FORM 51-102F3
MATERIAL CHANGE REPORT

1. Name and Address of Company

Groundstar Resources Limited
2300 Sun Life Plaza West Tower
144 - 4th Avenue SW
Calgary, AB T2P 3N4

2. Date of Material Change

December 4, 2013

3. News Release

A news release was disseminated through The Newswire on December 4, 2013.

4. Summary of Material Change

Groundstar Resources Limited ("**Groundstar**" or the "**Company**") announced a proposed private placement offering.

5. Full Description of Material Change

The Company announced that it had entered into an engagement agreement whereby PI Financial Corp. and Canaccord Genuity Corp. will act as co-lead agents with respect to a proposed offering of up to 5,000,000 common shares in the capital of the Company to be issued on a "flow-through" basis within the meaning of the *Income Tax Act* (Canada) (the "**Flow-Through Shares**") at a price of $0.20 per Flow-Through Share by way of a brokered private placement and up to 2,777,800 units of the Company (the "**Units**") at a price of $0.18 per Unit for total gross proceeds of up to $1.5 million. Each Unit will consist of one common share in the capital of the Company (a "**Common Share**") and one half of one common share purchase warrant ("**Warrant**"). Each whole Warrant will entitle the holder thereof to purchase one Common Share ("**Warrant Share**") at a price of $0.30 each prior to the date that is 18 months from a closing date of the Offering. The Company may offer the Units to purchasers in the United States pursuant to exemptions from the registration requirements under applicable U.S. securities laws.

The Company expects to use the net proceeds from the offering primarily to accelerate exploration and development activities of its North American oil and gas properties. The proceeds received by the Company from the sale of the Flow-Through Shares will be used to incur eligible Canadian Exploration Expenses ("**CEE**") which will be renounced in favour of subscribers for the 2013 taxation year. The flow-through funds will be used to fund additional Mannville, vertical oil well(s) in the Neilburg area, expected follow up to 3-13 at 4-13, and W3/W4 drilling locations; the drilling of a vertical light oil Viking well in the Chigwell unit, and an expected high impact Leduc exploration play. Additionally, some seismic acquisition work may be conducted in Groundstar's key growth areas in Saskatchewan and Alberta.

Groundstar, due to its taxable capital amount may on an annual basis be eligible to incur and renounce up to $1.0 million of certain eligible Canadian development expenses (CDE) which is deemed to be Canadian exploration expenses (CEE). Groundstar currently has no debt and 18.9 million shares outstanding.

The Units and Flow-Through Shares will be issued on a private placement basis in the Provinces of Alberta, British Columbia, Ontario and such other jurisdictions as the Agents and the Company may agree and will be subject to a statutory hold period of four months and a day from the closing date of the Offering, expected to be on or about December 23, 2013. Closing of the Offering and the issuance of the Units and the Flow-Through Shares are subject to approval of the TSX Venture Exchange.

The foregoing contains forward-looking statements within the meaning of applicable securities laws, including expectations regarding the anticipated closing of the Offering, the gross proceeds expected to be received in connection therewith and the anticipated use of proceeds from the Offering. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to be correct. These statements are subject to certain risks and uncertainties and may be based on assumptions that could cause actual results to differ materially from those anticipated or implied in the forward-looking statements. These risks include, but are not limited to: the risks associated with the oil and gas industry (e.g. operational risks in development, exploration and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserve and resource estimates; the uncertainty of estimates and projections relating to production, costs and expenses and health, safety and environmental risks), commodity price and exchange rate fluctuation, uncertainties resulting from potential delays or changes in plans with respect to exploration or development projects or capital expenditures and uncertainties regarding whether regulatory approval for the Offering will be received and if received, on the timelines expected, as well as the intended use of the net proceeds of the Offering. The Company's forward-looking statements are expressly qualified in their entirety by this cautionary statement. The forward-looking statements contained in the foregoing are made as of the date hereof and the Company undertakes no obligations to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

6. Reliance on subsection 7.1(2) of National Instrument 51-102

This Report is not being filed on a confidential basis in reliance on subsection 7.1(2) of National Instrument 51-102.

7. Omitted Information

No information has been omitted on the basis that it is confidential information.

8. Executive Officer

For more information please contact:

Chad Dust, Director
403 608 6505 or 403 668 5547

9. Date of Report

December 13, 2013