

News release via Canada Newswire, Vancouver, B.C
Attention Business/Financial Editors:

MERUS LABS ANNOUNCES EXECUTION OF BINDING LETTER OF INTENT FOR THE LICENSING, REGISTRATION AND DISTRIBUTION OF SPECIFIC PHARMACEUTICAL PRODUCTS AND MEDICAL DEVICES IN CANADA.

VANCOUVER, July 6, 2010

Merus Labs International Inc ("Merus") announces the execution of a binding letter of intent between its wholly owned subsidiary and Methapharm Inc. ("Methapharm") for the licensing, registration, and distribution of specific pharmaceutical products and medical devices in Canada, on an exclusive basis. The deal includes a portfolio of advanced wound care products including Hydrogel, ulcer wound, and composite multi-layered dressings, as well as, anti-microbial silver Hydrogel dressings. The portfolio also includes anti-fungal creams.

The worldwide advanced wound care market is estimated to be worth \$5.5bn in 2010. This market is expected to grow by approximately 5.7% to 6% out to 2013.

"We are very pleased to announce this strategic partnership with Methapharm. This portfolio of products, combined with other products we are seeking to license within the wound care market will allow Merus to be an important contributor to the large wound care market segment. Additionally, Methapharm will provide Merus with the infrastructure, and regulatory expertise in order to propel the company into the future. We look forward to the expansion of our partnership with Methapharm in the near future." according to Mr. Ahmad Doroudian, president & CEO of Merus.

About Merus Labs International Inc.

Merus Labs is a specialty pharmaceutical company engaged in acquisition and licensing of pharmaceutical products. The company utilizes its expertise in the North American pharmaceutical markets and 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 Methapharm Inc.

Methapharm is a cGMP specialty pharmaceutical company focused on the commercialization and marketing of niche pharmaceutical products and devices in specific therapeutic categories. The company markets their own proprietary products as well as products from partner companies. Methapharm offers its partners sales and marketing, regulatory services, market access, and distribution capabilities for product partnership opportunities in Canada and/or the USA. The company operates distribution centers in Brantford, Ontario and Coral Springs, Florida. Methapharm also has a European affiliate to co-ordinate international licensing opportunities. More information is available on their website at www.methapharm.com

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