

Attention Business Editors:  
Velo Energy Provides Corporate Update

/NOT FOR DISTRIBUTION IN THE UNITED STATES OF AMERICA/

CALGARY, April 1 /CNW/ - Velo Energy Inc. ("Velo" or the "Company") (TSX VENTURE EXCHANGE: VLO) provides the following update on its activities.

#### Business Plan

Velo's initial plan to settle its obligations to subscribers of the December 2006 flow-through issue was described in a February 27, 2008 press release. The final details of the plan are follows:

Subscribers to the December 2006 flow-through share issue have lost 36.4% of the 2006 deduction to which they were entitled. This amount would have been greater but Nova Bancorp and the Velo directors, who were subscribers, have forgone 100% of the deduction to which they were entitled, thus minimizing the loss to other subscribers. Without this concession by Nova Bancorp and the Velo directors, subscribers would have lost approximately 50.1% of the 2006 deduction.

Under the terms of the subscription agreement for the flow-through share financing, the Company indemnified subscribers for any such loss. The Company will propose that subscribers accept new Velo shares as payment under the indemnity, the amount of which is \$452,133. This amount is equal to the product of the total purchase price of the shares purchased by all subscribers multiplied by the percentage of the reduction of the 2006 deduction multiplied by the top combined federal and provincial marginal tax rate in each province.

Velo will issue 6,028,447 shares at \$0.075 per share. 43.5% of the shares will be issued to Nova Bancorp and Velo directors. The TSX Venture Exchange has requested that Velo obtain the approval of a majority of the Velo shareholders who did not subscribe for shares in the flow-through issue.

#### About Velo Energy Inc.

Velo is an emerging oil and gas company engaged in the exploration for, development and production of natural gas and oil in the western sedimentary basin.

#### Reader Advisory

Certain information set forth in this media release contains forward-looking statements, including statements regarding the proposal to indemnify subscribers of the flow-through financing. By their nature, forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond Velo's control, including the acceptance of the proposal with flow-through share subscribers.

The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this press release.

%SEDAR: 00021327E

/For further information: Jack Muir, Director, Tel: (604) 891-8782/  
(VLO.)

CO: Velo Energy Inc.

CNW 16:04e 01-APR-08