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Attention Business/Financial Editors:

Greentree Gas & Oil Ltd. Announces Proposed Flow-Through and Non-Flow-Through Unit Financing

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LONDON, ONTARIO, August 10, 2006/ - Greentree Gas & Oil Ltd. ("Greentree" or the "Company") (TSXV – GGO) is pleased to announce that it proposes to sell up to 3,800,000 flow-through units (the "Flow-Through Units") and 2,500,000 non-flow-through units (the "Non-Flow-Through Units") of the Company by way of private placement.

The Flow-Through Units will be sold at a price of \$0.33 per Flow-Through Unit, with each Flow-Through Unit consisting of one flow-through common share (a "Flow-Through Share") and one-third of one flow-through share purchase warrant (a "Flow-Through Warrant"). Each whole Flow-Through Warrant will entitle the holder thereof to purchase one flow-through share (the "Underlying Flow-Through Share") at a price of \$0.66 per Underlying Flow-Through Share for a period of 24 months from the closing date of the offering (the "Closing Date").

The Non-Flow-Through Units will be sold at a price of \$0.30 per Non-Flow-Through Unit, with each Non-Flow-Through Unit consisting of one non-flow-through common share (a "Non-Flow-Through Share") and one-half of one non-flow-through share purchase warrant (a "Non-Flow-Through Warrant"). Each whole Non-Flow-Through Warrant will entitle the holder thereof to purchase one Non-Flow-Through Share (the "Underlying Non-Flow-Through Share") at a price of \$0.50 per Underlying Non-Flow-Through Share for a period of 24 months from the Closing date of the offering.

The private placement will be marketed on a non-brokered basis; however, with respect to the Flow-Through Units, Greentree will pay to dealers and others entitled under applicable securities rules to receive compensation, up to 7% cash commission and compensation warrants entitling qualified persons to acquire flow-through common shares equal to 6% of the number of Flow-Through Units purchased under the offering. The compensation warrants will be exercisable at any time up to 24 months following the Closing Date at a price of \$0.66 each.

With respect to the Non-Flow-Through Units, Greentree will pay to dealers and others entitled under applicable securities rules to receive compensation, up to 10% cash commission.

The closing date is expected to be on or about August 20, 2006. Completion of the private placement is subject to receipt of approval of the board of directors and all required regulatory and other approvals, including the approval of the TSX Venture Exchange.

The net proceeds to Greentree from the sale of the Flow-Through Units will be used to explore Greentree's petroleum properties in southwestern Ontario. The net proceeds to Greentree from the sale of the Non-Flow-Through Units will be used to pay outstanding indebtedness, build and repair pipeline and facilities infrastructure, rework and restimulate existing producing wells to enhance production and finance further development drilling.

Greentree Gas & Oil Ltd. is based in London, Ontario and is an explorer and producer of oil and natural gas in southwestern Ontario. Greentree currently has 34,241,653 common shares outstanding.

THE PRESS RELEASE WAS PREPARED BY GREENTREE GAS & OIL LTD. WHICH ACCEPTS RESPONSIBILITY AS TO ITS ACCURACY. NO REGULATORY AUTHORITY OR SIMILAR BODY HAS APPROVED OR DISAPPROVED THE INFORMATION CONTAINED HEREIN.

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