

# VELO ENERGY INC.

## Velo Energy Announces Private Placement

**Calgary, Canada, May 5, 2010** – Velo Energy Inc. (“Velo” or “the Company”) (TSX-V: VLO) announces a non-brokered private placement of up to 20,000,000 Units, each Unit consisting of one Common Share and one half Share Purchase Warrant at \$0.30 per Unit. Each whole Warrant will entitle the holder to acquire one Common Share at an exercise price of \$0.50 until the date that is 18 months after the closing date. The closing date of the private placement is May 14, 2010. The gross proceeds from the sale of the Units will be used for working capital, including payment of accrued liabilities incurred with respect to acquisitions in the UK North Sea, and for general corporate purposes. The Units will be subject to resale restrictions and may not be resold until four months and one day after the date of acquisition. Management and employees of the Company intend to participate for approximately 10% of the offering.

The offering is subject to regulatory approvals.

### About the Company

Velo’s shares are listed for trading on the TSX Venture Exchange (TSX-V) under the symbol “VLO”.

### Forward Looking Statements

This press release may contain forward-looking statements based on Velo’s current expectations and assumptions as to a number of factors, including access to capital, regulatory approvals, intended acquisitions and general economic and industry conditions. If those expectations and assumptions prove to be incorrect, or factors change, then actual results could differ materially from the forward-looking statements contained in this press release.

Generally, statements included in this press release that address activities, events or developments that Velo expects, believes or anticipates will or may occur in the future are forward-looking statements. Such forward-looking statements involve substantial known and unknown risks and uncertainties, certain of which are beyond Velo’s control, including: the impact of general economic conditions in the areas in which Velo operates, civil unrest, industry conditions, changes in laws and regulations including the adoption of new environmental laws and regulations and changes in how they are interpreted and enforced, increased competition, the lack of availability of qualified personnel or management, fluctuations in commodity prices, foreign exchange or interest rates, stock market volatility and obtaining required approvals of regulatory authorities. In addition there are risks and uncertainties associated with the oil and gas industry, therefore Velo’s actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements will transpire or occur, or if any of them do so, what benefits, including the amounts of proceeds, which Velo will derive

therefrom. Such statements are based on assumptions made by Velo based on its experience perception of historical trends, current conditions, expected future developments and other factors it believes are appropriate in the circumstances.

**For Further Information Please Contact:**

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*Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release..*