

## **AVI BioPharma Awarded \$1.2 Million in U.S. Government Grants for Five Qualifying Therapeutic Development Projects Involving RNA-Based Drug Candidates**

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BOTHELL, WA, Nov 03, 2010 (MARKETWIRE via COMTEX) --

AVI BioPharma, Inc. (NASDAQ: AVII), a developer of RNA-based therapeutics, announced today that it has been awarded five cash grants totaling approximately \$1.2 million under the U.S. Government's Qualifying Therapeutic Discovery Project (QDTP) program. AVI was awarded grants for each of the five project applications submitted for the company's Duchenne muscular dystrophy program and four infectious disease programs.

"These funds provide unrestricted, non-dilutive, capital to further our development of RNA-based therapeutics utilizing our intrinsically charge-neutral PMO-based chemistries," said J. David Boyle II, AVI's interim President and Chief Executive Officer, and Chief Financial Officer. "Each program is focused on the development of drugs for indications where there are significant unmet clinical needs. We will continue to leverage our PMO platform to develop product candidates quickly for advancement through clinical trials."

The QDTP was part of the March 2010 Patient Protection and Affordable Care Act and provides a tax credit or grant equal to 50 percent of eligible costs and expenses for tax years 2009 and 2010. Under the program, a total of \$1 billion in grant or tax credits was made available to companies with 250 or fewer employees. The grant received by AVI for each application was approximately \$244,000.

SOURCE: AVI BioPharma, Inc.