

Stream Oil & Gas Ltd.

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NEWS RELEASE

**Stream Oil & Gas Ltd.
Operational Update**

TSX-V: SKO

Vancouver, Canada – October 30, 2008

Stream Oil & Gas Ltd. (the “Company”) is pleased to provide the following update:

Crude Oil Pricing

The Company has amended its Sales Contract with Albpetrol Sh.A and effective August 1, 2008 the new price received by the Company for its crude oil sales will be calculated based on the following formula

$$\text{Price} = 100/1.8 + (\text{Brent Average} - 100)/3 - 2.5 \text{ USD/bbl}$$

The Company previously received a fixed price for crude. August delivery price increased by 53%, from USD\$37.50/bbl to USD\$57.40/bbl. The September price will reflect international price changes.

Production

Production during the last quarter and as of September 30, 2008 has increased by 29% from 126 bopd to 162 bopd. For the period during which the Refinery is operational gas and condensate production levels remained the same as the previous quarter at 356 Mcf/d gas and 11 bopd condensate. Net oil inventory at the end of September was 1429 barrels of crude oil. Increased crude oil production was mainly due to new reactivations and higher flow rates obtained by the rehabilitation program initiated mid August and described below.

Rehabilitation Work

The Company is also pleased to report that the first phase of radial jetting has been completed on 4 selected production wells in the Ballsh-Hekal and Gorisht-Kocul oilfields. Work started mid August and initial results to the end of September indicated increased flow rates in all wells. PCP pump installation in these wells was completed in October. The Company is currently monitoring production results and will report them once they are stabilized. In general a two-fold increase in production from those wells is sustained and upon optimization of the PCP pump flow this can increase even further.

The Company, based on these results, will plan a development program for the above oil fields for early 2009. The Company also plans to organize a second phase radial jetting for the Cakran-Mollaj oil field once the appropriate rig is mobilized early 2009, subject to the Company’s ability to raise the required funds.

Micro-fracture monitoring

The Company has engaged Seismotech Ltd. to deploy micro-fracture monitoring equipment, initially in the Cakran-Mollaj field and then in the other two oilfields in order to map preferential fracture zones

around the wells and to direct radial jetting accordingly. This work is subject to the Company's ability to mobilize the rig as stated above.

Q3 Results

The Company's third quarter financial statements and management's discussion and analysis for the three-month and ten-month periods ended August 31, 2008, are now available on SEDAR <http://www.sedar.com> and on the Company's website <http://www.streamoilandgas.com>. Total revenue for the three month period ended August 31, 2008 was \$754,447 (\$1,791,641 for the ten-month period). Net loss for the three-month period was \$225,844 (\$767,064 for the ten-month period)

New Royalty Tax

The Company, after modelling the impact of the new 10% Royalty Tax on its financial projections, submitted to the Ministry of Economy, Trade and Energy of Albania proposed terms to amend the current Agreements. The Company's Agreements provide for amendments to minimize any economic impact from this new tax. The Company believes that the proposed terms will be acceptable and is waiting for a Ministerial response before proceeding with discussions with Albpetrol to finalize and amend the Agreements appropriately.

About Stream Oil & Gas

Stream is a Canadian-based emerging oil and gas production, development and exploration company with assets in Albania focusing on the re-activation and re-development of three oil fields, and a gas and condensate field, all of which are in production.

Stream has entered into Petroleum Agreements with Albpetrol Sh.A. the Albanian state exploration and production company, and is conducting a staged evaluation, takeover and redevelopment program under four separate 25-year license agreements with Albania's National Petroleum Agency. Under these Agreements, Stream has the rights to take-over the operations of all wells in the Gorischt-Kocul, Ballsh-Hekaj, and Cakran-Mollaj oil fields, and the Delvina gas field, and produce the remaining reserves. Takeover of the wells is being completed in stages.

Under the Agreements Stream is entitled to 100% of the incremental production and a share of current baseline production. The operations are subject to royalties of between 2% and 6% based on an R factor of revenues and petroleum costs.

Further information on Stream and its oil and gas properties is included in the Company's Information Circular dated February 12, 2008 available at www.sedar.com.

Contact Information

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The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.

This news release contains forward-looking statements, which relate to future events or future performance and reflect management's current expectations and assumptions. Such forward-looking statements reflect management's current beliefs and are based on assumptions made by and information currently available to the Company. Investors are cautioned that these forward-looking statements are neither promises nor guarantees, and are subject to risks and uncertainties that may cause future results to differ materially from those expected. These forward-looking statements are made as of the date hereof

and the Company does not assume any obligation to update or revise them to reflect new events or circumstances except as required under applicable securities legislation.