

7 March 2011

ASX/TSX ANNOUNCEMENT

**APPROVALS PROCESS FOR OLAROS LITHIUM-POTASH
PROJECT**

Orocobre Ltd (ASX:ORE, TSX:ORL) wishes to advise on the approvals process for the Company's Olaroz lithium-potash project in Jujuy province, north-west Argentina.

The Company announced in January, 2011 that, following the recommendation by the Unit of Mining Environmental Management, the Company had received approval from the Jujuy Province Director of Mines and Energy Resources of the Company's Environmental Impact Statement (EIS) for the development and operation of the Olaroz lithium-potash project.

The development recommendation was fully supported by the local community of Olaroz Chico and other regional community leaders.

Under a new unanticipated decree released on March 4, 2011, the provincial government of Jujuy declared lithium a strategic mineral resource and introduced a secondary approvals process which will apply to the exploitation and exploration stages of all lithium projects in Jujuy province.

According to the new decree, in addition to an EIS approval, exploration and exploitation level projects will now require assessment by a Committee of Experts, and following a positive recommendation from this Committee, approval by the joint resolution of the Minister of Production and the Secretary General of the Provincial Government. The Committee of Experts will be comprised of seven people: the Minister for Production, a representative from each of the National Council of Sciences and Technology, National University of Jujuy and Secretariat of Environmental Management, and two representatives from the Jujuy Legislative Assembly.

The Company has been advised that the Committee of Experts should be established within 30 days.

According to the decree, additional approval will be required for both the Olaroz lithium-potash project for which the Company has already received approval of its development and production EIS, and the Cauchari lithium-potash project, for which an exploration EIS has been submitted. This new process does not affect the Company's program at Salinas Grandes, which is predominantly located in Salta Province.

Orocobre Managing Director, Richard Seville, said, "The Company recognizes the importance of lithium to the economic and social development of the province of Jujuy. Jujuy is part of the so-called "lithium triangle" and there is real potential to establish a viable long-term lithium industry in the province."

"Orocobre is working towards completion of its Definitive Feasibility Study for the Olaroz project this quarter and is also working currently with our partner Toyota Tsusho on development financing and related commercial matters. We expect our positive and strong working relationship with national and provincial governments, and local communities which resulted in a speedy EIS approval, will allow us to work effectively with this new process and achieve final approval for our Olaroz project within our desired timeframes."

Orocobre Chairman, James Calaway said, "The Company is committed to the successful development of its lithium assets through a balanced and cooperative working relationship with the Jujuy provincial government but will maintain all available options to ensure an orderly development of our Jujuy assets."

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Company Secretary

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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.

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

This new release contains forward-looking information within the meaning of applicable Canadian securities legislation. Specifically, this press release contains forward-looking statements relating to the approvals process for the Company's projects. Although Orocobre believes that the expectations and assumptions on which such forward-looking statements are based are reasonable as of the date of this news release, undue reliance should not be placed on the forward-looking statements and information, as Orocobre can give no assurance that they will prove to be correct. Since forward-looking statements address future events and conditions, by their nature they involve inherent risks and uncertainties. The forward-looking statements contained in this news release are made as of the date hereof and Orocobre undertakes no obligation to update publicly or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.