

MEGASTAR DEVELOPMENT CORP.

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

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“NEWS RELEASE”

Megastar Arranges up to \$1,000,000 Non-Brokered Private Placement

Megastar Development Corp. (TSX-V: **MDV**; Frankfurt: **M5Q**) is pleased to announce that it has arranged a min. of \$600,000 and a max. of \$1,000,000 non-brokered private placement at a price of 20 cents per unit. Each unit will consist of one flow-through common share plus one warrant entitling the investor to purchase one non-flow-through common share for a period of 24 months, and an exercise price of 30 cents in the first year and 40 cents in the second year. The investors are the MineralFields Group (a division of Pathway Asset Management).

Limited Market Dealer Inc. will receive a cash finder's fee of 5%, and finder's fee options equal to 10 % of the number units subscribed for at the unit price of 20 cents, for a term of two years.

The proceeds from the private placement will be used for accelerated exploration and drilling of the company's SIMKAR Gold Project and RALLEAU Zn-Cu Volcanogenic Massive Sulphide (VMS) mineral properties in Quebec and SEDEX Zinc property in BC.

The private placement is subject to final documentation, TSX Venture Exchange approval and in accordance with the securities legislation currently in effect, the shares will be subject to a hold period of four months and a day from the date of issuance and closing.

ABOUT MINERALFIELDS

MineralFields Group (a division of Pathway Asset Management) is a Toronto-based mining fund with significant assets under administration that offers its tax-advantaged super flow-through limited partnerships to investors throughout Canada during most of the calendar year, as well as hard-dollar limited partnerships to investors throughout the world. Information about MineralFields Group is available at www.mineralfields.com.

ABOUT MEGASTAR DEVELOPMENT 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”.

For further information, investors and shareholders are invited to visit the Company’s website at www.megastardevelopment.com.

ON BEHALF OF THE BOARD OF DIRECTORS

“DUSAN BERKA”

Dusan Berka, P. Eng.
President & CEO

THE TSX VENTURE EXCHANGE HAS NOT REVIEWED AND DOES NOT ACCEPT RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS NEWS RELEASE.

This news release contains certain "Forward-Looking Statements" within the meaning of Section 21E of the United States Securities Exchange Act of 1934, as amended. All statements, other than statements of historical fact, included herein are forward-looking statements that involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from the Company's expectations are disclosed in the Company's documents filed from time to time with the British Columbia Securities Commission and the United States Securities & Exchange Commission.