

News release via CNN Matthews

Attention Business/Financial Editors:

Greentree Gas & Oil Ltd. Reports Operations Update on Drilling Program

LONDON, ONTARIO, January 15, 2007 - Greentree Gas & Oil Ltd. (TSXV – GGO) (“Greentree” or the “Company”) is pleased to report an update on the Company’s winter drilling program.

Norfolk County Properties

The Company placed GGOL#50 on production in mid-December 2006 at a restricted rate of approximately 40 mcf/d (natural flow). The well initially tested 125 mcf/d with a final shut-in pressure of 675 psig. The well will undergo a sand fracture treatment tentatively in Q1-2007, which is expected to substantially increase the production rate. GGOL#50 was an exploration well and has led to defining six offsetting development locations. Greentree’s second exploratory well, GGOL#59 encountered a two-meter thick Thorold sandstone unit with above average porosity for this formation (15 to 18%). Unfortunately formation water was encountered at the base of the unit and after several attempts to shut-off the water inflow, operations on the well were suspended. A third location in Norfolk has been temporarily postponed due to budget considerations.

Haldimand County “Deep Gas” Prospect

Greentree completed the drilling of GGOL#67 in late December of 2006. The well encountered 4.2 meters of dolomitized limestone and a gas show in the Ordovician Gull River formation. The Gull River interval was subsequently evaluated with a drill stem test and the results are presently being interpreted. The down-hole logs indicated dolomite porosity in the 6 to 11% range with relatively high cross-plotted resistivity, which is indicative of the presence of hydrocarbons. The results are encouraging and the Company is reviewing various options to complete the well.

GGOL#67 also penetrated three separate sandstone units with relatively high porosity (15 to 24%) in the upper Cambrian formation. The sandstone units were water saturated, but a large structural high is present in the project area, which may potentially provide an up-dip hydrocarbon trap for the Cambrian sands. The project area encompasses some 6,500 contiguous acres.

Tilbury West Prospect

Greentree commenced drilling a deep light oil prospect in Tilbury West Township, Essex County in mid-November of 2006. GGOL#71 offsets a Talisman Energy horizontal oil producer by approximately 300 meters along a seismically-defined Trenton-Black River anomaly. The well is being drilled by a cable-tool rig and results from the drilling are not expected until mid-February. At the time of writing the drilled depth was 375 meters and the first potential oil pay zone is expected to be encountered at approximately of 815 meters.

West Lorne Prospect

Greentree spudded an exploratory test in Aldborough Township, Elgin County in mid-December of 2006. GGOL#72 is located along a prospective depositional fairway of the Silurian Grimsby sandstone. The well location 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 GGOL#72 reported initial flow rates in the 1.0 to 4.2 MMcf/d range from the Grimsby sandstone. At the time of writing the drilled depth was approximately 210 meters and the potential gas pay

zones are expected at depths of approximately 450 and 540 meters. The well is being drilled by a cable-tool rig and results are not expected until early in February.

Private Placement

The Company's previously announced private placement (press releases dated December 19, December 21 and December 22, 2006) has been completed.

Greentree Gas & Oil Ltd. is based in London, Ontario and is an explorer and producer of natural gas and crude oil in southwestern Ontario. Greentree has 38,376,247 common shares outstanding.

Forward-Looking Statements

This press release contains 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.

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