

MEGASTAR DEVELOPMENT CORP.

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

June 25, 2007

“NEWS RELEASE”

Megastar Retains Coal Harbor Communications

Megastar Development Corp. (TSX-V: MDV; Frankfurt: M5Q) is pleased to announce that, subject to regulatory approval, it has retained the services of Coal Harbor Communications Inc. to provide investor relations services for Megastar.

The principal of Coal Harbor is Mr. Dale Paruk, an experienced investor and public relations professional. Coal Harbor will distribute news and information on Megastar and provide consistent and timely contact with the Company's shareholders, other investors and industry professionals on behalf of the Company.

Coal Harbor maintains its offices in Vancouver, British Columbia and works closely with financial analysts, advisors and investors in Canada and the United States.

Coal Harbor will receive a fee of \$6,000 per month starting June 25, 2007 as well as 175,000 options at a price of 15 cents per share exercisable for a period of two years pursuant to the company stock option plan. The term of the contract is one year. Either party may cancel the contract after 3 months with 30 days notice. Coal Harbor Communications Inc. and Dale Paruk are at arm's-length to Megastar.

Company has also granted incentive stock options to a director under its stock option plan for the purchase of 200,000 common shares of the company for a period of two years at a price of 15 cents per share.

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”.

Megastar invites you to visit the company website at www.megastardevelopment.com.

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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.