

News release via CNN Matthews

Attention Business/Financial Editors:

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

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LONDON, ONTARIO, December 19, 2006/ - Greentree Gas & Oil Ltd. ("Greentree" or the "Company") (TSXV – GGO) is pleased to announce that it proposes to sell up to 250,000 flow-through shares and 540,000 non-flow-through shares of the Company by way of a private placement.

The flow-through shares will be sold at a price of \$0.28 per flow-through share and the non-flow-through shares will be sold at a price of \$0.25 per non-flow-through share.

The private placement will be marketed on a non-brokered basis; however, with respect to the flow-through shares, Greentree will pay to dealers and others entitled under applicable securities rules to receive compensation, up to 7% cash commission. With respect to the non-flow-through shares, 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 before December 22, 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 shares 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 shares will be used for general working capital needs.

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 36,811,961 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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