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"NEWS RELEASE"

SIMKAR Drilling Results Add Significant Potential Below Historic Mine Workings

Eloro Intersects Up to 20.4 g/t Gold Over 3.0 metres in Multiple Zones on Megastar Property

Vancouver, BC, Canada, March 25, 2010 - Megastar Development Corporation ("Megastar" or the "Company") (TSX-V: **MDV**; Frankfurt: **M5Q**) is pleased to announce the Company has received the first assay results from its joint venture partner Eloro Resources Ltd. ("Eloro") from the ongoing, surface diamond drilling program at the Simkar Gold Project ("Simkar" or the "Property") located in the prolific Abitibi Greenstone Belt, 20 km east of Val-d'Or (Quebec). Simkar consists of two contiguous mining concessions totalling 226 hectares in Louvicourt Township, which is wholly-owned by Megastar under option to Eloro.

Drill hole SK10-12 intersected **9.4 g/t Au over a 5.9 m** including **24.6 g/t Au over 2.1 m**. Drill hole SK10-13 intersected **20.4 g/t Au over a 3.0 m** including **40.3 g/t Au over 1.3 m**. Drill hole SK10-16 intersected **4.0 g/t Au over a 5.0 m** including **11.9 g/t Au over 1.0 m.** The reported intersections are relatively shallow, ranging from 170 m to 275 m vertical below surface.

"The initial results from the first stage of exploration confirm the newly developed 3D models of the deposit. The early outstanding results clearly highlight the potential of the project and also provides additional confidence in the structural continuity of the zones in order to key into high grade ore shoots which would significantly impact the deposit's economic viability," said Dusan Berka, President and CEO of Megastar Development Corp.

The current drilling program incorporates 17 holes totalling 6,125 m, of which 11 holes have been completed to date for 3,400 m. The holes are being drilled in reverse order to the hole numbers, and assay results are available for the first 6 holes drilled, including; SK10-12 to SK10-17 (inclusive). Highlights of the analytical results received to date are tabulated below, with no significant results to report from holes SK10-14, SK10-15 or SK10-17.

DDH #	FROM (m)	TO (m)	CORE LENGTH (m)	GOLD (g/t)
SK10-12	**313.9**	**319.8**	**5.9**	**9.4**
incl.	317.7	319.2	2.1	24.6
SK10-13	**246.0**	**249.0**	**3.0**	**20.4**
incl.	246.0	247.3	1.3	40.3
SK10-14	**No significant intervals**			
SK10-15	**No significant intervals**			
SK10-16	**194.0**	**199.0**	**5.0**	**4.0**
incl.	194.0	195.0	1.0	11.9
SK10-17	**No significant intervals**			

(1) All holes are inclined and "From" and "To" distances tabulated are metres drilled downhole not vertical depths.
(2) Sample and intersection "Length" tabulated are downhole lengths and not "true" widths.
(3) All assays are reported uncut.
Quality Assurance and Quality Control ("QA/QC") protocols are outlined below.

The current Simkar mineralization model was generated from a comprehensive 3-D compilation and synthesis of historic mine and drill hole data that include the "A", "B", "C", "Montana", "East" and "South" zones from which there is historic gold production. Even though the gold mineralization is interpreted to continue down-dip and down-plunge of the mine workings, only a few of the historic holes tested the gold mineralization below the lower levels of the mine. The 2010 drilling specifically targets the extensions of the modelled zones, primarily below 200 metres vertical depth under the historic underground workings, specifically along the projections and intersections of the planar shear zones.

The intersection in SK10-16 occurs along the eastern extension of the B Zone, near the projected northeast extension of the C Zone. The intersection may represent a new high-grade zone, previously unexplored and open in all directions at relatively shallow depth. SK10-12 intersected the B Zone over 100 metres down-dip from historic workings, whereas SK10-13 intersected the East Zone more than 100 metres down-dip from historic stoping.

The drilling results to date indicate that the gold-mineralized structures are continuous over significant distances, both along strike and down-dip. The presence of higher gold grades may be indicative of localized "chutes". Additional drilling will be required to further test the multiple targets and chutes identified to date.

The Simkar Gold Project

The Property hosts a thick sequence of east-west trending, near vertical dipping rhyolites, pyroclastics and quartz-feldspar porphyry dykes and sills closely associated with the lode gold vein mineralization and the Louvicourt-type volcanogenic massive sulphide (or "VMS") mineralization.

The higher gold grade vein mineralization is similar to the 9 million ounce Sigma-Lamaque Gold Deposit in Val-d'Or. The historic production of 30,500 ounces of gold (1946-1949) came from extensive underground workings along the A, B and C Zones. From 1987 to 1993, surface exploration and underground development work successfully outlined additional gold mineralization in the immediate extensions of the previously mined zones, as well as defining new gold resources in three new gold bearing structures, the East, F, and Pillar Zones. Subsequently, the existing underground workings were dewatered and new underground development was completed to access the East Zone. This underground development work led to the extraction of 20,000 ounces of gold.

Megastar acquired all rights, titles and interests of the Project in 1996. Since then, Megastar completed ground geophysics; surface diamond drilling, and integrated the former Simkar Gold Mine underground workings into a 3-D mine model. This work led to two National Instrument ("NI") 43-101 compliant technical reports, one in 2004 and a second in 2008 (available on SEDAR at www.sedar.com under Megastar Development Corp). The 2008 technical report outlines Mineral Resource estimates of 1,482,000 tonnes grading 3.01 g/t gold containing 143,160 ounces of gold to vertical depth of 200 m.

Eloro and Megastar are in the first year of an Option and Joint Venture Agreement that provides Eloro with the option to earn a 50% interest in Simkar by completing $4 million in exploration work, paying Megastar $350,000 and issuing 4.5 million shares of Eloro to Megastar over 3 years.

QA/QC Procedures

Eloro has implemented QA/QC procedures to ensure best practices in sampling and analysis of the core samples. The NQ drill core is logged and then split in half with one-half sent for assay. Duplicates, standards and blanks are inserted randomly into the sample stream. The samples are delivered, in secure tagged bags, directly to the *ALS Laboratory Group* facility in Val-d'Or (Quebec) for analysis. Samples with visible gold are analyzed by the Total Metallic Sieve method, whereas the remaining samples undergo more conventional Fire Assays. For the reported intersections, total metallic screen check-assays were completed on the coarse crushed reject for all

samples reporting greater than 10 g/t gold from the initial fire assay. Other samples within the intersection are re-submitted for check fire-assay using the original pulps. The final reported gold grade for a sample is either the Total Metallic Sieve assay result or it is the average of the two fire assays.

The technical information contained in this news release was prepared and approved by Martin Bourgoin, P. Geo., Executive VP of Eloro, and John Langton, P. Geo, VP Exploration of Eloro and Project Manager of the Simkar Gold Project. Both individuals are Qualified Persons as defined by National Instrument 43-101.

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