AVI BioPharma Strengthens Patent Position in Exon Skipping

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For Immediate Release

PORTLAND, OR — November 24, 2008 — AVI BioPharma, Inc. (NASDAQ: AVII), a developer of RNA–based drugs, today announced the signing of an exclusive worldwide license agreement with the University of Western Australia (UWA) to a patent application related to the treatment of Duchenne Muscular Dystrophy (DMD). The patent application, "Antisense Oligonucleotides for Inducing Exon Skipping and Methods of Use Thereof" (U.S. Patent publication number US2008/0200409 A1 and foreign counterparts) claims compositions and methods for treating DMD in humans by skipping exons in the dystrophin gene using antisense oligomers. Among the inventors on the licensed patent application is Stephen D. Wilton, Ph.D., Head of the Molecular Genetic Therapies Group at UWA, a renowned pioneer in the use of exon skipping to treat DMD.

"Dr. Wilton is a longtime collaborator of AVI, and our securing of this license to UWA's patent application further strengthens AVI's leading position in the field of exon skipping for DMD," said Leslie Hudson, Ph.D., President and Chief Executive Officer of AVI BioPharma.

In addition to the UWA patent application, AVI's patent position in exon skipping includes exclusive rights to Dr. Ryszard Kole's general RNA splice altering patents gained though AVI's acquisition of Ercole Biotech earlier this year, as well as other AVI–filed patents and in–licensed intellectual property specific to exon skipping of the dystrophin gene as a therapeutic target.

AVI is currently evaluating the exon skipping therapeutic AVI–4658 for the treatment of DMD. Preclinical studies have demonstrated sustained production of functional dystrophin in numerous tissues, including the heart, diaphragm and skeletal muscles. A clinical trial is currently underway at the Imperial College of London where patients with DMD are receiving a single–dose, intramuscular administration of AVI–4658. The Company was granted orphan drug designation for AVI–4658 by the U.S. Food and Drug Administration in November of 2007 and has been recommended for orphan product designation by the European Medicines Agency (EMEA) Committee for Orphan Medicinal Products.

Dr. Wilton and AVI researchers have collaborated on research in exon skipping and have published articles detailing their research. The most recently published research includes an article appearing in the December issue of the *Journal of Gene Medicine* titled "By–passing the Nonsense Mutation in the 4(CV) Mouse Model of Muscular Dystrophy by Induced Exon Skipping." A link to the preview of this publication, posted online in advance of print publication, can be found under the "Publications" section of the AVI BioPharma website at www.avibio.com.

About Duchenne Muscular Dystrophy (DMD)

DMD is one of the most common fatal genetic disorders to affect children around the world. Approximately one in every 3,500 boys worldwide is afflicted with Duchenne muscular dystrophy with 20,000 new cases reported each year. It is a devastating and incurable muscle–wasting disease associated with specific inborn errors in the gene that codes for dystrophin, a protein that plays a key structural role in muscle fiber function. Symptoms usually appear in male children before age 6. Progressive muscle weakness of the legs and pelvis eventually spreads to the arms, neck, and other areas. By age 10, braces may be required for walking, and most patients are confined to a wheelchair by age 12. Eventually, this progresses to complete paralysis and increasing difficulty in breathing. The condition is terminal and death usually occurs before the age of 30. The outpatient cost of care for a non–ambulatory DMD boy is among the highest of any disease. There is currently no cure for DMD, but for the first time in decades, there are a range of promising therapies in or moving into development.

About AVI BioPharma

AVI BioPharma is focused on the discovery and development of RNA–based drugs utilizing proprietary derivatives of its antisense chemistry (morpholino–modified phosphorodiamidate oligomers or PMOs) that can be applied to a wide range of diseases and genetic disorders through several distinct mechanisms of action. Unlike other RNA therapeutic approaches, AVI's antisense technology has been used to directly target both messenger RNA (mRNA) and its precursor (pre–mRNA), allowing for both up- and down–regulation of targeted genes and proteins. AVI's RNA–based drug programs are being evaluated for the treatment of Duchenne muscular dystrophy as well as for the treatment of cardiovascular restenosis through our partner Global Therapeutics, a Cook Group Company. AVI's antiviral programs have demonstrated promising outcomes in Ebola Zaire and Marburg Musoke virus infections and may prove applicable to other viral targets such as HCV or Dengue viruses. For more information, visit www.avibio.com.