GROUNDSTAR
RESOURCES LIMITED

GROUNDSTAR RESOURCES LIMITED ANNOUNCES LOAN AGREEMENT

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Calgary, December 5, 2016 – Groundstar Resources Limited (TSXV:GSA) (the "**Company**") is pleased to announce that it has executed a loan agreement (the "**Loan Agreement**") with a private Alberta-based lender (the "**Lender**") which will provide for the Company to borrow an amount of up to CDN$250,000 to fund its general working capital requirements and to further operations on its properties. The Loan Agreement provides that the funds advanced shall be repayable over a term of twelve months, starting on December 15, 2016, subject to an extension of an additional twelve months with the consent of the Lender. In consideration of the loan amounts provided under the Loan Agreement, the Company shall pay interest in the amount of 10% per annum on all amounts borrowed. In addition, pursuant to the Loan Agreement, the Company will be providing security in all of its assets to the Lender as collateral for the loan pursuant to a general security agreement. The Company anticipates servicing the amounts owing under the Loan Agreement through revenue generated by its operating activities.

About Groundstar Resources Limited

Incorporated in 1968, Groundstar Resources Limited is a publicly traded oil and gas company actively growing a portfolio targeting producing oil and gas assets with development opportunities and exploration upside. The Company's current portfolio of resource assets provides both near term and longer term potential. Groundstar is quoted and trades under the ticker symbol "GSA" on the TSX Venture Exchange.

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Disclaimers

This press release contains forward-looking statements within the meaning of applicable securities laws, including expectations regarding the anticipated use of proceeds from the loan contemplated pursuant to the Loan Agreement, the gross proceeds expected to be received in connection therewith and the ability of the Company to service the loan through revenue generated by its operating activities. 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 loan contemplated by the Loan Agreement will be received and if received, on the timelines expected and at the anticipated pricing, as well as the intended use of the proceeds of the loan and the ability of the Company to adequately service the loan. The Company's forward-looking statements are expressly qualified in their entirety by this cautionary statement. The forward-looking statements contained in this press release 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.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this press release.