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Frankfurt – O3X
CNSX - OPO

Press Release

For Immediate Release

CORPORATE UPDATE

**SUCCESSFUL EXECUTION OF AGREEMENT WITH DEBENTURE HOLDERS
PROVIDING EXTENSION OF TERM.**

ONA OBTAINS PLEDGE OF ALL SHARES FROM YPPC MINORITY PARTNERS

Vancouver, British Columbia, August 28, 2009: ONA POWER CORP. (CNSX: OPO / Frankfurt: O3X) is pleased to announce that it has successfully concluded the negotiations with its debenture holders. Under the terms of the agreement reached, the debenture holders have agreed to extend the maturity of the remaining balance and accrued interest to December 30th, 2010 after payment of \$900,000 from the proceeds of the recently financing. As additional consideration necessary for this extension, ONA will be issuing to the debenture holders 1 million 2 year warrants with an exercise price of \$0.40 per share. All other previous features of the debentures will remain the same including convertibility feature at \$3 per share.

The Company is also pleased to announce that during a visit last week to its YPPC project in Hunan, China, management was able to obtain the pledge from its two minority partners of all their shares (40% not owned by ONA) in exchange for future advances ONA will make on their behalf to the project.

During the visit at YPPC, management has interviewed several candidates and filled a few key positions including the appointment of Mr Wu as new Deputy General Manager. Mr. Wu is a power plant specialist with 16 years of professional work experience.

Because of recent operational improvements which have directly affected profitability, management has also been able to negotiate favourable credit terms with coal suppliers which provide for a repayment schedule based on cash flows. This will allow the plant to keep operating and to generate revenues despite the fact that its working capital position is limited.

ONA management is in the process of reviewing its overall financial needs in light of the recent operational changes and successful negotiations with its debenture holders. Management expects the planning exercise to be finalised very shortly and will communicate with its shareholders upon its completion.

Again management wishes to thank its shareholders for their patience during this transition period and to assure them that all efforts are currently being deployed to quickly turn ONA into a profitable independent power producer.

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

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