

**MERUS LABS INTERNATIONAL INC**  
**ANNOUNCES COMPLETION OF DEBT REFINANCING**

**Toronto, September 24, 2013 - Merus Labs International Inc.** (“Merus” or the “Company”) [TSX: MSL, NASDAQ: MSLI] is pleased to announce today that the Company has refinanced its debt obligation previously provided by PDL BioPharma, Inc. (“PDL”) [NASDAQ: PDLI] which had an outstanding amount owing of US\$39.5 million, by closing on two new debt instruments: a C\$30 million senior credit facility with the Royal Bank of Canada and the Bank of Montreal, and a C\$10 million convertible note debenture with a large Canadian institutional investor.

As of today, Merus has net debt of C\$34 million comprised of C\$40 million in senior and unsecured debt net of approximately C\$6 million in cash and cash equivalents. Since July 2012, the Company has been able to reduce its debt outstanding by approximately US\$15 million and with the Company’s strong operating cash flows the debt continues to decline.

“This transaction is a positive step in the evolution of the Company as it results in a substantial increase in free cash flow due to the interest rate differential between the old and new debt, significantly increases the term of the loan, eliminates the US dollar foreign exchange exposure, and most importantly decreases our cost of capital going forward as the Company executes on its acquisition strategy,” said Elie Farah, President and CEO of Merus Labs International Inc.

The C\$30 million of senior debt is a three year term loan which can be drawn via a number of availment options either on a fixed or variable interest rate basis. Merus has elected a variable rate option and based on the current prime rate will pay 6.5% per annum. In addition to the term loan, the senior lenders have provided a C\$2 million revolving operating line.

The C\$10 million unsecured convertible debenture pays interest at a rate of 8% per annum and matures in five years. At any time at the option of the holder, the principal amount of the convertible debenture may be convertible into the Company’s common shares at a price of \$1.50 per share. If the trading price of the common shares of Merus closes for 20 consecutive trading days at \$2.30 or greater, the Company has the option to force conversion of the entire note into common shares.

**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 the 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 as statements regarding Merus’ cost of capital going forward. 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, unless required by law, we undertake no obligation to update or revise the statements.

**For further information please contact:**

Merus Labs International Inc.

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