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MERUS LABS INTERNATIONAL INC.

MERUS LABS INTERNATIONAL INC. ACQUIRES VANCOCIN[®] FROM IROKO INTERNATIONAL

VANCOUVER, May 13, 2011

(CNSX: MR)

Merus Labs International Inc. ("Merus" or the "Company") is pleased to announce that it has completed the acquisition of Vancocin[®] (vancomycin hydrochloride) capsules from Iroko International LP, a subsidiary of Iroko Pharmaceuticals, LLC. According to IMS Canada, Vancocin[®] 125mg and 250mg capsules had a combined total sale of approximately CAD \$7.8 million in 2010. The company acquired Vancocin[®] for total consideration in line with acquisition of pharmaceutical brands which typically are divested at a price range from 2.5 to 3.5 times multiple of net annual sales of the product. Other financial terms of the acquisition were not disclosed. The acquisition includes all rights to manufacture, market and sell Vancocin[®] Oral 125 mg and 250 mg capsules in the Canadian market. The Canadian rights to the oral product line of Vancocin[®] capsules were acquired by Iroko in September 2007 from Eli Lilly Canada, an affiliate of Eli Lilly and Company.

Vancocin[®] capsules are indicated for the treatment of:

- Enterocolitis—caused by *Staphylococcus aureus* (including methicillin-resistant strains)
- Antibiotic-associated pseudomembranous colitis—caused by *Clostridium difficile*

Pursuant to the acquisition, Merus acquired certain know-how related to manufacturing of the product, the Vancocin[®] trademark, starting material inventory, and certain related intellectual property and other information and materials required to continue marketing the brand in Canada.

"Vancocin[®] marks the first addition to Merus Lab's prescription pharmaceutical product portfolio," said Ahmad Doroudian, President and Chief Executive Officer. "With an established market and strong physician loyalty, Vancocin[®] represents a solid foundation for the growth of our specialty pharmaceutical business. Shortly we will provide guidance for our coming fiscal year which commences on June 1, 2011."

To fund a part of the purchase price for the acquisition, the Company completed the previously announced private placement of units with Primary Capital Inc. and short term credit facility with Envoy Capital Group Inc. Merus sold 2,500,000 units (the "Units") under the private placement at a price of 21 cents per unit for aggregate proceeds of CAD\$525,000 (the "Private Placement"). Each Unit offered in the Private Placement is comprised of one common share of the Company and one common share purchase warrant, with each warrant exercisable for two years at an exercise price of 40 cents per share.

A finder's fee in connection with the offering was paid, consisting of 250,000 finder's options, which is equal to 10 percent of the number of Units referred (the "Finder's Options"). Each Finder's Option is exercisable into one finder's option unit at a price of 21 cents per unit for a period of two years from the date of closing (the "Finder's Option Units"), with each Finder's Option Unit being comprised of one common share of the Company and one common share purchase warrant of the Company exercisable at a price of 40 cents per share for two years from the date of closing. All securities issued pursuant to this offering are subject to a four-month hold period from the date of closing.

The Company and its wholly-owned subsidiary, Merus Labs Inc., also completed the previously announced short term credit facility in an aggregate amount of \$6.0 million at an interest rate of 12% per annum for a period of approximately six months. The Company granted to the lender as a bonus three million units, with each unit being comprised of one common share of the Company and one common

share purchase warrant exercisable at a price of 40 cents for two years. These securities are subject to a four-month hold period from the date of closing.

About Merus Labs International Inc.

Merus is a specialty pharmaceutical company engaged in the acquisition and licensing of pharmaceutical products. The Company utilizes its expertise in the North American pharmaceutical markets and its access to capital to acquire and license niche branded products in Canada and United States. Merus further enhances the sale and distribution of these products by introduction of a focused marketing and promotion plan.

About Iroko Pharmaceuticals, LLC

Iroko is a global pharmaceutical company focused on scientific innovation in analgesia. The company develops improved formulations of established pharmaceuticals and drives sales of established products through the optimization of commercial activities. By using breakthrough, proprietary, patent protected technologies and the extensive expertise of its employees and specialist partners, Iroko continually delivers significant added value to patients, healthcare professionals and other stakeholders.

Forward-looking Statements:

This press release may contain forward-looking statements that involve risks and uncertainties. These statements relate to future events or our future financial performance. In some cases, you can identify forward-looking statements by terminology including "could", "may", "will", "should", "expect", "plan", "anticipate", "believe", "estimate", "predict", "potential" and the negative of these terms or other comparable terminology. While these forward-looking statements, and any assumptions upon which they are based, are made in good faith and reflect our current judgment regarding the direction of our business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions or other future performance suggested in this report. Except as required by applicable law, we do not intend to update any of the forward-looking statements so as to conform these statements to actual results. Investors should refer to the risks disclosed in the Company's reports filed from time to time with securities regulatory authorities.

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