

S133929-2 072  
\$8,864,724.25  
July 31, 2007

**Form 45-106F1**  
**Report of Exempt Distribution**

This is the form required under section 6.1 of National Instrument 45-106 for a report of exempt distribution.

**Issuer information**

**Item 1:** State the full name of the issuer of the security distributed and the address and telephone number of its head office. If the issuer of the security distributed is an investment fund, state the name of the fund as the issuer, and provide the full name of the manager of the investment fund and the address and telephone number of the head office of the manager. Include the former name of the issuer if its name has changed since last report.

Ona Energy Inc., 1250 West Hastings Street, Vancouver, British Columbia, V6E 2M4  
Telephone: 604-685-2542.

**Item 2:** State whether the issuer is or is not a reporting issuer and, if reporting, each of the jurisdictions in which it is reporting.

The issuer is a reporting issuer in British Columbia, Alberta, and Ontario.

**Item 3:** Indicate the industry of the issuer by checking the appropriate box next to one of the industries listed below.

- ☐ Bio-tech
- Financial Services
  - ☐ investment companies and funds
  - ☐ mortgage investment companies
- ☐ Forestry
- ☐ Hi-tech
- ☐ Industrial

- Mining
  - ☐ exploration/development
  - ☐ production
  - ☒ Oil and gas
  - ☐ Real estate
  - ☒ Utilities
  - ☐ Other (describe)

B.C. Securities  
Commission  
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## Details of distribution

**Item 4:** Complete Schedule I to this report. Schedule I is designed to assist in completing the remainder of this report.

See Schedule I.

**Item 5:** State the distribution date. If the report is being filed for securities distributed on more than one distribution date, state all distribution dates.

July 31, 2007.

**Item 6:** For each security distributed:

- (a) describe the type of security,
- (b) state the total number of securities distributed. If the security is convertible or exchangeable, describe the type of underlying security, the terms of exercise or conversion and any expiry date; and
- (c) state the exemption(s) relied on.

5,126,299 units at a price of \$0.75 per unit for gross proceeds of \$3,844,724.25. Each unit consists of one common share and one share purchase warrant. Each warrant entitles the holder to purchase one additional common share at a price of \$1.50 for a period of two years from closing.

\$5,000,000 in unsecured convertible debentures. The debentures will be due in one year from closing and will bear interest at the rate of 10% per annum payable quarterly. The debentures may be converted into 6,666,666 units (as described above) at a price of \$0.75 per unit.

2,000,000 bonus warrants at a price of \$0.01 per bonus warrant for gross proceeds of \$20,000. Each bonus warrant entitles the holder to purchase one additional common share at a price of \$0.74 for a period of two years from closing.

The exemptions relied on are sections 2.3 and 2.5 of National Instrument 45-106 and BC Instrument 72-503.

**Item 7:** Complete the following table for each Canadian and foreign jurisdiction where purchasers of the securities reside. Do not include in this table, securities issued as payment for commissions or finder's fees disclosed under item 8, below.

Each jurisdiction where purchasers reside	Number of purchasers	Price per security (Canadian \$) <sup>1</sup>	Total dollar value raised from purchasers in the jurisdiction (Canadian \$)
British Columbia	83	\$0.75	\$1,599,225
Alberta	3	\$0.75	\$48,750
Quebec	14	\$0.75	\$642,750
Ontario	7	\$0.75	\$410,250
Australia	1	\$0.75	\$11,250
Singapore	1	\$0.75	\$99,999.75
British Virgin Islands	1	\$0.75	\$499,999.50
Liechtenstein	3	\$2,500,000, \$1,250,000, \$0.75, and \$0.01	\$4,290,000
Turks and Caicos	1	\$0.75	\$7,500
British West Indies	1	\$1,250,000 and \$0.01	\$1,255,000
<b>Total number of Purchasers</b>	<b>115</b>		
<b>Total dollar value of distribution in all jurisdictions (Canadian \$)</b>			<b>\$8,864,724.25</b>

Note 1: If securities are issued at different prices list the highest and lowest price the securities were sold for.

### Commissions and finder's fees

**Item 8:** Complete the following table by providing information for each person who has received or will receive compensation in connection with the distribution(s). Compensation includes commissions, discounts or other fees or payments of a similar nature. Do not include payments for services incidental to the distribution, such as clerical, printing, legal or accounting services.

If the securities being issued as compensation are or include convertible securities, such as warrants or options, please add a footnote describing the terms of the convertible securities, including the term and exercise price. Do not include the exercise price of any convertible security in the total dollar value of the compensation unless the securities have been converted.

Full name and address of the person being compensated	Compensation paid or to be paid (cash and/or securities)				
	Cash (Canadian \$)	Securities			Total dollar value of compensation (Canadian \$)
Thomas J. Kennedy 5646 Covey Place North Vancouver, BC V7R 4T8	Nil	202,780 common shares	\$0.75	Section 2.3 of NI 45-106	\$152,085
Charn Deol 4411 Fisher Drive Richmond, BC V6Y 3V6	Nil	7,800 common shares	\$0.75	Section 2.3 of NI 45-106	\$5,580
Sui Ying Tung 3538 Franklin Street Vancouver, BC V5K 1Y5	Nil	13,333 common shares	\$0.75	Section 2.3 of NI 45-106	\$9,999.75
Jeff Fawcett #106 – 1169 Mt. Seymour Road, North Vancouver BC V7G 2N3	Nil	14,000 common shares	\$0.75	Section 2.3 of NI 45-106	\$10,500
Tidalwave Capital 2080 Rene-Levesque Blvd West, Montreal QC H3B 5J2	Nil	164,000 common shares	\$0.75	Section 2.3 of NI 45-106	\$123,000
NBCN Clearing Inc. 1010 De la Gauchetiere Ouest, Montreal, QC H3B 5J2	Nil	17,700 common shares	\$0.75	Section 2.3 of NI 45-106	\$13,275
Taisun Holdings Ltd. 11631 Blundell Road Richmond, BC V6Y 1L4	Nil	73,167 common shares	\$0.75	Section 2.3 of NI 45-106	\$54,875.25
Jade Petal Investment Ltd. PO Box 656, Tropicana Plaza, Providenciales, Turks and Caicos	\$500,000	Nil	Nil	Nil	\$500,000
<b>TOTAL</b>	<b>\$500,000</b>	<b>492,780 common shares</b>			<b>\$869,585</b>

**Item 9:** If a distribution is made in Ontario, please include the attached “Authorization of Indirect Collection of Personal Information for Distributions in Ontario”. The “Authorization of Indirect Collection of Personal Information for Distributions in Ontario” is only required to be filed with the Ontario Securities Commission.

**Certificate**

On behalf of the issuer, I certify that the statements made in this report are true.

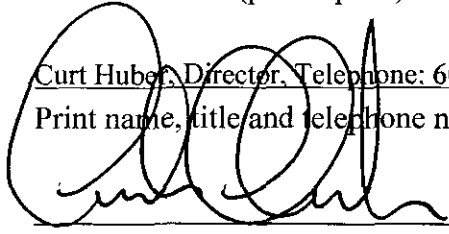
Date: AUG 3/07

Ona Energy Inc.

Name of issuer (please print)

Curt Huber, Director, Telephone: 604-685-2542

Print name, title and telephone number of person signing

A handwritten signature in black ink, appearing to read 'Curt Huber', is written over the printed name line.

Signature

**Item 10:** State the name, title and telephone number of the person who may be contacted with respect to any questions regarding the contents of this report, if different than the person signing the certificate.

N/A.

**IT IS AN OFFENCE TO MAKE A MISREPRESENTATION IN THIS REPORT.**

## **Authorization of Indirect Collection of Personal Information for Distributions in Ontario**

The attached Schedule I contains personal information of purchasers and details of the distribution(s). The issuer hereby confirms that each purchaser listed in Schedule I of this report

- (a) has been notified by the issuer
  - (i) of the delivery to the Ontario Securities Commission of the information pertaining to the person as set out in Schedule I,
  - (ii) that this information is being collected indirectly by the Ontario Securities Commission under the authority granted to it in securities legislation,
  - (iii) that this information is being collected for the purposes of the administration and enforcement of the securities legislation of Ontario, and
  - (iv) of the title, business address and business telephone number of the public official in Ontario, as set out in this report, who can answer questions about the Ontario Securities Commission's indirect collection of the information, and
- (b) has authorized the indirect collection of the information by the Ontario Securities Commission.