

Press Release

For Immediate Release

ONA ENERGY ANNOUNCES COMMERCIAL OPERATION OF ITS YONGXING POWER PLANT IN THE HUNAN PROVINCE OF CHINA

Vancouver, British Columbia, September 2, 2008: ONA Energy Inc. ("the Company") (CNQ: OEIX / Frankfurt: O3X) is pleased to announce that on August 30, 2008, the Company has started commercial operation at its 60% owned, 60 MW environmentally friendly waste to energy power plant in Yongxing County, in the Hunan Province in China .

"We are very pleased to have our first 60 MW generator synchronized with the China National State Grid, and are very thankful to our employees, shareholders and to all levels of government in China for their support in making the YPPC power plant project a success", said John Wong, President and CEO of ONA. "With this first unit now operational and generating cash flow, our efforts will now shift to the financing and development of the second 60 MW generating unit".

After three months of continuous operation, the Yongxing Power Plant Corporation (YPPC) will be able to apply for a clean power certificate upon proving that the Company's power plant has met its design criteria. The premium on the tariff associated with the clean power certificate will be retroactive to the day the power plant begins generating electricity (August 29, 2008) as per the Power Purchase Agreement signed with the State Grid Corporation of China.

China has recently announced a second set of power tariff increases effective August, 2008. The previous tariff increase was in July, 2008. The August increase of 0.02 yuan (US\$0.0029) per kWh, is a 5.3% increase for thermal power plants (TPPs) . Together with the previous tariff increase, introduced at the start of July, 2008, means that the government has now raised on-grid rates by approximately 10% in the last two months. After the August power tariff increases, the retroactive electricity tariff will be approximately RMB 460/MW-hr (US\$ 66.7/MW-hr) for YPPC.

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 National Development and Reform Committee guidelines of achieving very low NO_x, SO₂ and particulate matter (fly-ash) emissions and produces clean coal energy.

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