AVI BioPharma Provides Update on Hepatitis C Virus Clinical Trial Status

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Data from the Phase I/II Accepted for Oral Platform Presentation at ICAR

PORTLAND, Ore.--(BUSINESS WIRE)--April 20, 2006--AVI BioPharma, Inc. (Nasdaq:AVII), today issued an update on the status of its multicenter study in patients with chronic active hepatitis C virus (HCV) infection. The trial is designed to assess the safety, tolerability, pharmacokinetics (PK) and viral response to treatment with AVI's proprietary NEUGENE(R) antisense compound AVI-4065 among healthy volunteers and patients with HCV.

The first phase of this study was reported preliminarily in January 2006 and completed in March 2006. The trial evaluated 31 healthy volunteers who received 14 consecutive days of treatment of AVI-4065 at three dosage levels. Data from the second phase of the study, assessing HCV virological responses in patients with chronic active HCV, was anticipated by early April. Unexpected delays in final qualification of some clinical sites have delayed release of preliminary data. The study is actively enrolling HCV patients at four clinical sites. While some patients have completed the study through day 45, more patients must reach day 28 before meaningful virological response data can be collected.

AVI expects to present data from the second phase of the clinical trial at the International Conference on Antiviral Research (ICAR) annual meeting on May 10. AVI's presentation at ICAR, "AVI-4065, an Antisense Approach to Active HCV Infection: Preclinical and Clinical Evaluation," has been selected for an oral platform presentation. More details are available at http://www.georgetown.edu/research/arc/ISAR.

In the second phase of this clinical trial, patients with HCV are stratified into two cohorts, one composed of patients who have not received previous treatment and the other composed of patients who have failed conventional interferon and ribavirin treatment. In addition to efficacy as measured by HCV virological responses to treatment with AVI-4065, the study will continue to assess the safety, tolerability and pharmacokinetics. Patients will also be monitored for four months following treatment to assess the duration of the HCV virological response to AVI-4065.

"We look forward to presenting data from the second phase of our HCV trial as a platform presentation at ICAR," said Denis R. Burger, Ph.D., chief executive officer of AVI. "Although it is disappointing that a slow start to the study prevents release of preliminary data today, the trial is on track. Thus far, there have been no safety or tolerability issues in either cohort of patients receiving AVI-4065."

Dr. Mark Holodniy, M.D., F.A.C.P., professor of medicine at Stanford University School of Medicine and director of the Department of Veterans Affairs Public Health Research & Consultation Program located at the Veterans Affairs Palo Alto Health Care System in Palo Alto, Calif., is the principal investigator for the trial.

HCV is a single-stranded RNA virus. Because HCV and other single-stranded RNA viruses have relatively simple genetic structures, they are attractive targets for AVI's NEUGENE antisense, which is designed to target conserved portions of the viral genetic code that are not likely to mutate over time.

About Hepatitis C Infection

Chronic HCV infection causes an inflammation of the liver that can result in the development of cirrhosis, liver cancer or liver failure. According to the World Health Organization, approximately 170 million people worldwide are chronically infected with HCV. It is the most common chronic blood-borne infection in the developed world and the leading cause of liver transplants in the U.S. The Centers for Disease Control and Prevention estimates that approximately 3.9 million Americans have been infected with HCV, of whom 2.7 million are chronically infected.

The Hepatitis Foundation International estimates that between 8,000 and 10,000 people die annually in the U.S. from HCV-related cirrhosis or liver cancer. The current treatment for HCV, 24 to 48 weeks of therapy with pegylated interferon alpha and ribavirin, is successful in less than half the patients infected with HCV genotype 1, the most common form of the virus in the U.S. Furthermore, this treatment has numerous side effects, some of them severe, which make it difficult for nearly half of initially treated patients to tolerate the recommended dosages and duration of treatment.

About AVI BioPharma

AVI BioPharma develops therapeutic products for the treatment of life-threatening diseases using third-generation NEUGENE antisense drugs. AVI's lead NEUGENE antisense compound is designed to target cell proliferation disorders, including cardiovascular restenosis, cancer and polycystic kidney disease. In addition to targeting specific genes in the body, AVI's antiviral program uses NEUGENE antisense compounds to combat disease by targeting single-stranded RNA viruses, including West Nile virus, hepatitis C virus, dengue virus, Ebola virus and influenza A virus. AVI has introduced a NEUGENE-based exon-skipping technology called ESPRIT therapy. More information about AVI is available on the company's Web site at http://www.avibio.com.

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