

# VELO ENERGY INC.

## **Velo Files Prospectus to Fund North Sea Operations**

**Calgary, Canada, October 15, 2009** –Velo Energy Inc. (“Velo” or “the Company”) (TSX-V: VLO) filed a preliminary prospectus today with the securities regulatory authorities in each of the provinces of Canada other than Quebec in connection with a best efforts offering (the “Offering”) of common shares of the Company (the “Common Shares”). GMP Securities L.P. and Canaccord Capital Corporation will act as the lead agents, with a syndicate of agents including Mirabaud Securities LLP, Genuity Capital Markets and Scotia Capital Inc. (collectively, the “Agents”). The size of the Offering and pricing of the Common Shares will be determined once the Company and the Agents conclude marketing activities, with closing currently anticipated to occur on or about November 17, 2009.

The funds will be used to acquire, appraise and develop the assets to be owned by Velo’s wholly owned subsidiary, North Sea Oil Exploration Ltd (“NSOEL”), as a result of the previously announced Sale and Purchase Agreement (“SPA”) for interests in the Caledonia, Sheryl and Catcher properties, and also a Letter of Intent (“LOI”) for an interest in the Banks Discovery. All of these properties are located in the UK North Sea and the acquisitions remain subject to certain conditions precedent including financing and regulatory approvals in Canada and the UK.

The Offering is subject to certain conditions including, but not limited to, the execution of a definitive agency agreement with the Agents and the receipt of all necessary approvals, including the approval of the TSX Venture Exchange and the applicable securities regulatory authorities. The filed preliminary prospectus can be viewed at [www.sedar.com](http://www.sedar.com) under the Velo Energy Inc. listing.

### **About the Company**

Velo is a growing North Sea focused oil and gas company with a core group of near and mid-term development properties. Velo’s shares are listed for trading on the TSX Venture Exchange (TSX-V) under the symbol “VLO”.

### **Forward Looking Statements**

All 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

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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.

**On Behalf of the Board of Directors**

Mr. Arthur Millholland, President and CEO

**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. This news release may contain forward-looking statements. Forward-looking statements address future events and conditions and therefore involve inherent risks and uncertainties. Actual results may differ materially from those currently anticipated in such statements.*

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