

VELO ENERGY INC.

Velo Energy Issues Share Options

Calgary, Canada, June 1, 2010 –Velo Energy Inc. (“Velo” or “the Company”) (TSX-V: VLO) has issued 2,650,000 options to purchase Common Shares at an exercise price of \$0.30 per share. The options are for a 5 year term, and were awarded to outside directors and some senior management as a result of changes to the Company’s corporate structure over the past several months.

About the Company

Velo’s shares are listed for trading on the TSX Venture Exchange (TSX-V) under the symbol “VLO”.

Forward Looking Statements

This press release may contain forward-looking statements based on Velo’s current expectations and assumptions as to a number of factors, including access to capital, regulatory approvals, intended acquisitions and general economic and industry conditions. 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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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.