

FORM 8-K
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **November 14, 2005**

AVI BioPharma, Inc.

(Exact name of registrant as specified in its charter)

Oregon
(State or other jurisdiction of
incorporation or organization)

0-22613
(Commission
File Number)

93-0797222
(IRS Employer
Identification Number)

One S.W. Columbia, Suite 1105
Portland, OR 97258
(Address of principal executive offices)

(503) 227-0554
Registrant's telephone number, including area code

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:

- 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 1.01. Entry into a Material Definitive Agreement

AVI BioPharma, Inc. (Nasdaq: AVII), on November 14, 2005 announced that it had entered into definitive agreements with several institutional investors for the purchase of 6,941,715 shares of its common stock at \$3.26 per share in a direct equity placement for gross proceeds to the company of \$22,630,000. The company also entered into a definitive common stock purchase warrant with its placement agent as partial compensation for services rendered in connection with the offering. The warrants are exercisable for 485,920 shares at \$5.00 per share, commencing May 14, 2006 and ending on May 14, 2010. The sale of the 6,941,715 shares of common stock and the issuance of the warrant closed November 14, 2005.

The securities are being sold pursuant to the company's effective shelf registration statement.

Rodman & Renshaw, Inc., acted as the exclusive placement agent on the transaction. The placement agent will receive a sales commission of 7% of the amount raised, expense reimbursement of \$15,000 and a Purchase Warrant equal to 7% of the number of shares sold in the offering up to 485,920 shares.

As part of the transaction the Company entered into a Securities Purchase Agreement and common stock Purchase Warrant containing customary representations and warranties and undertakings regarding the securities issued.

Item 7. Regulation FD Disclosure

The information set forth above is incorporated by reference herein.

Item 8. Other Events

The information set forth above is incorporated by reference herein.

Incorporated herein by reference are the following: Purchase Agreement (Exhibit 10.4X). The description of the Purchase Agreement contained herein is qualified in its entirety by the respective terms of the each agreement incorporated herein by reference. A copy of the press release announcing the financing is furnished as Exhibit 99.1 and is incorporated herein by reference.

Note: The information contained in Exhibit 99.1 shall not be deemed to be "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section.

Item 9. Financial Statements, Pro Forma Financial Information and Exhibits.

(c) Exhibits

99.1 Press release dated November 14, 2005 issued by the Company.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Portland, State of Oregon, on November 14, 2005.

AVI BioPharma, Inc.

By: /s/ ALAN P. TIMMINS

Alan P. Timmins
President and Chief Operating Officer
(Principal Operating Officer)

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Document Description</u>
99.1	Press release dated November 14, 2005 issued by AVI BioPharma, Inc.

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For Immediate Release
Nov. 14, 2005

AVI BioPharma Announces \$22.6 Million Direct Equity Placement

PORTLAND, Ore.—Nov. 14, 2005—AVI BioPharma, Inc. (Nasdaq:AVII - News), today announced that it has entered into definitive agreements with several institutional investors for the purchase of 6.9 million shares of its common stock at \$3.26 per share in a direct equity placement for gross proceeds to the company of \$22.6 million.

The securities are being sold pursuant to the company's effective shelf registration statement.

Rodman & Renshaw, LLC, acted as the exclusive placement agent on the transaction.

The proceeds of the financing will be used to fund AVI's operations and ongoing clinical programs. AVI is a biopharmaceutical company developing therapies for the treatment of life-threatening diseases, including cardiovascular diseases, infectious diseases and cancer.

"We are pleased to complete this financing, and we see it as further validation of our successes to date," said Denis R. Burger, Ph.D., chief executive officer at AVI. "This transaction will allow us to remain fully focused on our clinical programs and progress in the lab."

This press release shall 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 in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state.

About AVI BioPharma

AVI BioPharma develops therapeutic products for the treatment of life-threatening diseases using third-generation NEUGENE® antisense drugs. AVI's lead NEUGENE antisense compound is designed to target cell proliferation disorders, including cardiovascular restenosis, cancer and polycystic kidney disease. In addition to targeting specific genes in the body, AVI's antiviral program uses NEUGENE antisense compounds to combat disease by targeting single-stranded RNA viruses, including West Nile virus, hepatitis C virus, dengue virus and Ebola virus. AVI has introduced a NEUGENE-based exon-skipping technology called ESPRIT therapy. More information about AVI is available on the company's Web site at <http://www.avibio.com>.

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"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.

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