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NEWS RELEASE

Stream Oil & Gas Ltd. – Operations Update and Q2 Results

TSX-V: SKO

Vancouver, Canada – August 6, 2009

Stream Oil & Gas Ltd. (Stream or the Company) is pleased to provide the following operations update and summary of financial results for its second quarter ended May 31, 2009:

Operations Update

- Current average gross crude oil production is 470 bopd, 240 bopd net to Stream. Most of this production is sold to a local customer who pays in advance. Current average oil price received is about \$40.00/bbl. Gas production is currently zero since the local refinery, Stream's only current gas consumer, has temporarily suspended operations due to maintenance and upgrades. Jointly with Albpetrol, the Company's gas customer, Stream continues to explore mitigation measures for this ongoing outage, while developing alternate gas utilization strategies.
- Due to the recent Albanian election, the Company has not yet finalized a resolution to the outstanding accounts receivable and royalty tax amendments to sales contracts with Albpetrol Sh.A and the ARMO refinery.
- The development plans for the Company's three oil fields are due September 9th 2009 and the Company is on track to file these by the deadline.
- Albpetrol has agreed to Stream's request for an extension of the evaluation and exploration phases of the Delvina (gas field) Petroleum Agreements to six and twelve months respectively. The extensions are subject to AKBN confirmation, expected shortly.
- The Company has engaged an independent petroleum engineering firm in Calgary to prepare a reserve valuation report in accordance with National Instrument 51-101 requirements. The Company expects that the report will be completed by the end of 2009.
- Stream has met all property expenditure requirements under its Petroleum Agreements and has deferred any significant capital expenditures pending fund-raising.

Management Changes

Under a revised agreement with Exergy Resources Inc., effective June 22, 2009, Wayne Arnold has been appointed Head of Stream's Oil Division. Mr. Arnold will be responsible for generating the oil fields' development plans, providing technical guidance to operations and rationalizing improved recovery strategies. Mr Arnold brings extensive oilfield development and well intervention/servicing expertise. In accordance with the revised agreement, the Company granted stock options to Exergy Eams Inc. to purchase

up to 490,000 common shares of the Company at \$0.24 per share for three years, subject to an 18 month vesting schedule in accordance with the Company's stock option plan.

Effective July 29, 2009, the Consulting Agreement with BA Capital Inc. has been terminated.

Q2 2009 Results

Financial	Period ended May 31, 2009 (\$US)				
	Three months	Six months	Operating	Three months	Six months
Oil and gas revenue	766,149	1,575,263	Average daily oil production	231	230
Net operating income	482,790	767,590	Average price per barrel	24.00	29.00
Net loss	(214,536)	(470,210)	Average daily gas production mcf/day	275	275
Additions to property, plant and equipment	401,743	924,229	Average gas price/ mcf	12	12
			Average daily condensate production	13	12
			Average price per barrel condensate	65.00	65.00

The Company

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. The Company's 2008 consolidated annual financial statements and related annual management discussion & analysis are also available through the SEDAR Website.

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.