

MEGASTAR DEVELOPMENT CORP.

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TSX-V: **MDV**

Frankfurt: **M5Q**

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“NEWS RELEASE”

Megastar Begins Next Phase of Exploration on its Wholly Owned Ralleau Copper-Zinc Project in Quebec

Vancouver, BC, Canada, August 3, 2010 - Megastar Development Corp. (“Megastar” or the “Company”) (TSX-V: MDV; Frankfurt: M5Q) is pleased to announce the commencement of a property-wide field program on its Ralleau Copper-Zinc Project (the “Property”) near Quevillon, Québec, just south-east of Breakwater’s Langlois Mine (December M&I resource of 6.7M tonnes grading 10% Zn and 0.7% Cu, and 47 g/t Ag). The program is designed to provide a geological model of the 12,165 hectare property which straddles a virtually unexplored section of the Archean Abitibi Greenstone Belt. In addition, ground proofing of identified VTEM anomalies and surface prospecting will be completed to identify favorable horizons for both gold and base metal mineralization.

Over the past five years the Ralleau property has grown from the original size of 676 hectares to approximately 12,165 hectares comprised of 216 mining claims in the Lebel-sur-Quevillon mining camp, Québec. In January 2010 Breakwater initiated a \$4.6 million program to advance two ramps and other capital expenditures to move closer the reopening of the Langlois mine. Megastar is focusing on a new area play covering a felsic to mafic volcanic sequence which is believed to represent an untested volcanic center. Previous work on the property has demonstrated the potential for Volcanogenic Massive Sulfide deposits with significant copper and zinc values associated with altered felsic volcanic rocks. Copper concentrations from 1% to 5% were obtained from grab samples at several locations on the Property. Chip sample results elsewhere in the region returned values up to 1.56% Cu, 17.2 g/t Ag over 14 metres.

This new phase of work follows up a Mag-VTEM airborne survey conducted in 2008 which will help improve the understanding of the overall felsic volcanic package. The VTEM survey identified forty nine (49) conductors, several with magnetic correlation that could be associated with a VMS deposit. “The current ground work along with the 2008 airborne survey will provide an excellent geological database for the subsequent diamond drilling program,” said Dušan Berka, president of Megastar. “We believe that our systematic approach to the property will pay off by optimizing the follow-up drilling program in order to unlock its potential efficiently.”

Martin Bourgoïn, P. Geo., technical advisor of the company, is the NI 43-101 Qualified Person responsible for the technical content of this news release.

ABOUT MEGASTAR DEVELOPMENT CORP.

Megastar Development Corp. is an emerging resource company engaged in the acquisition, exploration and development of mineral properties in Canada. Megastar owns gold and base metal properties in Quebec and British Columbia, including the Simkar Gold Project in Val d’Or, Quebec for which a NI 43-101 compliant independent Technical Report concludes that the Project is estimated to have a remaining (post-historic mining) Inferred Resources of about 140,000 ounces gold (Au), based on parameters appropriate for a reasonable underground mining scenario. For further information, investors and shareholders are invited to visit the Company’s website at www.megastardevelopment.com or call the office at 604-683-6648).

ON BEHALF OF THE BOARD OF DIRECTORS

“*DUŠAN BERKA*”

Dušan Berka, P. Eng.
President & CEO

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