

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN ISSUER
Pursuant to Rule 13a-16 or 15d-16 of
the Securities Exchange Act of 1934

For the month of May 2006

Commission File Number 000-51122

pSivida Limited

(Translation of registrant's name into English)

Level 12 BGC Centre
28 The Esplanade
Perth WA 6000

(Address of principal executive offices)

(Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F).

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82- ____.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant, pSivida Limited, has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

pSivida Limited

Date: May 2, 2006

By: /s/ Aaron Finlay

Aaron Finlay
Chief Financial Officer and Company Secretary

EXHIBIT INDEX

EXHIBIT 99.1: Rights Issue to fund late stage Macular Edema trials and commencement of Pancreatic Cancer trials

EXHIBIT 99.2: Appendix 3B Rights Issue

Rights Issue to fund late stage Macular Edema trials and commencement of Pancreatic Cancer trials

Boston, MA and Perth, Australia - Global bio-nanotech company pSivida Limited (**NASDAQ:PSDV, ASX:PSD, Xetra:PSI**) today announced details of a Non-Renounceable Rights Issue offering one new ordinary share for every eight shares held at 22nd May ("the Record Date") at an issue price of AU\$0.60 per share.

The issue price represents an 18% discount to the 30 days volume weighted average closing price (VWAP) on the ASX up to 1st May being the last trading day and a 7% discount to the 5 day VWAP. Excluding the effect of vested options which may be exercised prior to the Record Date, the Rights offering could result in the issue of up to 48.25 million new ordinary shares, raising gross proceeds of approximately AU\$29 million (US\$22m).

The Rights Issue has an incorporated top-up facility whereby eligible shareholders may apply for additional new ordinary shares in excess of their entitlement at the same price. The Rights Issue is not being registered in the U.S. under the U.S. Securities Act of 1933, as amended (the "Act"), or any U.S. state securities laws, and Rights and Shares will not and may not be issued, offered, sold or transferred in the U.S. or to any U.S. persons unless (i) they are registered under the Act or an exemption from the registration requirements of the Act is available, or (ii) the offer, sale or transfer is performed in accordance with regulations under the Act.

The Rights Issue is not underwritten but pSivida will seek to place any shortfall with institutional and sophisticated investor clients of our U.S. based Lead Manager, Janney Montgomery Scott LLC, and certain co-managers appointed for this issue. Any ordinary shares issued in the U.S. in connection with the Rights Issue as a result of any shortfall will be issued in an unregistered action. These shares will not be registered under the Act and may not be offered or sold in the U.S. absent registration or an applicable exemption from registration requirements.

Capital raised from this Rights Issue will primarily fund the phase III clinical trials of MedidurTM for the treatment of Diabetic Macular Edema (DME), and phase IIa clinical trials of our lead BioSiliconTM product, BrachySilTM which is being developed for the treatment of inoperable pancreatic cancer. pSivida expects to receive a significantly greater return by funding the MedidurTM trials under the Co-Development Agreement to receive a profit share with Alimera Sciences rather than a straight royalty which would be payable if we did not co-fund the trials.

The Record Date for the Rights Issue is 22nd of May. It is expected that New Shares issued under the Entitlement Offer to eligible shareholders will be quoted on a deferred settlement basis on 8th June with normal trading for all New Shares issued under the Offer expected to commence as soon as practicable after that date. Further details on the proposed timetable for the Rights Issue will be set out in the prospectus. Any ordinary shares issued in the U.S. in connection with the Rights Issue will be issued in an unregistered transaction. Applications are expected to close on the 7th June.

A prospectus for the Rights Issue will be made available when the New Shares are offered and applicants under the Rights Issue wishing to apply for New Shares will need to complete the application form that will be in or will accompany the prospectus.

Released by:

pSivida Limited

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pSivida Limited
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brianl@psivida.com

US Public Relations

Beverly Jedynak
President
Martin E. Janis & Company, Inc
Tel: +1 (312) 943 1100 ext. 12
bjedynak@janispr.com

NOTES TO EDITORS:

pSivida is a global bio-nanotech company committed to the biomedical sector and the development of drug delivery products. Retisert™ is FDA approved for the treatment of uveitis. Vitrasert® is FDA approved for the treatment of AIDS-related CMV Retinitis. Bausch & Lomb own the trademarks; Vitrasert® and Retisert™. pSivida has licensed the technologies underlying both of these products to Bausch & Lomb. The technology underlying Medidur™, a treatment for diabetic macular edema, is licensed to Alimera Sciences and is in Phase III clinical trials.

pSivida owns the rights to develop and commercialise a modified form of silicon (porosified or nano-structured silicon) known as BioSilicon™, which has applications in drug delivery, wound healing, orthopaedics, and tissue engineering. pSivida's subsidiary, AION Diagnostics Limited is developing diagnostic products and the subsidiary pSiNutria is developing food technology products both using BioSilicon™.

pSivida's intellectual property portfolio consists of 70 patent families, 74 granted patents and over 290 patent applications.

pSivida conducts its operations from offices and facilities near Boston in the United States, Malvern in the United Kingdom, Perth in Western Australia and Singapore.

pSivida is listed on NASDAQ (**PSDV**), the Australian Stock Exchange (**PSD**) and in Germany on the Frankfurt Stock Exchange on the XETRA system (**German Symbol: PSI. Securities Code (WKN) 358705**). pSivida is a founding member of the NASDAQ Health Care Index and the Merrill Lynch Nanotechnology Index.

The Company's largest shareholder and a strategic partner is QinetiQ, a leading international defence, security and technology company, formed in 2001 from the UK Government's Defence Evaluation & Research Agency (DERA). QinetiQ was instrumental in discovering BioSilicon™ and pSivida enjoys a strong relationship with it having access to its cutting edge research and development facilities. For more information visit www.QinetiQ.com

For more information, visit www.psivida.com

This document contains forward-looking statements that involve risks and uncertainties. The statements are indicated by the use of words such as "believes", "expects", "anticipates" and similar words and phrases. Although we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we can give no assurance that such expectations will prove to be correct. Given these uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. Actual results could differ materially from those anticipated in these forward-looking statements due to many important factors including: the failure of the results of the Retisert for DME trial to be a good indicator of the results of pSivida's ongoing Phase III Medidur™ for DME trial; failure of the Medidur™ trials in DME to show a very similar improvement in visual acuity and diabetic retinopathy severity score as Retisert™ for DME; inability to recruit patients for the Phase III Medidur™ for DME trial; our failure to develop applications for BioSilicon™ due to regulatory, scientific or other issues, our inability to successfully integrate pSivida Inc's operations and employees; the failure of the pSivida Inc's products to achieve expected revenues and the combined entity's inability to develop existing or proposed products; the failure of the Bausch & Lomb/Novartis co-promotion arrangement to provide faster royalty growth; failure of the slower progression or reduction of diabetic retinopathy resulting from the Retisert™ implant to have significant implications for Retisert™ and Medidur; failure of our evaluation agreements to result in license agreements; failure of Medidur™ to release the same drug as Retisert™ at the same rate; failure of the Medidur™ trials in DME to show a very similar stabilization or improvement diabetic retinopathy as Retisert™ for DME; failure to achieve cost savings. Other reasons are contained in cautionary statements in the Annual Report on Form 20-F filed with the U.S. Securities and Exchange Commission, including, without limitation, under Item 3.D, "Risk Factors" therein. We do not undertake to update any oral or written forward-looking statements that may be made by or on behalf of pSivida.

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

pSivida Limited

ABN

78 009 232 026

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|--|
| 1 | †Class of †securities issued or to be issued | Ordinary shares (Shares) to be issued under Rights Issue |
| 2 | Number of †securities issued or to be issued (if known) or maximum number which may be issued | Up to 48,381,087 ordinary fully paid shares (New Shares) |
| 3 | Principal terms of the †securities (eg, if options, exercise price and expiry date; if partly paid †securities, the amount outstanding and due dates for payment; if †convertible securities, the conversion price and dates for conversion) | New Shares will be issued fully paid |

+ See chapter 19 for defined terms.

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Appendix 3B
New issue announcement

- | | | |
|---|---|--|
| 4 | Do the †securities rank equally in all respects from the date of allotment with an existing †class of quoted †securities?

If the additional securities do not rank equally, please state: <ul style="list-style-type: none">• the date from which they do• the extent to which they participate for the next dividend, (in the case of a trust, | New Shares will rank equally with existing Shares from the date of allotment |
|---|---|--|

	distribution) or interest payment					
	<ul style="list-style-type: none"> the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 					
5	Issue price or consideration	\$0.60 per New Share				
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	It is proposed that funds raised under the Rights Issue will primarily assist in funding the Company's phase III clinical trials of Medidur™ for the treatment of Diabetic Macular Edema, and phase IIa clinical trials of the Company's lead BioSilicon™ product, BrachySil™ for the treatment of inoperable pancreatic cancer as well as ongoing working capital requirements.				
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	15 June 2006				
8	Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)	<table border="1"> <thead> <tr> <th>Number</th> <th>+Class</th> </tr> </thead> <tbody> <tr> <td>387,048,696</td> <td>Shares</td> </tr> </tbody> </table>	Number	+Class	387,048,696	Shares
Number	+Class					
387,048,696	Shares					
9	Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	<table border="1"> <thead> <tr> <th>Number</th> <th>+Class</th> </tr> </thead> <tbody> <tr> <td>1. 70,400</td> <td>Unquoted options to acquire ordinary shares represented by American Depositary Shares (ADS) at any time on or before 12 June 2006, exercisable at US\$32.2159 per ADS (representing US\$3.22159 per Share)</td> </tr> </tbody> </table>	Number	+Class	1. 70,400	Unquoted options to acquire ordinary shares represented by American Depositary Shares (ADS) at any time on or before 12 June 2006, exercisable at US\$32.2159 per ADS (representing US\$3.22159 per Share)
Number	+Class					
1. 70,400	Unquoted options to acquire ordinary shares represented by American Depositary Shares (ADS) at any time on or before 12 June 2006, exercisable at US\$32.2159 per ADS (representing US\$3.22159 per Share)					

+ See chapter 19 for defined terms.

2.	38,720	Unquoted options to acquire ordinary shares represented by ADSs at any time on or before 9 July 2006, exercisable at US\$32.2159 per ADS (representing US\$3.22159 per Share)
3.	38,720	Unquoted options to acquire ordinary shares represented by ADSs at any time on or before 19 April 2007, exercisable at US\$29.9148 per ADS (representing US\$2.99148 per Share)
4.	704,000	Unquoted options to acquire ordinary shares represented by ADSs at any time on or before 18 September 2007, exercisable at US\$1.7756 per ADS (representing US\$0.17756 per Share)
5.	70,400	Unquoted options to acquire ordinary shares represented by ADSs at any time on or before 31 October 2007, exercisable at US\$29.9148 per ADS (representing US\$2.99148 per Share)
6.	58,080	Unquoted options to acquire ordinary shares represented by ADSs at any time on or before 15 April 2008, exercisable at US\$29.9148 per ADS (representing US\$2.99148 per Share)
7.	34,846	Unquoted options to acquire ordinary shares represented by ADSs at any time on or before 14 May 2009, exercisable at US\$0.0028 per ADS (representing US\$0.00028 per Share)
8.	352,000	Unquoted options to acquire ordinary shares represented by ADSs at any time on or before 25 August 2009, exercisable at US\$2.2727 per ADS (representing US\$0.22727 per Share)
9.	352,000	Unquoted options to acquire ordinary shares represented by ADSs at any time on or before 12 November 2009, exercisable at US\$3.4091 per ADS (representing US\$0.34091 per Share)

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

10.	1,850,000	Unquoted options to acquire ordinary shares at any time on or before 30 September 2010, exercisable at \$0.92 each
11.	4,375,000	Options expiring 31 December 2007 exercisable at \$0.61 each (ESOP).
12.	2,050,000	Options expiring 5 August 2008 exercisable at \$1.09 each.
13.	8,934,672	Options expiring 5 August 2009 exercisable at \$1.18 each (ESOP).
14.	115,000	Options expiring 31 December 2008 exercisable at \$0.80 each.
15.	200,000	Options expiring 22 April 2010 exercisable at \$1.02 each.
16.	3,852,000	Options expiring 31 March 2010 exercisable at \$0.80 each (ESOP).
17.	1,330,000	Options expiring 5 August 2008 exercisable at US\$1.25 each, over ordinary fully paid shares (represented by 133,000 warrants over ADSs, exercisable at US\$12.50 per ADS) subject to voluntary escrow ending on the effectiveness of a registration statement or prospectus.
18.	2,250,000	Options expiring 30 September 2010 exercisable at \$0.92 each (ESOP).
19.	15,000,000	US\$1.00 8% subordinated convertible notes maturing 15 November 2008
20.	6,338,030	Options expiring 15 November 2011 exercisable at US\$0.72 each, over ordinary fully paid shares (represented by 633,803 warrants over ADSs, exercisable at US\$7.20 per ADS)
21.	70,400	Options expiring 12 June 2006, exercisable at US\$3.22159 each, over ordinary fully paid shares (represented by 7,040 options over ADSs, exercisable at US\$32.2159 per ADS)
22.	38,720	Options expiring 9 July 2006, exercisable at US\$3.22159 each, over ordinary fully paid shares (represented by 3,872 options over ADSs, exercisable at US\$32.2159 per ADS)
23.	38,720	Options expiring 19 April 2007, exercisable at US\$2.99148 each, over ordinary fully paid shares

+ See chapter 19 for defined terms.

		(represented by 3,872 options over ADSs, exercisable at US\$29.9148 per ADS)
24.	704,000	Options expiring 18 September 2007, exercisable at US\$0.17756 each, over ordinary fully paid shares (represented by 70,400 options over ADSs, exercisable at US\$1.7756 per ADS)
25.	70,400	Options expiring 31 October 2007, exercisable at US\$2.99148 each, over ordinary fully paid shares (represented by 7,040 options over ADSs, exercisable at US\$29.9148 per ADS)
26.	58,080	Options expiring 15 April 2008, exercisable at US\$2.99148 each, over ordinary fully paid shares (represented by 5,808 options over ADSs, exercisable at US\$29.9148 per ADS)
27.	38,720	Options expiring 14 May 2009, exercisable at US\$0.00028 each, over ordinary fully paid shares (represented by 3,872 options over ADSs, exercisable at US\$0.0028 per ADS)
28.	352,000	Options expiring 25 August 2009, exercisable at US\$0.22727 each, over ordinary fully paid shares (represented by 35,200 options over ADSs, exercisable at US\$2.2727 per ADS)
29.	352,000	Options expiring 12 November 2009, exercisable at US\$0.34091 each, over ordinary fully paid shares (represented by 35,200 options over ADSs, exercisable at US\$3.4091 per ADS)

10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)

pSivida has not declared or paid dividends. The pSivida board cannot give any assurance concerning the extent and timing of future dividends (if any), as this will depend on the future profitability and financial position of pSivida as well as other economic factors. There is no current proposal to pay dividends.

Part 2 - Bonus issue or pro rata issue

11 Is security holder approval required?

No

+ See chapter 19 for defined terms.

12	Is the issue renounceable or non-renounceable?	Non-renounceable
13	Ratio in which the ⁺ securities will be offered	1 for 8
14	⁺ Class of ⁺ securities to which the offer relates	Ordinary shares
15	⁺ Record date to determine entitlements	22 May 2006
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
17	Policy for deciding entitlements in relation to fractions	Fractional entitlements will be rounded down to the nearest whole New Share

⁺ See chapter 19 for defined terms.



<p>18 Names of countries in which the entity has security holders who will not be sent new issue documents</p> <p>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</p>	<p>Entitlement Offers under the Rights Issue will only be made to Eligible Shareholders. An Eligible Shareholder is a Shareholder with a registered address in Australia or New Zealand or outside of Australia and New Zealand where:</p> <ul style="list-style-type: none"> • the Shareholder satisfies pSivida that the making of the Offer, the receipt of the Prospectus, the accompanying Entitlement and Acceptance Form and the Shortfall Application Form, the exercise of that person's Entitlement and the subscription for New Shares does not breach the securities laws applicable in the relevant jurisdiction; or • pSivida considers it reasonable to extend the Offer to the Shareholder having regard to the number of Shareholders in that jurisdiction, the number and value of New Shares being offered in that jurisdiction and the cost of complying with the applicable securities laws and regulatory requirements in that jurisdiction. <p>Ineligible Shareholders include (without limitation) Shareholders with registered addresses in Canada, Malaysia and Singapore. The Prospectus will be sent to Ineligible Shareholders for information purposes only, provided that this does not breach the applicable securities laws and regulatory requirements in the relevant jurisdiction. Ineligible Shareholders will not have any entitlements and will be advised that they do not have any entitlements.</p> <p>Any determination by pSivida that a Shareholder is an Ineligible Shareholder is made in pSivida's absolute discretion and is final.</p>
<p>19 Closing date for receipt of acceptances or renunciations</p>	<p>7 June 2006</p>
<p>20 Names of any underwriters</p>	<p>N/A</p>
<p>21 Amount of any underwriting fee or commission</p>	<p>N/A</p>

+ See chapter 19 for defined terms.

22	Names of any brokers to the issue	Janney Montgomery Scott LLC (US based lead manager)
23	Fee or commission payable to the broker to the issue	6% of value of New Shares which are not taken up by shareholders under the Rights Issue and are subsequently placed with clients of Janney Montgomery Scott LLC, plus reasonable out of pocket expenses of Janney Montgomery Scott LLC.
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of ⁺ security holders	N/A
25	If the issue is contingent on ⁺ security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	24 May 2006
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	3 May 2006
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do ⁺ security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do ⁺ security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A

⁺ See chapter 19 for defined terms.

32	How do ⁺ security holders dispose of their entitlements (except by sale through a broker)?	N/A
33	⁺ Despatch date	16 June 2006

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of securities
(tick one)
- (a) Securities described in Part 1
- (b) All other securities
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders
- 36 If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 A copy of any trust deed for the additional ⁺securities

⁺ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38	Number of securities for which ⁺ quotation is sought					
39	Class of ⁺ securities for which quotation is sought					
40	<p>Do the ⁺securities rank equally in all respects from the date of allotment with an existing ⁺class of quoted ⁺securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 					
41	<p>Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another security, clearly identify that other security)</p>					
42	<table border="1"> <thead> <tr> <th data-bbox="470 1075 734 1108">Number</th> <th data-bbox="734 1075 981 1108">⁺Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="470 1108 734 1265"></td> <td data-bbox="734 1108 981 1265"></td> </tr> </tbody> </table>	Number	⁺ Class			
Number	⁺ Class					

+ See chapter 19 for defined terms.



Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: Date: 2 May 2006
Company secretary

Print name: Aaron Finlay

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+ See chapter 19 for defined terms.