

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP**

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

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

OMB APPROVAL	
OMB Number:	3235-0287
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1. Name and Address of Reporting Person* <u>EARA JOHN W PHD</u>			2. Issuer Name and Ticker or Trading Symbol <u>AVI BIOPHARMA INC [ AVII ]</u>			5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director 10% Owner Officer (give title below) <input checked="" type="checkbox"/> Other (specify below) <b>Director</b>		
(Last)	(First)	(Middle)	3. Date of Earliest Transaction (Month/Day/Year) <u>05/24/2006</u>					
<u>ONE SW COLUMBIA, SUITE 1105</u>			4. If Amendment, Date of Original Filed (Month/Day/Year)			6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person Form filed by More than One Reporting Person		
(Street)								
<u>PORTLAND</u>	<u>OR</u>	<u>97258</u>						
(City)	(State)	(Zip)						

**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 Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
<u>Common Stock</u>								<u>500</u>	<u>D</u>	

**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)	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date						Title
<u>Non-Qualified Stock Option (right to buy)</u>	<u>\$4.64</u>	<u>05/24/2006</u>		<u>A</u>		<u>10,000</u>		<u>06/24/2006<sup>(1)</sup></u>	<u>05/24/2016</u>	<u>Common Stock</u>	<u>10,000</u>	<u>\$0</u>	<u>10,000</u>	<u>D</u>	
<u>Non-Qualified Stock Option (right to buy)</u>	<u>\$2.24</u>							<u>06/15/2005<sup>(1)</sup></u>	<u>05/18/2015</u>	<u>Common Stock</u>	<u>10,000</u>		<u>10,000</u>	<u>D</u>	
<u>Non-Qualified Stock Option (right to buy)</u>	<u>\$2.55</u>							<u>06/05/2004<sup>(1)</sup></u>	<u>05/05/2014</u>	<u>Common Stock</u>	<u>10,000</u>		<u>10,000</u>	<u>D</u>	
<u>Non-Qualified Stock Option (right to buy)</u>	<u>\$7.1875</u>							<u>08/02/2001<sup>(2)</sup></u>	<u>08/02/2010</u>	<u>Common Stock</u>	<u>33,334</u>		<u>33,334</u>	<u>D</u>	

**Explanation of Responses:**

- Option Grant vests monthly until all shares are vested one year from date of grant.
- Option Grant vests 25% per year on grant date with all shares vesting four years from date of grant.

By: Mark M. Webber,  
Attorney-in-fact For: John Fara 05/25/2006

\*\* 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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