

## **AVI BioPharma Prices \$30.0 Million Public Offering of Common Stock**

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BOTHELL, WA, Apr 01, 2011 (MARKETWIRE via COMTEX) --

AVI BioPharma, Inc. (NASDAQ: AVII) today announced that it has priced an underwritten public offering of 20,000,000 shares of its common stock at a price to the public of \$1.50 per share for gross proceeds of \$30.0 million. The net proceeds from the sale of the shares, after deducting the underwriters' discounts and other estimated offering expenses payable by the Company, will be approximately \$27.8 million. The Company has also granted 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, which would result in additional gross proceeds of \$4.5 million if exercised in full.

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 close on or about April 6, 2011, subject to the satisfaction of customary closing conditions. Lazard Capital Markets LLC and Piper Jaffray & Co. are acting as joint book-running managers and ThinkEquity LLC is acting as co-manager for the offering. Wedbush PacGrow Life Sciences acted as a financial advisor to the Company for the offering.

A shelf registration statement (File No. 333-160922) relating to these securities was filed on July 31, 2009 and declared effective by the Securities and Exchange Commission on August 13, 2009. A preliminary prospectus supplement related to the offering was filed with the Securities and Exchange Commission. The securities may be offered only by means of a prospectus, including a prospectus supplement, forming a part of the effective registration statement.

When available, copies of the final prospectus supplement and accompanying base prospectus relating to this offering can be obtained at the Securities and Exchange Commission's website <http://www.sec.gov> or from 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.

SOURCE: AVI BioPharma, Inc.