



Iroko Divests Antibiotic Product in Canada

Sale of Vancocin® Is Consistent with Company Focus on the Analgesia Area

PHILADELPHIA, May 16, 2011 – Iroko Pharmaceuticals announced today the sale of its oral antibiotic product, Vancocin® (vancomycin hydrochloride), to Merus Labs International Inc., Vancouver, Canada.

“This divestment is consistent with our efforts to re-direct our resources to support and grow our leadership position in the analgesia space,” said John Vavricka, Iroko’s Chief Executive Officer.

“Though Iroko will continue to grow our existing commercial products in global markets, the company will increasingly focus investment on progressing our pipeline of NSAIDs (non-steroidal anti-inflammatory drugs) formulated with SoluMatrix™, a proprietary nanotechnology licensed from our partner company, iCeutica. “ said Osagie Imasogie, Iroko’s Board Chairman.

John Vavricka went on to state that “Our objective, consistent with the U.S. Food and Drug Administration’s directive, is to deliver NSAIDs that are effective at lower and more tolerable doses.”¹

Vancocin® is indicated for the treatment of specific bacterial infections of the lower digestive tract, including infections caused by *Clostridium difficile*, one of the most common bacteria found in hospitals and long-term care facilities.

Iroko’s subsidiary, Iroko International LP, owned Vancocin® in Canada. The transaction includes the transfer of the product and intellectual property rights, and the current inventory of Vancocin® to Merus.

Financial terms of the transaction were not disclosed.

About Iroko Pharmaceuticals, LLC

Iroko is a pharmaceutical company focused on specialty therapeutic areas. The company acquires, develops and maximizes the potential of currently marketed products on a global basis through focused selling and marketing efforts and product-life-cycle management activities including development of new formulations to improve patient treatment.

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.

¹Source: Public Health Advisory – FDA Announces Important Changes and Additional Warnings for COX-2 Selective and Non-Selective Non-Steroidal Anti-Inflammatory Drugs (NSAIDs). July 7, 2005.

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