

**FORM 10
AMENDMENT #2**

**NOTICE OF PROPOSED SIGNIFICANT TRANSACTION (not involving
an issuance or potential issuance of a listed security)¹**

Name of CNQ Issuer: Ona Energy Inc. (formerly Ona Exploration Inc.) (the "Issuer").

Trading Symbol: OIEX

Issued and Outstanding Securities of the Issuer Prior to Transaction: 24,413,093

Date of News Release Fully Disclosing the Transaction: April 24, 2007

This Form amends the Form 10 and Amendment filed with the CNQ on May 29, 2007 and June 7, 2007.

1. Transaction

Provide details of the transaction including the date, description and location of assets, if applicable, parties to and type of agreement (eg: sale, option, license, contract for Investor Relations Activities etc.) and relationship to the Issuer. The disclosure should be sufficiently complete to enable a reader to appreciate the significance of the transaction without reference to any other material:

The Issuer has completed an acquisition pursuant to an Acquisition and Investment Agreement, dated April 12, 2007, with Hunan Yongxing Power Plant Corporation (YPPC) and its shareholders pursuant to which the Issuer acquired a 60% equity interest in YPPC from the shareholders. The Issuer acquired its interest by paying to the shareholders of YPPC a total of approximately US\$10.46 million.

YPPC is an existing Sino-Foreign Joint Venture Company that holds the right to develop the 240 megawatt (MW) coal-fired Yongxing Power Plant, located in Yongxing County, Hunan Province, PRC in two phases. The first phase of the power plant two - 60 MW is currently under construction, and consists of two - 60 MW units. Construction of the first 60 MW unit has a targeted completion date of December 2007. Under the terms of the acquisition, the Company will take over the control and operation of YPPC including the completion of the first phase of the project (two - 60 MW units) and the development of the second phase of the project.

YPPC is currently seeking approval to expand the second phase of the power plant to two - 135 MW units for a total production capacity of 390 MW.

Construction costs for the first unit is expected to be approximately US\$30 million (RMB 230 million), the second unit is expected to be approximately US\$ US\$25 million (RMB 190 million) for a total of approximately US\$55 million (RMB 420 million) and has to date been funded from YPPC's registered capital of about US\$14.5 million (RMB 110 million) together with a bank loan of approximately US\$

¹ If the transaction involved the issuance of securities, other than debt securities that are not convertible into listed securities, use Form 9.

10.4 million (RMB 80 million) from China Construction Bank guaranteed by the Yongxing County Government and another bank loan of approximately US\$30 million (RMB 230 million) . Costs to completion may increase, and in such case additional funding will be required. Fuel for the first and subsequent units will consist of a minimum of 67% coal mine tailings and 33% coal, supplied by the Yongxing County coal mines.

The second unit of the first phase of the power plant is estimated to be ready to generate electricity approximately one year after completion of this first unit. The current shareholders of YPPC contributed capital and rights for the construction of the first two - 60 MW units to the joint venture for a 40% interest in YPPC. To complete the second 60 MW unit in the first phase, the Issuer will work with YPPC to arrange secured funding estimated between US\$28.4 and US\$38.75 million, using the first 60 MW unit as collateral.

The shareholders of YPPC are Modern Develop Limited, Yongxing Hydro Power Limited Co. and Shenzhen Weicheng Energy Investment Corp. Following completion of the acquisition the shareholders of YPPC would be as follows:

Name of Party	Percentage of Interest Owned
Ona Energy Inc.	60%
Yongxing Hydro Power Limited Co.	20%
Modern Develop Limited	20%
Shenzhen Weicheng Energy Investment Corp.	0%

The parties, other than the Issuer, to the Acquisition and Investment Agreement and their principals are at arm's length to the Issuer.

In connection with the Acquisition and Investment Agreement, the parties also signed a Joint Venture Contract dated April 18, 2007, and Articles of Association of YPPC in order to establish the manner of management of the joint venture company. Pursuant to the terms of the Joint Venture Contract and Articles of Association, the Issuer has appointed three of the five directors to the board of YPPC, and will assume general management responsibility of YPPC. The two remaining shareholders will be entitled to each nominate a director and, and collectively one deputy manager.

In accordance with Chinese law, on June 4, 2007, the Issuer received a letter of approval and a Certificate of Approval from the China Foreign Investment Bureau for the share transfer modifications from the three existing shareholders of YPPC to Ona Energy Inc. The letter of approval and Certificate of Approval enables the Issuer to conduct business in China, including obtaining foreign currency exchange permits from the China Foreign Exchange Bureau and opening bank accounts in China. The letter of approval and Certificate of Approval also allows the Issuer to apply for all the necessary permits and licenses required to conduct the Yongxing Power Plant project.

On July 31, 2007, Ona completed a private placement raising \$8,864,724. Proceeds of the private placement in addition to available cash on hand were used to fund the acquisition of the 60% interest in YPPC.

In connection with the acquisition of the interest in YPPC, the Issuer has entered into a consulting agreement with the First Industry (Power Plant) Design Institute of Hunan. First Industry will provide

services including identifying power plant operators, engineering firms and other industry related services in connection with developing and operating power plants. The consulting fee will be US\$1,500,000, of which \$500,000 will be paid by issuing 500,000 shares of Ona, and has been paid. The shares may at the option of Ona be re-purchased by Ona at an aggregate price of \$525,000 on or before February 1, 2008.

There are a number of risk factors associated with the success of the power plant and the joint venture. For example, there is no guarantee that, the joint venture will be successful at generating power for commercial sale, or at establishing additional power plant units that can commercially sell power. There are regulatory risks associated with power plant operations, as well as with foreign ownership laws that must be complied with. Additional funding may be required to complete the first phase of construction, and if Ona is unable to secure such funding it may have its ownership interest diluted, or the project may have to be terminated or sold.

2. Provide the following information in relation to the total consideration for the transaction (including details of all cash, non-convertible debt securities or other consideration) and any required work commitments:

- (a) Total aggregate consideration in Canadian dollars: \$11,320,000.
- (b) Cash: \$11,320,000.
- (c) Other: nil.
- (d) Work commitments: Up to US\$38.75 million for construction of second 60 MW unit of the power plant, to be raised jointly with other parties.

3. State how the purchase or sale price and the terms of any agreement were determined (e.g. arm's-length negotiation, independent committee of the Board, third party valuation etc).

Negotiated at arm's length.

4. Provide details of any appraisal or valuation of the subject of the transaction known to management of the Issuer:

Management considered the paid in capital of RMB110,000,000 (approximately US\$ 14.5 million) which was contributed by existing shareholders, and expected net present value per megawatt of electricity in negotiating the purchase price.

5. If the transaction is an acquisition, details of the steps taken by the Issuer to ensure that the vendor has good title to the assets being acquired:

The Issuer engaged counsel in Beijing and Vancouver, BC to conduct due diligence and advise on contract terms and the articles of association.

6. Provide the following information for any agent's fee, commission, bonus or finder's fee, or other compensation paid or to be paid in connection with the transaction (including warrants, options, etc.): Not applicable

- (a) Details of any dealer, agent, broker or other person receiving compensation in connection with the transaction (name, address. If a corporation, identify persons owning or exercising voting control over 20% or more of the voting shares if known to the Issuer): _____.
- (b) Cash _____.
- (c) Other _____.

7. *State whether the vendor, sales agent, broker or other person receiving compensation in connection with the transaction is a Related Person or has any other relationship with the Issuer and provide details of the relationship.*

Not applicable.

8. *If applicable, indicate whether the transaction is the acquisition of an interest in property contiguous to or otherwise related to any other asset acquired in the last 12 months.*

Not applicable.

2. **Development**

Provide details of the development. The disclosure should be sufficiently complete to enable a reader to appreciate the significance of the transaction without reference to any other material:

see above under "Transaction".

3. Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. To the knowledge of the Issuer, at the time an agreement in principle was reached, no party to the transaction had knowledge of any undisclosed material information relating to the Issuer, other than in relation to the transaction.
3. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.
4. The undersigned hereby certifies to CNQ that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all CNQ Requirements (as defined in CNQ Policy 1).
5. All of the information in this Form 10 Notice of Proposed Significant Transaction is true.

Dated August 23, 2007

John Wong
Name of Director or Senior Officer

"John Wong"
Signature

President / Director
Official Capacity