

**ABBASTAR URANIUM CORP.**

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**NEWS RELEASE**

**ABBASTAR SIGNS A LETTER OF INTENT TO ACQUIRE  
A MEXICAN EXPLORATION COMPANY WITH A GOLD PROPERTY**

**May 28, 2008**

**TSX Venture Symbol: ABA**

Abbastar Uranium Corp. (the “Company” or “Abbastar”) is pleased to announce that it has signed a letter of intent with Lateegra Gold Corp. (“Lateegra”) to acquire all shares of Minera Bacoachi S.A. de C.V. (“Minera Bacoachi”).

Minera Bacoachi is Lateegra’s wholly owned Mexican subsidiary with its main office in Hermosillo, Sonora. Minera Bacoachi is an established Mexican exploration company with the required infrastructure, personnel and equipment in place to acquire and manage Mexican exploration properties. On April 30, 2008 Minera Bacoachi acquired an option on the Charay low sulphidation gold property (“Charay Property”) from Minera Pafex S.A. de C.V. of Hermosillo, Sonora. The Charay Property covers an area of 380 hectares and is located in northern Sinaloa, Mexico.

As part of Abbastar’s ongoing due diligence, Abbastar personnel have completed a site visit to the Charay Property. Subject to satisfactory due diligence and regulatory approval, Abbastar intends to enter into a binding agreement with Lateegra on or before August 1, 2008.

The main terms of the proposed acquisition are:

- a) Abbastar will acquire from Lateegra all shares of Minera Bacoachi;
- b) Abbastar will pay Lateegra \$250,000 cash consideration as follows:
  - i) \$100,000 within 5 days from the date that the TSX Venture Exchange (the “Exchange”) approves the acquisition; and
  - ii) \$150,000 within 6 months from the date the Exchange approves the acquisition.
- c) Abbastar will issue 1,250,000 shares to Lateegra as follows:
  - i) 350,000 shares within 5 days from the date the Exchange approves the acquisition;
  - ii) 300,000 shares within 4 months from the date the Exchange approves the acquisition;
  - iii) 300,000 shares within 8 months from the date the Exchange approves the acquisition; and
  - iv) 300,000 shares within 12 months from the date the Exchange approves the acquisition.

Lateegra’s management believes the Charay Property holds significant exploration potential for gold. To that extent Mr. Chris Verrico President of Lateegra states, “We are pleased to be able to offer our shareholders continued exposure to Minera Bacoachi and

the Charay Property through ownership of Abbastar shares. Lateegra believes that Abbastar management will advance exploration work on the Charay Property and has committed to reinvest the first \$100,000 received through this agreement into a limited Abbastar financing“.

President of Abbastar Mr. Gary Schroeder states, “Our management team believes in the strong fundamentals of exploring for gold in Mexico. This acquisition not only allows us to take advantage of the existing infrastructure presented by Minera Bacoachi, and the expertise of their current personnel, but also gives Abbastar the opportunity to acquire the Charay Property and to quickly become a gold explorer in Mexico with a property that we believe has significant potential.”

Abbastar is close to completing their due diligence and are working diligently with Lateegra to expedite the definitive agreement.

On behalf of the Board,  
**Gary Schroeder**  
**President & CEO**

*The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this news release. This document contains certain forward looking statements which involve known and unknown risks, delays, and uncertainties not under the Company's control which may cause actual results, performance or achievements of the Company to be materially different from the results, performance or expectation implied by these forward looking statements.*