

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, DC 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): April 6, 2011

AVI BioPharma, Inc.

(Exact name of registrant as specified in its charter)

Oregon
(State or other jurisdiction
of incorporation)

001-14895
(Commission
File Number)

93-0797222
(IRS Employer
Identification No.)

**3450 Monte Villa Parkway, Suite 101
Bothell, WA 98021**
(Address of principal executive offices, including zip code)

(425) 354-5038
(Registrant's telephone number, including area code)
(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 (see General Instruction A.2. below):

- 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.

On April 6, 2011, AVI BioPharma, Inc. (the “Company”) closed the public offering (the “Offering”) of 23,000,000 shares of its common stock at a price of \$1.50 per share, less underwriting discounts and commissions. The Offering included the sale of 3,000,000 shares pursuant to the underwriters’ over-allotment option. On April 6, 2011, the Company issued a press release announcing the exercise of the underwriters’ over-allotment option and the closing of the Offering. A copy of the press release is attached as Exhibit 99.1 to this report and is incorporated by reference herein.

Item 9.01 Financial Statements and Exhibits.**(d) Exhibits.**

Pursuant to the rules and regulations of the Securities and Exchange Commission, the attached exhibit is deemed to have been filed with the Securities and Exchange Commission:

Exhibit Number	Description
99.1	Press release dated April 6, 2011.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

AVI BioPharma, Inc.

By: /s/ J. David Boyle II
J. David Boyle II
Senior Vice President and Chief Financial Officer

Date: April 6, 2011

EXHIBIT INDEX

Exhibit Number	Description
99.1	Press release dated April 6, 2011.



AVI Media and Investor Contact:
David A. Walsey
Senior Director, Investor Relations & Corporate Communications
425.354.5140
Investorrelations@avibio.com

AVI Media Contact:
David Schull
Russo Partners
212.845.4271
David.schull@russopartnersllc.com

AVI BioPharma Announces Exercise of Underwriters' Over-Allotment Option and Closing of Public Offering of Common Stock

BOTHELL, WA — April 6, 2011 — AVI BioPharma, Inc. (Nasdaq: AVII) today announced that, in connection with its previously announced public offering, the underwriters have exercised in full their over-allotment option to purchase an additional 3,000,000 shares of AVI BioPharma's common stock at \$1.50 per share, less underwriting discounts and commissions. AVI BioPharma also announced that it has closed its public offering of 23,000,000 shares of common stock at a public offering price of \$1.50 per share, which included the sale of the shares pursuant to the over-allotment option. After deducting underwriting discounts and commissions and estimated offering expenses, the Company received net proceeds of approximately \$32.0 million.

Lazard Capital Markets LLC and Piper Jaffray & Co. acted as joint book-running managers and ThinkEquity LLC acted as co-manager for the offering. Wedbush PacGrow Life Sciences acted as a financial advisor to the Company for the offering.

A shelf registration statement (File No. 333-160922) relating to these securities was filed on July 31, 2009 and declared effective by the Securities and Exchange Commission on August 13, 2009. The offering was made solely by means of a written prospectus, copies of which may be obtained from Lazard Capital Markets LLC, 30 Rockefeller Plaza, 60th Floor, New York, NY 10020 or via telephone at (800) 542-0970 or by contacting Piper Jaffray & Co. at 800 Nicollet Mall, Suite 800, Minneapolis, MN 55402, or via telephone at (800) 747-3924.

This press release does not constitute an offer to sell or the solicitation of offers to buy any securities of the Company, and shall not constitute an offer, solicitation or sale of any security 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.



About AVI BioPharma

AVI BioPharma is focused on the discovery and development of novel RNA-based therapeutics for rare and infectious diseases, as well as other select disease targets.