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pSivida's BrachySil pancreatic cancer treatment featured on the BBC

Watertown, MA (December 3, 2008) – pSivida Corp. (NASDAQ: PSDV, ASX: PVA, FF: PV3), a drug delivery company, today announced that its lead oncology product, BrachySilTM for the treatment of pancreatic cancer, has been featured in a BBC1 primetime investigative news report, 'The One Show' aired at 7pm GMT on November 18, 2008.

The news report followed two patients undergoing treatment for different cancers at the Experimental Cancer Medicine Centre (ECMC) in Birmingham, United Kingdom. Patient two, aged 60 years was diagnosed with pancreatic cancer in July of 2008. The patient is being treated with BrachySil in combination with Gemcitabine (standard chemotherapy). In the report, the patient expressed that his quality of life had been positively transformed by the treatment.

"Around about June I was very ill, I couldn't get comfortable, I couldn't sleep, I wasn't eating and was basically wasting away," said the patient. Following a course of BrachySil treatment the patient said, "The course of my life has improved 100%. I've come from lying down and not thinking that I would last much longer, to looking forward to Christmas, and now what lies beyond Christmas."

Pancreatic cancer is the fourth most frequent cause of cancer death, and at least 80% of patients present with inoperable locally advanced or metastatic disease. The median survival for these patients following diagnosis is typically less than six months with standard chemotherapy. Accordingly, there is significant clinical and market demand for more effective therapies. BrachySil entered a dose ranging study earlier this year with a total of six patients to be enrolled at two centers in the UK (Guy's and St Thomas' NHS Foundation Trust, and University Hospital, Birmingham). The study will determine the safety of escalating radiation doses of the BrachySil™ device, with tumor response as a secondary end point.

The results of a safety study presented in January at the American Society of Clinical Oncology-GI showed that BrachySil, in combination with standard chemotherapy, was well tolerated with no clinically significant adverse events related to the device. Data showed disease control in 82% of patients and an overall median survival of 309 days. BrachySil was found to be easily deliverable by endoscopic ultrasound.

Managing Director of pSivida Corp., Dr Paul Ashton said, "We are very pleased to be developing BrachySil as a potentially effective treatment for pancreatic cancer, a devastating disease for patients and their families".

The BBC report can be viewed by visiting the following website link: http://www.vmsdigital.com/MyFiles.aspx?Onum=1B5FA0D0-05E4-463E-A32E-0A7C37FC3BE4

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About pSivida Corp.

pSivida is a drug delivery company committed to the biomedical sector, with a primary focus on ophthalmology and oncology.

pSivida has two products approved by the Food and Drug Administration (FDA): Retisert® for the treatment of uveitis and Vitrasert® for the treatment of AIDS-related cytomegalovirus (CMV) retinitis. pSivida has licensed both of these products and the technologies underlying them to Bausch & Lomb Incorporated. pSivida has one product in fully recruited Phase III clinical trials: Iluvien™, which delivers fluocinolone acetonide (FA) for the treatment of diabetic macular edema (DME), formerly known as Medidur FA for DME. pSivida has licensed certain drug delivery technology to Alimera Sciences, Inc. for the development of Iluvien and certain other ophthalmic products. pSivida has a worldwide collaborative research and license agreement with Pfizer Inc. under which Pfizer may develop additional ophthalmic products.

pSivida owns the rights to develop and commercialize a modified form of silicon known as BioSilicon™, which has potential therapeutic applications. The most advanced BioSilicon product candidate, BrachySil™, delivers a therapeutic P32, a radioactive form of phosphorus used to treat cancer, directly to solid tumors. pSivida recently completed an initial safety and efficacy clinical trial of BrachySil for the treatment of pancreatic cancer and has commenced a dose-ranging clinical trial.

pSivida's intellectual property portfolio consists of 64 patent families, 122 granted patents, including patents accepted for issuance, and 282 patent applications. pSivida conducts its operations from Boston in the United States and Malvern in the United Kingdom.

SAFE HARBOR STATEMENTS UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995: Various statements made in this release are forward-looking and involve a number of risks and uncertainties. All statements that address activities, events or developments that we intend, expect or believe may occur in the future are forward-looking statements. The following are some of the factors that could cause actual results to differ materially from the forward-looking statements: maintaining key collaboration agreements with Alimera and Pfizer; uncertainties regarding the achievement of milestones and other contingent contractual payment events; failure to prove safety and efficacy of Iluvien or BrachySil; inability to raise capital; continued losses and lack of profitability; inability to derive revenue from Retisert; termination of license agreements; inability to pay any registration penalties; inability to develop or obtain regulatory approval for new products; inability to protect intellectual property or infringement of others' intellectual property; inability to obtain partners to develop and market products; competition; risks and costs of international business operations; manufacturing problems; insufficient third-party reimbursement for products; failure to retain key personnel; product liability; failure to comply with laws; failure to achieve and maintain effective internal control over financial reporting; impairment of intangibles; volatility of stock price; possible dilution through exercise of outstanding warrants and stock options or future stock issuances; possible influence by Pfizer; and other factors that may be described in our filings with the Securities and Exchange Commission. Given these uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. We do not undertake to publicly update or revise our forward-looking statements even if experience or future changes make it clear that any projected results expressed or implied in such statements will not be realized.