

News release via CNN Matthews

Attention Business/Financial Editors:

Greentree Gas & Oil Ltd. Completes First Closing of Flow-Through Private Placement

LONDON, ONTARIO, July 5, 2006 - Greentree Gas & Oil Ltd. (TSXV-GGO) (“Greentree” or the “Company”) announces that it has successfully closed its first tranche of a private placement of 1,086,363 units consisting of 1,086,363 flow-through common shares of the Company and 362,121 flow-through share purchase warrants, at a price of \$0.33 per unit, for total proceeds of \$358,500.00. Each flow-through share purchase warrant is exercisable to purchase one flow-through common share at a price of \$0.66 per flow-through common share for a period of two years from the date of issue.

The proceeds of the offering will be used for further exploration and development of the Company’s properties. The common shares issued pursuant to the private placement are to be qualified as “flow-through” shares under the Income Tax Act (Canada). The securities issued today pursuant to the private placement are subject to a four-month hold period expiring November 6, 2006 in accordance with securities laws and TSX Venture Exchange policies. The private placement was marketed on a non-brokered basis; however, Greentree agreed to pay to finders entitled under applicable securities rules to receive compensation a 7% cash commission and 65,182 flow-through share purchase warrants exercisable at a price of \$0.66 per warrant for a period of two years from the date of issue.

Greentree Gas & Oil Ltd. is based in London, Ontario and is an explorer and producer of oil and natural gas in southwestern Ontario. Greentree has 34,211,653 common shares outstanding (including those issued today pursuant to this private placement).

For further information, contact Duncan Hamilton, M.Sc., P. Geol., President, or 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.

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