January 23, 2008

BrachySil in Pancreatic Cancer Study Results to be presented at the ASCO Gastrointestinal Cancers Symposium

Boston, MA and Perth, Australia (January 23, 2008) – pSivida Limited (NASDAQ: PSDV, ASX: PSD, FF: PSI), a global drug delivery company, today announced that the final results of the recently completed Phase IIa Study of BrachySilTM for the treatment of inoperable pancreatic cancer will be presented at the ASCO (American Society of Clinical Oncology) Gastrointestinal Cancers Symposium in Orlando, Florida from January 25-27, 2008.

The paper will be delivered by Dr Paul Ross, Consultant Medical Oncologist at Guy's and St Thomas' Hospital, a major centre for cancer therapy in the UK, one of the three centres in the UK and Singapore where the Study took place. A total of 17 patients were treated with BrachySilTM delivered directly to a tumor in the pancreas via endoscopic ultrasound (used to assist in locating the delivery point), in combination with standard chemotherapy.

BrachySilTM is a novel oncology product which consists of a combination of BioSiliconTM and the isotope 32-Phosphorus, a proven anti-cancer therapeutic, and is intended to be used in conjunction with standard chemotherapy for enhanced tumor response and improved patient outcome. BrachySilTM is designed to be a targeted and localized product and could potentially provide oncologists with an effective and user-friendly treatment for this disease which has a high unmet clinical need.

Pancreatic cancer has one of the lowest cancer survival rates (five year relative survival rate of approximately 5%) with 85-90% of patients being diagnosed with the inoperable form of the disease. There is significant clinical and market demand for effective therapies to treat this aggressive form of cancer which is the fourth leading cause of death by cancer in the United States.

Released by:

pSivida Limited
Brian Leedman
Vice President, Investor Relations
pSivida Limited
Tel: +61 8 9226 5099
brianl@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.

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 70 patent families, 105 granted patents, including patents accepted for issuance, and over 300 patent applications. pSivida conducts its operations from facilities near 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.

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 risks that we will not be able to raise additional capital; that we will continue to incur losses and may never become profitable; that we will be required to pay penalties pursuant to registration agreements with securities holders and not have sufficient funds to do so; that we will be unable to develop new products; that we will be unable to protect our own intellectual property or will infringe on others' intellectual property; that we will not receive regulatory approvals necessary to commercialize products; that we will be unable to secure partners necessary to develop and market products; that our current licensees will terminate their agreements with us; that our competitors' products will receive regulatory approval before, reach the market before, or otherwise receive better market acceptance than, our product candidates; that our international business operations will result in increased costs or delays; that manufacturing problems will delay product development and commercialization; that third-party reimbursement and health care providers will not cover the costs of our products; that we will fail to retain some or all of our key personnel; we will be subject to product liability suits and not have sufficient insurance to cover damages; that we will fail to effectively manage changes in our business; that we will fail to comply with environmental laws and regulations; that we will fail to achieve and maintain effective internal control over financial reporting; that amortization or impairment of other intangibles will adversely affect our operating results; that our being headquartered outside of the United States will make it difficult to effect legal services against us or our management, lead to adverse shareholder tax consequences, or otherwise limit shareholder rights; that we will be delisted from the ASX or NASDAQ; that our expectation to not pay cash dividends will decrease our stock price; that exercise of outstanding warrants and stock options will dilute ownership and reduce stock price; that future stock issuances could dilute ownership, restrict operations, encumber assets, or otherwise cause a decline in stock price; and the risk that Pfizer will influence our business in non-beneficial ways; 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.