PSIVIDA CORP. ANNOUNCES EXPIRATION OF 2.7 MILLION WARRANTS

WATERTOWN, MA, May 18, 2012—pSivida Corp. (NASDAQ: PSDV, ASX: PVA), a leader in developing sustained release, drug delivery products for treatment of back-of-the-eye diseases, today announced the expiration on May 15, 2012 of warrants to purchase 2,735,337 shares of pSivida common stock. These were the last of the warrants originally issued to Sandell Asset Management.

"We are pleased with the expiration of these warrants, leaving us with outstanding warrants to purchase approximately 2.3 million shares, of which 1.7 million expire in July 2012 and the balance in January 2016," said Dr. Ashton, CEO and President of pSivida. "As of the end of March 2012, the Company had $16.5 million in cash, cash equivalents and marketable securities, and no debt".

About pSivida Corp.

pSivida Corp., headquartered in Watertown, MA, develops tiny, sustained release, drug delivery products designed to deliver drugs at a controlled and steady rate for months or years. pSivida is currently focused on treatment of chronic diseases of the back of the eye utilizing its core technology systems, Durasert™ and BioSilicon™. ILUVIEN® for the treatment of Diabetic Macular Edema (DME), which is licensed to Alimera Sciences, Inc., is pSivida's most advanced product candidate, and received a positive outcome from the EU Decentralized Procedure in February 2012 with a determination that ILUVIEN is approvable for the treatment of vision impairment associated with chronic DME considered insufficiently responsive to available therapies. The MHRA and the Austrian Agency for Health and Food Safety has granted marketing authorization to ILUVIEN for chronic DME considered insufficiently responsive to available therapies and the additional CMS marketing authorizations are expected in 2012. An investigator-sponsored Investigational New Drug application is open for an injectable insert of the same design as ILUVIEN for DME to treat posterior uveitis, and an investigator-sponsored trial is ongoing for an injectable, bioerodible insert to treat glaucoma and ocular hypertension. pSivida's two FDA-approved products, Retisert® and Vitrasert®, are implants that provide long-term, sustained drug delivery to treat two other chronic diseases of the retina.

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: Alimera's ability to obtain regulatory approval of and successfully commercialize (alone or with others) ILUVIEN for DME in the EU and delays in any such approval; actions with respect to regulatory approval of ILUVIEN for DME in the U.S.; ability to obtain additional capital; ability to attain profitability; adverse side effects; exercise by Pfizer of the Latanoprost Product option; ability to complete clinical trials and obtain regulatory approval of product

candidates; further impairment of intangible assets; fluctuations in operating results; decline in royalty revenues; ability to find partners to develop and market products; termination of license agreements; competition; market acceptance of products and product candidates; reduction in use of products as a result of future guidelines, recommendations or studies; ability to protect intellectual property and avoid infringement of others' intellectual property; retention of key personnel; product liability; consolidation in the pharmaceutical and biotechnology industries; compliance with environmental laws; manufacturing risks; risks and costs of international business operations; credit and financial market conditions; legislative or regulatory changes; volatility of stock price; possible dilution; possible influence by Pfizer; ability to pay any registration penalties; absence of dividends; 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.

Released by:

pSivida Corp.
Brian Leedman
Vice President, Investor Relations
pSivida Corp.
Tel: +61 (0) 41 228 1780
brianl@psivida.com

US Public Relations
Beverly Jedynak
President
Martin E. Janis & Company, Inc
Tel: +1 (312) 943 1123
bjedynak@janispr.com