

MERUS LABS INTERNATIONAL INC. SIGNS PRODUCT ACQUISITION LETTER OF INTENT

Toronto, June 4, 2012 - Merus Labs International Inc. (“Merus” or the “Company”) [TSX: MSL, NASDAQ: MSLI] is pleased to announce today that it has signed a letter of intent to acquire the rights to manufacture, market, and sell a branded prescription medicine product mainly for the European market and Canada. The product is being divested by a large multinational pharmaceutical company. In the calendar year 2011, the product had net sales of approximately US\$23 million in the applicable territories.

“We are pleased to sign this letter of intent as we believe that the addition of this product will broaden the Company’s existing product portfolio, expand our geographic focus, and bring scale to our business. Merus’ management will continue to work closely with our legal, regulatory and financial advisors towards the successful completion of this transaction,” said Elie Farah, President and CEO-elect of Merus Labs International Inc.

The letter of intent is non-binding except that, in conjunction with its execution the Company has paid US\$2 million as an exclusivity payment. Subject to the approval of the board of directors of both companies, the transaction is expected to close on or before July 19, 2012.

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 pharmaceutical markets and its access to capital to acquire and license niche branded products. Merus further enhances the sale and distribution of these products by introduction of a focused marketing and promotion plan.

(a) Cautionary Statement

Certain statements contained in this press release may constitute “forward-looking statements” within the meaning of Section 21E (i) (1) of the United States Securities Exchange Act of 1934 and include such statements as: the acquisition of the product broadening the Company’s existing product portfolio; expanding its geographic focus; bringing scale to its business; completing the transaction; and expecting to close on or before July 19, 2012. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause Merus’ actual results to be materially different from any future results expressed or implied by these statements. Such factors include the following: general economic and business conditions, changes in demand for Merus’ products, changes in competition, the ability of Merus to integrate acquisitions or complete future acquisitions, interest rate fluctuations, currency exchange rate fluctuations, dependence upon and availability of qualified personnel and changes in government regulation. In light of these and other uncertainties, the forward-looking statements included in this press release should not be regarded as a representation by Merus that Merus’ plans and objectives will be achieved. These forward-looking statements speak only as of the date of this press release, and we undertake no obligation to update or revise the statements.

For further information please contact:

Merus Labs International Inc.

Dr. Ahmad Doroudian
Chief Executive Officer
Tel: (604) 805 7783
adoroudian@meruslabs.com

Elie Farah
President and CEO-elect
Tel: (416) 593-3701
efarah@meruslabs.com