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AKELA PHARMA REPORTS RESULTS FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2011

Austin, Texas; August 15th, 2011 – Akela Pharma, Inc. (“Akela”), (TSX: AKL) and PharmaForm, a leading specialty contract service provider in the area of pharmaceutical dosage form development and manufacturing, today announced its financial results for the three and six months and year ended June 30, 2011.

Total consolidated revenues for the three months ended June 30, 2011 were \$3.1 million, including \$2.4 million of contract services, as compared to \$3.1 million, including \$2.4 million of contract services, for the same period during the previous year. Total consolidated revenues for the six months ended June 30, 2011 were \$7.3 million as compared to \$5.7 million for the same period in 2010.

Consolidated net income (loss) for the three months ended June 30, 2011 was (\$0.52) million, or (\$0.02) per share, versus \$0.15 million or \$0.01 per share, for the same period in 2010. Consolidated net income for the six months ended June 30, 2011 was \$0.48 million vs. \$0.17 million, for the same period in 2010.

	Three Months Ended		Six Months Ended	
	June 30		June 30	
	2011	2010	2011	2010
Total Comprehensive income(loss)	(516)	150	478	(173)
Basic and diluted net income (loss) per share	\$ (0.02)	\$ 0.00	\$ 0.01	\$ (0.01)
Basic and diluted weighted average	30,952,838	31,015,338	32,525,685	30,952,838

The Company had a cash balance of \$0.21 as of June 30, as compared with \$0.14 million as of March 31, 2011.

About Akela Pharma Inc.

Akela Pharma is the parent company of PharmaForm, and its common shares trade on The Toronto Stock Exchange (“TSX”) under the symbol “AKL” with 32.4 million shares outstanding.

About PharmaForm

PharmaForm, a wholly-owned subsidiary of Akela Pharma, Inc, is a leading specialty contract manufacturer in the area of pharmaceutical dosage form development, specializing in controlled release and bioavailability enhancement technologies, such as hot melt extrusion, fluid bed processing, liquid filled capsules, and spray drying. Through its diverse offerings, PharmaForm solutions help pharmaceutical and biotechnology clients reach their drug development targets, reduce development costs and accelerate time-to-market for their products.

This press release contains statements which may constitute forward-looking information under applicable Canadian securities legislation or forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995. Such forward-looking statements or information may include financial and other projections as well as statements regarding the company's future plans, objectives, performance, revenues, growth, profits, operating expenses or the company's underlying assumptions. The words "may", "would", "could", "will", "likely", "expect", "anticipate", "intend", "plan", "forecast", "project", "estimate" and "believe" or other similar words and phrases may identify forward-looking statements or information. Persons reading this press release are cautioned that such statements or information are only expectations, and that the company's actual future results or performance may be materially different.

Forward-looking statements or information in this press release include, but are not limited to, statements or information concerning our ongoing drug development programs and collaborations as well as the possible receipt of future payments upon achievement of milestones.

Such forward-looking statements or information involve known and unknown risks, uncertainties and other factors that may cause our actual results, events or developments to be materially different from results, events or developments expressed or implied by such forward-looking statements or information. Such factors include, among others, the possibility that risks associated with requirements for approvals by government agencies such as the FDA before products can be tested in clinical trials; the possibility that such government agency approvals will not be obtained in a timely manner or at all or will be conditioned in a manner that would impair our ability to advance development; risks associated with the requirement that a drug candidate be found safe and effective after extensive clinical trials; our dependence on suppliers, collaborative partners and other third parties and the prospects and timing for negotiating supply agreements, corporate collaborations or licensing arrangements; our ability to attract and retain key personnel; and other factors as described in detail in our filings with the Canadian securities regulatory authorities at <http://www.sedar.com>.

Assumptions underlying our expectations regarding forward-looking statements or information contained in this press release include, among others, that future clinical trial results will be favorable; that our drug candidate will treat target diseases as intended; that we will raise enough capital, on reasonable terms and in a timely manner; that we will retain our key personnel; that we will obtain the necessary regulatory approvals.

In the event that any of these assumptions prove to be incorrect, or in the event that we are impacted by any of the risks identified above, we may not be able to continue in our business as planned.

For a complete discussion of the assumptions, risks and uncertainties related to our business, you are encouraged to review our filings with Canadian securities regulatory authorities, filed on SEDAR at <http://www.sedar.com>.

All forward-looking statements and information made herein are based on our current expectations as of the date hereof and we disclaim any intention or obligation to revise or update such forward-looking statements and information to reflect subsequent events or circumstances, except as required by law.

For further information please contact:

Akela Pharma Inc.

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AKELA PHARMA INC.Condensed Consolidated Statements of Financial Position
(Unaudited)

June 30, 2011 and December 31, 2010

(in thousands of US dollars, except share and per share data)

	As at June 30, 2011	As at December 31, 2010
Assets		
Current assets:		
Cash	\$ 218	\$ 474
Accounts receivable	1,300	1,590
Prepaid expenses and other current assets	580	302
	2,098	2,366
Property and equipment	2,642	3,085
Intangible assets	50	74
Other assets	73	67
	\$ 4,863	\$ 5,592
Liabilities and Shareholders' Deficiency		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 5,699	\$ 5,709
Deferred revenue	3,199	3,527
Income Tax Payable		266
Current portion of long-term debt	1,223	1,037
	10,121	10,539
Deferred revenue	11,523	12,979
Long-term debt	6,786	6,443
Income taxes	277	-
Shareholders' deficiency:		
Common shares (unlimited authorized, 32,390,338 common shares issued and outstanding with no par value at March 31, 2011 and December 31, 2010, respectively)	67,739	67,739
Additional paid-in capital	8,488	8,441
Deficit	(100,071)	(100,549)
Total shareholders' deficiency	(23,844)	(24,369)
Commitments, contingencies and guarantees		
	\$ 4,863	\$ 5,592

See accompanying notes to audited consolidated financial statements.

AKELA PHARMA INC.Condensed Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)
(Unaudited)Three and six months periods ended June 30, 2011 and 2010
(in thousands of US dollars, except share and per share data)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2011	2010	2011	2010
Revenues	\$ 3,080	\$ 3,050	\$ 7,270	\$ 5,651
Expenses:				
Direct costs	1,230	1,387	2,585	2,831
Selling, general and administrative	1,218	1,658	2,393	3,061
Research and development	69	129	133	258
Stock-based compensation	20	5	47	13
Depreciation of property and equipment	220	376	443	733
Amortization of intangible assets	12	-	24	-
Interest on long-term debt	101	117	126	180
Unrealized(gain) loss on securities held for trading	-	47		76
Foreign exchange (gain) loss	726	(749)	1,041	(1,141)
Gain(loss) on expiration and valuation of warrants as debt	-	(70)		(187)
Total expenses	3,596	2,900	6,792	5,824
Income (loss) before under noted items	(516)	150	478	(173)
Income (loss) before income taxes	(516)	150	478	(173)
Total Comprehensive income(loss)	(516)	150	478	(173)
Basic and diluted net income (loss) per share	(0.02)	0.00	\$ 0.01	\$ (0.01)
Basic and diluted weighted average				
number of shares outstanding	30,952,838	31,015,338	32,525,685	30,952,838

See accompanying notes to audited consolidated financial statements.

AKELA PHARMA INC.Condensed Consolidated Statements of Cash Flows
(Unaudited)Six months periods ended June 30, 2011 and 2010
(in thousands of US dollars, except share and per share data)

	Six months ended June 30,	
	2011	2010
Cash flows from operating activities:		
Net income/(loss) and comprehensive income(loss)	\$ 478	\$ (173)
Adjustments for:		
Amortization and write-off		
of property and equipment	443	733
Amortization of intangible assets	24	-
Stock-based compensation	47	13
Unrealized (gain) loss on securities held for trading	-	76
Unrealized foreign exchange loss	529	(1,141)
Net changes in operating assets	-	-
and liabilities (note 11(a))	(1,777)	(727)
	(256)	(1,219)
Cash flows from financing activities:		
Restricted cash	-	938
Proceeds from issuance of shares	-	-
Repayment of convertible debentures	-	-
Share issue costs	-	-
Proceeds from issuance of long-term debt	-	750
Addition to deferred financing fees	-	-
Repayment of long-term debt		(269)
Cash flows from investing activities:		
Acquisition of property and equipment		(3)
Net decrease in cash and cash equivalents	(256)	197
Cash and cash equivalents, beginning of period	474	107
Effect of exchange rate changes	-	-
Cash and cash equivalents, end of period	\$ 218	\$ 304
Cash and cash equivalents are composed of:		
Cash	218	304
Money market fund	-	-
	\$ 218	\$ 304

Supplemental cash flow disclosure (note 13)
See accompanying notes to unaudited consolidated financial statements.

