April 15, 2008

pSivida clears Opes Prime overhang

Boston, MA and Perth, Australia (April 15, 2008) – pSivida Limited (NASDAQ:PSDV, ASX:PSD, Xetra:PSI) is pleased to announce that all the Company's shares subject to Opes Prime margin lending facilities (approximately 14m ordinary shares) have been sold in an orderly fashion. "The increased institutional interest in the Company comes on the heels of our recently announced up to US$78m amendment to our licensing agreement with Alimera Sciences," said Dr. Paul Ashton, Managing Director of pSivida.

On March 17, 2008, pSivida announced the amendment to its license and collaboration agreement with Alimera Sciences relating to Medidur™ FA, the Companies' Phase III investigative treatment for DME, and other Medidur products. As a result o the amendment, pSivida will receive consideration of up to approximately US$78m and a 20% share of the future profits of Medidur FA. Consideration to pSivida includes an up-front payment of US$12m, a US$25m milestone payment upon FDA approval of Medidur™ FA, other payments of up to approximately US$21m by September 30, 2012, and assumption of pSivida's research and development funding obligations estimated at approximately US$20m.

"With this deal and last year's Pfizer deal, the Company has two programs in Ophthalmology that are now fully funded by our development partners, Pfizer and Alimera Sciences. These agreements provide ongoing funding to pSivida and have greatly strengthened our financial position," said Dr. Ashton.

Released by:

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

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

European Public Relations
Eva Reuter
Accent Marketing Limited
Tel: +49 (254) 393 0740
e.reuter@dr-reuter.eu

NOTES TO EDITORS:

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 the treatment of pancreatic cancer.

pSivida's intellectual property portfolio consists of 64 patent families, 113 granted patents, including patents accepted for issuance, and over 280 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 on the XETRA system (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 forwardlooking statements: 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.