

MEGASTAR DEVELOPMENT CORP.

(the “Company”)

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CDNX: MVS

NEWS RELEASE

The Company announces that it has arranged a private placement of an aggregate of up to 375,000 units (the “Units”) to one placee, Derby Reach Holdings Ltd., at a price of \$0.16 per Unit, to be held unconditionally for a minimum of 12 months from the date of payment for the Units. Proceeds from the private placement will be used for general working capital.

Each Unit will consist of one common share in the capital stock of the Company and one non-transferable share purchase warrant (the “Warrants”). Each Warrant will entitle the holder to purchase one additional common share for a term of two years from the payment for the Units at a price of \$0.19 per share.

The Company also announces the appointment of Julia Harrod to the Board of Directors.

The issuance of the private placement shares and non-transferable share purchase warrants is subject to regulatory acceptance.

On behalf of the Board of Directors

“Peter Haladin”

PETER HALADIN, Director

The Canadian Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of the contents herein.