



ONA POWER CORP.
1250 West Hastings Street,
Vancouver, BC V6E 2M4
Tel: 604-685-2542 Fax: 604-408-9301

Frankfurt – O3X
CNSX - OPO

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For Immediate Release

**ONA POWER CORP.
CORPORATE UPDATE**

Vancouver, British Columbia, September 8, 2010/ ONA POWER CORP. (“Ona Power” or the “Company”) (CNSX: OPO / Frankfurt: O3X) today updated the status of the notice of default on the debenture held by Foothills Enterprises Ltd. (“Foothills”) and reported on its continuing efforts to settle Ona Power’s debt.

As reported in the Company’s news release dated July 23, 2010 Foothills issued a notice of default to the Company in regard to its \$7.5 million convertible debenture (the “Debenture”). Under the terms of the Debenture, Foothills was entitled to demand cash payment in full if the Company did not bring the Debenture into good standing within two weeks of receipt of such notice of default. In our MD&A dated August 26, 2010 Ona Power advised that it was engaged in discussions with Foothills aimed at reaching an agreement on repayment terms.

Ona Power has now entered into an agreement (the “Agreement”) with Foothills whereby the Company agreed to a cash payment of \$1,500,000 off the principal of the Debenture within the next 60 days (the “Cash Payment”), assigned its interest in the Yongxing Power Plant Corporation (“YPPC”) to Foothills and agreed to a \$100,000 administrative fee (the “Administrative Fee”). In addition, under the terms of the Agreement, the Company also assigned two outstanding loans receivable to Foothills.

The Company and Foothills will undertake to find a buyer for YPPC, and upon successful sale, Foothills will be paid the outstanding amount of the Debenture with interest as at July 31, 2010, less the Administrative Fee and the Cash Payment described above. Any additional funds and the right to realize the proceeds of the loans receivable will be returned to the Company.

Pending sale of YPPC, the Company has reduced YPPC staff to a minimum level, keeping on just enough staff to manage the plant’s maintenance program aimed at keeping the production plant and its machinery adequately maintained and protected during the shutdown. This minimum staffing will continue indefinitely.

As previously reported there are ongoing legal proceedings involving the Company and some of its creditors, in particular China-based creditors of YPPC. During 2009 YPPC received various legal claims from its suppliers demanding payments of over-due payable balances and, during the nine-month period ended June 30, 2010, YPPC continued to receive further legal claims and legal letters from its creditors’ legal counsels demanding payment of over-due payable balances and interest totalling \$5.34 million (RMB34.6 million). As a result of two of these legal claims, YPPC has had to set aside its bank balance of \$47,831 and other equivalent assets totalling \$340,000 (RMB 2.2 million) for future settlement. The Company may also be subject to interest payments and penalties with respect to over-due accounts payable. Management continues to seek solutions to such claims that will be to the mutual benefit of the Company, our shareholders and creditors.

The Company also announced that it has made arrangements with its Canadian creditors and is in the process of settling these accounts. Lucky Janda, Chairman of Ona Power Corp. stated, “We will continue to work diligently to settle the outstanding claims to the best of the Company’s ability. As we progress through these difficult times our goal is to find mutually satisfactory terms under which

we can settle the outstanding debt,” and he went on to say, “I wish to thank the board members for their efforts in reaching settlement agreements with our creditors and for their service to the Company. The Board has accepted the resignations of Mahmoud Aziz, Thomas Kennedy and John Wong, and, on behalf of the Board I wish them all success in their future endeavours. The way forward is for the remaining board members to put their best efforts toward finding a suitable buyer for YPPC.”

Further information regarding Ona Power and its operations can be obtained by reviewing the Company’s interim and annual reports and other documents on SEDAR at www.sedar.com.

On behalf of
ONA POWER CORP.

“Lucky Janda”

Chairman

Tel.: (604) 685-2542

Email: corporate@onapowercorp.com

Forward Looking Statements – Certain information set forth in this news release may contain forward-looking statements that involve substantial known and unknown risks and uncertainties. These forward-looking statements are subject to numerous risks and uncertainties, certain of which are beyond the control of Ona Power Corp., including, but not limited to the impact of general economic conditions, industry conditions, volatility of commodity prices, currency fluctuations, dependence upon regulatory approvals, the availability of future financing and exploration risk. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements.

The CNSX has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.