

# MEGASTAR DEVELOPMENT CORP.

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**TSX-V: MDV**

May 30, 2005

## **“NEWS RELEASE”**

### **\$175,000 FINANCING CLOSED**

Further to the news releases of April 18 and 29, 2005 and TSX Venture Exchange acceptance dated May 19, 2005, Megastar Development Corp. (TSX Venture Exchange – “MDV”) wishes to announce that it has closed its non-brokered private placement in respect of 1.25 million units at a price of \$0.14 per unit for total gross proceeds of \$175,000. Each unit consists of one share plus one share purchase warrant exercisable for two years at an exercise price of \$0.20 per share.

The shares and warrants issued are subject to a hold period of four months, expiring September 20, 2005 and a voluntary twelve month pooling agreement expiring May 20, 2006.

The net proceeds of the offering will be used for current working capital and continuing exploration on the company's properties. The company is currently focused on the Simkar Gold Project near Val Dor Quebec, where IP, Megatem and Titan 24 surveys have identified 9 prospective anomalies including a coincident “priority 1” target.

For further information, investors and shareholders are invited to contact D. Cameron Stretch at 604-961-9795 or visit the Company’s web-site at [www.megastardevelopment.com](http://www.megastardevelopment.com).

ON BEHALF OF THE BOARD OF DIRECTORS

*“DUŠAN BERKA”*

Dušan Berka P.Eng.  
President & CEO