

Orocobre Limited

ACN 112 589 910

Notice of Annual General Meeting and Explanatory Statement

Annual General Meeting to be held at the Mayflower Room, Christie Conference Centre,
Level 1, 320 Adelaide Street, Brisbane, Queensland Australia on 30 November, 2011
commencing at 10.00 am.

This Notice of Annual General Meeting and Explanatory Statement should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser without delay.

Directors	Mr James Calaway (Chairman) Mr Richard Seville (Managing Director) Mr Neil Stuart (Non-Executive Director) Mr John Gibson (Non-Executive Director) Mr Courtney Pratt (Non-Executive Director) Mr Fernando Oris de Roa (Non-Executive Director) Mr Federico Nicholson (Non-Executive Director)	
Secretary	Paul Crawford	
Registered Office	Level 1 349 Coronation Drive MILTON, QLD 4064 AUSTRALIA Ph: (+617) 3871 3985 Fax: (+617) 3720 8988 Email: mail@orcobre.com Website: www.orcobre.com	
ACN	112 589 910	
Auditors	Hayes Knight Audit (Qld) Pty Ltd Level 19 127 Creek Street BRISBANE QLD 4000 AUSTRALIA	
Legal Advisers	Hemming+Hart Level 5 307 Queen Street BRISBANE QLD 4000 AUSTRALIA	McCarthy Tetrault LLP Suite 5300 TD Bank Tower Toronto Dominion Centre 66 Wellington Street West TORONTO ON M5K1E6 CANADA
Share Registry	Boardroom Pty Limited Level 7 207 Kent Street SYDNEY NSW 2000 AUSTRALIA	Equity Financial Trust Company 200 University Avenue Suite 400 TORONTO ON M5H4H1 CANADA

NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY STATEMENT

Notice is given that the 2011 Annual General Meeting of Shareholders of Orocobre Limited (**Company**) will be held at the Mayflower Room, Christie Conference Centre, Level 1, 320 Adelaide Street, Brisbane, Queensland Australia on 30 November, 2011 at 10.00 am (Brisbane time).

The Explanatory Statement which accompanies and forms part of this Notice describes the matters to be considered.

Terms used in this Notice will, unless the context otherwise requires, have the same meaning given to them in the Glossary of Terms as contained in the Explanatory Statement.

ORDINARY BUSINESS:

Accounts

To receive and consider the financial report of the Company and the reports of the Directors and auditor for the year ended 30 June 2011.

To consider, and if thought fit, to pass the following resolution as an advisory only resolution:

1. Directors' Remuneration Report

"That the Directors' Remuneration Report for the year ended 30 June 2011 be adopted."

Voting Exclusion

<i>In accordance with the Corporations Act the Company will disregard any votes cast in relation to this Resolution by or on behalf of the Key Management Personnel (in any capacity), whose remuneration is included in the Remuneration Report (Excluded Persons) and closely related parties of an Excluded Person. However, an Excluded Person may cast a vote on the Resolution if that person does so as a proxy appointed in writing that specifies how the proxy is to vote on the Resolution and the vote is not cast on behalf of an Excluded Person. Further details, in relation to the ability of the Chairman to vote on undirected proxies are set out in the Explanatory Statement.</i>
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To consider and if thought fit, to pass, without amendment, the following resolutions as ordinary resolutions:

2. Re-election of Mr James Calaway as a Director

"That Mr James Calaway, a Director of the Company, retires by rotation in accordance with the provisions of the Constitution and being eligible for re-election, be re-elected as a Director of the Company."

3. Re-election of Mr Neil Stuart as a Director

"That Mr Neil Stuart, a Director of the Company, retires by rotation in accordance with the provisions of the Constitution and being eligible for re-election, be re-elected as a Director of the Company."

4. Ratification of Issue of Shares

“That in accordance with Listing Rule 7.4 of the ASX Listing Rules, and for all other purposes, the issue and allotment of 12,158,603 ordinary shares in the capital of the company, as detailed in the Explanatory Statement, be and is hereby approved.”

Voting Exclusion

The Company will disregard any votes cast on this Resolution by the allottee as detailed in Annexure A, of the Explanatory Statement and any associate of these allottee. The Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or it is cast by the person chairing the Meeting as a proxy for the person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

5. Approval of Employee and Officer Share Option Plan

“That for the purposes of exception 9 of ASX Listing Rule 7.2 and for all other purposes the Shareholders approve the terms of the Orocobre Limited Employee and Officers Share Option Plan.”

Voting Exclusion

The Company will disregard any votes cast on this Resolution by the Directors of the Company and any associate of any Director. However the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

6. Grant of Options to James Calaway

“That in accordance with Chapter 2E of the Corporations Act 2001 and Listing Rule 10.14 and for all other purposes, the grant of 150,000 options to James Calaway, for no consideration and otherwise for the purposes and on the terms and conditions described in the Explanatory Statement, be approved.”

Voting Exclusion

The Company will disregard any votes cast on this Resolution by the Directors of the Company and any associate of any Director. The Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or it is cast by the person chairing the Meeting as a proxy for the person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

7. Grant of Options to John Gibson

“That in accordance with Chapter 2E of the Corporations Act 2001 and Listing Rule 10.14 and for all other purposes, the grant of 100,000 options to John Gibson, for no consideration and otherwise for the purposes and on the terms and conditions described in the Explanatory Statement, be approved.”

Voting Exclusion

The Company will disregard any votes cast on this Resolution by the Directors of the Company and any associate of any Director. The Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or it is cast by the person chairing the Meeting as a proxy for the person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

8. Grant of Options to Courtney Pratt

“That in accordance with Chapter 2E of the Corporations Act 2001 and Listing Rule 10.14 and for all other purposes, the grant of 100,000 options to Courtney Pratt, for no consideration and otherwise for the purposes and on the terms and conditions described in the Explanatory Statement, be approved.”

Voting Exclusion

The Company will disregard any votes cast on this Resolution by the Directors of the Company and any associate of any Director. The Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or it is cast by the person chairing the Meeting as a proxy for the person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

9. Grant of Options to Fernando Oris de Roa

“That in accordance with Chapter 2E of the Corporations Act 2001 and Listing Rule 10.14 and for all other purposes, the grant of 100,000 options to Fernando Oris de Roa, for no consideration and otherwise for the purposes and on the terms and conditions described in the Explanatory Statement, be approved.”

Voting Exclusion

The Company will disregard any votes cast on this Resolution by the Directors of the Company and any associate of any Director. The Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or it is cast by the person chairing the Meeting as a proxy for the person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

10. Grant of Options to Federico Nicholson

“That in accordance with Chapter 2E of the Corporations Act 2001 and Listing Rule 10.14 and for all other purposes, the grant of 100,000 options to Federico Nicholson, for no consideration and otherwise for the purposes and on the terms and conditions described in the Explanatory Statement, be approved.”

Voting Exclusion

The Company will disregard any votes cast on this Resolution by the Directors of the Company and any associate of any Director. The Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or it is cast by the person chairing the Meeting as a proxy for the person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

11. Grant of Options to Neil Stuart

"That in accordance with Chapter 2E of the Corporations Act 2001 and Listing Rule 10.14 and for all other purposes, the grant of 100,000 options to Neil Stuart, for no consideration and otherwise for the purposes and on the terms and conditions described in the Explanatory Statement, be approved."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by the Directors of the Company and any associate of any Director. The Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or it is cast by the person chairing the Meeting as a proxy for the person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

By Order of the Board

A handwritten signature in black ink, appearing to read 'Paul Crawford', is written over a light blue horizontal line.

Paul Crawford
Company Secretary

Dated: 28 October 2011

EXPLANATORY STATEMENT

Annual Financial Report

The financial report of the Company for the year ended 30 June 2011, comprising the financial statements, notes, Directors' report and auditor's report, is included with this Notice of Annual General Meeting.

Time will be allowed during the meeting for consideration and questions by the Shareholders of the financial report and associated Directors' and auditor's reports.

Resolution 1: Adoption of the Directors' Remuneration Report.

The Corporations Act requires all listed companies to present their remuneration report for each financial year for adoption by Shareholders at the Company's Annual General Meeting. The report can be found as a separately identified "Remuneration Report" within the Directors' Report section of the Company's 2011 Annual Report.

Time will be allowed during the Annual General Meeting for consideration and questions by Shareholders of the Remuneration Report.

The vote on this Resolution is advisory only and does not bind the Directors or the Company.

In the event that you choose to appoint the Chairman as your proxy:

- The Chairman's voting intention is to vote in favour of this Resolution to adopt the Remuneration Report.
- The attached Proxy Form provides that if the Chairman is appointed as proxy, the Chairman is directed to vote in accordance with the voting intention set out above, unless you direct the Chairman to vote in a different manner.
- The Chairman will only vote in accordance with his stated voting intention if the relevant box is ticked.
- If the relevant box is un-ticked the Chairman will not be permitted to vote the relevant shares on the Resolution in relation to the Remuneration Report.
- For all other Resolutions where the Chairman is appointed as proxy, those proxies will remain undirected and may be voted on by the Chairman on that basis.

Resolution 2: Re-election of Mr James Calaway as a Director

Mr Calaway was appointed to the Board of Directors on 20 May, 2009 as Chairman and Non-executive Director. Mr Calaway is a respected business and civic leader in Houston, Texas. He and his family have considerable experience and success in building young companies into successful commercial enterprises. Mr Calaway has played a major role in the development of both public and private companies in the United States, including companies engaged in oil and gas exploration and production and commercial wind-farm development.

He currently serves as Chairman of the Board of DataCert Inc, the global leader in legal operations management, Chairman of the Board of Open Spirit Corporation, the premier middleware software company in the geological and geophysical software industry, and serves as a Director on several other U.S. corporate boards. Mr Calaway also serves on various boards in regards to the civic affairs of Houston.

Resolution 3: Re-election of Mr Neil Stuart as a Director

Mr. Stuart has over 40 years' experience in the minerals industry as an exploration geologist.

He was a founding director of the Company and an Executive Director of the Company until January 2010. He is currently the Non-executive Chairman of ASX listed Bowen Energy Ltd and a Non-executive Director of ASX listed Elementos Limited, Overseas & General Ltd and Axiom Mining Limited.

Resolution 4: Ratification of Issue of Shares

Under Listing Rule 7.1, the Company is limited to issuing up to 15% of its issued capital in any 12 month period without Shareholder approval, subject to certain exceptions.

An issue of shares made without specific approval under Listing Rule 7.1 is treated as having been made with approval for the purpose of Listing Rule 7.1 if the original issue did not breach Listing Rule 7.1 and is subsequently approved by Shareholders pursuant to the provisions of Listing Rule 7.4.

This Resolution seeks the ratification of Shareholders for the previous issue of 12,158,603 ordinary shares to various allottees as per the details in the attached Annexure A, pursuant to the provisions of Listing Rule 7.5.

Resolution 5 – Approval of Employee and Officer Share Option Plan

The Directors of the Company have previously sought Shareholder approval to the introduction of the Orocobre Limited Employee and Officer Share Option Plan (**Plan**) as part of an incentive and rewards regime within the Company's remuneration policy. Shareholder approval to the Plan was given at the 2008 Annual General Meeting. A summary of the terms of the Plan are attached to this Notice of Meeting at Annexure B.

The Listing Rules provide that options issued under an employee incentive scheme such as the Plan can be considered to be issued under Exception 9 of Listing Rule 7.2 and do not need to be included for the purposes of the calculation of the 15% cap on the issue of shares in an ASX listed company under Listing Rule 7.1. The Company may rely on Exception 9 of Listing Rule 7.2, so long as Shareholder approval for the employee incentive scheme has been given in the last three years. Shareholders previously approved the Plan on 25 November 2008. As more than three years has passed, Shareholder approval to the Plan is now sought.

Since 25 November 2008, 1,860,000 options have been granted under the Plan, of which 950,000 have been exercised and 75,000 have lapsed. Full details of the options issued under the Plan are set out in the 2011 Directors' Report.

Whilst under the provisions of the Plan, options may be issued to Directors, pursuant to the provisions of the Listing Rules and the Corporations Act, no options will be issued to Directors unless further specific approvals for the issue of those options are obtained pursuant to the provisions of Listing Rule 10.14 and Part 2E of the Corporations Act.

Due to a potential personal interest in the outcome, the Directors make no recommendation whether Shareholders approve this Resolution.

Resolutions 6 to 11: Grant of Options to Directors

Introduction

Shareholder approval in accordance with the provisions of Part 2E of the Corporations Act and Listing Rule 10.14 and for all other purposes, is sought for Resolutions 6 to 11 for the grant of options for no consideration (**Options**) pursuant to the Plan to nominated Directors of the Company in accordance with Table A below.

Why are the Options being issued?

The primary purpose of the grant of the Options to the Directors under Resolutions 6 to 11 is not to raise capital but to better align the interests of the Company and Directors by providing an incentive to them to remain with the Company and increase Shareholder value.

Key Details of Options

The Options will be issued for zero consideration. Key details of the Options to be granted by the Company to the Directors are as follows:

Table A – Director and proposed Option issue details

Director Names (relevant Resolution)	Number of Options and vesting rights	Expiry Date	Exercise Price
Mr James Calaway (Resolution 6)	150,000 options 50% vesting 12 months after issue and 50% vesting 24 months after issue	5 years after issue	\$1.50
Mr John Gibson (Resolution 7)	100,000 options 50% vesting 12 months after issue and 50% vesting 24 months after issue	5 years after issue	\$1.50
Mr Courtney Pratt (Resolution 8)	100,000 options 50% vesting 12 months after issue and 50% vesting 24 months after issue	5 years after issue	\$1.50
Mr Fernando Oris de Roa (Resolution 9)	100,000 options 50% vesting 12 months after issue and 50% vesting 24 months after issue	5 years after issue	\$1.50
Mr Federico Nicholson (Resolution 10)	100,000 options 50% vesting 12 months after issue and 50% vesting 24 months after issue	5 years after issue	\$1.50
Mr Neil Stuart(Resolution 11)	100,000 options 50% vesting 12 months after issue and 50% vesting 24 months after issue	5 years after issue	\$1.50

Part 2E of the Corporations Act

Part 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of a public company unless the benefit falls within one of the various exceptions to the general prohibition. One of the exceptions includes where the company first obtains the approval of its shareholders in a general meeting in circumstances where the requirements of Part 2E in relation to the convening of that meeting have been met.

A “related party” for the purposes of the Corporations Act is defined widely and includes a director of the public company and any alternate director.

A “financial benefit” for the purposes of the Corporations Act has a very wide meaning. It includes the public company paying money or issuing securities to the related party. In determining whether or not a financial benefit is being given, it is necessary to look to the economic and commercial substance and effect of what the public company is doing (rather than just the legal form). Any consideration which is given for the financial benefit is to be disregarded, even if it is full or adequate.

Should each of Resolutions 6 to 11 be passed, then this will confer financial benefits to the Directors, as stated in Table A above, and the Company seeks to obtain member approval in accordance with the requirements of Part 2E of the Corporations Act and for this reason and for all other purposes the following information is provided to Shareholders.

1. The Related Party to whom Resolutions 6 to 11 would permit a financial benefit to be given

The persons stated in Table A above, (or each of his respective nominees) being a Director of the Company.

2. The Nature of the Financial Benefit

The nature of the proposed financial benefit to be given is:

- a. the grant of a total of 650,000 Options, to nominated Directors in the proportions set out in Table A;
- b. the vesting conditions for the Options are as set out in Table A;
- c. subject to the vesting conditions, the Options shall be exercisable into fully paid ordinary shares at an Exercise Price of \$1.50 per share exercisable on or before the date that is 5 years from the date of issue; and
- d. the Options shall be granted for no cash consideration. Consequently no funds will be raised as a result of the grant of the Options. A total of \$975,000 in additional share capital would be raised if the Options proposed to be issued as set out in Table A were exercised in full.

The Options shall be issued under the terms of the Plan. A summary of those terms is at Annexure B to this Explanatory Statement.

3. Director's Interest and other Remuneration

Each of the Directors set out in Table A has a material personal interest in the outcome of Resolutions 6 to 11, as it is proposed that the Options be granted to him (or his respective nominee) as set out in Resolutions 6 to 11.

Excluding the Options referred to above, each of the Directors (and entities associated with him) holds Shares and other options of the Company as set out in Table B below.

If all of the Options granted to each Director are exercised the following will be the effect on the share holdings in the Company.

Table B

Director	Current Share Holding (Number of options held)	% of Total Share Capital (103,195,029 shares on issue)	Share Holding upon exercise	% of Total Share Capital (103,845,029 shares on issue)
Mr James Calaway	8,574,000 Shares (Nil options)	8.30%	8,724,000	8.40%
Mr John Gibson	25,000 Shares (Nil options)	0.024%	125,000	0.12%
Mr Courtney Pratt	Nil Shares (Nil options)	Nil	100,000	0.096%
Mr Fernando Oris de Roa	Nil Shares (Nil options)	Nil	100,000	0.096%
Mr Federico Nicholson	Nil Shares (Nil options)	Nil	100,000	0.096%
Mr Neil Stuart	5,642,996 Shares (Nil options)	5.47%	5,742,996	5.53%

Other than the Options to be issued pursuant to Resolutions 6 to 11, details of the payments to Directors for services to the Company are set out below.

Director – Title	Total Remuneration for 2010/2011	Estimate of Total Remuneration for 2011/2012
Mr James Calaway - Executive Chairman	\$127,279	\$200,000
Mr John Gibson - Non-executive Director	\$40,104	\$40,000
Mr Courtney Pratt - Non-executive Director	\$40,515	\$40,000
Mr Fernando Oris de Roa - Non- executive Director	\$40,000	\$40,000
Mr Federico Nicholson - Non-executive Director	\$31,222	\$40,000
Mr Neil Stuart - Non-executive Director	\$40,000	\$40,000

4. Value of options

The Board has determined the value of the options to be issued pursuant to Resolutions 6 to 11 to be approximately 71.5 cents per option (representing a total value of approximately \$464,750). The individual value of the Options to each Director is as follows: Mr James Calaway - \$107,250, Mr John Gibson - \$71,500, Mr Courtney Pratt - \$71,500, Mr Fernando Oris de Roa - \$71,500, Mr Federico Nicholson - \$71,500 and Mr Neil Stuart - \$71,500.

This value has been derived using both a Black Scholes Metroanalytical valuation method assuming the following:

- a Share price of A\$1.38 (being the closing price of Shares on the ASX on 14 October 2011);
- an exercise price of \$1.50;
- a risk free rate of 3.75% per annum;
- a volatility factor of 75%, which has been determined having regard to the historical trading of Shares on ASX;
- an expiry date of five years from the date of issue; and
- all other terms and conditions as outlined in this Explanatory Statement.

5. Any other Information that is reasonably required by Shareholders to make a decision and that is known to the Company or any of its Directors

There is no other information known to the Company or any of its Directors except as follows:

6. Opportunity Costs

The opportunity costs and benefits foregone by the Company issuing the Options as set out in Table A is the potentially dilutionary impact on the issued share capital of the Company (in the event that the Options are exercised). Until exercised, the issue of the Options will not impact upon the number of ordinary shares on issue in the Company. To the extent that upon their exercise the dilutionary impact caused with the issue of shares will be detrimental to the Company, this is more than offset by the advantages accruing from the Company securing the services of experienced and skilled directors on appropriately incentivised terms.

It is also considered that the potential increase of value in the Options is dependent upon a concomitant increase in the value of the Company generally.

Dilutionary Effect

If all of the Options granted to each of the Directors as set out in Table A are exercised, the following will be the dilutionary effect on the current issued capital of the Company.

Shareholder	Current Share Capital		Share Capital upon exercise (assumes all Options issued are exercised)	
Other Current Shareholders	88,953,033	86.206%	88,953,033	85.66%
Mr James Calaway	8,574,000	8.30%	8,350,000	8.40%
Mr John Gibson	25,000	0.024%	125,000	0.12%
Mr Courtney Pratt	Nil	Nil	100,000	0.096%
Mr Fernando Oris de Roa	Nil	Nil	100,000	0.096%
Mr Federico Nicholson	Nil	Nil	100,000	0.096%
Mr Neil Stuart	5,642,996	5.46%	5,742,996	5.532%
Total	103,195,029	100 % *	103,845,029	100 % *

****Rounded to nearest whole number***

Share Price History

In order to assist Shareholders to appropriately consider this Resolution, it is noted that the Company's shares have traded on ASX in the 3 months prior to the date of this Notice of Annual General Meeting between \$0.975 on 4 October 2011 and \$1.775 on 9 September 2011. At the close of trading on 14 October 2011, the Company's share price was \$1.38.

Why is Shareholder approval required?

Listing Rule 10.14 provides that an entity must not permit any Director, or any associate of a Director, to acquire securities under an employee incentive scheme, without the prior approval of its Shareholders.

Listing Rule 10.15 sets out a number of matters which must be included in a notice of meeting requesting shareholder approval under Listing Rule 10.14. In accordance with Listing Rule 10.15, the following information is provided to Shareholders in relation to Resolutions 6 to 11.

Details of options

If Resolutions 6 to 11 are approved the Company will issue to the Directors Options as set out above, which, if exercised, will entitle them to acquire one Share per Option. The Options are to be issued under the rules of the Plan, a summary of which is set out in the Annexure B to this Explanatory Statement and otherwise each Option will be issued on the following terms:

- for no consideration;
- the exercise price is A\$1.50 per Option;

- 50% of the Options vest 12 months after issue with the remaining 50% vesting 24 months after issue; and
- each Option expires 5 years after issue.

Other information

For the purposes of Listing Rule 10.15, and for all other purposes, the following information is provided to Shareholders for the purposes of Resolutions 6 to 11:

- under Resolutions 6 to 11, approval is being sought to issue a maximum of 650,000 Options to the Directors in the proportions set out in Table A, at an exercise price of \$1.50 per Option;
- the Options will be granted to the Directors as soon as practicable after the Meeting, but in any event, no later than 12 months after the date of the Meeting;
- because the Options are to be issued for no consideration, the Company will not raise any funds from the issue. If any or all of the Options are exercised, the funds raised from the issue of Shares to the Directors will contribute to the Company's working capital;
- each of the Directors is entitled to participate in the Plan;
- since the Plan was adopted, 1,860,000 options have been granted under the Plan, of which 950,000 have been exercised and 75,000 have lapsed. No Options have been issued to Directors since the approval of the Plan by Shareholders in November 2008.
- The following table below sets out the current Options issued under the Plan at the date of this notice;

Number	Class
435,000	Exercisable at A\$2.03, expiring 30 June 2013
400,000	Exercisable at A\$2.03, expiring 30 June 2015

- the remaining unexercised Options have been issued to employees of the Company and not the Directors. All options were issued for no consideration; and
- the Company will not provide a loan in connection with the exercise of any Options issued pursuant to Resolutions 6 to 11.

Directors' interests and recommendations

Resolutions 6 to 11

Each of the Directors has an interest in Resolutions 6 to 11. Therefore none of the Directors makes a recommendation in relation to Resolutions 6 to 11.

Glossary of Terms

Unless the context indicates a contrary intention, the following terms and abbreviations used in the Notice and this Explanatory Statement have the following meanings:

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) and includes any successor body.

Company means Orocobre Limited ACN 112 589 910.

Constitution means the constitution of the Company.

Corporations Act means the Corporations Act 2001 (Cth).

Explanatory Statement means this explanatory statement that accompanies and forms part of the Notice of Meeting.

Key Management Personnel has the meaning given to that term in the Accounting Standards as published by the Australian Accounting Standards Board from time to time.

Listing Rules means the Listing Rules of the ASX and any other rules of the ASX which are applicable while the Company is admitted to the Official List, each as amended or replaced from time to time, except to the extent of any express written waiver by the ASX.

Notice of Meeting means the notice of annual general meeting dated 27 October 2011 which this Explanatory Statement accompanies and in which the Resolutions are set out.

Resolution means the resolutions referred to in the Notice of Meeting.

Share means a fully paid ordinary share in the Company.

Shareholder means a holder of Shares.

Annexure A-1

Resolution 4: Ratification of Issue of Shares – Information to Shareholders for the purposes of Listing Rule 7.5

Number of Securities Allottee	(1) 20,000 (2) 55,000	(1) 5,570 (2) 6,135	65,000	125,000	4,672,898	6,959,000	250,000
Price at which the Securities were issued	A\$0.375	A\$2.01	A\$2.16	A\$0.375	A\$3.21	C\$3.20/A\$3.21	A\$0.375
Terms of the Securities	Fully Paid Ordinary Shares	Fully Paid Ordinary Shares	Fully Paid Ordinary Shares	Fully Paid Ordinary Shares	Fully Paid Ordinary Shares	Fully Paid Ordinary Shares	Fully Paid Ordinary Shares
Name of the allottee	Marcela Sonia Brkljacic & Ivan Cristobal Brkljacic	Silvia Rodriguez	Luis Losi SA	Jorge Andreani	Allottee under the Australian Placement, details at Annexure A-2	Allottee under the Canadian Placement, details at Annexure A-2	Marcelo Sanchez
Use of the funds	Working capital – exercise of options	Partial settlement of option payment	Settlement under contract to acquire mineral asset	Working capital – exercise of options	Ongoing design work, pilot plant operation and other activities	Ongoing design work, pilot plant operation and other activities	Working Capital
Date of Allotment	(1) 8 July 2010 (2) 30 Sept 2010	(1) 25 August 2010 (2) 15 August 2011	30 September 2010	29 July 2011	11 February 2011	25 February 2011	28 June 2011

Resolution 4: Ratification of Issue of Shares – Information to Shareholders for the purposes of Listing Rule 7.5

Australian Share Placement – 11 February, 2011

ALLOTTEE	NO. OF SHARES ALLOTTED
143 Pty Ltd <JF Pearce Family A/C>	30,375
Amcil Limited	74,455
Bainpro Nominees Pty Limited	249,221
Brispot Nominees Pty Ltd <House Head Nominees No 1 A/C>	300,000
BT Portfolio Services Limited <Warrell Holdings S/F A/C>	38,941
Citicorp Nominees Pty Limited	910,602
Feta Nominees Pty Limited	4,000
Georges Heights Pty Ltd <Georges Heights Unit A/C>	19,471
Headland Capital Pty Limited	23,365
HSBC Custody Nominees (Australia) Limited – GSI EDA	62,305
HSBC Custody Nominees (Australia) Limited – GSCO ECA	202,492
HSBC Custody Nominees (Australia) Limited – A/C 2	38,941
Invia Custodian Pty Limited <RED A/C>	25,000
Irrewarra Investments Pty Ltd <Strategic 4 A/C>	46,729
JP Morgan Nominees Australia Limited	404,984
JP Morgan Nominees Australia Limited <Cash Income A/C>	144,082
Marford Group Pty Ltd <Aggressive Trade A/C>	77,882
Merrill Lynch (Australia) Nominees Pty Limited <Berndale A/C>	264,798
Merrill Lynch (Australia) Nominees Pty Limited	224,299
Mirrabooka Investments Limited	100,000
Mufasa Pty Ltd	15,576
Nambia Pty Ltd <Anthon Family Super Fund A/C>	31,153
National Nominees Limited	152,265
Spring Street Holdings Pty Ltd	20,000
UBS Nominees Pty Ltd	1,211,962

Canadian Share Placement – 25 February, 2011

ALLOTTEE	NO. OF SHARES ALLOTTED
Cormark Securities Inc	6,537,776
Goldman Sachs & Co	113,764
Goldman Sachs & Co	307,460

Summary of the rules of the Orocobre Limited Employee and Officers Share Option Plan

The Orocobre Limited (**Company**) has established the Orocobre Limited Employee and Officer Share Option Plan (the **Plan**) to assist in the attraction, retention and motivation of the Company's officers, employees and senior consultants. The key terms of the Plan are as follows:

1. All directors, officers, employees and senior consultants (whether full or part-time) will be eligible to participate in the Plan after a qualifying period of 12 months employment by the Company or its subsidiaries (or, in the case of a senior consultant, having provided consulting services to the Company or its subsidiaries on a continuous basis for at least 12 months), although the Board may waive this requirement.
2. The allocation of options under the Plan (**Plan Options**) is at the discretion of the Board.
3. If permitted by the Board, Plan Options may be issued to a nominee of a director, officer, employee or senior consultant (for example, to a spouse or family company).
4. Each Plan Option allows the option holder to subscribe for one fully paid ordinary share in the Company and will expire five years from its date of issue.
5. Options will be issued free.
6. The Plan Options may be exercised at any time after their issue.
7. The Plan Options may be exercised wholly or in part by notice in writing to the Company, received at any time during the exercise period together with a cheque for the exercise price and the Plan Option certificate (if any).
8. The exercise price of Plan Options will be determined by the Board at the time the Board resolves to issue the Plan Options.
9. The total number of shares the subject of Plan Options issued under the Plan, when aggregated with other Plan Options issued under the Plan during the previous five years must not exceed five per cent of the Company's issued share capital at the time.
10. If, prior to the expiry date of the Plan Options, a person ceases to be a director, officer, employee or senior consultant to the Company for any reason other than retirement from the workforce, permanent disability or death, the Plan Options held by that person (or nominee) must be exercised within 30 days thereafter or they will automatically lapse.
11. If a person dies, the Plan Options held by that person will be exercisable by that person's legal representative. Options cannot be transferred other than to the legal personal representative of a deceased option holder.
12. The Company will not apply for official quotation of any Plan Options.
13. Shares issued as a result of the exercise of Plan Options will rank equally with the Company's issued shares at the time.
14. Option holders may only participate in new issues of securities by first exercising their Plan Options. If there is a bonus issue to the holders of shares, the number of shares

over which a Plan Option is exercisable will be increased by the number of shares which the option holder would have received if the Plan Option had been exercised before the record date for the bonus issue.

15. In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company:

- A. the number of Plan Options, the exercise price of the Plan Options, or both will be reconstructed (as appropriate) in a manner consistent with the ASX Listing Rules, but with the intention that such reconstruction will not result in any benefits being conferred on the holders of the Plan Options which are not conferred on shareholders; and
- B. subject to the provisions with respect to rounding of entitlements as sanctioned by a meeting of shareholders approving a reconstruction of capital, in all other respects the terms for the exercise of the Plan Options will remain unchanged.

16. If there is a pro rata issue to shareholders (except a bonus issue); the Exercise Price of any Plan Option may be reduced according to the following formula:

$$O^2 = O - \frac{E [P - (S + D)]}{N + 1}$$

Where:

O^2 = the new exercise price of the Plan Option;

O = the old exercise price of the Plan Option;

E = the number of underlying securities into which 1 Plan Option is exercisable;

P = the average market price per security (weighted by reference to volume) of the underlying securities during the 5 trading days ending on the day before the ex right date or the ex entitlements date;

S = the subscription price for a security under the pro rata issue;

D = dividend due but not yet paid on the existing underlying securities (except those to be issued under the pro rata issue);

N = the number of securities with rights or entitlements that must be held to receive a right to 1 new security.

17. If there is a bonus issue to the holders of shares in the Company, the number of shares over which the Plan Option is exercisable may be increased by the number of shares which the Plan Option holder would have received if the Plan Option had been exercised before the record date for the bonus issue.

18. The terms of the Plan Options shall only be changed if holders (whose votes are not to be disregarded) of ordinary shares in the Company approve of such a change. However, the terms of the Plan Options shall not be changed to reduce the exercise price, increase the number of Plan Options or change any period for exercise of the Plan Options.



Your Address

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction on the form. Securityholders sponsored by a broker should advise your broker of any changes. **Please note, you cannot change ownership of your securities using this form.**

YOUR VOTE IS IMPORTANT

FOR YOUR VOTE TO BE EFFECTIVE IT MUST BE RECORDED BEFORE 10:00am
(Brisbane Time) MONDAY 28th NOVEMBER 2011

TO VOTE ONLINE

Reference Number:

Please note it is important you keep this confidential



STEP 1 : VISIT www.boardroomlimited.com.au/vote/orocobreagm2011
STEP 2: Enter your holding/Investment type
STEP 3: Enter your Reference Number and VAC:

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 Appointment of Proxy

Indicate here who you want to appoint as your Proxy
If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chairman of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a security holder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- return both forms together in the same envelope.

STEP 2 Voting Directions to your Proxy

You can tell your Proxy how to vote

To direct your proxy how to vote, place a mark in one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

STEP 3 Sign the Form

The form **must** be signed as follows:

Individual: This form is to be signed by the securityholder.

Joint Holding: where the holding is in more than one name, all the securityholders must sign.

Power of Attorney: to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. **Please indicate the office held by signing in the appropriate place.**

STEP 4 Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below not later than 48 hours before the commencement of the meeting at **10:00 am (local time) on Wednesday, 30th November 2011**. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxies may be lodged using the reply paid envelope or:

BY MAIL - Share Registry – Boardroom Pty Limited, GPO Box 3993,
Sydney NSW 2001 Australia

BY FAX - + 61 2 9290 9655

IN PERSON - Share Registry – Boardroom Pty Limited,
Level 7, 207 Kent Street, Sydney NSW 2000 Australia

Vote online at:

www.boardroomlimited.com.au/vote/orocobreagm2011
or turnover to complete the Form ➔

Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

STEP 1 - Appointment of Proxy

I/We being a member/s of **Orocobre Limited** and entitled to attend and vote hereby appoint

☐ the Chairman of the Meeting (mark with an 'X')	OR	
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If you are not appointing the Chairman of the Meeting as your proxy please write here the full name of the individual or body corporate (excluding the registered Securityholder) you are appointing as your proxy.

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy at the **Annual General Meeting of Orocobre Limited to be held at The Mayflower Room, Christie Conference Centre, 320 Adelaide Street, Brisbane QLD 4000 on Wednesday the 30th of November 2011 at 10:00am (local time)** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

☐	If the Chairman of the Meeting is appointed as your proxy or may be appointed by default, and you do not wish to direct your proxy how to vote in respect of resolutions 1 & 5 to 11, please mark this box. By marking this box, you acknowledge that the Chairman of the Meeting may vote as your proxy even if he has an interest in the outcome of the resolution and votes cast by the Chairman of the Meeting for those resolutions, other than as proxy holder, will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chairman of the Meeting will not cast your votes on the resolution and your votes will not be counted in calculating the required majority if a poll is called. By marking this box I/we acknowledge the Chairman of the Meeting can exercise my/our proxy even though he has an interest in the outcome of the resolution and unless a specific voting direction has been specified below, the Chairman of the Meeting is directed to vote in accordance with his voting intention as set out below.
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The Chair will vote all undirected proxies in favour of resolutions 1 & 5 to 11.

STEP 2 - Voting directions to your Proxy – please mark ☒ to indicate your directions

RESOLUTION	For	Against	Abstain	RESOLUTION	For	Against	Abstain
1. Adoption of the Directors' Remuneration Report	☐	☐	☐	7. Grant of Options to John Gibson	☐	☐	☐
2. Re-election of Mr James Calaway as a Director	☐	☐	☐	8. Grant of Options to Courtney Pratt	☐	☐	☐
3. Re-election of Mr Neil Stuart as a Director	☐	☐	☐	9. Grant of Options to Fernando Oris de Roa	☐	☐	☐
4. Ratification of Issue of Shares	☐	☐	☐	10. Grant of Options to Federico Nicholson	☐	☐	☐
5. Approval of Employee and Officer Share Option Plan	☐	☐	☐	11. Grant of Options to Neil Stuart	☐	☐	☐
6. Grant of Options to James Calaway	☐	☐	☐				

In addition to the intentions advised above, the Chairman of the Meeting intends to vote undirected proxies in favour of each of the items of business.

*If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

STEP 3 - PLEASE SIGN HERE This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Securityholder 1	Securityholder 2	Securityholder 3
Sole Director and Sole Company Secretary	Director	Director/Company Secretary

Contact Name

Contact Daytime Telephone Date / / 2011