

Stream Oil & Gas Ltd.
1201-700 West Pender Street
Vancouver, BC
Canada V6C 1G8
Tel: 604-568-6743

NEWS RELEASE

Stream Oil & Gas Ltd. –Operations Update and Second Quarter Results

TSX-V: SKO

CNQ: STRM

Vancouver, Canada – August 5, 2008

Stream Oil & Gas Ltd. (“Stream” or the “Company”) is pleased to provide the following update on its rehabilitation and development projects in Albania:

Rehabilitation work

The Company has received its first PCP (Progressive Cavity Pumps) and has initiated work-overs of selective wells by installing these pumps and applying perforations and acidizing. The results of these rehabilitation tests will be announced once testing and production control have been completed.

Radial jetting tests

Radial jetting tests in selective wells are planned to begin mid-August. The Company has agreements with Well Enhancement Services LLC. USA and Coil Services Netherlands to execute this work.

Gas Plant Scoping Study

Pöyry Energy (Italy) provided a proposal dated June 30, 2008 and Stream has now engaged them to provide a scoping study for a gas fired powered plant on the Delvina gas field

Agreements

Management is currently finalizing agreements with various field service companies and is discussing alliances with other Albanian operators to maximize value.

Albanian fiscal changes

The Ministry of Economy, Trade and Energy of Albania has informed the Company that an amendment to the National Tax Law has been made to establish a minimum 10% Royalty Tax to all contractors on the gross revenue of petroleum produced.. Stream’s Petroleum Agreements with the Albanian Government provide for amendments to eliminate any negative economic effects on Stream. The Ministry of Trade Economy and Energy, Albpetrol S.A. and the National Agency for Natural resources has undertaken to consult with the Company, and will take incentive actions and make necessary amendments to the current Agreements in order to eliminate any economic impact to Stream resulting from the 10% Royalty Tax.

Financial Results for the seven month period ended May 31, 2008

The Company has filed with the Canadian securities commissions, its unaudited, consolidated second quarter financial statements and management's discussion & analysis (MD&A). These filings are available on SEDAR www.sedar.com and the Company's website: www.streamoilandgas.com

	3 month	7 month
Oil & gas revenue	\$584,247	\$1,037,194
Operating expenses	\$226,921	\$369,852
Sales and transportation	\$78,296	\$128,010
Net operating income	\$279,030	\$539,332
G&A	\$603,669	\$1,152,608
Net loss	(\$273,940)	(\$541,220)
Net loss per share	(\$0.01)	(\$0.01)
Capital Expenditures:		
Seismic	\$272,485	\$773,216
Work-overs	\$818,425	\$861,172

Average daily production is currently 126 bopd, 356 mcf/d gas and 11 bopd condensate. The company is now receiving about \$38.00/bbl for oil, \$17.00/mcf for gas and \$82.00/bbl for condensate.

Working Capital

The Company had working capital of \$1.3 million at the end of May and an additional cash balance of \$2.8 million, restricted for operating and capital expenditures on its Albanian properties under Agreements with Albania's National Petroleum Agency (AKBN).

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 (AKBN). 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 and on the Company's website: www.streamoilandgas.com.

Contact Information

Sotirios Kapotas is responsible for this news release and can be contacted at the Company's head office above, or by email info@streamoilandgas.com.

The Company's CFO, Angela Huxham, can be contacted at 604-568-6743 or by email ahuxham@streamoilandgas.com.

Neither the TSX Venture Exchange nor the CNQ has 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.