

FORM 10 AMENDMENT 1

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 filed with the CNQ on May 29, 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 entered into an Acquisition and Investment Agreement dated April 12, 2007, with Hunan Yongxing Power Plant Corporation (YPPC) and its shareholders pursuant to which the Issuer has the right to acquire a 60% equity interest in YPPC from the shareholders. The Issuer can acquire its interest by paying to the shareholders of YPPC a total of US\$10.2 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. The YPPC power plant will be comprised of up to four 60 MW units. Construction of the first 60 MW unit is currently underway under the supervision of YPPC and the first 60 MW unit is scheduled to generate electricity by August of 2007. Construction costs for the first unit are expected to be (RMB 190 million) approximately US 25 million, and was funded from YPPC registered capital (RMB 110 million) about US\$ 14.5 million together with a bank loan of (RMB 80 million) approximately US\$ 10.4 million from China Construction Bank guaranteed by the Yongxing County Government. Fuel for the first and subsequent units will consist of primarily coal mine tailings supplied by the Yongxing County coal mines. The second unit is scheduled to be ready to generate electricity approximately one year later. The current shareholders of YPPC will complete and contribute the first 60 MW unit to the joint venture for a 40% interest in YPPC. To complete the second 60 MW unit, 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

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

collateral. Under the Hunan Reform and Development Committee's Certificate of Approval, there is provision for an additional two 60 MW units to be built after the completion of the first two 60 MW units. This would give this power plant project a total capacity of 240 MW upon completion of the third and fourth units which are anticipated to begin construction shortly after the completion of the first two units.

The shareholders of YPPC are Mordern 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%
Mordern 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 will appoint 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, collectively one deputy manager.

In accordance with Chinese law, the Issuer has 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.

Pursuant to the terms of the acquisition agreement with YPPC and its shareholders, the Issuer must fund the US\$10.2 million acquisition price to the shareholders of YPPC within 60 days from receipt of the letter of approval and Certificate of Approval, failing which the agreement will terminate unless amended. In accordance with the terms of the acquisition agreement, the Issuer has deposited US\$500,000 in Ona's Beijing bank account as a good faith gesture to the shareholders of YPPC.

On May 25, 2007, the Issuer announced a \$15 million convertible debt and equity, to raise additional funding for payment of the purchase price. Closing of the funding is subject to concurrent completion of the acquisition. If the Issuer is unable to obtain the necessary funding the Acquisition and Investment Agreement will terminate unless amended.

In connection with the acquisition of an 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 may be paid by issuing 500,000 shares of Ona, and is due upon completion of the acquisition of the 60% interest in YPPC. The Issuer will pay a non-refundable retainer of US\$250,000 which will be applied towards the consulting fee.

There are a number of risk factors associated with the acquisition, and if completed, with the success of the power plant and the joint venture. For example, there is no guarantee that the acquisition will complete, or if completed 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.

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 \$43.8 million for construction of second 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 (about 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 counsels 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 June 6, 2007

John F. Wong
Name of Director or Senior
Officer

"John F. Wong"
Signature

President
Official Capacity