

Greentree Gas & Oil Ltd. Reports Operations Update

LONDON, ON, July 20, 2006 - Greentree Gas & Oil Ltd. ("Greentree" or the "Company") (TSX-V: GGO) is pleased to announce that the Company is in the midst of completing its first well of a multi-well program in Norfolk County. The well encountered 5.5 meters of gas pay interval in the Silurian Thorold formation. Greentree expects to drill an additional 10 natural gas wells in Norfolk prior to the end of 2006.

Greentree also reports that the project with the previously announced large industrial user of natural gas is progressing and drill sites have been selected based on 37.5 kilometers of high-resolution 2D seismic data. The project area has multi-zone natural gas potential.

The Company continues to move forward with development plans and procurement of the necessary regulatory approvals to commence co-development of the Rodney South pool with Wavefront Energy and Environmental Services Inc. The project was expected to commence in the second quarter of 2006, but delays in acquiring certain agreements has postponed the regulatory approval process. Initial development work will see the drilling of eight injection wells and two new horizontal production wells that will complement one existing horizontal producer and seven vertical producers in the pool.

Greentree's efforts to increase existing production has met with success in Norfolk County through a combination of reworking wells, new pipelines and optimizing production using compression. The Company also recently entered into a gas processing agreement with another Norfolk County operator wherein Greentree will process and deliver a portion of their natural gas production to the sales line.

Greentree Gas & Oil Ltd. is based in London, Ontario and is an explorer and producer of oil and natural gas in southwestern Ontario. Greentree Gas & Oil Ltd. has 34,241,653 common shares outstanding.

Cautionary Disclaimer – Forward Looking Statements

Some statements made in this press release contain 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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For further information: Duncan Hamilton, M.Sc., P. Geo., President, Patrick 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.