting Processing Engineer, in accordance with NI 43-101.

Caution Regarding Forward-Looking Information

This report contains "forward-looking information" within the meaning of applicable securities legislation. Forward-looking information may include, but is not limited to, information with respect to the future financial and operating performance of the Company, its affiliates and subsidiaries, the estimation and realization of mineral reserves and mineral resources, costs and timing of development

of the Company's projects, costs and timing of future exploration, timing and receipt of approvals, consents and permits under applicable legislation, results of future exploration and drilling and adequacy of financial resources. Forward-looking information is often characterized by words such as "plan", "expect", "budget", "target", "project", "intend", "believe", "anticipate", "estimate" and other similar words or statements that certain events or conditions "may" or "will" occur.

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 risks associated with investments in publicly listed companies, such as the Company; risks associated with general economic conditions; the risk that further funding may be required, but unavailable, for the ongoing development of the Company's projects; changes in government regulations, policies or legislation; unforeseen expenses; fluctuations in commodity prices; fluctuation in the exchange rate of the Argentine peso, the Australian dollar, the Canadian dollar or the United States dollar; litigation risk; restrictions on the repatriation of earnings by the Company's subsidiaries; conflicts of interest of certain directors of the Company; inability to effect service of process or to enforce judgments within Canada upon and against the directors and officers of the Company; the inherent risks and dangers of mining exploration and operations in general; risk of continued negative operating cash flow; the possibility that required permits may not be obtained; environmental risks; uncertainty in the estimation of mineral resources and mineral reserves; risks that the current inferred resource at the Company's Olaroz project will not be converted to a sufficient amount of indicated or measured resources to warrant development; general risks associated with the feasibility and development of each of the Company's projects; the risk that a definitive joint venture agreement with Toyota Tsusho Corporation may not be completed; risks that the new process being developed by the Company will take longer to develop than anticipated or that it will not be successfully developed; risks of being unable to sell production in the event of the development of a project; foreign investment risks in Argentina; changes in Argentinean laws or regulations; future actions by the Argentinean government; breach of any of the contracts through which the Company holds property rights; defects in or challenges to the Company's property interests; uninsured hazards; disruptions to the Company's supplies or service providers; reliance on key personnel; retention of key employees; absence of dividends; competition; absence of unitization or reservoir management rules; the Company's dependence on an open border between Argentina and Chile; as well as those factors disclosed in the Company's publicly filed documents.

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 Company's ability to carry on its exploration and development activities, the timely receipt of required approvals, the prices of lithium and potash, the ability of the Company to operate in a safe, efficient and effective manner and the ability of the Company to obtain financing as and when required and on reasonable terms. Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used.

Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such 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.