



Stream Oil & Gas Ltd.
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For Immediate Release

Stream Announces US\$20 Million Debt Facility & Board Addition

Additional Funds to Provide Capital for Growth Program

CALGARY, December 19, 2011 - Stream Oil & Gas Ltd. (TSX-V: SKO) ("Stream" or the "Company") is pleased to announce that it has signed an agreement for a US\$20 million debt facility with Raiffeisen Bank Sh.A ("Raiffeisen Bank") in Albania. Raiffeisen is a wholly owned subsidiary of Raiffeisen International Bank AG, a major Austrian financial institution whose home market consists of Austria and Central and Eastern Europe.

The debt facility is comprised of a US\$20 million term loan repayable over five years, which bears interest at commercial rates. The borrower under the debt facility is the Company's wholly-owned subsidiary (acting through its Albanian branch). The facility is secured by Stream's assets held through the Company's subsidiary and by a guarantee by the Company. Closing of the facility is expected shortly on completion of conditions precedent enabling the Company to drawdown funds. The proceeds of the financing will be used to fund Stream's capital investment program in Albania.

"We're pleased to establish this facility with Raiffeisen Bank," said Dr. Sotirios Kapotas, President and Chief Executive Officer. "The additional funds will provide liquidity that can be utilized for the continuing growth of the Company and development of its assets to convert resources to reserves."

In addition, Stream is pleased to announce the appointment of Marlowe G. Allison to the Board of Directors of the Company effective December 16, 2011. Mr. Allison will also be a nominee for election as Director at Stream's Annual Meeting being held in May 2012.

Marlowe Allison brings over 20 years of experience in the petroleum sector along with a strong financial track record. He is the Vice President and Treasurer at Canadian Pacific Railway, where he has been responsible for several key transactions including international financing re-structuring, banking syndication and debt issuances. Prior to that, he held several senior positions at Suncor Energy from 1997 to 2009, the most recent being Vice President and Treasurer. While at Suncor, Mr. Allison supported the company's growth strategy through the issuance of several financings, completion of a multi- billion dollar banking syndicate and a leadership role in the treasury and tax integration for the Petro-Canada merger.

Mr. Allison holds a Bachelor of Commerce Degree from the University of Saskatchewan and is a Chartered Accountant. He is familiar with Corporate Governance requirements and leading practices.

Dr. Sotirios Kapotas continued “On behalf of the Company and the Board, I would like to welcome Mr. Allison to Stream. His strong financial skillset combined with his experience in the oil and gas industry provides additional strength and depth to the Board of Directors.”

Forward-Looking Statements

Information in this news release respecting matters such as plans of development or exploration, reserves estimates, production estimates and targets, development costs, work programs and budgets constitute forward-looking information (collectively, “forward-looking statements”) under the meaning of applicable securities laws, including Canadian Securities Administrators’ National Instrument 51-102 Continuous Disclosure Obligations. Such forward-looking information is based on certain assumptions, including the availability of funds for capital expenditures necessary to construct the infrastructure required for future development, a favorable political and economic operating environment, a consistent rate of well re-completions and costs, success rates, production performance and build-up periods for well re-completions that are consistent with or an improvement over historical levels.

The forward-looking statements contained herein are made as of the date of this release solely for the purpose of generally disclosing Stream’s current status of its operational projects and the new debt facility. 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. Such forward-looking information reflects management’s current beliefs and are based on assumptions made by and information currently available to the Company, and involves known and unknown risks, uncertainties and other factors which may cause the actual costs and results of the Company and its operations to be materially different from estimated costs or results expressed or implied by such forward-looking statements. Such factors include, among others political and economic risks associated with foreign operations, general risks inherent in petroleum operations, risks associated with equipment procurement and equipment failure, availability of qualified personnel, risks associated with transportation, currency and exchange rate fluctuations and other general risks inherent in oil and gas operations.

Although the Company has attempted to take into account important factors that could cause actual costs or results to differ materially, there may be other factors that cause costs and timing of the Company's program or results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. 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 oilfields and a gas/condensate field in Albania. The Company's strategy is to use proven technology, incremental and enhanced oil recovery techniques to significantly increase production and reserves.

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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