GREENTREE GAS & OIL LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2008

Greentree Gas & Oil Ltd. ("Greentree" or the "Company") is a Canadian energy company engaged in the business of exploration, development and production of crude oil and natural gas in southwestern Ontario. Its common shares are traded on the TSX Venture Exchange (TSX-V) under the symbol "GGO".

The following Management's Discussion and Analysis ("MD&A") was prepared as of August 31, 2008 and should be read in conjunction with the unaudited consolidated financial statements for the six-month period ended June 30, 2008 together with the notes thereto and, the MD&A and audited consolidated financial statements for the year ended December 31, 2007. The Company's interim financial statements were prepared by management and, were not reviewed by Greentree's external auditors.

All data is presented in Canadian dollars. Natural gas volumes have been converted to equivalent barrels of oil ("boe") using an industry accepted conversion ratio of six thousand cubic feet ("mcf ") to one barrel of oil equivalent (boe).

This MD&A contains forward-looking statements. Forward-looking statements are based on current expectations that involve a number of risks and uncertainties, which could cause actual events or results to differ from those anticipated. These risks include, but are not limited to, operational risk in development, exploration and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; and commodity price and exchange rate fluctuation and uncertainties.

NON-GAAP MEASURES

Included in the MD&A are references to the term "cash flow". This term is not defined by Generally Accepted Accounting Principles ("GAAP") in Canada and consequently is referred to as a non-GAAP measure.

Cash flow refers to oil and gas sales revenue less royalties, and less operating expenses. It does not include other income or any of the other company expenses that are used to calculate net income. Reported amounts may not be comparable to similarly titled measures reported by other companies. Cash flow should not be considered an alternative to, or more meaningful than, cash provided by operating activities as determined in accordance with Canadian GAAP.

CORPORATE PERFORMANCE

- 28% increase in revenues to $647,100 in Q2-2008 as compared to $504,986 in Q2-2007 and an increase in 21.5% to $1,147,916 for the 6 months ended June 30, 2008 from $944,459 for the similar period in 2007. The increase is attributed to a combination of increased oil production and commodity prices.

- 227% increase in cash flow to $173,281 in Q2-2008 as compared to $52,972 in Q2-2007 and a 1,400 % increase to $220,943 for the six months ended June 30, 2008 as compared to $14,651 for the same period in 2007.

- 57% increase in operating netbacks to $42.72 per boe in Q2-2008 as compared to $27.24 in Q2-2007.

- Net loss of $170,520 ($0.00 per share) for the three months ended June 30, 2008 as compared to a loss of $161,018 ($0.00 per share) for the same period in 2007 and a net loss of $390,513 ($0.01 per share) for the six months ended June 30, 2008 as compared to a loss of $475,613 ($0.01 per share) for the same period in 2007.

PRODUCTION, REVENUES AND ROYALTIES

Production/Revenue Summary	Three months ended June 30				Six months ended June 30			
	2008		2007		2008		2007	
	Q2	Per Unit	Q2	Per Unit	YTD	Per Unit	YTD	Per Unit
PRODUCTION:								
Natural Gas (Mmcf) & (mcf/d)	42.95	471.94	47.99	527.36	85.60	470.33	94.72	523.31
Crude Oil (bbl) & (bbl/d)	1063.21	11.68	961.64	10.57	2,346.45	12.89	1,638.20	9.05
BOE (6:1) & BOE/d	8,221.02	90.34	8,959.61	98.46	16,613.33	91.28	17,424.27	96.27
REVENUE:	**$000's**	**$/BOE**	**$000's**	**$/BOE**	**$000's**	**$/BOE**	**$000's**	**$/BOE**
Natural Gas	509.9	71.23	429.1	53.65	887.2	62.19	823.8	52.18
Oil	131.5	123.68	65.4	68.01	252.6	107.65	107.8	65.80
Gross Sales	641.4	78.02	494.5	55.19	1,139.8	68.61	931.6	53.47
Royalties	79.7	9.69	60.2	6.72	137.2	8.26	111.9	6.42
Net sales	561.7	68.33	434.3	48.47	1002.6	60.35	819.7	47.05
Operating Costs	210.5	25.60	190.1	21.22	425.5	25.61	393.6	22.59
Field Level Income	351.2	42.73	244.2	27.25	577.1	34.74	426.1	24.46

Natural Gas:

Natural gas production declined to 42,947 mcf in Q2-2008 as compared to 47,988 mcf in Q2-2007. For the six months ended June 30, 2008, natural gas production declined to 85,601 mcf as compared to 94,716 mcf. The decline in production for the three and six month periods represents a combination of natural declines and production cutbacks in a non-operated well due to third party sales limitations.

Natural gas sales in Q2-2008 were up 18.7% to $509,863 as compared to Q2-2007 sales of $429,660 as the Company received an average price of $11.87/mcf for its natural gas in Q2-2008, compared to $8.95/mcf in Q2-2007. For the six months ended June 30, 2008, natural gas sales increased to $887,193 from $823,765 for the same period in 2007. The Company received $10.36/mcf compared to $8.70/mcf in 2007.

Crude Oil:

Crude oil production increased 11% to 1,063 bbls in Q2-2008 as compared to 962 bbls in Q2-2007. This increase is attributed to the ongoing increases from Greentree's net production from the Rodney South Unit and improved production from Rodney Unit 3. For the six months ended June 30, 2008, crude oil production increased to 2,346 bbls in 2008 compared to 1,638 bbls in 2007.

Crude oil sales increased to $131,503 in Q2-2008 from $65,351 in Q2-2007. The average price/bbl in Q2-2008 was $123.68 compared to $68.01 during Q2-2007. For the six months ended June 30, 2008, crude oil sales increased to $252,627 from $107,847 for the same period in 2007. The average price/bbl in 2008 was $107.68 compared to $65.84/bbl in 2007.

As of January 1, 2008 Wavefront Energy and Environmental Services (Wavefront) commenced earning 70% of the net production revenues from the Rodney South Unit.

Royalties:

Royalties include both freehold and gross overriding payments. Royalties for Q2-2008 were up approximately 32% as compared to Q2-2007. For the six months ended June 30, 2008, royalties increased approximately 23%. In both circumstances, the increases reflect the general increase in production revenues.

	Three months ended June 30						Six months ended June 30					
	2008		2007		% Change		2008		2007		% Change	
	$000's	$/BOE	$000's	$/BOE	Costs	$/BOE	$000's	$/BOE	$000's	$/BOE	Costs	$/BOE
Gas	62.6	8.74	44.0	5.51	42.27	58.62	104.1	7.29	90.3	5.72	15.28	27.45
Oil	17.1	16.11	16.2	16.85	5.56	(4.39)	33.1	14.12	21.6	13.19	53.24	7.05
Total	79.7	9.70	60.2	6.72	32.39	44.35	137.2	8.26	111.9	6.42	22.61	28.66

PRODUCTION EXPENSES:

Operating expenses in Q2-2008 increased $20,373 compared to the same period in 2007 and increased $31,858 for the six months ended June 30, 2008. These increases are a result of an ongoing maintenance program designed to improve production efficiencies and to maintain regulatory standards.

	Three months ended June 30						Six months ended June 30					
	2008		2007		% Change		2008		2007		% Change	
	$000's	$/BOE	$000's	$/BOE	Costs	$/BOE	$000's	$/BOE	$000's	$/BOE	Costs	$/BOE
Operating	207.8	25.28	188.3	21.02	10.36	20.27	419.4	25.25	389.9	22.38	7.57	12.82
Transportation	2.7	.33	1.8	.20	1.50	65.00	6.1	.36	3.7	.21	64.86	71.43
Total	210.5	25.61	190.1	21.22	10.73	20.69	425.5	25.61	393.6	22.59	8.10	13.37

GENERAL & ADMINISTRATIVE EXPENSES:

General and administrative expenses increased $114,981 for the three months ended June 30, 2008 compared to the same period in 2007. The increase is largely due to stock-based compensation costs of $112,200 in the quarter. For the six months ended June 30, 2008, general and administrative expenses increased $43,511. The net increase is also attributed to stock-based compensation costs that were offset with reductions in the monthly general and administrative burden, primarily due to reduced personnel costs.

DEPLETION, DEPRECIATION & ACCRETION EXPENSES:

Depletion and depreciation expenses in Q2-2008 decreased to $261,697 as compared to $280,057 for Q2-2007. The decrease compared to the same period in 2007 resulted from similar depletion rates being applied to a lower net book value. Accretion expenses increased due to the Company's adjustment to estimated future abandonment costs that were recognized in December 2007.

	Three months ended June 30						Six months ended June 30					
	2008		2007		% Change		2008		2007		% Change	
	$000's	$/BOE	$000's	$/BOE	Costs	$/BOE	$000's	$/BOE	$000's	$/BOE	Costs	$/BOE
Depletion & Depreciation	249.5	30.35	292.8	32.68	(14.79)	(7.13)	511.2	30.77	572.9	32.88	(10.77)	(6.42)
Accretion - ARO	21.9	2.66	7.0	.78	312.86	341.03	43.8	2.64	16.1	.92	272.05	286.96
Total	271.4	33.01	299.8	33.46	(9.47)	(1.34)	555.0	33.41	589.0	33.80	(5.77)	(1.15)

ASSET RETIREMENT OBLIGATIONS:

The undiscounted amount of expected cash flows required to settle the asset retirement obligations is estimated at $1,816,720 (2007 - $1,400,182) which has been discounted using a credit-adjusted risk-free rate of 8.5% and includes a 2.0% inflation factor. The following table summarizes the Company's liability for the period ended June 30, 2008:

	2008
Asset retirement obligations, beginning of the period	955,220
Liabilities incurred	**-**
Accretion expense	43,776
Asset retirement obligations, end of the period	**998,996**

Costs attributable to these commitments and contingencies are expected to occur over an extended period of time and are to be funded from the Company's cash provided by operating activities and resources at the time of retirement and removal.

CAPITAL EXPENDITURES & PROJECTS:

The Company invested $109,207 in property, plant and equipment during Q2-2008, as compared to $140,199 during Q2-2007. Capital expenditures incurred during the quarter consisted primarily of geological expenditures ($33,000), lease and other land costs ($8,000) and, facilities and drilling costs ($68,000). During the six months ended June 30, 2008, the Company invested $153,980 compared to $254,410 during the same period in 2007. These expenditures were attributed to geological ($66,000), lease and land ($19,000) and facilities and drilling ($69,000)

RODNEY SOUTH PILOT PROJECT

The Company has reported that the Wavefront "Powerwave" installations are fully operational with early water injection results being very encouraging versus non-Powerwave injection data. Production from the unit has increased incrementally over the first six months of 2008, with additional gains expected as the reservoir becomes fully charged. The Company recently received approval from the Ontario Ministry of Natural Resources to increase the injection pressures in the pool.

RODNEY UNIT 3 INFILL DRILL PROGRAM

The Company is in the process of completing an initial six-well infill drill development program within the Rodney Unit 3 pool. To date, two wells have been completed and of which one was recently placed on production and the second is awaiting hydro installation. An additional four locations are planned for completion by the end of 2008 bringing the total to ten potential new producing wells.

NORFOLK COUNTY PROPERTIES

The Company commenced a field workover program on a number of existing wells at the end of July. To date, 13 wells have been completed and 3 additional wells will be completed by the end of August. Preliminary results are encouraging as increases in production from prior volumes are being observed.

TILBURY WEST PROPERTY

In 2007, Greentree drilled, cased, completed and conducted an acid fracture stimulation on GGOL#71. On subsequent swab production testing, the well initially indicated the potential to produce approximately 25 bbls/d. The well was placed on production and after several months production has declined to approximately 1 bbl/d of 42 API light oil. The Company believes that with a sand fracture treatment, the well may be capable of producing volumes similar and more consistent with analogous wells in the region of GGOL#71. The Company is considering conducting the stimulation in Q3-2008.

HALDIMAND COUNTY "DEEP AND SHALE GAS" PROSPECT

Greentree completed the drilling of GGOL#67, a deep wildcat exploration well in late December of 2006. The Company has maintained the well as a capped potential gas producer pending additional evaluation. Potential has been indicated in the Ordovician Trenton-Black River (hydrothermal dolomite) and the Blue Mountain-Collingwood (shale gas) formations. A significant shale gas discovery was recently reported by Forest Oil in the Quebec St. Lawrence Lowlands (Ordovician "Utica" shale), which is geologically equivalent to the Blue Mountain-Collingwood formations of Ontario. United States Steel (US Steel); owner of the properties and Greentree have an operating agreement which reflects US Steel's funding of the evaluations. At the time of writing a service rig has been moved on the well and the Company is proceeding with evaluating the Ordovician Blue Mountain-Collingwood and Trenton-Black River formations.

MOONCOR OIL & GAS LTD. JOINT VENTURE

On July 28, 2008, Greentree signed a joint venture agreement (the "Agreement") with Mooncor Oil & Gas Corp. ("Mooncor") (through its wholly owned operating subsidiary Mooncor Energy Inc.) (TSXV:MOO), an Alberta based junior oil and gas explorer, to farm into a selected portion of Greentree's existing land base in South Western Ontario.

Pursuant to the terms of the Agreement, Mooncor shall, on or before December 31, 2009, subject to surface access, regulatory approval and rig availability, expend $2,000,000 on qualifying expenditures (e.g. costs of acquiring title documents, drilling, completion, capping and seismic acquisition and processing costs). Mooncor has the option to expend an additional $1,500,000 in each subsequent year commencing January 1, 2010. Mooncor shall initially earn an undivided 100% of the working interest of the land, which upon payout, converts to an undivided 60% working interest.

In addition, pursuant to the terms of the Agreement, Mooncor will undertake to use commercially reasonable best efforts to acquire up to 100,000 acres of petroleum and natural gas rights in the South Western Ontario Basin for which Greentree will be entitled to an undivided 10% working interest. Subject to the terms of the Agreement, Greentree may elect to expend $1,000,000 per year (to earn 60%) on qualifying expenditures on the new land acquired by Mooncor. Greentree is appointed operator. Mooncor will review and approve all earning projects and expenditures related to the joint venture.

LIQUIDITY AND CAPITAL RESOURCES:

On June 6, 2008, the Company renewed its loan facility. The renewed facility provides Greentree with a $2,000,000 revolving reducing demand loan bearing interest payable monthly at the bank's prime lending rate plus 3.00%. This represents an incremental risk premium of 1%. Presently, the bank's prime lending rate is 4.75%. Commencing July 01, 2008 the credit facility reduces at the rate of $25,000 per month. The Company's operating facility agreement requires that the Company meet certain covenants including one relating to a bank-calculated working capital ratio. As at June 30, 2008, the Company is within the working capital ratio covenant.

The loan is collateralized by a $10 million debenture with a floating charge over all assets of the Company with a negative pledge and undertaking to provide fixed charges on the Company's major producing petroleum and natural gas reserves at the request of the lender, a general assignment of book debts, insurance assignment showing the lender as first loss payee, an assignment of revenues and monies under material contracts, and a guarantee from Southwest Petroleum Explorations Inc., supported by debenture security.

As at June 30, 2008, $1,870,465 of funds had been drawn against the aggregate credit facility of $2,000,000. The available credit was approximately $129,500. The bank has not waived its right to demand repayment of the outstanding principal balance and consequently the entire balance has been shown as a current liability.

On April 10, 2008, the Company closed the first tranche of a Private Placement Offering initially announced on February 26, 2008. The closing consisted of 1,524,999 units at a price of $0.12 per unit for aggregate proceeds of $183,000. Each unit consists of one (1) flow-through common share and one-half (1/2) of one common share purchase warrant ("Warrant"). Each whole Warrant issued entitles the holder to purchase one common share of the Company at a price of $0.15 at any time until October 9, 2009. All the securities issued pursuant to the first tranche of the private placement are subject to a four (4) month hold period expiring August 11, 2008. Finder's fees of $12,810 (7% of the gross proceeds of the Offering) are payable in cash to Howco Ventures Inc. and 45,750 common shares were issued to Howco Ventures Inc. (representing 3% of the number of Units sold).

On May 22, 2008, the Company closed the second tranche of a Private Placement Offering initially announced on February 26, 2008. The second closing consisted of 720,000 units at a price of $0.12 per unit for aggregate gross proceeds of $86,000. The first and second closing aggregated $269,000. Each Unit consists of one (1) flow-through common share and one-half (1/2) of one common share purchase warrant ("Warrant"). Each whole Warrant issued in the second tranche entitles the holder to purchase one common share of Greentree at a price of $0.15 at any time until November 20, 2009. All the securities issued pursuant to the private placement are subject to a four (4) month hold period – for the second tranche, the hold period expires September 22, 2008. Greentree agreed to pay finder fees of $8,640 in cash (representing 10% of the gross proceeds of the Offering) and, subject to regulatory approval 67,000 broker compensation warrants (representing 10% of the number of Units sold). Each broker's warrant entitles the holder to purchase one common share of the Company at a price of $0.12 at any time on or before November 20, 2009.

On June 27, 2008, the Company closed the first tranche of a Private Placement Offering. The closing consisted of 4,848,485 flow-through shares at a price of $0.165 per flow-through share for gross proceeds of $800,000. Greentree agreed to pay finders fees of $80,000 in cash (representing 10% of the gross proceeds of the Offering) and, subject to regulatory approval 484,849 broker compensation warrants (representing 10% of the number of Units sold). Each broker warrant entitles the holder to purchase one common share of the Company at a price of $0.16 at any time on or before June 26, 2010.

On July 9, 2008, the Company closed the second tranche of a Private Placement Offering. The closing consisted of 1,562,500 units at a price of $0.16 for gross proceeds of $250,000. Each unit consisted of one (1) common share of the Company and one-half of one common share purchase warrant. Each whole warrant issued entitles the holder to purchase one common share of the Company at a price of $0.20 at any time on or before July 8, 2010. Greentree agreed to pay finders fees of $25,000 in cash (representing 10% of the gross proceeds of the Offering) and, subject to regulatory approval, 156,250 broker compensation warrants (representing 10% of the number of Units sold). Each broker warrant entitles the holder to purchase on common share of the Company at a price of $0.20 at any time on or before July 8, 2010.

On April 17, 2008, the Federal Department of Finance issued a Letter of Demand for the payment of arrears in the amount of $520,273. The demand is related to arrears of amounts owing in respect of income and other taxes payable. On June 27, 2008, the Company and the Federal Department of Finance agreed to an installment repayment of not less than $15,000 per month towards arrears commencing in July 2008. This arrangement is subject to a periodic review scheduled for December 2008.

RELATED PARTY TRANSACTIONS:

During the six months ended June 30, 2008, the following transactions occurred in the normal course of business between the Company and a law firm of which a partner is a director and shareholder of the Company.

Transactions during the period:	**June 30, 2008 ($)**
Balance due to related party, beginning of period	104,924
Administrative expenses incurred	84,143
Directors' fees incurred	6,038
Payments made during the period	(10,000)
Due to related party, end of period	185,105

During the six months ended June 30, 2008, the following transactions occurred in the normal course of business between the Company and non-management directors of the Company.

Transactions during the period:	**June 30, 2008 ($)**
Directors' fees due to non-management directors, beginning of period	-
Directors' fees recorded*:*	10,500
Due to non-management directors, end of period	10,500

These transactions were recorded at the exchange amount, which is the amount agreed to by the transacting parties. The balances are included in accounts payable and accrued liabilities in the consolidated balance sheets.

CRITICAL ACCOUNTING ESTIMATES:

Critical accounting estimates require Management to make assumptions regarding matters that are highly uncertain at the time the estimate is made and have a material impact on the financial condition of the Company.

Reserves:

The Company's natural gas and oil reserves were evaluated and reported on by the independent petroleum engineering and geological consulting firm of Paddock Lindstrom & Associates Ltd., which evaluated the Company's reserves as at December 31, 2007. The estimation of reserves is a subjective process. Forecasts are based on engineering data, projected future rates of production and the timing of future expenditures, all of which are subject to numerous uncertainties and various interpretations. The Company expects that its estimates of reserves will change with updated information from the results of future drilling, testing or production levels. Such revisions could be upwards or downwards. Reserve estimates have a material impact on depletion and depreciation expense, asset retirement costs and impairment expense, which could possibly have a material impact on consolidated net income.

Depletion:

Capitalized costs and estimated future expenditures to develop proved reserves, including abandonment costs, are depleted based on the proportion of estimated proved oil and natural gas reserves produced during the year compared to total proved reserves. Investments in unproved properties and major development projects are not depleted until proved reserves associated with the projects can be determined or until impairment occurs. If it is determined that properties are impaired, the amount of the impairment is added to the capitalized costs to be depleted.

Impairment:

In applying the full cost method of accounting, the Company periodically calculates a ceiling, or limitation on the amount that petroleum and natural gas properties may be carried for on the balance sheet. Impairment exists if the undiscounted future net cash flows from proved reserves at future commodity prices plus the cost of undeveloped properties is less than the carrying value of the capitalized costs. If impairment is found to exist, the impaired properties are written down to their fair value. The fair value of the assets is calculated based on future net cash flows from proved plus probable reserves, discounted at a 10% rate using future commodity prices, plus the cost of undeveloped properties. Impairment may result in a material loss for a particular period; however, future depletion and depreciation expense would be reduced. Assumptions about reserves and future prices are required to calculate future net cash flows. The assumptions made to estimate reserves have been previously discussed. There is significant uncertainty regarding forecasting future commodity prices due to economic and political uncertainty. Future prices are derived from a consensus of price forecasts among recognized reserve evaluators. Estimates of future cash flows assume a long-term price forecast and current operating costs per boe plus an inflation factor. It is difficult to determine and assess the impact of a decrease in proved reserves on impairment. The relationship between reserve estimates and the estimated undiscounted cash flows, and the nature of the impairment test, is complex.

Asset Retirement Obligations:

The Company is required to remove production equipment, batteries, pipelines, gas plants and restore land at the end of natural gas and oil operations. The Company estimates these costs in accordance with existing laws, contracts and other policies. These obligations are initially measured at fair value, which is the discounted future value of the liability. These costs are also capitalized as part of the cost of the related assets and amortized over the useful life of the assets.

An annual increase to the liability will be recorded to recognize the passage of time and the impending settlement of the obligation. The liability will be impacted by any changes in the assumptions used in the asset retirement obligation calculation. Adjustments to the estimate will be recorded as an expense on the consolidated statements of earnings.

The asset retirement obligation calculations were derived from typical industry experience and practices. The deemed asset retirement obligation liability for wells and facilities is the sum of the calculated abandonment and reclamation liabilities adjusted for designated status as active, inactive, abandoned, or problem site.

Estimating future asset removal costs is difficult and requires Management to make estimates and judgments because most of the removal obligations are many years in the future and contracts and regulations often have vague descriptions of what constitutes removal. Asset removal technologies and costs are constantly changing, as well as regulatory, political, environmental, safety and public relations considerations. As a result, it is not possible to provide a reasonable analysis of the impact that changes in removal costs would have on the asset retirement obligation.

OPERATIONAL AND FINANCIAL CONDITIONS AND RISKS:

Greentree's operations are subject to risks normally associated with the natural gas and oil industry. Oil and natural gas exploration involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Greentree cannot provide any assurances that commercial quantities of natural gas and crude oil will be discovered by the Company. The marketability of natural gas and crude oil acquired or discovered will be affected by numerous factors beyond the control of the Company. These factors include reservoir characteristics, the proximity and capacity of oil and natural gas pipelines, processing equipment and government regulation.

The Company is exposed to financial risks including interest rate risk on its operating facility, and commodity prices and expenditure costs shifting due to changes in market conditions. Commodity prices are driven by supply, demand and market forces outside the Company's influence. Greentree's ability to raise additional capital will depend upon a number of factors, such as general economic and market conditions that are beyond its control.

QUARTERLY INFORMATION:

Quarterly Data *(unaudited)*	2008			
	1st	2nd	3rd	4th
Gas and oil revenues	498,454	641,366		
Normalized earnings before interest, taxes, depreciation and amortization (EBITDA) [1]	120,099	231,391		
Basic & diluted earnings (loss) per share	-	-		
Cash flow	47,662	173,281		
Operating netback per boe [2]	26.93	42.72		
Operating and G&A netback per boe [3]	14.03	27.45		
Production (boe/d)	93	90		

Quarterly Data *(unaudited)*	2007			
	1st	2nd	3rd	4th
Gas and oil revenues	437,185	494,427	451,165	385,730
Normalized earnings before interest, taxes, depreciation & amortization (EBITDA) [1]	(49,726)	131,904	88,420	69,704
Basic & diluted earnings (loss) per share	(0.01)	-	(0.01)	-
Cash flow	(38,321)	52,972	1,804	(32,987)
Operating netback per boe [2]	21.51	27.24	20.89	17.30
Operating and G&A netback per boe [3]	5.61	13.54	10.33	6.66
Production (boe/d)	94	98	102	89

1. Normalized EBITDA eliminates the effect of unusual, irregular or non-recurring items.
2. Operating netback is calculated as oil and gas revenues less royalties and normalized operating expenses.
3. Operating and G&A netback is calculated as oil and gas revenues less royalties, less normalized operating expenses, and normalized general and administrative expenses.

FUTURE OUTLOOK:

The Company is continuing to execute the strategy of adding low risk oil and natural gas production in the Norfolk and Rodney properties. In addition, Greentree has three projects with high-upside potential that require minimal capital exposure. These include the Haldimand project with US Steel, Tilbury West and the Mooncor joint venture.

RESPONSIBILITY FOR FINANCIAL STATEMENTS:

The accompanying consolidated financial statements for Greentree Gas & Oil Ltd. have been prepared by Management in accordance with Canadian GAAP consistently applied. The most significant of these accounting principles have been set out in the statements. These statements are presented on the accrual basis of accounting. Accordingly, a precise determination of many assets and liabilities is dependent upon future events. Therefore, estimates and approximations have been made using careful judgment. Recognizing that the Company is responsible for both the integrity and objectivity of the consolidated financial statements, Management is satisfied that these consolidated financial statements have been fairly presented.