



May 6, 2008

Shareholder Meeting - 6 June 2008

Boston, MA. and Perth, Australia – pSivida Limited (ASX: PSD, NASDAQ: PSDV, FSE: PSI) announced today that the Federal Court of Australia had ordered the convening of a meeting of shareholders to be held on 6 June 2008 to vote on the proposed Scheme of Arrangement for the Company's reincorporation in the United States.

Details of the Scheme and information for shareholders are included in the Information Memorandum, which was lodged with the Australian Stock Exchange on 6 May 2008 and which will be mailed to shareholders on 7 May 2008. The Information Memorandum is also available at <http://www.psivida.com/docs/29000ACL.PDF>.

The meeting will be held at 1pm on Friday, 6 June 2008 at The Stamford Plaza Hotel, 111 Little Collins Street, Melbourne, Australia. This will be followed by an Extraordinary General Meeting of shareholders to vote on a proposed Equity Incentive Plan (ESOP) as described in the Information Memorandum.

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 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 (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 inability to retain the independent auditor; 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.

Additional Information about the Reincorporation Proposal and Where to Find It Shareholders should read the Information Memorandum when it is available, because it contains important information. The Information Memorandum will be available for free at the web sites of the Securities and Exchange Commission, www.sec.gov, the ASX, www.asx.com, and the Company, www.pSivida.com. Shareholders can receive copies of the Information Memorandum for free by writing the Company Secretary, Winton Willesee, GPO Box 2986, Melbourne VIC 3001.

pSivida Limited, its directors and executive officers and certain of its employees may be deemed under SEC rules to be participants in the solicitation of proxies from pSivida's stockholders in connection with the proposed reincorporation. Information concerning the interests of the participants is set forth in pSivida's proxy statements and Annual Reports on Form 20-F, previously filed with the SEC and available at www.sec.gov, as well as in the Information Memorandum furnished to shareholders.