

# VELO ENERGY INC.

## **Velo Appoints Endeavour Financial as Advisor and Arranges \$2 Million Bridge Financing**

**Calgary, Canada, December 11, 2009** –Velo Energy Inc. (“Velo” or “the Company”) (TSX-V: VLO) has appointed Endeavour Financial International Corporation (“Endeavour”) to provide, on an exclusive basis, financial advisory services with respect to the financing and development of the Company’s oil and gas assets. For its services, Endeavour will be paid a combination of consulting fees and, when applicable, incentive fees whenever the Company engages in debt transactions. The Company will also grant to Endeavour 500,000 share purchase warrants, each warrant giving the right to acquire one common share of Velo at an exercise price of \$0.50 per common share for a period of one year.

In a related agreement with Endeavour, the Company has signed an unsecured bridge financing loan (the “Facility”) for the amount of \$2 million with Endeavour Financial Corporation (the “Lender”). The proceeds of the loan will be used for working capital while the Company works to close its offering of common shares, which is expected to occur in January or February 2010. The maturity date of the Facility is 12 months and the interest rate is 10% per annum. In addition the Company will grant the Lender a total of 1,200,000 common share purchase warrants entitling the Lender to acquire one Velo common share per each warrant at an exercise price of \$0.50 per common share for a period of one year.

Granting of the common share purchase warrants to Endeavour and the Lender is subject to regulatory approval by the TSX Venture Exchange (TSXV).

### **About the Company**

Velo is a growing UK 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**

This press release contains forward-looking statements relating to the Offering and Velo’s intended operations. Those statements are based on Velo’s current expectations and assumptions as to a number of factors, including access to capital, regulatory approvals, closing of the Acquisitions and general economic and industry conditions. The material assumptions applied were that the Company will be able to issue at least the expected minimum number of its common shares at the proposed price per share and when anticipated, that regulatory approvals for the Offering and the Acquisitions will be obtained as anticipated and that the Acquisitions will close as agreed in the case of the Caledonia, Sheryl and Catcher properties or as intended in the case of the Banks Property. 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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