March 5, 2009

Enrollment complete in BrachySil Dose Ranging Study

Watertown, MA – March 5, 2009 – pSivida Corp. (NASDAQ: PSDV, ASX: PVA, FF: PSI), a leading drug delivery company today announced the completion of enrollment of the BrachySil™ (P32 BioSilicon™) dose ranging clinical trial. Dr Paul Ashton, President and CEO of pSivida Corp. said, “We are very pleased to be progressing BrachySil™ as a potentially effective treatment for pancreatic cancer, a devastating disease for patients and their families”.

The dose ranging study, conducted in the UK at Guy's and St Thomas' NHS Foundation Trust, London and University Hospital, Birmingham is designed to assess the safety of escalating radiation doses of the BrachySilTM device. Patient survival and tumor response are secondary end points.

This dose ranging study follows a safety study of BrachySilTM in patients with inoperable pancreatic cancer. This first study had shown BrachySilTM in combination with standard chemotherapy (gemcitabine) was well tolerated with no clinically significant adverse events related to the device. The data also showed disease control in 82% of patients and an overall median survival of people in the study of 309 days. BrachySilTM was also found to be easily deliverable by endoscopic ultrasound. This was presented at ASCO (American Society of Clinical Oncology)-GI.

Pancreatic cancer is the fourth most frequent cause of cancer death, and at least 80% of patients present with inoperable locally advanced or metastatic disease. The median survival for these patients following diagnosis is typically less than 178 days with standard chemotherapy. Accordingly, there is significant clinical and market demand for more effective therapies.

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About pSivida Corp.

pSivida is a world leader in the development of miniaturized, injectable, drug delivery systems for the eye. 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 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 45 patent families, over 100 granted patents, including patents accepted for issuance, and over 200 patent applications. pSivida conducts its operations from Boston in the United States and Malvern in the United

Kingdom.

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: maintaining key collaboration agreements with Alimera and Pfizer; uncertainties regarding the achievement of milestones and other contingent contractual payment events; failure to prove safety and efficacy of Iluvien or BrachySil; inability to raise capital; continued losses and lack of profitability; inability to derive revenue from Retisert; termination of license agreements; inability to pay any registration penalties; 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; competition; risks and costs of international business operations; manufacturing problems; insufficient third-party reimbursement for products; failure to retain key personnel; product liability; failure to comply with laws; failure to achieve and maintain effective internal control over financial reporting; impairment of intangibles; volatility of stock price; possible dilution through exercise of outstanding warrants and stock options or future stock issuances; 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 forwardlooking statements even if experience or future changes make it clear that any projected results expressed or implied in such statements will not be realized.