

STREAM OIL & GAS LTD.

Price (July 22, 2010)	\$0.70
52-Week High-Low	\$0.85-\$0.21
Shares O/S	51.84 million
Market Cap	\$36.3 million
50-day Average Volume	35,500
200-day Average Volume	51,700
Year-End	November 30
Symbol	TSX-V: SKO
Website	www.streamoilandgas.com

Financial Data (C\$)

Selected Income/Cash Flow (CAD\$ 000s)	Year end 12 Months	
	Nov. 30/09	Feb. 28/10
Revenues	\$2,215	\$2,688
Adjusted EBITDA	(\$1,261)	(\$963)
Net Income	(\$2,072)	(\$1,796)
Cash Flow From Operations	(\$1,190)	(\$930)
Free Cash Flow	(\$2,333)	(\$2,998)
Selected Balance Sheet		
Cash	\$263	\$1,885
Oil and Gas Properties	\$6,651	\$7,426
Shareholders' Equity	\$5,249	\$8,404
Total Assets	\$7,341	\$10,191
Key Ratios		
Monthly Cash Burn (000)	(\$290)	(\$304)
Annual Capex (000)	(\$1,854)	(\$2,175)
Multiple		
Properties Per Share	\$0.17	\$0.15
Book Value (S.E.) Per Share	\$0.13	\$0.17
Revenue Per Share	\$0.06	\$0.06
Cash Flow Per Share	(\$0.03)	(\$0.02)
Cash Per Share	\$0.01	\$0.04
Market Cap/boe		\$0.02
Price/Revenue (x)	7.03	10.2
Price/Book Value (x)	3.04	3.62

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Note: Report was prepared with public information only.

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Source: www.bigcharts.com

PROFILE

Stream Oil & Gas Ltd. is a Canadian-based oil&gas company with operations in Albania. The Company is focused on re-activation and re-development of four major-producing Albanian projects: three heavy oil fields and one gas field.

INVESTMENT CONSIDERATIONS

1. Strengths

- The Company owns substantial under-developed oil&gas resources with an estimate of 1,910 million barrels of oil equivalent (boe), which would yield between \$200 million and \$260 million in net present value (NPV), based on an oil price of US\$50/\$60 per barrel.
- The stock is significantly undervalued, based on market capitalization per boe, relative to international peers;
- Potential for production growth in 2010 is promising, with net production increasing to over 500 barrels per day (boed) in April, a 70% increase over 2009; the Company targets 2,000 boed by year-end 2010.
- The Company has a experienced management team with substantial expertise in the industry and in Albania.

2. Challenges

- Substantial external funds are required to carry out its growth strategy.
- Although Albania is a European country and has great potential for foreign investment with its vast oil and gas resources, the country has been fragmented with outdated technology, an inefficient workforce, and a bureaucratic and lengthy regulatory process.

HIGHLIGHTS

- The Company appointed a new CFO in May 2010. James Hodgson has 30 years of experience in the oil&gas industry.
- Net proceeds of 3.2 million were raised in January 2010 to be used for production growth. The funds were raised through the issuance of 10 million units consisting of one common share and one-half warrant, with a full warrant exercisable at \$0.55 per share and with a two-year term.
- In 2009, the Company completed the takeover of all wells and infrastructure of the Cakran-Mollaj oil field and the Usoja central treatment facility. The acquisition should increase production by about 30%.
- Before the acquisition of Cakran-Mollaj, the Company's reserves were valued at \$145.3 million by AJM Petroleum Consultant on three oil fields (Cakran-Mollaj, Gorischt-Kocul, and Ballsh-Hekaj).

PROJECTS

1. Cakran-Mollaj Field (oil):

- This is a medium gravity oil field (25° API) and is currently producing from 25 wells out of a field inventory of 62 wells.
- The Company's portion of the estimated reserve is 550 million barrels (Mbbbl) in terms of original oil in place (OoIP).
- The current field production is 555 bbl/d, of which 271 bbl/d are net for the Company.
- Management is targeting a three-fold increase in production.

2. Gorischt-Kocul Field (oil):

- This heavy oil field (15° API) is currently producing from 135 wells out of a field inventory of 295 wells.
- Estimated reserve is 360 Mbbbl (the Company's portion).
- The current field production is 1,150 bbl/d, of which 82 bbl/d are net for the Company.

3. Ballsh-Hekaj Field (oil):

- This is a heavy oil field (11° API) and is currently producing from 81 wells out of 212 wells.
- The Company's portion of the estimated reserve is 650 Mbbbl.
- The current field production is 500 bbl/d, of which 67 bbl/d are net for the Company.
- The Company intends to take over this field in 2011.

4. Devina Field (gas and condensate):

- This field is currently producing from 2 wells.
- The Company's share of the estimated reserve is 1.30 trillion cubic feet (TCF) or 350 million boe.
- Field production is 700 million cubic feet (mcf) per day or 35 boed, of which 15 boed are net for the Company.

FINANCIAL DATA

Financial (\$ millions)	Fiscal 2009 Nov. 30/09	12 months Feb. 2010
Revenues	2.21	2.69
EBITDA	(1.26)	(0.96)
Net Income	(2.07)	(1.80)
Cash Flow	(1.19)	(0.93)
Capex	(1.85)	(2.17)
Equity Financing	-	3.07
Cash on Hand	0.26	1.89
Due to Third Party	0.42	0.42
Total Equity	5.25	8.40
Total Assets	7.34	10.19

OPERATIONAL DATA

Operational	Current Field Production	SKO Net Production	SKO Estimates of OOIP
Cakran (oil)	555 bbl/d	271 bbl/d	550 Mbbbl
Gorisht (oil)	1150 bbl/d	82 bbl/d	360 Mbbbl
Ballsh (oil)	500 bbl/d	67 bbl/d	650 Mbbbl
Devina (gas)	35 boed	15 boed	350 Mboe
Total	2,303 boed	480 boed	1,910 Mboe

bbl/d = barrels per day; Mbbbl = millions of barrels.
boed = barrels of oil equivalent per day.

SHARE STRUCTURE

Current Issued and Outstanding Shares	51,844,191
Options	5,965,000
Warrants	<u>4,041,107</u>
Fully Diluted	61,850,298
Management share ownership	40%

MANAGEMENT AND DIRECTORS

Sotiris Kapotas, President & CEO, Chairman
Arian Tartari, Vice President, Albania
James Hodgson, Chief Financial Officer, Director


CORPORATE INFORMATION

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Map of Albania



 **Stream**
OIL & GAS

TSX-V: SKO

Stream Oil & Gas's Assets in Albania



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