

AVI BioPharma, Inc. Files Shelf Registration Statement

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For Immediate Release

CORVALLIS, OR — July 31, 2009 — AVI BioPharma, Inc. (NASDAQ: AVII), a developer of RNA-based drugs, today announced that it has filed a shelf registration statement on Form S-3 with the Securities and Exchange Commission (SEC).

"It is prudent to re-establish access to the financial flexibility required for us to position AVI to benefit from various future alternative financing opportunities," said Leslie Hudson, Ph.D., President and CEO of AVI BioPharma. "Our focus remains on our drug development pipeline, its commercialization - initially through partnership - and building on the future opportunities presented by our new corporate headquarters in the Seattle biotechnology hub."

The shelf registration, once declared effective by the SEC, will allow AVI to sell, from time to time in one or more public offerings, shares of its common stock, shares of its preferred stock, warrants to purchase its common stock or preferred stock or debt securities, or any combination of such securities, for proceeds in the aggregate amount of up to \$125 million. The terms of any such future offerings, if any, and the type of equity or debt securities would be established at the time of the offering.

The shelf registration statement filed with the SEC has not yet become effective. No securities may be sold, nor may offers to buy be accepted, prior to the time the registration statement becomes effective. This press release shall not constitute an offer to sell or a solicitation of an offer to buy the securities, nor shall there be any sale of these securities in any jurisdiction in which an offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction. Any offer of the securities will be solely by means of the prospectus included in the registration statement and one or more prospectus supplements that will be issued at the time of the offering.

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-based 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 H1N1 influenza, hepatitis C or Dengue viruses. For more information, www.avibio.com.