

05 April 2013

ASX / TSX ANNOUNCEMENT

Orocobre provides Olaroz Lithium Project Construction Update

Orocobre Limited (ORE:ASX, ORL:TSX) (“Orocobre” or “the Company”) is pleased to provide a progress report on the construction of the Company’s flagship Olaroz lithium project.

The construction of the Olaroz lithium project has accelerated and continues to advance according to schedule and within budget.



During February the following tasks were completed:

- Earthworks and platform construction for the camp, customs yard, lime plant and effluent treatment plant
- Fencing for the customs yard
- Vegetation removal at 5A and 5B evaporation ponds
- Aquaduct pipe manufacturing

The following tasks are in progress or commenced in March:

- Manufacturing of the worker's accommodation and dining pavilions
- Manufacturing of the lime plant conveyor belt
- Manufacturing of the ball mill for the lime plant
- Installation of the camp effluent plant
- Erection of the water pumping station equipment
- Vegetation removal at evaporation ponds
- Construction of evaporation ponds
- Road and drilling platform construction on the salar
- Manufacturing of lime plant silo and tanks
- Mobilisation of the concrete plant

Approximately \$77m of the US\$229m capital budget has been committed or spent (up from \$65m last month) and all major contracts awarded to this point remain on, or under, budget.

The company continues to successfully work with suppliers and the employment bureau to focus on the hiring of local people from the communities of Olaroz, Huancar, Puesto Sey, Pastos Chicos, Catua, Susques, Jama, El Toro, Coranzulí, San Juan and Abrapampa.

The project implementation is through EPCM (Engineering, Procurement and Construction Management) with a high proportion of local involvement through construction and supply contracts and local employment. The unique community and shared value policy continues as a key success factor, training local people with supervision by high quality experienced professionals.

The Olaroz lithium project is being developed by Orocobre (66.5%) with its partners Toyota Tsusho Corporation ("TTC") (25%) and the Jujuy Province mining and energy company, JEMSE (8.5%) with a construction budget of US\$229m including contingency. The project is fully funded with up to US\$275m of funding available via US\$82.8m of equity funding from TTC and Orocobre and US\$192m of project finance for Mizuho Corporate Bank. First production is scheduled for the end of second quarter, 2014.

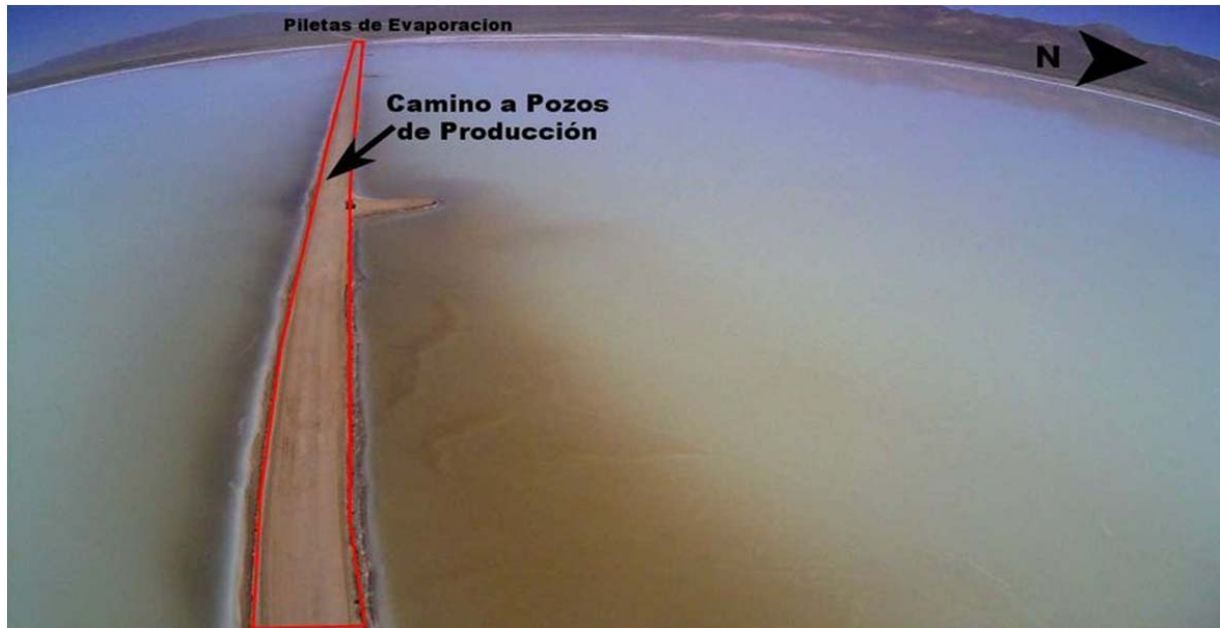
For more information please contact:

Australia and Asia

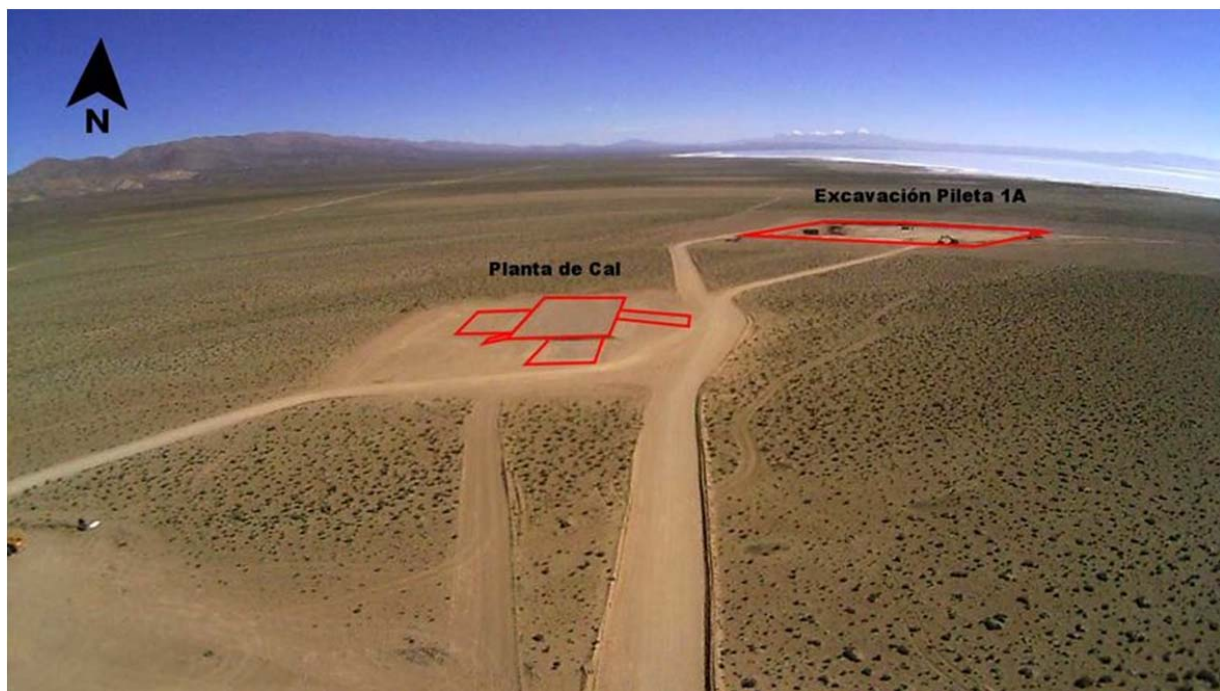
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Road across the salar from the evaporation ponds (Piletas de Evapoacion) to the production wells.



Lime Plant (Planta de Cal) pad and the construction of evaporation pond 1A (Excavacion Pileta 1A).



Evaporation pond nearing construction completion. The next step is to install the liner.



Silo installation for the effluent plant



Liming Plant Foundations



Internal road next to an evaporation pond under construction



Camp accommodation under construction



Pipes and liners for the evaporation ponds



Drilling bore holes for brine wells on the salar



Making progress, on time and within budget

About Orocobre Limited

Orocobre Limited is listed on the Australian Securities Exchange and Toronto Stock Exchange (ASX:ORE, TSX:ORL), and is building a substantial Argentinian-based industrial minerals company through the construction and operation of its portfolio of lithium, potash and boron projects and facilities in the Puna region of northern Argentina. The Company is building in partnership with Toyota Tsusho Corporation the first large-scale, “greenfield” brine based lithium project in 20 years at its flagship Salar de Olaroz resource, with projected production of 17,500 tonnes per annum of low-cost battery grade lithium carbonate scheduled to commence in Q2 2014. The Company also wholly-owns Borax Argentina, an important regional borate producer. Orocobre has recently been included in the S&P/ASX 300 Index and was named 2012 Mining Company of the Year by Argentine mining magazine Panorama Minero and the Fundacion para el desarrollo de la Mineria Argentina (“Fundamin” or Foundation for Development of Argentina Mining). For further information, please visit www.orocobre.com

Caution Regarding Forward-Looking Information

This news release contains “forward-looking information” within the meaning of applicable securities legislation. Forward-looking information contained in this release includes, but is not limited to, the draw down of finance for the Olaroz Project, the completion of construction at the Olaroz Project and the timing thereof, the commencement of commercial production at the Olaroz Project and the timing thereof, the cost of construction relative to the estimated capital cost of the Olaroz Project, the design production rate for lithium carbonate and potash at the Olaroz Project, the expected brine grade at the Olaroz Project, the expected operating costs at the Olaroz Project and the comparison of such expected costs to expected global operating costs, and the ongoing working relationship between Orocobre and the Province of Jujuy.

Such 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 of further changes in government regulations, policies or legislation; the possibility that required concessions may not be obtained, or may be obtained only on terms and conditions that are materially worse than anticipated; the risk that the conditions precedent to draw down the project financing with Mizuho Corporate Bank will not be met; that further funding may be required, but unavailable, for the ongoing development of the Company’s projects; fluctuations or decreases in commodity prices; uncertainty in the estimation, economic viability, recoverability and processing of mineral resources; risks associated with weather patterns and impact on production rate; risks associated with construction and development of the Olaroz Project; unexpected capital or operating cost increases; uncertainty of meeting anticipated program milestones at the Olaroz Project; general risks associated with the feasibility and development of the Olaroz Project; as well as those factors disclosed in the Company’s Annual Information Form for the year ended June 30, 2012 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 timely receipt of required approvals and completion of agreements on reasonable terms and conditions; the ability of the Company to obtain financing as and when required and on reasonable terms and conditions; the prices of lithium and potash; and the ability of the Company to operate in a safe, efficient and effective manner. 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.