

**ASX**

AUSTRALIAN SECURITIES EXCHANGE

MARKET RELEASE

14 March 2008

Psivida Limited**TRADING HALT**

The securities of Psivida Limited (the "Company") will be placed in pre-open at the request of the Company, pending the release of an announcement by the Company. Unless ASX decides otherwise, the securities will remain in pre-open until the earlier of the commencement of normal trading on Tuesday, 18 March 2008 or when the announcement is released to the market.

Security Code: PSD

Kerrie Papamihail

Assistant Manager, Issuers (Perth)

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14 March 2008

Ms Jenny Cutri
Issuers Adviser
Australian Stock Exchange Limited
Exchange Plaza
2 The Esplanade
PERTH WA 6000

Dear Ms Cutri

Trading Halt Requested

Under listing rule 17.1 the company requests a trading halt, pending the release of an announcement concerning pSivida's long term funding that involves a large non-dilutionary source of cash.

We understand that the trading halt will be in place until Monday 17 March 2008.

Yours faithfully

Aaron Finlay
Company Secretary



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