

8 April 2011

ASX/TSX ANNOUNCEMENT

FIRST BATTERY GRADE LITHIUM CARBONATE PRODUCED FROM SALAR DE OLAROS

Orocobre Limited (ASX: ORE, TSX:ORL) is pleased to report that it has produced battery grade lithium carbonate from Salar de Olaroz brines.

Orocobre's analysis shows that the lithium carbonate is of greater than 99.9% purity* and of higher purity than the specifications for battery grade material sold by existing producers. This material was produced by refining a lower purity product previously produced at the company's facilities at Olaroz with recirculated brines. As such, the Company considers the material to be representative of what could be expected in commercial production.

Managing Director Richard Seville commented:

"This is a major milestone for the company, and is the result of over 2 years of painstaking process development work. Six months ago we started pilot plant scale production of crude lithium carbonate, and now we are able to produce a value added, refined product which we believe meets cathode manufacturers' rigorous material specifications."

We considered that it was important to produce "battery grade" lithium carbonate from our facilities as part of our Definitive Feasibility Study and this important milestone has now been achieved."

For and on behalf of the Board

Paul Crawford
Company Secretary

***In order to be consistent with the reporting of lithium carbonate purity by other exploration companies, the figures presented here do not include loss of ignition (LOI) or moisture content. In the lithium carbonate produced by Orocobre, these specifications were also above the specifications of battery grade material being sold by producers.**

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 Lithium Province of Argentina.

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Competent Person's and Qualified Person's Statement

Scientific or technical information in this report that relates to the Company's Olaroz properties 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 the Managing Director of Orocobre Limited 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 Salar de Olaroz project is available in the existing technical report entitled "Technical Report – Salar de Olaroz Project, Argentina" dated April 30, 2010, which was prepared by John Houston, Consulting Hydrogeologist, and Peter Ehren, Consulting Processing Engineer, in the Company's news release dated March 6, 2011 relating to the approvals process at the Salar de Olaroz project, and in the Company's news release dated April 1, 2011 relating to its updated resource estimate for the Salar de Olaroz project.

Caution Regarding Forward-Looking Information

This news release contains forward-looking information within the meaning of applicable Canadian securities legislation. Specifically, this press release contains forward-looking statements relating to the Company's Salar de Olaroz Project. 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.