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PRESS RELEASE

**OCEANIC ANNOUNCES ASSAY RESULTS OF 36.3% Fe OVER 60 METRES & 30.5% Fe OVER 133 METRES
AT HOPES ADVANCE AND PROVIDES PROJECT UPDATE AND \$2 MILLION FINANCING**

Vancouver, BC, December 16, 2011 - Oceanic Iron Ore Corp. (the "Company") is pleased to provide a project update and announce a further set of assay results from both twinned and new exploration holes conducted as part of its 2011 resource verification program at the Hopes Advance project area.

Hopes Advance Assay Results

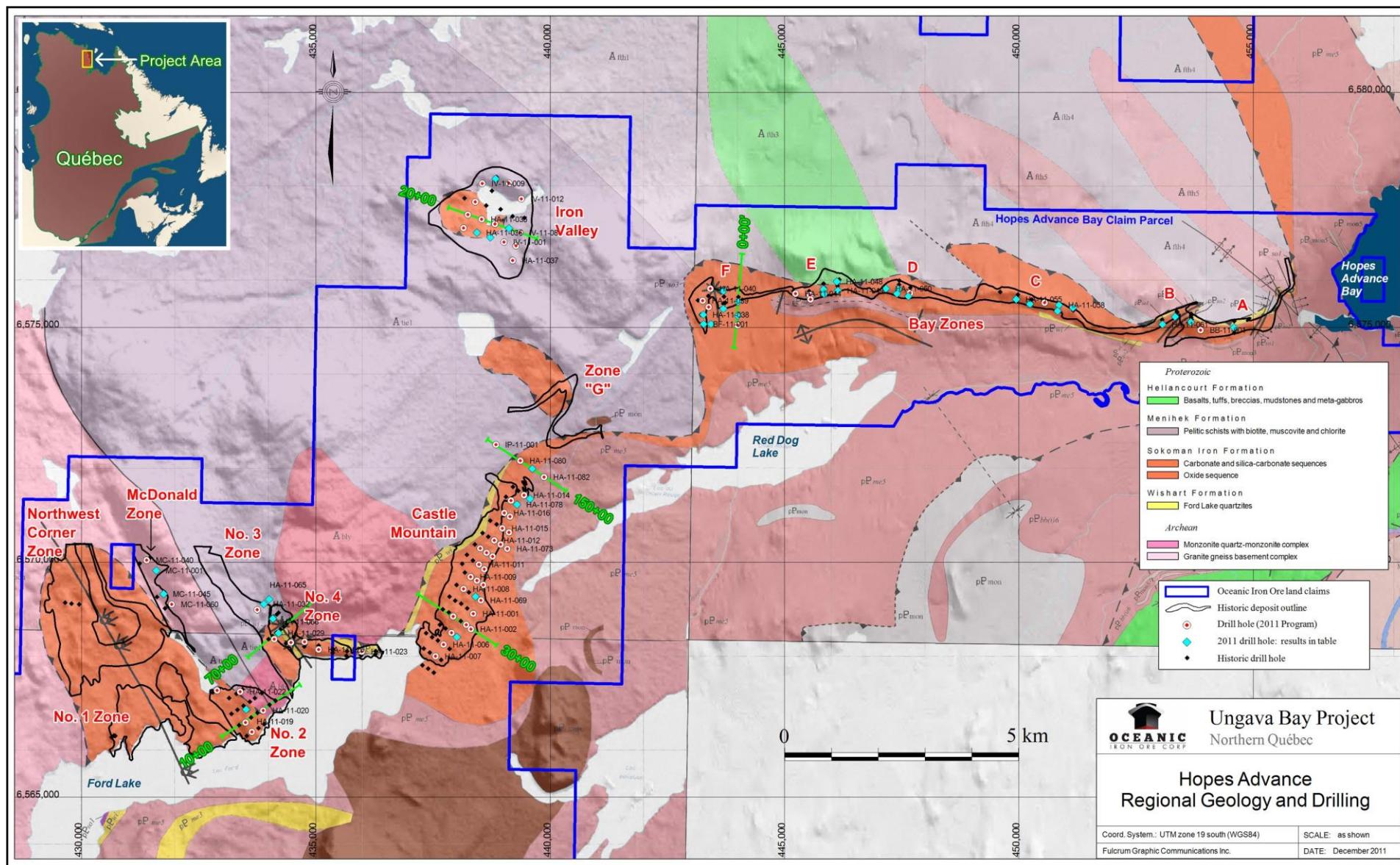
The 2011 drill program at Hopes Advance consisted of 115 holes with 11,618 metres of NQ calibre drilling. At Hopes Advance, 67 historical drill holes were twinned in the Castle Mountain, Zone 2, Zone 4, Iron Valley, McDonald Zone and Bay Zones "A", "B", "C", "D", "E" and "F". In addition, 48 exploration drill holes were completed at Castle Mountain, Zone 4, Iron Valley and Bay Zones "B", "C", "D", "E" and "F". The Company also undertook 1,086 metres of NQ drilling over 11 drill holes at Kayak Bay located in the Roberts Lake Area.

As at September 21, 2011, the date the Company announced its NI 43-101 Compliant Resource for Hopes Advance, assay results on 79 drill holes in respect of Hopes Advance had not yet been reported in full. The Company is today reporting assay results on 50 holes (31 twinned and 19 exploration). Further drill holes are expected to be reported in the coming weeks. Drill hole results from Kayak Bay are also expected in the coming weeks.

Steven Dean, Chairman and CEO of the Company noted: *"The exploration drill holes that we are reporting today illustrate significant potential upside for the Hopes Advance resource which should become apparent when we release the updated resource estimate for Hopes Advance in the coming months."*

The map below sets out the geology of the Hopes Advance area:

Figure 1 – Geology of the Hopes Advance Area



Twinned Drilling Results

The latest results from twinned holes demonstrate a good correlation of iron formation thickness and total Fe (iron) grades. For Bay Zones “B”, “C”, “D”, “E” and “F”, results from a number of drill holes returned greater mineralized iron formation thicknesses and improved grades compared to those reported historically.

Exploration Drilling Results

Results from the exploration drilling demonstrates excellent continuity of mineralization at the Castle Mountain, Zone 4, Iron Valley, Bay Zone “C”, “D”, “E” and “F” grids of the Hopes Advance Area. At Castle Mountain, drill holes HA-11-067 and HA-11-079 demonstrate that mineralization continues an extra 150 m down dip to the southeast. At Zone 4, drill holes HA-11-032 and HA-11-066 extend the mineralization an extra 300 m to the northwest. At Iron Valley, exploration drill hole IV-11-011 demonstrates a thick intersection of iron formation grading 33.4% total Fe over a true width of 105.1 m. Holes at Bay Zones “D”, “E” and “F” demonstrate excellent continuity of the mineralization extending the mineralization an extra 300 m to the south with drill holes BF-11-005 (Bay Zone F), BE-11-001A, HA-11-049 (Bay Zone E), and HA-11-052 a HA-11-054 (Bay Zone D).

2011 Results				
DDH	From (m)	To (m)	T.Width (m)	% Fe total
Castle Mountain				
HA-11-067*	32.80	94.60	59.67	36.3
HA-11-068	30.20	45.80	14.92	32.8
HA-11-068	51.30	56.30	4.78	34.9
HA-11-068	79.60	121.00	39.59	33.9
HA-11-074A	52.40	111.00	58.03	31.5
HA-11-075	36.00	68.00	31.69	32.4
HA-11-078*	47.40	61.40	13.39	30.2
HA-11-079*	56.00	89.00	32.92	29.7
HA-11-080*	39.20	90.80	50.82	28.4
HA-11-081*	45.70	55.73	9.88	27.0
Zone 2				
HA-11-020	14.50	91.00	75.34	36.3
HA-11-021	33.00	138.00	98.67	32.0
HA-11-022	2.00	56.27	53.45	33.22
HA-11-033	2.57	25.00	22.09	30.6
Zone 4				
HA-11-024	2.00	35.10	31.82	30.9
HA-11-031B	30.60	60.00	29.04	32.3
HA-11-032*	51.00	77.90	25.97	32.8
HA-11-066*	24.90	55.60	30.40	35.5
Iron Valley				
HA-11-034**	28.50	86.40	55.93	32.2
HA-11-035**	22.75	80.40	55.68	32.8
HA-11-036**	9.50	76.00	66.34	31.5
IV-11-001**	15.10	66.00	50.70	31.9
IV-11-004A**	16.37	81.50	64.87	31.9
IV-11-007*	59.60	92.10	32.01	31.9
IV-11-010**	12.30	45.70	28.93	26.1
IV-11-011*	29.66	135.19	105.11	33.4

Corresponding Historic Drill Hole Results (1954 – 1957)				
DDH	From (m)	To (m)	T.Width (m)	% Fe total
P-97	47.24	53.34	5.83	36.9
P-96	51.82	87.66	35.49	33.7
P-95	36.58	65.53	28.64	32.2
E-150	15.24	83.21	65.95	36.2
E-158	30.48	107.90	72.75	35.7
E-159	0.00	57.91	54.42	33.6
E-164	13.72	18.29	4.29	31.2
R-102	0.91	35.05	32.82	30.6
R-130	18.90	48.77	29.50	35.3

2011 Results				
DDH	From (m)	To (m)	T.Width (m)	% Fe total
Bay Zone F				
HA-11-041*	50.70	174.50	107.21	33.2
HA-11-043	13.70	23.40	9.55	34.0
HA-11-043	28.70	101.20	71.40	28.2
BF-11-001*	6.50	28.05	19.53	26.3
BF-11-001*	42.10	56.80	13.32	33.8
BF-11-002*	88.10	126.00	34.35	33.4
BF-11-002*	72.56	127.80	50.06	29.0
BF-11-005*	61.30	207.90	132.86	30.5
Bay Zone E				
HA-11-047	19.30	75.40	45.95	32.5
HA-11-048	4.30	114.80	84.65	31.5
HA-11-049*	48.40	184.40	127.80	32.0
BE-11-001A*	61.30	132.10	66.53	32.8
Bay Zone D				
HA-11-050	19.90	85.40	59.36	30.8
HA-11-051	13.40	88.70	59.34	32.2
HA-11-052*	25.20	98.00	70.30	32.3
HA-11-053	24.40	66.20	34.24	34.3
HA-11-054*	40.30	106.80	61.66	32.8
Bay Zone C				
HA-11-055	31.00	95.00	58.00	36.0
HA-11-056A	37.70	133.00	92.02	33.2
HA-11-058	1.50	30.00	23.35	29.8
HA-11-059*	56.00	97.58	36.01	33.2
HA-11-060	2.50	44.00	36.98	33.1
Bay Zone B				
HA-11-061	22.40	67.00	41.05	35.5
HA-11-062	2.50	34.00	28.55	35.2
HA-11-063	11.80	124.00	97.17	35.9
Bay Zone A				
HA-11-064	15.90	41.00	24.24	36.6
McDonald				
MC-11-001*	23.70	47.00	21.90	30.4
MC-11-045	4.40	56.00	48.49	32.6
MC-11-060	14.10	26.45	11.61	21.8

Corresponding Historic Drill Hole Results (1954 – 1957)				
DDH	From (m)	To (m)	T.Width (m)	% Fe total
H-118	30.48	39.62	9.00	33.6
H-118	44.20	91.44	46.52	29.8
H-113	19.81	82.30	51.19	32.4
H-89	0.00	91.44	70.05	34.1
H-87	21.34	82.30	55.25	31.5
H-84	15.24	88.39	57.64	32.1
H-83	16.76	74.68	47.45	32.9
H-58	35.05	88.48	48.42	27.4
H-57	36.58	66.48	28.87	33.2
H-53	62.48	76.20	11.24	27.0
H-51	25.91	74.68	43.45	31.8
H-21	19.81	70.10	46.29	31.0
H-17	6.10	33.53	24.86	34.0
H-12	48.77	83.82	30.35	34.0
H-07	15.24	30.48	14.72	38.5
C-45	1.52	54.86	50.12	36.5
C-64	15.24	25.91	10.03	21.3

* Indicates exploration drillholes

** Indicates twinned holes, but without sufficient historical data to present in the table above

Holes that have been reported to date continue to show low levels of sulphur and phosphorous levels.

The drilling is of NQ caliber with sample lengths being collected up to a maximum length of two meters. Assay samples collected are sent to ALS Chemex for Whole Rock analysis by lithium borate fusion and XRF (oxides), Ferrous iron by H₂SO₄ – HF and acid digestion and titrimetric finish, and Total Sulphur by LECO method.

Project Update

Since the September 2011 release of the NI 43-101 compliant mineral resource estimate and preliminary economic assessment in respect of the Hopes Advance project, the Company has continued to fast-track the project on a number of fronts including:

- Ongoing provincial and federal government and Inuit interaction in regards to infrastructure under the Plan Nord;
- Resource estimate update in respect of Hopes Advance, which is expected to be published late Q1 2012;
- Metallurgical testing on some 700 composite samples, expected to be completed late Q1 2012;
- Pilot plant testing and flowsheet development to commence in April 2012, using 250 tonne bulk sample already delivered to Montreal, Quebec;
- Preparation of pre-feasibility study to be published in late Q3 2012, followed by a feasibility study within 12 months; and
- Ongoing environmental review and consultation being led by Golder Associates in Montreal.

The timing of the resource estimate update and pre-feasibility study has been impacted by the under-capacity of the laboratories responsible for producing assay and metallurgical test results critical to the completion of both the resource estimate update and the pre-feasibility study. This seems to be a structural issue facing the industry generally and management is actively engaged with its service providers to try to ensure timetables are respected.

Financing

Given the expected delays to the timing of the resource estimate update and pre-feasibility study, the Company has arranged a non-brokered private placement of 5,750,000 units (the “Units”) at a price of \$0.35 per unit to raise gross proceeds of \$2,012,500 to be used for continued development of the Project. Each unit consists of one flow through common share in the capital of the Company and one half of one share purchase warrant, with each whole warrant entitling the holder to purchase one non-flow through common share in the capital of the Company at a price of \$1.00 for a period of five years after closing. This financing represents the maximum flow through eligible proceeds for the Company based on the Company’s expected eligible expenditures in 2012, and the Company has moved to secure this funding at a premium to the current market price.

The private placement is subject to the approval of the TSX Venture Exchange.

About the Company

Oceanic is focused on the development of the Ungava Bay iron properties. These properties comprise in excess of 3,000 claims over three project areas, namely Hopes Advance, Morgan Lake and Roberts Lake, which cover over 1,284 square kilometres along the northern extension of the Labrador Trough in the Nunavik Region of northern Quebec. The projects contain over 300 kilometres of iron formation and all the deposits are located within 20 - 50 km of tidewater.

On September 21, 2011 the Company announced an NI 43-101 compliant "In-Pit" Mineral Resource Estimate for Hopes Advance of 358,362,000 tonnes at 31.8% Fe indicated and 872,423,000 tonnes at 32.4% Fe inferred and on September 22, 2011, the Company announced the completion of a Preliminary Economic Assessment ("PEA") in respect of Hopes Advance, which under the Company's optimal production scenario of 20 million tonnes per annum of concentrate, achieves a pre-tax NPV of \$10.4 billion, and pre-tax IRR of 34 % at an 8% discount rate.

Further information in respect of the NI 43-101 Resource Estimate and the PEA is available in a technical report prepared by Micon International Limited dated November 4, 2011 entitled "Technical Report on the Mineral Resource Estimate and Results of the Preliminary Economic Assessment Hopes Advance Bay Iron Deposits Ungava Bay Region, Quebec, Canada" available for review on SEDAR (www.sedar.com) and the Company's website (www.oceanicironore.com).

Eddy Canova, P.Geo., the Exploration Manager for the Company and a Qualified Person as defined by NI 43-101, has reviewed and is responsible for the technical information contained in this news release.

OCEANIC IRON ORE CORP. (www.oceanicironore.com)

On behalf of the Board of Directors

"Steven Dean"

Chairman and Chief Executive Officer

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This news release includes certain "Forward-Looking Statements" as that term is used in applicable securities law. All statements included herein, other than statements of historical fact, including, without limitation, statements regarding potential mineralization and resources, exploration results, and future plans and objectives of Oceanic Iron Ore Corp. ("Oceanic", or the "Company"), are forward-looking statements that involve various risks and uncertainties. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "scheduled", "believes", or variations of such words and phrases or statements that certain actions, events or results "potentially", "may", "could", "would", "might" or "will" be taken, occur or be achieved. There can be no assurance that such statements will prove to be accurate, and actual results could differ materially from those expressed or implied by such statements. Forward-looking statements are based on certain assumptions that management believes are reasonable at the time they are made. In making the forward-looking statements in this presentation, the Company has applied several material assumptions, including, but not limited to, the assumption that: (1) there being no significant disruptions affecting operations, whether due to labour/supply disruptions, damage to equipment or otherwise; (2) permitting, development, expansion and power supply proceeding on a basis consistent with the Company's current expectations; (3) certain price assumptions for iron ore; (4) prices for availability of

natural gas, fuel oil, electricity, parts and equipment and other key supplies remaining consistent with current levels; (5) the accuracy of current mineral resource estimates on the Company's property; and (6) labour and material costs increasing on a basis consistent with the Company's current expectations. Important factors that could cause actual results to differ materially from the Company's expectations are disclosed under the heading "Risk Factors" in the Company's Filing Statement dated November 22, 2010 (a copy of which is publicly available on SEDAR at www.sedar.com under the Company's profile) and elsewhere in documents filed from time to time, including MD&A, with the Toronto Stock Exchange and other regulatory authorities. Such factors include, among others, risks related to the ability of the Company to obtain necessary financing and adequate insurance; the economy generally; fluctuations in the currency markets; fluctuations in the spot and forward price of iron ore or certain other commodities (e.g., diesel fuel and electricity); changes in interest rates; disruption to the credit markets and delays in obtaining financing; the possibility of cost overruns or unanticipated expenses; employee relations. Accordingly, readers are advised not to place undue reliance on Forward-Looking Statements. Except as required under applicable securities legislation, the Company undertakes no obligation to publicly update or revise Forward-Looking Statements, whether as a result of new information, future events or otherwise.

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