

AVI BioPharma, Inc. Announces Proposed Public Offering of Common Stock and Warrants

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For Immediate Release

BOTHELL, WA — Aug. 19, 2009 — AVI BioPharma, Inc. (NASDAQ: AVII), a developer of RNA-based drugs, today announced that it intends to offer shares of its common stock and warrants to purchase shares of its common stock in a public offering. The offering is subject to market conditions, and there can be no assurance as to whether or when the offering may be completed.

Jefferies & Company, Inc. is acting as sole book-running manager in this offering. The co-manager in this offering is JMP Securities LLC.

The securities described above are being offered by AVI BioPharma pursuant to a shelf registration statement previously filed with the Securities and Exchange Commission on July 31, 2009 that has been declared effective. A prospectus supplement relating to the offering will be filed with the Securities and Exchange Commission.

This press release does not constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of these securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction. When available, copies of the prospectus supplement relating to these securities may be obtained from Jefferies & Company, Inc., Attention: Syndicate Prospectus Department, 520 Madison Avenue, New York, NY, 10022 and at (888) 449-2342.

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.