AVI BioPharma Discloses New Contract With U.S. Government for up to $18 Million to Advance Development of AVI-7100 as H1N1 Flu Therapeutic

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BOTHELL, WA, Jun 07, 2010 (MARKETWIRE via COMTEX) --AVI BioPharma, Inc. (NASDAQ: AVII), a developer of RNA-based therapeutics, today filed a current report on Form 8-K with the U.S. Securities and Exchange Commission providing the following disclosure:

On June 4, 2010, AVI BioPharma, Inc. (the "Company"), entered into a new contract with the U.S. Defense Threat Reduction Agency ("DTRA") to advance the development of AVI-7100, which was previously designated AVI-7367 and which has been renumbered by AVI, as a medical countermeasure against the pandemic H1N1 influenza virus (swine flu) in cooperation with the Transformational Medical Technologies program ("TMT") of the U.S. Department of Defense. The contract provides for funding of up to $18 million to advance the development of AVI-7100, including studies enabling an Investigational New Drug (IND) application with the U.S. Food and Drug Administration, the study of an intranasal delivery formulation, and the funding of a Phase 1 clinical trial to obtain human safety data to support potential use under an Emergency Use Authorization.

AVI-7100 is the Company's lead RNA-based influenza therapeutic candidate using AVI's proprietary PMOplus(TM) chemistry. AVI recently secured additional funding of up to approximately $4.0 million under an amendment to a separate earlier contract with DTRA to support, in cooperation with TMT, expanded preclinical evaluation of AVI-7100 against H1N1, H5N1 (avian flu), and drug resistant H1N1 and H3N2 flu strains.

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 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, including an ongoing systemic Phase 1b/2 clinical trial of exon skipping with AVI-4658. 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 Junin, influenza, HCV or Dengue viruses. For more information, visit 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.

SOURCE: AVI BioPharma, Inc.