

**ANNUAL STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP**

| OMB APPROVAL                                 |           |
|--|-----------|
| OMB Number:                                  | 3235-0362 |
| Estimated average burden hours per response: | 1.0       |

- Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).
- Form 3 Holdings Reported.
- Form 4 Transactions Reported.

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

|   |   |  |
|---|---|--|
| 1. Name and Address of Reporting Person*<br><u>IVERSEN PATRICK L</u><br><br>(Last) (First) (Middle)<br><u>ONE SW COLUMBIA, SUITE 1105</u><br><br>(Street)<br><u>PORTLAND OR 97258</u><br><br>(City) (State) (Zip) | 2. Issuer Name and Ticker or Trading Symbol<br><u>AVI BIOPHARMA INC [ AVII ]</u>  | 5. Relationship of Reporting Person(s) to Issuer<br>(Check all applicable)<br><br>Director 10% Owner<br><input checked="" type="checkbox"/> Officer (give title below) Other (specify below)<br><u>Sr VP of Research &amp; Development</u> |
|   | 3. Statement for Issuer's Fiscal Year Ended (Month/Day/Year)<br><u>12/31/2006</u> |  |
|   | 4. If Amendment, Date of Original Filed (Month/Day/Year)                          | 6. Individual or Joint/Group Filing (Check Applicable Line)<br><br><input checked="" type="checkbox"/> Form filed by One Reporting Person<br><br><input type="checkbox"/> Form filed by More than One Reporting Person                     |

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed Of (D) (Instr. 3, 4 and 5) |            |          | 5. Amount of Securities Beneficially Owned at end of Issuer's Fiscal Year (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|------------|----------|--|--|---|
|                                 |                                      |  |                                | Amount  | (A) or (D) | Price    |  |  |   |
| Common Stock                    | 05/15/2006                           |  | A                              | 2,247 <sup>(1)</sup>  | A          | \$2.7625 | 47,166   | D  |   |
| Common Stock                    | 11/15/2006                           |  | A                              | 1,900 <sup>(1)</sup>  | A          | \$3.2895 | 49,066   | D  |   |
| Common Stock                    |                                      |  |                                |   |            |          | 3,000  | I  | by Spouse   |
| Common Stock                    |                                      |  |                                |   |            |          | 6,000  | I  | by Trust  |

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) |     | 6. Date Exercisable and Expiration Date (Month/Day/Year) |                 | 7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4) | 8. Price of Derivative Security (Instr. 5) | 9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4) | 10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 11. Nature of Indirect Beneficial Ownership (Instr. 4) |
|--|--|--------------------------------------|--|--------------------------------|--|-----|--|-----------------|---|--|--|---|--|
|  |  |                                      |  |                                | (A)  | (D) | Date Exercisable   | Expiration Date |   |  |  |   |  |
| Incentive Stock Option (right to buy)      | \$2.53   |                                      |  |                                |  |     | 02/22/2006 <sup>(2)</sup>                                | 02/22/2015      | Common Stock  | 75,000                                     | 75,000   | D   |  |
| Incentive Stock Option (right to buy)      | \$3.6875   |                                      |  |                                |  |     | 01/21/2000 <sup>(3)</sup>                                | 01/21/2009      | Common Stock  | 14,000                                     | 14,000   | D   |  |
| Incentive Stock Option (right to buy)      | \$5.35   |                                      |  |                                |  |     | 12/05/2004 <sup>(2)</sup>                                | 12/05/2012      | Common Stock  | 37,382                                     | 37,382   | D   |  |
| Incentive Stock Option (right to buy)      | \$5.75   |                                      |  |                                |  |     | 01/03/2001 <sup>(2)</sup>                                | 01/03/2010      | Common Stock  | 25,960                                     | 25,960   | D   |  |
| Incentive Stock Option (right to buy)      | \$6.6875   |                                      |  |                                |  |     | 09/11/1998 <sup>(3)</sup>                                | 09/01/2007      | Common Stock  | 59,812                                     | 59,812   | D   |  |
| Incentive Stock Option (right to buy)      | \$7.35   |                                      |  |                                |  |     | 02/16/2007 <sup>(2)</sup>                                | 02/16/2016      | Common Stock  | 23,605                                     | 23,605   | D   |  |

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned  
(e.g., puts, calls, warrants, options, convertible securities)**

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) |     | 6. Date Exercisable and Expiration Date (Month/Day/Year) |                 | 7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4) |                            | 8. Price of Derivative Security (Instr. 5) | 9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4) | 10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 11. Nature of Indirect Beneficial Ownership (Instr. 4) |
|--|--|--------------------------------------|--|--------------------------------|--|-----|--|-----------------|---|----------------------------|--|--|---|--|
|  |  |                                      |  |                                | (A)  | (D) | Date Exercisable   | Expiration Date | Title   | Amount or Number of Shares |  |  |   |  |
| Non-Qualified Stock Option (right to buy)  | \$3.6875   |                                      |  |                                |  |     | 01/21/2000 <sup>(3)</sup>                                | 01/21/2009      | Common Stock  | 14,000                     |  | 14,000   | D   |  |
| Non-Qualified Stock Option (right to buy)  | \$5.35   |                                      |  |                                |  |     | 12/05/2003 <sup>(2)</sup>                                | 12/05/2012      | Common Stock  | 55,018                     |  | 55,018   | D   |  |
| Non-Qualified Stock Option (right to buy)  | \$5.75   |                                      |  |                                |  |     | 01/03/2001 <sup>(2)</sup>                                | 01/03/2010      | Common Stock  | 58,040                     |  | 58,040   | D   |  |
| Non-Qualified Stock Option (right to buy)  | \$6.625  |                                      |  |                                |  |     | 01/01/1999 <sup>(4)</sup>                                | 02/02/2008      | Common Stock  | 56,000                     |  | 56,000   | D   |  |
| Non-Qualified Stock Option (right to buy)  | \$6.6875   |                                      |  |                                |  |     | 09/11/1998 <sup>(3)</sup>                                | 09/01/2007      | Common Stock  | 40,188                     |  | 40,188   | D   |  |
| Non-Qualified Stock Option (right to buy)  | \$7.35   |                                      |  |                                |  |     | 02/16/2007 <sup>(2)</sup>                                | 02/16/2016      | Common Stock  | 51,395                     |  | 51,395   | D   |  |

**Explanation of Responses:**

1. This amount represents shares acquired through the company's ESPP program.
2. The Stock Option Grant vest as follows: 1/3 vest one year from date of grant and 1/3 each year thereafter until all shares vest three years from grant date.
3. Vesting: 25% of the shares vest each year from the date of grant with all shares vesting in four years.
4. Option Grant vests 50% each year on grant date with all shares vesting two years from grant date.

By: [Mark M. Webber](#),  
[Attorney-in-fact For: Patrick L. Iversen](#) 02/02/2007  
[Iversen](#)

\*\* Signature of Reporting Person      Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

\* If the form is filed by more than one reporting person, see Instruction 4 (b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

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