

VELO ENERGY INC.

Velo Energy Inc. Announces Annual and Special General Meeting

May 27, 2009, Vancouver, B.C.: Velo Energy Inc. (“Velo” or the “Company”) (VLO: TSXV) has scheduled an annual and special general meeting of its shareholders for June 24, 2009. At the meeting, in addition to appointing auditors and electing directors, the shareholders of the Company will be asked to approve the continuation of the Company under the *Business Corporations Act* (British Columbia) and a consolidation of the Company’s share capital on up to a 10:1 basis. The consolidation ratio may be decreased to a lesser ratio at the discretion of the directors. The Company does not propose to change its name.

The Company currently has 65,608,888 common shares outstanding. Assuming the maximum 10:1 consolidation, it expects to have approximately 6,560,888 post-consolidation shares outstanding. Management believes that the share consolidation is necessary to provide the Company with a capital structure that will facilitate equity and/or debt financing. The Company's management has recommended the restructuring following consultation with financial advisors. The proposed share consolidation is expected to increase the market price of the Company's common shares on a per share basis by reducing the number of common shares outstanding. However, no assurance can be given as to the effect of the consolidation on the value of the Company's common shares.

Completion of the share consolidation is subject to shareholder approval and acceptance by the TSX Venture Exchange. A management information circular in connection with the meeting will be mailed to the shareholders shortly.

The Company also announces that Charanjit Hayre has been appointed to the board to replace John Muir, who has resigned from the board to pursue other interests. Management thanks Mr. Muir for his past contributions and welcomes Mr. Hayre to the board. Mr. Hayre is Chief Operating Officer at Asentus Consulting Group, a leading Technology and Channel Marketing company. Mr. Hayre manages all operational functions at Asentus – from finance, marketing, sales and service and new business venture development.

Prior to joining Asentus in 2004, Charanjit served as a senior manager within the Enterprise Risk Services Group for Deloitte & Touché where he obtained significant knowledge of financial and operational sides of the technology and natural resources industries. He has held senior management roles within the financial services and high tech markets for both public and private companies.

Velo Energy Inc.

By its Board of Directors
Donald Gee C.A., President
Tel: (604) 618-3433

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.

Suite 1601 - 700 West Pender Street, Vancouver, British Columbia V6C 1G8
Tel: 604-618-3433 Fax: 604-646-0640

Not for distribution in the United States of America