

News Release via CNN Matthews
Attention Business/Financial Editors:

**GREENTREE GAS & OIL LTD. ANNOUNCES OPERATIONS UPDATE,
CREDIT FACILITIES REVISION AND GRANT OF STOCK OPTIONS**

LONDON, ONTARIO, August 2, 2007, /CNW/ - Greentree Gas & Oil Ltd. (TSXV-GGO) ("Greentree" or the "Company") is pleased to announce that Wavefront Energy and Environmental Services (TSXV-WEE) recently installed five Powerwave Dragonfly tool systems in Greentree's Rodney South project and the injection system is now operational. Wavefront will install an additional three Powerwave Mantis tool systems in Rodney South shortly. The Company also reports that a service rig has been secured for completion operations on its Tilbury West project. Fracture stimulation and testing on the potential deep oil well is scheduled for next week.

Greentree is also reports that the Company has revised its bank credit facilities to include a \$1,500,000 operating demand loan and a non-revolving demand loan of \$750,000. The Company granted 500,000 share purchase warrants exercisable for a term of 2 years at \$0.18 per share as additional compensation for the credit facility. The Company's banker has confirmed continuing waiver of non-compliance with the working capital ratio covenant.

Greentree also announces that the Company has granted incentive stock options to purchase an aggregate of 125,000 common shares pursuant to its stock option plan. Options were granted to certain directors of the Company as follows: Gary Bean, 50,000 shares; Patrick O'Meara, 25,000 shares; Donald Sheldon, 50,000 shares. The options will expire on July 30, 2012 and are exercisable at a price of \$0.18 per share. Any shares issued on the exercise of these stock options will be subject to a 4-month hold period commencing on July 31, 2007.

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 38,444,247 common shares outstanding.

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