

News Release via CNN Matthews
Attention Business/Financial Editors:

GREENTREE ANNOUNCES COMMENCEMENT OF WINTER DRILLING PROGRAM AND FIELD ACTIVITIES

LONDON, ONTARIO, December 19, 2007, /CNW/ - Greentree Gas & Oil Ltd. (TSXV-GGO) ("Greentree" or the "Company") is commencing a proposed 6-well drilling program targeting shallow light oil production. The Company expects to drill five wells as infill producers within the Company's Rodney Unit 3 pool and one exploratory well into a new shallow oil structure.

Rodney Unit 3, which is 100% owned and operated by Greentree, is part of the Rodney pool which also includes Units 1 and 2, which are operated by Primewest Energy Trust (currently being purchased by Abu Dhabi National Energy Company). The Rodney pool (Units 1, 2 and 3) has produced approximately 10.6 million barrels (MMBO) of light oil to date since the commencement of production from the Rodney pool in the 1950s. Rodney Units 1 and 2 have produced approximately 8.6 MMBO and Rodney Unit 3 has produced 2.0 MMBO to date.

Rodney Units 1 and 2 were developed with a relatively efficient 5-spot and line drive water-flood program as compared to a much less efficient peripheral design, which was implemented in Unit 3. In addition to developing the Unit 3 portion of the Rodney pool with an inefficient water-flood design, significant portions of the pool were left undeveloped. Published engineering reports on Rodney Units 1 and 2 indicated initial oil-in-place reserves of 18.75 MMBO of which 8.6 MMBO have been recovered to date. The recovery factor based on these numbers is approximately 46%. Conversely, Rodney Unit 3 has produced approximately 2 MMBO from an estimated initial oil-in-place of 7 MMBO (Greentree internal estimates) or a 28% recovery factor. Using modern injection technologies, design and exploiting the undeveloped areas within Unit 3, Greentree estimates that an additional 1 to 1.5 MMBO may be recoverable from the unit.

In addition to the 5-well infill drilling program in Rodney Unit 3, Greentree also plans to drill one exploration well into a new shallow oil structure. Based on geological mapping, the structure may cover approximately 300 to 400 acres, which would make it analogous in size to the Company's Rodney South pool (currently being joint ventured with Wavefront Energy and Environmental Services Inc.) and the Rodney Unit 3 portion of the main Rodney pool.

The Company is also getting prepared to conduct a sand fracture stimulation on GGOL#50 in Norfolk County. GGOL#50 was drilled and completed in November of 2006 and has been producing naturally to date without the benefit of a stimulation. An analogous well directly to the south of GGOL#50 produced over 100 thousand cubic feet per day (mcf/d) following a sand fracture treatment.

Greentree Gas & Oil Ltd. is based in London, Ontario and is an explorer and producer of oil and natural gas in southwestern Ontario.

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