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Attention Business/Financial Editors:

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

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LONDON, ONTARIO, December 21, 2006/ - Greentree Gas & Oil Ltd. ("Greentree" or the "Company") (TSXV – GGO) is pleased to announce that it has extended its offering on the previously announced private placement (announced in a December 19, 2006 press release) to sell up to a total of 2,000,000 flow-through shares (an additional 1,750,000 flow-through shares from the previously announced 250,000 flow-through shares) and up to a total of 2,000,000 non-flow-through shares (an additional 1,460,000 non-flow-through shares from the previously announced 540,000 non-flow-through shares).

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 offering is subject to rejection or allotment in whole or in part. The Company reserves the right to close the subscription books at any time without notice.

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 and compensation warrants entitling qualified persons to acquire non-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 \$0.28 each. 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.

Completion of the private placement is subject to receipt of 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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