



ASX/Media RELEASE

6 June 2008

Extraordinary General Meeting of pSivida Limited: 6 June 2008

CHAIRMAN'S ADDRESS

pSivida Limited Extraordinary General Meeting Chairman's Speech – 6 June 2008

Good afternoon ladies and gentlemen, and welcome to this extraordinary general meeting of pSivida Limited shareholders to consider and vote on the proposed terms of the new Employee Incentive Plan (ESOP).

I am Dr Paul Ashton, the Managing Director of pSivida Limited and Chairman of today's meeting, and, on behalf of my fellow directors, I thank you for taking the time to attend.

A copy of my address will be posted on pSivida Limited's website today and has been lodged with the ASX to provide access for as many shareholders as possible.

There is a quorum present so I will now formally open this meeting of pSivida Limited shareholders. You have all have received a copy of the Notice of Meeting which was contained in the Information Memorandum dated 2 May 2008 which was sent to all shareholders. If there is no objection, I propose to take the Notice of Meeting as read. Extra copies of the Notice are available in the foyer.

With me today are fellow representatives of the Company being Mr Brian Leedman Vice President of Investor Relations, Mr Winton Willesee the Secretary of the Company and Mr Aaron Finlay, Consultant.

As you would be aware, the Resolution approving the reincorporation of pSivida Limited into the United States of America under Sections 411 and 413 of the Corporations Act has been passed, today at the Scheme Meeting held a short time ago.

Please note that New pSivida, Inc. has on 23 May 2008 changed its name to pSivida Corp. Accordingly the ESOP will be called the pSivida Corp. Employee Incentive Plan.

The Board believes that pSivida Corp.'s long-term success depends upon an ability to attract, retain and motivate key employees and others. The Board believes that an ESOP is an important motivation tool. The pSivida Corp. ESOP will permit pSivida Corp. to issue stock-based and other incentive awards to management, key employees, consultants and, subject to shareholder approval required by ASX Listing Rules, directors. The pSivida Corp. ESOP is a typical plan for US issuers, and is designed to comply with US law and Nasdaq and ASX requirements. The provisions of the pSivida Corp. ESOP are consistent with important US tax considerations for the Company that are not provided for in the existing ESOP of the Company.

The Information Memorandum dated 2 May 2008 which was sent to all shareholders contained a summary of the pSivida Corp ESOP commencing on page 64. Additional copies of the Information Memorandum are available here today.

The Board has approved and adopted the pSivida Corp ESOP, subject to:

- (i) approval of the pSivida Corp ESOP by Shareholders; and

(ii) approval of the Reincorporation by Shareholders and the Court.

As stated in the Information Memorandum, if approved, the pSivida Corp ESOP will be transferred to pSivida Corp by order of the Court as part of the Reincorporation. The Company ESOP also will be transferred to pSivida Corp by order of the Court as part of the Reincorporation, but no further awards will be made under the Company ESOP if the pSivida Corp ESOP is approved.

I would now like to continue with the formal business of the meeting to consider the resolution.

Only people holding green cards are able to vote and ask questions at today's meeting. Visitors holding a white card are not eligible to vote or speak at the meeting. People holding a yellow card are not eligible to vote but are eligible to speak at the meeting.

Shareholders have been asked to consider, and if thought fit, pass the following resolution (**Resolution**):

"That, the New pSivida ESOP, the terms of which are contained in and more particularly described in the Information Memorandum (which accompanies the notice convening this meeting) and in the form submitted to the EGM, and, for the purpose of identification, signed by the Chairman of the EGM, is approved."

The resolution to approve the pSivida Corp ESOP must be approved by a majority of votes cast, either in person or by proxy, attorney or (in the case of corporate shareholders) a body corporate representative, by Shareholders entitled to vote on the matter.

I note that the outcome of this resolution will not affect the Reincorporation, as the Reincorporation is not conditional on this resolution being approved.

In order to accurately determine the votes, I will be calling for a poll to be conducted in respect of the resolution. Computershare will act as scrutineers and report the results of voting to me.

The Corporations Act requires that before the vote is taken the chair must inform the meeting whether any proxy votes have been received and how the proxy votes are to be cast. Accordingly, I

Votes Cast	
For	157,428,182
Against	8,045,247
Abstain	2,339,130
Open in favour of the Chairman	2,382,636
Total votes cast	167,856,065
Percentage in favour	95.21% in favour (including the open proxies which I will be voting in favour of the resolution)

will now summarise the proxy votes received and how they are to be cast.

Voting procedure

I would now like to summarize the voting procedure for the Resolution.

All shareholders at this meeting who are eligible to vote will have received a green voting card. If you have not received your green voting card, please see a representative from ComputerShare.

When the time comes later in the meeting to vote, please complete your green card for the Resolution to indicate how you wish to vote.

To vote, place a tick or a cross in the box on the card under the heading "for", "against" or "abstain", according to your wishes and indicate, if applicable, what percentage of your shares are voted in that way..

If you are a proxy holder, you must vote only in accordance with instructions on the proxies already lodged with the Company. Proxies which do not direct how the vote is to be cast may be voted in favour or against the Resolution at the discretion of the proxy. This includes any open proxies given in favour of me as Chairman of the meeting.

As indicated, I will cast any such open proxy votes given to me in favour of the Resolution.

Discussion of the Resolution

The Resolution is now open for discussion. As I mentioned earlier, only people holding green cards are able to vote and ask questions at today's meeting. Visitors holding a white card are not eligible to vote or speak at the meeting. People holding a yellow card are not eligible to vote but are eligible to speak at the meeting.

If you wish to speak or ask questions in relation to the Resolution, please raise your voting card and wait for me to acknowledge you. Before you speak, please identify yourself and, if you are a proxy or representative, state who you are representing.

Are there any questions or discussion on the Resolution?

I now put the Resolution to a vote and call for a poll to be taken.

Could you now please complete your green voting cards for the Resolution. A member of ComputerShare staff will collect these from you.

I understand from the returning officer that all the voting cards have now been collected. Is there anyone whose voting card has not been collected?

There will be a short delay during which the votes will be counted by the scrutineer, however the meeting is not adjourned.

Tea, coffee and sandwiches will be available during this time. I will then announce the results of the voting.

The counting of the votes has now been completed. I announce the following results:

Votes	
For	160,431,223

Against	8,045,247
Abstain	2,339,130
Total votes cast	168,476,470
Percentage in favour	95.22%

I declare the Resolution passed in accordance with the majorities required by the Corporations Act. The results will be lodged with ASX as soon as possible.

I declare the meeting closed. Thank you for your attendance.

Released by:

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About pSivida Limited

pSivida is a global drug delivery company committed to the biomedical sector and the development of drug delivery products. Retisert® is FDA approved for the treatment of uveitis. Vitrasert® is FDA approved for the treatment of AIDS-related CMV Retinitis. Bausch & Lomb owns the trademarks Vitrasert® and Retisert®. pSivida has licensed the technologies underlying both of these products to Bausch & Lomb. The technology underlying Medidur™ for diabetic macular edema is licensed to Alimera Sciences and is in Phase III clinical trials. pSivida has a worldwide collaborative research and license agreement with Pfizer Inc. for other ophthalmic applications of the Medidur™ technology (excluding FA).

pSivida owns the rights to develop and commercialize a modified form of silicon (porosified or nano-structured silicon) known as BioSilicon™, which has applications in drug delivery, wound healing, orthopedics, and tissue engineering. The most advanced BioSilicon™ product, BrachySil™, delivers a therapeutic, P32 directly to solid tumors and is presently in Phase II clinical trials for the treatment of pancreatic cancer.

pSivida's intellectual property portfolio consists of 68 patent families, 118 granted patents, including patents accepted for issuance, and 275 patent applications. pSivida conducts its operations from Boston in the United States, Malvern in the United Kingdom and Perth in Australia.

pSivida is listed on NASDAQ (**PSDV**), the Australian Stock Exchange (**PSD**) and on the Frankfurt Stock Exchange (**PSI**). pSivida is a founding member of the NASDAQ Health Care Index and the Merrill Lynch Nanotechnology Index.

SAFE HARBOR STATEMENTS UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995: Various statements made in this release are forward-looking and involve a number of risks and uncertainties. All statements that address activities, events or developments that we intend, expect or believe may occur in the future are forward-looking statements. The following are some of the factors that could cause actual results to differ materially from the forward-looking statements: the scheme of arrangement for reincorporation of the company, including whether or not it is implemented; the achievement of milestones and other contingent contractual payment events; failure to prove efficacy for BrachySil; inability to raise capital; continued losses and lack of profitability; inability to develop or obtain regulatory approval for new products; inability to protect intellectual property or infringement of others' intellectual property; inability to obtain partners to develop and market products; termination of license agreements; competition; inability to pay any registration penalties; costs of international business operations; manufacturing problems; insufficient third-party reimbursement for products; failure to retain key personnel; product liability; inability to manage change; failure to comply with laws; failure to achieve and maintain

effective internal control over financial reporting; amortization or impairment of intangibles; issues relating to Australian incorporation; potential delisting from ASX or NASDAQ; possible dilution through exercise of outstanding warrants and stock options or future stock issuances; potential restrictions from capital raises; possible influence by Pfizer; and other factors that may be described in our filings with the Securities and Exchange Commission. Given these uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. We do not undertake to publicly update or revise our forward-looking statements even if experience or future changes make it clear that any projected results expressed or implied in such statements will not be realized.