

## **AVI BioPharma Appoints David Boyle Interim President and CEO**

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### **Announces Agreement With Shareholder Group; New Independent Director, Anthony Chase, Joins AVI Board**

BOTHELL, WA, Apr 21, 2010 (MARKETWIRE via COMTEX) --AVI BioPharma, Inc. (NASDAQ: AVII), a developer of RNA-based drugs, today announced that it has reached an agreement with Mr. George W. Haywood, Ms. Cheryl Haywood, Rockall Emerging Markets Master Fund Limited, Meldrum Asset Management, LLC, Mr. Con Egan and Mr. Conor O'Driscoll ("the shareholder group"), which will result in changes to the Company's Board of Directors and leadership team.

As part of the agreement, the AVI Board of Directors has appointed J. David Boyle II, AVI's Chief Financial Officer, to the additional role of Interim President and Chief Executive Officer. This appointment follows Leslie Hudson's resignation, at the request of the Board, as President, Chief Executive Officer and a director of the Company. The Board plans to initiate a search for CEO candidates, which will include both external and internal candidates.

AVI also announced that Anthony R. Chase has joined the AVI Board and its nominating and corporate governance committee, and K. Michael Forrest has stepped down from the AVI Board. With the changes announced today, AVI's Board is currently comprised of seven directors, all of whom are independent, including Mr. Chase and six incumbent directors, M. Kathleen Behrens, Michael Casey, Christopher Henney, William A. Goolsbee, John C. Hodgman and Dr. Gil Price. As previously announced, Mr. Casey and Dr. Henney have informed the Board of their decisions not to stand for re-election at the 2010 Annual Meeting. The nominating and corporate governance committee of the AVI Board is working to identify two new independent directors to stand for election at the Annual Meeting.

"This agreement reflects the Board and management team's focus on serving the best interest of all AVI shareholders and building on the strong foundation we have in place," said Michael D. Casey, Chairman of the AVI Board of Directors. "Like our shareholders, we believe that AVI has exciting opportunities ahead. We have a number of compelling prospects in our portfolio, and we are dedicated to continuing our forward momentum. We appreciate the dialogue we have had with our shareholders and look forward to working with the new directors to achieve AVI's business goals and enhance value for shareholders."

"We are pleased to have someone of David Boyle's caliber to serve as Interim President and CEO. His knowledge of AVI and his broad industry expertise make David an excellent choice to support and lead AVI during this period. Importantly, David is also joined by a deep senior management team. The Board is confident that with this team and our more than 60 dedicated employees, we will achieve a seamless transition," said Mr. Casey.

"I am excited by the opportunity to serve AVI in this expanded role," said Mr. Boyle. "Since joining AVI, I have come to appreciate the Company's strong prospects and talented team. In my new role, it will be my top priority to ensure that we, as a company, stay focused on developing the many potential value enhancing programs in the AVI pipeline. I am confident that we can create both life saving treatments for patients and value for our shareholders."

"With a leading clinical program to evaluate treatment for Duchenne muscular dystrophy and a strong biodefense program, we all agree that there is a significant value opportunity at AVI. We expect this change, and the new experience and expertise it brings, will help the Company and its leadership capture AVI's value opportunity," said Mr. Haywood. "We appreciate that throughout this process the AVI Board has been receptive to shareholder views and demonstrated a commitment to positioning AVI for continued growth."

Mr. Casey continued, "We would like to thank Michael Forrest for his service on the AVI Board. His insight and experience have been invaluable to the Company. We also extend our appreciation to Les Hudson as his efforts leave AVI well prepared and with a strong team in place to successfully manage through this transition."

The agreement, under which the shareholder group will withdraw its request for a special meeting of shareholders and abide by certain standstill provisions, will be filed with the SEC as an exhibit to the Company's Current Report on Form 8-K.

Outlook Affirmed

The Company today confirmed its guidance for 2010. In particular, for 2010, AVI provides guidance for expenditures for operations, net of government funding and other collaborative efforts, to be approximately \$23 million to \$27 million. The Company believes it will continue to receive funding from government and other sources to pursue the development of product candidates, and has assumed certain revenues from these awards in providing this guidance. As previously announced, if the Company does not continue to receive the funding from its current contracts, its guidance may change.

#### About David Boyle

Mr. Boyle joined the Company in August 2008, bringing extensive operational and international financial experience to AVI. He was previously Vice President, Finance and Chief Financial Officer of XOMA Ltd., a California-based leader in the discovery and development of therapeutic antibodies. In addition to his past positions as VP of Finance at Polycom and Director of Business Development at Intel, Mr. Boyle has held senior positions in biotechnology and specialty pharmaceutical companies. He was at Salix Pharmaceuticals, Ltd. in the US and at Ares Serono Group both in the US and Switzerland.

#### About Anthony R. Chase

Anthony Chase is Chairman of ChaseSource, L.P. and is actively involved in funding and leading new business ventures. Mr. Chase is lead director of Cornell Companies, Inc. (NYSE: CRN) and a member of the Board of Directors of Western Gas Partners, LP (NYSE: WES), Texas Medical Center, Greater Houston Partnership, Northern Trust Bank of Texas, and the Houston Zoo Development Board. He recently served as Deputy Chairman of the Federal Reserve Bank of Dallas. He is also a member of the Council on Foreign Relations.

Mr. Chase is a tenured professor of law at the University of Houston Law Center and is an honors graduate of Harvard College. He received a law degree from Harvard Law School and an MBA from Harvard Business School. Mr. Chase is a member of the American Bar Association and the State Bar of Texas.

#### About AVI BioPharma

AVI BioPharma is focused on the discovery and development of RNA-based medicines 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. Unlike other RNA therapeutic approaches, AVI's antisense technology has been used to directly target both messenger RNA (mRNA) and its precursor (pre-mRNA), allowing for both up- and down-regulation of targeted genes and proteins. AVI's RNA-based drug programs are being evaluated for the treatment of Duchenne muscular dystrophy, including an ongoing systemic Phase 1b/2 clinical trial of exon skipping with AVI-4658. AVI's antiviral programs have demonstrated promising outcomes in Ebola Zaire and Marburg Musoke virus infections and may prove applicable to other viral targets such as Junin, influenza, HCV or Dengue viruses. For more information, visit [www.avibio.com](http://www.avibio.com).

#### Cautionary Language Regarding Forward-Looking Statements

The statements in this press release regarding the Nominating and Corporate Governance Committee working to identify two new directors, AVI BioPharma's beliefs regarding the future of AVI BioPharma and seeking to achieve AVI's business goals and enhance shareholder value, the expected benefits from the leadership changes and the ability of AVI BioPharma to manage through the transition, and the statements made under the caption "Outlook Affirmed" are forward-looking statement under the Private Securities Litigation Reform Act of 1995 that involve risks and uncertainties, including, but not limited to: the risk that the transition of leadership may not occur as easily as AVI BioPharma expects, which could have a negative effect of, AVI BioPharma's business; the risk of loss of AVI BioPharma key employees if they do not approve of the management and board changes; the risk that AVI BioPharma will not be able to identify two potential directors who would enhance the strength of the Board who would be willing to join the Board; the risk that AVI BioPharma will not receive government or other funding that it expects due to reasons not currently known to it; the risk that AVI BioPharma's expenditures for operations will be greater than it expects; and other risks detailed in AVI BioPharma's Annual Report on Form 10-K under the caption "Item 1A Risk Factors", filed with the Securities and Exchange Commission on March 16, 2010. In addition, these forward-looking statements represent AVI BioPharma's views only as of the date of this press release, and AVI BioPharma undertakes no obligation to update these forward-looking statements in the future.

SOURCE: AVI BioPharma, Inc.

