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For Immediate Release

Stream Oil & Gas Announces Albanian Reserves of over \$145.3 million

VANCOUVER, October 21, 2009 – Stream Oil & Gas Ltd. (TSX-V: SKO) is pleased to announce the results of its independent reserve evaluation prepared by AJM Petroleum Consultants (“AJM”) as at November 30, 2009, in accordance with the provisions of National Instrument 51-101 (‘N1 51-101’) and the Canadian Oil and Gas Evaluation Handbook (“COGEH”).

Reserve Highlights

- Before tax net present value of Gross Proved plus Probable reserves of \$145.3 million (discounted at 10%), not accounting for US \$30 million value of mineral tax neutralization allowed under Stream’s Petroleum Agreements;
- Gross Proved plus Probable reserves of 17,418 Mboe
- Before tax net present value of Gross Proved reserves of \$87.0 million (discounted at 10%)
- Gross Proved oil reserves of 13,364 Mboe

“We’re pleased with the results of the first 51-101 compliant reserve report, on these assets” said Dr. Sotirios Kapotas, Chief Executive Officer. “These reserves provide us with significant opportunity for growth in production as we implement our plans of development. As we move beyond incremental production techniques to initiate enhanced oil recovery technologies, we expect to see this resource increase and provide further value to our shareholders.”

Implementation Planning Update

Stream has retained the Alberta Research Council (a world recognized leader in techniques and methods for heavy oil development) as a technical specialist in areas of secondary and enhanced recovery. In 2010, Stream plans to focus on refining the contemplated EOR opportunities in addition to implementing primary production improvements through workovers and proficient reservoir management.

Stream is on track to submit the Delvina gas field development plan by year-end as well as implementing the oil development plans upon approval by Albania authorities and confirmation of funding arrangements.

Reserves Report

AJM prepared a Reserve Estimation and Economic Evaluation ('Reserve Report') dated October 15, 2009, with an effective date of November 30, 2009. The Reserve Report is based on conventional reservoir production methods and the presented version does not include the following:

- a) Stream's Petroleum Agreements' provisions for neutralizing the recently legislated 10% mineral tax of nearly US\$30 million (before tax);
- b) Gorisht oil field water flood potential;
- c) Ballsh & Cakran oil fields infill drilling or EOR potential;
- d) Delvina gas field horizontal wells development potential.

Under N1 51-101 and COGEH, Proved reserve assignments are based on a 90 percent probability that total quantities actually recovered will equal or exceed Proved reserve estimates. Proved plus Probable reserves are the most likely case and based on a 50 percent probability that the quantities actually recovered will equal or exceed the sum of Proved plus Probable reserves estimates. The Company is not aware of any information pending from the date of this release to the effective date that would materially affect the valuation results. Stream's Reserve Committee and Board of Directors have approved the Reserve Report. Summary information is presented below from the Reserve Report:

Net Present Value of Reserves (Before Tax) as at November 30, 2009

<i>(\$USD thousands)</i>	Undiscounted	PV 5%	PV 10%	PV 15%
Proved Producing	136,198	82,212	53,758	37,480
Proved non Producing	0	0	0	0
Proved Undeveloped	102,992	58,120	33,287	18,770
Total Proved	239,190	140,332	87,044	56,250
Total Probable	174,667	94,705	58,266	39,579
Total Proved & Probable	413,857	235,037	145,312	95,829

Net Present Value of Reserves (After Tax) as at November 30, 2009

<i>(\$USD thousands)</i>	Undiscounted	PV 5%	PV 10%	PV 15%
Proved Producing	70,520	45,247	31,092	22,640
Proved non Producing	0	0	0	0
Proved Undeveloped	51,688	28,254	14,965	7,029
Total Proved	122,208	73,501	46,057	29,670
Total Probable	89,035	48,915	30,817	21,603
Total Proved & Probable	211,244	122,416	76,874	51,273

The estimated values disclosed do not represent fair market value.

Reserves Summary as at November 30, 2009

	Oil		Natural Gas		NGLs		Total	
	Gross Mbbbl	Net Mbbbl	Gross mmcf	Net mmcf	Gross Mbbbl	Net Mbbbl	Gross Mboe	Net Mboe
Proved Producing	8,861	5,619	451	245	19	9	8,955	5,669
Proved Non Producing	0	0	0	0	0	0	0	0
Proved Undeveloped	4,503	4,411	1,878	1,607	79	65	4,895	4,744
Total Proved	13,364	10,030	2,329	1,853	97	74	13,849	10,413
Total Probable	3,304	3,275	823	733	128	123	3,569	3,520
Total Proved & Probable	16,667	13,305	3,152	2,586	225	197	17,418	13,933

Gross reserves are the total of the Company's working interest share before deduction of royalties and other government share. Net reserves are gross reserves net of royalty interests owned by others. The reserve values are based on the table of prices below. Oil prices are the equivalent price of Brent Oil discounted for quality based on local market conditions. Gas prices are based on the contract applicable.

Price Forecast

	Brent Oil Real (\$USD/bbl)	Oil (\$USD/bbl)	Gas (\$USD/mcf)	Condensate (\$USD/bbl)
2009 1 mo	64.00	38.40	9.70	89.00
2010	69.00	42.24	9.70	89.00
2011	74.00	46.20	9.89	90.78
2012	79.00	50.31	10.09	92.60
2013	84.00	54.34	10.29	94.46
2014	97.00	58.93	10.50	96.34
2015	94.00	63.51	10.71	98.26
2016	99.00	68.22	10.92	100.23
2017	99.00	69.60	11.14	102.23
2018	99.00	70.98	11.37	104.28
2019+ avg	99.00	82.74	11.59	106.36

Stream's year-end date is November 30, 2009. The Company expects to file its 2009 NI 51-101 reserves disclosure forms: Form 51-101F1 – Statement of Reserves Data and Other Oil and Gas Information, Form 51-101F2 – Report of Independent Qualified Reserves Evaluator, and Form 51-101F3 – Report of Management and Directors on Oil and Gas Disclosure on or before its 2009 filing deadline of March 30, 2010. At which time these filings can be accessed electronically on Stream's website or on the SEDAR website at www.sedar.com.

Advisories

Forward-Looking Statements

Certain information regarding the Company contained herein constitutes forward-looking information and statements and financial outlooks (collectively, "forward-looking statements") under the meaning of applicable securities laws, including Canadian Securities Administrators' National Instrument 51-102 Continuous Disclosure Obligations. Forward-looking statements 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.

The forward-looking statements contained herein are made as of the date of this News Release solely for the purpose of generally disclosing Stream's reserves volumes and net present value of its reserves as at November 30, 2009. 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. The Company's forward-looking statements are expressly qualified in their entirety by this cautionary statement.

Use of Boe Equivalent

The oil and gas industry commonly expresses production and reserve volumes on a barrel of oil equivalent (Boe) basis whereby natural gas volumes are converted at the ratio of six thousand cubic feet of natural gas to one barrel of oil. Boe may be misleading particularly if used in isolation. A Boe conversion ratio of 6 Mcf: 1 Bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

About Stream Oil & Gas Ltd.

Stream Oil & Gas Ltd. is a Canadian-based emerging oil and gas production, development and exploration company focused on the re-activation and re-development of three oil fields and a gas/condensate field in Albania. The Company's strategy is to use new technology and enhanced oil recovery techniques to significantly increase production of these under-developed reservoirs.

Under separate 25-year Petroleum Agreements, (with five-year extension options) Stream has the rights to take-over the operations of all wells in the Gorischt-Kocul, Ballsh-Hekaj, and Cakran-Mollaj oil fields as well as the Delvina gas field, and produce the remaining reserves. Takeover of the wells is being completed in stages.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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