

MEGASTAR DEVELOPMENT CORP.

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TSX-V: **MDV**

Frankfurt: **M5Q**

“NEWS RELEASE”

MEGASTAR TO BEGIN TRADING ON POST-CONSOLIDATED BASIS

Vancouver, BC, Canada, May 4, 2011 - Megastar Development Corporation (“Megastar”, the “Company” or “MDV”) (TSX-V: **MDV**; Frankfurt: **M5Q**) announces that effective as of the opening of trading of the TSX Venture Exchange (the “Exchange”) on Wednesday May 4, 2011, the Company will consolidate its common share capital on the basis of one (1) post-consolidated common share for every four (4) pre-consolidated common shares held (the “Consolidation”). The Company’s name and trading symbol will remain the same. The Company’s new CUSIP number is 58516P307.

The Consolidation was approved by the shareholders at the Company’s Special Meeting held on December 20, 2010 (see the Company’s news release dated March 31, 2011).

Letters of transmittal with respect to the Consolidation will be mailed to all registered shareholders of the Company. All registered shareholders will be required to send their respective certificates representing the pre-consolidated common shares along with a properly executed letter of transmittal to the Company’s transfer agent, Computershare Investor Services Inc. (“Computershare”), in accordance with the instructions provided in the letter of transmittal. Additional copies of the letter of transmittal can be obtained through Computershare (Shareholder Services 1-800-564-6253). All shareholders who submit a duly completed letter of transmittal along with their respective pre-consolidated common share certificate(s) to Computershare, will receive a post –consolidated common share certificate.

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. 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, P. Eng.
President & CEO

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this news release.