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 July 2007

Commission File Number 000-51122

pSivida Limited

(Translation of registrant's name into English)

Level 12 BGC Centre
28 The Esplanade
Perth WA 6000
Australia
(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 x 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 x

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

The documents attached as Exhibits 99.1 through 99.5 to this Report on Form 6-K are hereby incorporated by reference herein and into the following registration statements: (i) the Registrant's Registration Statement on Form F-3, Registration No. 333-132776; (ii) the Registrant's Registration Statement on Form F-3, Registration No. 333-132777; (iii) the Registrant's Registration Statement on Form F-3, Registration No. 333-135428; (iv) the Registrant's Registration Statement on Form F-3, Registration No. 333-141083; (v) the Registrant's Registration Statement on Form F-3, Registration No. 333-141091; and (vi) the Registrant's Registration Statement on Form F-3, Registration No. 333-143225.

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: **July 2, 2007**

PSIVIDA LIMITED

By: /s/ Michael J. Soja

Michael J. Soja
Vice President, Finance and Chief Financial Officer

EXHIBIT INDEX

EXHIBIT 99.1:	**Placement Agent Agreement dated June 29, 2007 among pSivida Limited, Cowen and Company, LLC and JMP Securities LLC**
EXHIBIT 99.2	**Form of Subscription Agreement**
EXHIBIT 99.3	**Subscription Agreement dated June 30, 2007 between pSivida Limited and Pfizer Inc.**
EXHIBIT 99.4	**Form of Investor Warrant**
EXHIBIT 99.5	**Form of Placement Agent Warrant**

14,402,000 American Depositary Shares

and

Warrants to Purchase 5,760,800 American Depositary Shares

Each American Depositary Share Representing Ten Ordinary Shares

PSIVIDA LIMITED

PLACEMENT AGENT AGREEMENT

June 29, 2007

Cowen and Company, LLC
JMP Securities LLC
c/o Cowen and Company, LLC
1221 Avenue of the Americas
New York, New York 10020

Dear Sirs:

1. *Introductory*. pSivida Limited, an Australian company existing pursuant to the Australian Corporations Act 2001 (the "**Company**"), proposes to sell to certain purchasers, pursuant to the terms of a subscription agreement in the form of Exhibit A attached hereto (the "**Subscription Agreement**") to be entered into with such purchasers (each, a "**Purchaser**" and collectively, the "**Purchasers**"), up to an aggregate of 14,402,000 units (the "**Units**") with each Unit consisting of (i) one American Depositary Share (an "**ADS**" or the "**ADSs**"), with each ADS representing ten ordinary shares of the Company (the "**Ordinary Shares**") and (ii) one warrant in the form of Exhibit B (the "**Warrants**") to purchase 0.4 ADS. The ADSs issuable upon exercise of the Warrants are referred to herein as the "**Warrant ADSs**." The ADSs will be evidenced by American Depositary Receipts ("**ADRs**") to be issued pursuant to the Deposit Agreement, dated January 24, 2005 (the "**Deposit Agreement**") among the Company, Citibank, N.A., as depositary (the "**Depositary**"), and the holders and beneficial owners from time to time of the ADRs issued by the Depositary thereunder and evidencing the ADSs. The Company hereby confirms that Cowen and Company, LLC ("**Cowen**") and JMP Securities LLC ("**JMP**," and together with Cowen, the "**Placement Agents**") acted as Placement Agents in accordance with the terms and conditions hereof. Cowen is acting as the representative of the Placement Agents, and in such capacity is hereinafter referred to as the "**Representative**."

2. *Agreement to Act as Placement Agents; Placement of Securities.* On the basis of the representations, warranties and agreements of the Company contained herein, and subject to all the terms and conditions of this Placement Agent Agreement (this "**Agreement**"):

(I) The Company hereby acknowledges the Placement Agents acted as its agents to solicit offers for the purchase of all or part of the Units from the Company in connection with the proposed offering of the Units (the "**Offering**"). Until the Closing Date (as defined in Section 4 hereof), the Company shall not, without the prior written consent of the Representative, solicit or accept offers to purchase the ADSs otherwise than through the Placement Agents.

(II) The Company hereby acknowledges that the Placement Agents, as agents of the Company, used their reasonable efforts to solicit offers to purchase the Units on the terms and subject to the conditions set forth in the Prospectus (as defined below). The Placement Agents shall use reasonable efforts to assist the Company in selling Units to each Purchaser whose offer to purchase the Units was solicited by the Placement Agents and accepted by the Company, but the Placement Agents shall not, except as otherwise provided in this Agreement, be obligated to disclose the identity of any potential purchaser or have any liability to the Company in the event any such purchase is not consummated for any reason. Under no circumstances will the Placement Agents be obligated to underwrite or purchase any Units for its own account and, in soliciting purchases of Units, the Placement Agents acted solely as the Company's agents and not as principals. Notwithstanding the foregoing and except as otherwise provided in this Section 2(II), it is understood and agreed that the Placement Agents (or their affiliates) may, solely at their discretion and without any obligation to do so, purchase the Units as principals; provided, however, that any such purchases by any of the Placement Agents (or its affiliates) shall be fully disclosed to the Company (including the identity of such Purchasers) and approved by the Company in accordance with Section 2(III).

(III) Offers for the purchase of Units were solicited by the Placement Agents as agents for the Company at such times and in such amounts as the Placement Agents deemed advisable. Each Placement Agent communicated to the Company, orally or in writing, each reasonable offer to purchase Units received by it as agent of the Company. The Company shall have the sole right to accept offers to purchase the Units and may reject any such offer, in whole or in part. Each Placement Agent has the right, in its discretion, without notice to the Company, to reject any offer to purchase Units received by it, in whole or in part, and any such rejection shall not be deemed a breach of this Agreement.

(IV) The Units are being sold to the Purchasers at a price of US$1.25 per Unit. The purchases of the Units by the Purchasers shall be evidenced by the execution of Subscription Agreements by each of the Purchasers and the Company.

(V) As compensation for services rendered, on the Closing Date, (A) the Company shall pay to the Placement Agents by wire transfer of immediately available funds to an account or accounts designated by the Representative, on such Closing Date, an aggregate amount equal to seven percent (7%) of the gross proceeds received by the Company from the sale on such Closing Date and (B) the Company shall issue the Placement Agents warrants (the "**Placement Agent Warrants**") to purchase in the aggregate that number of ADSs equal to two percent (2%) of the ADSs sold in the Offering in substantially the form attached hereto as Exhibit C. The Placement Agents agree that the foregoing compensation, together with any expense reimbursement payable hereunder, constitutes all of the compensation that the Placement Agents shall be entitled to receive in connection with the Offering; such compensation shall supersede, in all respects, any and all prior agreements or understandings relating to compensation to be received by the Placement Agents from the Company in connection with the Offering.

(VI) No Units which the Company has agreed to sell pursuant to this Agreement and the Subscription Agreements shall be deemed to have been purchased and paid for, or sold by the Company, until an ADR representing ADSs and a warrant certificate representing the Warrant shall have been delivered to the Purchaser thereof against payment by such Purchaser. If the Company shall default in its obligations to deliver the ADRs and warrant certificates to a Purchaser whose offer it has accepted, the Company shall indemnify and hold the Placement Agents harmless against any loss, claim, damage or expense arising from or as a result of such default by the Company in accordance with the procedures set forth in Section 8 herein. Units will not be issued or certificated.

(VII) The Placement Agents shall make commercially reasonable efforts to obtain a letter from the National Association of Securities Dealers, Inc. ("**NASD**") indicating that the NASD shall have raised no objection to the fairness and reasonableness of the terms hereof and arrangements hereunder.

3. *Representations and Warranties of the Company.*

The Company represents and warrants to the Placement Agents and the Purchasers, as of the date hereof, and agrees with the Placement Agents and the Purchasers, that:

(a) A registration statement of the Company on Form F-3 (File No. 333-141091) (including all post-effective amendments thereto filed before execution of this Agreement, the "**Initial Registration Statement**") in respect of the Units has been filed with the Securities and Exchange Commission (the "**Commission**") pursuant to Rule 415 under the Securities Act of 1933, as amended (the "**Securities Act**"). The Company meets the requirements for use of Form F-3 under the Securities Act, and the rules and regulations of the Commission thereunder (the "**Rules and Regulations**"). The Initial Registration Statement and any post-effective amendment thereto, each in the form heretofore delivered to the Representative, and excluding exhibits thereto, have been declared effective by the Commission in such form and meet the requirements of the Securities Act and the Rules and Regulations. Other than (i) a registration statement, if any, increasing the size of the Offering filed pursuant to Rule 462(b) under the Securities Act and the Rules and Regulations (a "**Rule 462(b) Registration Statement**") and (ii) the Prospectus (as defined below) contemplated by this Agreement to be filed pursuant to Rule 424(b) of the Rules and Regulations in accordance with Section 5 hereof and (iii) any Issuer Free Writing Prospectus (as defined below), no other document with respect to the offer and sale of the Units has heretofore been filed with the Commission. No stop order suspending the effectiveness of the Initial Registration Statement, any post-effective amendment thereto or the Rule 462(b) Registration Statement, if any, has been issued and no proceeding for that purpose or pursuant to Section 8A of the Securities Act has been initiated or threatened by the Commission. The prospectus filed as part of the registration statement in the form in which it has most recently been filed with the Commission on or prior to the date of this Agreement, is hereinafter called the "**Base Prospectus**" and any prospectus subject to completion included in the Registration Statement or any preliminary prospectus (including any preliminary prospectus supplement) relating to the Units filed with the Commission pursuant to Rule 424(b) of the Rules and Regulations is hereinafter called a "**Preliminary Prospectus**." The various parts of the Initial Registration Statement and the Rule 462(b) Registration Statement, if any, in each case including all exhibits thereto and including (i) the information contained in the Prospectus filed with the Commission pursuant to Rule 424(b) of the Rules and Regulations and deemed by virtue of Rules 430B and 430C under the Securities Act to be part of the Initial Registration Statement at the time it became effective and (ii) the documents incorporated by reference in the Rule 462(b) Registration Statement at the time the Rule 462(b) Registration Statement became effective, are hereinafter collectively called the "**Registration Statement**." The base prospectus included in the Initial Registration Statement at the time of effectiveness thereof, as supplemented by the final prospectus supplement relating to the offer and sale of the Units, in the form filed pursuant to and within the time limits described in Rule 424(b) under the Rules and Regulations, is hereinafter called the "**Prospectus**."

Any reference herein to any Registration Statement, Preliminary Prospectus or the Prospectus shall be deemed to refer to and include the documents incorporated by reference therein. Any reference to any amendment or supplement to any Preliminary Prospectus or the Prospectus shall be deemed to refer to and include any documents filed after the date of such Preliminary Prospectus or the Prospectus under the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), and incorporated by reference in such Preliminary Prospectus or Prospectus, as the case may be. Any reference to (i) any Registration Statement shall be deemed to refer to and include the annual report of the last completed fiscal year of the Company on Form 20-F filed under Section 13(a) or 15(d) of the Exchange Act prior to the date hereof and (ii) the effective date of such Registration Statement shall be deemed to refer to and include the date such Registration Statement became effective and, if later, the date such Form 20-F was so filed. Any reference to any amendment to the Registration Statement shall be deemed to refer to and include any annual report of the Company filed pursuant to Section 13(a) or 15(d) of the Exchange Act after the date of this Agreement that is incorporated by reference in the Registration Statement.

(b) As of the Applicable Time (as defined below) and as of the Closing Date, as the case may be, none of (i) the General Use Free Writing Prospectus (as defined below) issued at or prior to the Applicable Time and the Pricing Prospectus (as defined below), all considered together (collectively, the "**General Disclosure Package**"), (ii) any individual Limited Use Free Writing Prospectus (as defined below), or (iii) the bona fide electronic road show (as defined in Rule 433(h)(5) of the Rules and Regulations that has been made available without restriction to any person), when considered together with the General Disclosure Package, included or, as of the Closing Date, will include any untrue statement of a material fact or omitted or, as of the Closing Date, will omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; *provided*, *however*, that the Company makes no representations or warranties as to information contained in or omitted from the Pricing Prospectus, in reliance upon, and in conformity with, written information furnished to the Company through the Representative by or on behalf of any Placement Agent specifically for inclusion therein, which information the parties hereto agree is limited to the Placement Agents' Information as defined in Section 17. As used in this paragraph (b) and elsewhere in this Agreement:

"Applicable Time" means 2:00 P.M., New York time, on the date of this Agreement or such other time as agreed to in writing by the Company and the Representative.

"Pricing Prospectus" means the Preliminary Prospectus and the Base Prospectus, each as amended and supplemented immediately prior to the Applicable Time, including any document incorporated by reference therein and any prospectus supplement deemed to be a part thereof.

"Issuer Free Writing Prospectus" means any "issuer free writing prospectus," as defined in Rule 433 of the Rules and Regulations relating to the Units in the form filed or required to be filed with the Commission or, if not required to be filed, in the form retained in the Company's records pursuant to Rule 433(g) of the Rules and Regulations.

"General Use Free Writing Prospectus" means any Issuer Free Writing Prospectus that is identified on Schedule A to this Agreement.

"Limited Use Free Writing Prospectuses" means any Issuer Free Writing Prospectus that is not a General Use Free Writing Prospectus.

(c) No order preventing or suspending the use of any Preliminary Prospectus, any Issuer Free Writing Prospectus or the Prospectus relating to the Offering has been issued by the Commission, and no proceeding for that purpose or pursuant to Section 8A of the Securities Act has been instituted or, to the Company's Knowledge, threatened by the Commission, and each Preliminary Prospectus, if any, at the time of filing thereof, conformed in all material respects to the requirements of the Securities Act and the Rules and Regulations, and did not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; *provided*, *however*, that the Company makes no representations or warranties as to information contained in or omitted from any Preliminary Prospectus, in reliance upon, and in conformity with, written information furnished to the Company through the Representative by or on behalf of any Placement Agent specifically for inclusion therein, which information the parties hereto agree is limited to the Placement Agents' Information as defined in Section 17.

(d) At the time the Registration Statement became effective, at the date of this Agreement and at the Closing Date, the Registration Statement and any amendments thereto conformed and will conform in all material respects to the requirements of the Securities Act and the Rules and Regulations and did not and will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; and the Prospectus and any amendments or supplements thereto, at the time the Prospectus or any amendment or supplement thereto was issued and at the Closing Date, conformed and will conform in all material respects to the requirements of the Securities Act and the Rules and Regulations and did not and will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading; *provided*, *however*, that the foregoing representations and warranties in this paragraph (d) shall not apply to information contained in or omitted from the Registration Statement or the Prospectus, or any amendment or supplement thereto, in reliance upon, and in conformity with, written information furnished to the Company through the Representative by or on behalf of any Placement Agent specifically for inclusion therein, which information the parties hereto agree is limited to the Placement Agents' Information (as defined in Section 17). The Prospectus contains all required information under the Securities Act with respect to the Ordinary Shares, ADSs, ADRs, Warrants, Warrant ADSs and Units.

(e) Each Issuer Free Writing Prospectus, if any, as of its issue date and at all subsequent times through the completion of the offer and sale of the Units or until any earlier date that the Company notified or notifies the Representative as described in Section 5, did not and does not include any information that conflicted or conflicts with the information contained in the Registration Statement, Pricing Prospectus or the Prospectus, including any document incorporated by reference therein and any prospectus supplement deemed to be a part thereof that has not been superseded or modified, or included an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances prevailing, not misleading.

(f) The documents incorporated by reference in the Prospectus, when they were filed with the Commission, conformed in all material respects to the requirements of the Securities Act or the Exchange Act, as applicable, and the rules and regulations of the Commission thereunder and none of such documents contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein not misleading.

(g) The Company has not, directly or indirectly, distributed and will not distribute any offering material in connection with the Offering other than any Preliminary Prospectus, the Prospectus and other materials, if any, permitted under the Securities Act and consistent with Section 5 below. The Company has or will file with the Commission all Issuer Free Writing Prospectuses (other than a "road show," as described in Rule 433(d)(8) of the Rules and Regulations), if any, in the time and manner required under Rules 163(b)(2) and 433(d) of the Rules and Regulations.

(h) At the time of filing the Initial Registration Statement, any 462(b) Registration Statement and any post-effective amendments thereto, and at the date hereof, (i) the Company was not, and the Company currently is not, an "**ineligible issuer**," as defined in Rule 405 of the Rules and Regulations, and (ii) the Company qualified, and the Company currently qualifies, as a "foreign private issuer" as such term is defined in the Exchange Act.

(i) The Company and each of its subsidiaries (as defined below) have been duly organized and are validly existing as corporations or other legal entities in good standing (or the foreign equivalent thereof) under the laws of their respective jurisdictions of organization or formation. The Company and each of its subsidiaries are duly qualified to do business and are in good standing (or the foreign equivalent thereof) as corporations or other legal entities in each jurisdiction in which their respective ownership or lease of property or the conduct of their respective businesses requires such qualification and have all power and authority (corporate or other) necessary to own or hold their respective properties and to conduct the businesses in which they are engaged, except where the failure to so qualify or have such power or authority would not (i) have, in the aggregate, a material adverse effect on the condition (financial or otherwise), results of operations, assets, business or prospects of the Company and its subsidiaries taken as a whole, or (ii) impair in any material respect the ability of the Company to perform its obligations under this Agreement or to consummate any transactions contemplated by this Agreement, the General Disclosure Package or the Prospectus (any such effect as described in clauses (i) or (ii), a "**Material Adverse Effect**"). The Company owns or controls, directly or indirectly, only the following corporations, partnerships, limited liability partnerships, limited liability companies, associations or other entities: (i) pSivida Inc., (ii) pSiMedica Limited, (iii) pSiOncology Pte. Limited and (iv) pSiNutria Limited (each, a "**subsidiary**").

(j) The Company has the full right, power and authority to enter into this Agreement, each of the Subscription Agreements and that certain Escrow Agreement (the "**Escrow Agreement**") dated as of the date hereof by and among the Company, the Placement Agents and the escrow agent named therein, and to perform and to discharge its obligations hereunder and thereunder; and each of this Agreement, the Deposit Agreement, each of the Subscription Agreements and the Escrow Agreement has been duly authorized, executed and delivered by the Company, and constitutes a valid and binding obligation of the Company enforceable in accordance with its terms.

(k) The Ordinary Shares have been duly and validly authorized and, when issued and delivered against payment therefor as provided in the Subscription Agreements, will be duly and validly issued, and will be fully paid and nonassessable and free of any preemptive or similar rights and will conform to the description thereof contained in the General Disclosure Package and the Prospectus. The Warrants have been duly and validly authorized and, when issued and delivered against payments therefor as provided in the Subscription Agreements, will be duly and validly issued and will conform to the description thereof contained in the General Disclosure Package and Prospectus. Upon the issuance by the Depositary of the ADRs evidencing the ADSs and the Warrant ADSs against the deposit of Ordinary Shares in accordance with the Deposit Agreement, such ADRs will be duly and validly issued under the Deposit Agreement and persons in whose names such ADRs are registered will be entitled to the rights of registered holders of ADRs as specified therein and in the Deposit Agreement.

(l) All of the issued shares of capital stock of the Company have been duly and validly authorized and issued, are fully paid and non-assessable, have been issued in compliance with all relevant securities laws, and conform to the description thereof contained in the General Disclosure Package and the Prospectus. As of June 24, 2007, there were 565,950,830 Ordinary Shares issued and outstanding, no preference shares of the Company issued and outstanding and 398,790,907 Ordinary Shares were issuable upon the exercise of all options, warrants and convertible securities outstanding as of such date. Since such date, the Company has not issued any securities other than equity interests or Ordinary Shares of the Company issued pursuant to the exercise of stock options previously outstanding under the Company's stock option plans. All of the Company's options, warrants and other rights to purchase or exchange any securities for shares of the Company's capital stock have been duly authorized and validly issued and were issued in compliance with all relevant securities laws. None of the outstanding Ordinary Shares or equity interests were issued in violation of any preemptive rights, rights of first refusal or other similar rights to subscribe for or purchase securities of the Company. There are no authorized or outstanding shares of capital stock, options, warrants, preemptive rights, rights of first refusal or other rights to purchase, or equity or debt securities convertible into or exchangeable or exercisable for, any capital stock of the Company or any of its subsidiaries other than those described above or accurately described in the General Disclosure Package. The description of the Company's stock option, stock bonus and other stock plans or arrangements, and the options or other rights granted thereunder, as described in the General Disclosure Package and the Prospectus, accurately and fairly present the information required to be shown with respect to such plans, arrangements, options and rights.

(m) All the outstanding shares of capital stock of each subsidiary of the Company have been duly authorized and validly issued, are fully paid and nonassessable and, except to the extent set forth in the General Disclosure Package and the Prospectus, are owned by the Company directly or indirectly through one or more wholly-owned subsidiaries, free and clear of any claim, lien, encumbrance, security interest, restriction upon voting or transfer or any other claim of any third party.

(n) Except as described in the General Disclosure Package and the Prospectus, the execution, delivery and performance of this Agreement, the Subscription Agreements and the Escrow Agreement by the Company, the issue and sale of the Units by the Company, the performance of its obligations under the Deposit Agreement and the consummation of the transactions contemplated hereby and thereby will not (with or without notice or lapse of time or both) conflict with or result in a breach or violation of any of the terms or provisions of, constitute a default under, give rise to any right of termination or other right or the cancellation or acceleration of any right or obligation or loss of a benefit under, or give rise to the creation or imposition of any lien, encumbrance, security interest, claim or charge upon any property or assets of the Company or any subsidiary pursuant to, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Company or any of its subsidiaries is a party or by which the Company or any of its subsidiaries is bound or to which any of the property or assets of the Company or any of its subsidiaries is subject, nor will such actions result in any violation of the provisions of the charter or by-laws (or analogous governing instruments, as applicable) of the Company or any of its subsidiaries or any law, statute, rule, regulation, judgment, order or decree of any court or governmental agency or body, domestic or foreign, having jurisdiction over the Company or any of its subsidiaries or any of their properties or assets.

(o) Except for the registration of the ADSs, the Warrants and the Warrant ADSs offered in the Offering under the Securities Act and such other consents, approvals, authorizations, registrations or qualifications as may be required under the Exchange Act and applicable state securities laws or by the NASD and the Nasdaq Global Market ("**Nasdaq GM**") or by the ASX Limited, and the lodgment of either a cleansing statement pursuant to section 708A(6) of the Australian *Corporations Act 2001* (Cth) ("**Corporations Act**") with the Australian Securities Exchange ("**ASX**") or a prospectus satisfying the requirements of the Corporations Act with the Australian Securities and Investments Commission ("**ASIC**") (as required) and applying for quotation of the Ordinary Shares underlying the ADSs and the Warrant ADSs on ASX and notifying ASIC of their issue, in connection with the purchase of the Units by the Purchasers and the listing of the ADSs and the Warrant ADSs on the Nasdaq GM, no consent, approval, authorization or order of, or filing, qualification or registration (each an "**Authorization**") with, any court, governmental or non-governmental agency or body, foreign or domestic, which has not been made, obtained or taken and is not in full force and effect, is required for the execution, delivery and performance of this Agreement, the Deposit Agreement, the Subscription Agreements and the Escrow Agreement by the Company, the offer or sale of the Units or the consummation of the transactions contemplated hereby or thereby; and no event has occurred that allows or results in, or after notice or lapse of time or both would allow or result in, revocation, suspension, termination or invalidation of any such Authorization or any other impairment of the rights of the holder or maker of any such Authorization. All corporate approvals (including those of stockholders) necessary for the Company to consummate the transactions contemplated by this Agreement have been obtained and are in effect.

(p) Deloitte Touche Tohmatsu, who have certified certain financial statements and related schedules included or incorporated by reference in the Registration Statement, the General Disclosure Package and the Prospectus is an independent registered public accounting firm within the meaning of Article 2-01 of Regulation S-X and the Public Company Accounting Oversight Board (United States) (the "**PCAOB**").

(q) The financial statements, together with the related notes, included or incorporated by reference in the General Disclosure Package, the Prospectus and the Registration Statement fairly present the financial position and the results of operations and changes in financial position of the Company and its consolidated subsidiaries at the respective dates or for the respective periods therein specified. Such statements and related notes have been prepared in accordance with Australian equivalents to International Financial Reporting Standards ("**AIFRS**") applied on a consistent basis throughout the periods involved except as may be set forth in the related notes included or incorporated by reference in the General Disclosure Package. The financial statements, together with the related notes, included or incorporated by reference in the General Disclosure Package and the Prospectus comply in all material respects with Regulation S-X. No other financial statements or supporting schedules or exhibits are required by Regulation S-X to be described, or included or incorporated by reference in the Registration Statement, the General Disclosure Package or the Prospectus. There is no pro forma or as adjusted financial information which is required to be included in the Registration Statement, the General Disclosure Package, the Prospectus or a document incorporated by reference therein in accordance with Regulation S-X which has not been included or incorporated as so required. The pro forma and pro forma as adjusted financial information (if applicable) and the related notes included or incorporated by reference in the Registration Statement, the General Disclosure Package and the Prospectus have been properly compiled and prepared in accordance with the applicable requirements of Rule 11-02 of Regulation S-X and present fairly the information shown therein, and the assumptions used in the preparation thereof are reasonable and the adjustments used therein are appropriate to give effect to the transactions and circumstances referred to therein. The summary and selected financial data included or incorporated by reference in the General Disclosure Package, the Prospectus and each Registration Statement fairly present the information shown therein as at the respective dates and for the respective periods specified and are derived from the consolidated financial statements incorporated by reference or set forth in the Registration Statement, the Pricing Prospectus and the Prospectus and other financial information. Nothwithstanding anything to the contrary in this Agreement, all of the representations and warranties of the Company relating to Regulation S-X compliance are only to the extent Regulation S-X is applicable to the Company as a foreign private issuer.

(r) Neither the Company nor any of its subsidiaries has sustained, since the date of the latest audited financial statements included or incorporated by reference in the General Disclosure Package, any Material Adverse Effect; and, since such date, there has not been any material change in the capital stock or long-term debt of the Company or any of its subsidiaries, taken as a whole, otherwise than as set forth or contemplated in the General Disclosure Package.

(s) Except as set forth in the General Disclosure Package and the Prospectus, there is no legal or governmental action, suit, claim or proceeding pending to which the Company or any of its subsidiaries is a party or of which any property or assets of the Company or any of its subsidiaries is the subject, including any proceeding before the United States Food and Drug Administration of the U.S. Department of Health and Human Services ("**FDA**") or comparable federal, state, local or foreign governmental bodies (it being understood that the interaction between the Company and the FDA and such comparable governmental bodies relating to the clinical development and product approval process shall not be deemed proceedings for purposes of this representation), which is required to be described in the Registration Statement, the General Disclosure Package or the Prospectus or a document incorporated by reference therein and is not described therein, or which, singularly or in the aggregate, if determined adversely to the Company or any of its subsidiaries, could reasonably be expected to have a Material Adverse Effect or prevent the consummation of the transactions contemplated hereby; and to the best of the Company's knowledge ("**Knowledge**"), no such proceedings are threatened or contemplated by governmental authorities or threatened by others. The Company is in compliance with all applicable federal, state, local and foreign laws, regulations, orders and decrees governing its business as prescribed by the FDA, or any other federal, state or foreign agencies or bodies with jurisdiction over the activities of the Company engaged in the regulation of pharmaceuticals or biohazardous substances or materials, except where noncompliance would not, singularly or in the aggregate, have a Material Adverse Effect. All preclinical and clinical studies conducted by or on behalf of the Company to support approval for commercialization of the Company's products have been conducted by the Company, or to the Company's Knowledge by third parties, in compliance with all applicable federal, state or foreign laws, rules, orders and regulations, except for such failure or failures to be in compliance as could not reasonably be expected to have, singularly or in the aggregate, a Material Adverse Effect.

(t) Neither the Company nor any of its subsidiaries (i) is in violation of its charter or by-laws (or analogous governing instrument, as applicable), (ii) is in default in any respect, and no event has occurred which, with notice or lapse of time or both, would constitute such a default, in the due performance or observance of any term, covenant or condition contained in any indenture, mortgage, deed of trust, loan agreement, lease or other agreement or instrument to which it is a party or by which it is bound or to which any of its property or assets is subject (including, without limitation, those administered by the FDA or by any foreign, federal, state or local governmental or regulatory authority with jurisdiction over the activities of the Company performing functions similar to those performed by the FDA) or (iii) is in violation in any respect of any law, ordinance, governmental rule, regulation or court order, decree or judgment to which it or its property or assets may be subject except, in the case of clauses (ii) and (iii) of this paragraph (t), for any violations or defaults which, singularly or in the aggregate, would not have a Material Adverse Effect.

(u) The Company and each of its subsidiaries possess all licenses, certificates, authorizations and permits issued by, and have made all declarations and filings with, the appropriate local, state, federal or foreign regulatory agencies or bodies (including, without limitation, those administered by the FDA or by any foreign, federal, state or local governmental or regulatory authority performing functions similar to those performed by the FDA) which are necessary or desirable for the ownership of their respective properties or the conduct of their respective businesses as described in the General Disclosure Package and the Prospectus (collectively, the "**Governmental Permits**") except where any failures to possess or make the same, singularly or in the aggregate, would not have a Material Adverse Effect. The Company and its subsidiaries are in material compliance with all such Governmental Permits; all such Governmental Permits are valid and in full force and effect, except where the validity or failure to be in full force and effect would not, singularly or in the aggregate, have a Material Adverse Effect. All such Governmental Permits are free and clear of any restriction or condition that are in addition to, or materially different from those normally applicable to similar licenses, certificates, authorizations and permits. Neither the Company nor any subsidiary has received notification of any revocation, modification, suspension, termination or invalidation (or proceedings related thereto) of any such Governmental Permit and to the Knowledge of the Company, no event has occurred that allows or results in, or after notice or lapse of time or both would allow or result in, revocation, modification, suspension, termination or invalidation (or proceedings related thereto) of any such Governmental Permit and the Company has no reason to believe that any such Governmental Permit will not be renewed, except as, in each case, would not have a Material Adverse Effect. Except as would not constitute a Material Adverse Effect, the Company and its subsidiaries are members in good standing of each Federal, state or foreign exchange, board of trade, clearing house or association and self-regulatory or similar organization, in each case as necessary to conduct their respective businesses as described in the General Disclosure Package and the Prospectus. The studies, tests and preclinical or clinical trials conducted by or on behalf of the Company that are described in the General Disclosure Package and the Prospectus (the "**Company Studies and Trials**") were and, if still pending, are being, conducted in all material respects in accordance with experimental protocols, procedures and controls pursuant to, where applicable, accepted professional scientific standards; the descriptions of the results of the Company Studies and Trials contained in the General Disclosure Package and Prospectus are accurate in all material respects; and the Company has not received any notices or correspondence with the FDA or any foreign, state or local governmental body exercising comparable authority requiring the termination, suspension or material modification of any Company Studies or Trials that termination, suspension or material modification would reasonably be expected to have a Material Adverse Effect.

(v) Neither the Company nor, to the Company's Knowledge, any of its officers, directors or affiliates has taken or will take, directly or indirectly, any action designed or intended to stabilize or manipulate the price of any security of the Company, or which caused or resulted in, or which might in the future reasonably be expected to cause or result in, stabilization or manipulation of the price of any security of the Company.

(w) To the Knowledge of the Company, the Company and its subsidiaries own or possess the valid right to use (either directly or through licenses) all (i) valid and enforceable patents, patent applications, trademarks, trademark registrations, service marks, service mark registrations, Internet domain name registrations, copyrights, copyright registrations, licenses, trade secret rights ("**Intellectual Property Rights**") and (ii) inventions, software, works of authorships, trade marks, service marks, trade names, databases, formulae, know how, Internet domain names and other intellectual property (including trade secrets and other unpatented and/or unpatentable proprietary confidential information, systems, or procedures) (collectively, "**Intellectual Property Assets**") necessary to conduct their respective businesses as currently conducted, and as proposed to be conducted and described in the General Disclosure Package and the Prospectus, except as disclosed therein. The Company and its subsidiaries have not received any opinion from their legal counsel concluding that any activities of their respective businesses infringe, misappropriate, or otherwise violate, valid and enforceable Intellectual Property Rights of any other person, and have not received written notice of any challenge, which is to their Knowledge still pending, by any other person to the rights of the Company and its subsidiaries with respect to any material Intellectual Property Rights or Intellectual Property Assets owned or used by the Company or its subsidiaries, except as disclosed in the General Disclosure Package and the Prospectus. Except as described in the General Disclosure Package and the Prospectus, to the Knowledge of the Company, the Company and its subsidiaries' respective businesses as now conducted do not give rise to any infringement of, any misappropriation of, or other violation of, any valid and enforceable Intellectual Property Rights of any other person. To the Knowledge of the Company, all licenses for the use of the Intellectual Property Rights described in the General Disclosure Package and the Prospectus are valid, binding upon, and enforceable by or against the parties thereto in accordance to its terms. The Company has complied in all material respects with, and is not in breach nor has received any asserted or threatened claim of breach of any Intellectual Property license, and the Company has no Knowledge of any breach or anticipated breach by any other person to any Intellectual Property license. Except as described in the General Disclosure Package, no material claim has been made against the Company alleging the infringement by the Company of any patent, trademark, service mark, trade name, copyright, trade secret, license in or other intellectual property right or franchise right of any person. The Company has taken all reasonable steps to protect, maintain and safeguard its Intellectual Property Rights, including the execution of appropriate nondisclosure and confidentiality agreements. The consummation of the transactions contemplated by this Agreement will not result in the loss or impairment of or payment of any additional amounts with respect to, nor require the consent of any other person in respect of, the Company's right to own, use, or hold for use any of the Intellectual Property Rights as owned, used or held for use in the conduct of the business as currently conducted. The Company has taken all necessary actions to obtain ownership of all works of authorship and inventions made by its employees, consultants and contractors during the time they were employed by or under contract with the Company and which relate to the Company's business. All founders and key employees have signed confidentiality and invention assignment agreements with the Company.

(x) The Company and each of its subsidiaries have good and marketable title in fee simple to, or have valid rights to lease or otherwise use, all items of real or personal property which are material to the business of the Company and its subsidiaries taken as a whole, in each case free and clear of all liens, encumbrances, security interests, claims and defects that do not, singularly or in the aggregate, materially affect the value of such property and do not interfere with the use made and proposed to be made of such property by the Company or any of its subsidiaries; and all of the leases and subleases material to the business of the Company and its subsidiaries, considered as one enterprise, and under which the Company or any of its subsidiaries holds properties described in the General Disclosure Package and the Prospectus, are in full force and effect, and neither the Company nor any subsidiary has received any notice of any material claim of any sort that has been asserted by anyone adverse to the rights of the Company or any subsidiary under any of the leases or subleases mentioned above, or affecting or questioning the rights of the Company or such subsidiary to the continued possession of the leased or subleased premises under any such lease or sublease.

(y) There is (A) no significant unfair labor practice complaint pending against the Company, or any of its subsidiaries, nor to the Knowledge of the Company, threatened against it or any of its subsidiaries, before the National Labor Relations Board, any state or local labor relation board or any foreign labor relations board, and no significant grievance or significant arbitration proceeding arising out of or under any collective bargaining agreement is so pending against the Company or any of its subsidiaries, or, to the Knowledge of the Company, threatened against it and (B) no labor disturbance by the employees of the Company or any of its subsidiaries exists or, to the Company's Knowledge, is imminent, and the Company is not aware of any existing or imminent labor disturbance by the employees of any of its or its subsidiaries principal suppliers, manufacturers, customers or contractors, that could reasonably be expected, singularly or in the aggregate, to have a Material Adverse Effect. The Company is not aware that any key employee or significant group of employees of the Company or any subsidiary plans to terminate employment with the Company or any such subsidiary.

(z) No "**prohibited transaction**" (as defined in Section 406 of the Employee Retirement Income Security Act of 1974, as amended, including the regulations and published interpretations thereunder ("**ERISA**"), or Section 4975 of the Internal Revenue Code of 1986, as amended from time to time (the "**Code**")) or "**accumulated funding deficiency**" (as defined in Section 302 of ERISA) or any of the events set forth in Section 4043(b) of ERISA (other than events with respect to which the thirty (30)-day notice requirement under Section 4043 of ERISA has been waived) has occurred or could reasonably be expected to occur with respect to any employee benefit plan of the Company or any of its subsidiaries which could, singularly or in the aggregate, have a Material Adverse Effect. Each employee benefit plan of the Company or any of its subsidiaries is in compliance in all material respects with applicable law, including ERISA and the Code. The Company and its subsidiaries have not incurred and could not reasonably be expected to incur liability under Title IV of ERISA with respect to the termination of, or withdrawal from, any pension plan (as defined in ERISA). Each pension plan for which the Company or any of its subsidiaries would have any liability that is intended to be qualified under Section 401(a) of the Code is so qualified, and nothing has occurred, whether by action or by failure to act, which could, singularly or in the aggregate, cause the loss of such qualification.

(aa) The Company and its subsidiaries are in compliance with all foreign, federal, state and local rules, laws and regulations relating to the use, treatment, storage and disposal of hazardous or toxic substances or waste and protection of health and safety or the environment which are applicable to their businesses ("**Environmental Laws**"). There has been no storage, generation, transportation, handling, treatment, disposal, discharge, emission, or other release of any kind of toxic or other wastes or other hazardous substances by, due to, or caused by the Company or any of its subsidiaries (or, to the Company's Knowledge, any other entity for whose acts or omissions the Company or any of its subsidiaries is or may otherwise be liable) upon any of the property now or previously owned or leased by the Company or any of its subsidiaries, or upon any other property, in violation of any law, statute, ordinance, rule, regulation, order, judgment, decree or permit or which would, under any law, statute, ordinance, rule (including rule of common law), regulation, order, judgment, decree or permit, give rise to any liability; and there has been no disposal, discharge, emission or other release of any kind onto such property or into the environment surrounding such property of any toxic or other wastes or other hazardous substances with respect to which the Company or any of its subsidiaries has knowledge, except for any such disposal, discharge, emission or other release of any kind that would not have a Material Adverse Effect. In the ordinary course of business, the Company and its subsidiaries conduct periodic reviews of the effect of Environmental Laws on their business and assets, in the course of which they identify and evaluate associated costs and liabilities (including, without limitation, any capital or operating expenditures required for clean-up, closure of properties or compliance with Environmental Laws or Governmental Permits issued thereunder, any related constraints on operating activities and any potential liabilities to third parties). On the basis of such reviews, the Company has reasonably concluded that such associated costs and liabilities would not have, singularly or in the aggregate, a Material Adverse Effect.

(bb) Each of the Company and its subsidiaries (i) has timely filed all necessary federal, state, local and foreign tax returns, and all such returns were true, complete and correct, (ii) has paid all federal, state, local and foreign taxes, assessments, governmental or other charges due and payable for which it is liable, including, without limitation, all sales and use taxes and all taxes which the Company or any of its subsidiaries is obligated to withhold from amounts owing to employees, creditors and third parties, and (iii) do not have any tax deficiency or claims outstanding or assessed or, to its Knowledge, proposed against any of them, except those, in each of the cases described in clauses (i), (ii) and (iii) of this paragraph (bb), that would not, singularly or in the aggregate, have a Material Adverse Effect. The Company and its subsidiaries have not engaged in any transaction which is a corporate tax shelter or which could be characterized as such by the Internal Revenue Service or any other taxing authority. The accruals and reserves on the books and records of the Company and its subsidiaries in respect of tax liabilities for any taxable period not yet finally determined are adequate to meet any assessments and related liabilities for any such period, and since June 30, 2006, the Company and its subsidiaries have not incurred any liability for taxes other than in the ordinary course.

(cc) The Company and each of its subsidiaries carry, or are covered by, insurance provided by recognized, financially sound and reputable institutions with policies in such amounts and covering such risks as is adequate for the conduct of their respective businesses and the value of their respective properties and as is customary for companies of a similar size engaged in similar businesses in similar industries. Neither the Company nor any of its subsidiaries has any reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business at a cost that would not have a Material Adverse Effect. All policies of insurance owned by the Company or any of its subsidiaries are, to the Company's Knowledge, in full force and effect and the Company and its subsidiaries are in compliance with the terms of such policies. Neither the Company nor any of its subsidiaries has received written notice from any insurer, agent of such insurer or the broker of the Company or any of its subsidiaries that any material capital improvements or any other material expenditures (other than premium payments) are required or necessary to be made in order to continue such insurance. None of the Company or any of its subsidiaries insures risk of loss through any captive insurance, risk retention group, reciprocal group or by means of any fund or pool of assets specifically set aside for contingent liabilities other than as described in the General Disclosure Package.

(dd) The Company has started to implement a system of internal control over financial reporting (as such term is defined in Rule 13a-15 of the General Rules and Regulations under the Exchange Act (the "**Exchange Act Rules**")) to comply with the requirements of the Exchange Act and to provide reasonable assurances that (i) transactions are executed in accordance with management's general or specific authorizations; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with AIFRS and to maintain accountability for assets; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with existing assets at reasonable intervals and appropriate action is taken with respect to any differences. Except as described in the General Disclosure Package, since the end of the Company's most recent audited fiscal year, there has been (A) no material weakness in the Company's internal control over financial reporting (whether or not remediated) and (B) no change in the Company's internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting. The Company's internal control over financial reporting is, or upon consummation of the Offering will be, overseen by the Audit Committee of the Board of Directors of the Company (the "**Audit Committee**") in accordance with the Exchange Act Rules. Within the next 90 days, the Company does not reasonably expect to publicly disclose or report to the Audit Committee or the Board a significant deficiency, material weakness, change in internal control over financial reporting or fraud involving management or other employees who have a significant role in the internal control over financial reporting (each an "**Internal Control Event**"), any violation of, or failure to comply with, the U.S. Securities Laws, or any matter which if determined adversely, would have a Material Adverse Effect.

(ee) A member of the Audit Committee has confirmed to the Chief Executive Officer, Chief Financial Officer or General Counsel that, except as set forth in the General Disclosure Package, the Audit Committee is not reviewing or investigating, and neither the Company's independent auditors nor its internal auditors have recommended that the Audit Committee review or investigate, (i) adding to, deleting, changing the application of or changing the Company's disclosure with respect to, any of the Company's material accounting policies, (ii) any matter which could result in a restatement of the Company's financial statements for any annual or interim period during the current or prior three fiscal years, or (iii) any Internal Control Event.

(ff) The Company and each of its subsidiaries have made and keep books, records and accounts, which, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company and its subsidiaries in all material respects.

(gg) The minute books of the Company and each of its subsidiaries that would be a "significant subsidiary" within the meaning of Rules 1-02(w) of Regulation S-X (such significant subsidiary of the Company, a "**Significant Subsidiary**") have been made available to the Placement Agents and counsel for the Placement Agents, and such books (i) contain a complete summary or complete minutes, as applicable, of all meetings and actions of the board of directors (including each board committee) and shareholders of the Company (or analogous governing bodies and interest holders, as applicable), and each Significant Subsidiary since January 1, 2005 through the date of the latest meeting and action, and (ii) accurately in all material respects reflect all transactions referred to in such summary or minutes, as applicable.

(hh) There is no franchise agreement, lease, contract, or other agreement or document required by the Securities Act or by the Rules and Regulations to be described in the General Disclosure Package and in the Prospectus or a document incorporated by reference therein or to be filed as an exhibit to the Registration Statements or a document incorporated by reference therein which is not so described or filed therein as required; and all descriptions of any such franchise agreements, leases, contracts, or other agreements or documents contained in the General Disclosure Package and in the Prospectus or in a document incorporated by reference therein are accurate and complete descriptions of such documents in all material respects. Other than as described in the General Disclosure Package, no such franchise agreement, lease, contract or other agreement has been suspended or terminated for convenience or default by the Company or any of the other parties thereto, and neither the Company nor any of its subsidiaries has received notice of and the Company does not have Knowledge of any such pending or threatened suspension or termination.

(ii) No relationship, direct or indirect, exists between or among the Company on the one hand, and the directors, officers, stockholders (or analogous interest holders), customers or suppliers of the Company or any of its affiliates on the other hand, which is required to be described in the General Disclosure Package and the Prospectus or a document incorporated by reference therein and which is not so described.

(jj) No person or entity has the right to require registration of Ordinary Shares, ADSs or other securities of the Company or any of its subsidiaries because of the filing or effectiveness of the Registration Statement or otherwise, except for persons and entities who have expressly waived such right in writing or who have been given timely and proper written notice and have failed to exercise such right within the time or times required under the terms and conditions of such right. Except as described in the General Disclosure Package and the Prospectus, there are no persons with registration rights or similar rights to have any securities registered by the Company or any of its subsidiaries under the Securities Act.

(kk) Neither the Company nor any of its subsidiaries own any "**margin securities**" as that term is defined in Regulation U of the Board of Governors of the Federal Reserve System (the "**Federal Reserve Board**"), and none of the proceeds of the sale of the Units will be used, directly or indirectly, for the purpose of purchasing or carrying any margin security, for the purpose of reducing or retiring any indebtedness which was originally incurred to purchase or carry any margin security or for any other purpose which might cause any of the ADSs to be considered a "**purpose credit**" within the meanings of Regulation T, U or X of the Federal Reserve Board.

(ll) Other than any contracts or agreements between the Company and the Placement Agents, neither the Company nor any of its subsidiaries is a party to any contract, agreement or understanding with any person that would give rise to a valid claim against the Company or the Placement Agents for a brokerage commission, finder's fee or like payment in connection with the Offering or any transaction contemplated by this Agreement, the Subscription Agreements, the Registration Statement, the General Disclosure Package or the Prospectus.

(mm) The exercise price of each option issued under the Company's stock option or other employee benefit plans has been no less than the fair market value of an Ordinary Share as determined on the date of grant of such option. All grants of options were validly issued and properly approved by the board of directors of the Company (or a duly authorized committee thereof) in material compliance with all applicable laws and regulations and recorded in the Company's financial statements in accordance with GAAP or AIFRS and, to the Company's Knowledge, no such grants involved "**back dating**," "**forward dating**" or similar practice with respect to the effective date of grant.

(nn) Except as described in the General Disclosure Package and the Prospectus, no subsidiary of the Company is currently prohibited, directly or indirectly, under any agreement or other instrument to which it is a party or is subject, from paying any dividends to the Company, from making any other distribution on such subsidiary's capital stock, from repaying to the Company any loans or advances to such subsidiary from the Company or from transferring any of such subsidiary's properties or assets to the Company or any other subsidiary of the Company.

(oo) Since the date as of which information is given in the General Disclosure Package and the Prospectus through the date hereof, and except as set forth in the General Disclosure Package, neither the Company nor any of its subsidiaries has (i) issued or granted any securities other than options to purchase Ordinary Shares pursuant to the Company's stock option plan or Ordinary Shares issued upon conversion thereof (ii) incurred any material liability or obligation, direct or contingent, other than liabilities and obligations which were incurred in the ordinary course of business, (iii) entered into any material transaction other than in the ordinary course of business or (iv) declared or paid any dividend on any of its capital stock.

(pp) If applicable, all of the information provided to the Representative or to counsel for the Representative by the Company, its officers and directors and the holders of any securities (debt or equity) or options to acquire any securities of the Company in connection with letters, filings or other supplemental information provided to NASD Regulation Inc. pursuant to NASD Conduct rule 2710 or 2720 is true, correct and complete.

(qq) The Company is not a Passive Foreign Investment Company ("**PFIC**") within the meaning of Section 1296 of the United States Internal Revenue Code of 1986, as amended, and the Company is not likely to become a PFIC.

(rr) No forward-looking statement (within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act) contained in either the General Disclosure Package or the Prospectus has been made or reaffirmed without a reasonable basis or has been disclosed other than in good faith.

(ss) The Company is subject to and in compliance in all material respects with the reporting requirements of Section 13 or Section 15(d) of the Exchange Act. The ADSs are registered pursuant to Section 12(b) or 12(g) of the Exchange Act and are listed on the Nasdaq GM, and the Company has taken no action designed to, or reasonably likely to have the effect of, terminating the registration of the ADSs under the Exchange Act or delisting the ADSs from the Nasdaq GM, nor has the Company received any notification that the Commission or the Nasdaq GM is contemplating terminating such registration or listing.

(tt) The Company is in compliance with all provisions of the Sarbanes-Oxley Act of 2002 and all rules and regulations promulgated thereunder or implementing the provisions thereof (the "**Sarbanes-Oxley Act**") that are then in effect to the extent such rules, regulations and/or provisions are applicable to it as a foreign private issuer.

(uu) The Company is in compliance with all applicable corporate governance requirements set forth in the rules of the Nasdaq General Marketplace Rules that are then in effect to the extent such requirements are applicable to it as a foreign private issuer.

(vv) Neither the Company nor any of its subsidiaries nor, to the Company's Knowledge, any employee or agent of the Company or any subsidiary, has (i) used any corporate funds for unlawful contributions, gifts, entertainment or other unlawful expenses relating to political activity, (ii) made any unlawful payment to foreign or domestic government officials or employees or to foreign or domestic political parties or campaigns from corporate funds or (iii) violated any provision of the Foreign Corrupt Practices Act of 1977, as amended.

(ww) There are no transactions, arrangements or other relationships between and/or among the Company, any of its affiliates (as such term is defined in Rule 405 of the Rules and Regulations) and any unconsolidated entity, including, but not limited to, any structured finance, special purpose or limited purpose entity that could reasonably be expected to materially affect the Company's or any of its subsidiaries' liquidity or the availability of or requirements for its capital resources required to be described in the General Disclosure Package and the Prospectus or a document incorporated by reference therein which have not been described as required.

(xx) There are no outstanding loans, advances (except normal advances for business expenses in the ordinary course of business) or guarantees of indebtedness by the Company or any of its subsidiaries to or for the benefit of any of the officers or directors of the Company, any of its subsidiaries or any of their respective family members, except as disclosed in the Registration Statement, the General Disclosure Package and the Prospectus. All transactions by the Company with office holders or control persons of the Company have been duly approved by the board of directors of the Company, or duly appointed committees or officers thereof, if and to the extent required under all applicable laws.

(yy) The statistical and market related data included in the Registration Statement, the General Disclosure Package and the Prospectus are based on or derived from sources that the Company believes to be reliable and accurate, and such data agree with the sources from which they are derived.

(zz) The operations of the Company and its subsidiaries are and have been conducted at all times in compliance with applicable financial recordkeeping and reporting requirements of the Currency and Foreign Transactions Reporting Act of 1970, as amended, applicable money laundering statutes and applicable rules and regulations thereunder (collectively, the "**Money Laundering Laws**"), and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Company or any of its subsidiaries with respect to the Money Laundering Laws is pending, or to the Company's Knowledge, threatened.

(aaa) Neither the Company nor any of its subsidiaries nor, to the Company's Knowledge, any director, officer, agent, employee or affiliate of the Company or any of its subsidiaries is currently subject to any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department ("**OFAC**"); and the Company will not directly or indirectly use the proceeds of the Offering, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other person or entity, for the purpose of financing the activities of any person currently subject to any U.S. sanctions administered by OFAC.

(bbb) Neither the Company nor, to the Company's Knowledge any of its affiliates (within the meaning of NASD Conduct Rule 2720(b)(1)(a)) directly or indirectly controls, is controlled by, or is under common control with, or is an associated person (within the meaning of Article I, Section 1(ee) of the By-laws of the NASD) of, any member firm of the NASD.

(ccc) No further approval of the shareholders of the Company is required for the Company to issue the Ordinary Shares and deliver to the Purchasers the ADSs and the Warrants.

(ddd) The statements in the General Disclosure Package and the Prospectus under the heading "Description of Securities" fairly summarize the matters therein described in all material respects.

(eee) Except as described in the General Disclosure Package and the Prospectus, the Company is in compliance in all material respects with the Australian Corporations Act 2001 (Commonwealth of Australia) (the "**Corporations Act**"), the Australian Securities Exchange's (the "**ASX**") Listing Rules (the "**ASX Listing Rules**"), its Constitution and all other applicable laws, except where noncompliance would not, singularly or in the aggregate, be expected to have a Material Adverse Effect.

(fff) The Company is in good standing with the ASX and ASX has not indicated to the Company any intention to suspend or delist the Company.

(ggg) From the date of their issue, the Ordinary Shares will rank equally in all respects, including for future dividends and distributions payable with other ordinary shares of the Company and the Ordinary Shares will be issued free from all encumbrances.

Any certificate signed by or on behalf of the Company and delivered to the Representative or to counsel for the Representative shall be deemed to be a representation and warranty by the Company to the Placement Agents and the Purchasers as to the matters covered thereby.

4. *The Closing.* The time and date of closing and delivery of the documents required to be delivered to the Representative pursuant to Sections 5 and 7 hereunder shall be at 11:00 A.M., New York time, on July 5, 2007 (unless another time shall be agreed to by the parties hereto, such time herein referred to as the "**Closing Date**") at the offices of Ropes & Gray LLP, One International Place, Boston, MA 02110-2624.

5. *Further Agreements Of The Company.*

(I) The Company agrees with the Placement Agents and the Purchasers:

(a) to prepare the Rule 462(b) Registration Statement, if necessary, in a form approved by the Representative and file such Rule 462(b) Registration Statement with the Commission by 10:00 P.M., New York time, on the date hereof, and, if applicable, the Company shall at the time of filing either pay to the Commission the filing fee for the Rule 462(b) Registration Statement or give irrevocable instructions for the payment of such fee pursuant to Rule 111(b) under the Rules and Regulations; to prepare the Prospectus in a form approved by the Representative containing information previously omitted at the time of effectiveness of the Registration Statement in reliance on Rules 430A, 430B or 430C of the Rules and Regulations and to file such Prospectus pursuant to Rule 424(b) of the Rules and Regulations not later than the second (2^{nd}) business day following the execution and delivery of this Agreement or, if applicable, such earlier time as may be required by Rule 430A of the Rules and Regulations; to notify the Representative immediately of the Company's intention to file or prepare any supplement or amendment to any Registration Statement or to the Prospectus and to make no amendment or supplement to the Registration Statement, the General Disclosure Package or to the Prospectus to which the Representative shall reasonably object by notice to the Company after a reasonable period to review; to advise the Representative, promptly after it receives notice thereof, of the time when any amendment to any Registration Statement has been filed or becomes effective or any supplement to the General Disclosure Package or the Prospectus or any amended Prospectus has been filed and to furnish the Representative with copies thereof; to file promptly all material required to be filed by the Company with the Commission pursuant to Rules 433(d) or 163(b)(2) of the Rules and Regulations, as the case may be; to file promptly all reports and any definitive proxy or information statements required to be filed by the Company with the Commission pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act subsequent to the date of the Prospectus and for so long as the delivery of a prospectus (or in lieu thereof, the notice referred to in Rule 173(a) of the Rules and Regulations) is required in connection with the Offering or sale of the Units; to advise the Representative, promptly after it receives notice thereof, of the issuance by the Commission of any stop order or of any order preventing or suspending the use of any Preliminary Prospectus, any Issuer Free Writing Prospectus or the Prospectus, of the suspension of the qualification of the Units for offering or sale in any jurisdiction, of the initiation or threatening of any proceeding for any such purpose, or of any request by the Commission for the amending or supplementing of the Registration Statement, the General Disclosure Package or the Prospectus or for additional information; and, in the event of the issuance of any stop order or of any order preventing or suspending the use of any Preliminary Prospectus, any Issuer Free Writing Prospectus or the Prospectus or suspending any such qualification, and promptly to use its best efforts to obtain the withdrawal of such order.

(b) The Company represents and agrees that, unless it obtains the prior consent of the Representative, it has not made and will not make any offer relating to the Units that would constitute a "free writing prospectus" as defined in Rule 405 of the Rules and Regulations unless the prior written consent of the Representative has been received (each, a "**Permitted Free Writing Prospectus**"); *provided* that the prior written consent of the Representative hereto shall be deemed to have been given in respect of the General Use Free Writing Prospectus, if any. The Company represents that it has treated and agrees that it will treat each Permitted Free Writing Prospectus as an Issuer Free Writing Prospectus, comply with the requirements of Rules 164 and 433 of the Rules and Regulations applicable to any Issuer Free Writing Prospectus, including the requirements relating to timely filing with the Commission, legending and record keeping and will not take any action that would result in any Placement Agent or the Company being required to file with the Commission pursuant to Rule 433(d) of the Rules and Regulations a free writing prospectus prepared by or on behalf of such Placement Agent that such Placement Agent otherwise would not have been required to file thereunder.

(c) If at any time prior to the expiration of nine (9) months after the date of the Prospectus, when a prospectus relating to the Units is required to be delivered (or in lieu thereof, the notice referred to in Rule 173(a) of the Rules and Regulations) any event occurs or condition exists as a result of which the Prospectus as then amended or supplemented would include any untrue statement of a material fact, or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made when the Prospectus is delivered (or in lieu thereof, the notice referred to in Rule 173(a) of the Rules and Regulations), not misleading, or if it is necessary at any time to amend or supplement any Registration Statement or the Prospectus or to file under the Exchange Act any document incorporated by reference in the Prospectus to comply with the Securities Act or the Exchange Act, that the Company will promptly notify the Representative thereof and upon its request will prepare an appropriate amendment or supplement or upon its request make an appropriate filing pursuant to Section 13 or 14 of the Exchange Act in form and substance reasonably satisfactory to the Representative which will correct such statement or omission or effect such compliance and will use its reasonable best efforts to have any amendment to any Registration Statement declared effective as soon as possible. The Company will furnish without charge to any Placement Agent and to any dealer in securities as many copies as such Placement Agent may from time to time reasonably request of such amendment or supplement. In case any Placement Agent is required to deliver a prospectus (or in lieu thereof, the notice referred to in Rule 173(a) of the Rules and Regulations) relating to the Units nine (9) months or more after the date of the Prospectus, the Company upon the request of such Placement Agent will prepare promptly an amended or supplemented Prospectus as may be necessary to permit compliance with the requirements of Section 10(a)(3) of the Securities Act and deliver to such Placement Agent as many copies as such Placement Agent may request of such amended or supplemented Prospectus complying with Section 10(a)(3) of the Securities Act.

(d) If the General Disclosure Package is being used to solicit offers to buy the Units at a time when the Prospectus is not yet available to prospective purchasers and any event shall occur as a result of which, in the judgment of the Company or in the reasonable opinion of the Representative, it becomes necessary to amend or supplement the General Disclosure Package in order to make the statements therein, in the light of the circumstances then prevailing, not misleading, or to make the statements therein not conflict with the information contained or incorporated by reference in the Registration Statement then on file and not superseded or modified, or if it is necessary at any time to amend or supplement the General Disclosure Package to comply with any law, the Company promptly will either (i) prepare, file with the Commission (if required) and furnish to the Placement Agents and any dealers an appropriate amendment or supplement to the General Disclosure Package or (ii) prepare and file with the Commission an appropriate filing under the Exchange Act which shall be incorporated by reference in the General Disclosure Package so that the General Disclosure Package as so amended or supplemented will not, in the light of the circumstances then prevailing, be misleading or conflict with the Registration Statement then on file, or so that the General Disclosure Package will comply with law.

(e) If at any time following issuance of an Issuer Free Writing Prospectus there occurred or occurs an event or development as a result of which such Issuer Free Writing Prospectus conflicted or will conflict with the information contained in the Registration Statement, Pricing Prospectus or Prospectus, including any document incorporated by reference therein and any prospectus supplement deemed to be a part thereof and not superseded or modified or included or would include an untrue statement of a material fact or omitted or would omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances prevailing at the subsequent time, not misleading, the Company has promptly notified or will promptly notify the Representative so that any use of the Issuer Free Writing Prospectus may cease until it is amended or supplemented and has promptly amended or will promptly amend or supplement, at its own expense, such Issuer Free Writing Prospectus to eliminate or correct such conflict, untrue statement or omission. The foregoing sentence does not apply to statements in or omissions from any Issuer Free Writing Prospectus in reliance upon, and in conformity with, written information furnished to the Company by any of the Placement Agents specifically for inclusion therein.

(f) To furnish promptly to the Representative and to counsel for the Representative a signed copy of the Registration Statement as originally filed with the Commission, and of each amendment thereto filed with the Commission, including all consents and exhibits filed therewith.

(g) To deliver promptly to the Representative such number of the following documents as the Representative shall reasonably request: (i) conformed copies of the Registration Statement as originally filed with the Commission (in each case excluding exhibits), (ii) each Preliminary Prospectus, (iii) any Issuer Free Writing Prospectus, (iv) the Prospectus (the delivery of the documents referred to in clauses (i), (ii), (iii) and (iv) of this paragraph (g) to be made not later than 10:00 A.M., New York time, on the business day following the execution and delivery of this Agreement), (v) conformed copies of any amendment to the Registration Statement (excluding exhibits), (vi) any amendment or supplement to the General Disclosure Package or the Prospectus (the delivery of the documents referred to in clauses (v) and (vi) of this paragraph (g) to be made not later than 10:00 A.M., New York City time, on the business day following the date of such amendment or supplement) and (vii) any document incorporated by reference in the General Disclosure Package or the Prospectus (excluding exhibits thereto) (the delivery of the documents referred to in clause (vii) of this paragraph (g) to be made not later than 10:00 A.M., New York City time, on the business day following the date of such document).

(h) To make generally available to its shareholders as soon as practicable, but in any event not later than sixteen (16) months after the effective date of each Registration Statement (as defined in Rule 158(c) of the Rules and Regulations), an earnings statement of the Company and its subsidiaries (which need not be audited) complying with Section 11(a) of the Securities Act and the Rules and Regulations (including, at the option of the Company, Rule 158).

(i) To take promptly from time to time such actions as the Representative may reasonably request to qualify the Units for offering and sale under the securities or Blue Sky laws of such jurisdictions (domestic or foreign) as the Representative may designate and to continue such qualifications in effect, and to comply with such laws, for so long as required to permit the offer and sale of Units in such jurisdictions; *provided* that the Company and its subsidiaries shall not be obligated to qualify as foreign corporations in any jurisdiction in which they are not so qualified or to file a general consent to service of process in any jurisdiction.

(j) Upon request, during the period of five (5) years from the date hereof, to deliver to the Representative, (i) as soon as they are available, copies of all reports or other communications furnished to shareholders, and (ii) as soon as they are available, copies of any reports and financial statements furnished or filed with the Commission or any national securities exchange on which the ADSs and Warrant ADSs are listed. However, so long as the Company is subject to the reporting requirements of either Section 13 or Section 15(d) of the Exchange Act and is timely filing reports with the Commission on its Electronic Data Gathering, Analysis and Retrieval system ("**EDGAR**"), it is not required to furnish such reports or statements to the Representative.

(k) That the Company will not, for a period of ninety (90) days from the date of this Agreement, (the "**Lock-Up Period**") without the prior written consent of the Representative, directly or indirectly offer, sell, assign, transfer, pledge, contract to sell, or otherwise dispose of, any Ordinary Shares or ADSs or any securities convertible into or exercisable or exchangeable for Ordinary Shares or ADSs, other than the Company's sale of the Units hereunder and the issuance of restricted Ordinary Shares or ADSs or options to acquire Ordinary Shares or ADSs pursuant to the Company's employee benefit plans, qualified stock option plans or other employee compensation plans as such plans are in existence on the date hereof and described in the Prospectus and the issuance of Ordinary Shares or ADSs pursuant to the valid exercises of options, warrants or rights outstanding on the date hereof. The Company will cause each executive officer, director, shareholder, optionholder and warrantholder listed in Schedule B to furnish to the Representative, prior to the date of this Agreement, a letter, substantially in the form of Exhibit D hereto, pursuant to which each such person shall agree, among other things, not to directly or indirectly offer, sell, assign, transfer, pledge, contract to sell, or otherwise dispose of, or announce the intention to otherwise dispose of, any Ordinary Shares or ADSs or any securities convertible into or exercisable or exchangeable for Ordinary Shares or ADSs, not to engage in any swap, hedge or similar agreement or arrangement that transfers, in whole or in part, directly or indirectly, the economic risk of ownership of any Ordinary Shares or ADSs or any such securities and not to engage in any short selling of any Ordinary Shares or ADSs or any such securities, during the Lock-Up Period, without the prior written consent of Cowen. The Company also agrees that during such period, other than for the sale of the Units hereunder, or in relation to the issue of Ordinary Shares or ADSs as a result of the exercise of existing warrants and options of the Company, the Company will not file any registration statement, preliminary prospectus or prospectus, or any amendment or supplement thereto, under the Securities Act for any such transaction or which registers, or offers for sale Ordinary Shares or ADSs or any securities convertible into or exercisable or exchangeable for Ordinary Shares or ADSs, except for a registration statement on Form S-8 relating to employee benefit plans. The Company hereby agrees that (i) if it issues an earnings release or material news, or if a material event relating to the Company occurs, during the last seventeen (17) days of the Lock-Up Period, or (ii) if prior to the expiration of the Lock-Up Period, the Company announces that it will release earnings results during the sixteen (16)-day period beginning on the last day of the Lock-Up Period, the restrictions imposed by this paragraph (k) or the letter shall continue to apply until the expiration of the eighteen (18)-day period beginning on the issuance of the earnings release or the occurrence of the material news or material event. The Company will provide the Representative and each stockholder subject to the Lock-Up Period with prior notice (in accordance with Section 14 hereof) of any such announcement that gives rise to an extension of the Lock-Up Period.

(l) To supply the Representative with copies of all correspondence to and from, and all documents issued to and by, the Commission in connection with the registration of the Units under the Securities Act or the Registration Statement, any Preliminary Prospectus or the Prospectus, or any amendment or supplement thereto or document incorporated by reference therein.

(m) Prior to the Closing Date, to furnish to the Placement Agents, as soon as they have been prepared, copies of any unaudited interim consolidated financial statements of the Company for any periods subsequent to the periods covered by the financial statements appearing in the Registration Statement and the Prospectus.

(n) Prior to the Closing Date, not to issue any press release or other communication directly or indirectly or hold any press conference with respect to the Company, its condition, financial or otherwise, or earnings, business affairs or business prospects (except for routine oral marketing communications in the ordinary course of business and consistent with the past practices of the Company and of which the Representative is notified), without the prior written consent of the Representative, unless in the judgment of the Company and its counsel, and after notification to the Representative, such press release or communication is required by law.

(o) Prior to the Closing Date, not to file with the Commission any document which contains any untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein not misleading.

(p) Until the Representative shall notify the Company of the completion of the Offering, the Company will not, and will cause its affiliated purchasers (as defined in Regulation M under the Exchange Act) not to, either alone or with one or more other persons, bid for or purchase, for any account in which it or any of its affiliated purchasers has a beneficial interest, any Ordinary Shares or ADSs, or attempt to induce any person to purchase any Ordinary Shares or ADSs; and not to, and to cause its affiliated purchasers not to, make bids or purchase for the purpose of creating actual, or apparent, active trading in or of raising the price of the Ordinary Shares or ADSs.

(q) Not to take any action prior to the Closing Date which would require the Prospectus to be amended or supplemented.

(r) To at all times comply with all applicable provisions of the Sarbanes-Oxley Act in effect from time to time.

(s) To maintain, at its expense, a depositary for the ADSs.

(t) To comply with the Deposit Agreement and to deposit the Ordinary Shares with the depositary in accordance with the Deposit Agreement.

(u) To apply the net proceeds from the Offering as set forth in the Registration Statement, the General Disclosure Package and the Prospectus under the heading "**Use of Proceeds**." The Company shall manage its affairs and investments in such a manner as not to be or become an "investment company" within the meaning of the Investment Company Act and the rules and regulations thereunder.

(v) To use its best efforts to list, subject to notice of issuance, and to maintain the listing of the ADSs on the Nasdaq GM.

(w) To, immediately after the issue of the Ordinary Shares underlying the ADSs to be issued to Purchasers under the Subscription Agreement (but not the Ordinary Shares underlying the Warrant ADSs), give a notice to ASX in accordance with applicable law to enable those Ordinary Shares to be freely traded on ASX from their time of issue.

(x) To use its best efforts to do and perform all things required to be done or performed under this Agreement by the Company prior to the Closing Date and to satisfy all conditions precedent to the delivery of the Units.

6. *Payment of Expenses*. The Company agrees to pay, or reimburse if paid by the Placement Agents, whether or not the transactions contemplated hereby are consummated or this Agreement is terminated: (a) the costs incident to the authorization, issuance, sale, preparation and delivery of the Units and any taxes payable in that connection; (b) the costs incident to the registration of the Units under the Securities Act; (c) the costs incident to the preparation, printing and distribution of the Registration Statement, the Base Prospectus, any Preliminary Prospectus, any Issuer Free Writing Prospectus, the General Disclosure Package, the Prospectus, any amendments, supplements and exhibits thereto or any document incorporated by reference therein and the costs of printing, reproducing and distributing this Agreement, the Subscription Agreements, the Escrow Agreement and any closing documents by mail, telex or other means of communications; (d) the fees and expenses (including related reasonable fees and expenses of counsel for the Placement Agents) incurred in connection with securing any required review by the NASD of the terms of the sale of the Units and any filings made with the NASD, if applicable; (e) any applicable listing or similar fees; (f) the fees and expenses (including related reasonable fees and expenses of counsel to the Placement Agents) of qualifying the ADSs, the Warrants and the Warrant ADSs under the securities laws of the several jurisdictions as provided in Section 5(I)(i) and of preparing, printing and distributing wrappers, Blue Sky Memoranda and Legal Investment Surveys; (g) the cost of preparing and printing ADRs; (h) all fees and expenses of the Depositary of the ADSs and any custodian appointed under the Deposit Agreement; (i) the reasonable fees, disbursements and expenses of counsel to the Placement Agents, (j) the costs and expenses of the Company relating to investor presentations on any "road show" undertaken in connection with the marketing of the Offering, including, without limitation, expenses associated with the preparation or dissemination of any electronic road show, expenses associated with the production of road show slides and graphics, fees and expenses of any consultants engaged in connection with the road show presentations with the prior approval of the Company, travel and lodging expenses of the officers of the Company and such consultants, including the cost of any aircraft chartered in connection with the road show and (k) all other costs and expenses incident to the Offering or the performance of the obligations of the Company under this Agreement (including, without limitation, the fees and expenses of the Company's counsel and the Company's independent accountants) and the fees and expenses of the agent pursuant to Section 16; provided that, the Company shall not be obligated to pay for fees and expenses incurred by the Placement Agents in excess of $100,000 in the aggregate.

7. *Conditions to obligations of the Placement Agents and the Purchasers, and the Sale of the Units.* The respective obligations of the Placement Agents hereunder and the Purchasers under the Subscription Agreements are subject to the accuracy, when made and as of the Applicable Time and on the Closing Date, of the representations and warranties of the Company contained herein, to the accuracy of the statements of the Company made in any certificates pursuant to the provisions hereof, to the performance by the Company of its obligations hereunder, and to each of the following additional terms and conditions:

(I) The Registration Statement is effective under the Securities Act, and no stop order suspending the effectiveness of the Registration Statement or any part thereof, preventing or suspending the use of any Base Prospectus, any Preliminary Prospectus, the Prospectus or any Permitted Free Writing Prospectus or any part thereof shall have been issued and no proceedings for that purpose or pursuant to Section 8A under the Securities Act shall have been initiated or threatened by the Commission, and all requests for additional information on the part of the Commission (to be included or incorporated by reference in the Registration Statement or the Prospectus or otherwise) shall have been complied with to the reasonable satisfaction of the Representative; and the Rule 462(b) Registration Statement, if any, each Issuer Free Writing Prospectus (except for a road show), if any, and the Prospectus shall have been filed with, the Commission within the applicable time period prescribed for such filing by, and in compliance with, the Rules and Regulations and in accordance with Section 5(I)(a), and the Rule 462(b) Registration Statement, if any, shall have become effective immediately upon its filing with the Commission; and, if applicable, the NASD shall have raised no objection to the fairness and reasonableness of the terms of this Agreement or the transactions contemplated hereby.

(II) The Placement Agents shall not have discovered and disclosed to the Company on or prior to the Closing Date that the Registration Statement or any amendment or supplement thereto contains an untrue statement of a fact which, in the opinion of counsel for the Representative, is material or omits to state any fact which, in the opinion of such counsel, is material and is required to be stated therein or is necessary to make the statements therein not misleading, or that the General Disclosure Package, any Issuer Free Writing Prospectus or the Prospectus or any amendment or supplement thereto contains an untrue statement of fact which, in the opinion of such counsel, is material or omits to state any fact which, in the opinion of such counsel, is material and is necessary in order to make the statements, in the light of the circumstances in which they were made, not misleading.

(III) All corporate proceedings and other legal matters incident to the authorization, form and validity of each of this Agreement, the Subscription Agreements, the Escrow Agreement, the Units, the Registration Statement, the General Disclosure Package, each Issuer Free Writing Prospectus and the Prospectus and all other legal matters relating to this Agreement and the transactions contemplated hereby shall be reasonably satisfactory in all material respects to counsel for the Representative, and the Company shall have furnished to such counsel all documents and information that they may reasonably request to enable them to pass upon such matters.

(IV) Ropes & Gray LLP shall have furnished to the Representative such counsel's written opinion, as U.S. counsel to the Company, addressed to the Placement Agents and dated the Closing Date, substantially in the form attached hereto as Exhibit E-1.

(V) Such counsel shall also have furnished to the Representative a written statement, addressed to the Placement Agents and dated the Closing Date, substantially in the form attached hereto as Exhibit E-2.

(VI) Blake Dawson Waldron shall have furnished to the Representative such counsel's written opinion, as Australian counsel to the Company, addressed to the Placement Agents and dated the Closing Date, substantially in the form attached hereto as Exhibit E-3.

(VII) Ropes & Gray LLP, intellectual property counsel to the Company, shall have furnished to the Placement Agents such counsel's written statement, addressed to the Placement Agents and dated the Closing Date, in form and substance reasonably satisfactory to the Representative, substantially in the form attached hereto as Exhibit F.

(VIII) The Representative shall have received from Thelen Reid Brown Raysman & Steiner LLP, counsel for the Placement Agents, such opinion or opinions, addressed to the Placement Agents and dated the Closing Date, with respect to such matters as the Representative may reasonably require, and the Company shall have furnished to such counsel such documents as it reasonably requests for enabling it to pass upon such matters.

(IX) At the time of the execution of this Agreement, the Representative shall have received from Deloitte Touche Tohmatsu a letter, addressed to the Placement Agents, executed and dated such date, in form and substance satisfactory to the Representative (i) confirming that they are an independent registered accounting firm with respect to the Company and its subsidiaries within the meaning of the Securities Act and the Rules and Regulations and PCAOB and (ii) stating the conclusions and findings of such firm, of the type ordinarily included in accountants' "comfort letters" to underwriters, with respect to the financial statements and certain financial information contained or incorporated by reference in the Registration Statement, the General Disclosure Package and the Prospectus.

(X) On the effective date of any post-effective amendment to any Registration Statement and on the Closing Date, the Representative shall have received a letter (the "**bring-down letter**") from Deloitte Touche Tohmatsu addressed to the Placement Agents and dated the Closing Date confirming, as of the date of the bring-down letter (or, with respect to matters involving changes or developments since the respective dates as of which specified financial information is given in the General Disclosure Package and the Prospectus, as the case may be, as of a date not more than three (3) business days prior to the date of the bring-down letter), the conclusions and findings of such firm, of the type ordinarily included in accountants' "comfort letters" to underwriters, with respect to the financial information and other matters covered by its letter delivered to the Placement Agents concurrently with the execution of this Agreement pursuant to paragraph (IX) of this Section 7.

(XI) The Company shall have furnished to the Representative a certificate, dated the Closing Date, of its Chairman of the Board or President and its Chief Financial Officer stating that (i) such officers have carefully examined the Registration Statement, the General Disclosure Package, any Permitted Free Writing Prospectus and the Prospectus and, in their opinion, the Registration Statement and each amendment thereto, at the Applicable Time, as of the date of this Agreement and as of the Closing Date did not include any untrue statement of a material fact and did not omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, and the General Disclosure Package, as of the Applicable Time and as of the Closing Date, any Permitted Free Writing Prospectus as of its date and as of the Closing Date, the Prospectus and each amendment or supplement thereto, as of the respective date thereof and as of the Closing Date, did not include any untrue statement of a material fact and did not omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances in which they were made, not misleading, (ii) since the Applicable Time, no event has occurred which should have been set forth in a supplement or amendment to the Registration Statement, the General Disclosure Package or the Prospectus, (iii) to their Knowledge, as of the Closing Date, the representations and warranties of the Company in this Agreement are true and correct and the Company has complied with all agreements and satisfied all conditions on its part to be performed or satisfied hereunder at or prior to the Closing Date, and (iv) there has not been, subsequent to the date of the most recent audited financial statements included or incorporated by reference in the General Disclosure Package, any Material Adverse Effect, except as set forth in the Prospectus.

(XII) At the time of the execution of this Agreement, the Representative shall have received copies of the Subscription Agreements and the Escrow Agreement executed by each Purchaser, Escrow Agent and the Company, as applicable.

(XIII) Since the date of the latest audited financial statements included in the General Disclosure Package or incorporated by reference in the General Disclosure Package as of the date hereof, (i) neither the Company nor any of its subsidiaries shall have sustained any loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree, otherwise than as set forth in the General Disclosure Package, and (ii) there shall not have been any change in the capital stock or long-term debt of the Company or any of its subsidiaries, or any change, or any development involving a prospective change, in or affecting the business, general affairs, management, financial position, stockholders' equity or results of operations of the Company and its subsidiaries, otherwise than as set forth in the General Disclosure Package, the effect of which, in any such case described in clause (i) or (ii) of this paragraph (XIII), is, in the judgment of the Representative, so material and adverse as to make it impracticable or inadvisable to proceed with the sale or delivery of the Units on the terms and in the manner contemplated in the General Disclosure Package.

(XIV) No action shall have been taken and no law, statute, rule, regulation or order shall have been enacted, adopted or issued by any governmental agency or body which would prevent the issuance or sale of the Units or materially and adversely affect or potentially materially and adversely affect the business or operations of the Company; and no injunction, restraining order or order of any other nature by any federal or state court of competent jurisdiction shall have been issued which would prevent the issuance or sale of the Units or materially and adversely affect or potentially materially and adversely affect the business or operations of the Company.

(XV) Subsequent to the execution and delivery of this Agreement there shall not have occurred any of the following: (i) trading in securities generally on the New York Stock Exchange, Nasdaq GM, American Stock Exchange, Australian Stock Exchange, or in the over-the-counter market, or trading in any securities of the Company on any exchange, except as a result of a request by the Company with the consent of the Representatives, shall have been suspended or materially limited, or minimum or maximum prices or maximum range for prices shall have been established on any such exchange or such market by the Commission, by such exchange or market or by any other regulatory body or governmental authority having jurisdiction, (ii) a banking moratorium shall have been declared by Federal or state authorities or a material disruption has occurred in commercial banking or securities settlement or clearance services in the United States or Australia, (iii) the United States or Australia shall have become engaged in hostilities other than hostilities ongoing on the date of this Agreement, or the subject of a material act of terrorism, or there shall have been an outbreak of new hostilities or significant escalation in hostilities involving the United States or Australia, or there shall have been a declaration of a national emergency or war by the United States or Australia or (iv) there shall have occurred such a material adverse change in general economic, political or financial conditions (or the effect of international conditions on the financial markets in the United States or Australia shall be such) as to make it, in the reasonable judgment of the Representative, impracticable or inadvisable to proceed with the sale or delivery of the Units on the terms and in the manner contemplated in the General Disclosure Package and the Prospectus.

(XVI) The Nasdaq GM shall have approved the ADSs and the Warrant ADSs for listing therein, subject only to official notice of issuance.

(XVII) The Placement Agents shall have received on and as of the Closing Date satisfactory evidence of the good standing (or the foreign equivalent thereof) of the Company and its subsidiaries in their respective jurisdictions of organization or formation and their good standing (or the foreign equivalent thereof) as foreign entities in such other jurisdictions as the Representative may reasonably request, in each case in writing or any standard form of telecommunication from the appropriate Governmental Authorities of such jurisdictions.

(XVIII) The Representative shall have received the written agreements, substantially in the form of Exhibit D hereto, of the executive officers, directors, shareholders, optionholders and warrantholders of the Company listed in Schedule B to this Agreement.

(XIX) The Company shall have entered into the Subscription Agreements with each of the Purchasers and such agreements shall be in full force and effect.

(XX) The Company shall have entered into an Escrow Agreement with each of the Placement Agents and an escrow agent and such agreement shall be in full force and effect.

(XXI) The Deposit Agreement shall be in full force and effect.

(XXII) The Company shall have prepared and filed with the Commission a Current Report on Form 6-K including as an exhibit thereto this Agreement

(XXIII) On the date of its first use, the Company shall have prepared and filed with the Commission an Issuer Free Writing Prospectus, substantially in the form attached hereto as Exhibit G.

(XXIV) The Company shall have issued and delivered the Placement Agent Warrants to the Placement Agents.

(XXV) On or prior to the Closing Date, the Company shall have furnished to the Placement Agents such further certificates and documents as any Placement Agent may reasonably request.

All opinions, letters, evidence and certificates mentioned above or elsewhere in this Agreement shall be deemed to be in compliance with the provisions hereof only if they are in form and substance reasonably satisfactory to counsel for the Representative.

8. *INDEMNIFICATION AND CONTRIBUTION.*

(I) The Company shall indemnify and hold harmless each Placement Agent, its directors, officers, managers, members, employees, representatives and agents and each person, if any, who controls any Placement Agent within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act (collectively the "**Placement Agent Indemnified Parties**," and each a "**Placement Agent Indemnified Party**") against any loss, claim, damage, expense or liability whatsoever (or any action, investigation or proceeding in respect thereof), joint or several, to which such Placement Agent Indemnified Party may become subject, under the Securities Act or otherwise, insofar as such loss, claim, damage, expense, liability, action, investigation or proceeding arises out of or is based upon (A) any untrue statement or alleged untrue statement of a material fact contained in any Preliminary Prospectus, any Issuer Free Writing Prospectus, any "issuer information" filed or required to be filed pursuant to Rule 433(d) of the Rules and Regulations, any Registration Statement or the Prospectus, or in any amendment or supplement thereto or document incorporated by reference therein, or (B) the omission or alleged omission to state in any Preliminary Prospectus, any Issuer Free Writing Prospectus, any "issuer information" filed or required to be filed pursuant to Rule 433(d) of the Rules and Regulations, any Registration Statement or the Prospectus, or in any amendment or supplement thereto or document incorporated by reference therein, a material fact required to be stated therein or necessary to make the statements therein not misleading, or (C) any breach of the representations and warranties of the Company contained herein or the failure of the Company to perform its obligations hereunder or pursuant to any law or any act or failure to act, or any alleged act or failure to act, by the Placement Agent in connection with, or relating in any manner to, the Units or the Offering, and which is included as part of or referred to in any loss, claim, damage expense, liability, action, investigation or proceeding arising out of or based upon matters covered by subclause (A), (B) or (C) above of this Section 8(I) (provided that the Company shall not be liable in the case of any matter covered by this subclause (C) to the extent that it is determined in a final judgment by a court of competent jurisdiction that such loss, claim, damage, expense or liability resulted primarily from any such act or failure to act undertaken or omitted to be taken by such Placement Agent through its gross negligence or willful misconduct) and shall reimburse each Placement Agent Indemnified Party promptly upon demand for any legal fees or other expenses reasonably incurred by that Placement Agent Indemnified Party in connection with investigating, or preparing to defend, or defending against, or appearing as a third party witness in respect of, or otherwise incurred in connection with, any such loss, claim, damage, expense, liability, action, investigation or proceeding, as such fees and expenses are incurred; provided, however, that the Company and the subsidiaries shall not be liable in any such case to the extent that any such loss, claim, damage, expense or liability arises out of or is based upon an untrue statement or alleged untrue statement in, or omission or alleged omission from any Preliminary Prospectus, any Registration Statement or the Prospectus, or any such amendment or supplement thereto, or any Issuer Free Writing Prospectus made in reliance upon and in conformity with written information furnished to the Company by the Representative by or on behalf of any Placement Agent specifically for use therein, which information the parties hereto agree is limited to the Placement Agents' Information (as defined in Section 17). The indemnity agreement in this Section 8(I) is not exclusive and is in addition to any other liability which the Company might have under this Agreement or otherwise, and shall not limit any rights or remedies which may otherwise be available under this Agreement, at law or in equity to any Placement Agent Indemnified Party.

(II) Each Placement Agent, severally and not jointly, shall indemnify and hold harmless the Company and its directors, its officers who signed the Registration Statement and each person, if any, who controls the Company within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act (collectively the "**Company Indemnified Parties**" and each a "**Company Indemnified Party**") against any loss, claim, damage, expense or liability whatsoever (or any action, investigation or proceeding in respect thereof), joint or several, to which such Company Indemnified Party may become subject, under the Securities Act or otherwise, insofar as such loss, claim, damage, expense, liability, action, investigation or proceeding arises out of or is based upon (i) any untrue statement or alleged untrue statement of a material fact contained in any Preliminary Prospectus, any Issuer Free Writing Prospectus, any "issuer information" filed or required to be filed pursuant to Rule 433(d) of the Rules and Regulations, any Registration Statement or the Prospectus, or in any amendment or supplement thereto, or (ii) the omission or alleged omission to state in any Preliminary Prospectus, any Issuer Free Writing Prospectus, any Registration Statement or the Prospectus, or in any amendment or supplement thereto, a material fact required to be stated therein or necessary to make the statements therein not misleading, but in each case only to the extent that the untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with written information furnished to the Company by the Representative by or on behalf of any Placement Agent specifically for use therein, which information the parties hereto agree is limited to the Placement Agents' Information as defined in Section 17, and shall reimburse the Company Indemnified Parties for any legal or other expenses reasonably incurred by such party in connection with investigating or preparing to defend or defending against or appearing as third party witness in connection with any such loss, claim, damage, liability, action, investigation or proceeding, as such fees and expenses are incurred. Notwithstanding the provisions of this Section 8(II), in no event shall any indemnity by the Placement Agent under this Section exceed the total compensation received by such Placement Agent in accordance with Section 2(V). This indemnity agreement is not exclusive and will be in addition to any liability which any Placement Agent might otherwise have and shall not limit any rights or remedies which may otherwise be available under this Agreement, at law or in equity to the Company Indemnified Parties.

(III) Promptly after receipt by an indemnified party under this Section 8 of notice of the commencement of any action, the indemnified party shall, if a claim in respect thereof is to be made against an indemnifying party under this Section 8, notify such indemnifying party in writing of the commencement of that action; *provided, however,* that the failure to notify the indemnifying party shall not relieve it from any liability which it may have under this Section 8 except to the extent it has been materially prejudiced by such failure; and, *provided, further,* that the failure to notify an indemnifying party shall not relieve it from any liability which it may have to an indemnified party otherwise than under this Section 8. If any such action shall be brought against an indemnified party, and it shall notify the indemnifying party thereof, the indemnifying party shall be entitled to participate therein and, to the extent that it wishes, jointly with any other similarly notified indemnifying party, to assume the defense of such action with counsel reasonably satisfactory to the indemnified party (which counsel shall not, except with the written consent of the indemnified party, be counsel to the indemnifying party). After notice from the indemnifying party to the indemnified party of its election to assume the defense of such action, except as provided herein, the indemnifying party shall not be liable to the indemnified party under Section 8 for any legal or other expenses subsequently incurred by the indemnified party in connection with the defense of such action other than reasonable costs of investigation; *provided, however,* that any indemnified party shall have the right to employ separate counsel in any such action and to participate in the defense of such action but the fees and expenses of such counsel (other than reasonable costs of investigation) shall be at the expense of such indemnified party unless (i) the employment thereof has been specifically authorized in writing by the Company in the case of a claim for indemnification under Section 8(I) or the Representative in the case of a claim for indemnification under Section 8(II), (ii) such indemnified party shall have been advised by its counsel that there may be one or more legal defenses available to it which are different from or additional to those available to the indemnifying party or (iii) the indemnifying party has failed to assume the defense of such action and employ counsel reasonably satisfactory to the indemnified party within a reasonable period of time after notice of the commencement of the action or the indemnifying party does not diligently defend the action after assumption of the defense, in which case, if such indemnified party notifies the indemnifying party in writing that it elects to employ separate counsel at the expense of the indemnifying party, the indemnifying party shall not have the right to assume the defense of (or, in the case of a failure to diligently defend the action after assumption of the defense, to continue to defend) such action on behalf of such indemnified party and the indemnifying party shall be responsible for legal or other expenses subsequently incurred by such indemnified party in connection with the defense of such action; *provided, however*, that the indemnifying party shall not, in connection with any one such action or separate but substantially similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the reasonable fees and expenses of more than one separate firm of attorneys at any time for all such indemnified parties (in addition to any local counsel), which firm shall be designated in writing by the Representative if the indemnified parties under this Section 8 consist of any Placement Agent Indemnified Party or by the Company if the indemnified parties under this Section 8 consist of any Company Indemnified Parties. Subject to this Section 8, the amount payable by an indemnifying party under Section 8 shall include, but not be limited to, (x) reasonable legal fees and expenses of counsel to the indemnified party and any other expenses in investigating, or preparing to defend or defending against, or appearing as a third party witness in respect of, or otherwise incurred in connection with, any action, investigation, proceeding or claim, and (y) all amounts paid in settlement of any of the foregoing. No indemnifying party shall, without the prior written consent of the indemnified parties, settle or compromise or consent to the entry of judgment with respect to any pending or threatened action or any claim whatsoever, in respect of which indemnification or contribution could be sought under this Section 8 (whether or not the indemnified parties are actual or potential parties thereto), unless such settlement, compromise or consent (i) includes an unconditional release of each indemnified party in form and substance reasonably satisfactory to such indemnified party from all liability arising out of such action or claim and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act by or on behalf of any indemnified party. Subject to the provisions of the following sentence, no indemnifying party shall be liable for settlement of any pending or threatened action or any claim whatsoever that is effected without its written consent (which consent shall not be unreasonably withheld or delayed), but if settled with its written consent, if its consent has been unreasonably withheld or delayed or if there be a judgment for the plaintiff in any such matter, the indemnifying party agrees to indemnify and hold harmless any indemnified party from and against any loss or liability by reason of such settlement or judgment. In addition, if at any time an indemnified party shall have requested that an indemnifying party reimburse the indemnified party for fees and expenses of counsel, such indemnifying party agrees that it shall be liable for any settlement of the nature contemplated by Sections 8(I) or (II) effected without its written consent if (i) such settlement is entered into more than forty-five (45) days after receipt by such indemnifying party of the request for reimbursement, (ii) such indemnifying party shall have received notice of the terms of such settlement at least thirty (30) days prior to such settlement being entered into and (iii) such indemnifying party shall not have reimbursed such indemnified party in accordance with such request prior to the date of such settlement.

(IV) If the indemnification provided for in this Section 8 is unavailable or insufficient to hold harmless an indemnified party under Section 8(I), then each indemnifying party shall, in lieu of indemnifying such indemnified party, contribute to the amount paid, payable or otherwise incurred by such indemnified party as a result of such loss, claim, damage, expense or liability (or any action, investigation or proceeding in respect thereof), as incurred, (i) in such proportion as shall be appropriate to reflect the relative benefits received by the Company on the one hand and such Placement Agent on the other from the Offering, or (ii) if the allocation provided by clause (i) of this Section 8(IV) is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) of this Section 8(IV) but also the relative fault of the Company on the one hand and such Placement Agent on the other with respect to the statements, omissions, acts or failures to act which resulted in such loss, claim, damage, expense or liability (or any action, investigation or proceeding in respect thereof) as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and such Placement Agent on the other with respect to such Offering shall be deemed to be in the same proportion as the total net proceeds from the offering of the Units purchased pursuant to the Subscription Agreements (before deducting expenses) received by the Company bear to the total fees received by such Placement Agent with respect to the Offering, in each case as set forth in the table on the cover page of the Prospectus. The relative fault of the Company on the one hand and such Placement Agent on the other shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company on the one hand or such Placement Agent on the other, the intent of the parties and their relative knowledge, access to information and opportunity to correct or prevent such untrue statement, omission, act or failure to act; *provided* that the parties hereto agree that the written information furnished to the Company by the Representative by or on behalf of any Placement Agent for use in the Preliminary Prospectus, any Registration Statement or the Prospectus, or in any amendment or supplement thereto, consists solely of the Placement Agents' Information as defined in Section 17.

(V) The Company and the Placement Agents agree that it would not be just and equitable if contributions pursuant to Section 8(IV) above were to be determined by pro rata allocation or by any other method of allocation which does not take into account the equitable considerations referred to Section 8(IV) above. The amount paid or payable by an indemnified party as a result of the loss, claim, damage, expense, liability, action, investigation or proceeding referred to in Section 8(IV) above shall be deemed to include, subject to the limitations set forth above, any legal or other expenses reasonably incurred by such indemnified party in connection with investigating, preparing to defend or defending against or appearing as a third party witness in respect of, or otherwise incurred in connection with, any such loss, claim, damage, expense, liability, action, investigation or proceeding. Notwithstanding the provisions of this Section 8(V), the Placement Agents shall not be required to contribute any amount in excess of the total compensation received by such Placement Agent in accordance with Section 2(V) less the amount of any damages which such Placement Agent has otherwise paid or become liable to pay by reason of any untrue or alleged untrue statement, omission or alleged omission, act or alleged act or failure to act or alleged failure to act. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Placement Agents' obligations to contribute as provided in this Section are several in proportion to their respective placement obligations and not joint.

9. *Termination*. The obligations of the Placement Agents hereunder and of the Purchasers under the Subscription Agreements may be terminated by the Representative, in its absolute discretion by notice given to the Company prior to delivery of and payment for the Units if, prior to that time, any of the events described in Sections 7(XIII), 7(XIV) or 7(XV) have occurred or if the Purchasers shall decline to purchase the Units for any reason permitted under this Agreement or the Subscription Agreements. The Company hereby acknowledges that in the event that this Agreement is terminated by the Representative pursuant to the terms hereof, the Subscription Agreements shall automatically terminate without any further action on the part of the parties thereto.

10. *Reimbursement of Placement Agents' Expenses*. Notwithstanding anything to the contrary in this Agreement, if (a) this Agreement shall have been terminated pursuant to Section 9, (b) the Company shall fail to tender the Units for delivery to the Purchasers for any reason not permitted under this Agreement or the Subscription Agreements, (c) the Purchasers shall decline to purchase the Units for any reason permitted under this Agreement or the Subscription Agreements or (d) the sale of the Units is not consummated because any condition to the obligations of the Placement Agents or the Purchasers set forth herein is not satisfied or because of the refusal, inability or failure on the part of the Company to perform any agreement herein or to satisfy any condition or to comply with the provisions hereof, then in addition to the payment of amounts in accordance with Section 6, the Company shall reimburse the Placement Agents for the reasonable fees and expenses of Placement Agents' counsel and for such other out-of-pocket expenses as shall have been reasonably incurred by it in connection with this Agreement and the proposed purchase of the Units, including, without limitation, reasonable travel and lodging expenses of the Placement Agents, and upon demand the Company shall pay the full amount thereof to the Representative in full satisfaction of all payments due to the Payment Agents under this Section 10.

11. *Absence of Fiduciary Relationship.* The Company acknowledges and agrees that:

(a) the Placement Agents' responsibility to the Company is solely contractual in nature, the Placement Agents have been retained solely to act as placement agents in connection with the Offering and no fiduciary, advisory or agency relationship between the Company and the Placement Agents has been created in respect of any of the transactions contemplated by this Agreement, irrespective of whether the Placement Agents has advised or is advising the Company on other matters;

(b) the price of the Units set forth in this Agreement was established by the Company following discussions with the Placement Agents and arms-length negotiations with the Purchasers, and the Company is capable of evaluating and understanding, and understands and accepts, the terms, risks and conditions of the transactions contemplated by this Agreement;

(c) it has been advised that the Placement Agents and their respective affiliates are engaged in a broad range of transactions which may involve interests that differ from those of the Company and that the Placement Agents have no obligation to disclose such interests and transactions to the Company by virtue of any fiduciary, advisory or agency relationship; and

(d) it waives, to the fullest extent permitted by law, any claims it may have against the Placement Agents for breach of fiduciary duty or alleged breach of fiduciary duty and agrees that the Placement Agents shall have no liability (whether direct or indirect) to the Company in respect of such a fiduciary duty claim or to any person asserting a fiduciary duty claim on behalf of or in right of the Company, including stockholders, employees or creditors of the Company.

12. *Successors; Persons Entitled to Benefit of Agreement*. This Agreement shall inure to the benefit of and be binding upon the Placement Agents, the Company and their respective successors and assigns. Nothing expressed or mentioned in this Agreement is intended or shall be construed to give any person, other than the persons mentioned in the preceding sentence, any legal or equitable right, remedy or claim under or in respect of this Agreement, or any provisions herein contained, this Agreement and all conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of such persons and for the benefit of no other person; except that the representations, warranties, covenants, agreements and indemnities of the Company contained in this Agreement shall also be for the benefit of the Placement Agent Indemnified Parties, and the indemnities of the Placement Agents shall be for the benefit of the Company Indemnified Parties. It is understood that Placement Agents' responsibility to the Company is solely contractual in nature and the Placement Agents do not owe the Company, or any other party, any fiduciary duty as a result of this Agreement. No Purchaser shall be deemed to be a successor or assign by reason merely of such purchase.

13. *Survival of Indemnities, Representations, Warranties, etc.* The respective indemnities, covenants, agreements, representations, warranties and other statements of the Company and the Placement Agents, as set forth in this Agreement or made by them respectively, pursuant to this Agreement, shall remain in full force and effect, regardless of any investigation made by or on behalf of the Placement Agents, the Company, the Purchasers or any person controlling any of them and shall survive delivery of and payment for the Units. Notwithstanding any termination of this Agreement, including without limitation any termination pursuant to Section 9, the indemnities, covenants, agreements, representations, warranties and other statements forth in Sections 3, 6, 8, and 10 and Sections 11 through 20, inclusive, of this Agreement shall not terminate and shall remain in full force and effect at all times.

14. *Notices*. All statements, requests, notices and agreements hereunder shall be in writing, and:

(a) if to the Representative and/or the Placement Agents, shall be delivered or sent by mail, telex, facsimile transmission or email to Cowen and Company, LLC, Attention: Head of Equity Capital Markets, Fax: 646-562-1249 with a copy to the General Counsel, Fax: 646-562-1861; and

(b) if to the Company shall be delivered or sent by mail, telex, facsimile transmission or email to: Lori H. Freedman, Esq., Vice President, Corporate Affairs, General Counsel and Secretary, Fax: (617) 926-5050, email lfreedman@psivida.com with a copy (which shall not constitute notice) to Ropes & Gray LLP, Attention: Christopher J. Austin, Esq., One International Place, Boston, MA 02110, Fax: 617-235-0449, E-mail: christopher.austin@ropesgray.com.

Any such statements, requests, notices or agreements shall take effect at the time of receipt thereof.

15. *Definition of Certain Terms*. For purposes of this Agreement, "business day" means any day on which the New York Stock Exchange, Inc. is open for trading.

16. ***Governing Law, Agent For Service and Jurisdiction.*** **This Agreement shall be governed by and construed in accordance with the laws of the State of New York, including without limitation Section 5-1401 of the New York General Obligations.** The Company and each of its subsidiaries irrevocably appoints Ropes & Gray LLP, with offices at 1211 Avenue of the Americas, New York, NY 10036-8704 (and its successors) as its authorized agent in the Borough of Manhattan in The City of New York upon which process may be served in any such suit or proceeding, and agrees that service of process upon such agent, and written notice of said service to the Company or its subsidiaries by the person serving the same to the address provided in Section 14, shall be deemed in every respect effective service of process upon the Company or its subsidiaries, as applicable in any such suit or proceeding. The Company or its subsidiaries irrevocably (a) submits to the non-exclusive jurisdiction of the Federal and state courts in the Borough of Manhattan in The City of New York for the purpose of any suit, action or other proceeding arising out of this Agreement or the transactions contemplated by this Agreement, the Registration Statement and any Preliminary Prospectus or the Prospectus, (b) agrees that all claims in respect of any such suit, action or proceeding may be heard and determined by any such court, (c) waives to the fullest extent permitted by applicable law, any immunity from the jurisdiction of any such court or from any legal process, (d) agrees not to commence any such suit, action or proceeding other than in such courts, and (e) waives, to the fullest extent permitted by applicable law, any claim that any such suit, action or proceeding is brought in an inconvenient forum.

17. *Placement Agents' Information.* The parties hereto acknowledge and agree that, for all purposes of this Agreement, the Placement Agents' Information consists solely of the following information in the Prospectus: (i) the last paragraph on the front cover page concerning the terms of the Offering; and (ii) the statements concerning the Placement Agents set forth in the fifth paragraph under the heading "Plan of Distribution."

18. *Authority of the Representative*. In connection with this Agreement, Cowen will act for and on behalf of the Placement Agents, and any action taken under this Agreement by the Representative, will be binding on all the Placement Agents. JMP authorizes Cowen to manage the Offering and to take such action in connection therewith as Cowen in its sole discretion deems appropriate or desirable, consistent with the provisions of the Agreement Among Underwriters previously entered into between Cowen and JMP taking into account that the Offering will be in the form of a best efforts placement and not a firm commitment underwriting.

19. *Partial Unenforceability*. The invalidity or unenforceability of any section, paragraph, clause or provision of this Agreement shall not affect the validity or enforceability of any other section, paragraph, clause or provision hereof. If any section, paragraph, clause or provision of this Agreement is for any reason determined to be invalid or unenforceable, there shall be deemed to be made such minor changes (and only such minor changes) as are necessary to make it valid and enforceable.

20. *General*. This Agreement constitutes the entire agreement of the parties to this Agreement and supersedes all prior written or oral and all contemporaneous oral agreements, understandings and negotiations with respect to the subject matter hereof. In this Agreement, the masculine, feminine and neuter genders and the singular and the plural include one another. The section headings in this Agreement are for the convenience of the parties only and will not affect the construction or interpretation of this Agreement. This Agreement may be amended or modified, and the observance of any term of this Agreement may be waived, only by a writing signed by the Company and each Placement Agent.

21. *Counterparts*. This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

If the foregoing is in accordance with your understanding of the agreement among the Company and the Placement Agents, kindly indicate your acceptance in the space provided for that purpose below.

Very truly yours,
PSIVIDA LIMITED

By: By: /s/ Lori Freedman

Name: Lori Freedman
Title: Vice President, Corporate Affairs,
General Counsel and Secretary

Accepted as of
the date first above written:

COWEN AND COMPANY, LLC

By: /s/ Gregg Smith

Name: Gregg Smith
Title: Managing Director

JMP SECURITIES LLC

By: /s/ Carter Mack

Name: Carter Mack
Title: Co-President, Director of Investment Banking

SUBSCRIPTION AGREEMENT

pSivida Limited
400 Pleasant Street
Watertown MA 02472

Gentlemen:

The undersigned (the "*Investor*") hereby confirms its agreement with you as follows:

1. This Subscription Agreement, including the Terms and Conditions For Purchase of Units attached hereto as Annex I (collectively, this "*Agreement*") is made as of the date set forth below between pSivida Limited, an Australian company existing pursuant to the Australian Corporations Act 2001 (the "*Company*"), and the Investor.

2. The Company has authorized the sale and issuance to certain investors of up to an aggregate of 14,402,000 units (the "*Units*"), each Unit consisting of (i) one American Depositary Share (an "*ADS*", collectively the "*ADSs*"), with each ADS representing ten (10) ordinary shares, no par value, of the Company (the "*Ordinary Shares*") and (ii) one warrant (the "*Warrant*", collectively the "*Warrants*") to purchase 0.4 ADSs, subject to adjustment by the Company's Board of Directors, or a committee thereof, for a purchase price of $1.25 per Unit (the "*Purchase Price*"). The ADSs will be evidenced by American Depositary Receipts ("*ADRs*") to be issued pursuant to the Deposit Agreement, dated January 24, 2005 (the "*Deposit Agreement*") among the Company, Citibank, N.A., as depositary (the "*Depositary*") and the holders and beneficial owners from time to time of the ADRs. The ADSs issuable upon the exercise of the Warrants are referred to herein as the "*Warrant ADSs*" The Warrant ADSs, together with the ADSs and the Warrants, are referred to herein as the "*Securities*."

3. The offering and sale of the Units (the "*Offering*") are being made pursuant to (1) an effective Registration Statement on Form F-3 (File No. 333-141091) (including the Prospectus, dated March 6, 2007 contained therein (the "*Base Prospectus*"), the "*Registration Statement*") filed by the Company with the Securities and Exchange Commission (the "*Commission*"), (2) if applicable, certain "free writing prospectuses" (as that term is defined in Rule 405 under the Securities Act of 1933, as amended), that have been or will be filed with the Commission and delivered to the Investor on or prior to the date hereof, (3) the Preliminary Prospectus Supplement, dated the date hereof (the "*Preliminary Prospectus*"), that has been delivered to the Investor and (4) the Final Prospectus Supplement (the "*Final Prospectus*" and together with the Preliminary Prospectus, the "*Prospectus Supplement*"; the Base Prospectus and the Prospectus Supplement are hereinafter referred to together as the "*Prospectus*"), containing certain supplemental information regarding the Securities and terms of the Offering that will be filed with the Commission and delivered to the Investor (or made available to the Investor by the filing by the Company of an electronic version thereof with the Commission).

4. The Investor will purchase from the Company, and the Company will issue and sell to the Investor, the number of Units set forth below for the aggregate purchase price set forth below. The Units shall be purchased pursuant to the Terms and Conditions for Purchase of Units attached hereto as Annex I and incorporated herein by this reference as if fully set forth herein. The Investor acknowledges that the Offering is not being underwritten by the placement agents named in the Prospectus Supplement (the "*Placement Agents*") and that there is no minimum offering amount.

5. The manner of settlement of the ADSs purchased by the Investor shall be determined by such Investor as follows (check one):

[____] A. Delivery by crediting the account of the Investor's prime broker (as specified by the Investor on Exhibit A annexed hereto) with the Depository Trust Company ("*DTC*") through its Deposit/Withdrawal At Custodian ("*DWAC*") system, whereby the Investor's prime broker shall initiate a DWAC transaction on the Closing Date using its DTC participant identification number and released by Citibank, N.A., the Company's Depositary (the "*Depositary*") upon confirmation by the Custodian to the Depositary that a deposit of Ordinary Shares has been made pursuant to the Deposit Agreement, at the Company's direction. **NO LATER THAN ONE (1) BUSINESS DAY AFTER THE EXECUTION OF THIS AGREEMENT BY THE INVESTOR AND THE COMPANY, THE INVESTOR SHALL:**

(I) DIRECT THE BROKER-DEALER AT WHICH THE ACCOUNT OR ACCOUNTS TO BE CREDITED WITH THE ADSs ARE MAINTAINED TO SET UP A DWAC INSTRUCTING THE DEPOSITARY TO CREDIT SUCH ACCOUNT OR ACCOUNTS WITH THE ADSs, AND

(II) REMIT BY WIRE TRANSFER THE AMOUNT OF FUNDS EQUAL TO THE AGGREGATE PURCHASE PRICE FOR THE UNITS BEING PURCHASED BY THE INVESTOR TO THE FOLLOWING ACCOUNT:

JPMorgan Chase Bank, N.A.
ABA # 021000021
Account Name: pSivida Limited
Account Number: 304950661

- OR -

[____] B. Delivery versus payment ("*DVP*") through DTC (*i.e.*, the Company shall deliver ADSs registered in the Investor's name and address as set forth below and released by the Depositary to the Investor through DTC at the Closing directly to the account(s) at Cowen and Company, LLC, as representative of the Placement Agents ("*Cowen*"), identified by the Investor and simultaneously therewith payment shall be made by Cowen by wire transfer to the Company). **NO LATER THAN ONE (1) BUSINESS DAY AFTER THE EXECUTION OF THIS AGREEMENT BY THE INVESTOR AND THE COMPANY, THE INVESTOR SHALL:**

(I) NOTIFY COWEN OF THE ACCOUNT OR ACCOUNTS AT COWEN TO BE CREDITED WITH THE ADSs BEING PURCHASED BY SUCH INVESTOR, AND

(II) CONFIRM THAT THE ACCOUNT OR ACCOUNTS AT COWEN TO BE CREDITED WITH THE ADSs BEING PURCHASED BY THE INVESTOR HAVE A MINIMUM BALANCE EQUAL TO THE AGGREGATE PURCHASE PRICE FOR THE UNITS BEING PURCHASED BY THE INVESTOR.

IT IS THE INVESTOR'S RESPONSIBILITY TO (A) MAKE THE NECESSARY WIRE TRANSFER OR CONFIRM THE PROPER ACCOUNT BALANCE IN A TIMELY MANNER AND (B) ARRANGE FOR SETTLEMENT BY WAY OF DWAC OR DVP IN A TIMELY MANNER. IF THE INVESTOR DOES NOT DELIVER THE AGGREGATE PURCHASE PRICE FOR THE UNITS OR DOES NOT MAKE PROPER ARRANGEMENTS FOR SETTLEMENT IN A TIMELY MANNER, THE ADSs AND WARRANTS MAY NOT BE DELIVERED AT CLOSING TO THE INVESTOR OR THE INVESTOR MAY BE EXCLUDED FROM THE CLOSING ALTOGETHER.

6. The executed Warrant shall be delivered in accordance with the terms thereof.

7. The Investor represents that, except as set forth below, (a) it has had no position, office or other material relationship within the past three years with the Company or persons known to it to be affiliates of the Company, (b) it is not a NASD member or an Associated Person (as such term is defined under the NASD Membership and Registration Rules Section 1011) as of the Closing, and (c) neither the Investor nor any group of Investors (as identified in a public filing made with the Commission) of which the Investor is a part in connection with the Offering, acquired, or obtained the right to acquire, 20% or more of the Ordinary Shares (or securities convertible into or exercisable for Ordinary Shares) or the voting power of the Company on a post-transaction basis. Exceptions:

_____

(If no exceptions, write "none." If left blank, response will be deemed to be "none.")

8. The Investor represents that it has received (or otherwise had made available to it by the filing by the Company of an electronic version thereof with the Commission) the Base Prospectus, the documents incorporated by reference therein, the Preliminary Prospectus and any free writing prospectus (collectively, the "*Disclosure Package*"), prior to or in connection with the receipt of this Agreement. The Investor acknowledges that, prior to the delivery of this Agreement to the Company, the Investor will receive certain additional information regarding the Offering, including pricing information (collectively, the "*Offering Information*"). The Offering Information may be provided to the Investor by any means permitted under the Act, including in the Final Prospectus, a free writing prospectus or oral communications.

9. No offer by the Investor to buy Units will be accepted and no part of the Purchase Price will be delivered to the Company until the Investor has received the Offering Information and the Company has accepted such offer by countersigning a copy of this Agreement, and any such offer may be withdrawn or revoked, without obligation or commitment of any kind, at any time prior to the Company's (or the Placement Agents' on behalf of the Company) sending (orally, in writing or by electronic mail) notice of its acceptance of such offer. An indication of interest will involve no obligation or commitment of any kind until the Investor has been delivered the Offering Information and this Agreement has been accepted and countersigned by or on behalf of the Company.

[Signature page follows]

Number of Units: _____

Purchase Price Per Unit: $_____

Aggregate Purchase Price: $_____

Please confirm that the foregoing correctly sets forth the agreement between us by signing in the space provided below for that purpose.

Dated as of: June 29, 2007

_____
INVESTOR

By: _____

Print Name:_____

Title:_____

Address:_____
_____

Agreed and Accepted
this 29th day of June, 2007:

PSIVIDA LIMITED

By: _____

Name:
Title:

ANNEX I

TERMS AND CONDITIONS FOR PURCHASE OF UNITS

1. Authorization and Sale of the Units. Subject to the terms and conditions of these Terms and Conditions for Purchase of Units and the Agreement (this "*Agreement*") to which these Terms and Conditions for Purchase of Units are attached as Annex I, the Company has authorized the sale of the Units.

2. Agreement to Sell and Purchase the ADSs; Placement Agents.

2.1 At the Closing (as defined in Section 3.1), the Company will sell to the Investor, and the Investor will purchase from the Company, upon the terms and conditions set forth herein, the number of Units set forth on the last page of this Agreement (the "*Signature Page*") for the aggregate purchase price therefor set forth on the Signature Page. Capitalized terms not otherwise defined in this Annex I have the respective meanings ascribed to them in this Agreement.

2.2 The Investor acknowledges that the Company has agreed to pay Cowen and Company, LLC ("*Cowen*") and JMP Securities, LLC ("*JMP*", and together with Cowen, the "*Placement Agents*") a fee (the "*Placement Fee*") in respect of the sale of Units to the investors. Cowen is acting as representative of the Placement Agents, and in such capacity is hereinafter referred to as the "*Representative.*"

2.3 The Company proposes to enter into substantially this same form of Subscription Agreement with certain other investors (the "*Other Investors*") and expects to complete sales of Units to them. The Investor and the Other Investors are hereinafter sometimes collectively referred to as the "*Investors*," and this Agreement and the Subscription Agreements executed by the Other Investors are hereinafter sometimes collectively referred to as the "*Agreements.*"

2.4 The Company has entered into a Placement Agent Agreement, dated as of June 29, 2007 (the "*Placement Agreement*"), with the Placement Agents that contains certain representations, warranties, covenants and agreements of the Company that may be relied upon by the Investor, which the Company agrees shall be a third party beneficiary thereof.

3. Closings and Delivery of the Units and Funds.

3.1 **Closing.** The completion of the purchase and sale of the Units (the "*Closing*") shall occur at a place and time (the "*Closing Date*") to be specified by the Company and the Representative, and of which the Investors will be notified in advance by the Representative, in accordance with Rule 15c6-1 promulgated under the Securities Exchange Act of 1934, as amended (the "*Exchange Act*"). Prior to and not later than 9:00 a.m., Melbourne, Australia time, on the Closing, (a) the Company shall deliver to A.N.Z. Nominees Ltd., having its principal office at 25, 530 Collins Street, GPO Box 2842, Melbourne, Victoria 3000, Australia, as the custodian for the purposes of the Deposit Agreement (the "*Custodian*"), the Ordinary Shares to be represented by the ADSs comprising the Units in accordance with the Deposit Agreement, as well as confirmation by the Custodian to the Depositary of such delivery, (b) the Company shall pay by wire transfer to the Depositary's account the ADS issuance fee of $0.04 per ADS to be issued, together with all applicable taxes and expenses otherwise payable under the terms of the Deposit Agreement for the deposit of Ordinary Shares and issuance of ADSs (including, without limitation, confirmation that any Australian stock transfer taxes in respect of such deposit (if any) have been paid by the Company), (c) the Company shall instruct the Depositary to issue to the Investor the number of ADSs set forth on the Signature Page registered in the name of the Investor or, if so indicated on the Investor Questionnaire attached hereto as Exhibit A, in the name of a nominee designated by the Investor, (d) the Company shall cause to be delivered to the Investor a Warrant to purchase a number of whole Warrant ADSs determined by multiplying the number of ADSs (and Units) set forth on the signature page by .40 and rounding down to the nearest whole number and deliver to the Investor the ADR evidencing the aggregate number of Units purchased by such Investor and (e) the aggregate purchase price for the Units being purchased by the Investor will be delivered by or on behalf of the Investor to the Company.

3.2 Conditions to the Company's Obligations. (a) The Company's obligation to issue and sell the Units to the Investor shall be subject to: (i) the receipt by the Company of the purchase price for the Units being purchased hereunder as set forth on the Signature Page and (ii) the accuracy of the representations and warranties made by the Investor and the fulfillment of those undertakings of the Investor to be fulfilled prior to the Closing Date.

(b) **Conditions to the Investor's Obligations.** The Investor's obligation to purchase the Units will be subject to the accuracy of the representations and warranties made by the Company and the fulfillment of those undertakings of the Company to be fulfilled prior to the Closing Date, including without limitation, those contained in the Placement Agreement, and to the condition that the Placement Agents shall not have: (a) terminated the Placement Agreement pursuant to the terms thereof or (b) determined that the conditions to the closing in the Placement Agreement have not been satisfied. The Investor's obligations are expressly not conditioned on the purchase by any or all of the Other Investors of the Units that they have agreed to purchase from the Company.

3.3 Delivery of Funds.

(a) DWAC Delivery. If the Investor elects to settle the ADSs purchased by such Investor through DTC's Deposit/Withdrawal at Custodian ("*DWAC*") delivery system, **no later than one (1) business day after the execution of this Agreement by the Investor and the Company**, the Investor shall remit by wire transfer the amount of funds equal to the aggregate purchase price for the Units being purchased by the Investor to the following account designated by the Company and the Representative pursuant to the terms of that certain Escrow Agreement (the "*Escrow Agreement*"), dated as of June 29, 2007, by and among the Company, the Placement Agents and JPMorgan Chase Bank, N.A. (the "*Escrow Agent*"):

JPMorgan Chase Bank, N.A.
ABA # 021000021
Account Name: pSivida Limited
Account Number: 304950661

Such funds shall be held in escrow until the Closing and delivered by the Escrow Agent on behalf of the Investors to the Company upon the satisfaction, in the sole judgment of the Representative, of the conditions set forth in Section 3.2(b) hereof. The Placement Agents shall have no rights in or to any of the escrowed funds, unless the Placement Agents and the Escrow Agent are notified in writing by the Company in connection with the Closing that a portion of the escrowed funds shall be applied to the Placement Fee. The Company and the Investor agree to indemnify and hold the Escrow Agent harmless from and against any and all losses, costs, damages, expenses and claims (including, without limitation, court costs and reasonable attorneys fees) ("*Losses*") arising under this Section 3.3 or otherwise with respect to the funds held in escrow pursuant hereto or arising under the Escrow Agreement, unless it is finally determined that such Losses resulted directly from the willful misconduct or gross negligence of the Escrow Agent. Anything in this Agreement to the contrary notwithstanding, in no event shall the Escrow Agent be liable for any special, indirect or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Escrow Agent has been advised of the likelihood of such loss or damage and regardless of the form of action.

(b) Delivery Versus Payment through The Depository Trust Company. If the Investor elects to settle the ADSs purchased by such Investor by delivery versus payment through DTC, **no later than one (1) business day after the execution of this Agreement by the Investor and the Company**, the Investor shall confirm that the account or accounts at the Representative to be credited with the ADSs being purchased by the Investor have a minimum balance equal to the aggregate purchase price for the Units being purchased by the Investor.

3.4 Delivery of ADSs.

(a) DWAC Delivery. If the Investor elects to settle the ADSs purchased by such Investor through DTC's Deposit/Withdrawal at Custodian ("*DWAC*") delivery system, **no later than one (1) business day after the execution of this Agreement by the Investor and the Company**, the Investor shall direct the broker-dealer at which the account or accounts to be credited with the ADSs being purchased by such Investor are maintained, which broker/dealer shall be a DTC participant, to set up a DWAC instructing Citibank, N.A., the Company's Depositary, to credit such account or accounts with the ADSs. Such DWAC instruction shall indicate the settlement date for the deposit of the ADSs, which date shall be provided to the Investor by the Placement Agents. Simultaneously with the delivery to the Company by the Escrow Agent of the funds held in escrow pursuant to Section 3.3 above, the Company shall direct its Depositary to credit the Investor's account or accounts with the ADSs pursuant to the information contained in the DWAC.

(b) Delivery Versus Payment through The Depository Trust Company. If the Investor elects to settle the ADSs purchased by such Investor by delivery versus payment through DTC, **no later than one (1) business day after the execution of this Agreement by the Investor and the Company**, the Investor shall notify the Representative of the account or accounts at the Representative to be credited with the ADSs being purchased by such Investor. On the Closing Date, the Company shall deliver the ADSs to the Investor through DTC directly to the account or accounts at the Representative identified by Investor and simultaneously therewith payment shall be made by the Representative by wire transfer to the Company.

4. Representations, Warranties and Covenants of the Investor.

The Investor acknowledges, represents and warrants to, and agrees with, the Company and the Placement Agents that:

4.1 The Investor (a) is knowledgeable, sophisticated and experienced in making, and is qualified to make decisions with respect to, investments in securities presenting an investment decision like that involved in the purchase of the Units, including investments in securities issued by the Company and investments in comparable companies, and has requested, received, reviewed and considered all information it deemed relevant in making an informed decision to purchase the Units, (b) has answered all questions on the Signature Page and the Investor Questionnaire attached hereto as Exhibit A for use in preparation of the Final Prospectus and the answers thereto are true and correct as of the date hereof and will be true and correct as of the Closing Date and (c) in connection with its decision to purchase the number of Units set forth on the Signature Page, has received and is relying solely upon (i) the Disclosure Package and the documents incorporated by reference therein and (ii) the Offering Information.

4.2 (a) No action has been or will be taken in any jurisdiction outside the United States by the Company or the Placement Agents that would permit an offering of the Units, or possession or distribution of offering materials in connection with the issue of the Securities in any jurisdiction outside the United States where action for that purpose is required, (b) if the Investor is outside the United States, it will comply with all applicable laws and regulations in each foreign jurisdiction in which it purchases, offers, sells or delivers Securities or has in its possession or distributes any offering material, in all cases at its own expense and (c) the Placement Agents are not authorized to make and have not made any representation, disclosure or use of any information in connection with the issue, placement, purchase and sale of the Units, except as set forth or incorporated by reference in the Prospectus or the Offering Information.

4.3 (a) The Investor has full right, power, authority and capacity to enter into this Agreement and to consummate the transactions contemplated hereby and has taken all necessary action to authorize the execution, delivery and performance of this Agreement, and (b) this Agreement constitutes a valid and binding obligation of the Investor enforceable against the Investor in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' and contracting parties' rights generally and except as enforceability may be subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law) and except as to the enforceability of any rights to indemnification or contribution that may be violative of the public policy underlying any law, rule or regulation (including any U.S. federal or state securities law, rule or regulation).

4.4 The Investor understands that nothing in this Agreement, the Disclosure Package, the Prospectus or any other materials presented to the Investor in connection with the purchase and sale of the Units constitutes legal, tax or investment advice. The Investor has consulted such legal, tax and investment advisors as it, in its sole discretion, has deemed necessary or appropriate in connection with its purchase of Units.

4.5 Since the date on which the Placement Agents first contacted such Investor about the Offering, the Investor has not engaged in any transactions in the securities of the Company (including, without limitation, any Short Sales (as defined below) involving the Company's securities). Each Investor covenants that it will not engage in any transactions in the securities of the Company (including Short Sales) prior to the time that the transactions contemplated by this Agreement are publicly disclosed. Each Investor agrees that it will not use any of the Units acquired pursuant to this Agreement to cover any short position in the Ordinary Shares if doing so would be in violation of applicable securities laws. For purposes hereof, "Short Sales" include, without limitation, all "short sales" as defined in Rule 200 promulgated under Regulation SHO under the Exchange Act, whether or not against the box, and all types of direct and indirect stock pledges, forward sales contracts, options, puts, calls, short sales, swaps, "put equivalent positions" (as defined in Rule 16a-1(h) under the Exchange Act) and similar arrangements (including on a total return basis), and sales and other transactions through non-U.S. broker dealers or foreign regulated brokers.

4.6 The acquisition of the Units and the acquisition of ADSs following exercise of the Warrants will not require the Investor to seek prior approval of the Foreign Investment Review Board under the Australian Foreign Acquisitions and Takeovers Act 1975 (Cth).

4.7 (a) The acquisition of the Units and the acquisition of ADSs following exercise of the Warrants will not involve the acquisition of a relevant interest in Ordinary Shares which causes the voting power in the Company of the Investor or an associate (as defined in the Corporations Act 2001 (Cth)) of the Investor to exceed 20% or to increase from a starting point that is above 20% and below 90%.

(b) The Investor understands that if, as a result of any transaction contemplated by this Agreement, the Investor will acquire a relevant interest in Ordinary Shares which causes the voting power in the Company of the Investor or an associate (as defined in the Corporations Act 2001 (Cth)) of the Investor to exceed 20% or to increase from a starting point that is above 20% and below 90%, and there is no relevant exception to the acquisition under the Corporations Act, the Investor may not acquire the relevant ADSs unless permitted under s611 of the Corporations Act.

5. Survival of Representations, Warranties and Agreements; Third Party Beneficiary. Notwithstanding any investigation made by any party to this Agreement or by the Placement Agent, all covenants, agreements, representations and warranties made by the Company and the Investor herein will survive the execution of this Agreement, the delivery to the Investor of the Units being purchased and the payment therefor. The Placement Agents shall be a third party beneficiary with respect to the representations, warranties and agreements of the Investor in Section 4 hereof.

6. Notices. All notices, requests, consents and other communications hereunder will be in writing, will be mailed (a) if within the domestic United States by first-class registered or certified airmail, or nationally recognized overnight express courier, postage prepaid, or by facsimile or (b) if delivered from outside the United States, by International Federal Express or facsimile, and will be deemed given (i) if delivered by first-class registered or certified mail domestic, three business days after so mailed, (ii) if delivered by nationally recognized overnight carrier, one business day after so mailed, (iii) if delivered by International Federal Express, two business days after so mailed and (iv) if delivered by facsimile, upon electric confirmation of receipt and will be delivered and addressed as follows:

(a) if to the Company, to:

pSivida Limited
400 Pleasant Street
Watertown MA 02472
Attention: Lori H. Freedman, Esq., Vice President, Corporate Affairs, General Counsel and Secretary
Facsimile: (617) 926-5050

with copy (which shall not constitute notice) to:

Ropes & Gray LLP
One International Place
Boston, MA 02110
Attention: Christopher Austin, Esq.
Facsimile: (617) 235-0449

(b) if to the Investor, at its address on the Signature Page hereto, or at such other address or addresses as may have been furnished to the Company in writing.

7. Changes. This Agreement may not be modified or amended except pursuant to an instrument in writing signed by the Company and the Investor.

8. Headings. The headings of the various sections of this Agreement have been inserted for convenience of reference only and will not be deemed to be part of this Agreement.

9. Severability. In case any provision contained in this Agreement should be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein will not in any way be affected or impaired thereby.

10. Governing Law. This Agreement will be governed by, and construed in accordance with, the internal laws of the State of New York, without giving effect to the principles of conflicts of law that would require the application of the laws of any other jurisdiction.

11. Counterparts. This Agreement may be executed in two or more counterparts, each of which will constitute an original, but all of which, when taken together, will constitute but one instrument, and will become effective when one or more counterparts have been signed by each party hereto and delivered to the other parties. The Company and the Investor acknowledge and agree that the Company shall deliver its counterpart to the Investor along with the Final Prospectus (or the filing by the Company of an electronic version thereof with the Commission).

12. Confirmation of Sale. The Investor acknowledges and agrees that such Investor's receipt of the Company's counterpart to this Agreement, together with the Final Prospectus (or the filing by the Company of an electronic version thereof with the Commission), shall constitute written confirmation of the Company's sale of Units to such Investor.

13. Press Release. The Company and the Investor agree that the Company shall issue a press release announcing the Offering prior to the opening of the financial markets in New York City on the business day immediately after the date hereof.

14. **Termination**. In the event that the Placement Agreement is terminated by the Placement Agents pursuant to the terms thereof, this Agreement shall terminate without any further action on the part of the parties hereto.

SUBSCRIPTION AGREEMENT
(Pfizer)

pSivida Limited
400 Pleasant Street
Watertown MA 02472

Gentlemen:

The undersigned (the "*Investor*") hereby confirms its agreement with you as follows:

1. This Subscription Agreement, including the Terms and Conditions For Purchase of Units attached hereto as Annex I (collectively, this "*Agreement*") is made as of the date set forth below between pSivida Limited, an Australian company existing pursuant to the Australian Corporations Act 2001 (the "*Company*"), and the Investor.

2. The Company has authorized the sale and issuance to certain investors of up to an aggregate of 14,402,000 units (the "*Units*"), each Unit consisting of (i) one American Depositary Share (an "*ADS*", collectively the "*ADSs*"), with each ADS representing ten (10) ordinary shares, no par value, of the Company (the "*Ordinary Shares*") and (ii) one warrant (the "*Warrant*", collectively the "*Warrants*") to purchase 0.4 ADSs, subject to adjustment by the Company's Board of Directors, or a committee thereof, for a purchase price of $1.25 per Unit (the "*Purchase Price*"). The ADSs will be evidenced by American Depositary Receipts ("*ADRs*") to be issued pursuant to the Deposit Agreement, dated January 24, 2005 (the "*Deposit Agreement*") among the Company, Citibank, N.A., as depositary (the "*Depositary*") and the holders and beneficial owners from time to time of the ADRs. The ADSs issuable upon the exercise of the Warrants are referred to herein as the "*Warrant ADSs.*" The Warrant ADSs, together with the ADSs and the Warrants, are referred to herein as the "*Securities*."

3. The offering and sale of the Units (the "*Offering*") are being made pursuant to (1) an effective Registration Statement on Form F-3 (File No. 333-141091) (including the Prospectus, dated March 6, 2007 contained therein (the "*Base Prospectus*"), the "*Registration Statement*") filed by the Company with the Securities and Exchange Commission (the "*Commission*"), (2) if applicable, certain "free writing prospectuses" (as that term is defined in Rule 405 under the Securities Act of 1933, as amended), that have been or will be filed with the Commission and delivered to the Investor on or prior to the date hereof, (3) the Preliminary Prospectus Supplement, dated the date hereof (the "*Preliminary Prospectus*"), that has been delivered to the Investor and (4) the Final Prospectus Supplement (the "*Final Prospectus*" and together with the Preliminary Prospectus, the "*Prospectus Supplement*"; the Base Prospectus and the Prospectus Supplement are hereinafter referred to together as the "*Prospectus*"), containing certain supplemental information regarding the Securities and terms of the Offering that will be filed with the Commission and delivered to the Investor (or made available to the Investor by the filing by the Company of an electronic version thereof with the Commission).

4. The Investor will purchase from the Company, and the Company will issue and sell to the Investor, the number of Units set forth below for the aggregate purchase price set forth below. The Units shall be purchased pursuant to the Terms and Conditions for Purchase of Units attached hereto as Annex I and incorporated herein by this reference as if fully set forth herein. The Investor acknowledges that the Offering is not being underwritten by the placement agents named in the Prospectus Supplement (the "*Placement Agents*") and that there is no minimum offering amount.

5. The manner of settlement of the ADSs purchased by the Investor shall be determined by such Investor as follows (check one):

[____] A. Delivery by crediting the account of the Investor's prime broker (as specified by the Investor on Exhibit A annexed hereto) with the Depository Trust Company ("*DTC*") through its Deposit/Withdrawal At Custodian ("*DWAC*") system, whereby the Investor's prime broker shall initiate a DWAC transaction on the Closing Date using its DTC participant identification number and released by Citibank, N.A., the Company's Depositary (the "*Depositary*") upon confirmation by the Custodian to the Depositary that a deposit of Ordinary Shares has been made pursuant to the Deposit Agreement, at the Company's direction. **NO LATER THAN ONE (1) BUSINESS DAY AFTER THE EXECUTION OF THIS AGREEMENT BY THE INVESTOR AND THE COMPANY, THE INVESTOR SHALL:**

(I) DIRECT THE BROKER-DEALER AT WHICH THE ACCOUNT OR ACCOUNTS TO BE CREDITED WITH THE ADSs ARE MAINTAINED TO SET UP A DWAC INSTRUCTING THE DEPOSITARY TO CREDIT SUCH ACCOUNT OR ACCOUNTS WITH THE ADSs, AND

(II) REMIT BY WIRE TRANSFER THE AMOUNT OF FUNDS EQUAL TO THE AGGREGATE PURCHASE PRICE FOR THE UNITS BEING PURCHASED BY THE INVESTOR TO THE FOLLOWING ACCOUNT:

JPMorgan Chase Bank, N.A.
ABA # 021000021
Account Name: pSivida Limited
Account Number: 304950661

- OR -

[____] B. Delivery versus payment ("*DVP*") through DTC (*i.e.*, the Company shall deliver ADSs registered in the Investor's name and address as set forth below and released by the Depositary to the Investor through DTC at the Closing directly to the account(s) at Cowen and Company, LLC, as representative of the Placement Agents ("*Cowen*"), identified by the Investor and simultaneously therewith payment shall be made by Cowen by wire transfer to the Company). **NO LATER THAN ONE (1) BUSINESS DAY AFTER THE EXECUTION OF THIS AGREEMENT BY THE INVESTOR AND THE COMPANY, THE INVESTOR SHALL:**

(I) NOTIFY COWEN OF THE ACCOUNT OR ACCOUNTS AT COWEN TO BE CREDITED WITH THE ADSs BEING PURCHASED BY SUCH INVESTOR, AND

(II) CONFIRM THAT THE ACCOUNT OR ACCOUNTS AT COWEN TO BE CREDITED WITH THE ADSs BEING PURCHASED BY THE INVESTOR HAVE A MINIMUM BALANCE EQUAL TO THE AGGREGATE PURCHASE PRICE FOR THE UNITS BEING PURCHASED BY THE INVESTOR.

IT IS THE INVESTOR'S RESPONSIBILITY TO (A) MAKE THE NECESSARY WIRE TRANSFER OR CONFIRM THE PROPER ACCOUNT BALANCE IN A TIMELY MANNER AND (B) ARRANGE FOR SETTLEMENT BY WAY OF DWAC OR DVP IN A TIMELY MANNER. IF THE INVESTOR DOES NOT DELIVER THE AGGREGATE PURCHASE PRICE FOR THE UNITS OR DOES NOT MAKE PROPER ARRANGEMENTS FOR SETTLEMENT IN A TIMELY MANNER, THE ADSs AND WARRANTS MAY NOT BE DELIVERED AT CLOSING TO THE INVESTOR OR THE INVESTOR MAY BE EXCLUDED FROM THE CLOSING ALTOGETHER.

6. The executed Warrant shall be delivered in accordance with the terms thereof.

7. The Investor represents that, except as set forth below, (a) it has had no position, office or other material relationship within the past three years with the Company or persons known to it to be affiliates of the Company, (b) it is not a NASD member or an Associated Person (as such term is defined under the NASD Membership and Registration Rules Section 1011) as of the Closing, and (c) neither the Investor nor any group of Investors (as identified in a public filing made with the Commission) of which the Investor is a part in connection with the Offering, acquired, or obtained the right to acquire, 20% or more of the Ordinary Shares (or securities convertible into or exercisable for Ordinary Shares) or the voting power of the Company on a post-transaction basis. Exceptions:

_____

(If no exceptions, write "none." If left blank, response will be deemed to be "none.")

8. The Investor represents that it has received (or otherwise had made available to it by the filing by the Company of an electronic version thereof with the Commission) the Base Prospectus, the documents incorporated by reference therein, the Preliminary Prospectus and any free writing prospectus (collectively, the "*Disclosure Package*"), prior to or in connection with the receipt of this Agreement. The Investor acknowledges that, prior to the delivery of this Agreement to the Company, the Investor will receive certain additional information regarding the Offering, including pricing information (collectively, the "*Offering Information*"). The Offering Information may be provided to the Investor by any means permitted under the Act, including in the Final Prospectus, a free writing prospectus or oral communications.

9. No offer by the Investor to buy Units will be accepted and no part of the Purchase Price will be delivered to the Company until the Investor has received the Offering Information and the Company has accepted such offer by countersigning a copy of this Agreement, and any such offer may be withdrawn or revoked, without obligation or commitment of any kind, at any time prior to the Company's (or the Placement Agents' on behalf of the Company) sending (orally, in writing or by electronic mail) notice of its acceptance of such offer. An indication of interest will involve no obligation or commitment of any kind until the Investor has been delivered the Offering Information and this Agreement has been accepted and countersigned by or on behalf of the Company.

[Signature page follows]

Number of Units:5,200,000

Purchase Price Per Unit: $1.25

Aggregate Purchase Price: $6,500,000

Please confirm that the foregoing correctly sets forth the agreement between us by signing in the space provided below for that purpose.

Dated as of: June 30, 2007

Pfizer Inc.
INVESTOR

By: /s/Mark J. Cooper

Print Name: Mark J. Cooper
Title: Attorney-in-Fact
Address: 235 East 42nd St., New York, NY 10017

Agreed and Accepted
this 30th day of June, 2007:

PSIVIDA LIMITED

By: /s/ Lori Freedman

Name: Lori Freedman
Title: Vice President, Corporate Affairs, General Counsel and Secretary

ANNEX I

TERMS AND CONDITIONS FOR PURCHASE OF UNITS

1. Authorization and Sale of the Units. Subject to the terms and conditions of these Terms and Conditions for Purchase of Units and the Agreement (this "*Agreement*") to which these Terms and Conditions for Purchase of Units are attached as Annex I, the Company has authorized the sale of the Units.

2. Agreement to Sell and Purchase the ADSs; Placement Agents.

2.1 At the Closing (as defined in Section 3.1), the Company will sell to the Investor, and the Investor will purchase from the Company, upon the terms and conditions set forth herein, the number of Units set forth on the last page of this Agreement (the "*Signature Page*") for the aggregate purchase price therefor set forth on the Signature Page. Capitalized terms not otherwise defined in this Annex I have the respective meanings ascribed to them in this Agreement.

2.2 The Investor acknowledges that the Company has agreed to pay Cowen and Company, LLC ("*Cowen*") and JMP Securities, LLC ("*JMP*", and together with Cowen, the "*Placement Agents*") a fee (the "*Placement Fee*") in respect of the sale of Units to the investors. Cowen is acting as representative of the Placement Agents, and in such capacity is hereinafter referred to as the "*Representative."*

2.3 The Company proposes to enter into substantially this same form of Subscription Agreement with certain other investors (the "*Other Investors*") and expects to complete sales of Units to them; provided, however, that the Other Investors shall close their purchases prior to the Investor. The Investor and the Other Investors are hereinafter sometimes collectively referred to as the "*Investors,*" and this Agreement and the Subscription Agreements executed by the Other Investors are hereinafter sometimes collectively referred to as the "*Agreements."*

2.4 The Company has entered into a Placement Agent Agreement, dated as of June 29, 2007 (the "*Placement Agreement*"), with the Placement Agents that contains certain representations, warranties, covenants and agreements of the Company that may be relied upon by the Investor, which the Company agrees shall be a third party beneficiary thereof.

3. Closings and Delivery of the Units and Funds.

3.1 **Closing.** The completion of the purchase and sale of the Units (the "*Closing*") shall occur at a place and time (the "*Closing Date*") to be specified by the Company and the Representative, and of which the Investors will be notified in advance by the Representative, in accordance with Rule 15c6-1 promulgated under the Securities Exchange Act of 1934, as amended (the "*Exchange Act*"). Prior to and not later than 9:00 a.m., Melbourne, Australia time, on the Closing, (a) the Company shall deliver to A.N.Z. Nominees Ltd., having its principal office at 25, 530 Collins Street, GPO Box 2842, Melbourne, Victoria 3000, Australia, as the custodian for the purposes of the Deposit Agreement (the "*Custodian*"), the Ordinary Shares to be represented by the ADSs comprising the Units in accordance with the Deposit Agreement, as well as confirmation by the Custodian to the Depositary of such delivery, (b) the Company shall pay by wire transfer to the Depositary's account the ADS issuance fee of $0.04 per ADS to be issued, together with all applicable taxes and expenses otherwise payable under the terms of the Deposit Agreement for the deposit of Ordinary Shares and issuance of ADSs (including, without limitation, confirmation that any Australian stock transfer taxes in respect of such deposit (if any) have been paid by the Company), (c) the Company shall instruct the Depositary to issue to the Investor the number of ADSs set forth on the Signature Page registered in the name of the Investor or, if so indicated on the Investor Questionnaire attached hereto as Exhibit A, in the name of a nominee designated by the Investor, (d) the Company shall cause to be delivered to the Investor a Warrant to purchase a number of whole Warrant ADSs determined by multiplying the number of ADSs (and Units) set forth on the signature page by 0.40 and rounding down to the nearest whole number and deliver to the Investor the ADR evidencing the aggregate number of Units purchased by such Investor and (e) the aggregate purchase price for the Units being purchased by the Investor will be delivered by or on behalf of the Investor to the Company.

3.2 **Conditions to the Company's Obligations.** (a) The Company's obligation to issue and sell the Units to the Investor shall be subject to: (i) the receipt by the Company of the purchase price for the Units being purchased hereunder as set forth on the Signature Page and (ii) the accuracy of the representations and warranties made by the Investor and the fulfillment of those undertakings of the Investor to be fulfilled prior to the Closing Date.

(b) **Conditions to the Investor's Obligations.** Capitalized terms used in this Section 3.2(b) but not otherwise defined in this Annex I or the Agreement have the respective meanings ascribed to them in the Collaborative Research and License Agreement (the "*Investor Agreement*") dated as of April 3, 2007 among the Company, pSivida, Inc. and the Investor. For purposes of clauses (iv) through (x) below, "*Company*" includes pSivida, Inc. The Investor's obligation to purchase the Units is subject to the following conditions precedent:

(i) the representations and warranties made by the Company in the Placement Agreement shall have been accurate as of the Closing Date;

(ii) the undertakings of the Company to be fulfilled prior to the Closing Date, including without limitation those contained in the Placement Agreement, shall have been fulfilled;

(iii) the Placement Agents shall not have terminated the Placement Agreement pursuant to the terms thereof or determined that the conditions to the closing in the Placement Agreement have not been satisfied;

(iv) the Company has received funding after the date of the Investor Agreement from Third Party Investors in an amount equal to at least US$15 million in aggregate gross proceeds; provided that amounts actually received by the Company pursuant to other subscription agreements entered into on or about the date hereof shall be included in calculating such threshhold amount;

(v) the Company and the Investor shall have each executed and delivered the Security Agreement, and such Security Agreement shall be in full force and effect as of the Closing Date, and a UCC-1 with respect to the Collateral has been duly filed with the Secretary of State of the State of Delaware;

(vi) the representations and warranties of the Company contained in the Investor Agreement shall be true and correct in all material respects as of the dates as of which they are made;

(vii) the Company shall have performed or complied in all material respects with all agreements and covenants required by the Investor Agreement to be performed or complied with by it on or prior to the Closing Date;

(viii) the Company shall have substantially fulfilled its obligations under Section 5.8 of the Investor Agreement; and

(ix) the Investor shall have received a certificate from Dr. Paul Ashton on the Closing Date certifying compliance with the foregoing clauses (i)-(viii) (in the event that Dr. Paul Ashton is unavailable, the General Counsel or Chief Financial Officer shall certify as to the Company's compliance with clauses (i)-(viii) above).

Except as specifically set forth above in this Section 3.2(b), the Investor's obligations are expressly not conditioned on the purchase by any or all of the Other Investors of the Units that they have agreed to purchase from the Company.

3.3 Delivery of Funds.

(a) DWAC Delivery. If the Investor elects to settle the ADSs purchased by such Investor through DTC's Deposit/Withdrawal at Custodian ("*DWAC*") delivery system, **no later than one (1) business day prior to the Investor's Closing Date,** the Investor shall remit by wire transfer the amount of funds equal to the aggregate purchase price for the Units being purchased by the Investor to the following account designated by the Company and the Representative pursuant to the terms of that certain Escrow Agreement (the "*Escrow Agreement*"), dated as of June 29, 2007, by and among the Company, the Placement Agents and JPMorgan Chase Bank, N.A. (the "*Escrow Agent*"):

JPMorgan Chase Bank, N.A.
ABA # 021000021
Account Name: pSivida Limited
Account Number: 304950661

Such funds shall be held in escrow until the Closing and delivered by the Escrow Agent on behalf of the Investors to the Company upon the satisfaction, in the sole judgment of the Representative, of the conditions set forth in Section 3.2(b) hereof. The Placement Agents shall have no rights in or to any of the escrowed funds, unless the Placement Agents and the Escrow Agent are notified in writing by the Company in connection with the Closing that a portion of the escrowed funds shall be applied to the Placement Fee. The Company and the Investor agree to indemnify and hold the Escrow Agent harmless from and against any and all losses, costs, damages, expenses and claims (including, without limitation, court costs and reasonable attorneys fees) ("*Losses*") arising under this Section 3.3 or otherwise with respect to the funds held in escrow pursuant hereto or arising under the Escrow Agreement, unless it is finally determined that such Losses resulted directly from the willful misconduct or gross negligence of the Escrow Agent. Anything in this Agreement to the contrary notwithstanding, in no event shall the Escrow Agent be liable for any special, indirect or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Escrow Agent has been advised of the likelihood of such loss or damage and regardless of the form of action.

(b) Delivery Versus Payment through The Depository Trust Company. If the Investor elects to settle the ADSs purchased by such Investor by delivery versus payment through DTC, **no later than one (1) business day prior to the Investor's Closing Date**, the Investor shall confirm that the account or accounts at the Representative to be credited with the ADSs being purchased by the Investor have a minimum balance equal to the aggregate purchase price for the Units being purchased by the Investor.

3.4 Delivery of ADSs.

(a) DWAC Delivery. If the Investor elects to settle the ADSs purchased by such Investor through DTC's Deposit/Withdrawal at Custodian ("*DWAC*") delivery system, **no later than one (1) business day prior to the Investor's Closing Date,** the Investor shall direct the broker-dealer at which the account or accounts to be credited with the ADSs being purchased by such Investor are maintained, which broker/dealer shall be a DTC participant, to set up a DWAC instructing Citibank, N.A., the Company's Depositary, to credit such account or accounts with the ADSs. Such DWAC instruction shall indicate the settlement date for the deposit of the ADSs, which date shall be provided to the Investor by the Placement Agents. Simultaneously with the delivery to the Company by the Escrow Agent of the funds held in escrow pursuant to Section 3.3 above, the Company shall direct its Depositary to credit the Investor's account or accounts with the ADSs pursuant to the information contained in the DWAC.

(b) Delivery Versus Payment through The Depository Trust Company. If the Investor elects to settle the ADSs purchased by such Investor by delivery versus payment through DTC, **no later than one (1) business day prior to the Investor's Closing Date,** the Investor shall notify the Representative of the account or accounts at the Representative to be credited with the ADSs being purchased by such Investor. On the Closing Date, the Company shall deliver the ADSs to the Investor through DTC directly to the account or accounts at the Representative identified by Investor and simultaneously therewith payment shall be made by the Representative by wire transfer to the Company.

4. Representations, Warranties and Covenants of the Investor; Waiver.

The Investor acknowledges, represents and warrants to, and agrees with, the Company and the Placement Agents that:

4.1 The Investor (a) is knowledgeable, sophisticated and experienced in making, and is qualified to make decisions with respect to, investments in securities presenting an investment decision like that involved in the purchase of the Units, including investments in securities issued by the Company and investments in comparable companies, and has requested, received, reviewed and considered all information it deemed relevant in making an informed decision to purchase the Units, (b) has answered all questions on the Signature Page and the Investor Questionnaire attached hereto as Exhibit A for use in preparation of the Final Prospectus and the answers thereto are true and correct as of the date hereof and will be true and correct as of the Closing Date and (c) in connection with its decision to purchase the number of Units set forth on the Signature Page, has received and is relying solely upon (i) the Disclosure Package and the documents incorporated by reference therein and (ii) the Offering Information.

4.2 (a) No action has been or will be taken in any jurisdiction outside the United States by the Company or the Placement Agents that would permit an offering of the Units, or possession or distribution of offering materials in connection with the issue of the Securities in any jurisdiction outside the United States where action for that purpose is required, (b) if the Investor is outside the United States, it will comply with all applicable laws and regulations in each foreign jurisdiction in which it purchases, offers, sells or delivers Securities or has in its possession or distributes any offering material, in all cases at its own expense and (c) the Placement Agents are not authorized to make and have not made any representation, disclosure or use of any information in connection with the issue, placement, purchase and sale of the Units, except as set forth or incorporated by reference in the Prospectus or the Offering Information.

4.3 (a) The Investor has full right, power, authority and capacity to enter into this Agreement and to consummate the transactions contemplated hereby and has taken all necessary action to authorize the execution, delivery and performance of this Agreement, and (b) this Agreement constitutes a valid and binding obligation of the Investor enforceable against the Investor in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' and contracting parties' rights generally and except as enforceability may be subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law) and except as to the enforceability of any rights to indemnification or contribution that may be violative of the public policy underlying any law, rule or regulation (including any U.S. federal or state securities law, rule or regulation).

4.4 The Investor understands that nothing in this Agreement, the Disclosure Package, the Prospectus or any other materials presented to the Investor in connection with the purchase and sale of the Units constitutes legal, tax or investment advice. The Investor has consulted such legal, tax and investment advisors as it, in its sole discretion, has deemed necessary or appropriate in connection with its purchase of Units.

4.5 Since the date on which either the Company or the Placement Agents first contacted such Investor about the Offering, the Investor has not engaged in any transactions in the securities of the Company (including, without limitation, any Short Sales (as defined below) involving the Company's securities). Each Investor covenants that it will not engage in any transactions in the securities of the Company (including Short Sales) prior to the time that the transactions contemplated by this Agreement are publicly disclosed. Each Investor agrees that it will not use any of the Units acquired pursuant to this Agreement to cover any short position in the Ordinary Shares if doing so would be in violation of applicable securities laws. For purposes hereof, "Short Sales" include, without limitation, all "short sales" as defined in Rule 200 promulgated under Regulation SHO under the Exchange Act, whether or not against the box, and all types of direct and indirect stock pledges, forward sales contracts, options, puts, calls, short sales, swaps, "put equivalent positions" (as defined in Rule 16a-1(h) under the Exchange Act) and similar arrangements (including on a total return basis), and sales and other transactions through non-U.S. broker dealers or foreign regulated brokers.

4.6 The acquisition of the Units and the acquisition of ADSs following exercise of the Warrants will not require the Investor to seek prior approval of the Foreign Investment Review Board under the Australian Foreign Acquisitions and Takeovers Act 1975 (Cth).

4.7 (a) The acquisition of the Units and the acquisition of ADSs following exercise of the Warrants will not involve the acquisition of a relevant interest in Ordinary Shares which causes the voting power in the Company of the Investor or an associate (as defined in the Corporations Act 2001 (Cth)) of the Investor to exceed 20% or to increase from a starting point that is above 20% and below 90%.

(b) The Investor understands that if, as a result of any transaction contemplated by this Agreement, the Investor will acquire a relevant interest in Ordinary Shares which causes the voting power in the Company of the Investor or an associate (as defined in the Corporations Act 2001 (Cth)) of the Investor to exceed 20% or to increase from a starting point that is above 20% and below 90%, and there is no relevant exception to the acquisition under the Corporations Act, the Investor may not acquire the relevant ADSs unless permitted under s611 of the Corporations Act.

4.8 The Investor and the Company agree that, subject to satisfaction (or waiver in Investor's sole discretion) of the conditions herein, the payment of funds and delivery of the Securities will take place on or about July 13, 2007. This agreement constitutes an express agreement of the parties at the time of the transaction within the meaning of Rule 15c6-1 under the Exchange Act.

5. Survival of Representations, Warranties and Agreements; Third Party Beneficiary. Notwithstanding any investigation made by any party to this Agreement or by the Placement Agent, all covenants, agreements, representations and warranties made by the Company and the Investor herein will survive the execution of this Agreement, the delivery to the Investor of the Units being purchased and the payment therefor. The Placement Agents shall be a third party beneficiary with respect to the representations, warranties and agreements of the Investor in Section 4 hereof.

6. Notices. All notices, requests, consents and other communications hereunder will be in writing, will be mailed (a) if within the domestic United States by first-class registered or certified airmail, or nationally recognized overnight express courier, postage prepaid, or by facsimile or (b) if delivered from outside the United States, by International Federal Express or facsimile, and will be deemed given (i) if delivered by first-class registered or certified mail domestic, three business days after so mailed, (ii) if delivered by nationally recognized overnight carrier, one business day after so mailed, (iii) if delivered by International Federal Express, two business days after so mailed and (iv) if delivered by facsimile, upon electric confirmation of receipt and will be delivered and addressed as follows:

(a) if to the Company, to:

pSivida Limited
400 Pleasant Street
Watertown MA 02472
Attention: Lori H. Freedman, Esq., Vice President, Corporate Affairs, General Counsel and Secretary
Facsimile: (617) 926-5050

with copy (which shall not constitute notice) to:

Ropes & Gray LLP
One International Place
Boston, MA 02110
Attention: Christopher Austin, Esq.
Facsimile: (617) 235-0449

(b) if to the Investor, at its address on the Signature Page hereto, or at such other address or addresses as may have been furnished to the Company in writing.

7. Changes. This Agreement may not be modified or amended except pursuant to an instrument in writing signed by the Company and the Investor.

8. Headings. The headings of the various sections of this Agreement have been inserted for convenience of reference only and will not be deemed to be part of this Agreement.

9. Severability. In case any provision contained in this Agreement should be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein will not in any way be affected or impaired thereby.

10. Governing Law. This Agreement will be governed by, and construed in accordance with, the internal laws of the State of New York, without giving effect to the principles of conflicts of law that would require the application of the laws of any other jurisdiction.

11. Counterparts. This Agreement may be executed in two or more counterparts, each of which will constitute an original, but all of which, when taken together, will constitute but one instrument, and will become effective when one or more counterparts have been signed by each party hereto and delivered to the other parties. The Company and the Investor acknowledge and agree that the Company shall deliver its counterpart to the Investor along with the Final Prospectus (or the filing by the Company of an electronic version thereof with the Commission).

12. Confirmation of Sale. The Investor acknowledges and agrees that such Investor's receipt of the Company's counterpart to this Agreement, together with the Final Prospectus (or the filing by the Company of an electronic version thereof with the Commission), shall constitute written confirmation of the Company's sale of Units to such Investor.

13. Press Release. The Company and the Investor agree that the Company shall issue a press release announcing the Offering prior to the opening of the financial markets in New York City on the business day immediately after the date hereof.

14. Termination. In the event that the Placement Agreement is terminated by the Placement Agents pursuant to the terms thereof, this Agreement shall terminate without any further action on the part of the parties hereto.

PSIVIDA LIMITED

WARRANT TO PURCHASE ADSs

Warrant No.: [___]
Warrant Exercisable for up to [_____] ADSs:
Date of Issuance: July 5, 2007 ("**Issuance Date**")

PSIVIDA LIMITED (the "**Company**"), an Australian company existing pursuant to the Australian Corporations Act 2001 (the "**Corporations Act**"), hereby certifies that, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, [_____], the registered holder hereof or its permitted assigns (the "**Holder**"), is entitled, subject to the terms set forth below, to purchase from the Company, at the Exercise Price (as defined below) then in effect, upon surrender of this Warrant to Purchase ADSs (as defined herein), at any time or times on or after the Date of Issuance, but not after 5:00 p.m., New York Time, on the Expiration Date (as defined below), up to [_____] American Depositary Shares (an "**ADS**", collectively the "**ADSs**"), with each ADS representing ten (10) ordinary shares of the Company (the "**Ordinary Shares**"). The ADSs issuable upon the exercise of the Warrants are referred to herein as the "**Warrant ADSs**" and, together with the ADSs and the Warrants, are referred to herein as the "**Securities**." Except as otherwise defined herein, capitalized terms in this Warrant shall have the meanings set forth in Section 21. This Warrant is one of the Warrants to purchase Warrant ADSs (including any Warrants to Purchase ADSs issued in exchange, transfer or replacement hereof, each a "**Warrant**", and collectively the "**Warrants**") issued pursuant to that certain Subscription Agreement, dated June 29, 2007 by and between the Company and the Holder, and as contemplated by that certain Placement Agent Agreement, dated June 29, 2007 by and among the Company, Cowen and Company, LLC ("**Cowen**") and JMP Securities LLC ("**JMP**", and together with Cowen, the "**Placement Agents**") (the "**Placement Agent Agreement**"). All capitalized terms used and not otherwise defined herein shall have the respective meanings given to them in the Placement Agent Agreement.

1. EXERCISE OF WARRANT.

(a) Mechanics of Exercise. Subject to the terms and conditions hereof (including, without limitation, the limitations set forth in Section 1(e)), this Warrant may be exercised by the Holder on any day on or after the Issuance Date, in whole or in part, by (i) delivery of a written notice, in the form attached hereto as Exhibit A (the "**Exercise Notice**"), of the Holder's election to exercise this Warrant and (ii) payment to the Company of an amount equal to the applicable Exercise Price multiplied by the number of Warrant ADSs as to which this Warrant is being exercised (the "**Aggregate Exercise Price**") in cash or wire transfer of immediately available funds.

The Holder shall not be required to deliver the original Warrant in order to effect an exercise hereunder. Execution and delivery of the Exercise Notice with respect to less than all of the Warrant ADSs shall have the same effect as cancellation of the original Warrant and issuance of a new Warrant evidencing the right to purchase the remaining number of Warrant ADSs. On or before the second (2nd) Business Day following the date on which the Company has received each of the Exercise Notice and the Aggregate Exercise Price (the "**Exercise Delivery Documents**"), the Company shall transmit by facsimile an acknowledgment of confirmation of receipt of the Exercise Delivery Documents to the Holder and the Company's Depositary (the "**Depositary**"). Subject to Section 12(b) herein, on or before the fifth (5th) Business Day following the date on which the Company has received all of the Exercise Delivery Documents (the "**Share Delivery Date**"), the Company shall (X) provided that the Depositary is participating in The Depository Trust Company ("**DTC**") Fast Automated Securities Transfer Program, upon the request of the Holder, credit such aggregate number of Warrant ADSs to which the Holder is entitled pursuant to such exercise to the Holder's or its designee's balance account with DTC through its Deposit/Withdrawal At Custodian system, or (Y) if the Depositary is not participating in the DTC Fast Automated Securities Transfer Program, issue and dispatch by overnight courier to the address as specified in the Exercise Notice, a certificate, registered in the Company's share register in the name of the Holder or its designee, for the number of Warrant ADSs to which the Holder is entitled pursuant to such exercise. Upon delivery of the Exercise Delivery Documents, the Holder shall be deemed for all corporate purposes to have become the holder of record of the Ordinary Shares represented by the ADSs with respect to which this Warrant has been exercised, irrespective of the date of delivery of the certificates evidencing the ADSs. If this Warrant is submitted in connection with any exercise pursuant to this Section 1(a) and the number of Warrant ADSs represented by this Warrant submitted for exercise is greater than the number of Warrant ADSs being acquired upon an exercise, then the Company shall as soon as practicable and in no event later than three (3) Business Days after any exercise and at its own expense, issue a new Warrant (in accordance with Section 5(d)) representing the right to purchase the number of Warrant ADSs purchasable immediately prior to such exercise under this Warrant, less the number of Warrant ADSs with respect to which this Warrant is exercised. No fractional Warrant ADSs are to be issued upon the exercise of this Warrant. The number of Warrant ADSs to be issued shall be rounded down to the nearest whole number and in lieu of any fractional Warrant ADSs to which the Holder would otherwise be entitled, the Company shall make a cash payment to the Holder equal to the Closing Sale Price on the date of exercise multiplied by such fraction. Upon exercise of this Warrant, the Company shall deposit the corresponding number of Ordinary Shares underlying the ADSs and pay by wire transfer to the Depositary's account the ADS issuance fee of $0.04 per ADS to be issued, together with all applicable taxes and expenses otherwise payable under the terms of the Deposit Agreement for the deposit of Ordinary Shares and issuance of ADSs (including, without limitation, confirmation that any Australian stock transfer taxes in respect of such deposit (if any) have been paid by the Company), and the Company shall otherwise comply with and cause any other necessary party to comply with all the terms of the Deposit Agreement. The Company shall pay any and all taxes (excluding any taxes on the income of the Holder) which may be payable with respect to the issuance and delivery of Warrant ADSs upon exercise of this Warrant. Appropriate and equitable adjustment to the terms and provisions of this Warrant shall be made in the event of any change to the ratio of Warrant ADSs to Ordinary Shares represented thereby.

In the event that the Company's Board of Directors should determine that the Company shall transform itself (whether by re-incorporation in the United States or otherwise) from a foreign private issuer (as defined under the Securities Act of 1933, as amended) to a domestic U.S. issuer, then all references to ADRs or ADSs shall be deemed references to whatever shares are then issued by the re-domiciled Company and all other provisions of this Agreement shall be equitably adjusted by the parties hereto to the extent necessary or appropriate to reflect such new country of incorporation.

(b) Exercise Price. For purposes of this Warrant, "**Exercise Price**" means US$[___] per ADS (which is equivalent to US$[0.__] per Ordinary Share), subject to adjustment as provided herein.

(c) Company's Failure to Timely Deliver Securities. If the Company shall fail to issue and deliver the Ordinary Shares to the Depositary's custodian and instruct the Depositary to issue and deliver to the Holder the number of Warrant ADSs to which the Holder is entitled upon the Holder's exercise of this Warrant for such number of Warrant ADSs to which the Holder is entitled upon the Holder's exercise of this Warrant on or prior to the date which is three (3) Business Days after receipt of the Exercise Delivery Documents (an "**Exercise Failure**"), then the Company shall pay damages in cash to the Holder for each date of such Exercise Failure in an amount equal to an interest rate equal to 10% per annum applied to the product of (X) the number of Warrant ADSs not issued to the Holder on or prior to the Share Delivery Date and to which the Holder is entitled and (Y) the Closing Sale Price of the Warrant ADSs on the Share Delivery Date. In addition to the foregoing, if within three (3) Trading Days after the Company's receipt of the facsimile copy of an Exercise Notice the Company shall fail to issue and deliver the Ordinary Shares to the Depositary's custodian and to instruct the Depositary to issue and deliver to the Holder the number of Warrant ADSs to which the Holder is entitled upon the Holder's exercise hereunder of this Warrant for such number of Warrant ADSs to which the Holder is entitled upon the Holder's exercise of this Warrant, and if on or after such Trading Day the Holder purchases (in an open market transaction or otherwise) ADSs to deliver in satisfaction of a sale by the Holder of ADSs issuable upon such exercise that the Holder anticipated receiving from the Company (a "**Buy-In**"), then the Company shall, within three (3) Business Days after the Holder's request and in the Holder's discretion, either (i) pay cash to the Holder in an amount equal to the Holder's total purchase price (including brokerage commissions, if any) for the ADSs so purchased (the "**Buy-In Price**"), at which point the Company's obligation to issue Ordinary Shares and cause such ADSs to be delivered shall be deemed to have been satisfied and shall terminate, or (ii) promptly honor its obligation to deliver to the Holder a certificate or certificates representing such ADSs and pay cash to the Holder in an amount equal to the excess (if any) of the Buy-In Price over the product of (A) such number of ADSs, times (B) the Closing Bid Price on the date of exercise.

(d) Disputes. In the case of a dispute as to the determination of the Exercise Price or the arithmetic calculation of the Warrant ADSs, the Company shall issue to the Depositary's custodian the number of Ordinary Shares underlying the Warrant ADSs and shall instruct the Depositary to issue to the account of the Holder the number of Warrant ADSs that are not disputed and resolve such dispute in accordance with Section 12.

(e) Limitations on Exercises.

(i) Beneficial Ownership. The Company shall not effect the exercise of this Warrant, and the Holder shall not have the right to exercise this Warrant, to the extent that after giving effect to such exercise, the Holder (together with affiliates) would beneficially own (directly or indirectly through Warrant ADSs or otherwise) in excess of 4.99% (the "**Maximum Percentage**") of the Ordinary Shares outstanding immediately after giving effect to such exercise. For purposes of the foregoing sentence, the number of Ordinary Shares beneficially owned (directly or indirectly through Warrant ADSs or otherwise) by the Holder and its affiliates shall include the number of Ordinary Shares underlying the Warrant ADSs issuable upon exercise of this Warrant with respect to which the determination of such sentence is being made, but shall exclude the number of Ordinary Shares underlying Warrant ADSs which would be issuable upon (i) exercise of the remaining, unexercised portion of this Warrant beneficially owned by the Holder and its affiliates and (ii) exercise or conversion of the unexercised or unconverted portion of any other securities of the Company beneficially owned by such Person and its affiliates (including, without limitation, any convertible notes or convertible preferred stock or warrants) subject to a limitation on conversion or exercise analogous to the limitation contained herein. Except as set forth in the preceding sentence, for purposes of this section, beneficial ownership shall be calculated in accordance with Section 13(d) of the Securities Exchange Act of 1934, as amended. For purposes of this Warrant, in determining the number of outstanding Ordinary Shares, the Holder may rely on the number of outstanding Ordinary Shares as reflected in (1) the Company's most recent Form 20-F, Form 6-K or other public filing with the Securities and Exchange Commission, as the case may be, (2) a more recent public announcement by the Company or (3) any other notice by the Company or the Depositary setting forth the number of Ordinary Shares outstanding. For any reason at any time, upon the written or oral request of the Holder, the Company shall within two (2) Business Days confirm orally and in writing to the Holder the number of Ordinary Shares then outstanding. In any case, the number of outstanding Ordinary Shares shall be determined after giving effect to the conversion or exercise of securities of the Company, including the Warrants, by the Holder and its affiliates since the date as of which such number of outstanding Ordinary Shares was reported. By written notice to the Company, the Holder may increase or decrease the Maximum Percentage to any other percentage not in excess of 9.99% specified in such notice; provided that (i) any such increase will not be effective until the sixty-first (61st) day after such notice is delivered to the Company, and (ii) any such increase or decrease will apply only to the Holder and not to any other holder of Warrants.

(f) If at any time following the date hereof, the Registration Statement (or any subsequent registration statement registering the Warrant ADSs) is not effective or is not otherwise available for the sale or resale of the Warrant ADSs, the Company shall immediately notify the holders of the Warrants in writing that such registration statement is not then effective and thereafter shall promptly notify such holders when the registration statement is effective again and available for the sale or resale of the Warrant ADSs. The Company shall use commercially reasonable efforts to keep a registration statement (including the Registration Statement) registering the issuance or resale of the Warrant ADSs effective during the term of the Warrants.

2. ADJUSTMENT OF EXERCISE PRICE.

(a) If the Company issues or gives the holders of Ordinary Shares in the Company the right, pro rata with existing holdings of Ordinary Shares, to subscribe for additional securities ("**Pro Rata Issue**"), the Exercise Price in respect of one underlying Ordinary Share shall be reduced in accordance with the following formula:

O' = O - E[P-(S+D)]/[N+1]

Where:

O' = the new Exercise Price in respect of an underlying Ordinary Share.

O = the original Exercise Price in respect of an underlying Ordinary Share.

E = the number of underlying Ordinary Shares to be issued on exercise of each Warrant.

P = the average market price per Ordinary Share on the ASX (as adjusted to US$, if necessary) (weighted by reference to volume) of the Ordinary Shares during the 5 trading days ending before the ex rights date or ex entitlements date.

S = the subscription price for an Ordinary Share under the Pro Rata Issue.

D = the dividend due but not paid on the existing Ordinary Shares (excluding those to be issued under the Pro Rata Issue).

N = the number of Ordinary Shares which must be held to receive one new Share in the Pro Rata Issue.

(b) Adjustment upon pro rata bonus issue of Ordinary Shares. If the Company makes a pro rata bonus issue of Ordinary Shares to its shareholders prior to the Warrant being exercised, and the Warrant is not exercised prior to the record date for the issue, the Warrant will, when exercised, entitle the Holder to the number of Warrant ADSs that would ordinarily be received under Section 1, plus the number of bonus Ordinary Shares which would have been issued to the Holder if the Warrant had been exercised prior to the record date.

(c) Adjustment upon Subdivision or Combination of Ordinary Shares. If the Company at any time on or after the Issuance Date subdivides (by any stock split, stock dividend, recapitalization or otherwise) one or more classes of its outstanding Ordinary Shares underlying such Warrant ADSs into a greater number of Ordinary Shares, then Exercise Price in effect immediately prior to such subdivision will be proportionately reduced and the number of Ordinary Shares underlying such Warrant ADSs will be proportionately increased. If the Company at any time on or after the Issuance Date combines (by combination, reverse stock split or otherwise) one or more classes of its outstanding Ordinary Shares underlying such Warrant ADSs into a smaller number of Ordinary Shares, then Exercise Price in effect immediately prior to such combination will be proportionately increased and the number of Ordinary Shares underlying such Warrant ADSs will be proportionately decreased. Any adjustment under this Section 2(c) shall be subject to (and will be correspondingly reorganized in a manner which is permissible under, or necessary to comply with) the Listing Rules of the Australian Securities Exchange (the "**ASX Listing Rules**") or the rules of any Recognized Exchange in force at the relevant time and shall become effective at the close of business on the date the subdivision or combination becomes effective.

(d) Other Events. If any event occurs of the type contemplated by the provisions of this Section 2 but not expressly provided for by such provisions (including, without limitation, the granting of stock appreciation rights, phantom stock rights or other rights with equity features), then the Company's Board of Directors will make an appropriate adjustment in the Exercise Price and the number of Warrant ADSs so as to protect the rights of the Holder; provided that such adjustment is made in accordance with the ASX Listing Rules. No such adjustment pursuant to this Section 2(d) will increase the Exercise Price or decrease the number of Warrant ADSs as otherwise determined pursuant to this Section 2, unless in accordance with any ASX Listing Rule.

(e) Other Capital Reorganizations. Notwithstanding any other provision contained in this Warrant, the rights of a Holder will be changed to the extent necessary to comply with the listing rules applying to a reorganization of capital at the time of reorganization. Subject to the above, if there is a reorganization of the capital of the Company, the number of Warrant ADSs applicable to the Warrant and/or Exercise Price of the Warrant will be reorganized as follows: (i) if the Company returns capital on its Ordinary Shares, the number of Warrant ADSs applicable to the Warrant will remain the same, and the Exercise Price of each Warrant will be reduced by the same amount as the amount returned in relation to each Ordinary Share; (ii) if the Company returns capital on its Ordinary Shares by a cancellation of capital that is lost or not represented by available assets, the number of Warrant ADSs applicable to the Warrant and the Exercise Price is unaltered; (iii) if the Company reduces its issued Ordinary Shares on a pro rata basis, the number of Warrant ADSs applicable to the Warrant will be reduced in the same ratio as the Ordinary Shares and the Exercise Price will be amended in inverse proportion to that ratio; and (iv) if the Company reorganizes its issued Ordinary Shares in any way not otherwise contemplated by the preceding paragraphs, the number of Warrant ADSs applicable to the Warrant or the Exercise Price or both will be reorganized so that the Warrant Holder will not receive a benefit that holders of Ordinary Shares do not receive. The Company shall give notice to Warrant Holders of any adjustments to the number of Warrant ADSs applicable to the Warrant or the number of Ordinary Shares which are to be issued on exercise of a Warrant or to the Exercise Price. Before a Warrant is exercised, all adjustment calculations are to be carried out including all fractions (in relation to each of the number of Warrant ADSs applicable to the Warrant, the number of Ordinary Shares and the Exercise Price), but on exercise the number of Warrant ADSs or Ordinary Shares issued is rounded down to the next lower whole number and the Exercise Price rounded up to the next higher cent.

3. **FUNDAMENTAL TRANSACTIONS.** The Company shall not enter into or be party to a Fundamental Transaction unless, and shall use its best efforts to procure that, (i) the Successor Entity (if other than the Company) assumes in writing all of the obligations of the Company under this Warrant and the other Transaction Documents in accordance with the provisions of this Section 3 pursuant to written agreements in form and substance reasonably satisfactory to the Required Holders and approved by the Required Holders prior to such Fundamental Transaction, including agreements to deliver to each holder of Warrants in exchange for such Warrants a security of such Successor Entity evidenced by a written instrument substantially similar in form and substance to this Warrant, including, without limitation, an adjusted exercise price equal to the value for the Ordinary Shares reflected by the terms of such Fundamental Transaction, and exercisable for a corresponding number of shares of capital stock equivalent to the Ordinary Shares underlying the Warrant ADSs acquirable and receivable upon exercise of this Warrant (without regard to any limitations on the exercise of this Warrant) prior to such Fundamental Transaction, and reasonably satisfactory to the Required Holders and (ii) such Successor Entity is a publicly traded corporation whose common shares (or whose American Depositary Shares) are quoted on or listed for trading on an Eligible Market. Upon the occurrence of any Fundamental Transaction, such Successor Entity shall succeed to, and be substituted for (so that from and after the date of such Fundamental Transaction, the provisions of this Warrant referring to the "Company" shall refer instead to such Successor Entity), and may exercise every right and power of the Company and shall assume all of the obligations of the Company under this Warrant with the same effect as if such Successor Entity had been named as the Company herein. Upon consummation of the Fundamental Transaction, such Successor Entity shall deliver to the Holder confirmation that there shall be issued upon exercise of this Warrant at any time after the consummation of the Fundamental Transaction, in lieu of the Warrant ADSs (or other securities, cash, assets or other property) purchasable upon the exercise of the Warrant prior to such Fundamental Transaction, such shares of the publicly traded common stock (or their equivalent) of the Successor Entity (including its Parent Entity), as adjusted in accordance with the provisions of this Warrant. In addition to and not in substitution for any other rights hereunder, prior to the consummation of any Fundamental Transaction pursuant to which holders of Ordinary Shares (directly or indirectly through Warrant ADSs or otherwise) are entitled to receive securities or other assets with respect to or in exchange for Ordinary Shares (a "**Corporate Event**"), the Company shall make appropriate provision, to the extent not prohibited by applicable law, to insure that the Holder will thereafter have the right to receive upon an exercise of this Warrant at any time after the consummation of the Fundamental Transaction but prior to the Expiration Date, in lieu of the Warrant ADSs purchasable upon the exercise of the Warrant prior to such Fundamental Transaction, such, securities or other, assets which the Holder would have been entitled to receive upon the happening of such Fundamental Transaction had the Warrant been exercised immediately prior to such Fundamental Transaction. The provisions of this Section shall apply similarly and equally to successive Fundamental Transactions and Corporate Events and shall be applied without regard to any limitations on the exercise of this Warrant.

Notwithstanding anything to the contrary, in the event of a Fundamental Transaction that is (1) an all cash transaction, (2) a "Rule 13e-3 transaction" as defined in Rule 13e-3 under the Securities Exchange Act of 1934, as amended, or (3) a Fundamental Transaction involving a person or entity not traded on a national securities exchange, the Nasdaq Global Select Market, the Nasdaq Global Market, or the Nasdaq Capital Market, the Company or any successor entity shall pay at the Holder's option, exercisable at any time concurrently with or within thirty (30) days after the consummation of the Fundamental Transaction, an amount of cash equal to the value of this Warrant as determined in accordance with the Black Scholes Option Pricing Model obtained from the "OV" function on Bloomberg L.P. using (i) a price per ADS equal to the VWAP of the ADS for the Trading Day immediately preceding the date of consummation of the applicable Fundamental Transaction, (ii) a risk-free interest rate corresponding to the U.S. Treasury rate for a period equal to the remaining term of this Warrant as of the date of consummation of the applicable Fundamental Transaction and (iii) an expected volatility equal to the 100 day volatility obtained from the "HVT" function on Bloomberg L.P. determined as of the Trading Day immediately following the public announcement of the applicable Fundamental Transaction.

4. WARRANT HOLDER NOT DEEMED A STOCKHOLDER. Except as otherwise specifically provided herein, the Holder, solely in such Person's capacity as a holder of this Warrant, shall not be entitled to vote or receive dividends or be deemed the holder of share capital of the Company for any purpose, nor shall anything contained in this Warrant be construed to confer upon the Holder, solely in such Person's capacity as the Holder of this Warrant, any of the rights of a shareholder of the Company or any right to vote, give or withhold consent to any corporate action (whether any reorganization, issue of stock, reclassification of stock, consolidation, merger, conveyance or otherwise), receive notice of meetings, receive dividends or subscription rights, or otherwise, prior to the issuance to the Holder of the Warrant ADSs which such Person is then entitled to receive upon the due exercise of this Warrant. In addition, nothing contained in this Warrant shall be construed as imposing any liabilities on the Holder to purchase any securities (upon exercise of this Warrant or otherwise) or as a shareholder of the Company, whether such liabilities are asserted by the Company or by creditors of the Company. Notwithstanding this Section 4, the Company shall provide the Holder with copies of the same notices and other information given to the shareholders of the Company generally, contemporaneously with the giving thereof to the shareholders.

5.REISSUANCE OF WARRANTS.

(a) Transfer of Warrant. If this Warrant is to be transferred, the Holder shall surrender this Warrant to the Company, whereupon the Company will forthwith issue and deliver upon the order of the Holder a new Warrant (in accordance with Section 5(d)), registered as the Holder may request, representing the right to purchase the number of Warrant ADSs being transferred by the Holder and, if less then the total number of Warrant ADSs then underlying this Warrant is being transferred, a new Warrant (in accordance with Section 5(d)) to the Holder representing the right to purchase the number of Warrant ADSs not being transferred.

(b) Lost, Stolen or Mutilated Warrant. Upon receipt by the Company of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant, and, in the case of loss, theft or destruction, of any indemnification undertaking by the Holder to the Company in customary form and, in the case of mutilation, upon surrender and cancellation of this Warrant, the Company shall execute and deliver to the Holder a new Warrant (in accordance with Section 5(d)) representing the right to purchase the Warrant ADSs then underlying this Warrant.

(c) Exchangeable for Multiple Warrants. This Warrant is exchangeable, upon the surrender hereof by the Holder at the principal office of the Company, for a new Warrant or Warrants (in accordance with Section 5(d)) representing in the aggregate the right to purchase the number of Warrant ADSs then underlying this Warrant, and each such new Warrant will represent the right to purchase such portion of such Warrant ADSs as is designated by the Holder at the time of such surrender; provided, however, that no Warrants for fractional Warrant ADSs shall be given.

(d) Issuance of New Warrants. Whenever the Company is required to issue a new Warrant pursuant to the terms of this Warrant, such new Warrant (i) shall be of like tenor with this Warrant, (ii) shall represent, as indicated on the face of such new Warrant, the right to purchase the Warrant ADSs then underlying this Warrant (or in the case of a new Warrant being issued pursuant to Section 5(a) or Section 5(c), the Warrant ADSs designated by the Holder which, when added to the number of Warrant ADSs underlying the other new Warrants issued in connection with such issuance, does not exceed the number of Warrant ADSs then underlying this Warrant), (iii) shall have an issuance date, as indicated on the face of such new Warrant which is the same as the Issuance Date, and (iv) shall have the same rights and conditions as this Warrant.

6. NOTICES; CURRENCY.

(a) Notices. Whenever notice is required to be given under this Warrant, unless otherwise provided herein, such notice shall be given in accordance with the notice provisions of the Subscription Agreement. The Company shall provide the Holder with prompt written notice of all actions taken pursuant to this Warrant, including in reasonable detail a description of such action and the reason therefore. Without limiting the generality of the foregoing, the Company will give written notice to the Holder (i) immediately upon any adjustment of the Exercise Price, setting forth in reasonable detail, and certifying, the calculation of such adjustment and (ii) at least fifteen days prior to the date on which the Company closes its books or takes a record (A) with respect to any dividend or distribution upon the Ordinary Shares, (B) with respect to any grants, issuances or sales of any Options, Convertible Securities or rights to purchase stock, warrants, securities or other property to holders of Ordinary Shares or (C) for determining rights to vote with respect to any Fundamental Transaction, dissolution or liquidation, provided in each case that such information shall be made known to the public prior to or in conjunction with such notice being provided to the Holder.

(b) Currency. Unless otherwise indicated, all dollar amounts referred to in this Warrant are in United States Dollars.

7. AMENDMENT AND WAIVER. The provisions of this Warrant may be amended by the Company and the Company may take any action herein prohibited, or omit to perform any act herein required to be performed by it, only if the Company has obtained the written consent of the Required Holders and such amendment would not breach the ASX Listing Rules. Notwithstanding any provision of this Warrant, a term of this Warrant which has the effect of reducing the exercise price, increasing the period for exercise or increasing the number of Warrant ADSs or Ordinary Shares received on exercise is prohibited if it would result in a breach of the ASX Listing Rules. Notwithstanding the above, no change may increase the exercise price of any Warrant or decrease the number of Warrant ADSs or class of stock obtainable upon exercise of any Warrant without the written consent of the Holder. In addition, subject to the ASX Listing Rules, no such amendment shall be effective to the extent that it applies to less than all of the holders of the Warrants then outstanding.

8. **SEVERABILITY.** If any provision of this Warrant or the application thereof becomes or is declared by a court of competent jurisdiction to be illegal, void or unenforceable, the remainder of the terms of this Warrant will continue in full force and effect.

9. **GOVERNING LAW; JURISDICTION.** (a) All questions concerning the construction, validity, enforcement and interpretation of this Warrant shall be governed by the internal laws of the State of New York, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of New York or any other jurisdictions) that would cause the application of the laws of any jurisdictions other than the State of New York. Each party hereby irrevocably submits to the non-exclusive jurisdiction of the state and federal courts sitting in the City of New York, Borough of Manhattan, for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is brought in an inconvenient forum or that the venue of such suit, action or proceeding is improper. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof to such party at the address for such notices to it under this Warrant and agrees that such service shall constitute good and sufficient service of process and notice thereof. EACH PARTY HEREBY IRREVOCABLY WAIVES ANY RIGHT IT MAY HAVE, AND AGREES NOT TO REQUEST, A JURY TRIAL FOR THE ADJUDICATION OF ANY DISPUTE HEREUNDER OR IN CONNECTION HEREWITH OR ARISING OUT OF THIS WARRANT OR ANY TRANSACTION CONTEMPLATED HEREBY.

(a) Nonwaiver. No course of dealing or any delay or failure to exercise any right hereunder on the part of Holder shall operate as a waiver of such right or otherwise prejudice Holder's rights, powers or remedies, notwithstanding all rights hereunder terminate on the Termination Date.

10. **TITLE TO WARRANT.** Prior to the Termination Date and subject to compliance with applicable laws and to the conditions set forth herein, this Warrant and all rights hereunder are transferable, in whole or in part, at the office or agency of the Company by the Holder in person or by duly authorized attorney, upon surrender of this Warrant together with the Assignment Form annexed hereto properly endorsed.

11. **AUTHORIZATION OF SECURITIES.**

The Company covenants that all Warrant ADSs and Ordinary Shares underlying such Warrant ADSs which may be issued upon the exercise of the purchase rights represented by this Warrant will (i) upon their issue following exercise of the purchase rights represented by this Warrant, be duly authorized, validly issued, fully paid and non-assessable and free from all taxes, liens and charges in respect of the issue thereof (other than taxes in respect of any transfer occurring contemporaneously with such issue) and (ii) when issued, rank equally with all outstanding Ordinary Shares of the Company listed for trading on the ASX.

Except and to the extent as waived or consented to by the Holder, the Company covenants and agrees that it shall not by any action, including, without limitation, amending its Constitution or by-laws, if any, or through any reorganization, transfer of assets, scheme of arrangement, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, and will at all times in good faith carry out all the provisions of this Warrant, and shall take all such actions as may be necessary or appropriate to protect the rights of Holder as set forth in this Warrant against impairment. Without limiting the generality of the foregoing, the Company shall (a) take all such action as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and non-assessable Warrant ADSs upon the exercise of this Warrant, and (b) use commercially reasonable efforts to obtain all such authorizations, exemptions or consents from any public regulatory body having jurisdiction thereof as may be necessary to enable the Company to perform its obligations under this Warrant.

Before taking any action which would result in an adjustment in the number of Warrant ADSs for which this Warrant is exercisable or in the Exercise Price, the Company shall obtain all such authorizations or exemptions thereof, or consents thereto, as may be necessary from any public regulatory body or bodies having jurisdiction thereof.

12. TRADING OF ADSs OR ORDINARY SHARES.

(a) Cleansing Notice and/or Disclosure Document.

(i) No later than two (2) Business Days after the issuance of any Warrant ADSs hereunder, the Company shall issue, if permitted by applicable law, a notice complying with section 708A(6) of the Corporations Act with respect to the Ordinary Shares underlying those Warrants ADSs (the **"Cleansing Notice"**) and shall notify the Holder that it has issued such Cleansing Notice.

(ii) Notwithstanding Section 12(a)(i), if the issue of any Cleansing Notice would require the Company to disclose information in accordance with Section 708A(6)(e) of the Corporations Act, the Company may delay the issue of such Cleansing Notice (and the issuance of any Warrant ADSs, and the underlying Ordinary Shares, corresponding to such Cleansing Notice) for a period (a **"Delay Period"**) not exceeding fifteen (15) consecutive days after receipt by the Company of the Exercise Notice for such Warrant ADSs, provided that during any 365 day period such Delay Periods shall not exceed an aggregate of forty-five (45) days. The Company shall issue a Cleansing Notice no later than two (2) Business Days after the Delay Period.

(iii) If the Company is required to issue a Cleansing Notice pursuant to Section 12(a)(ii) but either (x) the Company is not permitted to issue such Cleansing Notice under applicable law or (y) the issuance of such Cleansing Notice would not result in the Ordinary Shares covered by such Cleansing Notice being eligible to be traded on the ASX, the Company shall as soon as practicable, but in no event later than twenty (20) Business Days after receipt by the Company of the Exercise Notice for such Warrant ADSs, lodge with the Australian Securities and Investments Commission (the "**ASIC**") a disclosure document for the purposes of Chapter 6D of the Corporations Act (a **"Disclosure Document"**) covering the Ordinary Shares that would have been covered by such Cleansing Notice. Notwithstanding the foregoing sentence, the Company (1) shall not be required to issue any such Disclosure Document or any Warrant ADSs, and underlying Ordinary Shares, corresponding to such Disclosure Document during any Delay Period, (2) shall not be required to issue the Warrant ADSs, and underlying Ordinary Shares, corresponding to such Exercise Notice until the Disclosure Document has been lodged with ASIC, and (3) shall not be required to lodge more than one Disclosure Document during any ninety (90) day period in connection with any issued and outstanding Convertible Securities of the Company.

(iv) Subject to the provisions of Section 12(a)(v), the Company will (1) within two (2) Business Days following the issuance of any Warrant ADSs, apply to the ASX for unconditional admission to trading for the underlying Ordinary Shares, and (2) take all reasonable measures to ensure that, from the time of issue of those Ordinary Shares, such securities are eligible to be traded on the ASX.

(v) In the event that the Company elects to delay the issuance of any Warrant ADSs pursuant to Sections 12(a)(ii) or 12(a)(iii) for any Delay Period, the Company shall notify the Holder of such Delay Period and the length of the applicable Delay Period. The Holder may, at any time during the Delay Period, notify the Company in writing that it requires the Company to issue such Ordinary Shares to such Holder in accordance with Section 1 notwithstanding the Delay Period, it being understood that any Ordinary Shares thus issued will not be covered by a Cleansing Notice or Disclosure Document and consequently may not, for a period of twelve (12) months from the date of their issuance, be sold or transferred, or have any interest in, or option over, them granted, issued or transferred.

(vi) Anything to the contrary notwithstanding, but without prejudice to any rights of the Holder accrued prior to such time, all obligations of the Company under this Section 12 shall terminate, and this Section 12 shall have no further force or effect, on the date that the Ordinary Shares cease to be listed for trading on the ASX in the event that the Company is redomiciled (whether through merger or otherwise) into the United States or a successor to the Company replaces the Company as a foreign private issuer under United States securities laws and, in either case, the securities of such successor are listed on an Eligible Market.

13. CONSTRUCTION; HEADINGS. This Warrant shall be deemed to be jointly drafted by the Company and all the Holders and shall not be construed against any person as the drafter hereof. The headings of this Warrant are for convenience of reference and shall not form part of, or affect the interpretation of, this Warrant.

14. DISPUTE RESOLUTION. In the case of a dispute as to the determination of the Exercise Price or the calculation of the Warrant ADSs, the Company shall submit the disputed determinations or arithmetic calculations via facsimile within two (2) Business Days of receipt of the Exercise Notice giving rise to such dispute, as the case may be, to the Holder. If the Holder and the Company are unable to agree upon such determination or calculation within three (3) Business Days of such disputed determination or arithmetic calculation being submitted to the Holder, then the Company shall, within two Business Days submit via facsimile (a) the disputed determination of the Exercise Price to an independent, reputable investment bank selected by the Company and approved by the Holder or (b) the disputed arithmetic calculation of the Warrant ADSs to the Company's independent, outside accountant. The Company at the Company's expense, shall cause the investment bank or the accountant, as the case may be, to perform the determinations or calculations and notify the Company and the Holder of the results no later than ten Business Days from the time it receives the disputed determinations or calculations. Such investment bank's or accountant's determination or calculation, as the case may be, shall be binding upon all parties absent demonstrable error.

15. **REMEDIES, OTHER OBLIGATIONS, BREACHES AND INJUNCTIVE RELIEF.** The remedies provided in this Warrant shall be cumulative and in addition to all other remedies available under this Warrant and the other Transaction Documents, at law or in equity (including a decree of specific performance and/or other injunctive relief), and nothing herein shall limit the right of the Holder right to pursue actual damages for any failure by the Company to comply with the terms of this Warrant. The Company acknowledges that a breach by it of its obligations hereunder will cause irreparable harm to the Holder and that the remedy at law for any such breach may be inadequate. The Company therefore agrees that, in the event of any such breach or threatened breach, the holder of this Warrant shall be entitled, in addition to all other available remedies, to an injunction restraining any breach, without the necessity of showing economic loss and without any bond or other security being required.

16. **TRANSFER.** This Warrant may be offered for sale, sold, transferred or assigned without the consent of the Company, except as may otherwise be required by the Placement Agent Agreement.

17. **SUCCESSORS AND ASSIGNS.** Subject to applicable securities laws, this Warrant and the rights and obligations evidenced hereby shall inure to the benefit of and be binding upon the successors of the Company and the successors and permitted assigns of Holder. The provisions of this Warrant are intended to be for the benefit of all Holders from time to time of this Warrant and shall be enforceable by any such Holder.

18. **ACCEPTANCE.** Receipt of this Warrant by the Holder shall constitute acceptance of and agreement to all of the terms and conditions contained herein.

19. **CERTAIN DEFINITIONS.** For purposes of this Warrant, the following terms shall have the following meanings:

(a) "**ADSs**" means the American Depositary Shares of the Company, each of which represents ten (10) Ordinary Shares.

(b) "**ASX**" means the Australian Securities Exchange.

(c) "**Bloomberg**" means Bloomberg Financial Markets.

(d) "**Business Day**" means any day other than Saturday, Sunday or other day on which commercial banks in The City of New York or State of New York, U.S.A. or Perth, Australia are authorized or required by law to remain closed.

(e) "**Closing Bid Price**" and "**Closing Sale Price**" means, for any security as of any date, the last closing bid price and last closing trade price, respectively, for such security on the Principal Market, as reported by Bloomberg, or, if the Principal Market begins to operate on an extended hours basis and does not designate the closing bid price or the closing trade price, as the case may be, then the last bid price or last trade price, respectively, of such security prior to 4:00 p.m., New York Time, as reported by Bloomberg, or, if the Principal Market is not the principal securities exchange or trading market for such security, the last closing bid price or last trade price, respectively, of such security on the principal securities exchange or trading market where such security is listed or traded as reported by Bloomberg, or if the foregoing do not apply, the last closing bid price or last trade price, respectively, of such security in the over-the-counter market on the electronic bulletin board for such security as reported by Bloomberg, or, if no closing bid price or last trade price, respectively, is reported for such security by Bloomberg, the average of the bid prices, or the ask prices, respectively, of any market makers for such security as reported in the "pink sheets" by Pink Sheets LLC (formerly the National Quotation Bureau, Inc.). If the Closing Bid Price or the Closing Sale Price cannot be calculated for a security on a particular date on any of the foregoing bases, the Closing Bid Price or the Closing Sale Price, as the case may be, of such security on such date shall be the fair market value as mutually determined by the Company and the Holder. If the Company and the Holder are unable to agree upon the fair market value of such security, then such dispute shall be resolved pursuant to Section 12. All such determinations to be appropriately adjusted for any stock dividend, stock split, stock combination or other similar transaction during the applicable calculation period.

(f) "**Convertible Securities**" means any stock or securities (other than Options) directly or indirectly convertible into or exercisable or exchangeable for ADSs or Ordinary Shares.

(g) "**Deposit Agreement**" means that certain Deposit Agreement, dated as of January 24, 2005 by and among the Company, the Depositary and the holders and beneficial owners from time to time of ADSs evidenced by ADSs issued pursuant to such agreement.

(h) "**Depositary**" means Citibank, N.A., acting in such capacity under the Deposit Agreement.

(i) "**Eligible Market**" means the Principal Market, The New York Stock Exchange, Inc., the American Stock Exchange or The Nasdaq Global Market.

(j) "**Expiration Date**" means the date that is [sixty (60)] months after the Issuance Date or, if such date falls on a day other than a Business Day or on which trading does not take place on the Principal Market (a "**Holiday**"), the next date that is not a Holiday.

(k) "**Fundamental Transaction**" means that the Company shall, directly or indirectly, in one or more related transactions, (i) consolidate or merge with or into (whether or not the Company is the surviving corporation) another Person, or (ii) sell, assign, transfer, convey or otherwise dispose of all or substantially all of the properties or assets of the Company to another Person, or (iii) allow another Person to make a purchase, tender or exchange offer that is accepted by the holders of more than the 50% of either the outstanding Ordinary Shares (not including any Ordinary Shares held by the Person or Persons making or party to, or associated or affiliated with the Persons making or party to, such purchase, tender or exchange offer), or (iv) consummate a stock purchase agreement or other business combination (including, without limitation, a reorganization, recapitalization, spin-off or scheme of arrangement) with another Person whereby such other Person acquires more than the 50% of the outstanding Ordinary Shares (not including any Ordinary Shares held by the other Person or other Persons making or party to, or associated or affiliated with the other Persons making or party to, such stock purchase agreement or other business combination), or (v) reorganize, recapitalize or reclassify its Ordinary Shares.

(l) "**Options**" means any rights, warrants or options to subscribe for or purchase ADSs, Ordinary Shares or Convertible Securities.

(m) "**Ordinary Shares**" means (i) the Company's ordinary shares of common stock, and (ii) any share capital into which such Ordinary Shares shall have been changed or any share capital resulting from a reclassification of such Ordinary Shares.

(o) "**Parent Entity**" of a Person means an entity that, directly or indirectly, controls the applicable Person and whose common stock or equivalent equity security is quoted or listed on an Eligible Market, or, if there is more than one such Person or Parent Entity, the Person or Parent Entity with the largest public market capitalization as of the date of consummation of the Fundamental Transaction.

(p) "**Person**" means an individual, a limited liability company, a partnership, a joint venture, a corporation, a trust, an unincorporated organization, any other entity and a government or any department or agency thereof.

(q) "**Principal Market**" means the Nasdaq Global Market.

(r) "**Required Holders**" means the holders of the Warrants representing at least a majority of Warrant ADSs underlying the Warrants then outstanding.

(s) "**Successor Entity**" means the Person, which may be the Company, formed by, resulting from or surviving any Fundamental Transaction or the Person with which such Fundamental Transaction shall have been made, provided that if such Person is not a publicly traded entity whose common stock or equivalent equity security is quoted or listed for trading on an Eligible Market, Successor Entity shall mean such Person's Parent Entity.

(t) "**Trading Day**" means any day on which the ADSs are traded on the Principal Market, or, if the Principal Market is not the principal trading market for the ADSs, then on the principal securities exchange or securities market on which the ADSs are then traded; provided that "Trading Day" shall not include any day on which the ADSs are scheduled to trade on such exchange or market for less than 4.5 hours or any day that the ADSs are suspended from trading during the final hour of trading on such exchange or market (or if such exchange or market does not designate in advance the closing time of trading on such exchange or market, then during the hour ending at 4:00:00 p.m., New York Time).

(u) "**Transaction Documents**" shall mean the Placement Agent Agreement and the Subscription Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the Company has caused this Warrant to Purchase ADSs to be duly executed as of the Issuance Date set out above.

PSIVIDA LIMITED

By: _____

Name:
Title:

NEITHER THE ISSUANCE AND SALE OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE NOR THE SECURITIES INTO WHICH THESE SECURITIES ARE EXERCISEABLE HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR UNDER ANY APPLICABLE STATE SECURITIES LAWS. THIS WARRANT AND THE SECURITIES ISSUABLE UPON EXERCISE OF THIS WARRANT ARE SUBJECT TO RESTRICTIONS ON RESALE AND MAY NOT BE RESOLD EXCEPT AS PERMITTED UNDER THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS.

Warrant to Purchase up to [_____] ADSs

of

pSivida Limited

PLACEMENT AGENT'S WARRANT

Dated: July 5, 2007

This certifies that [PLACEMENT AGENT] (the "**Placement Agent**") or any of its permitted transferees (the Placement Agent or any such permitted transferee is sometimes herein called the "**Holder**") is entitled to purchase from PSIVIDA LIMITED (the "**Company**"), an Australian company existing pursuant to the Australian Corporations Act 2001 (the "**Corporations Act**"), at the price and during the period as hereinafter specified, up to [_____] American Depositary Shares (an "**ADS**", collectively the "**ADSs**"), with each ADS representing ten (10) ordinary shares of the Company (the "**Ordinary Shares**"), at an exercise price of US$1.65 per ADS, subject to adjustment as described below (as so adjusted from time to time, the "**Exercise Price**") during the five year period as more fully set forth in Section 1 herein.

This Placement Agent's Warrant (the "**Placement Agent's Warrant**") is issued pursuant to that certain Placement Agent Agreement, dated June 29, 2007 by and among the Company, Cowen and Company, LLC ("**Cowen**") and JMP Securities LLC ("**JMP**", and together with Cowen, the "**Placement Agents**"), in connection with a public offering of the Company's ADSs, through the commercially reasonable efforts of the Placement Agents, as therein described (the "**Placement Agent Agreement**"). All capitalized terms used herein and not otherwise defined, shall have the meanings ascribed to such terms in the Placement Agent Agreement.

1. **Exercise**. The rights represented by this Placement Agent's Warrant shall be exercisable at the Exercise Price, and during the periods as follows:

(a) During the period beginning from the date hereof (the "**Closing Date**") to and through January 5, 2008, inclusive, the Holder shall have no right to purchase any ADSs hereunder.

(b) At any time and from time to time between January 6, 2008 and July 5, 2012 (the latter date is also referred to herein as the "**Expiration Date**"), inclusive, the Holder shall have the right to purchase all or any portion of the ADSs at the Exercise Price.

(c) After the Expiration Date, the Holder shall have no right to purchase all or any portion of the ADSs hereunder.

(d) The Holder shall not be required to deliver the original Placement Agent's Warrant in order to effect an exercise hereunder. Execution and delivery of the Purchase Form with respect to less than all of the ADSs exercisable hereunder shall have the same effect as cancellation of the original Placement Agent's Warrant and issuance of a new Placement Agent's Warrant evidencing the right to purchase the remaining number of ADSs exercisable thereunder.

2. **Payment for ADSs; Issuance of Certificates**.

The rights represented by the Placement Agent's Warrant may be exercised at any time within the periods above specified, in whole or in part, by (i) the surrender of the Placement Agent's Warrant (with the Purchase Form (the "**Purchase Form**") attached hereto, properly executed) at the principal executive office of the Company as set forth in the Notice Section 18 hereto (or such other office or agency of the Company as it may designate by notice in writing to the Holder at the address of the Holder appearing on the books of the Company); (ii) payment to the Company of the Exercise Price then in effect for the number of ADSs specified in the above-mentioned Purchase Form together with applicable stock transfer taxes, if any; and (iii) delivery to the Company of a duly executed agreement signed by the person(s) designated in the Purchase Form to the effect that such person(s) agree(s) to be bound by the provisions of Section 6 and subsections (b), (c), (d), (e) and (f) of Section 7 hereof. The Placement Agent's Warrant shall be deemed to have been exercised, in whole or in part to the extent specified, immediately prior to the close of business on the date the Placement Agent's Warrant is surrendered and payment is made in accordance with the foregoing provisions of this Section 2, and the person or persons in whose name or names the certificates for the ADSs shall be issuable upon such exercise shall become the holder or holders of record of such ADSs at that time and date. The ADSs and the certificates for the ADSs so purchased shall be delivered to the Holder within a reasonable time, not exceeding ten (10) Business Days (as used in this agreement, means any day other than Saturday, Sunday or other day on which commercial banks in The City of New York or State of New York, U.S.A. or Perth, Australia are authorized or required by law to remain closed), after the rights represented by this Placement Agent's Warrant shall have been so exercised. On or before the second (2nd) Business Day following the date on which the Company has received each of the Purchase Form and the aggregate Exercise Price (the "**Exercise Delivery Documents**"), the Company shall transmit by facsimile an acknowledgment of confirmation of receipt of the Exercise Delivery Documents to the Holder and Citibank, N.A., the Company's depositary (the "**Depositary**").

On or before the fifth (5th) Business Day following the date on which the Company has received all of the Exercise Delivery Documents (the "**Share Delivery Date**"), the Company shall (X) provided that the Depositary is participating in The Depository Trust Company ("**DTC**") Fast Automated Securities Transfer Program, upon the request of the Holder, credit such aggregate number of ADSs to which the Holder is entitled pursuant to such exercise to the Holder's or its designee's balance account with DTC through its Deposit/Withdrawal At Custodian system, or (Y) if the Depositary is not participating in the DTC Fast Automated Securities Transfer Program, issue and dispatch by overnight courier to the address as specified in the Purchase Form, a certificate, registered in the Company's share register in the name of the Holder or its designee, for the number of ADSs to which the Holder is entitled pursuant to such exercise. Upon delivery of the Exercise Delivery Documents, the Holder shall be deemed for all corporate purposes to have become the holder of record of the Ordinary Shares represented by the ADSs with respect to which this Warrant has been exercised, irrespective of the date of delivery of the certificates evidencing the ADSs. If this Warrant is submitted in connection with any exercise pursuant to this Section 1(a) and the number of ADSs represented by this Warrant submitted for exercise is greater than the number of ADSs being acquired upon an exercise, then the Company shall as soon as practicable and in no event later than three (3) Business Days after any exercise and at its own expense, issue a new Warrant representing the right to purchase the number of ADSs purchasable immediately prior to such exercise under this Warrant, less the number of ADSs with respect to which this Warrant is exercised. Upon exercise of this Warrant, the Company shall deposit the corresponding number of Ordinary Shares representing the ADSs underlying the ADSs and pay by wire transfer to the Depositary's account the ADS issuance fee of $0.04 per ADS to be issued, together with all applicable taxes and expenses otherwise payable under the terms of the Deposit Agreement (means that certain Deposit Agreement, dated as of January 24, 2005 by and among the Company, the Depositary and the holders and beneficial owners from time to time of ADSs evidenced by ADSs issued pursuant to such agreement) for the deposit of Ordinary Shares and issuance of ADSs (including, without limitation, confirmation that any Australian stock transfer taxes in respect of such deposit (if any) have been paid by the Company), and the Company shall otherwise comply with and cause any other necessary party to comply with all the terms of the Deposit Agreement. The Company shall pay any and all taxes (excluding any taxes on the income of the Holder) which may be payable with respect to the issuance and delivery of ADSs upon exercise of this Warrant. Appropriate and equitable adjustment to the terms and provisions of this Warrant shall be made in the event of any change to the ratio of ADSs to Ordinary Shares represented thereby.

In the event that the Company's Board of Directors should determine that the Company shall transform itself (whether by re-incorporation in the United States or otherwise) from a foreign private issuer (as defined under the Securities Act of 1933, as amended) all references to ADSs or ADSs shall be deemed references to whatever shares are then issued by the re-domiciled Company and all other provisions of this Agreement shall be equitably adjusted by the parties hereto to the extent necessary or appropriate to reflect such new country of incorporation.

3. **Transfer**. (a) The Placement Agent's Warrant shall not be sold, transferred, assigned, pledged, or hypothecated, or be the subject of any hedging, short sale, derivative, put, or call transaction that would result in the effective economic disposition of the Warrant or the ADSs for a period of one hundred eighty (180) days commencing on the Closing Date, except that it may be transferred to successors of the Holder.

(b) Any transfer of this Placement Agent's Warrant shall be effected by the Holder by (i) executing the form of assignment at the end hereof and (ii) surrendering the Placement Agent's Warrant for cancellation at the office or agency of the Company referred to in Section 2 hereof, accompanied by (y) a certificate (signed by an officer of the Holder, or other authorized representative reasonably satisfactory to the Company, if the Holder is an entity) stating that each transferee is a permitted transferee under this Section 3; and, if applicable, (z) an opinion of counsel, reasonably satisfactory in form and substance to the Company, to the effect that the ADSs or the Placement Agent's Warrant, as the case may be, may be sold or otherwise transferred without registration under the Securities Act of 1933, as amended (the "**Act**").

Upon any transfer of this Placement Agent's Warrant or any part thereof in accordance with the first sentence of this Section 3(b), the Company shall issue, in the name or names specified by the Holder (including the Holder), a new Placement Agent's Warrant or Warrants of like tenor (including all substantive provisions hereof) and representing in the aggregate rights to purchase the same number of ADSs as are purchasable hereunder at such time.

(c) Any attempted transfer of this Placement Agent's Warrant or any part thereof in violation of this Section 3 shall be null and *void ab initio*.

(d) This Placement Agent's Warrant may not be exercised and neither this Placement Agent's Warrant nor any of the ADSs, nor any interest in either, may be offered, sold, assigned, pledged, hypothecated, encumbered or in any other manner transferred or disposed of, in whole or in part, except in compliance with applicable United States federal and state securities laws and the terms and conditions hereof. Each Placement Agent's Warrant shall bear a legend in substantially the same form as the legend set forth on the first page of this Placement Agent's Warrant. Each certificate for ADSs issued upon exercise of this Placement Agent's Warrant, unless at the time of exercise such ADSs are acquired pursuant to a registration statement that has been declared effective under the Act and applicable blue sky laws, shall bear a legend substantially in the following form:

"THE ADSs REPRESENTED BY THIS CERTIFICATE HAVE BEEN ACQUIRED FOR INVESTMENT AND HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"). SUCH ADSs MAY NOT BE SOLD OR TRANSFERRED IN THE ABSENCE OF REGISTRATION OR AN EXEMPTION THEREFROM. PSIVIDA LIMITED MAY REQUIRE AN OPINION OF COUNSEL REASONABLY ACCEPTABLE TO IT THAT A PROPOSED TRANSFER OR SALE IS IN COMPLIANCE WITH THE ACT."

Any certificate for any ADSs issued at any time in exchange or substitution for any certificate for any ADSs bearing such legend (except a new certificate for any ADSs issued after the acquisition of such ADSs pursuant to a registration statement that has been declared effective under the Act) shall also bear such legend unless, in the opinion of counsel for the Company, the ADSs represented thereby need no longer be subject to the restriction contained herein. The provisions of this Section 3(d) shall be binding upon all subsequent holders of certificates for ADSs bearing the above legend and all subsequent holders of this Placement Agent's Warrant, if any.

4. **ADSs to be Fully Paid; Reservation of ADSs**. The Company covenants and agrees that all ADSs and Ordinary Shares underlying such ADSs which may be issued upon the exercise of the purchase rights represented by this Placement Agent's Warrant will (i) upon issuance and delivery against payment therefor of the requisite purchase price, be duly and validly issued, fully paid and non-assessable and (ii) when issued, rank equally with all outstanding Ordinary Shares of the Company listed for trading on the Australian Securities Exchange (the "**ASX**").

Except and to the extent as waived or consented to by the Holder, the Company covenants and agrees that it shall not by any action, including, without limitation, amending its Constitution or by-laws, if any, or through any reorganization, transfer of assets, scheme of arrangement, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Placement Agent's Warrant, and will at all times in good faith carry out all the provisions of this Placement Agent's Warrant, and shall take all such actions as may be necessary or appropriate to protect the rights of Holder as set forth in this Placement Agent's Warrant against impairment. Without limiting the generality of the foregoing, the Company shall (a) take all such action as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and non-assessable ADSs and Ordinary Shares underlying the ADSs upon the exercise of this Placement Agent's Warrant, and (b) use reasonable efforts to obtain all such authorizations, exemptions or consents from any public regulatory body having jurisdiction thereof as may be necessary to enable the Company to perform its obligations under this Warrant.

Before taking any action which would result in an adjustment in the number of ADSs issuable upon exercise of this Placement Agent's Warrant for which this Placement Agent's Warrant is exercisable or in the Exercise Price, the Company shall obtain all such authorizations or exemptions thereof, or consents thereto, as may be necessary from any public regulatory body or bodies having jurisdiction thereof.

In the case of a dispute as to the determination of the Exercise Price or the arithmetic calculation of the ADSs, the Company shall issue to the Depositary's custodian the number of Ordinary Shares underlying the ADSs exercisable hereunder and shall instruct the Depositary to issue to the account of the Holder the number of ADSs that are not disputed.

5. **No Voting or Dividend Rights**. The Placement Agent's Warrant shall not entitle the Holder to any voting rights or any other rights, including without limitation notice of meetings of other actions or receipt of dividends or other distributions, as a stockholder of the Company.

6. **Registration Rights**. (a) The Company covenants and agrees that (subject to the provisions of this Section 6), it will prepare and file with the U.S. Securities and Exchange Commission (the "**Commission**") within ninety (90) days from the date hereof, a registration statement on Form F-3 (or if such form is not available, a Form F-1) covering all of the ADSs underlying this Placement Agent's Warrant (the "**Registrable Securities**") for a secondary or resale offering (the "**Registration Statement**"). The Company will use its commercially reasonable efforts to cause the Registration Statement to be declared effective under the Act (including filing with the Commission a request for acceleration of effectiveness in accordance with Rule 461 promulgated under the Act) no later than January 5, 2008, the date which is no later than 180 days from the date hereof, and to keep the Registration Statement continuously effective until the earlier of (i) such time that all of the Registrable Securities have been sold, (ii) the date when the Holder may sell the Registrable Securities pursuant to Rule 144(k) promulgated under the Act, as determined by counsel to the Company pursuant to a written opinion letter, or (iii) the Expiration Date.

(b) If (i) at any time when a prospectus relating to Registrable Securities is required to be made available under the Act, the Company discovers that, or any event occurs as a result of which, the prospectus (including any supplement thereto) included in the Registration Statement, as then in effect, includes an untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, or (ii) the Commission issues any stop order suspending the effectiveness of the Registration Statement or proceedings are initiated or threatened for that purpose, then the Company shall promptly deliver a written notice to such effect to each Holder whose Registrable Securities are included in the Registration Statement, and each such Holder shall immediately upon receipt of such notice discontinue its disposition of Registrable Securities pursuant to the Registration Statement until the copies of the supplemented or amended prospectus contemplated by the immediately following sentence is made available and, if so directed by the Company, shall deliver to the Company (at the Company's expense), if applicable, all copies, other than permanent file copies, then in such Holder's possession of the prospectus or prospectus supplement relating to such Registrable Securities current at the time of receipt of such notice. As promptly as practicable following the event or discovery referred to in clause (i) of the immediately preceding sentence, the Company shall prepare and make available to the Holders whose Registrable Securities are included in the Registration Statement the amendment or supplement of such prospectus so that, as thereafter made available to purchasers of such Registrable Securities, such prospectus shall not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. Notwithstanding anything to the contrary in this Section 6, if the filing or maintenance of the Registration Statement would require the Company to make a disclosure that would, in the reasonable judgment of the Company's Board of Directors, have a material adverse effect on the business, operations, properties, prospects or financial condition of the Company or on pending or imminent transactions, the Company shall have the right, exercisable for a period not to exceed in the aggregate sixty (60) consecutive calendar days in any period of twelve consecutive months (the " **Blackout Period**") upon written notice to the Holders, to delay the filing of the Registration Statement or of any amendment thereto, to suspend its obligation to maintain the effectiveness of the Registration Statement and to suspend the use of any prospectus or prospectus supplement in connection with the Registration Statement. Each Holder agrees that upon receipt of any such notice from the Company, it shall immediately cease all efforts to dispose of Registrable Securities pursuant to the Registration Statement until such time as the Company shall notify it of the end of such restrictions or, if earlier, the expiration of the Blackout Period.

7. **Indemnification**. (a) Whenever the Registration Statement relating to the ADSs issued upon exercise of the Placement Agent's Warrant is filed under the Act, amended or supplemented, the Company will indemnify and hold harmless each Holder of the securities covered by the Registration Statement, amendment or supplement (such Holder being hereinafter called the "**Distributing Holder**"), and each person, if any, who controls (within the meaning of the Act) the Distributing Holder, and each underwriter (within the meaning of the Act) of such securities and each person, if any, who controls (within the meaning of the Act) any such underwriter, against any losses, claims, damages or liabilities, joint or several, to which the Distributing Holder, any such controlling person or any such underwriter may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities, or actions in respect thereof, arise out of or are based upon (i) any untrue statement or alleged untrue statement of any material fact contained in the Registration Statement as declared effective or any final prospectus constituting a part thereof or any amendment or supplement thereto, (ii) the omission or the alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading or (iii) any act or failure to act, or any alleged act or failure to act, by any Distributing Holder in connection with, or relating in any manner to, the Registration Statement or the offering contemplated thereby, and which is included as part of or referred to in any loss, claim, damage, liability or action arising out of or based upon matters covered by clause (i) or (ii) above; (provided that the Company shall not be liable in the case of any matter covered by this clause (iii) to the extent that it is determined in a final judgment by a court of competent jurisdiction that such loss, claim, damage, liability or action resulted directly from any such act or failure to act undertaken or omitted to be taken by such Distributing Holder through its gross negligence or willful misconduct) and will reimburse the Distributing Holder or such controlling person or underwriter promptly upon demand for any legal or other expense reasonably incurred by them in connection with investigating or defending any such loss, claim, damage, liability or action as such expenses are incurred; provided, however, that the Company will not be liable in any such case to the extent that any such loss, claim, damage, liability or action arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in said Registration Statement, said preliminary prospectus, said final prospectus or said amendment or supplement in reliance upon and in conformity with written information furnished by such Distributing Holder or any other Distributing Holder for use in the preparation thereof and provided further, that the indemnity agreement provided in this Section 7(a) with respect to any preliminary prospectus shall not inure to the benefit of any Distributing Holder, controlling person of such Distributing Holder, underwriter or controlling person of such underwriter from whom the person asserting any losses, claims, charges, liabilities or litigation based upon any untrue statement or alleged untrue statement of a material fact or omission or alleged omission to state therein a material fact, received such preliminary prospectus, if a copy of the prospectus in which such untrue statement or alleged untrue statement or omission or alleged omission was corrected has not been sent or given to such person within the time required by the Act and the rules and regulations of the Commission thereunder. This indemnity agreement is not exclusive and will be in addition to any liability, which the Company might otherwise have and shall not limit any rights or remedies that may otherwise be available at law or in equity to each Distributing Holder.

(b) The Distributing Holder will indemnify and hold harmless the Company, each of its directors, each of its officers who have signed the Registration Statement and each person, if any, who controls the Company (within the meaning of the Act) against any losses, claims, damages or liabilities, joint or several, to which the Company or any such director, officer or controlling person may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities, or actions in respect thereof, arise out of or are based upon (i) any untrue or alleged untrue statement of any material fact contained in said Registration Statement, said preliminary prospectus, said final prospectus, or said amendment or supplement, or (ii) are based upon the omission or the alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, in each case to the extent, but only to the extent, that such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in said Registration Statement, said preliminary prospectus, said final prospectus or said amendment or supplement in reliance upon and in conformity with written information furnished by such Distributing Holder for use in the preparation thereof; and will reimburse the Company or any such director, officer or controlling person for any legal or other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, damage, liability or action as such expenses are incurred. This indemnity agreement is not exclusive and will be in addition to any liability, which each Distributing Holder might otherwise have and shall not limit any rights or remedies that may otherwise be available at law or in equity to the Company.

(c) Promptly after receipt by an indemnified party under this Section 7 of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against an indemnifying party under this Section 7, notify the indemnifying party in writing of the commencement thereof, but the omission so to notify the indemnifying party will not relieve it from any liability which it may have to any indemnified party for indemnity or contribution to the extent the indemnifying party is not prejudiced as a proximate result of such failure. In case any such action is brought against any indemnified party, and such indemnified party seeks or intends to seek indemnity from an indemnifying party, the indemnifying party will be entitled to participate in, and, to the extent that it shall elect, jointly with any other indemnifying party similarly notified, by written notice delivered to the indemnified party promptly after receiving the aforesaid notice from such indemnified party, to assume the defense thereof with counsel reasonably satisfactory to such indemnified party; provided, however, if the defendants in any such action include both the indemnified party and the indemnifying party and the indemnified party shall have reasonably concluded that a conflict may arise between the positions of the indemnifying party and the indemnified party in conducting the defense of any such action or that there may be legal defenses available to it and/or other indemnified parties which are different from or additional to those available to the indemnifying party, the indemnified party or parties shall have the right to select separate counsel to assume such legal defenses and to otherwise participate in the defense of such action on behalf of such indemnified party or parties. Upon receipt of notice from the indemnifying party to such indemnified party of such indemnifying party's election so to assume the defense of such action and approval by the indemnified party of counsel (which approval shall not be unreasonably withheld or delayed), the indemnifying party will not be liable to such indemnified party under this Section 7 for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof unless:

(i) the indemnified party shall have employed separate counsel in accordance with the proviso to the next preceding sentence (it being understood, however, that the indemnifying party shall not be liable for the expenses of more than one separate counsel (together with local counsel), representing the indemnified parties who are parties to such action); (ii) the indemnifying party shall not have employed counsel satisfactory to the indemnified party to represent the indemnified party within a reasonable time after notice of commencement of the action; or (iii) the indemnifying party has authorized the employment of counsel for the indemnified party satisfactory to the indemnified party at the expense of the indemnifying party, in each of which cases the fees and expenses of counsel shall be at the expense of the indemnifying party.

(d) The indemnifying party under this Section 7 shall not be liable for any settlement of any proceeding effected without its written consent, which consent shall not be unreasonably withheld or delayed, but if settled with such consent or if there be a final judgment for the plaintiff, the indemnifying party agrees to indemnify the indemnified party against any loss, claim, damage, liability or expense by reason of such settlement or judgment. No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement, compromise or consent to the entry of judgment in any pending or threatened action, suit or proceeding in respect of which any indemnified party is or could have been a party and indemnity was or could have been sought hereunder by such indemnified party, unless such settlement, compromise or consent includes: (i) an unconditional release of such indemnified party from all liability on claims that are the subject matter of such action, suit or proceeding; and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act by or on behalf of any indemnified party.

(e) Any losses, claims, damages, liabilities or expenses for which an indemnified party is entitled to indemnification or contribution under this Section 7 shall be paid by the indemnifying party to the indemnified party as such losses, claims, damages, liabilities or expenses are incurred, but in all cases, no later than forty-five (45) days after invoice to the indemnifying party.

(f) If the indemnification provided for in this Section 7 is unavailable to or insufficient to hold harmless an indemnified party under Section 7(a) or 7(b) above in respect of any losses, claims, damages or liabilities (or actions or proceedings in respect thereof) then each indemnifying party shall contribute to the aggregate amount paid or payable by such indemnified party in such proportion as is appropriate to reflect the relative fault of such indemnifying party on the one hand and the indemnified party on the other in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities (or actions or proceedings in respect thereof), as well as any other relevant equitable considerations. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company or the “control” stockholders on the one hand or the Distributing Holder on the other and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

The Company and each Distributing Holder agree that it would not be just and equitable if contributions pursuant to this Section 7(f) were determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to above in this Section 7(f). The amount paid or payable by an indemnified party as a result of the losses, claims, damages or liabilities (or actions or proceedings in respect thereof) referred to above in this Section 7(f) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 7(f): (i) each Distributing Holder shall not be required to contribute any amount in excess of the amount of proceeds received by such Holder from sale(s) of such Holder's ADSs pursuant to the Registration Statement; and (ii) no person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

8. **Adjustment of Exercise Price**. (a) If the Company issues or gives the holders of Ordinary Shares in the Company the right, pro rata with existing holdings of Ordinary Shares, to subscribe for additional securities ("**Pro Rata Issue**"), the Exercise Price in respect of one underlying Ordinary Share shall be reduced in accordance with the following formula:

O' = O - E[P-(S+D)]/[N+1]

Where:

O'	=	the new Exercise Price in respect of an underlying Ordinary Share.
O	=	the original Exercise Price in respect of an underlying Ordinary Share.
E	=	the number of underlying Ordinary Shares to be issued on exercise of each Warrant.
P	=	the average market price per Ordinary Share on the ASX (as adjusted to US$, if necessary) (weighted by reference to volume) of the Ordinary Shares during the 5 trading days ending before the ex rights date or ex entitlements date.
S	=	the subscription price for an Ordinary Share under the Pro Rata Issue.
D	=	the dividend due but not paid on the existing Ordinary Shares (excluding those to be issued under the Pro Rata Issue).
N	=	the number of Ordinary Shares which must be held to receive one new Share in the Pro Rata Issue.

(b) Adjustment upon pro rata bonus issue of Ordinary Shares. If the Company makes a pro rata bonus issue of Ordinary Shares to its shareholders prior to the Placement Agent's Warrant being exercised, and the Placement Agent's Warrant is not exercised prior to the record date for the issue, the Placement Agent's Warrant will, when exercised, entitle the Holder to the number of ADSs that would ordinarily be received under Section 1 above, plus the number of bonus Ordinary Shares which would have been issued to the Holder if the Placement Agent's Warrant had been exercised prior to the record date.

(c) Adjustment upon Subdivision or Combination of Ordinary Shares. If the Company at any time on or after the Closing Date subdivides (by any stock split, stock dividend, recapitalization or otherwise) one or more classes of its outstanding Ordinary Shares underlying such ADSs) into a greater number of Ordinary Shares, the Exercise Price in effect immediately prior to such subdivision will be proportionately reduced and the number of ADSs (or Ordinary Shares underlying such ADSs) will be proportionately increased. If the Company at any time on or after the Closing Date combines (by combination, reverse stock split or otherwise) one or more classes of its outstanding Ordinary Shares underlying such ADSs into a smaller number of Ordinary Shares, then Exercise Price in effect immediately prior to such combination will be proportionately increased and the number of ADSs (or Ordinary Shares underlying such ADSs) will be proportionately decreased. Any adjustment under this Section 8(c) shall be subject to (and will be correspondingly reorganized in a manner which is permissible under, or necessary to comply with) the Listing Rules of the Australian Securities Exchange (the "**ASX Listing Rules**") or the rules of any Recognized Exchange in force at the relevant time and shall become effective at the close of business on the date the subdivision or combination becomes effective.

(d) Other Events. If any event occurs of the type contemplated by the provisions of this Section 8 but not expressly provided for by such provisions (including, without limitation, the granting of stock appreciation rights, phantom stock rights or other rights with equity features), then the Company's Board of Directors will make an appropriate adjustment in the Exercise Price and the number of ADSs so as to protect the rights of the Holder; provided that such adjustment is made in accordance with the ASX Listing Rules. No such adjustment pursuant to this Section 8(d) will increase the Exercise Price or decrease the number of ADSs as otherwise determined pursuant to this Section 8, unless in accordance with any ASX Listing Rule.

(e) Other Capital Reorganizations. Notwithstanding any other provision contained in this Placement Agent's Warrant, the rights of the Holder will be changed to the extent necessary to comply with the listing rules applying to a reorganization of capital at the time of reorganization. Subject to the above, if there is a reorganization of the capital of the Company, the number of ADSs applicable to the Placement Agent's Warrant and/or Exercise Price of the Placement Agent's Warrant will be reorganized as follows: (i) if the Company returns capital on its Ordinary Shares, the number of ADSs applicable to the Placement Agent's Warrant will remain the same, and the Exercise Price of each Placement Agent's Warrant will be reduced by the same amount as the amount returned in relation to each Ordinary Share; (ii) if the Company returns capital on its Ordinary Shares by a cancellation of capital that is lost or not represented by available assets, the number of ADSs applicable to the Placement Agent's Warrant and the Exercise Price is unaltered; (iii) if the Company reduces its issued Ordinary Shares on a pro rata basis, the number of ADSs applicable to the Placement Agent's Warrant will be reduced in the same ratio as the Ordinary Shares and the Exercise Price will be amended in inverse proportion to that ratio; and (iv) if the Company reorganizes its issued Ordinary Shares in any way not otherwise contemplated by the preceding paragraphs, the number of ADSs applicable to the Placement Agent's Warrant or the Exercise Price or both will be reorganized so that the Warrant Holder will not receive a benefit that holders of Ordinary Shares do not receive. The Company shall give notice to Warrant Holders of any adjustments to the number of ADSs applicable to the Placement Agent's Warrant or the number of Ordinary Shares which are to be issued on exercise of the Placement Agent's Warrant or to the Exercise Price. Before the Placement Agent's Warrant is exercised, all adjustment calculations are to be carried out including all fractions (in relation to each of the number of ADSs applicable to the Placement Agent's Warrant, the number of Ordinary Shares and the Exercise Price), but on exercise the number of ADSs or Ordinary Shares issued is rounded down to the next lower whole number and the Exercise Price rounded up to the next higher cent.

(a) Nonwaiver. No course of dealing or any delay or failure to exercise any right hereunder on the part of Holder shall operate as a waiver of such right or otherwise prejudice Holder's rights, powers or remedies, notwithstanding all rights hereunder terminate on the Termination Date.

9. **TRADING OF ADSs OR ORDINARY SHARES.**

(a) Cleansing Notice and/or Disclosure Document.

(i) No later than two (2) Business Days after the issuance of any Warrant ADSs hereunder, the Company shall issue, if permitted by applicable law, a notice complying with section 708A(6) of the Corporations Act with respect to the Ordinary Shares underlying those Warrants ADSs (the **"Cleansing Notice"**) and shall notify the Holder that it has issued such Cleansing Notice.

(ii) Notwithstanding Section 9(a)(i), if the issue of any Cleansing Notice would require the Company to disclose information in accordance with Section 708A(6)(e) of the Corporations Act, the Company may delay the issue of such Cleansing Notice (and the issuance of any Warrant ADSs, and the underlying Ordinary Shares, corresponding to such Cleansing Notice) for a period (a **"Delay Period"**) not exceeding fifteen (15) consecutive days after receipt by the Company of the Exercise Notice for such Warrant ADSs, provided that during any 365 day period such Delay Periods shall not exceed an aggregate of forty-five (45) days. The Company shall issue a Cleansing Notice no later than two (2) Business Days after the Delay Period.

(iii) If the Company is required to issue a Cleansing Notice pursuant to Section 9(a)(ii) but either (x) the Company is not permitted to issue such Cleansing Notice under applicable law or (y) the issuance of such Cleansing Notice would not result in the Ordinary Shares covered by such Cleansing Notice being eligible to be traded on the ASX, the Company shall as soon as practicable, but in no event later than twenty (20) Business Days after receipt by the Company of the Exercise Notice for such Warrant ADSs, lodge with the Australian Securities and Investments Commission (the "**ASIC**") a disclosure document for the purposes of Chapter 6D of the Corporations Act (a **"Disclosure Document"**) covering the Ordinary Shares that would have been covered by such Cleansing Notice. Notwithstanding the foregoing sentence, the Company (1) shall not be required to issue any such Disclosure Document or any Warrant ADSs, and underlying Ordinary Shares, corresponding to such Disclosure Document during any Delay Period, (2) shall not be required to issue the Warrant ADSs, and underlying Ordinary Shares, corresponding to such Exercise Notice until the Disclosure Document has been lodged with ASIC, and (3) shall not be required to lodge more than one Disclosure Document during any ninety (90) day period in connection with any issued and outstanding convertible securities of the Company.

(iv) Subject to the provisions of Section 9(a)(v), the Company will (1) within two (2) Business Days following the issuance of any Warrant ADSs, apply to the ASX for unconditional admission to trading for the underlying Ordinary Shares, and (2) take all reasonable measures to ensure that, from the time of issue of those Ordinary Shares, such securities are eligible to be traded on the ASX.

(v) In the event that the Company elects to delay the issuance of any Warrant ADSs pursuant to Sections 9(a)(ii) or 9(a)(iii) for any Delay Period, the Company shall notify the Holder of such Delay Period and the length of the applicable Delay Period. The Holder may, at any time during the Delay Period, notify the Company in writing that it requires the Company to issue such Ordinary Shares to such Holder in accordance with Section 1 notwithstanding the Delay Period, it being understood that any Ordinary Shares thus issued will not be covered by a Cleansing Notice or Disclosure Document and consequently may not, for a period of twelve (12) months from the date of their issuance, be sold or transferred, or have any interest in, or option over, them granted, issued or transferred.

(vi) Anything to the contrary notwithstanding, but without prejudice to any rights of the Holder accrued prior to such time, all obligations of the Company under this Section 9 shall terminate, and this Section 9 shall have no further force or effect, on the date that the Ordinary Shares cease to be listed for trading on the ASX in the event that the Company is redomiciled (whether through merger or otherwise) into the United States or a successor to the Company replaces the Company as a foreign private issuer under United States securities laws and, in either case, the securities of such successor are listed on an Eligible Market (meaning The New York Stock Exchange, Inc., the American Stock Exchange or The Nasdaq Global Market).

10. **Governing Law, Agent for Service and Jurisdiction**. (a) All questions concerning the construction, validity, enforcement and interpretation of this Placement Agent's Warrant shall be governed by the internal laws of the State of New York, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of New York or any other jurisdictions) that would cause the application of the laws of any jurisdictions other than the State of New York. Each party hereby irrevocably submits to the non-exclusive jurisdiction of the state and federal courts sitting in the City of New York, Borough of Manhattan, for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is brought in an inconvenient forum or that the venue of such suit, action or proceeding is improper. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof to such party at the address for such notices to it under this Placement Agent's Warrant and agrees that such service shall constitute good and sufficient service of process and notice thereof. EACH PARTY HEREBY IRREVOCABLY WAIVES ANY RIGHT IT MAY HAVE, AND AGREES NOT TO REQUEST, A JURY TRIAL FOR THE ADJUDICATION OF ANY DISPUTE HEREUNDER OR IN CONNECTION HEREWITH OR ARISING OUT OF THIS PLACEMENT AGENT'S WARRANT OR ANY TRANSACTION CONTEMPLATED HEREBY.

11. **Binding Effect on Successors**. In case of any consolidation of the Company with, or merger of the Company into, any other entity, or in case of any sale or conveyance of all or substantially all of the assets of the Company other than in connection with a plan of complete liquidation of the Company at any time prior to the Expiration Date, then as a condition of such consolidation, merger or sale or conveyance, the Company shall give written notice of consolidation, merger, sale or conveyance to the Holder and, from and after the effective date of such consolidation, merger, sale or conveyance, this Placement Agent's Warrant shall represent, upon exercise, only the right to receive the consideration that would have been issuable in respect of the ADSs underlying the Placement Agent's Warrant in such consolidation, merger, sale or conveyance had the Placement Agent's Warrant been exercised in full immediately prior to such effective time and the Holder shall have no further rights under this Placement Agent's Warrant other than the right to receive such consideration.

12. **Fractional ADSs**. No fractional ADSs shall be issued upon exercise of this Placement Agent's Warrant. The number of ADSs to be issued upon exercise of this Placement Agent's Warrant shall be rounded down to the nearest whole number and in lieu of any fractional ADSs to which the Holder would otherwise be entitled, the Company shall make a cash payment to the Holder equal to the Closing Sale Price on the date of exercise multiplied by such fraction.

13. **Lost Warrants**. The Company represents and warrants to the Holder hereof that upon receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction, or mutilation of this Placement Agent's Warrant and, in the case of any such loss, theft or destruction, upon receipt of an affidavit of loss and indemnity reasonably satisfactory to the Company, or in the case of any such mutilation upon surrender and cancellation of such Placement Agent's Warrant, the Company, at its expense, will make and deliver a new Warrant, of like tenor, in lieu of the lost, stolen, destroyed or mutilated Warrant.

14. **Headings**. The headings of the several sections and paragraphs of this Placement Agent's Warrant are inserted for convenience only and do not constitute a part of this Placement Agent's Warrant.

15. **Modification and Waiver**. This Placement Agent's Warrant and any provision hereof may be changed, waived, discharged or terminated only by an instrument in writing signed by the party against which enforcement of the same is sought.

16. **Survival**. The rights and obligations of the Company, of the Holder and of the holder of ADSs issued upon exercise of this Placement Agent's Warrant shall survive the exercise of this Placement Agent's Warrant.

17. **Remedies**. The Company stipulates that the remedies at law of the Holder of this Placement Agent's Warrant in the event of any default or threatened default by the Company in the performance of or compliance with any of the terms of this Placement Agent's Warrant are not and will not be adequate and that, to the fullest extent permitted by law, such terms may be specifically enforced by a decree for the specific performance of any agreement contained herein or by an injunction against a violation of any of the terms hereof or otherwise.

18. **Notice**. Any notice required or contemplated by this Placement Agent's Warrant shall be deemed to have been duly given if transmitted by registered or certified mail, return receipt requested, or nationally recognized overnight delivery service**,** to the Company at its principal executive offices located at 400 Pleasant Street, Watertown MA 02472, Attention: Lori H. Freedman, Esq., Vice President, Corporate Affairs, General Counsel and Secretary, or to the Holder at the name and address set forth in the Warrant Register maintained by the Company.

IN WITNESS WHEREOF, the Company has caused this Placement Agent's Warrant to be signed by its duly authorized officers under its corporate seal, and this Placement Agent's Warrant to be dated July 5, 2007.

PSIVIDA LIMITED

By: _____

Name:
Title: