



Stream Oil & Gas Ltd.
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For Immediate Release

Stream Oil & Gas Announces Q3 2010 Results

VANCOUVER, October 28, 2010 - Stream Oil & Gas Ltd. (TSX-V: SKO) (the "Company") is pleased to announce results for its third quarter ended August 31, 2010.

Summary of Financial Results	Three months ended August 31		Nine months ended August 31	
	2010	2009	2010	2009
(\$ US)				
Oil & gas revenue	2,653,456	790,536	5,262,484	2,365,799
Net operating income	1,725,533	577,536	3,646,002	1,344,966
Income (loss) for period	813,026	(396,165)	790,273	(866,375)
Funds from operations	912,462	(11,436)	(46,114)	(3,642)
Earnings (loss) per share	\$0.02	(\$0.01)	\$0.02	\$0.00
Additions to property, plant and equipment	1,097,345	371,372	2,466,703	1,295,601

Q3 Achievements:

- Stream's net share of average production increased to 404 boed compared to 240 boed in 2009
- Current gross production is approximately 1,000 boed, an increase of 462 boed from 2009
- The average price per barrel of oil was \$38.70 compared to \$40.00 in the third quarter of 2009
- Revenue increased to \$2.7 million, an increase of 236%
- Operating netback increased to \$25.74 boed as compared to \$22.71 boed in 2009

Subsequent to the quarter:

- Final approval for the execution of the Plans of Development for the Ballsh-Hekal, Cakran-Mollaj and Gorisht-Kocul oil fields was received by the Albanian Ministry of Economy, Trade and Energy
- A non-brokered private placement for gross proceeds of CDN\$10 million was announced

“We’re pleased with the quarterly results as we effectively operate our assets, increasing production, revenue and cash flow,” said Dr. Sotirios Kapotas, President and CEO “The continued successful execution of our growth strategy is expected to provide substantial production increases over the next several years, unlocking additional shareholder value.”

Year-to-date revenue increased to \$5.3 million, an increase of 122% compared to the first nine months of 2009. Total working capital as of the end of the third quarter was \$2.4 million and is currently about \$1.2 million, including \$1.0 million in cash and crude oil inventory valued at \$0.5 million. The Company continues to maintain positive operating cash flow from oil sales to several local customers who pay in advance.

The Company spent \$2.5 million on capital expenditures for the nine months ended August 31, 2010, mainly on workovers and reactivations. Stream is studying several funding options to accelerate production growth; the proceeds from the private placement are expected to be utilized in further development activities.

Operational Update

Management’s strategy is to focus on high growth, low risk production increases utilizing standard Western technology and improved oil recovery (“EOR”) methods. These methods include improved artificial lift, integrated reservoir management and production optimization.

Over the third quarter of 2010, Stream continued to implement its high growth, low risk development plans, resulting in the following achievements:

- Local services have been secured for workovers and the water injection pilot at the Gorisht oil field
- The Company submitted Phase II of the Exploration Plan for the Delvina gas field in August, and presented it to the Albanian authorities in October 2010.

Under its Petroleum Agreements, Stream has the right to takeover all the existing wells and facilities in its oil and gas fields (approximately 600 wells). Of these wells, 244 are producing with the remainder requiring some type of intervention. By the end of the third quarter of 2010, the Company had taken over a total of 124 wells, of which 53 were producing at time of takeover.

Outlook

Stream will continue to implement its development plans during the remainder of 2010. This includes approximately 20+ well workovers for the Cakran-Mollaj oil field, the takeover of all producing wells in the Gorisht-Kocul oil field and initiation of the first phase of a water flood pilot, and the staged takeover of the Ballsh-Hekal oil field. The Company will take over an additional 268 wells at the Gorisht-Kocul oil field, of which 122 are producing. At Ballsh-Hekal, an additional 189 are expected to be taken over during the latter part of 2010 and into 2011, of which 66 are currently producing.

Management has developed plans for oil exports as allowed under the Company’s Petroleum Agreements. Exports will begin as soon as volumes permit optimum export sales contracts. This is expected to provide additional benefit to the Company through the addition of new markets and higher realized crude oil prices.

Through the successful implementation of its development strategy, Stream expects to exit 2010 with gross field operating production in the range of 1,800 to 2,200 boed as a result of additional well recompletions and further field takeovers

For further information, please refer to the Company's interim financial statements and MD&A on SEDAR: www.sedar.com and on the Company's website: www.streamoilandgas.com

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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

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 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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