

**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): March 31, 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 March 31, 2011, AVI BioPharma, Inc. (the "Company") issued a press release announcing an offering of its common stock. A copy of the press release is attached as Exhibit 99.1 to this report and is incorporated by reference herein.

The Company intends to propose at its 2011 Annual Meeting of Shareholders that the shareholders approve an equity incentive plan authorizing the issuance of awards with respect to up to approximately 15,000,000 shares of the Company's common stock.

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 March 31, 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: March 31, 2011

EXHIBIT INDEX

Exhibit Number	Description
99.1	Press release dated March 31, 2011.



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AVI BioPharma Announces Proposed Public Offering of Common Stock

BOTHELL, WA — March 31, 2011 — AVI BioPharma, Inc. (Nasdaq: AVII) today announced its intention to offer, subject to market and other conditions, shares of its common stock in an underwritten public offering. The Company also expects to grant the underwriters a 30-day option to purchase up to an additional 15 percent of the shares of common stock offered in the public offering to cover over-allotments, if any. The Company currently intends to use the net proceeds from this offering for general corporate purposes, including research and product development, such as funding clinical trials, pre-clinical studies and otherwise moving product candidates towards commercialization. The offering is expected to price before 9:30 am EDT on Friday April 1, 2011.

Lazard Capital Markets LLC and Piper Jaffray & Co. are acting as joint book-running managers for the offering.

The Company intends to offer and sell these securities pursuant to the Company's existing shelf registration statement (File No. 333-160922) filed with the Securities and Exchange Commission on July 31, 2009, which was declared effective on August 13, 2009. A prospectus supplement describing the terms of the offering will be filed with the Securities and Exchange Commission and will form a part of the effective registration statement. When available, copies of the preliminary prospectus supplement, the final prospectus supplement and accompanying base prospectus related to this offering may be obtained from the Securities and Exchange Commission's website at <http://www.sec.gov> or 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.

Forward-Looking Statements and Information

This press release contains statements that are forward-looking, including statements about AVI's financing plans and prospects, including the statements about the proposed public offering of AVI's common stock. These forward-looking statements involve risks and uncertainties, many of which are beyond AVI's control. For a detailed description of risks and uncertainties AVI faces, you are encouraged to review the official corporate documents filed with the Securities and Exchange Commission. AVI does not undertake any obligation to publicly update its forward-looking statements based on events or circumstances after the date hereof.