

Greenstone Announces Completion of the first GREEN-DRI unit and Initial Test

JERSEY CITY, NEW JERSEY, September 28, 2009 Greenstone Holdings, Inc. (OTCPK: GSHN) announced today that the Company had completed construction of the first GREEN-DRI™ Wood Dryer in the United States and has completed the first test phase of the unit in Bangor, PA. GREEN-DRI is based on the technology licensed from a Japanese inventor Mr. Toshio Ito, a process which has been operating successfully in Japan for over five years.

Sal Miwa, CEO of the Company stated that the PHASE I TEST of the GREEN-DRI was completed on September 15th, 2009 and that the unit has been operating continuously since then. The PHASE I TEST was to verify the functionality of the GREEN-DRI unit and Mr. Toshio Ito, the inventor who witnessed the test, stated that the performance of the first US model equaled or exceeded the performance of the over thirty units presently operating in Japan. Mr. Ito commented, “I am very pleased with the results of PHASE I and am anxious to receive the results from the second phase of testing.” Mr. Ito, who traveled from Japan to observe the PHASE I TEST, remarked that he was very surprised and delighted that the GREEN-DRI unit worked so well and achieved drying results in such a short period of time, just a few days.

While the results of the over 30 GREEN-DRI units operating in Japan may not correlate exactly to US woods, the energy costs savings realized in Japan equal to up to 90% over comparable conventional existing dry kiln facilities. “Realizing even a percentage of those savings would result in a great benefit to US Saw Mills”, stated Mr. Miwa.

The maximum energy usage of the first unit, which measures 12 feet, by 8 feet by and 8 feet is approximately 4 kilo-watts per hour resulting in a substantial REDUCTION IN ENERGY COSTS, compared to the costs of operating conventional Dry Kiln units. “These savings, particularly in larger wood drying units, can often mean the difference between shutting down or operating,” Mr. Miwa added.

Mr. Miwa stated, “The main advantages of GREEN-DRI over conventional dry kilns methods is the significant energy savings it achieves and because conventional kiln methods force moisture out of wood by high heat and forced air, which often damages wood cells. The GREEN-DRI unique and proprietary method removes moisture biologically without destroying wood cells, hence it consumes much less energy while producing lumber that is less stressed, stronger and retains its natural color.

The Company has now started its PHASE II TEST, a comprehensive drying performance operation to determine the rapidity with which the GREEN-DRI will reduce moisture from wood to acceptable commercial levels of typically 6% to 8% moisture content.

“As a part of our PHASE II TESTING, we will be collecting more extensive energy consumption and drying data which will be available within a month”, Mr. Miwa added.

Mr. Miwa concluded by stating that several independent commercial sawmill operators who also run a dry kiln operation will participate in the PHASE II TESTING, so they can observe first hand, as the Company develops valuable and reliable data concerning the GREEN-DRI’s efficiency and energy saving advantages.

The process of wood drying is a huge industry in the US estimated to be several billions of dollars and is critical not only to large commercial and home building companies but also to many cottage industries such as the music instruments, sports equipment, and furniture industries just to mention a few, Mr. Miwa added.

(Link to the photos of new dryer:
<http://www.egreenstone.com/documents/GreenDri-PHASE-I-Sep15-09.pdf>)

About Greenstone Holdings, Inc.

(www.egreenstone.com) Greenstone is in the business of providing a variety of “GREEN” chemical technologies that are primarily used in the building and construction industry. The Company's first brand name product, Greenstone®-GS (previously known as GreenShield), offers moisture protection to wood based building materials and others such as lumber, logs, plywood, drywall, windows, doors, railroad ties, fencing, and utility poles. It also offers added fire retardancy to the material it is applied to. Greenstone also exclusively distributes MagneLine®, a polymer cement mortar to reinforce, repair, or protect metal and concrete structures such as bridges, Permeate™, a very unique paint-sealer for metal and concrete, and GREEN-DRI™, a revolutionary wood dryer (dry kiln), biologically drying with much less energy.

Forward Looking Statements:

Safe Harbor statement under the Private Securities Litigation Reform Act of 1995:
Except for historical information contained herein, the matters discussed in this press release are forward-looking statements that involve risks and uncertainties, including but not limited to economic, competitive, governmental and technological factors effecting the Company's operations, markets, products and prices and other factors discussed in the Company's various filings with the PinkSheets and others.

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