FORM 51-102F3

Material Change Report

CONTENT OF MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Groundstar Resources Limited
Suite 1850, 717-7th Avenue S.W.
Calgary, Alberta T2P 0Z3

Item 2 Date of Material Change

June 29, 2005

Item 3 News Release

Press Release dated June 29, 2005 was disseminated by Canadian News Wire and SEDAR filed with the British Columbia and Alberta Securities Commissions and with the TSX Venture Exchange on that date.

Item 4 Summary of Material Change

Groundstar Resources Limited announces that it has engaged Jones, Gable & Company Limited to complete an underwritten private placement with limited termination provisions pursuant to which Groundstar will issue 3,750,000 Units at a price of $0.40 per Unit. In addition, Groundstar has granted Jones, Gable an option exercisable until closing to issue an additional 1,250,000 Units at $0.40 per Unit, resulting in a maximum offering of up to 5,000,000 Units to raise gross proceeds of up to $2,000,000. Each Unit will consist of one Common Share of Groundstar and one-half of one share purchase warrant. Each whole share purchase warrant will entitle the holder to acquire one additional Common Share at a price of $0.60 for a period of 18 months following the closing. Completion of the financing is subject to the approval of the TSX Venture Exchange. The Units will be subject to a statutory hold period expiring four months and one day following the closing.

Item 5 Full Description of Material Change

Groundstar Resources Limited announces that it has engaged Jones, Gable & Company Limited to complete an underwritten private placement with limited termination provisions pursuant to which Groundstar will issue 3,750,000 Units at a price of $0.40 per Unit. In addition, Groundstar has granted Jones, Gable an option exercisable until closing to issue an additional 1,250,000 Units at $0.40 per Unit, resulting in a maximum offering of up to 5,000,000 Units to raise gross proceeds of up to $2,000,000. Each Unit will consist of one Common Share of Groundstar and one-half of one share purchase warrant. Each whole share purchase warrant will entitle the holder to acquire one additional Common Share at a price of $0.60 for a period of 18 months following the closing. Completion of the financing is subject to the approval of the TSX Venture Exchange. The Units will be subject to a statutory hold period expiring four months and one day following the closing.

A commission of 7% of the gross proceeds raised from the financing will be paid to Jones, Gable. In addition, Jones Gable will receive a number of compensation warrants that is equal to 7% of the total number of Units sold under the financing. Each compensation warrant shall be exercisable by the holder to acquire one Unit at a price of $0.40 per Unit for a period of 18 months following the closing.

Groundstar is a publicly traded Canadian junior oil and gas company actively pursuing exploration opportunities in Guyana and other international regions.

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

Not applicable.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

Kam Fard, President
Tel: 403.265.2549
Email: *kfard@groundstarresources.com*

Item 9 Date of Report

June 29, 2005