

# VELO ENERGY INC.

## Velo Energy Files Final Prospectus

Calgary, Canada, December 15, 2009 – Velo Energy Inc. (“Velo” or “the Company”) (TSX-V: VLO) filed a final prospectus with the securities regulatory authorities in each of the provinces of Canada other than Quebec in connection with the previously announced best efforts offering (the “Offering”) of common shares of the Company (the “Common Shares”). The Offering is for a minimum of 170,000,000 Common Shares to a maximum of 250,000,000 Common Shares priced at \$0.50 per share, resulting in gross proceeds to the Company of a minimum of \$85,000,000 and a maximum of \$125,000,000. In addition, a 15% over-allotment option was granted to the agents under the Offering. GMP Securities L.P. and Canaccord Financial Ltd. are the co-lead agents to the Offering, together with a syndicate of agents including Mirabaud Securities LLP, Genuity Capital Markets and Scotia Capital Inc. (collectively, the “Agents”). The closing of the Offering is expected to take place on or about January 21, 2010.

Proceeds of the Offering will be used to fund the Company’s acquisition of interests in the Caledonia, Sheryl and Catcher properties, appraisal and development expenditures on those properties, the intended acquisition of the Banks property, appraisal and development of the Banks property and for general corporate purposes, including repayment of the Company’s recently announced \$2 million bridge loan facility.

The final prospectus can be viewed at [www.sedar.com](http://www.sedar.com) under the company profile for Velo.

### 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

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 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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