

GROUNDSTAR RESOURCES LIMITED ANNOUNCES CLOSING OF FINANCING

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Calgary, June 4, 2018 – Groundstar Resources Limited (TSXV:GSA) (the “**Company**”) is pleased to announce that it has closed on the first tranche of its previously announced non-brokered private placement of a maximum of up to 20 million units in the capital of the Company (the “**Common Units**”) at a price of \$0.01 per unit, each unit consisting of a common share in the capital of the Company (“**Common Share**”) and a common share purchase warrant (a “**Warrant**”) for gross proceeds of up to CAD\$200,000 (the “**Common Offering**”). Each Warrant will permit the holder to acquire one additional Common Share at a price of \$0.05 in the first year from closing and at \$0.075 in the second year from closing. The Company issued a total of 16,650,000 Common Units for gross proceeds of \$166,500 pursuant to the closing of the first tranche of the Common Offering. The Common Shares and Warrants are subject to a four month hold from the date of the closing, such hold period expiring on October 2, 2018. Commissions of \$1,400 were paid in connection with the closing of the Common Offering. Closing of the Financings and the applicable pricing thereof are subject to approval of the TSXV.

The Company will utilize the net proceeds from the Common 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.

*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.

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This press release contains forward-looking statements within the meaning of applicable securities laws, including expectations regarding the anticipated use of proceeds from the Common 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 final regulatory approval for the Common 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 Common 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.

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