

Orocobre Receives Approval for Exploration Drilling at Salar de Cauchari Project

9 September 2011

Orocobre Limited (ASX: ORE) (TSX: ORL) is pleased to announce that its 85% owned subsidiary, South American Salars S.A., has received authorization to drill exploratory wells on its Salar de Cauchari property ("Cauchari Project"), immediately south of the Salar de Olaroz, in northwestern Argentina's Jujuy province.

In accordance with the project's Environment Impact Assessment ("EIS") addenda the provincial Director of Mines and Energy Resources has approved a limited program that permits drilling and the construction of related access roads. The objective of the program is to delineate a brine body at the Cauchari Project and to allow a resource estimate to be undertaken. The Company's drill program will test the area on the company's leases directly to the south-east of the highest grade part of the brine body drill tested by Lithium Americas Corp. on its Cauchari lithium project.

As previously announced January 31, 2011, interpretation of the Company's geological and geophysical survey information at the Cauchari Project, combined with publicly released information from Lithium Americas Corp. regarding the extensive testing of its leases, has encouraged Orocobre that there is a potential for the highest grade part of the brine body delineated by Lithium Americas Corp to extend onto South American Salar's Cauchari properties as shown in Figure 1 below.

Further information and mapping of the Salar de Cauchari resource areas is available on [Figure 1](#).

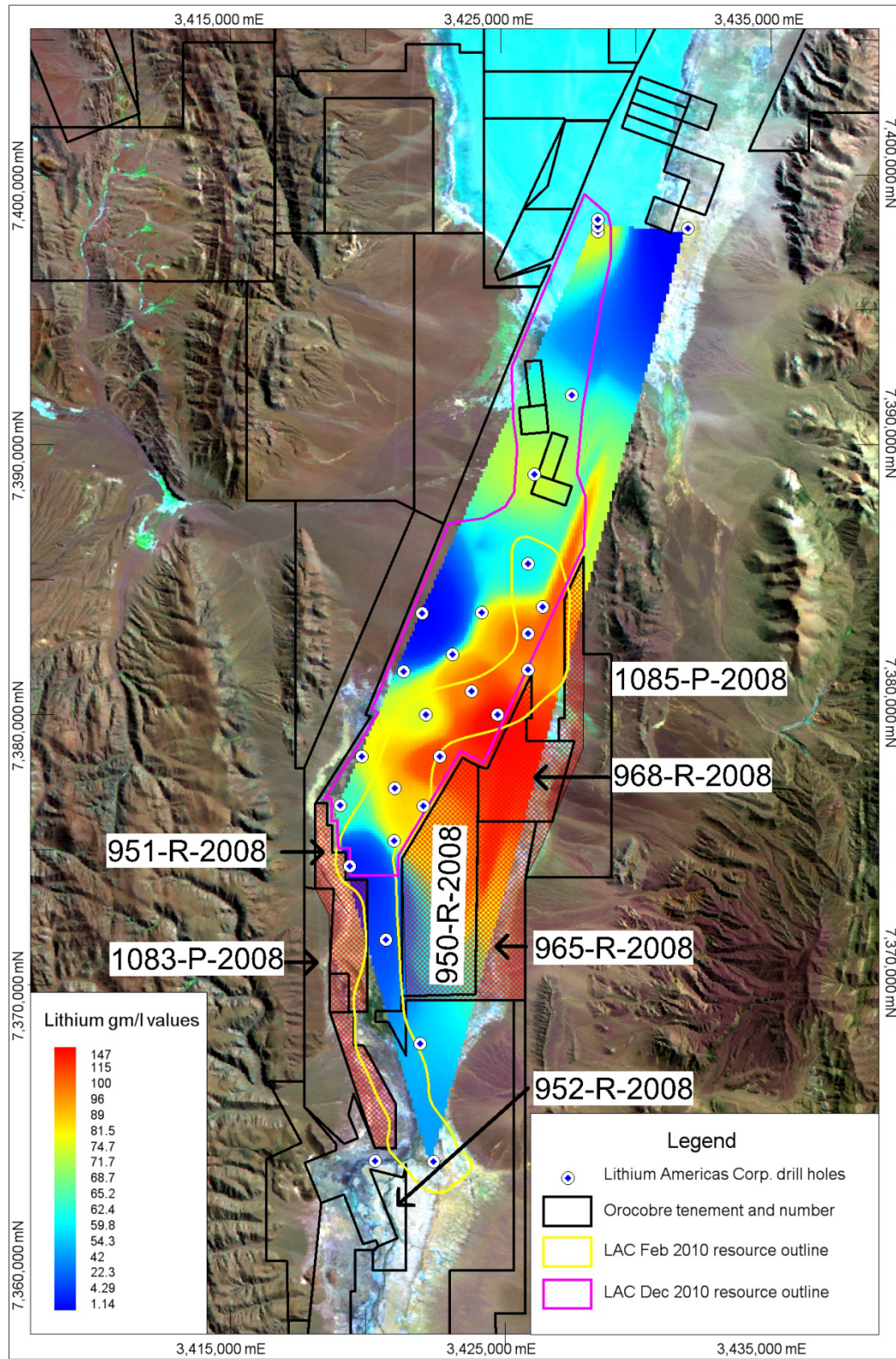


Figure 1. Plan showing Orocobre properties in relation to Lithium Americas Corp resource outlines and drill results reported as gm/l, calculated by multiplying the lithium grade (g/l) by the thickness (m) of each interval and summing the intervals. Cross hatch shows high potential areas on Orocobre's properties.

If the extension of the brine body into Orocobre properties can be shown to be the case and a resource delineated through this drilling program, the Cauchari brines could be developed and processed at the planned Olaroz Project facilities for relatively small incremental capital cost. This development strategy would require a capacity expansion of the Olaroz processing facilities beyond the currently planned production rate of 16,400 tonnes annually of battery grade lithium carbonate. Due to the similar brine type, the potential processing route would be expected to be the same as the process developed for Olaroz, where the company has been producing battery grade lithium carbonate at its pilot plant for over six months.

Orocobre's Managing Director, Richard Seville, said, "We are delighted that we have received approval for this important exploratory drilling program at Salar de Cauchari. We look forward to moving quickly to drill our excellent exploration targets. We remain confident that there is potential to add shareholder value by processing Cauchari brines at expanded Olaroz facilities."

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About Orocobre Limited

Orocobre Limited is listed on the Australian Securities Exchange (ASX: ORE) and the Toronto Stock Exchange (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.

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, the delineation of a brine body at the Cauchari Project, the estimation and realization of mineral resources at the Cauchari Project, the viability, recoverability and processing of such resources at the planned Olaroz project facilities, the incremental capital cost of such processing, the processing route for brines from the Cauchari Project, and the potential for the Cauchari Project to add any value for Orocobre’s shareholders.

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 that further funding may be required, but unavailable, for the ongoing development of the Company’s projects; changes in government regulations, policies or legislation; fluctuations or decreases in commodity prices; the possibility that required permits or approvals may not be obtained; uncertainty in the estimation, economic viability, recoverability and processing of mineral resources; general risks associated with the feasibility of the Company’s projects; risks associated with construction and development of the Olaroz project; unexpected capital or operating cost increases; the risk that a definitive joint venture agreement with Toyota Tsusho Corporation may not be completed; uncertainty of meeting anticipated program milestones at the Company’s projects; as well as those factors disclosed in the Company’s Annual Information Form for the year ended June 30, 2010 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 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.

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.

Technical Information

The technical information in this announcement relating to the Cauchari Project has been approved by Murray Brooker. Mr. Brooker is a geologist and hydrogeologist and is a Member of the Australian Institute of Geoscientists. Mr. Brooker 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 National Instrument 43-101 and is independent of Orocobre. Additional information relating to the Cauchari Project is available in the “Technical Report – Salar de Cauchari Project, Argentina” dated April 30, 2010, which was prepared by John Houston, Consulting Hydrogeologist in accordance with National Instrument 43-101.

Information in this news release relating to the testing results of Lithium Americas Corp. has not been verified by Mr. Brooker or by Orocobre, and such information is not necessarily indicative of results that will be obtained by Orocobre at the Cauchari Project.