FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1. Name and Address of Company

Groundstar Resources Limited
Suite 300, 570 Granville Street
Vancouver, BC V6C 3P1

Item 2. Date of Material Change

February 1, 2005

Item 3. News Release

A press release was disseminated on February 1, 2005 via CCN Mathews.

Item 4. Summary of Material Change

Groundstar Resources Limited announced today that it has been granted the exclusive right to negotiate with the Guyana Geology and Mines Commission (“GGMC”) the terms of a petroleum prospecting license covering 3,770 square kilometres of the Takutu Basin in Guyana.

Item 5. Full Description of Material Change

Groundstar Resources Limited announced today that it has been granted the exclusive right to negotiate with the Guyana Geology and Mines Commission (“GGMC”) the terms of a petroleum prospecting license covering 3,770 square kilometres of the Takutu Basin in Guyana. This license includes the Takutu oil discovery well made by Home Oil in 1982. The Karanambo #1 oil well produced at a rate of 400 BOPD of 42 API light gravity crude during a five hour test. The Company expects the GGMC to make a decision with respect to the grant of the prospecting license prior to the end of March 2005. If granted, it is anticipated that the prospecting license will have a four year term and will include a US $2,250,000 exploration program over a three year period of which US $550,000 is mandatory. The Company is arranging for the preparation of a NI 51-101 geological report relating to the property that will recommend a suitable exploration program on the property.

The license will be acquired through a company that is 50% owned by Groundstar which will also seek to acquire other international oil and gas interests. Groundstar has the right to acquire the remaining 50% ownership of the company in exchange for 1,000,000 common shares of Groundstar.

The acquisition by Groundstar of the remaining 50% interest in the Barbadian company and the Guyana petroleum prospecting license are subject to receipt of all regulatory approvals, including, without limitation, approval of the GGMC and the TSX Venture Exchange.

Groundstar also reports that its deadline to meet the Tier 2 maintenance requirements of the TSX Venture Exchange has been extended to May 7, 2005.

Groundstar Resources Limited is a junior oil and gas company actively pursuing international exploration and production opportunities.

Item 6. Reliance on Section 7.1(2) or (3) of National Instrument 51-102

Not Applicable

Item 7. Omitted Information

Not Applicable

Item 8. Executive Officer

The name and business number of the executive officer of Groundstar Resources Limited who is knowledgeable about the material change and this report is:

Charles Gryba – President and Director
Telephone: 416.367.8383

Brian E. Bayley – Director
Telephone: 604.689.1428

Item 9. Date of Report

February 1, 2005