

News release via CNN Matthews

Attention Business/Financial Editors:

Greentree Gas & Oil Ltd. Reports On Fall/Winter Drilling Program

LONDON, ONTARIO, October 10, 2006 - Greentree Gas & Oil Ltd. (TSXV – GGO) (“Greentree”) is pleased to announce its current and upcoming exploration and development programs for this fall and winter. Greentree has three drilling rigs contracted to complete its drilling program through to year-end. In addition to the Company’s 100% working interest projects, Greentree is also in the process of developing its previously announced Rodney South oil pool co-development project. The pilot phase of development is 100% funded by Wavefront Energy and Environmental Services Inc. to a maximum investment by Wavefront of \$2.25 million.

Norfolk County Properties

Greentree has three upcoming locations in Norfolk targeting the Silurian Thorold formation. All three locations are situated in above average productivity regions. GGOL#59 and GGOL#61 are located on trend and in close proximity to a number of wells which recorded initial production rates in the range of 240 and 1,337 mcf/d. The third location, GGOL#50, is directly offsetting a well in which Greentree has a 5% working interest (Norfolk 03-01). The Company will commence drilling in GGOL#59 next week. Greentree also recently deepened an existing well (GGOL#9) and is planning a fracture stimulation for this well in the next few weeks.

Tilbury West Prospect

Greentree has a rig contracted to drill a deep light oil prospect in Tilbury West Township, Essex County. GGOL#71 offsets a Talisman horizontal oil producer by approximately 300 meters along a seismically-defined Trenton-Black River anomaly. The Talisman well (completed in 2001) reported an initial test flow of approximately 175 bbls/d and recent production reports indicate production is in the 1 to 2 bbl/d range. The potential productive interval is approximately up to 125 meters in thickness and the seismic data indicates the main pay interval may be located approximately 50 meters below where the Talisman discovery well drilled through the reservoir column horizontally.

West Lorne Prospect

Greentree has a rig contracted to drill an exploratory location in Aldborough Township, Elgin County. GGOL#72 is located along a prospective depositional fairway of the Silurian Grimsby sandstone. The well offsets an Imperial Oil deep hole which had an interpreted 4 meters of potential bypassed gas pay. Two wells to the northwest of the location had initial flow rates of 1.77 and 1.13 MMcf/d and six wells to the southeast of GGOL#72 reported initial flow rates in the 1.0 to 4.2 MMcf/d range.

Haldimand County “Deep Gas” Prospect

Greentree has staked a wildcat exploratory location on the property on the property of a large industrial user of natural gas (approximately 6,500 contiguous acres) based on a seismic anomaly, which was identified with a recently acquired 37.5 km 2D program. GGOL#67 will be targeting the Ordovician Trenton-Black River hydrothermal dolomite play that Talisman Energy is aggressively developing in New York State (recent Talisman press release August 26, 2006). Talisman is reporting initial flow rates in the 5 to 40 MMcf/d range. Geologically, the Greentree properties are situated in the same sedimentary basin (Appalachian basin) as the Talisman play

but at shallower depths: approximately 8,000 to 10,000 feet in New York versus 3,200 to 3,500 feet in Ontario.

In addition to the main target zone, GGOL#67 will evaluate gas potential in three overlying formations (Silurian Thorold, Grimsby and Whirlpool) and one deeper formation (Cambrian).

A successful well on this project will lead to multiple offsetting development wells and a “win-win” situation for both Greentree and the industrial user.

Rodney South Co-Development Project with Wavefront Energy & Environmental Services Inc. (“Wavefront”)

Development of the first phase of the project commenced in mid-September and the Company expects to drill eight injection and two horizontal production wells by late November. Over this time frame the production and injection lines, battery site and injection facilities will also be completed. To date, Greentree is in the process of completing the second injection well and will be moving on to the third injection location later this week. Wavefront is providing up to \$2.25 million in funding to develop the “pilot” phase of the project and the deal is structured such that Wavefront receives 70% of the net income until payout and 50% after payout of their investment.

Rodney Unit 3

Greentree is presently installing a new battery site for Unit 3, which is expected to be complete and fully operational by mid-October. The new site will result in much more efficiency in separating and metering the oil production. In addition, Greentree plans to upgrade the injection system.

Duncan Hamilton, President of Greentree states that “this is one of the most aggressive drilling programs in the Company’s history and has an excellent balance of low-risk, moderate-reward and higher-risk high-reward opportunities.”

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 36,811,961 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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