pSivida CEO to Discuss Sustained Delivery and Nanotechnology in Ophthalmology at Upcoming Massachusetts Biotechnology Council Meeting

Watertown, MA – (October 15, 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 that its President and CEO, Dr. Paul Ashton, will discuss "Cross Fertilization: Sustained Delivery and Nanotechnology in Ophthalmology" at an upcoming Formulation and Drug Delivery Committee Meeting of the Massachusetts Biotechnology Council on Wednesday, October 17.

Dr. Ashton's presentation will focus on delivery of peptides and proteins, primarily in ophthalmology. Currently the eye space is dominated by two anti-VEGF proteins, Roche/Genentech's Lucentis® and Regeneron's Eyelea.® Both of these drugs must be repeatedly injected directly into the eye, typically every one to two months. "The development of a sustained release protein delivery system would offer a significant advantage in ophthalmology," said Dr. Paul Ashton, president and chief executive officer of pSivida. "pSivida is presently developing such a delivery system, called Tethadur™, which is based on the company's BioSilicon technology platform. This delivery system could also have a significant clinical impact outside of ophthalmology for diseases requiring systemic administration, particularly in the BioSimilars era."

Tethadur is designed to provide sustained delivery of biologic molecules, including proteins, antibodies and peptides. It is composed of nanostructured porous material, in which the sizes of the pores are manufactured to accommodate specific protein, peptide or antibody molecules. "Very simply put, Tethadur can be viewed as a high tech egg box where each protein molecule is contained in its own spot until it is released," said Dr. Ashton. "We are able to control the release rate of a drug by controlling the pore size of the Tethadur delivery material."

pSivida recently announced a technology evaluation agreement with a leading global biopharmaceutical company to evaluate Tethadur in the field of ophthalmology. "Although we are at the very early stages with Tethadur, the potential improvement in patient care and clinical outcomes could be highly significant," Dr. Ashton stated. "We have already been successful in this field, working with partners we have developed three of the four sustained release devices for ophthalmic drugs approved in either the US or the EU."

The Massachusetts Biotechnology Council (MassBio), a not-for-profit organization that represents and provides services and support for the Massachusetts biotechnology industry, is the nation's oldest biotechnology trade association. Founded in 1985, MassBio is committed to advancing the development of critical new science, technology and medicines that benefit people worldwide.

About pSivida Corporation

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™. The injectable, sustained release micro-insert ILUVIEN® for the treatment of chronic Diabetic Macular Edema (DME), licensed to Alimera Sciences, Inc., has received marketing authorization in Austria, France, Germany, Portugal and the U.K. and is awaiting authorization in Italy and Spain. The United States Food and Drug Administration (FDA) has cleared pSivida's Investigational New Drug application (IND) to treat posterior uveitis with the same micro-insert. An investigator-sponsored clinical trial is ongoing for an injectable, bioerodible micro 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 of 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: uncertainty as to the efficacy, risk/benefit profile and side effects of the posterior uveitis product candidate; uncertainties with respect to Alimera's ability to commercialize ILUVIEN for DME in the EU; no assurance that Alimera will resubmit its application or be able to demonstrate to the FDA that the benefits outweigh the risks of ILUVIEN for DME using data from their two previously completed pivotal Phase III clinical trials (FAME™ Study), that additional clinical trials will not be required, that the population of chronic DME patients will be acceptable to the FDA or that Alimera will be able to obtain regulatory approval for ILUVIEN for DME in the U.S.; the timing and conditions for additional regulatory approvals are subject to decisions by regulators; necessity to raise additional capital to fully finance Phase III posterior uveitis trials as well as other working capital needs; ability to obtain additional capital; ability to initiate and complete clinical trials and obtain regulatory approval of product candidates; adverse side effects; Alimera's ability to successfully obtain regulatory approval of and commercialize ILUVIEN for DME in the EU; actions with respect to regulatory approval of ILUVIEN for DME in the U.S.; ability to attain profitability; initiation of Latanoprost Product trials and exercise by Pfizer, Inc. of the Latanoprost Product option; uncertainties with respect to pre-clinical products using Tethadur and BioSilicon; 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, recommendation 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; absence of dividends; and other factors described in our filings with the SEC. 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.

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