

**ASX Announcement and Media Release**  
**20<sup>th</sup> January 2010**

**Orocobre and Toyota Tsusho Announce JV  
to Develop Argentine Lithium Project**

**Highlights**

- **Toyota Tsusho Company to take 25% interest in Olaroz Lithium-Potash Project by provision of Feasibility Study and Project Development funding.**
- **Cornerstone off take agreement to be negotiated to provide lithium for hybrid and battery-powered vehicles.**
- **Project development on track for late 2010**

Orocobre Limited (ASX: ORE) , (“Orocobre”) today announced that it has reached agreement to establish a joint venture with Toyota Group Company, Toyota Tsusho Corporation (“Toyota Tsusho”), to develop its flagship Salar de Olaroz Lithium-Potash Project (the “Project”) in Argentina.

The agreement sets out the terms under which the parties will develop the Salar de Olaroz project. In the current feasibility study phase, Toyota Tsusho will provide US\$ 4.5million to fund the completion of the Definitive Feasibility Study and other associated pre-development activities. This is expected to be completed in the third quarter of 2010.

Subject to the finalisation of the terms of a joint venture operating agreement on completion of the Definitive Feasibility Study, Toyota Tsusho will acquire a 25 percent equity interest in the joint venture at a cost based on the NPV estimated from the Definitive Feasibility Study.

Additionally Toyota Tsusho will be responsible for securing a Japanese government - guaranteed low-cost debt facility for at least 60 percent of the Project’s development costs. This facility is expected to be secured through the Japan Oils, Gas and Metals National Corporation (JOGMEC), a state-owned entity that provides assistance to Japanese companies in securing supplies of mineral resources.

Orocobre will continue to own 75 percent of the Project after construction, and will operate the joint venture.

Orocobre Managing Director, Richard Seville, said that the joint venture with Toyota Tsusho provides Orocobre with a clear path forward for the development of the Project and that on current financial modeling Orocobre will not need to source additional funding.

“During the Feasibility Study, Orocobre and Toyota Tsusho will work together to develop the marketing strategy for the Project’s production, with the objective of maximising value from the Project,” Mr Seville said.

“In addition, Toyota Tsusho will also have the opportunity to negotiate a lithium chemicals off-take agreement with Orocobre as part of the joint venture.”

Mr Seville said that Toyota Tsusho is the perfect fit as a development partner for the Olaroz Project.

“Toyota Tsusho becoming our strategic partner allows Olaroz direct access to Toyota Motor Corporation and its partners such as Panasonic and Sanyo. These companies have significant expertise and understanding of supply requirements in large format lithium-ion batteries for the automotive industry and consumer sector, and that will add greatly to our understanding of end-user requirements and demand,” Mr Seville said.

“As environmentally-friendly electric car demand continues to grow, Toyota Motor Corporation will have the opportunity to become a cornerstone offtake customer.”

Toyota Tsusho Corporation is one of the largest trading companies in the world and a “Tier 1” supplier to the Toyota Group. Owned 22 percent by Toyota Motor Corporation, Toyota Tsusho provides material supplies to Toyota Motor Corporation and many other Japanese and Asian companies including Panasonic and Sanyo. Toyota Motor Corporation and Panasonic are partners in the development and production of lithium-ion battery packs.

Toyota Tsusho’s interest in the Project stems from the desire to increase its exposure to reliable and diversified lithium supplies as global demand for lithium batteries in the automotive sector continues to grow. Toyota Tsusho said the company had a strategy to invest in the Olaroz Lithium-Potash Project in order to secure access to competitive, low-cost lithium carbonate production in a timeframe closely aligned with worldwide lithium requirements for hybrid and electric vehicles.

“The size and quality of the deposit is world-class and we believe will produce high purity, battery grade materials required for the global battery industry, at a cost that is competitive with existing lithium brine producers in South America,” Toyota Tsusho said.

“Through the due diligence process, Orocobre’s management team has given us every confidence in their expertise and integrity, and that the Project’s timelines are on track for development at the end of 2010.”

“Global demand for lithium across the electronics, industrial and automotive sectors continues to grow and we are very pleased to have secured access to a project of this size and quality, with a strong and focussed development partner.”

James D. Calaway, US-based Chairman of Orocobre Limited said Orocobre had considered a variety of proposals from potential Project partners. “These proposals and discussions have

come from various parts of the world, and from leading companies representing different parts of the lithium carbonate supply chain,” Mr Calaway said.

“After months of discussion we have come to the clear determination that Toyota Tsusho represents the premier partner in the world for our project. Their understanding of supply chain, position with the largest future users of our product, and collaborative approach with our team during the selection process, should allow Orocobre to be the next large scale, high margin lithium producer in the world.”,

For and on behalf of the Board

Paul Crawford  
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## **Background information**

### **About Orocobre Limited and the Project**

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 Region of Argentina.

Orocobre's Salar de Olaroz brine deposit is widely expected to be the next large scale, low cost lithium-potash brine resource to come into production. Orocobre expects to complete its Definitive Feasibility Study in the third quarter of 2010, and commence initial commercial production in 2012. In addition, Orocobre is undertaking a significant Puna Region exploration program that is yielding a promising pipeline of future lithium and potash [Projects](#).

The project is located in the Jujuy Province in the elevated and arid Puna region in the north - western part of the country and is well served by infrastructure with access by sealed road and nearby gas pipelines and rail.

Geos Mining of Sydney estimated (April 2009) an Inferred resource of 350 million kL of brine at 800g/kL lithium and 6,600g/kL potassium to a depth of 55m depth over the properties then held. This is equivalent to 1.5 million tonnes of lithium carbonate and 4.4 million tonnes of potash. Programmes being undertaken as part of Definitive Feasibility Study are expected to upgrade this resource and to Measured and Indicated categories and potentially increase its size. There is also considerable potential for significant additional mineralised brines in aquifers beneath the shallow resource on which the Definitive Feasibility Study is being undertaken.

The brine chemistry is very attractive with high grades, low magnesium:lithium ratios and beneficial sulphate levels. Scoping studies undertaken in 2009 indicated the potential to establish an operation producing 15,000 tonnes per annum lithium carbonate and 36,000 tonnes per annum of potash with operating costs competitive with existing low cost brine producers.

### **About Toyota Tsusho Corporation**

Toyota Tsusho Corporation is a Japanese listed company 21.8% owned by the Toyota Motor Corporation. It is the sixth largest trading company in the world with turnover of approximately US\$64bn and has approximately 28,000 employees.

Originally established as the trading and supply chain arm of Toyota Motor Corporation, the company now has interests in metals trading and processing, machinery and electronics, the automotive industry, energy and chemicals, produce and foodstuffs and consumer goods. Its automotive division exports Toyota Motor Corporation's vehicles and parts across the globe. Toyota Motor Corporation has entered into arrangements with Panasonic and Sanyo to manufacture large format lithium ion batteries for its electric powered cars.

## **JOGMEC**

The Japan Oil, Gas, Minerals and Energy Corporation is a Japanese Government owned corporation which is charged with assisting Japan secure reliable supplies of energy and minerals to support the nation's economic development.

JOGMEC's activities include the provision of financial assistance, technology development and technical support, stockpiling, gathering/providing information, mine pollution control and overseas field surveys.

### **Competent Person's Statement**

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Richard Seville who is a member (No 109543) of the Australasian Institute of Mining and Metallurgy. Mr Seville is a Director of Orocobre Limited and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as Competent Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.' Mr Seville consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.