

Press Release

For Immediate Release

ONA ENERGY PROVIDES UPDATE ON ITS YONGXING POWER PLANT PROJECT IN THE HUNAN PROVINCE OF CHINA

Vancouver, British Columbia, July 4, 2008: ONA Energy Inc. ("the Company") (CNQ: OEIX / Frankfurt: O3X) is pleased to announce that repairs to the 110 kV transmission system connecting the Company's Yongxing power plant to the national Chinese power grid has been completed. The repair process has taken longer to complete than expected, but the transmission system is now ready to receive power generated from the plant.

The commissioning and test phase of the power plant is now underway. Management at the Yongxing Power Plant Corporation (YPPC) has successfully completed the testing of the boiler system, steam cleaning and blowing of the steam piping and boiler components, and has connected the high pressure steam to the turbine-generator. The next step in the test phase is have the 60 MW turbine-generator generate electricity and undergo all the necessary trials and tests (over-speed tests, short circuit tests and the 72 hours full load test, etc.), required prior to commercial operation.

As of this morning, the connection between the power plant and the State Grid of Chenzhou has been successfully synchronized. The generator was able to generate electricity up to 40 MW for 3.5 hours (at 3000 RPM - 50 cycles). It was tripped in favour of the over-speed test (3300 RPM - 10% over-speed). The generator was shut down for inspections and to allow for adjustments prior to the power plant being put through the short-circuit tests and the 72 hour full load tests, which are scheduled for July 4, 2008. It is anticipated that upon completion of the successful 72 hour full load tests, the first 60 MW unit of Yongxing power plant will be ready for commercial operation.

On June 20, 2008 the Chinese Government announced that it will increase the electricity tariff 2.5 cent RMB per kilowatt-hour and will temporarily control coal prices to the power plants, effective July 1, 2008. In addition, the Hunan Provincial Government has agreed to put YPPC on equal status as the larger power plants in the province. YPPC will now be entitled to receive the same level of privileges as these larger power plants, which will include the provincial subsidies on county and provincial taxes of up to 50 RMB per tonne on coal purchased for the power plan.

The Yongxing Power Plant Corporation is ONA Energy's 60% owned Sino-Foreign joint venture company constructing an environmentally friendly desulfurization power plant in the Yongxing County, Hunan province of China. The power plant will be classified as a comprehensive utilization of waste-to-energy power plant that will consume up to 75% of coal tailings (a coal mining waste residue) as its main fuel. The power plant will also comply with the latest NDRC guidelines of achieving very low NO_x, SO₂ and particulate matter (fly-ash) emissions and produces clean energy.

ONA Energy Inc. (www.onaenergy.com) is a Canadian-based international energy company focused on the acquisition and development of power generation projects.

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