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**PRESS RELEASE**

**BETTER THAN EXPECTED ASSAY RESULTS FROM KAYAK BAY DEPOSIT IN ROBERTS LAKE PROJECT AREA**

Vancouver, BC, January 23, 2011 - Oceanic Iron Ore Corp. (the "Company") is pleased to announce assay results from 1,089 metres of twinned drilling in Kayak Bay completed as part of its 2011 Resource Verification Program. Kayak Bay is located within the Roberts Lake project area, 15 km east of the village of Kangirsuk, Québec. Assay results are set out below.

Steven Dean, Chairman and CEO noted: *"Much like the results received for the Hopes Advance project, the assay results from Kayak Bay are better than expected in terms of head grade, width and strike length, confirming the potential for a significant NI 43-101 compliant iron ore resource based on the historical resource. The Roberts Lake project area is expected to be the next area of focus for the Company's resource verification program."*

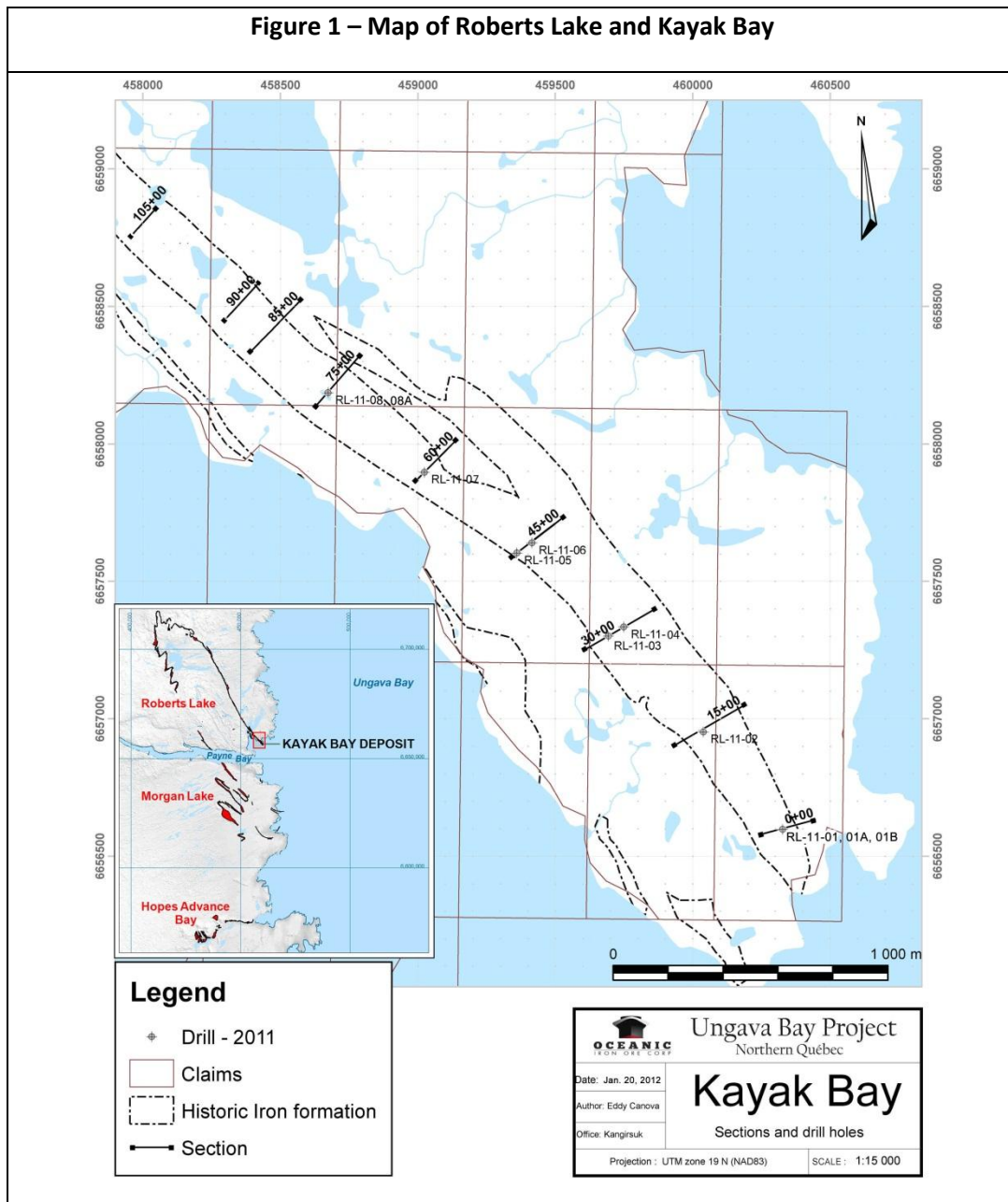
**Background**

The Company's properties are located across three project areas, Hopes Advance, Roberts Lake and Morgan Lake, which lie along the northern extension of the Labrador Trough in northern Quebec. Figure 1 below highlights where Kayak Bay is situated within the Roberts Lake project area. All three project areas were the subject of extensive work in the 1950's and 1960's, and in April 2011, the Company commenced its 2011 resource verification program consisting of approximately 11,500 metres of drilling in the Hopes Advance project area and 1,089 metres of drilling in the Roberts Lake project area.

The Company identified the Hopes Advance as the initial focus given it had been the most advanced historically. However, the Company believes there is significant potential in the Roberts Lake project area and expects this area to be the next point of focus for further resource verification work. Kayak Bay has a reported historic resource of approximately 111 million tonnes at 35.3% Fe\* and the whole of Roberts Lake project area has a reported historic resource in excess of 1.2 billion tonnes at 35.9% Fe\*.

*\*These are historical resource estimates that do not comply with the current Canadian Institute of Mining, Metallurgy and Petroleum Resources (CIM) Definition Standards on Mineral Resources and Mineral Reserves as required by National Instrument 43-101 (NI 43-101) Standards of Disclosure for Mineral Projects. These historical resource estimates were described as "drill indicated" and "potential"*

at the time of reporting which does not correspond to the categorization set forth in sections 1.2 and 1.3 of NI 43-101. Although these historical resource estimates are relevant to support the presence of large areas of iron mineralization, these estimates are speculative, are based on very limited exploration drilling and will require extensive new exploration and metallurgical efforts to validate. They should not be treated as current mineral resources or reserves or relied upon until confirmed by current exploration and a Qualified Person. A Qualified Person has not done sufficient work to upgrade or classify these historical resource estimates as current NI-43-101 compliant mineral resources. The Roberts Lake historic resource was reported in 1970 from drilling in the late 1950s and the Morgan Lake historic resource was reported in 1957 and 1964. Further information in respect of these historic resources is outlined in a 43-101 technical report prepared by Micon entitled "Technical Report on the Ungava Iron Property - Ungava Bay Region, Quebec, Canada" dated Oct. 29, 2010, available on SEDAR.



Assay Results from Kayak Bay

Drillholes RL 11-01B, RL 11-02, RL 11-03, RL 11-04, and RL 11-06 were twinned with historic holes K-28, K-31, K-35, K-37 and K-43 respectively. The result is a mineralized strike length of 2,300 metres trending Northwest and being open in both directions. The results of a further three twinned drill holes are also reported in Table 1 below. Although these holes were twinned, there is no record of published historical results for these specific holes.

**Table 1 - Comparison of Drill-Hole results – Current to Historic**

2011 Results					Corresponding Historic Drill Hole Results (1954 – 1957)				
DDH	From (m)	To (m)	T.Width (m)	% Fe total	DDH	From (m)	To (m)	T.Width (m)	% Fe Soluble
<b>Kayak Bay</b>									
RL-11-01B	4.20	77.00	69.24	34.8	K-28	0.00	30.48	28.99	25.9
RL-11-02	12.50	87.00	70.01	34.0	K-31	6.10	42.67	34.36	30.2
RL-11-03	2.80	145.00	108.93	33.4	K-35	0.00	42.98	32.92	30.1
RL-11-04	4.70	85.50	78.04	33.2	K-37	0.00	38.71	37.39	28.5
RL-11-06	4.78	55.50	45.97	32.2	K-43	0.00	40.84	37.01	32.8
RL-11-05*	12.90	110.40	91.62	25.6					
RL-11-07*	1.50	35.80	32.23	24.8					
RL-11-08A*	5.00	46.00	37.16	33.1					

\* Indicates twinned holes, but with no record of published results

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 H<sub>2</sub>SO<sub>4</sub> – HF and acid digestion and titrimetric finish, and Total Sulphur by LECO method.

*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](http://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](http://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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