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**Velocity Energy Inc announces the Final Settlement on the acquisition of assets in the Appalachian basin shale play of West Virginia.**

Houston, Texas Oct 05, 2010—Velocity Energy Inc (OTC:VCYE) announced the closing of the final settlement on the acquisition of working interest in 85 wells in the Appalachian Basin shale play. With this acquisition comes the rights to drill and earn interest in 13,000 acres on lands, which we believe can support the development of 43 horizontal wells and 58 vertical wells. Velocity will seek interested parties in the form a working interest partner or some other similar business relationship required by the potential investor to initiate the five year development program.

**Operational Updates:** Velocity is please to announce the Walker #1 well was drilled and completed in the 4<sup>th</sup> QTR of 2009, and produced for the month of July, 2010 at a rate of 3,128 Mcf. Workovers on the Lamb #1 and the L. Cook #1 were completed successfully in the 4<sup>th</sup> QTR of 2009, and produced for the month of July, 2010 at a rate of 1,315 and 1,578 Mcf, respectively. These three wells, in addition to 14 wells operated by Velocity, five of which were returned to production successfully, have made material improvements in the monthly cash flow and the reserve base. This work demonstrates the potential of the 35 wells with developed behind pipe reserves and the proved undeveloped drilling program.

**Forward-Looking Statements**

**Information herein contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, which can be identified by words such as "may," "will," "expect," "anticipate," "estimate" or "continue," or comparable words. All statements other than statements of historical facts that address activities that the Company expects or anticipates will or may occur in the future are forward-looking statements. Readers are encouraged to read our Form 10-K and Form 10-K/A for the year ended December 31, 2009 and the other SEC reports of the Company and any and all other documents filed with the SEC regarding information about Velocity Energy for meaningful cautionary language in respect of the forward-looking statements herein. Interested persons are able to**

**obtain free copies of filings containing information about Velocity Energy, without charge, at the SEC's Internet site.**