

MDRNA INC.
SECOND AMENDED AND RESTATED
AUDIT COMMITTEE CHARTER

(As of September 19, 2007)

Purpose

The Audit Committee (the “Committee”) of the Board of Directors (the “Board of Directors”) of MDRNA Inc. (the “Company”) is appointed by the Board of Directors to represent and assist the Board of Directors in overseeing (i) the Company’s accounting and financial reporting processes and principles, (ii) the Company’s disclosure controls and procedures and internal control over financial reporting designed to promote compliance with generally accepted accounting principles (“GAAP”) and applicable laws and regulations, (iii) the preparation, presentation and integrity of the Company’s financial statements and (iv) the administration of an audit of the Company’s annual financial statements by its independent auditor in accordance with generally accepted auditing standards.

Committee Membership and Structure

The Committee shall consist of no fewer than three members. The members of the Committee shall meet the independence and financial literacy requirements mandated by The Nasdaq Stock Market, Inc. and applicable rules and regulations of the Securities and Exchange Commission (the “Commission”), and at least one member of the Committee must have accounting or related financial management expertise, as defined by the Nasdaq marketplace rules. Committee members shall not simultaneously serve on the audit committees of more than two other public companies unless the Board of Directors determines that such simultaneous service would not impair the ability of a member to effectively serve on the Committee. Appointment to the Committee, including the designation of the Chair of the Committee and the designation of any Committee members as an “Audit Committee Financial Expert,” as such term is defined under applicable Commission rules, shall be made on an annual basis by the full Board of Directors. None of the members of the Committee may have participated in the preparation of the Company’s financial statements in any of the three years preceding appointment to the Committee.

Meetings of the Committee shall be held at such times and places as the Committee shall determine, including by written consent. The attendance of at least fifty percent (50%) of the then-members of the Committee shall constitute a quorum for the transaction of business. The Committee shall meet periodically with management and, at least twice annually, with the independent auditor in separate executive sessions. The Committee may request any officer or employee of the Company or the Company’s outside counsel or independent auditor to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee. The Chair of the Committee

shall report on activities of the Committee to the full Board of Directors. The Committee shall maintain minutes and other relevant documentation of all of its meetings.

Committee Authority

The Committee shall have the sole authority to appoint, replace, compensate and oversee the work of the independent auditor engaged to perform audit and related services (including the resolution of disagreements between management and the independent auditor regarding financial reporting) and, to the extent it deems necessary or appropriate, to retain independent legal, accounting or other advisors. The independent auditor and any advisors engaged by the Committee shall report directly to the Committee. The Committee shall evaluate the qualifications, performance and independence of the independent auditor, including considering whether the independent auditor's quality controls are adequate, taking into account the opinions of management and internal auditors. The Committee shall present its conclusions with respect to the independence of the independent auditor to the Board of Directors.

The Company shall provide for appropriate funding, as determined by the Committee, for payment of compensation to the independent auditor for the purpose of rendering or issuing an audit report and to any advisors employed by the Committee.

Responsibilities

The Committee shall:

1. review and discuss the Company's earnings press releases, including the use of "pro forma" or "adjusted" non-GAAP financial measures, as well as financial information and earnings guidance provided to analysts and rating agencies.
2. obtain, review and discuss reports from the independent auditor regarding: (a) all critical accounting policies and practices to be used; (b) all alternative treatments of financial information within GAAP that have been discussed with the Company's management, ramifications of the use of these alternative disclosures and treatments, and the treatment preferred by the independent auditor and the reasons for favoring that treatment; and (c) other material written communications between the independent auditor and the Company's management, such as any management letter or schedule of unadjusted differences.
3. review and discuss with management and the independent auditor the Company's annual audited financial statements and quarterly unaudited financial statements, including: (a) disclosures made in the management's discussion and analysis of financial condition and results of operations, (b) management's report on internal control over financial reporting and the independent auditor's attestation of said report, (c) financial reporting issues and judgments made in connection with the preparing of the financial statements, including any significant changes in the Company's selection or application of accounting principles, (d) any significant

- deficiencies or material weaknesses in the Company's internal control over financial reporting and any fraud involving management or other employees who have a significant role in the Company's internal control over financial reporting that are disclosed to the Committee by the Company's CEO or CFO during their certification process for any Annual Report on Form 10-K or Quarterly Report on Form 10-Q, by the independent auditor or otherwise, and (e) the adequacy of disclosures relating to changes in internal control over financial reporting made pursuant to Item 308 of Commission Regulation S-K.
4. discuss with the independent auditor the matters required to be discussed by SAS No. 61 (applicable to annual audited financial statements) and SAS No. 71 (applicable to quarterly unaudited financial statements) relating to the conduct of the independent audit.
 5. in connection with the independent auditor's review of the Company's annual financial statements, obtain from the independent auditor assurance that Section 10A(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), has not been implicated.
 6. review and discuss any regulatory or accounting initiatives as well as off-balance sheet structures on the Company's financial statements.
 7. review and discuss the Company's major financial risk exposures and the steps that management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies.
 8. review and discuss with the Company's outside general counsel matters that may have a material impact on the financial statements or the Company's compliance policies and internal controls.
 9. receive from the independent auditor a formal, written statement listing all relationships between the independent auditor and the Company required by Independence Standards Board Standard No. 1 and discuss with the independent auditor any disclosed relationship with or services provided to the Company that may impact the objectivity and independence of the auditor.
 10. make recommendations to the Board of Directors that the Company's annual audited financial statements be included in the Company's Annual Report on Form 10-K and that the Company's unaudited quarterly financial statements be included in the Company's Quarterly Reports on Form 10-Q.
 11. prepare the report required by the rules of the Commission to be included in the Company's annual proxy statement.
 12. pre-approve all audit services, internal control-related services and permitted non-audit services, subject to the de minimis exceptions for non-audit services

- described in Section 10A(i)(1)(B) of the Exchange Act (including the fees and terms thereof), either by action of the full Committee or pursuant to policies and procedures that may be established by the Committee.
13. report to management for disclosure in the Company's periodic reports the performance by the independent auditor of any permitted non-audit services that were authorized pursuant to the Company's pre-approval policies and procedures without action by the full Committee.
 14. review and discuss with management and the independent auditor any correspondence with regulators or governmental agencies, and any published reports which raise material issues regarding the Company's financial statements or accounting policies.
 15. establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.
 16. review and approve all related party transactions required by be disclosed pursuant to Item 404 of Commission Regulation S-K.
 17. obtain report from management and review with the independent auditor any known facts or circumstances relating to the Company's, together with any of its subsidiaries and affiliated entities, conformity with applicable legal requirements and the Company's Code of Business Conduct and Ethics, and advise the Board of Directors with respect to policies and procedures regarding the implementation of the Company's Code of Business Conduct and Ethics.
 18. review and reassess the adequacy of this charter annually and recommend any proposed changes to the Board of Directors for approval.
 19. conduct an annual self-evaluation of the Committee.

Limitation of Committee's Responsibilities

The Committee has the powers and responsibilities delineated in this charter. It is not, however, the Committee's responsibility to prepare and certify the Company's financial statement's, to guaranty the independent auditor's report, or to guaranty other disclosures made by or on behalf of the Company, which duties are the fundamental responsibility of management an the independent auditor. Committee members are not full-time Company employees and are not performing the functions of auditors or accountants.