

News release via CNN Matthews

Attention Business/Financial Editors:

Greentree Gas & Oil Ltd. Announces Farm-out and Participation Agreement with Liberty Oil and Gas Ltd.

LONDON, ONTARIO, December 20, 2006 – Greentree Gas & Oil Ltd. (TSXV – GGO) (“Greentree” or the “Company”) is pleased to announce that it has entered into a farm-out and participation agreement with Liberty Oil and Gas Ltd. (“Liberty”). Liberty will participate with Greentree in the drilling of two wells of which one is located in Tilbury West Township, Essex County (“Tilbury West Prospect”) and the other in Aldborough Township, Elgin County (“West Lorne Prospect”) of southwestern Ontario.

The Tilbury West prospect offsets a Talisman horizontal light oil producer by approximately 300 meters along a seismically-defined Ordovician-age, Trenton-Black River anomaly. The region has seen numerous very significant Trenton-Black River discoveries with Talisman Energy being the dominant operator. The West Lorne prospect offsets an Imperial Oil deep hole which had an interpreted four meters of potential bypassed gas pay in the Grimsby sandstone. Two wells to the northwest of the location had initial flow rates of 1.77 and 1.13 MMcf/d and six recent wells to the southeast of the well location reported initial flow rates in the 1.0 to 4.2 MMcf/d range from the Grimsby sandstone. Drilling has commenced on both locations and results are expected in the New Year.

Liberty is a private company, which was co-founded by Mr. Simon Brame and Mr. Morley Salmon in May of 2005. In 2005, Liberty purchased the Ontario assets of Veteran Resources Ltd., which included existing oil and gas production and a significant undeveloped land base and seismic database. Both Mr. Brame and Mr. Salmon have very impressive backgrounds and extensive experience in the oil & gas and financial sectors.

Mr. Brame, President and CEO of Liberty, is a professional geologist and a 25 year veteran of Talisman Energy (and affiliated companies) and held positions of increasing responsibility culminating with the position of President of Fortuna Energy (US wholly-owned subsidiary of Talisman Energy). Mr. Brame was involved with Fortuna from its inception and guided the company through a rapid growth phase to becoming the largest natural gas producer in the State of New York with production of over 100 MMcf/d. Prior to this position Mr. Brame was Manager of Eastern Exploration for Talisman, responsible for Central and Eastern Alberta, Saskatchewan, Manitoba, Ontario (onshore Ordovician oil and Lake Erie gas), Appalachia, oil sands, and coal bed methane.

Mr. Salmon, Vice President of Business Development is a seasoned capital market professional having spent more than 20 years in the investment industry and the last 12 years focused on the junior O&G sector. Mr. Salmon’s career has spanned involvement with numerous companies which include Dome Petroleum, Burns Fry Ltd., McNeil Mantha Ltd., and Levesque Beaubien Geoffrion, ABN AMRO Capital Markets Canada Ltd. and CANUSA Capital Corp.. Morley is Chairman of the Limited Market Dealers Association of Canada and sits on both the Ontario Securities Commission (OSC) Small

Business Advisory Committee and the Toronto Stock Venture Exchange (TSXV) Ontario Local Advisory Committee and is a director of the Ontario Petroleum Institute.

Duncan Hamilton, President of Greentree states “We see this as a tremendous opportunity to work with another very well-respected and knowledgeable group to share expertise and jointly explore in a region with very significant remaining potential. Given the number of opportunities that exist in Southwestern Ontario, it makes good sense to tackle some of them jointly and combine our expertise to minimize risk and to optimize the rewards”.

Forward-Looking Statements

This press release may contain some forward-looking statements that may involve a number of risks and uncertainties. Actual events or results could differ materially from the Company’s expectations and projections. The Company assumes no obligation to update its forward-looking statements, expectations or projections.

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

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