

MEGASTAR DEVELOPMENT CORP.

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TSX-V: **MDV**

Frankfurt: **M5Q**

“NEWS RELEASE”

MEGASTAR AMENDS FINANCING

Vancouver, BC, Canada, June 21, 2011 - Megastar Development Corporation (“Megastar”, the “Company” or “MDV”) (TSX-V: **MDV**; Frankfurt: **M5Q**) announces that it is amending the previously announced financing on June 3, 2011. The Company will now be proceeding with a financing of up to \$650,000 by the way of a non-brokered private placement offering (the “**Offering**”).

The Offering consists of the issuance of approximately 6,500,000 units at \$0.10 per unit (the “Units”). Each Unit consists of one common share (a “Share”) and one share purchase warrant (the “Warrant”). Each Warrant will entitle the holder thereof to purchase one Share at a price of \$0.135 per Share for a period of 24 months.

Finders’ fees may be paid by the Company in conjunction with the completion of the Private Placement in accordance with TSX Venture Exchange policies.

Proceeds of the Offering will be used for general working capital, including company’s ongoing evaluation of possible projects.

The Offering is subject to regulatory acceptance and final documentation, and is scheduled to close on or about June 30, 2011.

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 mineral properties in Quebec and British Columbia. 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

“*DUSAN BERKA*”

Dusan Berka, P. Eng.
President & CEO

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