

News release via CNN Matthews

Attention Business/Financial Editors:

Greentree Gas & Oil Ltd. Completes Final Closing of Private Placement

LONDON, ONTARIO, September 18, 2006 - Greentree Gas & Oil Ltd. (TSXV-GGO) ("Greentree" or the "Company") announces that it has closed the final tranche of its previously reported non-brokered private placement (news releases August 10, 2006 and August 16, 2006). In total:

- 1,923,467 flow-through units consisting of 1,923,467 flow-through common shares of the Company and 641,156 flow-through share purchase warrants, at a price of \$0.33 per unit, for total proceeds of \$634,744.11. 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.
- 646,832 non-flow-through units consisting of 646,832 non-flow-through common shares of the Company and 323,416 non-flow-through share purchase warrants, at a price of \$0.30 per unit, for total proceeds of \$194,049.60. Each non-flow-through share purchase warrant is exercisable to purchase one non-flow-through common share at a price of \$0.50 per non-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, to pay outstanding indebtedness, build and repair pipeline and facilities infrastructure, and to rework and restimulate existing producing wells to enhance production. The flow-through 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 pursuant to this private placement are subject to a four-month hold period from the date of issue in accordance with securities laws and TSX Venture Exchange policies. The private placement was marketed on a non-brokered basis; however, finders entitled under applicable securities rules to receive compensation were paid the following compensation in total with respect to the private placement:

- in respect of the flow-through units, cash commissions of \$40,967.08 and 96,345 non-transferable, flow-through share purchase warrants (with each warrant 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); and
- in respect of the non-flow-through units, cash commissions of \$19,405.00.

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 36,811,952 common shares outstanding (including those issued 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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