

**ASX**

AUSTRALIAN SECURITIES EXCHANGE

MARKET RELEASE

31 August 2010

Psivida Corp. Limited**TRADING HALT**

The securities of Psivida Corp. 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 Thursday, 2 September 2010 or when the announcement is released to the market.

Security Code: PVA

Sebastian Bednarczyk
Advisor, Issuers (Perth)



The Company Announcements Platform
ASX Ltd
Sydney NSW 2000
Tuesday August 31st, 2010
Trading Halt Request (ASX PVA)

Watertown, MA (August 31, 2010) – pSivida Corp. (NASDAQ:PSDV, ASX:PVA), a leader in the development of sustained release back of the eye drug delivery systems for difficult-to-treat conditions, requests a trading halt pending an announcement prior to the opening of normal trading on the ASX on Wednesday, September 1st.

About pSivida Corp.

pSivida Corp is a world leader in the development of tiny, sustained release, drug delivery products and technologies that are administered by implantation, insertion or injection. The Company uses these systems to develop treatments for serious, unmet, medical needs. pSivida's intellectual property portfolio consists of over 50 patent families, more than 100 granted patents, including patents accepted for issuance, and more than 150 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 are inherently subject to risks, uncertainties and potentially inaccurate assumptions. 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 anticipated results or other expectations expressed, anticipated or implied in our forward-looking statements: maintaining collaboration agreements with Alimera and Pfizer; modifications of existing terms of collaboration agreements with Alimera and Pfizer; achievement of milestones and other contingent contractual events; ability to prove safety and efficacy of, and achieve regulatory approvals for, and successfully commercialize Iluvien, BrachySil and other products;; ability to raise capital; ability to achieve profitability; ability to derive revenues from Retisert; ability to develop new products; impairment of intangibles; fluctuations in the fair values of certain outstanding warrants; fluctuations in operating results; termination of license agreements; ability to obtain partners to develop and market products; competition; extent of third-party reimbursement for products; product liability; ability to protect intellectual property or infringement of others' intellectual property; retention of key personnel; consolidation in the pharmaceutical and biotechnology industries; compliance with laws; maintaining effective internal

control over financial reporting; manufacturing risks; risks and costs of international business operations; volatility of stock price; possible dilution through exercise of outstanding warrants and stock options or future stock issuances; possible influence by Pfizer; ability to pay any registration penalties; and other factors 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. Our forward-looking statements speak only as of the dates on which they are made. We do not undertake any obligation to publicly update or revise our forward-looking statements even if experience or future changes makes it clear that any projected results expressed or implied in such statements will not be realized.

Australia Contact: Brian Leedman, Vice President, Investor Relations, pSivida Corp, +61 8 9227 8327, brianl@psivida.com

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