



Audit Committee Charter

Purpose

The purpose of the audit committee of Stream Oil & Gas Ltd. (the Company) is to ensure that Stream's management has established an effective system of internal financial controls for reviewing and reporting on the Company's financial statements and related financial disclosure. The Committee will also review the Company's compliance with legal and regulatory requirements related to financial reporting. It is the intention of the Company's Board of Directors that through the involvement of the Committee, the external audit will be conducted independently of Company management to ensure that the auditors serve the interests of shareholders. The Committee will report to the Board of Directors on a regular basis.

Composition and Membership

1. The Committee will be composed of at least three directors, all of whom will satisfy the independence requirements of applicable securities laws, rules or guidelines, and any applicable stock exchange requirements or guidelines. The determination of independence will be made by the Board, based on recommendations by the Committee.
2. The Board will appoint the Directors to form the Committee annually at the Board of Directors meeting.
3. The members of the Committee will be independent and financially literate as defined under applicable securities law.
4. The Members of the Committee will elect a Chairman and Secretary.
5. The Board may remove or replace a Member at any time and may fill any vacancy at any time.
6. The Committee or a Committee member, subject to the approval of the Chairman of the Committee may, at the Company's expense, engage outside advisors that it deems necessary to assist in meeting its responsibilities.
7. The Committee shall have access to any officers and employees of the Company, the external and internal auditors and to Company information as necessary to perform its duties and responsibilities.

Meetings

1. Meetings shall be held at least quarterly, at such place and times as determined by the Chairman of the Committee, to review the Company's quarterly and annual financial disclosure.
2. Meetings may be held by telephone or any other telecommunication device that permits all persons participating in the meeting to hear each other.
3. A meeting quorum shall be a majority of Members of the Committee in person or by telephone.
4. The external auditors shall receive a notice of the meeting and will have the right to attend all meetings.
5. Management representatives may be invited to attend meetings except private meetings with the auditors.
6. External auditors and internal auditors will be able to communicate directly with the Committee through the Chairman and may bypass management if deemed necessary. The committee through its Chairman may contact any employee of the Company directly and any employee may bring to the Committee any matter involving questionable, illegal or improper financial practices or transactions.

Roles and Responsibilities

1. The general duties and responsibilities of the Committee are to:
 - a. assist the Board in the discharge of its responsibilities related to the Company's accounting policies, reporting practices and internal controls and its approval of the Company's annual and quarterly financial statements and related financial disclosure;
 - b. establish and maintain communications with the external and internal auditors and assess their performance;
 - c. ensure management has designed and implemented and is maintaining an effective system of internal controls; and
 - d. report regularly to the Board on the fulfillment of its duties and responsibilities.

2. The Committee will periodically review:
 - a. the adequacy of procedures in place for the review, prior to public disclosure, of financial information, including news releases, financial statements, MD&A, financial sections of the annual report to shareholders, prospectuses, and annual information form if required;
 - b. the Company's compliance with regulatory and statutory requirements as they relate to financial statements, tax matters and disclosure of financial information; and
 - c. as required, review with Members of the Board proficient in the technical aspects of preparing reserve calculations, reserve calculation procedures and the credentials of the qualified person.
3. The duties and responsibilities of the Committee as they relate to internal controls include:
 - a. reviewing the appropriateness and effectiveness of the Company's policies and business practices which impact the financial integrity of the Company including those relating to internal audit, insurance, accounting, information systems, financial controls, and management reporting; and
 - b. reviewing compliance with business conduct and ethics policies, including periodically reviewing such policies.
4. The Committee will establish procedures for addressing complaints received by the Company regarding accounting, internal controls or auditing matters, ensuring proper documentation and retention of such complaints.