

MEGASTAR DEVELOPMENT CORP.

#600 - 625 Howe Street, Vancouver, BC, Canada V6C 2T6

Tel.: (604) 683-6648, Fax: (604) 683-1350

www.megastardevelopment.com

TSX-V: **MDV**

Frankfurt: **M5Q**

May 2, 2008

“NEWS RELEASE”

MEGASTAR DELIVERS NOTICE OF DEFAULT, RETAINS 100% OF BC SEDEX CLAIMS Mantle Agrees to Termination Without Cure

Megastar Development Corporation (TSX-V: MDV) reports that on April 24, 2008 it delivered a Notice of Default to Mantle Resources Inc. (“Mantle”) regarding a number of Mantle’s specific obligations that have not been complied with pursuant to the terms of the Kechika property option agreement (the “Agreement”) dated March 28, 2007. Under the terms of the Agreement, Mantle was to pay to MDV \$100,000 cash and 25,000 MTS shares on or before April 11, 2008, and expend \$1 million in 2008.

On April 2, 2008, MDV was informed that Mantle desired to change the terms of the agreement, and that Mantle desired to withhold payment of the cash and shares due on April 11 until a new agreement was reached. Subsequently, MDV and Mantle entered into discussion to attempt to restructure the Agreement. The parties were ultimately unable to agree to the terms of an amended Agreement. Mantle's final offer was not accepted by the board of Megastar, as such was not deemed to be in the best interest of Megastar shareholders.

Mantle has opted to accept MDV’s offer to terminate the Agreement by mutual consent, foregoing the 60 day cure period as prescribed by paragraph 16.1 of the Agreement. Effective immediately, Megastar considers the Agreement to be terminated and of no further force or effect.

Mantle has agreed to comply with the provisions of the Agreement and to deliver to Megastar all reports, statements of Expenditures (as defined in the Agreement), and other documents and rights that Megastar is entitled to pursuant to the terms of the Agreement.

Megastar is pleased with the results derived from the 2007 work performed on its properties, indicating potential for significant mineralization, and intends to continue with a work program on its SEDEX properties in 2008.

ABOUT MEGASTAR DEVELOPMENT CORP.

Megastar Development Corp. is a 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 or contact the Company at 1 (604) 683-6648.

ON BEHALF OF THE BOARD OF DIRECTORS

“DAVID BIKERMAN”

David Bikerman
President & CEO

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