



AVI BioPharma Receives Notice of Allowance for a Patent Application Covering the Use of NeuGene Antisense Technology for the Development of a New Class of Antibiotics

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PORTLAND, Ore.--(BUSINESS WIRE)--May 24, 2006--AVI BioPharma, Inc. (Nasdaq:AVII), today announced that it has received a Notice of Allowance for U.S. Patent No. 7,049,431 titled "Antisense Antibacterial Cell Division Composition and Method." The patent describes the use of NEUGENE (R) antisense compounds to target bacterial cell division and cell cycle genes for the development of a new class of antibiotics. This is the central patent covering AVI's antibiotic development program referred to as NeuBiotics.

The patent allowance follows a related publication in the Journal of Antimicrobial Chemotherapy, volume 55/2005, pages 983-988, in which an 11-base NEUGENE compound targeting the *acpP* gene of *E. coli* significantly inhibited bacterial growth in both pure culture and in infected mice. These studies showed, for the first time, that an antisense DNA analog can inhibit bacterial growth in animal infections. The relatively short oligomer lengths should offer an improved safety index as they are expected to have no effect on human gene expression.

"This antisense approach to the development of a new class of antibiotics has broad potential to treat infections caused by emerging strains of antibiotic-resistant gram-positive bacteria," said Patrick L. Iversen, Ph.D., senior vice president of research and development at AVI. "We believe we can continue to explore the use of NEUGENE antibiotics to include a variety of gene targets, newly emerging infectious disease, and enhance the potency and efficacy in additional animal infection studies."

NeuBiotics are NeuGene antisense compounds containing just 10 to 13 subunits that target prokaryotic (bacteria) genes rather than the typical 18 to 24 subunits used to target higher organisms including man. The shorter antisense polymers are able to gain entry into the more complex bacterial cell wall and inactivate the targeted gene but are too short to inhibit mammalian genes.

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>.

"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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