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pSivida new clinical trial for drug delivery device in AMD

Watertown, MA (December 12, 2008) – Drug delivery company pSivida Corp (NASDAQ: PSDV, ASX: PVA, FF: PV3) today announced that a clinical trial has begun using its MedidurTM delivery technology to treat a form of dry-Age related Macular Degeneration (dry-AMD).

Medidur is a tiny intravitreal insert designed to be administered by an eye care professional, using a proprietary 25-gauge inserter in a minimally invasive, outpatient procedure.

This application of Medidur technology has been licensed to Alimera Sciences and is in pivotal Phase III clinical trials for the treatment of diabetic macular edema (DME), a potentially blinding disease that affects over 1,000,000 people in the US. The Phase III clinical trials were fully enrolled over a year ago with preliminary efficacy and safety results expected in approximately one year. If approved by the FDA, Alimera will market the product under the name IluvienTM.

The new study is an investigator sponsored pilot study designed to assess the safety and efficacy of Iluvien in patients with bilateral geographic atrophy (GA) secondary to dry-AMD and will compare two doses of Iluvien with a sham injection.

“The impetus for this study was the results of experiments conducted in two animal models of retinal degenerations. In both of these models, a miniaturized version of Iluvien demonstrated protective effects on the spontaneous degeneration which occurs in these animals,” said Raymond Iezzi, M.D., of Kresge Eye Institute, Wayne State University School of Medicine. “These results were considered compelling enough to warrant a human study, especially for a condition for which there is no approved treatment,” added Dr. Iezzi.

Dr Paul Ashton, Managing Director of pSivida Corp. said, “We are pleased that another application of our Medidur technology has now entered clinical trials.”

Released by:

pSivida Corp.
Brian Leedman
Vice President, Investor Relations
pSivida Corp.
Tel: +61 8 9227 8327
brianl@psivida.com

US Public Relations
Beverly Jedynak
President
Martin E. Janis & Company, Inc
Tel: +1 (312) 943 1100 ext. 12
bjedynak@janispr.com

About pSivida Corp.

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

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

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

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