

News release via CNN Matthews

Attention Business/Financial Editors:

Greentree Gas & Oil Ltd. Announces Entering into Debt Conversion Agreement

/NOT FOR DISTRIBUTION TO US NEWSWIRE SERVICES OR DISSEMINATION IN THE UNITED STATES/

LONDON, ONTARIO, January 19, 2007 - Greentree Gas & Oil Ltd. ("Greentree" or the "Company") (TSXV – GGO) announces that the Company has entered into a debt conversion agreement with a non-arm's length party. The Company has entered into the debt conversion agreement as of today with Sheldon Huxtable Professional Corporation, a corporation of which Donald A. Sheldon, one of the directors of Greentree, is an executive officer and significant shareholder, to settle debts totaling \$80,000.00 owed to it through the issuance of 320,000 common shares at an issue price of \$0.25 per share, the same price as a recent private placement by Greentree (see Greentree news releases dated December 19, 21 and 22, 2006). The agreement with Sheldon Huxtable Professional Corporation and issuance of shares is subject to regulatory approval by the TSX Venture Exchange. The securities issued under the debt conversion will be subject to a hold period of four months commencing on the date of distribution of the securities in accordance with TSX Venture Exchange policies.

The transaction constitutes a "related party" transaction within the meaning of Ontario Securities Commission Rule 61-501 and TSX Venture Exchange Policy 5.9, but is exempt from the valuation and minority approval requirements thereof as neither the fair market value of the debt being settled, nor the consideration paid therefore, exceeds 25% of market capitalization of the Company.

In accordance with good corporate governance practice, the Company's board of directors, other than Donald Sheldon, reviewed the proposed debt conversion transaction and considered recommendations as to the appropriate terms and conditions under which the board of directors should approve the transaction and its impact on the Company. Based on their review, the board of directors unanimously approved the terms of the agreement on January 18, 2007. Donald Sheldon declared a conflict of interest and abstained regarding this transaction. Except for Donald Sheldon, none of the members of the board of directors has any interest in the transaction, other than an interest as a continuing director of the Company.

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 38,364,247 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.

For further information, contact: Duncan Hamilton, M.Sc., P.Geo., President, Greentree Gas & Oil Ltd., or Patrick E. Uzan, B.A., C.A., Chief Financial Officer, Greentree Gas & Oil Ltd., 207-209 Consortium Court, London, Ontario, N6E 2S8, Telephone: (519) 681-9355, Facsimile: (519) 681-3887, email: greentree.gas@greentreegas.on.ca.