

Attention Business Editors:
Velo Energy Provides Corporate Update

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CALGARY, June 11 /CNW/ - Velo Energy Inc. ("Velo" or the "Company") (TSX VENTURE EXCHANGE: VLO) provides the following update on its activities.

Private Placement

Subject to regulatory approvals, Velo will issue a maximum of 30,000,000 common shares at \$0.05 per share in a non-brokered private placement to raise \$1,500,000. It is not anticipated that the completion of the proposed private placement will result in the creation of a new control person (as such term is defined in the TSX Venture Exchange Policy 1.1). Nova Bancorp Investments Ltd. ("Nova Bancorp") intends to subscribe for 7,000,000 common shares of this issue. Nova Bancorp and its affiliates currently own 23.1% of the common shares of the Company and its directors are officers and directors of Velo. The Company will pay a finders fee of 5% of the amount raised, except for the amount subscribed for by Nova Bancorp. Management expects to close the private placement before the end of June 2008. The proceeds of the private placement will be used to pursue new exploration and development opportunities and working capital.

Settlement of December 2006 Flow-Through Obligation

Velo's final plan to settle its obligations to subscribers of the December 2006 flow-through issue was described in an April 1, 2008 press release. The proposal described at that time was accepted by flow-through share subscribers representing \$440,835 (97.5%) of the \$452,133 owed to subscribers. Velo will issue 5,877,800 shares at \$0.075 per share to those subscribers who accepted the proposal. This share issuance is subject to the approval of the TSX Venture Exchange ("TSX-V"). As requested by the TSX-V, Velo obtained the consent of a majority of Velo shareholders who didn't subscribe for shares in the flow-through issue. 51.2% of "disinterested shareholders" consented to the proposal. Management expects to close the share issuance before the end of June 2008.

Other

The financial restructuring of the Company's wholly owned subsidiary, Velo Energy Ltd. ("Velo Ltd.") was described in a press release dated February 8, 2008. In December 2007, Velo Ltd. successfully negotiated a repayment plan with almost all of its unsecured creditors. In addition to an initial payment made at that time, Velo Ltd. was required to make a final payment by the end of April. While this payment has not yet been made, management expects the necessary payments will soon be made and the restructuring of Velo Ltd. completed.

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 private placement and the issuance of shares to settle the indemnity to 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 private placement and the share issuance.

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

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

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