



ANNUAL INFORMATION FORM

For the Year Ended November 30, 2011

March 29, 2012

TABLE OF CONTENTS

	Page
ABBREVIATIONS AND CONVERSION FACTORS	3
DEFINITIONS.....	5
CORPORATE STRUCTURE	10
GENERAL DEVELOPMENT OF THE BUSINESS.....	10
RISK FACTORS	19
STATEMENT OF RESERVES DATA.....	26
DIVIDENDS.....	31
CAPITAL STRUCTURE	31
MARKET FOR SECURITIES	32
DIRECTORS AND OFFICERS	32
LEGAL PROCEEDINGS AND REGULATORY ACTIONS	35
INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS	36
MATERIAL CONTRACTS	36
INTERESTS OF EXPERTS	36
TRANSFER AGENT AND REGISTRAR.....	37
ADDITIONAL INFORMATION.....	37
AUDIT COMMITTEE DISCLOSURE.....	37
ADVISORIES.....	39

ABBREVIATIONS AND CONVERSION FACTORS

Abbreviations

The following are abbreviations of technical terms used throughout this Annual Information Form:

“**API**” means American Petroleum Institute

“**bbl**” means barrel;

“**bbl/d**” means barrels per day;

“**bbls**” means barrels;

“**boe**” means barrels of crude oil equivalent;

“**boed**” or “**boe/d**” means barrels of crude oil equivalent per day;

“**Brent**” stands for Brent crude oil

“**gj**” means gigajoule, a term used for measuring energy use, equal to 10^9 joules;

“**Mbbls**” means thousand barrels;

“**Mboe**” means thousand barrels of crude oil equivalent;

“**MMbbls**” means million barrels;

“**MMBoe**” means million barrels of crude oil equivalent;

“**MMcf**” means million cubic feet;

“**MMcfd**” or “**MMcf/d**” means million cubic feet per day;

“**MMcfe**” means million cubic feet equivalent; and

“**NGL**” means natural gas liquids.

Conversion Factors

To conform to common usage, Standard Imperial Units of measurement are used in this Annual Information Form to describe exploration and production activities. The following table sets forth conversions between Standard Imperial Units and the International System of Units (or metric units).

To Convert From	To	Multiply By
boe	Mcf	6.000
cubic feet	cubic metres of gas	0.028
cubic metres of gas	cubic feet	35.490
bbls of oil	cubic metres	0.159
cubic metres	bbls of oil	6.289
gigajoule	thousand cubic feet of natural gas	0.95
feet	metres	0.305
metres	feet	3.281
miles	kilometres	1.609
kilometres	miles	0.621
acres	hectares	0.400
hectares	acres	2.500

Currency & Exchange Rate Information

This Annual Information Form contains references to Canadian dollars and United States dollars. All dollar amounts referenced are expressed in United States dollars (“US\$”) unless otherwise indicated. Canadian dollars are referred to as “CAD\$”. The following table sets forth, for each of the years indicated, the year-end noon exchange rate, the average noon exchange rate and the high and low noon exchange rates of United States dollars into Canadian dollars using information provided by the Bank of Canada.

	Year Ended November 30,	
	2011	2010
High	\$1.0604	\$1.0778
Low	\$0.9449	\$0.9946
Average	\$0.9879	\$1.0299
Year-End	\$1.0197	\$0.9946

The noon exchange rate on November 30, 2011, using information provided by the Bank of Canada for the conversion of Canadian dollars into United States dollars, was CAD\$1.00 equals US\$0.9807.

DEFINITIONS

The following terms, when used in this Annual Information Form, have the following meanings and, where applicable, are as set forth in National Instrument 51-101, “Standards of Disclosure for Oil and Gas Activities,” issued by the Canadian Securities Administrators (“CSA”).

“**AKBN**” means the National Agency for Natural Resources in Albania.

“**AIF**” means this Annual Information Form.

“**AJM**” means AJM Petroleum Consultants, Stream’s independent reserve evaluators.

“**Albanian Properties**” means the three producing oil fields, being the Cakran-Mollaj, Ballsh-Hekal and Gorisht-Kocul fields and one producing gas field, being the Delvina field, in Albania in which Stream has acquired interests.

“**Albpetrol**” means Albpetrol Sh. A, an Albanian state owned agency.

“**API**” is an indication of the specific gravity of crude oil measured on the American Petroleum Institute gravity scale;

“**ARMO**” means Armo Sh. A., the Albanian refining and marketing organization.

“**associated gas**” means the gas cap overlying a crude oil accumulation in a reservoir.

“**Ballsh-Hekal License Agreement**” is the agreement between AKBN and Albpetrol, to which Stream became a party on August 8, 2007, which together with the Petroleum Agreement governs the rights of Stream in respect of the Ballsh-Hekal heavy oilfield in Albania.

“**Ballsh-Hekal Petroleum Agreement**” is the agreement between Stream and Albpetrol, dated August 8, 2007, which, together with the License Agreement governs the rights of Stream in respect of the Ballsh-Hekal heavy oilfield in Albania.

“**Board of Directors**” means the board of directors of the Company.

“**Cakran-Mollaj License Agreement**” is the agreement between AKBN and Albpetrol, to which Stream became a party on August 8, 2007, which together with the Petroleum Agreement governs the rights of Stream in respect of the Cakran-Mollaj heavy oilfield in Albania.

“**Cakran-Mollaj Petroleum Agreement**” is the agreement between Stream and Albpetrol, dated August 8, 2007, which, together with the License Agreement governs the rights of Stream in respect of the Cakran-Mollaj heavy oilfield in Albania.

“**Company**” or “**Stream**” or “**we**” means Stream Oil and Gas Ltd. and its partnership and subsidiaries where the context so requires.

“**crude oil**” or “**oil**” means a mixture that consists mainly of pentanes and heavier hydrocarbons, which may contain small amounts of sulphur and other non-hydrocarbon compounds, that is recoverable at a well from an underground reservoir, and that is liquid at the conditions under which its volume is measured or estimated. It does not include solution gas or natural gas liquids.

“Delvina License Agreement” is the agreement between AKBN and Albpetrol, to which Stream became a party on August 8, 2007, which together with the Petroleum Agreement governs the rights of Stream in respect of the Delvina gas field in Albania.

“Delvina Petroleum Agreement” is the agreement between Stream and Albpetrol, dated August 8, 2007, which, together with the License Agreement governs the rights of Stream in respect of the Delvina gas field in Albania.

“developed non-producing” reserves are those reserves that either have not been on production, or have previously been on production, but are shut-in, and the date of resumption of production is unknown.

“developed producing” reserves are those reserves that are expected to be recovered from completion intervals open at the time of the estimate. These reserves may be currently producing or, if shut-in, they must have previously been on production and the date of resumption of production must be known with reasonable certainty.

“development costs” means costs incurred to obtain access to reserves and to provide facilities for extracting, treating, gathering, and storing the oil and gas from the reserves. More specifically, development costs, including applicable operating costs of support equipment and facilities and other costs of development activities, are costs incurred to:

- (a) gain access to and prepare well locations for drilling, including surveying well locations for the purpose of determining specific development drilling sites, clearing ground, draining, road building, and relocating public roads, gas lines and power lines, to the extent necessary in developing the reserves;
- (b) drill and equip development wells, development type stratigraphic test wells, and service wells, including the costs of platforms and of well equipment such as casing, tubing, pumping equipment, and the wellhead assembly;
- (c) acquire, construct and install production facilities such as flow lines, separators, treaters, heaters, manifolds, measuring devices, production storage tanks, natural gas cycling and processing plants, and central utility and waste disposal systems; and
- (d) provide improved recovery systems.

“development well” means a well drilled inside the established limits of an oil or gas reservoir, or in close proximity to the edge of the reservoir, to the depth of a stratigraphic horizon known to be productive.

“exploratory well” means a well that is not a development well, a service well, or a stratigraphic test well.

“EOR” means enhanced oil recovery;

“field” means an area consisting of a single reservoir or multiple reservoirs all grouped on or related to the same individual geological structural feature and/or stratigraphic condition. There may be two or more reservoirs in a field that are separated vertically by intervening impervious strata or laterally by local geologic barriers or both. Reservoirs that are associated by being in overlapping or adjacent fields may be treated as a single or common operational field. The geological terms “structural feature” and

“stratigraphic condition” are intended to denote localized geological features, in contrast to broader terms such as “basin,” “trend,” “province,” “play,” or “area of interest”.

“**forecast prices and costs**” means future prices and costs that are:

- (a) generally accepted as being a reasonable outlook of the future; and
- (b) if, and only to the extent that, there are fixed or presently determinable future prices or costs to which the Company is legally bound by a contractual or other obligation to supply a physical product, including those for an extension period of a contract that is likely to be extended, those prices or costs rather than the prices and costs referred to in paragraph (a).

“**future income tax expenses**” means future income tax expenses estimated year-by-year:

- (a) making appropriate allocations of estimated unclaimed costs and losses carried forward for tax purposes, between oil and gas activities and other business activities;
- (b) without deducting estimated future costs that are not deductible in computing taxable income;
- (c) taking into account estimated tax credits and allowances; and
- (d) applying to the future, pre-tax cash flows relating to the Company’s oil and gas activities and the appropriate year end statutory tax rates, taking into account future tax rates already legislated.

“**future net revenue**” means the estimated net amount to be received with respect to the development and production of reserves estimated using forecast prices and costs.

“**Gorisht-Kocul License Agreement**” is the agreement between AKBN and Albpetrol, to which Stream became a party on August 8, 2007, which together with the Petroleum Agreement governs the rights of Stream in respect of the Gorisht-Kocul heavy oilfield in Albania.

“**Gorisht-Kocul Petroleum Agreement**” is the agreement between Stream and Albpetrol, dated August 8, 2007, which, together with the License Agreement governs the rights of Stream in respect of the Gorisht-Kocul heavy oilfield in Albania.

“**gross**” means:

- (a) the Company’s working interest (operating or non-operating) share before deduction of royalties and without including any royalty interests of the Company in relation to production or reserves;
- (b) the total number of wells in which the Company has an interest; or
- (c) the total area of properties in which the Company has an interest.

“**Lek**” is the domestic Albanian currency.

“**liquids**” means crude oil, natural gas liquids, and sulphur.

“natural gas” or **“gas”** means the lighter hydrocarbons and associated non-hydrocarbon substances occurring naturally in an underground reservoir, which under atmospheric conditions are essentially gases, but which may contain natural gas liquids. Natural gas can exist in a reservoir either dissolved in crude oil (solution gas) or in a gaseous phase (associated gas or non-associated gas). Non-hydrocarbon substances may include hydrogen sulphide, carbon dioxide, and nitrogen.

“natural gas liquids” means those hydrocarbon components that can be recovered from natural gas as liquids including, but not limited to, ethane, propane, butanes, pentanes plus, condensate, and small quantities of non-hydrocarbons.

“net” means:

- (a) the Company’s working interest (operating or non-operating) share after deduction of royalty obligations, plus its royalty interests in production or reserves in relation to production or reserves;
- (b) the number of wells obtained by aggregating the Company’s working interest in each of its gross wells; or
- (c) the total area of properties in which the Company has an interest multiplied by the working interest owned by the Company.

“non-associated gas” means an accumulation of natural gas in a reservoir where there is no crude oil.

“operating costs” or **“production costs”** means costs incurred to operate and maintain wells and related equipment and facilities, including applicable operating costs of support equipment and facilities and other costs of operating and maintaining those wells and related equipment and facilities.

“PoD” refers to the Plan of Development for the various Albanian oilfields and gas field submitted by Stream and approved by AKBN.

“PoE” refers to the Plan of Exploration for the Delvina gas field submitted by Stream and approved by AKBN.

“probable” reserves are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves.

“production” means recovering, gathering, treating, field or plant processing (for example, processing gas to extract natural gas liquids) and field storage of oil and gas.

“property” includes:

- (a) fee ownership or a lease, concession, agreement, permit, licence, or other interest representing the right to extract oil or gas, subject to such terms as may be imposed by the conveyance of that interest;
- (b) royalty interests, production payments payable in oil or gas, and other non-operating interests in properties operated by others; and

- (c) an agreement with a foreign government or authority under which the Company participates in the operation of properties or otherwise serves as producer of the underlying reserves (in contrast to being an independent purchaser, broker, dealer, or importer).

A property does not include supply agreements or contracts that represent a right to purchase, rather than extract, oil or gas.

“proved” reserves are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves.

“proved property” means a property or part of a property to which reserves have been specifically attributed.

“reserves” are estimated remaining quantities of oil and natural gas, and related substances anticipated to be recoverable from known accumulations, as of a given date, based on (a) analysis of drilling, geological, geophysical and engineering data; (b) the use of established technology; and (c) specified economic conditions, which are generally accepted as being reasonable and shall be disclosed. Reserves are classified according to the degree of certainty associated with the estimates.

“reservoir” means a porous and permeable subsurface rock formation that contains a separate accumulation of petroleum that is confined by impermeable rock or water barriers and is characterized by a single pressure system.

“service well” means a well drilled or completed for the purpose of supporting production in an existing field. Wells in this class are drilled for the following specific purposes: gas injection (natural gas, propane, butane, or flue gas), water injection, steam injection, air injection, salt-water disposal, water supply for injection, observation, or injection for combustion.

“solution gas” means gas dissolved in crude oil.

“stratigraphic test well” means a geologically directed drilling effort, to obtain information pertaining to a specific geologic condition. Ordinarily, such wells are drilled without the intention of being completed for hydrocarbon production. They include wells for the purpose of core tests and all types of expendable holes related to hydrocarbon exploration. Stratigraphic test wells are classified as (a) “exploratory type” if not drilled into a proved property; or (b) “development type”, if drilled into a proved property. Development type stratigraphic wells are also referred to as “evaluation wells”.

“support equipment and facilities” means equipment and facilities used in oil and gas activities, including seismic equipment, drilling equipment, construction and grading equipment, vehicles, repair shops, warehouses, supply points, camps and division, district, or field offices.

“Trafigura” means Trafigura Beheer B.V., the Swiss refining and marketing organization.

“TSX-V” means the TSX Venture Exchange.

“undeveloped” reserves are those reserves expected to be recovered from known accumulations where a significant expenditure (e.g. when compared to the cost of drilling a well) is required to render them capable of production. They must fully meet the requirements of the reserves category (proved, probable, possible) to which they are assigned.

“**well abandonment costs**” means costs of abandoning a well (net of salvage value) and of disconnecting the well from the surface gathering system. Costs of abandoning the gathering system or reclaiming the well site are not included.

CORPORATE STRUCTURE

Name and Incorporation

Stream Oil & Gas Ltd. (“Stream” or the “Company”) was initially incorporated under the Business Corporations Act (British Columbia) on January 11, 2005 under the name “0713471 B.C. Ltd.”. On April 20, 2005, the Company changed its name to “L.G.R. Resources Ltd.”. Effective April 4, 2008, the Company changed its name to “Stream Oil & Gas Ltd.”.

The Company’s head office is located at Suite 300, 609-14th Street N.W., Calgary, Alberta, Canada, T2N 2A1. The Company’s registered office is located at 19th Floor, 885 West Georgia Street, Vancouver, British Columbia, V6C 3H4.

On April 4, 2008, the Company completed an acquisition by way of a share exchange of all the issued and outstanding ordinary shares of Stream Oil & Gas Ltd. (“**Stream (CI)**”), a limited liability exempted company incorporated on June 11, 2007 under the laws of the Cayman Islands. The acquisition resulted in a reverse takeover of the Company (the “**RTO**”) and Stream (CI) became a wholly-owned subsidiary of the Company.

Effective April 4, 2008 and in conjunction with the RTO, the Company amended its Notice of Articles to consolidate the common shares of the Company on a four-for-one basis (the “**Common Shares**”, as presently constituted). In addition, the Company changed its name to “Stream Oil & Gas Ltd.”, as mentioned above.

Stream (CI) remains the Company’s only subsidiary and is still wholly-owned by the Company. Stream (CI) has a registered branch in Albania through which all exploration and production operations of the Company in Albania are conducted.

Unless the context otherwise requires, references to “Stream” or “the Company” herein include the Company and Stream (CI).

GENERAL DEVELOPMENT OF THE BUSINESS

Stream is engaged in oil and gas exploration, development and production. Stream (CI) was founded to acquire interests in petroleum producing fields in the Republic of Albania (“**Albania**”) and elsewhere. On August 8, 2007, Albpetrol Sh.A (“**Albpetrol**”), the Albanian state exploration and production company, transferred to Stream (CI) four license agreements (“**License Agreements**”) with Albania’s National Petroleum Agency (“**AKBN**”). These License Agreements gave Stream access to three fully developed onshore oil fields and one partially developed onshore gas field. At the time, each field was operated by Albpetrol. On August 8, 2007, Stream (CI) also entered into four petroleum agreements (“**Petroleum Agreements**”) with Albpetrol which, together with the License Agreements, govern Stream’s rights in respect of the three oil fields and the gas field. The Company’s growth strategy is focused on utilizing proven technology, incremental and enhanced oil recovery (“**EOR**”) techniques to significantly increase

production and reserves. Stream's shares are listed on the TSX Venture Exchange ("TSX-V") under the symbol SKO.

Three Year History

Stream is engaged in oil and gas exploration, development and production of three oil fields and one gas field in Albania. On August 8, 2007, Stream became a party to a License Agreement and entered into a Petroleum Agreement for each of three oil fields in Albania: Gorisht-Kocul, Ballsh-Hekal and Cakran-Mollaj; as well as for the Delvina gas field. According to the terms of each Petroleum Agreement, Stream is entitled to a share of the current baseline production and to all incremental production in excess of the current baseline production. The term of the development and production period is 25 years with an option for an unlimited number of successive five year terms, giving the Company the right to extensively develop these assets with conventional and EOR mechanisms. Operations began under the Petroleum Agreements at the beginning of November 2007.

In 2009, Management's priorities included bringing in additional technical expertise to develop the Company's assets and prepare a three-year plan of development, establishing new markets and investigating export opportunities and obtaining an independent reserve valuation report for its assets. All of these objectives were met during the year. Stream finalized consulting agreements and engaged additional technical and marketing expertise to develop the Company's assets and prepare a three-year plan of development. Stream completed the evaluation phases on its three Albanian oil fields and met its commitments under the Petroleum Agreements. Oilfield PoDs were submitted in September to the Albanian authorities, the execution of which would provide substantial future growth. The development plan covered proving the fields, and, subject to available funding, drilling new horizontal wells, increasing oil and gas production, and cash flow. The Company's dependence on Albpetrol was reduced by securing a new local customer to take crude oil production from Cakran-Mollaj and Gorisht-Kocul fields. The Company's first reserve report was completed in October, resulting in net gross proved plus probable reserves of 17.4 MMBoe that had a net present value of \$145.3 million (before tax, discounted at 10%). Through further well takeovers, workovers and rehabilitation work, gross daily production increased to around 500 bbls/day by the end of 2009.

In 2010, Stream's development improved substantially through the achievement of several objectives. In January, Stream became a Tier 1 issuer on the TSX-V and completed a \$3.5 million non-brokered private placement of units, the proceeds of which were used to implement production growth plans. By the end of 2010, the Company had received final approval from Albpetrol and the Albanian government for the three oilfield PoDs as well as the PoE for the Delvina gas field. Approval of Delvina's PoD was received from Albpetrol in 2010 with the final approval from the Albanian government being received in January 2011. Stream advanced its growth plans in 2010, completing the takeover all wells and infrastructure of the Cakran-Mollaj and Gorisht-Kocul oilfields, and began the staged takeover of the Ballsh-Hekal oilfield. The Company achieved a peak gross daily production of 2,192 boed (1,136 boed net) as of December 31, 2010, up from 587 boed (305 boed net) in 2009, through its operational activities in Albania. As a result, the 2010 reserve evaluation resulted in reserve growth to 18.7 MMboe of net proved plus probable reserves at a net present value of \$589.9 million. Contingent resources and resources initially-in-place were also evaluated, contributing to Stream's overall asset value.

In November 2010, Stream completed a non-brokered private placement 6,500,000 units at a price of \$1.50 per unit for gross proceeds of \$9.8 million. In December, Stream completed its first export shipment of crude oil for delivery to Alma Petroli refinery in Ravenna, Italy, further reducing its dependence on local customers and significantly increasing the price received for its crude oil. Subsequent to year-end, Stream entered into an export contract to supply an Italian refinery with more shipments, the second of which was completed in the first quarter of 2011.

In 2011, Stream focused on activities to position the Company for production growth in both the near term and future through advancements in primary and secondary extraction work. Despite delays in funding availability due to global economic events, Management achieved several key initiatives that resulted in increases in production, reserves and cash flow. At the Gorisht-Kocul oilfield, Stream finalized takeover of the field and initiated the first phase of the EOR waterflood project with positive results. Pipeline and infrastructure takeover was completed at Delvina, Ballsh-Hekal and Gorisht-Kocul, providing the foundation for future needs. At Delvina, approval for the Plan of Development was received, allowing the Company to complete the Delvina 12 gas well workover with testing commencing late in 2011.

In addition, Stream increased its product sales price in 2011 through the initiation of export sales during the year and the negotiation of a higher crude price for domestic sales. This resulted in realized average crude prices of approximately 68% of Brent crude. Subsequent to the year, Management completed an agreement for a US\$20 million debt facility with Raiffeisen Bank Sh.A. in Albania. This provides additional funding for field development capital expenditures.

In 2012, operational activities are focused on recompletions and workovers of existing wells as the Company takes over the remainder of the fields, as well as the implementation of secondary and EOR techniques to further increase reserves and production. Management remains focused on utilizing proven technology, incremental and EOR techniques to significantly increase production and reserves. The successful execution of Stream's PoDs and PoE is expected to result in significant gains in company value, providing future benefit to shareholders.

DESCRIPTION OF THE BUSINESS

Business Plan and Strategy

Stream's business plan is to increase shareholder value through the effective development, exploration and production of its three oil fields and a gas field in Albania to provide the optimal return, maximizing cash flow and asset value. This will be achieved through the effective execution of primary and secondary extraction techniques, increasing field recovery, production and reserves. Stream has experienced professional, management, technical, and support staff sufficient to carry out its business plan and its current exploration, exploitation, development, production, engineering, financial, and administrative functions.

The Company's growth strategy is focused on utilizing proven technology, incremental and EOR techniques to significantly increase production and reserves. Activities include improved artificial lift, integrated reservoir management and production optimization. Stream's growth strategy includes the components set forth below:

Maximize Shareholder Value Through Accretive Investment Decisions. Stream will utilize a disciplined approach to focus on value creation when investing internally generated cash flow and funds from other sources, providing the Company and shareholders with optimal returns. This perspective will be utilized in the evaluation and selection of prospects, which include development activities to maximize the value of its assets or respond to future growth opportunities. Stream developed a strong multi-year plan that provides strategic direction and plans for future growth and value creation.

Execute a Measured and Flexible Financial Approach. Stream will take a flexible financial approach and adjust capital spending to available funds as it strengthens its financial resources. Prudent financial management will contribute to improved capital efficiencies, reducing internal cost structures while managing corporate structure.

Concentrate on Core Areas. Stream is focused on its core areas, which provide a solid portfolio of exploration, development, and exploitation prospects. In these areas, Management and staff have significant technical expertise and operational experience.

Control Infrastructure and Operatorship. Stream has access to critical infrastructure in its areas, providing the ability to transport product as desired. Being an operator ensures discretion in determining the timing and methodology of ongoing exploration, development, and exploitation programs.

Operate Efficiently to Maximize Return on Investment. Stream is committed to providing optimal returns from funds spent on operations, whether for drilling or operating costs. As a result, Management is focused on increasing operating efficiencies and production rates while decreasing operating costs, providing attractive returns on investment for its shareholders.

Diversify Customer Base to Maximize Return and Opportunity. Stream will expand its customer base through the sale of its production in Albania and the rest of Europe. The first export shipments commenced in 2010, demonstrating the Company's capability to manage complex logistics, reduce local market dependence and achieve incremental sales price. The Company will continue to identify and negotiate new and higher value sales agreements for its production in Albania.

Principal Properties

Stream operates in Albania, which is located northwest of Greece in South Eastern Europe. In August 2007, Stream entered into four License Agreements with AKBN, taking over from Albpetrol, and entered into four Petroleum Agreements with Albpetrol, which, together gave the Company the right to access and develop three fully developed onshore oil fields and one partially developed onshore gas field. Stream commenced operations in November 2007, taking over the operation of wells, associated equipment and facilities. The Company was entitled to an evaluation period to propose PoDs for the fields to Albpetrol and AKBN. The evaluation phase was concluded with PoDs and the Delvina PoE being submitted for approval. The required approvals for the PoDs for the fields were received commencing in 2010 with the final PoD approval received in January 2011. These approvals allow Stream to take over the remaining wells in the field as set out in the PoDs and to produce and sell oil under the License Agreements for a period of 25 years with an option to extend at the Company's election for further five year increments. Of a total of approximately 600 existing wells, 244 are producing with the remainder shut-in predominantly due to failures of production equipment as a result of insufficient capital by Albpetrol. As Stream continues to execute its plans, many of these shut-in wells will be included in its recompletion and reactivation programs. By the end of the fourth quarter of 2011, the Company had taken over a total of 390 wells, of which 182 were producing with numerous remaining available for reactivation. Stream's takeover of the remaining wells, comprised of the Ballsh-Hekal oilfield, is forecast for the second half of 2012.

Stream is required to submit annual work programs and budgets to Albpetrol each year, including the nature and amount of capital expenditures, which is required to be in line with the PoDs as reviewed by AKBN for compliance. Significant deviations from the PoDs are subject to AKBN and Albpetrol approval. The terms of the Petroleum Agreements include a 2% to 4% gross over-riding royalty payable to Albpetrol based on cumulative capital recovery. In addition, the Company pays a royalty to Albpetrol for the latter's share of pre-existing production from the wells taken over by Stream. This royalty is calculated on a per well basis using 70% of the average production for the preceding six months declining at 10% per year.

In 2008, a new 10% mineral tax was legislated by the Government of Albania. The new royalty tax is applied to gross sales amounts net of pre-existing production royalties in a fashion similar to the share of

production royalty payable to Albpetrol. Under the Company's Petroleum Agreements, any new financial burdens (including new mineral taxes) shall be neutralized by amendments to the Petroleum Agreements. To maintain the benefit to both parties, the Company worked with local officials to generate neutralization options and recommended the optimum solution. Stream and Albpetrol agreed to a mechanism to offset the mineral tax, which is expected to be implemented in 2012.

Crude oil produced from the oilfields is primarily to export markets with limited local sales. Domestically, Stream sells its oil to the ARMO refineries pursuant to a sales agreement and a number of local consumers. The price received by the Company under its agreement (subject to production quality) is determined by reference to the price of Brent crude oil. Stream has the right to export all of its production in its fields and is currently exporting its crude oil production to foreign refinery consumers through Trafigura petroleum traders. The export contracts' pricing is based on market prices of Brent crude oil, adjusted for quality, and includes price limits for discussion and renegotiation purposes.

Ballsh-Hekal Oilfield

The Ballsh-Hekal oilfield was discovered in 1966 and produces 11° API oil from fractured carbonates of Cretaceous-Paleocene age. The oil is reported to contain an average of 6% to 8% sulphur. The field is considered a structural trap and to be fully developed with an average well spacing of approximately 4 ha/well (10 acres/well).

At present, Stream operates less than 20% of the existing wells at the Ballsh-Hekal oilfield, with the balance operated by Albpetrol. Stream's current field production of approximately 140 gross bopd (approximately 100 net bopd) averages to approximately 11 bopd/well, as compared to Albpetrol's PEP of less than 3 bopd/well from the remaining approximately sixty producing wells. Delays by Albpetrol resulted in field takeover to be moved into 2012; once completed Stream plans several reactivations/recompletions to existing wells before moving into the combination of EOR testing and new infill drilling.

Gorisht-Kocul Oilfield

Discovered in 1965, the Gorisht-Kocul field is a heavy oil field (15° API) that is currently producing from fractured carbonates of Cretaceous-Paleocene age. Well depths range from 400 to 1,250 metres and the oil contains an average of 6% sulphur. The field is considered a structural trap and to be fully developed with an average well spacing of approximately 2 ha/well (5 acres/well).

Current gross field production averages approximately 780 bbls/d (approximately 335 net bbls/d). Operations continue for the first phase of the waterflood (which is part of the future water alternating gas injection and EOR program) while execution planning of the field commercial pilot is advancing for installation in the fourth quarter of 2012. Data from the existing pilot will be used to validate the commercial pilot waterflood project design. Subsequent to the deployment of the commercial pilot project, Stream will prudently expand the respective operation to realize the full waterflood potential and subsequently, the EOR project. Meanwhile, as part of production growth plans, the Company continues to workover and reactivate existing wells with modern rod pumps and progressive cavity pumps, an investment which is expected to yield further benefits as production volumes increase significantly due to waterflooding. Stream continues to rehabilitate surface facilities to provide support to field production volume growth.

Cakran-Mollaj Oilfield

The Cakran-Mollaj field was discovered in 1977 and is currently producing medium gravity crude (25° API) from fractured carbonates of Cretaceous-Paleocene age. This is the deepest of the Company's oilfields at 2,650 to 3,700 metres. The field is considered a structural trap and to be fully developed with an average well spacing of approximately 16 ha/well (40 acres/well).

To date, Stream's gross production in this field reached 1,450 bbls/d (approximately 1,200 net bbls/d), resulting from the installation of a total of nine jet pump units. The workover of the pre-existing small volume producing wells, combined with group stations surface facilities modifications for the interconnections of produced and power fluid systems, require shutting in the individual, and frequently the combined group station wells, to achieve these high pressure tie-ins under safe conditions. As a result of these required shut ins, average production for the quarter is lower than equipment/field capability; work at group stations continues to stabilize the respective operations.

With oil production rates from wells equipped with jet pumps averaging approximately 100 bbls/d, Stream continues to aggressively rehabilitate these installations to establish steady production rates. In addition, rehabilitation work continues at oil treatment and water disposal facilities to eliminate system bottlenecks resulting from the increased field production. Mindful of capital effectiveness, Management was not willing to construct new facilities and was unable to perform minimum required rehabilitation work until recently due to other constraints. Stream forecasts that field wide upgrades will be completed by the end of the second quarter of 2012, allowing for steady field production. The respective field facilities rehabilitation will also allow the Company to install additional jet pumps within 2012, forecast at approximately six additional installations. In addition, Stream commenced modern rod pump workovers on lower production capability wells. ***Delvina Gas Field***

The Delvina field was discovered in 1987 and is a gas condensate field with reservoirs at a depth of 2,800 to 3,500 metres. It produces gas and 62.5° API condensate from fractured carbonates of Cretaceous-Paleocene age. The field is considered a structural trap. It has an effective inter-well spacing of approximately 1.6 kilometers (1 mile), translating to approximately 256 ha/well (640 acres/well).

The field is currently producing from two wells. The Company upgraded the infrastructure and optimized production control of the gas and condensate. Gas tests to understand phase behaviour and a PVT analysis study were also completed. Stream management is evaluating the results of passive seismic for mapping and estimating upside potential.

The PoD for the Delvina field is similar to those for the oilfields. Production is currently shut-in due to the only customer, the ARMO refinery, being shut down for interim repairs and accumulation of feedstock.

Stream completed planned workovers during 2011 and started long-term production testing in early 2012, which is integral to Delvina's development program for recompletion, fracturing, seismic monitoring and extended well tests. These will offer additional insights to the geological and reservoir characterization of the Delvina field and similar structures. The resulting information will be used for further development of this gas/condensate field, commencing with the near future drilling of the first horizontal well. Facilities rehabilitation continues in order to capture liquids as volumes increase after the drilling of the first horizontal well. When a reliable gas purchaser is available, the Company expects to redirect its gas production and concurrently produce liquids and gas. Liquids account for approximately 50% of projected revenues from this gas/condensate field; increased volumes of liquids will allow Stream to capture Brent pricing. The installation of the gas reinjection system is part of Company's gas utilization

risk management plan that is expected to mitigate changes in market demand in the near future. Procurement and related activities continue to enable the drilling of a horizontal well in the fourth quarter.

Awaiting the re-injection compressor, Stream will continue testing the resulting production and reservoir response as part of the validation of the horizontal well deployment, which is forecast for the fourth quarter of this year. The Company anticipates installation of the compressor in the third quarter, which will immediately allow the production of gas liquids for sale without the necessity of gas flaring.

Connected to potential markets by existing pipelines, Delvina gas field and block production has the capacity to support significant thermal power generation for Albania or the EOR projects for the Company and others. Stream plans to expand its existing gas market and is finalizing gas utilization plans which will support the Delvina field development program timelines.

Delvina Block

Under the Delvina Licence and Petroleum Agreements, Stream also has rights to the lands adjacent to the Delvina gas field, namely the Delvina Block. Through Phase I exploration, Stream identified three sister structures, kicking off Phase II of exploration which is forecast for completion in late 2013. Development of the Delvina Block will be relatively simple as all leverage on infrastructure/consumers deployed for the adjacent Delvina field.

The Delvina Block offers significant growth potential for the Company. Phase I was completed mid 2010; Phase II includes the drilling of a vertical exploration well after the completion of further geological assessment and the integration of new data. In 2011, Stream completed installation of incremental 3D passive seismic stations to monitor the Delvina vertical well program. Installation of denser grid seismic stations throughout the Block continues, which is expected to enable the drilling of the first exploration well.

Principal Markets and Distribution

Stream's crude oil production is primarily sold to Trafigura, an international commodities trading company that provides a stable and reliable buyer, with the majority oil transfers occurring after payment receipt in accordance with the sales agreements. Stream currently trucks its export oil to Petrolifera port facilities at Vlora.

To date, Stream sold its natural gas to Albpetrol, who in turn sold it to ARMO for operating its refinery. Albpetrol has not been a reliable consumer of Stream. As part of the Company's risk mitigation, Management developed the alternative gas utilization program, primarily focused on gas supply to third party power generation, or for EOR field development. Accounting for delays in the consumer market, Stream is currently proceeding with deployment of gas compression/reinjection facilities to allow gas liquids production without flaring the produced gas.

To date, gas liquids have been sold locally with a discount to account for the relatively small sales quantities. Following reinjection facilities installation, gas will be reinjected into the reservoir after extraction of liquids for sale and retained for future consumers. Liquids account for approximately 50% of projected revenues from this gas/condensate field; increased volumes of liquids will allow Stream to capture Brent pricing. The installation of the gas reinjection system is part of Company's gas utilization risk management plan that is expected to mitigate changes in market demand in the near future.

Bank Debt

In December 2011, Stream completed an agreement for a US\$20 million debt facility (the ‘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. The proceeds of the financing are expected to be utilized to fund Stream's capital investment program in Albania.

Under the terms of the facility, the Company has one year to draw the funds, and must repay it at the rate of 1/20th of the outstanding balance plus interest at the end of the first quarter, 1/19th of the outstanding balance at the second quarter, and then continuing each quarter, starting from the first quarter of drawdown. The loan will be repaid in full in five years. The loan carries interest at the rate of LIBOR + 5.5%, and is secured by certain commercial contracts and equipment and inventory. The loan is guaranteed by the parent company, Stream Oil and Gas Ltd. (BC).

Under the loan covenants the Company will ensure that at the end of each fiscal year, unless the lender otherwise agrees:

- its earnings before interest, taxes, depreciation and amortization (EBITDA) is not less than \$10,000,000;
- its outstanding loan principal is never more than twice its EBITDA; and
- its EBITDA is at least ten times greater than its accrued interest, commission, fees, discounts, prepayment fees, premiums, charges and other finance payments

Specialized Skills and Knowledge

Exploration for and development of petroleum and natural gas resources requires specialized skills and knowledge, including in the areas of petroleum engineering, geophysics, geology and land. Stream has obtained personnel with the required specialized skills and knowledge to carry out their respective operations. While the current labour market in the industry is highly competitive, the Corporation expects to be able to attract and maintain appropriately qualified employees in 2012.

Competitive Conditions

Competitive conditions affecting the oil and gas industry are described under the heading “Competition” in the “Risk Factors” section of this AIF.

Cycles

Petroleum operations in Albania are affected by winter operating conditions from November to March. During these months, well reactivations decline with a corresponding decline in production gains in the fields. The price per barrel received by the Company under its export sales contracts are weighted to world Brent commodity price and can be adversely affected by mild weather conditions. World crude oil prices increased in 2011 over 2010, from a low of approximately \$74 per barrel Brent in February 2010 to a high of approximately \$123 per barrel Brent in April 2011.

Pricing and Marketing

In Albania, producers of oil negotiate sales contracts directly with oil purchasers. As the result, the market determines the price of oil, which depends in part on oil quality, prices of competing fuels, the value of refined products and the supply/demand balance.

Economic Dependence and Foreign Operations

The Company's Albanian production is dependent upon the Petroleum and License Agreements for the Ballsh-Hekal, Gorisht-Kocul and Cakran-Mollaj oilfields. Its revenues are primarily derived from both domestic and export sales contracts. See "Description of the Business".

Environmental Protection

The overall environmental impact to Stream's economic valuations is not material. Cost for environmental protection and remediation is included in the Company's capital cost estimates and plans. Stream has committed approximately US\$0.5 million per year in capital expenditures to the effective clean up and remediation of its properties in Albania, which is included in workovers and reactivation of wells.

The Company's operations are subject to environmental regulations (including regular environmental impact assessments and permitting) in the jurisdictions in which it operates. Such regulations cover a wide variety of matters, including, without limitation, prevention of waste, pollution and protection of the environment, labour regulations and worker safety. Under such regulations there are clean-up costs and liabilities for toxic or hazardous substances which may exist on or under any of its properties or which may be produced as a result of its operations. Environmental legislation and legislation relating to exploration and production of natural resources are likely to evolve in a manner which will require stricter standards and enforcement, increased fines and penalties for noncompliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their directors and employees. Such stricter standards could impact the Company's costs and have an adverse effect on results of operations.

Employees

As at November 30, 2011, Stream had seven full-time employees in its Calgary office and approximately 340 full-time employees in Albania.

Environmental Policies

Stream expects excellence in health, safety and environmental performance and is committed to conducting all operations in a safe manner that minimizes environmental impact, while meeting regulatory requirements and corporate standards. The Company continues to enhance and deploy internal programs and controls to promote regulatory compliance and an appropriate level of safety and environmental protection in all of its operations. This includes environmental inspection programs to ensure Stream's facilities comply with all relevant regulations and industry appropriate practices. As wells are taken over a detailed environmental assessment is carried out and the existing status agreed by Stream and Albpetrol.

RISK FACTORS

There are a number of risks and uncertainties associated with the development and acquisition of oil and gas projects, particularly where such operations are located in foreign countries, many of which are beyond the control of the Company. Following is a list of risks that Stream faces in its normal course of business. If any of these risks actually occur, Stream's business, financial condition, results of operations, cash flows and prospects could be harmed. Such risks and uncertainties are not the only ones the Company faces. Additional risks and uncertainties, including those of which Management is currently unaware or that are deemed immaterial, may also adversely affect Stream's business, financial condition, results of operations, cash flows and prospects.

Risks of Foreign Operations

All of the current crude oil and natural gas properties and operations of Stream are currently located in Albania. As such, Stream is subject to political, economic, and other uncertainties, including, but not limited to, expropriation of property without fair compensation, changes in energy policies or the personnel administering them, nationalization, currency fluctuations and devaluations, exchange controls and royalty and tax increases and other risks arising out of foreign governmental sovereignty over the areas in which Stream's operations are conducted, as well as risks of loss due to civil strife, acts of war, guerrilla activities and insurrections.

Albania's energy and transportation infrastructure is in need of significant investment to add to the Albanian government's recent embarkation on a major program of road and rail rehabilitation and construction. While the government of Albania encourages direct financial investment to aid the country's economic development, it provides little by way of tax, financial or other incentives.

There is no assurance that future political and economic conditions in Albania will not result in the government adopting different policies in relation to foreign development and ownership of petroleum resources. Any such changes in policy may result in changes to laws affecting the ownership of assets, cancellation or modification of contractual rights, foreign exchange restrictions, taxation, rates of exchange, environmental protection, labour relations, repatriation of income, return of capital, nationalization, expropriation, and other areas, any of which could adversely affect both the Company's ability to undertake exploration and development activities in respect of future properties in the manner currently contemplated, and its ability to continue to explore and profitably develop those properties in respect of which it has obtained exploration and development rights to date.

Currently, there are no significant restrictions on the repatriation of capital and distribution of earnings from Albania to foreign entities. There can be no assurance, however, that restrictions on repatriation of capital or distributions of earnings from Albania will not be imposed in the future. Amendments to current taxation laws and regulations which alter tax rates and/or capital allowances could have a material adverse impact on the Company.

Competition

The oil and gas industry is highly competitive. The Company competes for capital, acquisitions of reserves, skilled personnel, access to equipment, access to infrastructure and refining capacity with a number of other organizations, many of which may have greater technical and financial resources than Stream. A number of other oil and gas companies operate and are allowed to bid for exploration and production licenses and other services in countries in which Stream operates, thereby providing competition to Stream. Larger companies may conduct their own refining and petroleum marketing

operations, which could give such companies a competitive advantage over Stream. In addition, actual or potential competitors may be strengthened through the acquisition of additional assets and interests.

Stream exports a portion of its Albanian production to refineries in Italy. There are a number of other oil refineries along the Mediterranean as well as in the Middle East that could accept the Company's crude oil. Stream's ability to sell to these refineries will depend on crude quality, logistics and pricing.

Availability of Drilling Equipment and Access Restrictions

Oil exploration and development activities are dependent on the availability of drilling and related equipment in the particular areas where such activities will be conducted. Stream's work plans could be curtailed, delayed, or cancelled as a result of access restrictions or shortages or delays in the delivery of equipment and services.

Volatility of Oil and Prices, Markets, and Marketing Production

Global prices for oil and gas have historically been extremely volatile. Factors which contribute to oil and gas price fluctuations include global demand, domestic and foreign supplies of oil and gas, the price of foreign oil and gas imports, decisions of the Organization of Petroleum Exporting Countries relating to export quotas, domestic and foreign governmental regulations, political conditions in producing regions, global and domestic economic conditions, the price and availability of alternative fuels, including liquefied natural gas, and weather conditions.

Stream's financial condition is substantially dependent on, and highly sensitive to, oil and gas commodity prices. The oil and natural gas prices realized by Stream are affected by factors such as supply and demand, oil quality and transportation adjustments. Stream expects to market its oil and natural gas production in a consistent manner but will still be subject to regulatory changes in Albania.

There is no assurance that the price paid for the oil produced by Stream will remain at current levels. A decrease in the price obtained for its oil may have a material adverse effect on the Company's revenue, return from existing and future reserves and its general financial viability. In addition, lower commodity prices could change the economics of production from some wells. As a result, Stream could elect not to drill, develop, or produce from certain wells.

No Assurance of Commerciality of Existing Fields or Future Discoveries

The long-term viability of Stream depends on its ability to find or acquire, develop and commercially produce additional oil, condensate and natural gas reserves that are economically recoverable. Without the addition of reserves through exploration, acquisition or development activities, the reserves and production of Stream will decline over time as reserves are exploited. The future of the reserves of Stream will depend not only on the ability of Stream to develop its present properties, but also on its ability to select and acquire suitable producing properties or prospects.

There is no assurance that oil or natural gas will be capable of production in sufficient quantities to make existing fields or future discoveries commercially viable or economic for Stream, or that the existing fields will be able to maintain their economic viability as projected. The premature decline of reservoirs and the invasion of water into producing formations may impact the ultimate reserve recovery for Stream.

The future value of Stream is dependent on the success or otherwise of its activities. Exploration, appraisal, and development of crude oil and natural gas reserves is speculative, involves a significant degree of risk, and few properties that are explored are ultimately developed into new reserves. If at any

stage Stream is precluded from pursuing its exploration or development programs, or such programs are otherwise not continued, Stream's business, financial condition and/or results of operations are likely to be materially adversely affected.

Financial Resources

Stream does not yet have sufficient financial resources to undertake its current plan for development on existing properties. The development of any reserves found on the exploration properties of Stream will depend upon the ability of Stream to obtain financing through any or all of the following: joint venturing of projects, debt financing, equity financing or other means. There is no assurance that Stream will be successful in obtaining the required financing or that it will be on acceptable terms. Failure to obtain additional financing on a timely basis could cause Stream to forfeit its interest in such properties and reduce or terminate its operations. If the expected revenues of Stream decrease as a result of lower oil and natural gas prices or otherwise, it will affect the ability of Stream to expend the necessary capital to replace its reserves or to maintain production at current levels. If the expected cash flow from the operations of Stream is not sufficient to satisfy its capital expenditure requirements, there can be no assurance that additional debt or equity financing will be available to meet these requirements.

Liquidity Risk

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due. In December 2011, Stream completed an agreement for a US\$20 million Debt Facility. The facility will be drawn during 2012 and paid in full over the five life of the facility

If the loan covenants are not met at the annual financial testing the lender can request a cash injection(s) into the Stream Oil & Gas Ltd (CI) and its branch to bring the outstanding loan balance into compliance with the covenants.

Should the Company's indebtedness increase substantially, it could affect the Stream's financial position and operational flexibility. A substantial amount of debt could have important negative consequences on Stream, such as:

- limiting its ability to obtain additional financing, if needed, or refinancing, when needed, for debt service requirements, working capital, capital expenditures or other purposes;
- increasing its vulnerability to current and future adverse economic and industry conditions;
- requiring Stream to dedicate a substantial portion of its cash flows from operations to make payments on its debt;
- causing Stream to offer debt or equity securities on terms that may not be favourable to Stream or its shareholders;
- reducing funds available for operations, future business opportunities or other purposes;
- limiting Stream's flexibility in planning for, or reacting to, changes and opportunities in its business and its industry;
- increasing the Company's business risk in the event that it is not able to meet its debt obligations or violates a covenant, impacting Stream's rights to the underlying oil and gas properties; and
- placing Stream at a competitive disadvantage compared to its competitors that have less debt.

Stream's Debt Facility and the terms and conditions of its other indebtedness may permit the Company to incur or guarantee additional indebtedness, including secured indebtedness in some circumstances. To the extent Stream incurs additional indebtedness, some or all of the risks discussed above will increase.

Exploration, Development, and Production Risks

Oil and gas exploration and development involves a high degree of risk and there is no assurance that expenditures made by Stream will result in commercially viable or economically producible properties. It is difficult to project the costs of implementing any work or exploratory drilling program due to the inherent uncertainties of unknown formations, the costs associated with encountering various drilling conditions such as over pressured zones and tools lost in the hole and changes in drilling plans and locations as a result of prior exploratory wells or additional seismic data and interpretations.

There are many operating risks and hazards inherent in exploring for, producing, processing, operating and transporting oil and gas. In certain instances, Stream may be unable to pursue a work program or may decide not to continue with a work program. Future activities may involve unprofitable efforts from wells that are productive but do not produce sufficient net revenues to return a profit after drilling, operating and other costs. Completion of a well does not assure a profit on the investment or recovery of drilling, completion and operating costs.

In addition, drilling hazards or environmental damage could greatly increase the cost of operations, and various field operating conditions may adversely affect the production from successful wells. These conditions include: delays in obtaining governmental approvals or consents, shut-ins of connected wells resulting from extreme weather conditions, insufficient storage or transportation capacity, or other geological and mechanical conditions. Stream's operations are subject to all the risks normally associated with the exploration, development and operation of crude oil and natural gas properties, including encountering unexpected formations or pressures, premature declines of reservoirs, blow-outs, craterings, sour gas releases, fire and spills. Any of these events could result in a shutdown or slowdown of operations, which would adversely affect the Company's business.

While diligent well supervision and effective maintenance operations can contribute to maximizing production rates over time, production delays and declines from normal field operating conditions cannot be eliminated and can be expected to adversely affect revenue and cash flow levels to varying degrees. The inability of the local refinery to consume gas production could also affect the gross income of Stream but alternative markets are currently being utilized to minimize this risk.

Uncertainty of Reserves

Estimates of oil and gas reserves and the future net cash flow therefrom, involve a great deal of uncertainty because they depend upon the reliability of available geologic and engineering data, which is inherently imprecise. Geologic and engineering data are used to determine the probability that an oil and gas reservoir exists at a particular location and whether oil and gas are recoverable from the reservoir. The probability of the existence and recoverability of reserves is less than 100% and actual recoveries of proved reserves may be materially different from estimates.

Estimates of oil and gas reserves require numerous assumptions relating to operating conditions and economic factors, including future oil and gas prices, availability of investment capital, recovery costs, the availability of enhanced recovery techniques, the ability to market production, and governmental and other regulatory factors, such as taxes, royalty rates, and environmental laws. A change in one or more of these factors could result in known quantities of oil and gas previously estimated as proved reserves

becoming unrecoverable. Each of these factors also impact recovery costs and production rates, and therefore, will reduce the present value of future net cash flows from estimated reserves.

In addition, estimates of reserves, and future net cash flows expected therefrom, that are prepared by different independent engineers or by the same engineers at different times, may vary substantially.

Environmental Risks & Regulation

The current and future operations of Stream that are conducted in Albania are subject to Albanian environmental regulations. Complete environmental baseline studies for each takeover area by Stream are submitted to the Albanian Environmental Energy and the Environmental Operating License has been transferred to Stream as per the Petroleum Agreements.

Current environmental legislation in Albania provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with oil, condensate and natural gas operations. Stream shall be subject to specific oil and gas regulations and must perform its operations according to the high standards of the oil and gas industry. In addition, certain types of operations may require the submission and approval of environmental impact assessments. The existing operations of Stream are subject to such environmental policies and legislation. Environmental legislation and policy is periodically amended. Such amendments may result in stricter standards and enforcement and in more stringent fines and penalties for non-compliance.

Stream could become responsible for costs associated with complying with new environmental regulations, and abandoning and reclaiming wells, facilities and pipelines which it uses for production of its oil and gas reserves. Abandonment and reclamation of its current facilities and the costs associated therewith is often referred to as “decommissioning”. There are no immediate plans to establish a reserve account for these potential costs in respect of any of its current properties or facilities; rather, the costs of decommissioning are expected to be paid from the proceeds of production in accordance with the practice generally employed in onshore oilfield operations. Should decommissioning be required prior to economic depletion of the current properties of Stream or should the estimates of the costs of decommissioning exceed the value of the reserves remaining at any particular time to cover such decommissioning costs, Stream may have to draw on funds from other sources to satisfy such expenses. The use of other funds to satisfy such decommissioning expenses could have a material adverse effect on the financial position and future results of the operations of Stream.

In additions, Stream may become subject to liability for pollution, blow-outs or other hazards. The payment of such liabilities could reduce the funds available to Stream or could, in an extreme case, result in a total loss of its properties and assets. It is possible that the costs of complying with environmental regulations in the future will have a material adverse effect on the Company’s financial condition. Furthermore, future changes in environmental laws and regulations, including adoption of stricter standards or more stringent enforcement, could result in increased costs, incurred liability, and increased capital expenditures and operating costs, any of which could have a material adverse effect on Stream’s financial condition. It is not possible to predict the Company’s ability to fully fund the cost of all its future environmental, abandonment and reclamation obligations.

Foreign Currency Exchange Rates

Stream has raised equity in Canadian dollars. Revenue from the Company’s production is denominated in U.S. dollars. Many of the operational and other expenses incurred by Stream are paid in U.S. dollars, or in local currency of the country where operations are performed. As a result, the Company is exposed to market risks resulting from fluctuations in foreign currency exchange rates. A material drop in the value

of any such foreign currency could result in a material adverse effect on the Company's cash flow and revenues.

Crude oil sales in Albania are denominated in U.S. dollars, natural gas sales are denominated in U.S. dollars and operating and capital costs are generally incurred in U.S. dollars. The assets and liabilities of Stream are recorded in U.S. dollars. The Company is not currently using exchange rate derivatives to manage exchange rate risks. In addition, the Company's results are reported in U.S. dollars and foreign currency denominated monetary balances could result in gains and losses that may increase the variability of earnings. Currency fluctuations could materially affect the Company's financial position and results of operations.

Insurance

Stream's operations are subject to all the risks normally associated with the exploration, development and operation of crude oil and natural gas properties, which could result in personal injuries, loss of life and damage to property of Stream and others. The location of operations near populated areas, including residential areas, commercial business centres, and industrial sites could increase these risks and hazards. The Company cannot fully protect against all of these risks, nor are all of these risks insurable. Stream may become liable for damages arising from these events against which it cannot insure or against which it may elect not to insure because of high premium costs or other reasons. The occurrence of a significant event not fully insured or indemnified against could seriously harm Stream's financial condition and operating results. In accordance with customary industry practice, Stream maintains insurance coverage for all its personnel and is looking at an option for full risk coverage if insurable in the country of operation.

Market Price of the Common Shares

The price of Stream's Common Shares is likely to be significantly affected by short-term changes in commodity prices and currency exchange fluctuations. Factors such as fluctuations in its operating results, the result of any public announcements made by the Company, and general market conditions can also have an adverse effect on the market price of securities. The trading price of Stream's Common Shares has been and may continue to be subject to large fluctuations, which may result in losses to investors. The high and low closing sale prices of Common Shares on the TSX-V were \$0.55 and \$0.16 in 2009; \$2.95 and \$0.49 in 2010; and \$2.93 and \$0.65 in 2011, respectively.

Agreements Relating to Oil and Gas Field Production

The Company's right to production from its oil and gas fields are governed by the Petroleum and Licence Agreements for each respective field, and is also subject to the PoD and PoE. Risks related to development of the projects, including but not limited to technical difficulties, increased costs, reduced sales price or demand for heavy oil or gas produced from the projects, are borne by Stream. If Stream for any reason is unable to finance capital expenditures and it is unable to obtain the agreement of AKBN to a reduction in such expenditures in its annual plan, the Company could be forced to relinquish some or all of its contract areas. Depending on the size and location of the area, such relinquishment could have a material adverse effect on the Company's financial condition, results of operations and prospects. The Petroleum and License Agreements provide for the appointment of an independent expert, if necessary, to resolve any dispute that may arise in connection with the PoD or PoE. Should a dispute arise, there is no assurance that it would be resolved in a manner acceptable or favourable to the Company, and if a decision were made that had the effect of reducing the rate at which Stream is able to develop the field or increase production for any reason or that would necessitate a reduction in production from the field, such

decision could have a material adverse effect on the Company's financial condition, results of operations and prospects.

Exploration, Production and Other Licences

Stream's exploration, production, and processing activities are dependent upon the agreements with third parties and the grant and maintenance of appropriate licences, concessions, leases, permits and regulatory consents ("Authorizations") which may not be renewed, renewable, extended or granted, or may be withdrawn, or made subject to limitations. Stream believes that it currently holds or has applied for all necessary licenses and permits to carry on the activities which it is currently conducting under applicable laws and regulations in respect of its properties, and also believes that it is complying in all material respects with the terms of such licenses and permits. However, the ability of Stream to obtain, sustain or renew such licenses and permits on acceptable terms is subject to changes in regulations and policies and to the discretion of the Albanian authorities or other governmental agencies in foreign jurisdictions. Although the Company believes that the Authorizations will be granted, extended or renewed (as the case may be), there can be no assurance that such Authorizations will be renewed or granted, or that the terms and costs of such grants, extensions or renewals will be economic or on terms that the Company can achieve. The land areas covered by the Authorizations are or may be subject to agreements with the proprietors of the land. If such agreements are terminated, found void or otherwise challenged, Stream may suffer significant damage through the loss of opportunity to identify and extract oil on any property covered by such agreements.

Governmental Regulations and Processing Licences

Governmental approvals, licences and permits are subject to the discretion of the applicable governments or governmental agencies and offices. Stream must comply with known standards, existing laws and regulations. New laws and regulations, amendments to existing laws and regulations or more stringent enforcement of existing laws and regulations could have a material adverse impact on the Company's results of operations, financial condition and prospects.

Litigation

Legal proceedings, claims or alleged claims may arise from time to time in the course of the Company's business and operations. There have been a number of cases where the rights and privileges of petroleum companies have been the subject of litigation. Stream cannot predict whether such litigation may be brought against the Company in the future from time to time or that it may be subject to any other form of litigation or claim.

Labour

The Company is dependent on local labour to carry out site work in its licensed areas in Albania. The Company has directly employed local workers and is subject to local labour laws. While Stream has not been materially adversely affected by any labour related developments or industrial action in the past, there can be no assurance that such developments or actions may not occur in the future. Such occurrences may have a material adverse impact on the business, operations, prospects and financial performance of the Company.

Reliance on Key Employees

Stream strongly depends on the business and technical expertise of its management team, the loss of any of whom could have a material adverse effect on operations. There is little possibility that this

dependence will decrease in the near term. Stream's success will be dependent upon its ability to continue to employ and retain skilled personnel.

Enforcement of Civil Liabilities

Substantially all of the assets of the Company are located outside of Canada and a majority of the directors and certain officers of the Company are resident outside of Canada. As a result, it may be difficult or impossible to enforce judgments granted by a court in Canada against the assets of the Company or the directors and officers of the Company residing outside Canada.

STATEMENT OF RESERVES DATA

Stream's interests in its natural gas and crude oil properties have been evaluated in a report (the "**Reserves Report**") as of November 30, 2011, prepared by the independent international integrated petroleum engineering and geological firm, AJM Deloitte ("**AJM**"), Stream's independent reserve evaluators. The following excerpt of the Company's reserves is calculated and reported in accordance with the provisions of National Instrument 51-101, "Standards of Disclosure for Oil and Gas Activities" ("**NI51-101**") and the Canadian Oil and Gas Evaluation Handbook ("**COGEH**"). Assumptions and qualifications relating to costs, prices for future production, and other matters are included below. The Reserves Report is based on data supplied by the Company and on AJM's opinions of reasonable practice in the industry.

All evaluations of future net revenue are after the deduction of future income tax expenses (unless otherwise noted in the tables), royalties, development costs, production costs, and well abandonment costs, but before consideration of indirect costs such as administrative, overhead, and other miscellaneous expenses. The estimated future net revenue contained in the following tables does not necessarily represent the fair market value of Stream's reserves. There is no assurance that the forecast price and cost assumptions contained in the Reserves Report will be attained and variances could be material. Other assumptions and qualifications relating to costs and other matters are summarized in the notes to the following tables. The recovery and reserves estimates on Stream's properties described herein are estimates only. The actual reserves on Stream's properties may be greater or less than those calculated and these variances may be material.

All of Stream's 2011 reserves estimates are based on conventional primary recovery methods only and does not include upside potential for the following:

- Petroleum Agreements' provisions for neutralizing the 10% mineral tax in excess of US\$30 million (before tax);
- Gorisht-Kocul oilfield waterflood or future EOR potential;
- Ballsh-Hekal and Cakran-Mollaj oilfield infill drilling or EOR potential;
- Delvina gas field horizontal well development potential;
- Contingent resource conversions.

The reserves information being provided in this AIF has an effective date of November 30, 2011 and a preparation date of March 5, 2012. The full Reserves Report by Stream's independent qualified reserves evaluators in Form 51-101F1 has been filed on SEDAR at www.sedar.com and is incorporated by reference into this AIF. The Report on Reserves Data in Form 51-101F2 and the Report of Management

and Directors on Oil and Gas Disclosure in Form 51-101F3 have been filed on SEDAR at www.sedar.com.

Forecast Prices and Costs

A summary of the Company's reserves by product type based upon forecast price and cost assumptions, before and after applicable royalties, at the end of the most recent fiscal year, is presented below.

Summary of Oil and Gas Reserves as of November 30, 2011 (Forecast Prices)

Reserves Category ⁽¹⁾	Crude Oil		Natural Gas ⁽²⁾		Ngl		Total	
	Gross (Mbbl)	Net (Mbbl)	Gross (MMcf)	Net (MMcf)	Gross (Mbbl)	Net (Mbbl)	Gross (Mboe)	Net (Mboe)
Proved								
Developed producing	10,781.2	8,185.6	-	-	-	-	10,781.2	8,185.6
Developed non-producing	-	-	-	-	-	-	-	-
Undeveloped	5,618.8	5,623.7	3,960.2	3,492.3	137.9	118.0	6,416.7	6,323.7
Total proved	16,400.0	13,809.3	3,960.2	3,492.3	137.9	118.0	17,197.9	14,509.3
Probable	4,047.3	3,993.0	1,354.4	1,245.9	114.6	111.2	4,387.6	4,311.8
Total proved plus probable	20,447.3	17,802.3	5,314.6	4,738.2	252.5	229.1	21,585.5	18,821.1
Possible	5,332.6	5,308.3	48,397.6	48,253.2	3,043.9	3,036.4	16,442.7	16,386.9
Total proved plus probable plus possible	25,779.9	23,110.5	53,712.2	52,991.4	3,296.3	3,265.5	38,028.2	35,207.9

(1) Numbers may not add due to rounding.

The tables set forth below summarize the Company's future net revenue as of November 30, 2010, based on forecast prices and cost assumptions.

Summary of Future Net Revenue as of November 30, 2011 (Forecast Prices)

Reserves Category ⁽¹⁾	Future Net Revenue (US\$MM)				
	Before Income Taxes Discounted at (%/year)				
	0%	5%	10%	15%	20%
Proved					
Developed producing	390.6	233.7	160.8	121.4	97.5
Developed non-producing	-	-	-	-	-
Undeveloped	230.8	142.7	98.3	72.8	56.5
Total proved	621.4	376.3	259.1	194.2	154.0
Probable	279.6	123.0	71.9	49.6	37.7
Total proved plus probable	901.1	499.4	331.0	243.8	191.7
Possible	898.7	507.6	346.7	257.6	199.9
Total proved plus probable plus possible	1,799.8	1,007.0	677.7	501.5	391.5

(1) Numbers may not add due to rounding.

Reserves Category ⁽¹⁾	Future Net Revenue (US\$000s) After Income Taxes Discounted at (%/year)				
	0%	5%	10%	15%	20%
Proved					
Developed producing	199.1	125.1	89.0	69.0	56.7
Developed non-producing	-	-	-	-	-
Undeveloped	121.3	77.3	54.4	40.9	32.2
Total proved	320.3	202.4	143.4	110.0	88.9
Probable	138.1	60.9	35.5	24.5	18.7
Total proved plus probable	458.4	253.3	178.9	134.5	107.6
Possible	448.6	253.6	172.6	127.6	98.4
Total proved plus probable plus possible	907.0	516.9	351.5	262.1	206.0

(1) Numbers may not add due to rounding.

Undiscounted total future net revenue calculated using forecast prices and costs incorporates the elements presented in the table below.

Pricing Assumptions

Future net revenue calculated using forecast prices and costs is based upon the price assumptions set out below effective September 30, 2011. Oil prices are the equivalent price of Brent Oil discounted for quality based on local market conditions. Gas prices are based on the contract applicable. Adjustments for oil differential and gas heating values are applied to these prices, as appropriate for each entity. Capital and operating costs are inflated.

Summary of Forecast Pricing

Year	UK Brent Oil (\$US/bbl)	60% of Brent UK (\$US/bbl)	Natural Gas (\$US/mcf)
Forecast			
2012	98.00	58.80	9.70
2013	107.10	64.26	9.89
2014	109.25	65.55	10.09
2015	111.45	66.87	10.29
2016	113.65	68.19	10.50
2017	115.95	69.57	10.71
2018	118.25	70.95	10.92
2019	120.30	72.36	11.14
2020	123.00	73.80	11.37
2021	125.50	75.30	11.59
There-after	+2%	+2%	+2%

(1) Gas pricing based on historical trends and contracted prices provided by Stream.

(2) AJM condensate price forecast at 100% of Brent Oil.

Incremental Contingent Resources

In its previous reserve evaluation of November 30, 2010, AJM assigned contingent resource estimates to the Ballsh-Hekal, Cakran-Mollaj and Gorisht-Kocul oilfields, as well as to the Delvina gas field as follows:

	Low	Best	High
Oil (Mstb)			
Ballsh-Hekal	1,850	7,734	29,388
Cakran-Mollaj	1,899	7,554	30,055
Gorisht-Kocul	2,630	10,267	40,076
Total Oil⁽¹⁾	6,379	25,555	99,519
Gas (MMcf)			
Delvina	10,596	31,238	92,092
Total Gas⁽¹⁾	10,596	31,238	92,092

(1) Volumes are an arithmetic sum of multiple estimates of contingent resources, which statistical principles indicate may be misleading as to volumes that may actually be recovered. Readers should give attention to the estimates of individual classes of contingent resources and appreciate the differing probabilities of recovery associated with each. The probability associated with the High estimate would be considered far less likely than P10, and conversely, the Low estimate would be expected to be much higher than the presented arithmetic sum. Probabilistic aggregation could have been performed, but given the lack of general acceptance in these procedures, COGEH (section 5.5.3) prefers that these values not be presented.

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.

Stream is entitled to 100% interest in these resources, subject to a cost recovery royalty, profit petroleum royalty and mineral taxes of 10%. Contingent resources on the oilfields have been attributed based on the fact that Stream is actively developing a waterflood pilot project in Gorisht-Kocul, and is investigating the effects of waterflood, and further enhanced recovery methods on all three oil fields as demonstrated in recent Project Charters presented. Economic viability has not been demonstrated, and thus, these Contingent Resources are considered sub-commercial, but it is expected that within the next five years these methods may be available for commercial application.

Contingent resources were able to be assigned to the Delvina gas field. This particular reservoir has been penetrated and produced by two long term producing vertical wells, however further resources are contingent on the ability for horizontal well development to access the entire pool. Possible reserves were assigned based on horizontal well development but contingent resources assigned here are indicative of further extension of current development plans beyond the level of certainty seen in reserve assignments. As future development occurs, it is expected that many of these contingent resources will move into the reserve categories based on development results.

Resources Initially-in-Place

AJM also assigned resources initially-in-place in its previous reserve evaluation of November 30, 2010:

	Low	Best	High
Discovered Oil Initially-in-Place (Mstb)			
Ballsh-Hekal	185,035	329,783	587,765
Cakran-Mollaj	189,864	337,824	601,090
Gorisht-Kocul	263,014	459,144	801,528
Discovered Gas Initially-in-Place (MMcf)			
Delvina ⁽¹⁾	35,319	80,655	184,183
Undiscovered Gas Initially-in-Place (MMcf)⁽¹⁾			
North Delvina	22,337	51,073	116,779
South Delvina	36,656	84,925	196,754
East Delvina	22,795	51,891	118,126

(1) Volumes are an arithmetic sum of multiple estimates of contingent resources, which statistical principles indicate may be misleading as to volumes that may actually be recovered. Readers should give attention to the estimates of individual classes of contingent resources and appreciate the differing probabilities of recovery associated with each. The probability associated with the High estimate would be considered far less likely than P10, and conversely, the Low estimate would be expected to be much higher than the presented arithmetic sum. Probabilistic aggregation could have been performed, but given the lack of general acceptance in these procedures, COGEH (section 5.5.3) prefers that these values not be presented.

Regarding the oilfields, the assessment does not take into consideration the extent or effect of any gas cap originally or currently in the reservoirs. The Ballsh-Hekal field is composed of two separate structural closures, however it is expected that there is reservoir communication between them. Very limited data is available on this pool but a substantial volume of oil has been produced, and therefore it is reasonable to assume that the in-place volume of oil may be quite large. The geology between the two structures in the Cakran-Mollaj field is yet to be understood due to a lack of information regarding the rock properties and distribution. In addition, there is limited knowledge on the oil water contact and differences in rock properties of the Gorisht-Kocul field, which will be critical to understanding the geometry and potential drainage of the field. Consequently, the range of estimates for the three oilfields is very wide.

AJM reviewed three prospective pools at Delvina for Undiscovered Gas Initially-in-Place. As none of these prospects have been penetrated or tested by a well it is not considered a known accumulation and is therefore undiscovered.

With increased certainty of information in Stream's reservoirs, the production characteristics and opportunity for enhanced recovery techniques could be more thoroughly investigated allowing for a more accurate assessment.

DIVIDENDS

The Company has neither declared nor paid any dividends on its Common Shares. The Company intends to retain its earnings to finance growth and expand its operations and does not anticipate paying any dividends on its Common Shares in the foreseeable future.

CAPITAL STRUCTURE

Stream is authorized to issue an unlimited number of Common Shares without par value, of which 66,147,801 Common Shares were issued and outstanding as at November 30, 2011 and 66,637,801 Common Shares were issued and outstanding as at March 29, 2012. The Company also has 3,830,752 warrants outstanding, which are exercisable until November 24, 2012. The following is a description of the Company's capital structure.

Common Shares

Each Common Share ranks equally with all other Common Shares with respect to dissolution, liquidation or winding up of the Company and payment of dividends. The holders of Common Shares are entitled to one vote for each share of record on all matters to be voted on by such holders and are entitled to receive pro rata such dividends as may be declared by Stream's Board of Directors out of funds legally available therefore and to receive pro rata the remaining property of the Company on dissolution. The holders of Common Shares have no pre-emptive or conversion rights.

Warrants

In November 2010, Stream completed a non-brokered private placement 6,500,000 units, each unit including one-half of one common share purchase warrant. Each outstanding warrant is currently exercisable to acquire an additional Common Share at an exercise price of \$2.50 per share until November 24, 2012. If the closing trading price of the Common Shares on the TSX-V (or such other principal stock exchange on which the Common Shares may be listed) is at or greater than \$3.75 per share for any 20 consecutive trading days during the remaining term of the warrants, the Company may accelerate the expiry date of the warrants by giving notice to the warrant holders and, in such case, the warrants will expire on the earlier of the 30th day after such notice and November 24, 2012.

Finders' fees were paid in the amount of 387,168 warrants, which was approximately 6% of the total units sold in the private placement. Each finders' warrant entitles the holder to purchase one unit at \$1.50 per unit, which have the same terms as the units issued under the private placement. The finders' warrants expire November 24, 2012, subject to the same accelerated expiry provisions applicable to the warrants forming part of the units.

MARKET FOR SECURITIES

The outstanding Common Shares of the Company are listed on the TSX-V under the symbol SKO. The following table sets out the high and low closing prices and average trading volume of Common Shares as reported by the TSX, for the periods indicated.

Period	High	Low	Volume
2011			
January	\$2.85	\$2.26	125,459
February	\$2.93	\$2.48	126,396
March	\$2.48	\$1.85	78,801
April	\$1.84	\$1.40	176,743
May	\$1.55	\$1.35	73,618
June	\$1.59	\$1.07	49,907
July	\$1.32	\$0.97	131,443
August	\$1.20	\$0.89	30,066
September	\$1.10	\$0.66	36,737
October	\$0.90	\$0.65	133,948
November	\$0.98	\$0.78	62,135
December	\$0.91	\$0.73	117,784
2012			
January	\$0.87	\$0.81	67,112
February	\$0.88	\$0.80	40,048
March 1-29	\$0.85	\$0.80	41,491

DIRECTORS AND OFFICERS

The next Meeting is scheduled for May 17, 2011 at 3:30 p.m. (Calgary time) in the Plaza Room of the Metropolitan Conference Centre, 333 – 4th Avenue S.W., Calgary, Alberta, Canada. All directors of Stream stand for election at each annual meeting of the Corporation.

Directors

The following is a list of the current directors of the Company, their province/state and country of residence, their current positions with the Company and their principal occupations during the past five years:

Name and Residence	Principal Occupations in Past Five Years	Director Since
Marlowe Allison ⁽¹⁾ B. Comm, CA Alberta, Canada	Vice President and Treasurer, Canadian Pacific Railway since 2009; prior thereto, several senior positions at Suncor Energy from 1997 to 2009, the most recent being Vice President and Treasurer. Mr. Allison is the Chairman of the Audit Committee.	2011
Ian Baron ⁽²⁾⁽³⁾ B.Geology Dubai, UAE	Interim CEO, Cadogan Petroleum plc since 2009; Founding Partner, ESG Dubai (consulting firm providing project management and advisory services to the energy industry) since 2002. Mr. Baron is the Chairman of the Reserves Committee.	2009

Name and Residence	Principal Occupations in Past Five Years	Director Since
Leslie D. Goodman ⁽¹⁾⁽²⁾ MA London, England	Director of Rambler Metals and Mining plc since 2005; Director and CEO of Genco Resources Ltd. (mining company) in 2010; Chairman of Chapelthorpe plc (manufacturer of non-woven fibre) from April 2007 to 2010; Chairman, Viatel Holding (Bermuda) Limited (publicly traded European telecommunications carrier) from 2002 to 2008. Mr. Goodman is the Chairman of the Compensation and Governance Committee.	2008
James R. Hodgson ⁽³⁾ MBA (Finance), M. Sc. (Finance), B.Sc. Alberta, Canada	Chief Financial Officer of the Company since May 2010; Financial Managing Partner Al Riyal Energy LP, Calgary (a company providing consulting services to the oil & gas industry) since March 2009; General Manager/CEO United Oil Projects Company, Kuwait from 2006 to 2009; Deputy Commercial Manager/Corporate Treasurer, Kuwait Foreign Petroleum Exploration Co. K.S.C. Kuwait from 2001 to 2006.	2010
Sotirios Kapotas ⁽¹⁾⁽³⁾ Ph.D., Geophysics Athens, Greece	President & CEO, Stream Oil & Gas Ltd. since April 2008; President and Chief Executive Officer of Stream (CI) since June 2007; was an executive with TOTAL, with last post as New Ventures and Exploration Manager in Libya until 2003; a director of Landtech Enterprises S.A until 2010. Dr. Kapotas is the founder of Stream and has been the key player in its growth bringing more than 20 years' experience in the petroleum industry.	2008
Georgios-Antonios Mortakis-Martakis ⁽¹⁾⁽²⁾ Athens, Greece	General Manager of the Intesa San Paolo Bank, Greece (formerly American Bank of Albania) since June 2004	2008

(1) Member of the Audit Committee.

(2) Member of the Compensation & Corporate Governance Committee.

(3) Member of the Reserves Committee.

Each director of the Company is elected to serve until the next annual general meeting of shareholders of the Company or until his successor is elected or appointed, or unless his office is earlier vacated under any of the relevant provisions of the Articles of the Company or the Business Corporations Act (British Columbia).

Officers

The following is a list of the current executive officers of the Company, their province/state and country of residence, their current positions with the Company and their principal occupations during the past five years:

Name and Residence	Principal Occupations in Past Five Years	Position in Company
Sotirios Kapotas Ph.D., Geophysics Athens, Greece	President & CEO, Stream Oil & Gas Ltd. since April 2008; President and Chief Executive Officer of Stream (CI) since June 2007; was an executive with TOTAL, with last post as New Ventures and Exploration Manager in Libya until 2003; a director of Landtech Enterprises S.A. until 2010. Dr. Kapotas is the founder of Stream and has been the key player in its growth bringing more than 20 years' experience in the petroleum industry.	President and Chief Executive Officer

Name and Residence	Principal Occupations in Past Five Years	Position in Company
James R. Hodgson MBA (Finance), M. Sc. (Finance) Alberta, Canada	Chief Financial Officer of the Company since May 2010; Financial Managing Partner Al Riyal Energy LP, Calgary (a company providing consulting services to the oil & gas industry) since March 2009; General Manager/CEO United Oil Projects Company, Kuwait from 2006 to 2009; Deputy Commercial Manager/ Corporate Treasurer, Kuwait Foreign Petroleum Exploration Co. K.S.C. Kuwait from 2001 to 2006.	Chief Financial Officer
Mike Berezowski P. Eng. Alberta, Canada	Chief Operating Officer of the Company since May 2009; Founding shareholder of Exergy Group Inc. and CEO until June 2011; Acting Vice President, Strategy and Growth Projects, Bankers Petroleum Ltd. from 2006 to 2008.	Chief Operating Officer
Terry Horkoff P. Eng. Alberta, Canada	Head of Gas Division of the Company since May 2009; Independent senior oil and gas consultant and an independent businessman since 1995.	VP Development
Arian Tartari Tirana, Albania	Vice President, Albania of the Company since April 2008; Public Relations Officer, Albania Stream Branch from 2007 to 2008; Chief Executive Officer of ITSGA of Tirana, Albania from 2004 to 2006.	Vice President, Albania

As at March 29, 2012, the directors and executive officers of Stream as a group beneficially owned or controlled or directed, directly or indirectly, 16.9 million Common Shares of Stream, representing approximately 25% of the issued and outstanding Common Shares of the Company.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

No director or executive officer of the Company is, as at the date of this AIF, or has been, within the ten years preceding the date of this AIF, a director, chief executive officer or chief financial officer of any company (including the Company) that

- (a) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, when such order was issued while the person was acting in the capacity of a director, chief executive officer or chief financial officer of the relevant company, or
- (b) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after such person ceased to be a director, chief executive officer or chief financial officer of the relevant company, and which resulted from an event that occurred while the person was acting in the capacity of a director, chief executive officer or chief financial officer of the relevant company.

No director or executive officer of the Company or any shareholder holding a sufficient number of common shares of the Company to affect materially the control of the Company:

- (a) is, as at the date of this AIF, or has been, within the ten years preceding the date of this AIF, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was

subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets,

- (b) has, within the ten years preceding the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that person,
- (c) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or
- (d) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision regarding the Company.

Conflicts of Interest

The directors and officers of the Company are engaged in and will continue to engage in other activities in the oil and natural gas industry and, as a result of these and other activities, the directors and officers of Stream may become subject to conflicts of interest. If such conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict is to abstain from voting for or against the approval of such a participation or such terms.

The directors of Stream are required to act honestly, in good faith and in the best interests of the Company. The directors and officers of Stream are aware of the existence of laws governing the accountability of directors and officers for corporate opportunity and requiring disclosures by directors and officers of conflicts of interest and the Company will rely upon such laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors or officers. All such conflicts are to be disclosed by such directors or officers in accordance with the articles of Stream and the Business Corporations Act (British Columbia) and such directors and officers are to govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law.

As at the date hereof, Stream is not aware of any existing or potential material conflicts of interest between Stream and a director or officer of the Company.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

To the knowledge of the Company, there are no material legal proceedings material to the Company to which the Company is or was a party to or of which any of its properties is or was the subject of, during the financial year ended November 30, 2011 nor are there any such proceedings known to the Company to be contemplated.

During the year ended November 30, 2011, there were no: (i) penalties or sanctions imposed against the Company by a court relating to securities legislation or by a securities regulatory authority; (ii) penalties or sanctions imposed by a court or regulatory body against the Company that would likely be considered important to a reasonable investor in making an investment decision, or (iii) settlement agreements the

Company entered into before a court relating to securities legislation or with a securities regulatory authority.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

None of the current executive officers or directors of Stream, and no person or company that is the direct or indirect beneficial owner of, or who exercised control or direction over more than 10% of the Common Shares of Stream, nor any associate or affiliate of the foregoing has or has had, since December 1, 2008, any material interest, directly or indirectly, in any transaction or proposed transaction that has materially affected or would materially affect Stream.

MATERIAL CONTRACTS

Except for contracts entered into in the ordinary course of business, Stream has not entered into any material contracts within the last financial year, or before the last financial year which are still in effect, other than as follows:

- Ballsh-Hekal Petroleum Agreement for the Production, Development and Exploration of Petroleum in Ballsh-Hekal Field, dated August 8, 2007 between Stream and Albpetrol Sh.A.;
- Cakran-Mollaj Petroleum Agreement for the Production, Development and Exploration of Petroleum in Cakran-Mollaj Field, dated August 8, 2007 between Stream and Albpetrol Sh.A.;
- Gorisht-Kocul Petroleum Agreement for the Production, Development and Exploration of Petroleum in Gorisht-Kocul Field dated August 8, 2007 between Stream and Albpetrol Sh.A.;
- Delvina Petroleum Agreement for the Production, Development and Exploration of Petroleum in Delvina Block, dated August 8, 2007 between Stream and Albpetrol Sh.A.;
- Crude Oil Marketing Agreement between Stream and Trafigura Beheer B.V, described under “Narrative Description of Business – Description of Properties”;
- Crude Oil Marketing Agreement between Stream and ARMO Sh.A. described under “Narrative Description of Business – Description of Properties”; and
- Stream’s loan facility agreement, dated December 15, 2011 with Raiffeisen Bank, providing for the Debt Facility (described under “General Development of the Business – Bank Debt”).

INTERESTS OF EXPERTS

As at the date hereof, the partners and associates of Davidson & Company LLP, the auditors of Stream, as a group, did not beneficially own any of Stream’s outstanding Common Shares. As at the date hereof, principals of AJM, the independent reserve auditors of Stream, as a group, own, directly or indirectly, less than 1% of the outstanding Common Shares.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the Common Shares of the Company is Computershare Investor Services Inc. at its principal office in Calgary, Alberta: 600, 530 – 8th Avenue S.W., Calgary, Alberta, T2P 3S8.

ADDITIONAL INFORMATION

Additional information relating to the Company may be found on SEDAR at www.sedar.com. Copies of the AIF may be obtained on request without charge by contacting:

Stream Oil & Gas Ltd.
#300, 609 – 14th Street NW
Calgary, Alberta, Canada
T2N 2A1
Attention: Corporate Secretary
Telephone: (403) 531-2358
Fax: (403) 531-2695

Additional information, including directors' and officers' remuneration and indebtedness (if any), principal holders of the Company's securities and securities authorized for issuance under equity compensation plans, is contained in the Company's Information Circular for its most recent annual general meeting of shareholders that involved the election of directors.

Additional information is provided in the Company's audited consolidated financial statements and management's discussion and analysis for its most recently completed financial year ended November 30, 2011.

AUDIT COMMITTEE DISCLOSURE

Pursuant to the Business Corporations Act (British Columbia) and National Instrument 52-110 ("NI 52-110"), the Company is required to have an audit committee.

Audit Committee Charter

Pursuant to NI 52-110, the Company's audit committee is required to have a charter. A copy of the Company's Audit Committee Charter is set out in Appendix A to this AIF.

Composition of the Audit Committee

As at the date of this AIF, the following is information on the members of the Company's Audit Committee:

Name	Independent	Financial Literacy
Leslie Goodman	Yes	Yes
Marlowe Allison (Chair)	Yes	Yes
Sotirios Kapotas	No	Yes
Georgios-Antonios Mortakis-Martakis	Yes	Yes

Relevant Education and Experience

The following describes the relevant education and experience of the members of the Audit Committee:

Leslie Goodman — Mr. Goodman spent over 30 years in the investment banking and insurance industries. Mr. Goodman worked for ACE Limited where he served as Chief Executive Officer of ACE London Limited and ACE Strategic Advisors Inc. Before that, he served as Chief Executive Officer of Jardine Lloyds Advisors Limited and on the executive committee of the parent company JIB Group plc. He served at Barclays de Zoete World Limited as Head of International M&A and at Hill Samuel & Co Limited as Director of Corporate Finance. Mr. Goodman serves on the boards of a number of public companies and has several years of audit committee experience. He is a Solicitor of the Supreme Court in London and holds a MA in law from Cambridge University, England.

Marlowe Allison - Mr. Allison brings over 20 years of experience in the petroleum sector along with a strong financial track record. Since 2009, he has been Vice President and Treasurer of Canadian Pacific Railway, where he has been responsible for several key transactions including international financing restructuring, banking syndication and debt issuances. Prior to that, he held several senior positions with both Suncor Energy from 1997 to 2009, the most recent being Vice President and Treasurer, and Imperial Oil from 1988 to 1997. While at Suncor, Mr. Allison supported the company's growth strategy through the completion of several financings, including financing arrangements through a multi- billion dollar banking syndicate, and performed a leadership role in treasury and tax integration areas for the Petro-Canada merger. Mr. Allison holds a Bachelor of Commerce Degree from the University of Saskatchewan and is a Chartered Accountant.

Sotirios Kapotas — Dr. Kapotas is a businessman who has founded a number of private businesses serving the petroleum industry, including LandTech Enterprises S.A. & Earth Research Ltd. Dr. Kapotas served for 10 years as an executive in a major oil company prior to founding Stream (CI). Dr. Kapotas' educational background includes MSc and PhD degrees in Geophysics from the University of Alberta.

Georgios-Antonios Mortakis-Martakis – Mr. Mortakis-Martakis is General Manager of the Athens Branch of the Intesa SanPaolo Bank (Albania) and has many years of experience in the finance sector holding positions in the American Express Bank in Greece since 1969, most recently in the Trade Finance Department. Mr. Mortakis-Martakis is a graduate of the Economic University of Athens.

Audit Committee Oversight

At no time since December 1, 2010 was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Company's Board of Directors.

Reliance on Certain Exemptions

At no time since December 1, 2010 has the Company relied on the exemption in section 2.4 of NI 52-110 (De Minimis Non-audit Services) or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110 by a securities regulatory authority or regulator.

Pre-approval Policies and Procedures for Non-Audit Services

The Audit Committee has not adopted any specific policies and procedures for the engagement of non-audit services apart from those set out in the Audit Committee Charter.

External Auditor Service Fees

The aggregate fees billed by the Company's auditor in each of the last two financial years of the Company for services in each of the categories indicated are as follows:

Financial Year Ended	Audit Fees	Audit Related Fees ⁽¹⁾	Tax Fees ⁽²⁾	All Other Fees ⁽³⁾
November 30, 2011	\$40,000	Nil	\$2,000	\$18,250
November 30, 2010	\$67,500	Nil	Nil	Nil

(1) Pertains to assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements and that are not reported under "Audit Fees".

(2) Pertains to professional services for tax compliance, tax advice, and tax planning.

(3) Pertains to products and services other than services reported under the other categories.

Venture Issuers Exemption

The Company is relying upon the exemption in section 6.1 of NI 52-110 which exempts "venture issuers" from the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

ADVISORIES

Use of BOE Equivalents

The oil and natural gas industry commonly expresses production volumes and reserves on a boe basis whereby natural gas volumes are converted at the ratio of six thousand cubic feet to one barrel of oil. The intention is to sum oil, ngls, and natural gas measurement units into one basis for improved measurement of results and comparisons with other industry participants. Stream has used the 6:1 boe measure in this document, which is the approximate energy equivalency of the two commodities at the burner tip and does not represent a value equivalency at the wellhead. However, this does not represent a value equivalency where Stream sells its production volumes and therefore may be a misleading measure if used in isolation.

Forward-Looking Statements

Certain statements contained in this AIF or incorporated by reference may constitute "forward-looking information" and "forward-looking statements" (collectively, "forward-looking" information) within the meaning of applicable Canadian securities laws. Forward-looking information involves risks, uncertainties and other factors that could cause actual results to differ materially from those expressed or implied by them. Forward-looking information is included throughout this AIF, including, among other places, under the headings "General Development of the Business", "Description of the Business", "Statement of Reserves Data" and "Risk Factors". Examples of forward-looking information in this AIF include, but are not limited to:

- Business strategy, plans and priorities;
- performance characteristics of the Company's properties;
- the focus and size of future capital expenditures;
- development and exploration plans, including production estimates and targets;
- the size of reserves and the ability to add to those reserves through acquisitions and development;
- Stream's growth strategy, the criteria to be considered in connection therewith and the benefits to be derived therefrom;
- the impact of changes in oil and natural gas prices on cash flow;
- Stream's ability to benefit from the combination of growth opportunities and the ability to grow through the capital markets; and
- treatment under governmental regulatory regimes and tax laws.

Statements relating to "reserves" or "resources" are inherently forward-looking as they involve the implied assessment, based on certain estimates and assumptions that the resources and reserves described can be profitably produced in the future.

Although Stream believes that the expectations reflected in the forward-looking information are reasonable, there can be no assurance that such expectations will prove to be correct. There is no guarantee of future results, levels of activity, performance, or achievements. Actual results could differ materially from those anticipated in the forward-looking information as a result of the risks and uncertainties set forth below and elsewhere in this AIF and they include, but are not limited to:

- general economic, market and business conditions;
- industry conditions, including volatility in market prices for oil and natural gas;
- competition for, among other things, capital, acquisitions of reserves, undeveloped lands and skilled personnel;
- ability to implement corporate strategies;
- ability to obtain financing;
- state of domestic and international capital markets, including market volatility and valuations;
- risks inherent in oil and gas production operations including those relating to maintaining and increasing production;
- unanticipated operating events which can reduce production or cause production to be shut in or delayed or operating costs to increase;
- uncertainties associated with estimating oil reserves;
- environmental risks and regulations;
- fluctuations in foreign exchange or interest rates and stock market volatility;
- geological, technical, drilling and processing problems;
- changes in foreign laws and regulations (particularly in Albania), including those related to tax laws relating to the oil industry;

- need to obtain required approvals from regulatory authorities
- rising cost of labour and equipment;
- changes in oil acquisition and drilling programs;
- failure to complete and/or realize the anticipated benefits of acquisitions; and
- other factors discussed under “Risk Factors”.

The forward-looking information included in this AIF is made as of the date of this AIF and, except as required by law, the Company has no obligation to publicly update or revise any forward-looking information, whether as a result of new information, future events or otherwise.

There can be no assurance that the forward-looking information will prove to be accurate, and actual results and future events could vary or differ materially from those anticipated by them. Accordingly, undue reliance should not be placed on forward-looking information. Forward-looking information for time periods subsequent to 2012 involves greater risks and requires longer term assumptions and estimates from those for 2012, and is consequently subject to greater uncertainty. Therefore, special caution should be taken in terms of placing reliance on such long-term forward-looking information.

Readers are cautioned that the foregoing list of factors is not exhaustive. The forward-looking information contained herein is expressly qualified in its entirety by this cautionary statement.

APPENDIX A
STREAM OIL & GAS LTD.
(the “Company”)

Audit Committee Charter

Purpose

The purpose of the audit committee of Stream Oil & Gas Ltd. (the Company) is to ensure that Stream’s management has established an effective system of internal financial controls for reviewing and reporting on the Company’s financial statements and related financial disclosure. The Committee will also review the Company’s compliance with legal and regulatory requirements related to financial reporting. It is the intention of the Company’s Board of Directors that through the involvement of the Committee, the external audit will be conducted independently of Company management to ensure that the auditors serve the interests of shareholders. The Committee will report to the Board of Directors on a regular basis.

Composition and Membership

1. The Committee will be composed of at least three directors, the majority of whom will satisfy the independence requirements of applicable securities laws, rules or guidelines, and any applicable stock exchange requirements or guidelines. The determination of independence will be made by the Board, based on recommendations by the Committee.
2. The Board will appoint the Directors to form the Committee annually at the Board of Directors meeting.
3. The members of the Committee will be financially literate and the majority shall be independent as defined under applicable securities law.
4. The Members of the Committee will elect a Chairman and Secretary.
5. The Board may remove or replace a Member at any time and may fill any vacancy at any time.
6. The Committee or a Committee member, subject to the approval of the Chairman of the Committee may, at the Company’s expense, engage outside advisors that it deems necessary to assist in meeting its responsibilities.
7. The Committee shall have access to any officers and employees of the Company, the external and internal auditors and to Company information as necessary to perform its duties and responsibilities.

Meetings

1. Meetings shall be held at least quarterly, at such place and times as determined by the Chairman of the Committee, to review the Company's quarterly and annual financial disclosure.
2. Meetings may be held by telephone or any other telecommunication device that permits all persons participating in the meeting to hear each other.
3. A meeting quorum shall be a majority of Members of the Committee in person or by telephone.
4. The external auditors shall receive a notice of the meeting and will have the right to attend all meetings.
5. Management representatives may be invited to attend meetings except private meetings with the auditors.
6. External auditors and internal auditors will be able to communicate directly with the Committee through the Chairman and may by pass management if deemed necessary. The committee through its Chairman may contact any employee of the Company directly and any employee may bring to the Committee any matter involving questionable, illegal or improper financial practices or transactions.

Roles and Responsibilities

1. The general duties and responsibilities of the Committee are to:
 - a. assist the Board in the discharge of its responsibilities related to the Company's accounting policies, reporting practices and internal controls and its approval of the Company's annual and quarterly financial statements and related financial disclosure;
 - b. establish and maintain communications with the external and internal auditors and assess their performance;
 - c. ensure management has designed and implemented and is maintaining an effective system of internal controls; and
 - d. report regularly to the Board on the fulfillment of its duties and responsibilities.
2. The Committee will periodically review:
 - a. the adequacy of procedures in place for the review, prior to public disclosure, of financial information, including news releases, financial statements, MD&A, financial sections of the annual report to shareholders, prospectuses, and annual information form if required;
 - b. the Company's compliance with regulatory and statutory requirements as they relate to financial statements, tax matters and disclosure of financial information; and
 - c. as required, review with Members of the Board proficient in the technical aspects of preparing reserve calculations, reserve calculation procedures and the credentials of the qualified person.

3. The duties and responsibilities of the Committee as they relate to internal controls include:
 - a. reviewing the appropriateness and effectiveness of the Company's policies and business practices which impact the financial integrity of the Company including those relating to internal audit, insurance, accounting, information systems, financial controls, and management reporting; and
 - b. reviewing compliance with business conduct and ethics policies, including periodically reviewing such policies.
4. The Committee will establish procedures for addressing complaints received by the Company regarding accounting, internal controls or auditing matters, ensuring proper documentation and retention of such complaints.