

VELO ENERGY INC.

Velo Energy Closes Private Placement

Calgary, Canada, May 14, 2010 – Velo Energy Inc. (“Velo” or “the Company”) (TSX-V: VLO) has closed \$3.6 million (12,000,000 Units) of its previously announced non-brokered private placement of up to \$6 million (20,000,000 Units). Each Unit consists of one Common Share and one - half of one Common Share Purchase Warrant. The balance of the subscriptions will be closed on or before May 21, 2010. Qualified persons will be entitled to a finder’s fee of up to 5% for their role in raising the funds, payable in Units. The Company is seeking regulatory approval to increase the total amount of the offering up to \$10 million (33,333,333 Units) as the offering is oversubscribed.

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.

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