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PRESS RELEASE

OCEANIC DEFINES POWER SOLUTION FOR HOPES ADVANCE BAY PROJECT

AND UPDATES ON PRE-FEASIBILITY STUDY

Vancouver, BC, September 5, 2012 - Oceanic Iron Ore Corp. (“Oceanic”, the “Company”) announces that it has defined a viable power solution for its Hopes Advance Bay project. The Company will commence construction and operations in 2017 utilizing self-generated power, during its initial phase of operations.

Steven Dean, Chairman and C.E.O. commented *“We are pleased that we have defined a viable solution for power supply for our Hopes Advance project. Self-generation during the initial phase of operations safeguards Oceanic’s development timeline at a minimal incremental operating cost and preserves our ability to construct the project during the current demand cycle. With this critical infrastructure component clearly defined, Oceanic is now in full control of the project risks and schedule, with no reliance on outside parties for major project infrastructure components. We will continue to work with Hydro Québec and anticipate a future connection to the grid, on commercially acceptable terms for both parties, during our second stage of operations.*

Being largely in control of the timeline to develop power and port infrastructure combined with the other key characteristics of the project including our “no-rail” advantage due to our tidewater location and low operating cost per tonne, provides Oceanic a competitive edge compared to other iron ore development projects.”

The Preliminary Economic Assessment released in September 2011 relating to the Hopes Advance project assumed that power for the project would be provided through the development of a new power line to the mine site from an existing generation station in Québec (Laforge 2). The Company has been engaged with Hydro Québec since late last year when Hydro Québec commenced its evaluation of the development of the new transmission line.

Hydro Québec has indicated it will continue its evaluation of the new transmission line and it is anticipated that the Company will connect to the power grid after 2025, when the line becomes available, which is viewed by both Hydro Québec and Oceanic as a realistic target. The Company’s Pre-Feasibility Study due out in September will incorporate a grid power connection commencing in 2025.

The Company anticipates that it will be capable of generating its own power, during the initial phase of operations, for an operating cost of approximately \$0.15 per kilowatt hour and the capital costs associated with the procurement and installation of the Company's power plant are expected to be less than the \$540 million provision contained in the Preliminary Economic Assessment but will be confirmed by detailed engineering in the PFS.

Update on Pre-Feasibility Study ("PFS"):

Oceanic announces that it remains on track for the delivery of its Pre-Feasibility Study by the end of September. Highlights of the current status of work are as follows:

- The Company has completed its 2012 field program which included geotechnical drilling and other associated field work to support the PFS, geological mapping and claim maintenance activities, in addition to the establishment of a new field camp adjacent to the village of Aupaluk. Crews were mobilized during the spring and were demobilized during the first week of August. All of the work required to facilitate input data for the PFS is now complete.
- Metallurgical test work and Pilot Plant work led by SGS has been completed. The final results and report are in the process of being compiled and will be released when available, at or around the time the PFS is released. The conclusions from this testwork are being incorporated into the design criteria for the processing plant and equipment selection. Results are not expected to be materially different from the assumptions contained in the Company's Preliminary Economic Assessment although there will be a significantly higher level of confidence and engineering in those assumptions.
- The Company's consulting engineering firms are currently finalizing design criteria and pit optimization as well as their estimates of capital and operating costs, which are expected to confirm the positive economics of this world class project.

Mr. Dean added: *"We are also pleased with the fast-track progress being made on the Pre-Feasibility Study and look forward, with enthusiasm, to its release on schedule before the end of September."*

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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