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9 March 2010

## **ASX ANNOUNCEMENT**

### **Orocobre Limited Announces Private Placement**

- **C\$20 Million Canadian Equity Offering**
- **Precursor to dual listing on Toronto Stock Exchange**

The Directors of Orocobre Limited (ASX: ORE) (“**Orocobre**” or the “**Company**”), are pleased to announce that Orocobre has entered into an agreement with Cormark Securities Inc. and CIBC World Markets Inc. (the “**Lead Agents**”), on behalf of a syndicate of Canadian investment dealers (collectively, the “**Agents**”), to undertake a private placement to raise gross proceeds of approximately C\$20 million (AUD\$ 21.4 million) (the “**Offering**”). In connection with the Offering, the Company will be required to make an application to list the ordinary shares of the Company on the Toronto Stock Exchange (the “**TSX**”) and qualify a prospectus in Canada.

#### **Offering**

The Offering will consist of a private placement of subscription receipts of the Company (the “**Subscription Receipts**”) to be offered by the Agents on a best efforts agency basis.

After the satisfaction of a number of conditions precedent, each Subscription Receipt will be exchanged, at no additional consideration, for one ordinary share of the Company.

The final price and size of the Offering will be determined after the Agents have conducted market soundings and a “book build”. The Subscription Receipts are to be primarily offered by way of private placement exemptions in Canada and the United States and will not be offered to Australian based shareholders of the Company.

It is anticipated that the final price for the Subscription Receipts will be determined on or about March 22, 2010 with subscriptions for the Offering expected to close on or about March 31, 2010.

The precise number of Subscription Receipts to be issued will be a function of the final price at which the Subscription Receipts are issued and the final quantum of the Offering. If the

Company decides to issue more than 12,071,535 Subscription Receipts, which is equivalent to 15% of Orocobre's current issued capital, the Company will seek shareholder approval for the shares that will be issued upon the conversion of the Subscription Receipts that exceed this number. Orocobre shareholder approval will not otherwise be required for the issue of the Subscription Receipts, their conversion into ordinary shares or the listing of the Company's ordinary shares on the TSX.

### **Qualification and TSX Listing**

Following the sale of the Subscription Receipts, the Company will use commercially reasonable efforts to qualify the ordinary shares issuable upon the conversion of the Subscription Receipts by filing a prospectus (the "**Prospectus**") in each of the provinces of Canada in which purchasers of the Subscription Receipts reside and to obtain a final receipt and to list the Company's ordinary shares on the TSX (the "**TSX Listing**"). Approval of the TSX Listing will be subject to the Company meeting all applicable TSX listing criteria.

The proceeds of the Offering will be held in escrow pending the issue of a final receipt for the Prospectus and the completion of the TSX Listing (the "**Escrow Release Conditions**"). If the Escrow Release Conditions are satisfied the Subscription Receipts will be converted into an equivalent number of ordinary shares in the Company and the Company anticipates that its shares will be listed on the TSX by approximately mid June 2010. The Company will also seek the quotation of the shares issued upon the conversion of the Subscription Receipts on the ASX. If the Escrow Release Conditions are not satisfied within 75 days of the closing of the Offering (subject to extension to 90 days in certain circumstances), the proceeds of the Offering will be returned to the subscribers in full and the Subscription Receipts will be cancelled.

### **Benefits for Orocobre**

The net proceeds from the Offering will be used to finance the further development of the Company's lithium project pipeline, including its recently announced discovery at Salinas Grandes. Following the completion of the Offering, Orocobre will have approximately A\$30 million in cash.

The TSX Listing is expected to offer significant benefits to Orocobre and its existing shareholders:

- Greater global mining exposure
  - 55% of the world's public listed mining companies are listed on the TSX
  - There are over 200 analysts that cover TSX-listed mining companies
- Increased access to capital
  - The Canadian capital market has historically raised 2-3x more mining equity than in Australia
  - The TSX is a gateway to significant US capital with over 40% of the TSX's daily trading volume generated by US accounts
- Increased liquidity
  - The TSX Listing will permit new Canadian, American and European shareholders to trade the stock.

Richard Seville, Managing Director, noted that “Canadian institutional and retail investors have a substantial focus on South American investment opportunities.” Seville also noted that many of the resource companies active in South America, including Argentina, are listed on the TSX. These companies include Yamana Gold, Andean Resources, and Exeter Resources. “Of particular importance to Orocobre is that there is significant interest in lithium in North America. The TSX has a sufficient number of companies listed to warrant lithium sector specific analyst coverage by a number of investment banks”.

James Calaway, Chairman of the Board of Directors stated “We believe that the increased market presence provided by the Offering and subsequent TSX listing will give our dynamic and growing company the strength and financial flexibility to drive our expanding portfolio of core projects forward. Given the scope and economic potential of our portfolio, we believe it is prudent to bolster our balance sheet, while simultaneously expanding our market reach”.

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**About Orocobre Limited**

Orocobre Limited is an Australian (ASX) Listed Company with interests in lithium-potash prospects in Argentina. Orocobre is the leading lithium-potash resource developer in the lithium and potash rich Puna Lithium Province of Argentina.

For further information, please visit [www.orocobre.com.au](http://www.orocobre.com.au).

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