

# MEGASTAR DEVELOPMENT CORP.

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

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## “NEWS RELEASE”

### MEGASTAR RAISES ADDITIONAL \$640,540

Megastar Development Corp. (TSX-V: MDV; Frankfurt: M5Q) is pleased to announce that it has closed its previously announced (see NR dated Nov. 6 and Nov. 27, 2006) non-brokered private placement and including the over subscriptions, has raised \$640,540.

The company issued 1,067,500 flow-through units at a price of 20 cents per unit and 2,669,000 non-flow-through units at a price of 16 cents per unit for gross proceeds of \$640,540, being an increase from the \$600,000 originally announced on November 6, 2006. Each flow-through unit consists of one flow-through common share and one non-transferable share purchase warrant. One warrant entitles the holder to purchase one additional non-flow-through common share of the company for a period of two years, at an exercise price of 30 cents per share in the first year and 40 cents in the second year. Each non-flow-through unit consists of one common share and one non-transferable share purchase warrant. One warrant entitles the holder to purchase one additional common share of the company for a period of two years, at an exercise price of 25 cents per share in the first year and 30 cents in the second year. All securities issued under the private placement are subject to a four-month hold period expiring on March 31, 2007. The company has also paid finder's fee of \$29,360 in cash, 62,500 units (one common share and a two-year warrant exercisable at 25 cents in the first year and 30 cents in the second year) and 245,500 agent's warrants, each warrant entitling the agent/broker to purchase one common share of the company for a period of two years, at an exercise price of 30 cents per share in the first year and 40 cents in the second year.

The proceeds from the private placement will be used for exploration of the company's mineral properties in Quebec (Simkar Gold and Ralleau Zinc-Cu Projects) and SEDEX Zinc project located in the world-class Kechika trough sedex zinc basin of Northern British Columbia; further property acquisitions and for general working capital.

#### 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](http://www.megastardevelopment.com) or contact Value Relations GmbH at +49 (69) 959246-13, E-mail: M5Q@ir-services.de

ON BEHALF OF THE BOARD OF DIRECTORS

“DUSAN BERKA”

Dusan Berka, P. Eng.  
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