

News release via CNN Matthews

Attention Business/Financial Editors:

Greentree Gas & Oil Ltd. Completes Shares-for-Debt Conversion and Announces Grant of Stock Options

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LONDON, ONTARIO, January 31, 2007 - Greentree Gas & Oil Ltd. ("Greentree" or the "Company") (TSXV – GGO) announces that the Company has completed its previously announced shares for debt conversion 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. Greentree issued 320,000 common shares at a price of \$0.25 per share to Sheldon Huxtable Professional Corporation to settle debt in the aggregate amount of \$80,000.00. In accordance with TSX Venture Exchange policies, the securities issued under the debt conversion are subject to a hold period and cannot be traded before June 1, 2007.

The Company also announces that it has granted incentive stock options to purchase an aggregate of 575,000 common shares pursuant to its stock option plan. Options were issued to certain officers, directors and employees of the Company as follows: Gary Bean, 100,000; Robert Down, 100,000; Donald Sheldon, 100,000; Duncan Hamilton, 100,000; Patrick O'Meara, 100,000; Patrick Uzan, 50,000; and John Morse, 25,000. The options will expire on January 30, 2012 and are exercisable at a price of \$0.25 per share. Any shares issued on the exercise of these stock options will be subject to a four (4) month hold period commencing on the date the stock options were granted.

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 38,444,247 common shares outstanding (including those issued today pursuant to the shares for debt conversion).

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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