

AVI BioPharma Announces Closing of Public Offering of Common Stock and Warrants

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For Immediate Release

BOTHELL, WA — Aug. 25, 2009 — AVI BioPharma, Inc. (Nasdaq: AVII) today announced the closing of the public offering of 24,295,775 shares of common stock and warrants to purchase an additional 9,718,310 shares of common stock for gross proceeds of approximately \$34.5 million. AVI BioPharma sold the shares and warrants for a price 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.

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

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.