OROCOBRE LIMITED
ABN 31 112 589 910

23 December 2015

ASX / TSX ANNOUNCEMENT

Changes in Argentine Government Policy

Orocobre Limited (ORE:ASX ORL:TSX) (**Orocobre** or the **Company**) wishes to provide guidance on the impact of changes in Argentine Government policy on its business operations in Argentina.

Mauricio Macri was elected as President of Argentina at the final round of elections held on 22 November 2015 and assumed office on 10 December 2015. The election of President Macri represents a significant break with the policies of the previous administration. President Macri and his administration have a stated aim of turning Argentina into an open and free economy, reconnected to the world.

President Macri's administration has moved quickly to implement sweeping changes to lift economic restrictions and controls.

Key changes made that directly benefit the Company's operation in Argentina include:-

- removing the "dollar clamp" to allow the free flow of capital in and out of the country
- effectively allowing the floating of the Argentine peso and ending the artificially high official exchange rate
- eliminating export taxes on almost all agricultural and industrial products, specifically removing the 5% export duty on lithium carbonate and refined boron products
- removal of most controls on the importation of goods into Argentina

The importance to Orocobre of the removal of the dollar clamp at this stage of our operations is of significant importance as not only will the risk of delay in receiving imported equipment and consumables be removed but the removal will permit the free flow of dividends in the future from our operating companies. Previously, export proceeds had to be repatriated to Argentina after payment of debt service obligations but access to foreign exchange for the purchase of equipment, reagents or to pay dividends was restricted. With the changes, companies can access US$2m to December 31 increasing to US$4m from then to the end of May 2016 and unlimited access from the end of May 2016. This has a positive impact on operational matters, the treasury function and the payment of dividends. Although the restrictions on dividend payments had not affected the Company during construction of the Olaroz Lithium Facility, this restriction was a major point of concern with the investment community.

After a long period of a an overvalued AR$, the re-adjustment of the currency to a lower value through the floating exchange rate has improved the competitiveness of our operations, in particular at Borax Argentina where there is a higher proportion of local costs. Our SBLC dollar guarantees against peso loans are also strengthened, creating additional local funding.

The Macri administration has removed or significantly reduced the export retentions (duties) on all agricultural and industrial products. A 5% duty on the Company's high value added lithium carbonate and refined borax products has now been removed. The 10% duty payable on boron mineral concentrates remains in place for the time being.

Finally, the removal of import restrictions which affected the Company during construction will allow for more rapid international sourcing of materials and equipment and will remove the procurement challenges previously encountered by the Company's teams at Olaroz and Borax Argentina.

Orocobre has been working in Argentina since 2006 and has been able to finance, build and operate the Olaroz Lithium Facility, the first new brine based lithium facility in approximately 20 years, high in the northern Andes of Argentina with quite onerous government policy constraints in place. We are very pleased that Argentina now has a government determined to encourage business development and facilitate the country's economic growth.

This change in philosophy and approach is good for Orocobre now and in the future.

For more information please contact:

Australia and Asia

Richard Seville
Managing Director
T: +61 7 3871 3985
M:-+61 419 916 338
E: rseville@orocobre.com

David Hall
Business Development Manager
T: +61 7 3871 3985
M: +61 407 845 052
E: dhall@orocobre.com

North America

James Calaway
Chairman
M: +1 (713) 818 1457
E: jcalaway@orocobre.com

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 chemicals and 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 has built, in partnership with Toyota Tsusho Corporation and JEMSE, the first large-scale, greenfield brine based lithium project in approximately 20 years at the Salar de Olaroz with planned production of 17,500 tonnes per annum of low-cost battery grade lithium carbonate.

The Olaroz Lithium Facility has a low environmental footprint because of the following aspects of the process:

- The process is designed to have a high processing recovery of lithium. With its low unit costs, the process will result in low cut-off grades, which will maximise resource recovery.
- The process route is designed with a zero liquid discharge design. All waste products are stored in permanent impoundments (the lined evaporation ponds). At the end of the project life the ponds will be capped and returned to a similar profile following soil placement and planting of original vegetation types.
- Brine is extracted from wells with minimum impact on freshwater resources outside the salar. Because the lithium is in sedimentary aquifers with relatively low permeability, drawdowns are limited to the salar itself. This is different from halite hosted deposits such as Salar de Atacama, Salar de Hombre Muerto and Salar de Rincon where the halite bodies have very high near surface permeability and the drawdown cones can impact on water resources around the Salar affecting the local environment.
- Energy used to concentrate the lithium in the brine is solar energy. The carbon footprint is lower than other processes.
- The technology developed has a very low maximum fresh water consumption of <20 l/s, which is low by industry standards.
- Sales de Jujuy S.A. is also committed to the ten principles of the sustainable development framework as developed by The International Council on Mining and Metals. The company has an active and well-funded “Shared Value” program aimed at the long term development of the local people.

The Company continues to follow the community and shared value policy 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 community and shared value policy continues to be a key success factor, training local people under the supervision of high quality experienced professionals.

The Company also wholly-owns Borax Argentina, an important regional borate producer.

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 may include, but is not limited to, the commencement of commercial production and ramp up at the Olaroz Lithium Facility and the timing thereof, the cost of construction relative to the estimated capital cost of the Olaroz Lithium Facility, the design production rate for lithium carbonate at the Olaroz Lithium Facility, the expected brine grade at the Olaroz Project, the expected operating costs at the Olaroz Lithium Facility and the comparison of such expected costs to expected global operating costs, and the ongoing working relationship between Orocobre and the Province of Jujuy and the Government of Argentina.

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; that further funding may be required, but unavailable, for the ongoing development of the Company's projects; fluctuations or decreases in commodity prices and market demand for product; 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 commissioning and ramp up of the Olaroz Lithium Facility to full capacity; unexpected capital or operating cost increases; uncertainty of meeting anticipated program milestones at the Olaroz Lithium Facility; general risks associated with the further development of the Olaroz Lithium Facility; as well as those factors disclosed in the Company's Annual Report for the year ended June 30, 2015 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 borates; market demand for product 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.