



Stream Oil & Gas Ltd.
500-666 Burrard St.
Vancouver, BC, Canada V6C 3P6
Tel: 604-642-6168, Fax: 604-608-9314

For Immediate Release

Stream Submits Plans of Development for Oil Fields

VANCOUVER, October 7, 2009 – Stream Oil & Gas Ltd. (TSX-V: SKO) is pleased to announce that the Company has fulfilled its commitments and completed the evaluation phases on its three Albanian oil fields (Cakran-Mollaj, Gorisht-Kocul, Ballsh-Hekal). Plans of Development for each of the oil fields have been submitted to the Albanian authorities and approval is expected in the near future.

Stream is currently evaluating optimal financing arrangements to fund the Plans of Development. In parallel the management team is finalizing implementation plans once approvals are obtained. The Plans of Development include completing the takeover of all wells in the oil fields within the next 12 months. In addition, the Company is preparing the Plan of Development for its Delvina gas field, which is expected to be submitted prior to the end of 2009.

Subject to timely approvals and to raising appropriate funding, Stream intends to implement Improved Oil Recovery (IOR) techniques (managed reservoir recompletions) in certain of the recently taken over wells, with the objective, of at least doubling existing production before mid year 2010. Through the balance of 2010, Stream will complete additional takeovers, enabling further IOR production increases, as well as carrying out technical planning for the future deployment of Gorisht water flood and Enhanced Oil Recovery (EOR) testing for the Cakran and Ballsh oil fields.

Dr. Sotirios Kapotas, Chief Executive Officer stated, “The submission of the Plans of Development is a significant milestone for Stream, demonstrating the effectiveness of our expanded team. The Company is now well positioned to increase production significantly through incremental and enhanced oil recovery techniques as we implement our development plans.”

Operation Update

The Company’s independent reserve valuation report is in progress and the Company expects completion before fiscal year end.

Accounts receivable, of approximately US\$1.1 million from Albpetrol, have now been settled in kind under an agreement whereby the Company will receive additional crude oil starting in October 2009 for a three-month period. This extra crude will be sold under Stream’s existing sales contract and will provide additional cash-flow to the Company.

Current average gross crude oil production is stable at 470 bopd (240 bopd net to Stream) and the average oil price currently received is \$40.00/bbl. Basic well workovers continue to sustain and improve production levels. Interpretation of the 3D passive seismic results is under way, focusing on updating the structural map of the Delvina gas field.

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. 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.

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. All of Stream’s fields are in production; currently there are 600 wells in the oil fields, of which nearly 300 are producing at a combined rate of about 2,500 bbls/day.

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.

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Contact Information

Dr. Sotirios Kapotas
Chief Executive Officer
P: (604) 642-6168
Email info@streamoilandgas.com

Angela Huxham
Chief Financial Officer
P: (604) 642-6168
Email: ahuxham@streamoilandgas.com

Website: www.streamoilandgas.com