

MERUS LABS INTERNATIONAL INC. ANNOUNCES THIRD QUARTER RESULTS FOR FISCAL 2012

Toronto, August 14, 2012 - Merus Labs International Inc. ("Merus" or the "Company") [TSX: MSL, NASDAQ: MSLI] is pleased to announce today its financial results for the third quarter of fiscal 2012. The results from the third quarter of fiscal 2012, for both revenue and earnings, were in line with management's expectations.

For the three months ended June 30, 2012, the Company reported net earnings of \$674,271 or \$0.03 per share, compared with net earnings of \$136,929 or \$0.02 per share for the same period last year. Earnings in the prior year period include \$63,415, or \$0.01 per share, related to discontinued operations. For the three months ended June 30, 2012, the earnings before interest, taxes, depreciation and amortization ("EBITDA") was \$1,288,378 and the adjusted EBITDA which adds back non-cash stock based compensation expense and acquisition costs was \$1,539,056.

On a pro forma basis, including the acquired entity's results from the beginning of the fiscal period in which the amalgamation occurred, Merus' net income for the nine months ended June 30, 2012 was \$1,629,286 or \$0.07 per share. Also, on a pro forma basis, revenue from net product sales for the nine months ended June 30, 2012 was \$7,906,420. The per-share calculations are based on fully diluted, weighted average shares outstanding of approximately 26.5 million for the current period, 8.0 million in the prior year, and 24.8 million shares on a pro-forma basis.

Revenue from Vancomycin net product sales for the three months ended June 30, 2012 were \$2.4 million, while the Company's recently acquired product, Factive, contributed an additional \$0.5 million in net sales in the quarter.

The Company completed its amalgamation on December 19, 2011 and consequently, the reported results for the nine month period include the revenue and operating expenses of the acquired entity from December 20 through June 30, 2012.

Management's discussion and analysis, containing a full analysis of financial results, is available on EDGAR (www.sec.gov/edgar.shtml) and on SEDAR (www.sedar.com).

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.

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. 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.

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