SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN ISSUER
Pursuant to Rule 13a-16 or 15d-16 of
the Securities Exchange Act of 1934

For the month of January 2006

Commission File Number 000-51122

pSivida Limited

(Translation of registrant's name into English)

Level 12 BGC Centre
28 The Esplanade
Perth WA 6000
(Address of principal executive offices)

(Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F).

Form 20-F ☒ Form 40-F o

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes o No ☒

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82- ___.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant, pSivida Limited, has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: January 31, 2006

pSivida Limited

By: /s/ Aaron Finlay

Aaron Finlay
Chief Financial Officer and Company Secretary

EXHIBIT INDEX

EXHIBIT 99.1:	Appendix 4C pSivida Quarterly Cashflow
EXHIBIT 99.2:	pSivida Quarterly Cashflow - December 2005 Commentary and Highlights

Rule 4.7B

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001

Name of entity

pSivida Limited

ABN	Quarter ended ("current quarter")
98 009 232 026	31 December 2005

Consolidated statement of cash flows

Cash flows related to operating activities			Current quarter $A'000	Year to date (6 months) $A'000
1.1	Receipts from customers		-	-
1.2	Payments for	(a) staff costs	(485)	(792)
		(b) advertising and marketing	-	-
		(c) research and development	(2,741)	(5,260)
		(d) leased assets	-	-
		(e) other working capital	(2,116)	(3,465)
1.3	Dividends received		-	-
1.4	Interest and other items of a similar nature received		162	246
1.5	Interest and other costs of finance paid		(1)	(1)
1.6	Income taxes paid		-	-
1.7	Other	- other income	21	42
		- income received in advance	494	494
	Net operating cash flows		(4,666)	(8,736)

+ See chapter 19 for defined terms.

			Current quarter $A'000	Year to date (6 months) $A'000
1.8	Net operating cash flows (carried forward)		(4,666)	(8,736)
	Cash flows related to investing activities			
1.9	Payment for acquisition of:			
		(a) businesses (item 5)	-	-
		(b) equity investments	(1,065)	(1,086)
		(c) intellectual property	-	-
		(d) physical non-current assets	(345)	(778)
		(e) other non-current assets	-	-
1.10	Proceeds from disposal of:			
		(a) businesses (item 5)	-	-
		(b) equity investments	-	-
		(c) intellectual property	-	-
		(d) physical non-current assets	-	-
		(e) other non-current assets	-	-
1.11	Loans to other entities		-	-
1.12	Loans repaid by other entities		-	-
1.13	Other		-	-
	Net investing cash flows		(1,410)	(1,864)
1.14	**Total operating and investing cash flows**		(6,076)	(10,600)
	Cash flows related to financing activities			
1.15	Proceeds from issues of shares, options, etc.		-	5,636
1.16	Proceeds from sale of forfeited shares		-	-
1.17	Proceeds from borrowings		19,927	19,927
1.18	Repayment of borrowings		-	-
1.19	Dividends paid		-	-
1.20	Other	- share issue costs	(88)	(469)
		- other financing costs	-	(33)
	Net financing cash flows		19,839	25,061
	Net increase (decrease) in cash held		13,763	14,461
1.21	Cash at beginning of quarter/year to date		13,528	12,892
1.22	Exchange rate adjustments to item 1.20		392	330
1.23	**Cash at end of quarter**		27,683	27,683

+ See chapter 19 for defined terms.

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter $A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	548
1.25	Aggregate amount of loans to the parties included in item 1.11	-
1.26	Explanation necessary for an understanding of the transactions	
	1.2(a) Staff costs include consultants and directors' fees paid by pSivida.	
	1.2(c) Research and development costs include all expenditure incurred by pSiMedica and pSiOncology.	

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

On October 3, 2005, we entered into a merger agreement with CDS, a Boston-based company engaged in the design and development of drug delivery products. The merger agreement provided that a newly-formed subsidiary of pSivida would merge into CDS, with CDS surviving the merger as a wholly-owned subsidiary of pSivida with the name of pSivida Inc. After approval by the required majorities of both companies' shareholders and the fulfilment of other closing conditions, the merger was completed on December 30, 2005. Under the terms of the agreements a total of 161,047,790 ordinary shares (represented by 16,104,779 ADSs) were issued, 159,036,610 ordinary shares (represented by 15,903,661 ADSs) in exchange for the outstanding CDS' common and preferred shares on the date of the acquisition and 1,211,180 ordinary shares (represented by 121,118 ADSs) in accordance with CDS staff and director retention agreements. As of December 31, 2005, the ADSs received by the former CDS stockholders represented approximately 41.3% of the capital stock of the combined company. Certain former shareholders of CDS received cash rather than ADSs for their CDS shares. In addition, each outstanding option to purchase CDS stock was assumed by us and converted into an option to acquire such number of ADSs as the holder would have been entitled to receive in the merger if such holder had exercised such option in full immediately before completion of the merger.

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

N/A

Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

		Amount available $A'000	Amount used $A'000
3.1	Loan facilities	-	19,927
3.2	Credit standby arrangements	-	-

On November 16, 2005, we issued a subordinated convertible promissory note in the principal amount of US$15.0 million in a private placement to the selling security holder. The note may be converted into ADSs at any time prior to November 16, 2008 at a conversion price of US$7.10 per ADS, subject to adjustment upon specified events, including a price-based weighted average anti-dilution provision, and further subject to adjustment for stock splits, combinations or similar events. The conversion price will also be adjusted to the market price of ADSs for the ten trading days ending May 5, 2006, if such price is lower than US$7.10. We can automatically convert the note into ADSs at the conversion price, as adjusted, in certain specified circumstances, including if the ADSs consistently trade at a price that is twice the conversion price over a specified period. The note bears interest at a rate of 8% per year, and in certain circumstances we may be able to pay the interest in ADSs instead of cash.

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter $A'000	Previous quarter $A'000
4.1	Cash on hand and at bank	2,406	1,502
4.2	Deposits at call	25,277	12,026
4.3	Bank overdraft	-	-
4.4	Other (provide details)	-	-
	Total: cash at end of quarter (item 1.22)	27,683	13,528

Acquisitions and disposals of business entities

		Acquisitions *(Item 1.9(a))*	Disposals *(Item 1.10(a))*
5.1	Name of entity	N/A	N/A
5.2	Place of incorporation or registration		
5.3	Consideration for acquisition or disposal		
5.4	Total net assets		
5.5	Nature of business		

+ See chapter 19 for defined terms.

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.

2 This statement does give a true and fair view of the matters disclosed.

Sign here: .....Date: 31 January 2006
(Company secretary)

Print name: Aaron Finlay

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2. The definitions in, and provisions of, *AASB 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below.

   · 6.2- reconciliation of cash flows arising from operating activities to operating profit or loss
   · 9.2- itemised disclosure relating to acquisitions
   · 9.4- itemised disclosure relating to disposals
   · 12.1(a)- policy for classification of cash items
   · 12.3- disclosure of restrictions on use of cash
   · 13.1- comparative information

3. **Accounting Standards.** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

+ See chapter 19 for defined terms.
30/9/2001

ASX/Media RELEASE **31 January 2006**

pSivida Quarterly Cashflow - December 2005
Commentary and Highlights

Global bio-nanotech company pSivida Limited, is pleased to release its quarterly cashflow statement for the period ending 31st December 2005.

Post Quarter Highlights and Announcements

Several new Pharma agreements for pSivida Inc.
Wholly owned subsidiary, pSivida Inc. has recently entered into a number of new evaluation agreements with various companies including large global pharmaceutical companies, to evaluate pSivida's proprietary platform technology for their developmental compounds. The terms of the new evaluation agreements vary, but are typically 12 months in duration with the costs being borne by the counterparty.

pSivida Limited now has four evaluation agreements with three of the five largest pharmaceutical companies in the world.

Acquisition of Control Delivery Systems
pSivida completed the acquisition of Boston based private drug delivery company, Control Delivery Systems, Inc. (CDS) following overwhelming approval by pSivida shareholders at the AGM held in November 2005. The acquisition is an integral part of pSivida's on-going US growth strategy. CDS' portfolio of products and product candidates includes two approved and marketed products, one Phase III product and other early-stage product candidates. Australian publication, Bioshares recently announced pSivida's acquisition of CDS as the 'Biotech M&A Deal of the Year', citing pSivida's increased presence in the US, current revenue stream and synergies for combining the two companies' technologies and expertise. CDS has been renamed pSivida Inc. and former CEO, Dr. Paul Ashton has been appointed to the pSivida Board and is now the Director of Strategy, based in Boston.

Non-executive Director appointed
Ms. Heather Zampatti has been appointed as a Non-executive Director of the Company, based in Perth, Australia. Ms. Zampatti is the National Head of Wealth Management, Australia for Bell Potter Securities, an Australian-owned private investment adviser and top 10 broker by trading volume on the Australian Stock Exchange. Ms. Zampatti has over 20 years experience in investment advising and her expertise in stockbroking and financial investment planning is widely acknowledged in the Australian investment community. The appointment of Ms. Zampatti to the pSivida board replaces Ms. Alison Ledger who has stepped down after 18 months of service to focus on new career initiatives. We thank Alison for her valuable contribution and wish her well in her future endeavours.

Highlights and Announcements for the Quarter

AION Diagnostics develops products pipeline and commences preclinical trials
AION has developed plans for 15 different potential products and conducted extensive market research on two of these as initial products. R&D work has commenced on near to market products in the areas of imaging and biosensors. AION has received a strong reception in the US and is likely to conclude a venture capital funding round at the end of the first quarter of 2006. AION also expects to announce the set up of US operations with US grant funding support.

Launch of pSiNutria in the Food Industry

pSivida has seed funded pSiNutria AU$1.5m (US$1.1m) as well as grant a royalty-bearing exclusive licence for the use of BioSilicon™ as an ingestible ingredient in food applications. pSiNutria will develop applications of our silicon technology in the food industry and is also developing patentable intellectual property using silicon in the food packaging area. BioSilicon™ applications in food primarily pertain to its biodegradability and optical properties. Potential pSiNutria products being developed include; products to detect pathogens in food, for food tracing, for food preservation, and includes products to detect variations of temperature in food storage. These products may include ingestible BioSilicon™ which will dissolve into silicic acid in the body or silicon used in modified atmosphere packaging.

First Licence Agreement and Revenues for BrachySil™

pSivida signed a Licence with Beijing Med-Pharm Corporation **(BJGP:PK)** for the clinical development, marketing and distribution of pSivida's lead product, BrachySil™, in China. The Licence includes upfront and milestone payments in excess of US$2m and royalties ranging up to 30%, depending upon level of sales, payable to pSivida by Beijing Med-Pharm. China has the highest incidence of primary liver cancer in the world with over 345,000 estimated new cases per annum (Globocan), representing 55% of total worldwide cases. Beijing Med-Pharm is the only non-Chinese company with pharmaceutical distribution rights in China via its purchase in December 2004 of Beijing Wanwei Pharmaceutical Ltd, a pharmaceutical distributor covering the bulk of Beijing's hospitals. In an historic event, this purchase was approved by the Ministry of Commerce of the People's Republic of China on October 18, 2005.

Commencement of Phase IIb Liver Cancer Trials for BrachySil™

Phase IIb clinical trials commenced with BrachySil™ (32-P BioSilicon™) as a potential new brachytherapy treatment for inoperable primary liver cancer (hepatocellular carcinoma, HCC). The first patients have successfully received treatment at Singapore General Hospital using a new fine-gauge needle multi-injection device which will enable for the first time, larger and also multiple tumors to be treated. A total of 50 patients will be entered into this multi-centre trial which will be conducted in Singapore, Malaysia and Vietnam. BrachySil™ trials for pancreatic cancer will commence in the first quarter of 2006.

pSivida rings Closing Bell at NASDAQ

pSivida CEO, Mr Gavin Rezos, presided over the NASDAQ Closing Bell Ceremony at the Times Square NASDAQ Market site in New York city. pSivida listed on a Level 2 American Depositary Receipt (ADR) programme on the NASDAQ National Market in January 2005 in which Citigroup was selected as the Depositary Bank to administer the ADR programme. The number of ADR's on issue has more than quadrupled over this period reflecting the greater visibility the Company has achieved in the US, the world's largest healthcare and investment markets.

pSivida Secured Additional US$15m Funding

Castlerigg Master Investments, a New York based institutional investor, signed an agreement with pSivida to purchase US$15m (AU$20m) of Subordinated Convertible Debentures convertible into PSDV ADR's at an initial conversion price of US$7.10 (AU$0.95) per ordinary share. The proceeds of the issuance are expected to be used for the expanded development of pSivida's platform technology, BioSilicon™.

Acquisition of Control Delivery Systems Announced

pSivida entered into a definitive merger agreement to acquire Control Delivery Systems (CDS), a US based drug delivery company, with the potential to create a global bio-nanotech company specializing in drug delivery, with revenues from existing products and generating long-term value through its diversified late-stage product portfolio. The planned acquisition, an integral part of pSivida's on-going US growth strategy, will bring additional development and regulatory expertise to pSivida's management team. This combination also provides pSivida with an operating base in the Boston biotech hub, enhancing its overall visibility as well as access to the US scientific and investment communities.

-ENDS-

Released by:

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NOTES TO EDITORS:

pSivida is a global bio-nanotech company committed to the biomedical sector and the development of drug delivery products in particular in ophthalmology and oncology.

pSivida owns or has the exclusive rights to use the intellectual property pertaining to BrachySil™, Medidur™, Retisert™ and Vitrasert™. The company's IP portfolio consists of 70 patent families, 75 granted patents and over 280 patent applications.

pSivida owns the rights to develop and commercialise a modified form of silicon (porosified or nano-structrured silicon) known as BioSilicon™, which has applications in drug delivery, wound healing, orthopaedics, and tissue engineering. pSivida has granted an exclusive licence to its subsidiary, AION Diagnostics Limited to develop and commercialise diagnostic products using BioSilicon™, and has also granted an exclusive licence to its subsidiary, pSiNutria Limited to develop and commercialise food technology applications using BioSilicon™.

pSivida conducts its operations from offices and facilities near Boston in Massachusetts, Malvern in the United Kingdom, Perth in Western Australia and Singapore.

pSivida is listed on NASDAQ (**PSDV**), the Australian Stock Exchange (**PSD**) and in Germany on the Frankfurt Stock Exchange on the XETRA system (**German Symbol: PSI. Securities Code (WKN) 358705**). pSivida is a founding member of the NASDAQ Health Care Index and the Merrill Lynch Nanotechnology Index.

The Company's largest shareholder and a strategic partner is QinetiQ, a leading international defence, security and technology company, formed in July 2001 from the UK Government's Defence Evaluation & Research Agency (DERA). QinetiQ was instrumental in discovering BioSilicon(™) and pSivida enjoys a strong relationship with it having access to its cutting edge research and development facilities. For more information visit www.QinetiQ.com

For more information, visit www.psivida.com

This document contains forward-looking statements that involve risks and uncertainties. The statements are indicated by the use of words such as "believes", "expects", "anticipates" and similar words and phrases. Although we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we can give no assurance that such expectations will prove to be correct. Given these uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. Actual results could differ materially from those anticipated in these forward-looking statements due to many important factors including: our failure to develop applications for BioSilicon™ due to regulatory, scientific or other issues, our inability to successfully integrate CDS' operations and employees; the failure of the CDS' products to achieve expected revenues; our failure to execute on our stated growth or product development strategy, the failure of evaluation agreements to lead to partnership or licensing deals or our failure to otherwise establish partnerships, our inability to penetrate the Uveitis or other markets, our inability to continue to develop products currently in our pipeline or to continue to feed our product pipeline and the combined entity's inability to develop existing or proposed products. Other reasons are contained in cautionary statements in the Registration Statement on Form 20-F filed with the U.S. Securities and Exchange Commission, including, without limitation, under Item 3.D, "Risk Factors" therein. We do not undertake to update any oral or written forward-looking statements that may be made by or on behalf of pSivida.