

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

August 20, 2009 2:48 PM ET

For Immediate Release

BOTHELL, WA — Aug. 20, 2009 — AVI BioPharma, Inc. (Nasdaq: AVII) today announced the pricing of the public offering of 21,126,761 shares of common stock and warrants to purchase an additional 8,450,704 shares of common stock at a price to the public of \$1.42 per unit. Each unit consists of one share of common stock and a warrant to purchase 0.40 of a share of common stock. The shares of common stock and warrants are immediately separable and will be issued separately. The warrants have an exercise price of \$1.78 per share of common stock, have a term of five years, and are exercisable starting with the date that is six months from the date of the closing of the offering. In addition, AVI BioPharma has granted the underwriters a 30-day option to purchase up to an additional 3,169,014 units, consisting of 3,169,014 shares of common stock and warrants to purchase 1,267,606 shares of common stock, to cover over-allotments, if any.

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

AVI BioPharma expects the offering to close on or about August 25, 2009, subject to customary closing conditions. Assuming no exercise of the underwriters' over-allotment option, AVI BioPharma expects to receive gross proceeds from the offering of approximately \$30 million.

The offering is being made only by means of a prospectus and related prospectus supplement, copies of which may be obtained from Jefferies & Company, Inc., Attention: Syndicate Prospectus Department, 520 Madison Avenue, New York, NY, 10022 or at (888) 449-2342. Electronic copies of the prospectus and the prospectus supplement are available on AVI BioPharma's website at www.avibio.com.

This press release does not constitute an offer to sell or the solicitation of an offer to buy any of the securities, nor shall there be any sale of these securities in any state in which such an offer, solicitation or sale would be unlawful prior to registration or qualification under the securities law of such state.

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.