

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**

November 6, 2006

“NEWS RELEASE”

Megastar Arranges Additional \$600,000 Non-Brokered Private Placement

Megastar Development Corp. (TSX-V: **MDV**; Frankfurt: **M5Q**) wishes to announce that it has arranged an additional \$600,000 non-brokered private placement financing. The Company intends to raise:

1. Up to \$400,000 by the sale of up to 2,500,000 non-flow-through units at 16 cents per unit. Each unit will consist of one common share and one non-transferable share purchase warrant. One warrant will entitle 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; and
2. Up to \$200,000 by the sale of up to 1,000,000 flow-through units at 20 cents per unit. Each flow-through unit will consist of one flow-through common share and one non-transferable share purchase warrant. One warrant will entitle the holder to purchase one additional non-flow-through common share of the company for a period of two years, and an exercise price of 30 cents per share in the first year and 40 cents in the second year.

The closing of the above private placement financing shall occur on or before November 15, 2006. The private placement is subject to the approval of the TSX Venture Exchange. The shares issued under the private placement will be subject to a four-month hold period from the date of TSX Venture Exchange approval.

Where applicable a finder's fee in cash or common shares of the company may be payable in connection with the financing, in accordance with the policies of the TSX Venture Exchange. In addition, the company may grant non-transferable finder's warrants on the same terms as the private placement warrants.

The proceeds from the private placement will be used for exploration of the company's mineral properties, 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.

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.