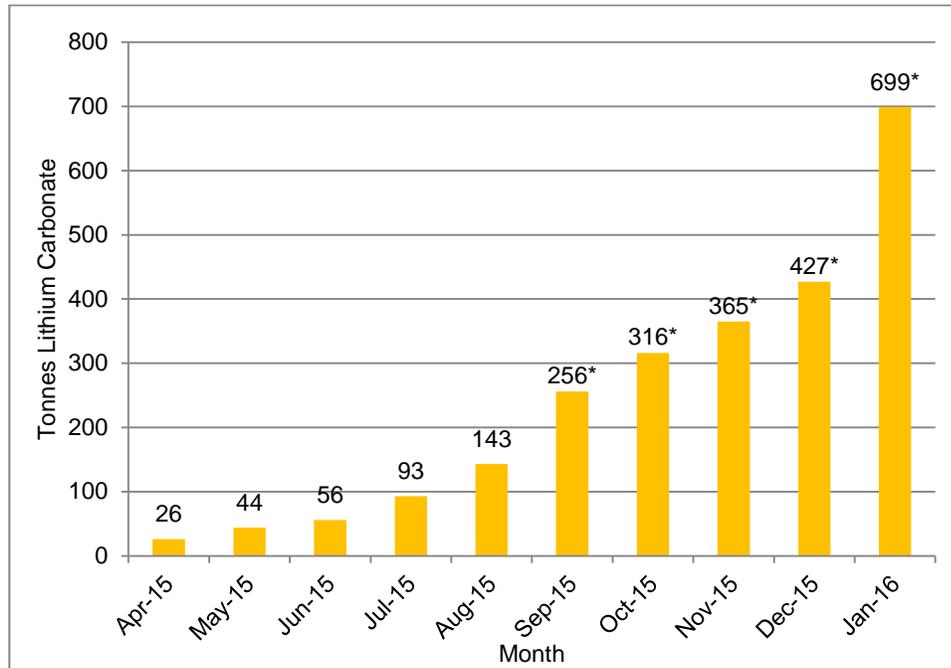


9 February 2016

ASX / TSX ANNOUNCEMENT

Olaroz Lithium Facility Operations Update

- **Production of 699 tonnes of lithium carbonate was achieved in January, an increase of 272 tonnes over December and above guidance.**
- **The “de-bottlenecking” programme commenced mid last year was completed.**
- **Cash operating cost breakeven achieved.**
- **Production for the March Quarter is forecast to be approximately 2,400 tonnes.**



*Sep to Jan figures include lithium carbonate tonnes recovered from the purification circuit.

Orocobre Limited (ORE:ASX, ORL:TSX) (**Orocobre** or the **Company**) wishes to advise on progress at the Olaroz Lithium Facility.

Production update

Production at the Olaroz Lithium Facility continued to increase in January, with 699 tonnes of lithium carbonate produced, an increase of 272 tonnes on December. Included in the 699 tonnes produced in January is 80 tonnes recovered from within the purification circuit.

De-bottlenecking programme

The de-bottlenecking programme which commenced mid last year was finalised. The final piping and circuit commissioning associated with the additional boiler installed and commissioned in December was completed in January. This increase in boiler capacity and improved heat distribution and control systems is anticipated to permit the crystallizers to operate at design temperatures and full production capacity.

Production Guidance

With the “de-bottlenecking” projects now materially completed and cash operating cost breakeven (excluding taxes paid or reimbursed, financing costs and depreciation) achieved in January, the Olaroz Lithium Facility is now approaching the final stage of production ramp up. The timing of achievement of the nameplate production run rate is dependent upon the successful optimisation of operating practice and process controls.

The forecast for the achievement of the nameplate production rate remains September 2016.

Production for the March quarter is forecast at approximately 2,400 tonnes.

Sales Orders

The sales orders to the first five (5) battery market customers who have completed the final evaluation process and placed commercial purchase orders are scheduled for dispatch in February and March. Some customers in the battery sector are still completing the final evaluation process. Forecast production for Q1 is fully committed and negotiations are in progress for Q2 supply to customers.

Market Conditions

The lithium market remains tight, driven by continuing strong demand and supply side constraints resulting in continued upward pressure on market prices for lithium carbonate. Market conditions in China remain very tight exacerbated by manufacturing operations in China constrained by weather conditions and scheduled maintenance activities.

Managing Director Comments

Managing Director, Richard Seville, said, “With the debottlenecking programme materially complete, we look forward to concentrating on optimisation activities to continually improve performance month by month. We are greatly encouraged by the rapidly growing lithium market and most importantly the

support shown by our customers which we sincerely appreciate. We now set our sights on the achievement of the nameplate production rate, forecast for September 2016.”

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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.

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.