

MEGASTAR DEVELOPMENT CORP.

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TSX-V: **MDV**
Frankfurt: **M5Q**

August 5, 2008

“NEWS RELEASE”

RESULTS OF THE ANNUAL AND SPECIAL GENERAL MEETING

Megastar Development Corp. (TSX-V: **MDV**; Frankfurt: **M5Q**), wishes to announce that at its annual and special general meeting held on July 25, 2008 shareholders re-elected Dusan Berka, Gary Musil and Richard Roy to the Board of Directors for the upcoming year. Shareholders also approved, subject to acceptance by the TSX Venture Exchange, the Company's 2008 incentive stock option plan and the re-pricing of previously granted incentive stock options. All other resolutions submitted by management to shareholders for consideration were approved as presented.

At a directors' meeting held after the Company's AGM, the directors re-appointed Mr. Berka as President and Chief Executive Officer, Mr. Musil as Chief Financial Officer and Treasurer, Mr. Shawn Thomas as Vice President Business Operations and Ms. Catherine Vail as Corporate Secretary.

The Company would also like to announce the granting of incentive stock options to a consulting geologist recently engaged on a contract basis to guide and assist the Company in the exploration and development of its properties. These options represent the right to purchase up to 100,000 common shares of the Company at an exercise price of \$0.10 per share for a period of two years.

Additionally, the Company intends to make application to the TSXV to reduce to \$0.10 the exercise price of incentive stock options to purchase an aggregate of 1,787,500 common shares. These options were previously granted by the Company between January 2004 and January 2008 and are currently exercisable at prices varying between \$0.11 and \$0.25.

ABOUT MEGASTAR DEVELOPEMNT CORP.

Megastar Development Corp. is an emerging resource company engaged in the acquisition, exploration and development of mineral properties in Quebec and British Columbia. Megastar is listed on the TSX Venture Exchange under the trading symbol “MDV” and on the Frankfurt Stock Exchange under the trading symbol “M5Q”.

To review the latest new, projects, and company updates, investors and shareholders are invited to visit the company's website at www.megastardevelopment.com. For more information on Megastar call (604) 683-6648.

ON BEHALF OF THE BOARD OF DIRECTORS

“DUSAN BERKA”

Dusan Berka, P.Eng
President & CEO

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