pSivida Reports Inducement Awards to New President and Chief Executive Officer

WATERTOWN, Mass. (September 20, 2016)—pSivida Corp. (NASDAQ:PSDV) (ASX:PVA), a leader in the development of sustained release drug delivery products primarily for eye diseases, today reported the grant of inducement awards to its new President and Chief Executive Officer, Nancy Lurker. The awards were approved by the Compensation Committee and ratified by the full Board of Directors on September 14, 2016, as an inducement material to Ms. Lurker's entering into employment with the company in accordance with NASDAQ Listing Rule 5635(c)(4). The awards are subject to shareholder approval in accordance with ASX Listing Rules.

The inducement awards consist of a non-qualified stock option to purchase 850,000 shares of common stock and performance stock units ("PSUs") entitling Ms. Lurker to receive up to 500,000 shares of common stock based on achievement of specified target total shareholder returns. The stock option has an exercise price of $3.63 per share (the closing price per share of the company's common stock reported by NASDAQ on the date of grant, September 15, 2016) and a ten-year term, and will vest as to 25% of the award on each of the first, second, third and fourth anniversaries of grant, subject to the terms of grant. The PSUs will vest on the third anniversary of grant, subject to the terms of grant.

About pSivida Corp. pSivida Corp. (www.psivida.com), headquartered in Watertown, MA, is a leader in the development of sustained release drug delivery products primarily for eye diseases. pSivida has developed three of only four FDA-approved sustained-release treatments for back-of-the-eye diseases. The most recent, ILUVIEN®, a micro-insert for diabetic macular edema, licensed to Alimera Sciences, is currently sold in the United States and three E.U. countries. Retisert®, an implant for posterior uveitis, is licensed to and sold by Bausch & Lomb. pSivida's lead product candidate, Medidur™, a micro-insert for posterior uveitis being independently developed, is currently in pivotal Phase 3 clinical trials, with an NDA anticipated in 2017. pSivida's pre-clinical development program is focused on using its core platform technologies Durasert™ and Tethadur™ to deliver drugs and biologics to treat wet and dry age-related macular degeneration, glaucoma, osteoarthritis and other diseases. *To learn more about pSivida please visit www.psivida.com and connect on Twitter, LinkedIn, Facebook and Google+.*

Contact:
Michael Polyviou
212-850-6020
mpolyviou@evcgroup.com

Douglas Sherk
415-652-9100
dsherk@evcgroup.com