GROUNDSTAR
RESOURCES LIMITED

GROUNDSTAR RESOURCES LIMITED ANNOUNCES FINANCING

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Calgary, October 24, 2017 – Groundstar Resources Limited (TSXV:GSA) (the "**Company**") is pleased to announce that it intends to complete an offering of common shares in the capital of the Company (the "**Common Shares**") at a price of $0.01 per share and/or 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**") also at a price of $0.01 per share, all by way of a non-brokered private placement, for aggregate total gross proceeds of up to $500,000 (the "**Offering**") and resulting in the issuance of up to 50 million shares. Notwithstanding the foregoing, in the event that demand for the Offering is greater than anticipated, the Board of Directors of the Company may increase the size of the Offering to such amount as they may determine in their sole discretion, subject to approval of the TSX Venture Exchange ("**TSXV**") regarding same. In addition, while the Company intends to seek an exemption for the anticipated pricing of the Offering, the granting of such exemption is subject to approval of the TSXV. The Offering may be completed in multiple tranches over the next few months, with the initial tranche expected to close on or about October 31, 2017.

The Company will utilize the net proceeds from the Common Shares sold pursuant to the Offering for general corporate purposes and to seek different corporate opportunities, which may involve drilling new wells, seeking a farm-in opportunity or acquiring producing assets. The proceeds received by the Company from the sale of the Flow-Through Shares is expected to be used to incur eligible Canadian Exploration Expenses ("**CEE**") which will be renounced in favor of subscribers for the 2017 taxation year. Groundstar will be utilizing the Small Cap Company provision to allow for the conversion of eligible Canadian Development Expenses ("**CDE**") to be converted to CEE. This permits the Company to utilize the funds for lower risk Development drilling in contrast to higher risk Exploration drilling.

The Common Shares 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 Company may determine in its sole discretion and will be subject to a statutory hold period of four months and a day from the applicable closing date of each tranche of the Offering. Closing of the Offering and the issuance of the Common Shares and Flow-Through Shares are subject to approval of the TSX Venture Exchange. The Offering is open to all existing shareholders of the Company and such other individuals or entities as the Company may determine in its sole discretion. It is currently anticipated that insiders of the Company will subscribe for a significant amount of the Offering.

*This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.*

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.

Contact Information:
Groundstar Resources Limited, Suite 430, 440 - 2nd Avenue SW, Calgary, Alberta T2P 5E9
www.groundstarresources.com

Stephen Hughes
587.580.9344
shughes@groundstarresources.com

This press release contains forward-looking statements within the meaning of applicable securities laws, including expectations regarding the anticipated closing of the Offering and the timing thereof, the gross proceeds expected to be received in connection therewith, the price at which the shares are being issued 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 and at the anticipated pricing, 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 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.