AVI BioPharma, Inc. Completes Registered Direct Offering, Raises $20.3 Million

12/19/07

PORTLAND, Ore.--(BUSINESS WIRE)--Dec. 19, 2007--AVI BioPharma, Inc. (NASDAQ: AVII) has successfully completed its previously announced registered direct offering consistent with the terms and conditions announced in AVI BioPharma's December 12, 2007 press release.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction. The shares of common stock may only be offered by means of a prospectus. Copies of the final prospectus supplement and accompanying base prospectus can be obtained from the SEC's website at http://www.sec.gov or from Citigroup Global Markets Inc., 388 Greenwich Street, New York, New York 10013 800-831-9146.

About AVI BioPharma

AVI BioPharma develops therapeutic products for the treatment of life-threatening diseases using third-generation NeuGene antisense drugs and ESPRIT exon skipping technology. AVI's ESPRIT technology is initially being applied to potential treatments for Duchenne muscular dystrophy. AVI's NeuGene compounds are also designed to treat cardiovascular restenosis, and aid in Coronary Artery Bypass Graft (CABG) procedures. 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 Marburg virus, Ebola Zaire virus, and H5N1 avian influenza virus. More information about AVI is available on the company's Web site at www.avibio.com.

"Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995: The statements that are not historical facts contained in this release are forward-looking statements that involve risks and uncertainties, including, but not limited to, the results of research and development efforts, the results of preclinical and clinical testing, the effect of regulation by the FDA and other agencies, the impact of competitive products, product development, commercialization and technological difficulties, and other risks detailed in the company's Securities and Exchange Commission filings.

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