

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported): **March 28, 2008**

AVI BioPharma, Inc.

(Exact name of Company as specified in its charter)

Oregon
(State or other
jurisdiction of
incorporation)

001-14895
(Commission File No.)

93-0797222
(I.R.S. Employer
Identification No.)

**One S.W. Columbia, Suite 1105
Portland, OR 97258**
(Address of principal executive offices)

(503) 227-0554
Registrant's telephone number, including area code

Not Applicable
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 8.01 Other Events.

In connection with the prospectus supplement dated March 28, 2008, filed with the Securities and Exchange Commission pursuant to Rule 424(b) of the Securities Act, AVI BioPharma, Inc. (the "Company") is filing a copy of the opinion of Davis Wright Tremaine LLP relating to the legality of the issuance and sale of the shares in the offering. A copy of the opinion is attached hereto as Exhibit 5.1.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

The following exhibits are furnished herewith:

- 5.1 Opinion of Davis Wright Tremaine LLP.
- 23.1 Consent of Davis Wright Tremaine LLP (contained in Exhibit 5.1)

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Portland, State of Oregon, on March 28, 2008.

AVI BioPharma, Inc.

By: /s/ Alan P. Timmins

Alan P. Timmins

Exhibit Index

Exhibit	Description
5.1	Opinion of Davis Wright Tremaine LLP.
23.1	Consent of Davis Wright Tremaine LLP (contained in Exhibit 5.1)

Davis Wright Tremaine LLP

ANCHORAGE BELLEVUE LOS ANGELES NEW YORK PORTLAND SAN FRANCISCO SEATTLE SHANGHAI WASHINGTON, D.C.

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1300 SW FIFTH AVENUE
PORTLAND, OR 97201-5682TEL (503) 241-2300
FAX (503) 778-5299
www.dwt.com

March 28, 2008

AVI BioPharma, Inc.
One SW Columbia
Suite 1105
Portland, OR 97258

Ladies and Gentlemen:

We have acted as counsel to AVI BioPharma, Inc. (the "Company"), in connection with the Company's registration statement on Form S-3 (No. 333-138299) (the "Shelf Registration Statement"), filed with the Securities and Exchange Commission (the "Commission") pursuant to the Securities Act of 1933, as amended (the "Securities Act"), declared effective on November 22, 2006, and the prospectus supplement dated March 28, 2008, filed with the Commission under Rule 424(b) of the Securities Act (the "Prospectus Supplement"), relating to the proposed public offering of up to 528,848 shares of the Company's Common Stock (the "Shares").

In that connection, we have reviewed originals or copies identified to our satisfaction of the following documents:

- (a) The Shelf Registration Statement;
- (b) The Prospectus Supplement;
- (c) The Certificate of Incorporation and Bylaws of the Company, as amended; and
- (d) Originals or copies of such other corporate records of the Company, certificates of public officials and of officers of the Company and agreements and other documents as we have deemed necessary as a basis for the opinions expressed below.

In our review we have assumed:

- (a) The genuineness of all signatures;
- (b) The authenticity of the originals of the documents submitted to us;

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- (c) The conformity to authentic originals of any documents submitted to us as copies; and
 - (d) As to matters of fact, the truthfulness of the representations made in certificates of public officials and officers of the Company.

We have not independently established the validity of the foregoing assumptions.

Our opinion set forth below is limited to the Oregon Business Corporation Act as in effect as of the date of this letter, and we do not express any opinion herein concerning any other law.

Based on the foregoing and upon such other investigation as we have deemed necessary and subject to the qualifications set forth herein, we are of the opinion that the Shares have been duly authorized and, when issued and sold in the manner and under the terms described in the Shelf Registration Statement and Prospectus Supplement, will be validly issued, fully paid and nonassessable.

This opinion letter speaks only as of the date hereof. We expressly disclaim any responsibility to advise you of any development or circumstance of any kind, including any change of law or fact that may occur after the date of this opinion letter that might affect the opinion expressed herein.

We understand that this opinion is to be used in connection with the Shelf Registration Statement. We hereby consent to the filing of this opinion letter as Exhibit 5.1 to the Company's Current Report on Form 8-K filed as of the date hereof and to the reference to this firm under the caption "Legal Matters" in the Prospectus Supplement constituting a part of the Shelf Registration Statement. In giving this consent, we do not hereby admit that we are in the category of persons whose consent is required under Section 7 of the Securities Act or the rules and regulations of the Commission promulgated thereunder.

Very truly yours,

Davis Wright Tremaine LLP

