

## Mediaportal Report

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▶ **Toyota plugging into Orocobre**

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Toyota plans to unveil a near \$100 million joint venture with Brisbane-based Orocobre for its Salar de Olaroz lithium project in Argentina. Other deals in the sector recently include a \$156 million contract between Galaxy Resources and Chinese conglomerate Creat. Earlier this month Toyota unveiled a new hybrid vehicle strategy and plans to send 150 of its Prius plug-in hybrid vehicles into the United States for market analysis. Last year the private equity backers of Talison Lithium withdrew its planned initial public float due to the \$350 million to \$430million price tag placed on the assets.

**PRESS CUTTING**

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# Toyota plugging into Orocobre

**Michael Vaughan**

The world's largest car maker is expected to make a ground-breaking investment in a lithium project owned by Brisbane-based Orocobre, giving further credence to expected strong demand for the commodity.

*The Australian Financial Review* understands that Toyota will unveil a near \$100 million project-level joint venture with Orocobre for its Salar de Olaroz lithium project in Argentina as early as this morning.

The partnership follows a number of recent deals in the sector, most notably a \$156 million contract between Galaxy Resources and Chinese conglomerate Creat, its first foray into lithium.

Toyota's investment would be a big deal for Orocobre, which has a market value of \$111 million.

It is believed to be the first major one by a car maker in a lithium exploration or mining company and could be followed by similar deals.

Earlier this month Toyota outlined a new hybrid vehicle strategy and said it would be sending 150 of its Prius plug-in hybrid vehicles into the United States for market analysis and technical demonstration.

Commercial release of the vehicles is expected in 2012.

The plug-in Prius is powered by Toyota's first generation lithium-ion drive battery – technology developed by the company, which has 50 engineers working on advanced lithium batteries.

Toyota is aiming to reduce the

cost of manufacturing these batteries by more than 50 per cent.

Lithium prices started rising strongly from 2005 as demand for lithium and lithium-ion batteries increased in line with their use in hybrid vehicles, laptop computers, mobile telephones and other electronic devices.

Supply of lithium is concentrated to a relatively small number of suppliers.

Orocobre's Olaroz project is still in an early stage and a definitive feasibility study is not due for completion until the middle of this year.

The company has said development could begin at the end of the year at a cost of \$US80 million to \$US100 million.

Olaroz could have an annual output of about 15,000 tonnes of lithium carbonate and 36,000 tonnes of potash – a commodity used in fertilisers – making the company a top-five producer, based on 2008 figures.

Late last year the private equity backers of Talison Lithium, the world's largest lithium producer, withdrew a planned initial public offering after investors balked at the \$350 million to \$430 million price tag placed on the assets.

Talison accounts for about 23 per cent of global supply, according to its prospectus.

Shares in Orocobre were halted on Monday and the stock last traded at \$1.40, having risen about 630 per cent in the past 12 months.

It reached a high of \$1.845 last September.