

MEGASTAR DEVELOPMENT CORP.

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TSX-V: MDV

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“NEWS RELEASE”

MEGASTAR ANNOUNCES \$175,000 FINANCING

Megastar Development Corp. (TSX Venture Exchange – “MDV”) has arranged, subject to all necessary regulatory approvals, a private placement of up to 1.25 million units at a price of 14 cents per unit for total proceeds of \$175,000. Each unit consists of one common share and one non-transferable share purchase warrant. Each share purchase warrant shall be exercisable for a period of two years at a price of 20 cents per share. The net proceeds of the offering will be used for current working capital and continuing exploration on the company's properties. The securities issued under the private placement will be subject to a four-month hold period from closing.

Megastar Development Corp. is an emerging resource company engaged in the acquisition, exploration and development of mineral properties.

For further information, investors and shareholders are invited to visit the Company's website at www.megastardevelopment.com or contact D. Cameron Stretch at 604-961-9795.

ON BEHALF OF THE BOARD OF DIRECTORS

“DUŠAN BERKA”

Dušan Berka, P.Eng.
President & CEO