Stream Oil & Gas Ltd.
#300, 609 -14th Street NW
Calgary, Alberta
T2N 2A1

For Immediate Release

Stream Announces 2011 Third Quarter Results

Continued Growth in Production and Revenue

CALGARY, October 31, 2011 - Stream Oil & Gas Ltd. (TSX-V: SKO) (the "Company") is pleased to report its financial and operating results for the quarter ended August 31, 2011.

The full text of Management's Discussion and Analysis ("MD&A") and the Company's unaudited consolidated financial statements can be found on Stream's website at www.streamoilandgas.com and at www.sedar.com.

Q3 2011 Summary of Results

(US$000s, except as noted)	**Three Months Ended August 31, 2011**	2010	**Nine Months Ended August 31, 2011**	2010
Financial				
Revenue	**3,434**	2,653	**9,997**	5,262
Net operating income (loss)	**1,871**	1,726	**5,943**	3,646
Funds from (used in) operations	**(907)**	912	**(482)**	(46)
Net income (loss)	**(229)**	813	**608**	790
Per share - basic & diluted	**(0.00)**	0.02	**0.01**	0.02
Additions to property, plant & equipment	**274**	1,097	**9,143**	2,467
Operating				
Average production (boed)	**1,048**	392	**690**	276
Average price ($/boed)	**70.55**	38.70	**60.56**	41.42
Netback ($/boed)	**50.29**	24.81	**39.98**	24.98

As at	**August 31, 2011**	Nov. 30, 2010
Cash and cash equivalents	**454**	9,493
Shareholders' equity	**22,250**	20,744
Weighted average shares outstanding (#)	**64,147,454**	51,141,013

Q3 2011 Achievements:

- Increased average net production by 170% to 1,048 boed compared to 392 boed in the third quarter 2010.
- Improved average crude price at $70.55 per barrel, an 82% increase over the $38.70 per barrel in 2010.
- Increased revenue by 29% to $3.4 million for the third quarter of 2011 compared to $2.7 million for the corresponding period in 2010.
- Concluded negotiations for higher heavier crude prices for export shipments at 68% of Brent versus local Albania market prices at 60%.
- Continued positive results from the first phase of the enhanced oil recovery ("EOR") program at the Gorisht-Kocul oilfield.

Subsequent to the quarter, Stream achieved the following:

- Progressed discussions with European banks on securing debt facilities to accelerate work plans and increase activity across the oilfields. Management hopes to finalize these agreements in the near future.
- Completed the Delvina 12 gas well workover; test production will begin in the fourth quarter following well fracing.
- Brought three additional wells on line in the Cakran-Mollaj field and continued reactivation and workover of wells in the Gorisht-Kocul oilfield.
- Added an additional work over rig to accelerate increases in production.

"We continue to progress with our development plans despite funding availability having been delayed by global economic events," said Dr. Sotirios Kapotas, President and CEO. "We are optimistic with the progress we've made recently towards securing additional funding, and hope to finalize a facility in the near future. This will allow us to no longer be constrained by operating only within cash flow, but will be able to move to a more aggressive development plan, which is expected to generate substantial additional production."

Dr. Kapotas continued, "The activities of the third quarter have positioned the Company for growth. The groundwork has been laid for production increases in both the near term and future through advancements in both primary and secondary recovery work."

Outlook

Stream's growth strategy is focused on increasing production, reserves, sales and cash flow through the application of improved oil recovery methods. The Company had targeted average 2011 net exit production between 2,250 and 2,600 boed based on new financing in late July. Although 2011 will see a major increase in production, the impact of delays in funding, market factors and unforeseen equipment delivery delays means that it is now unlikely that this target will be reached before 2012. Management is in the process of re-evaluating its workplans to mitigate the impact of these delays and determine production levels, taking into consideration available cash flow and the timing of finalizing debt facilities.

In parallel with increasing production, Stream will continue to focus its technical personnel on further defining its resource potential. Despite difficulties with facilities rehabilitation, the Company will continue additional takeovers in the Ballsh-Hekal field as well as carrying out technical planning for the future deployment of the Gorisht waterflood commercial project and EOR testing for the Cakran-Mollaj, Ballsh-Hekal and Gorisht-Kocul oilfields. The implementation of these programs is expected to lead to further conversion of resources to reserves in 2012. In addition, the Company intends to continue to develop export opportunities, thereby proactively managing potential risks from interruptions to in-country sales and cash flow.

The execution of the Company's growth program, negotiation of longer term export contracts and strengthening of its financial resources is expected to result in additional value to Stream and its shareholders.

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 third quarter 2011 results and outlook for 2011. 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 reflect 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.

Contingent resources disclosed herein represent those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations, using established technology or technology under development, but which are not currently considered to be commercially recoverable due to one or more *contingencies. There is no certainty that any portion of the resources will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of the resources.*

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.

Use of Boe Equivalents

The oil and gas industry commonly expresses production and reserve volumes on a barrel of oil equivalent (Boe) basis whereby natural gas volumes are converted at the ratio of six thousand cubic feet of natural gas to one barrel of oil. Boe may be misleading particularly if used in isolation. A Boe conversion ratio of 6 Mcf: 1 Bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

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.

Contact Information

Dr. Sotirios Kapotas, President & Chief Executive Officer	P: (403) 531-2358
James Hodgson, Chief Financial Officer	P: (403) 531-2358

Email info@streamoilandgas.com

Website: www.streamoilandgas.com