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 April 2007

Commission File Number 000-51122

pSivida Limited

(Translation of registrant's name into English)

Level 12 BGC Centre
28 The Esplanade
Perth WA 6000
Australia
(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 o

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 o No ☒

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

The document attached as Exhibit 99.1 to this Report on Form 6-K is hereby incorporated by reference herein and into the following registration statements: (i) the Registrant's Registration Statement on Form F-3, Registration No. 333-132776; (ii) the Registrant's Registration Statement on Form F-3, Registration No. 333-132777; (iii) the Registrant's Registration Statement on Form F-3, Registration No. 333-135428; (iv) the Registrant's Registration Statement on Form F-3, Registration No. 333-141083; and (v) the Registrant's Registration Statement on Form F-3, Registration No. 333-141091.

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.

Date: **April 4, 2007**

PSIVIDA LIMITED

By: /s/ Michael J. Soja

Michael J. Soja
Vice President, Finance and Chief Financial Officer

EXHIBIT INDEX

EXHIBIT 99.1: **ASX Release: pSivida signs A$203 million (US$165 million) Collaborative Research and License Agreement with Pfizer**

ASX/Media RELEASE **4 April 2007**

pSivida signs A$203 million (US$165 million) Collaborative Research and Licensing Agreement with Pfizer

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Boston, MA. and Perth, Australia - pSivida Limited (NASDAQ:PSDV, ASX:PSD, Xetra:PSI), today announced it has signed an exclusive worldwide Collaborative Research and License Agreement with Pfizer Inc. (PFE: NYSE) for pSivida's controlled drug delivery technologies, including the Medidur™ technology, in ophthalmic applications.

Under the terms of the agreement, pSivida will receive up to A$191m (US$155m) in development and sales related milestones. The two companies will work together on a joint research program aimed at developing ophthalmic products using pSivida's sustained drug delivery technology. In addition to milestone payments, Pfizer will fund the cost of the joint research program. Pfizer will have an exclusive license to market all products developed as part of this research collaboration in ophthalmic applications and will pay pSivida a royalty on net sales of those products. Pfizer may terminate the agreement on 60 days notice without cause.

In addition to the development and sales milestones and payment of the cost of the joint research program, Pfizer has agreed to invest A$6.1m (US$5m) in ordinary shares of pSivida upon entering into the License Agreement, the proceeds of which will be held in escrow until such proceeds can be used (together with other cash available to pSivida) to redeem an outstanding convertible note. If pSivida does not repay the full amount outstanding under the convertible note prior to June 4, 2007, Pfizer may elect during the 90 day period following June 9, 2007 to cause pSivida to return the A$6.1m (US$5m) held in escrow, in which case the license agreement would terminate. Pfizer has also agreed to invest an additional A$6.1m (US$5m) in pSivida common equity in the future, subject to certain conditions.

"We believe this collaboration is another significant validation of the drug delivery systems that pSivida has been developing since its founding," said Dr. Paul Ashton, Managing Director, pSivida Limited. "pSivida plans to pursue development and additional collaborations exploiting our innovative drug delivery technologies in other parts of the body."

Medidur™ is a tiny, injectable device designed for the sustained release of drugs and is currently being studied for the treatment of Diabetic Macular Edema (DME), the leading cause of blindness for Americans under the age of 65. Medidur™ in combination with Fluocinolone Acetonide is in Phase III clinical trials in DME in collaboration with Alimera Sciences Inc., a specialty pharmaceutical company focused on the ophthalmic industry.

Injectable Medidur

-ENDS-

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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™ for diabetic macular edema is licensed to Alimera Sciences and is in Phase III clinical trials.

pSivida owns the rights to develop and commercialize a modified form of silicon (porosified or nano-structured silicon) known as BioSilicon™, which has applications in drug delivery, wound healing, orthopedics, and tissue engineering. The most advanced BioSilicon™ product, BrachySil™ delivers a therapeutic, P32 directly to solid tumors and is presently in Phase II clinical trials for the treatment of liver and pancreatic cancers.

pSivida's intellectual property portfolio consists of 71 patent families, 99 granted patents, including patents accepted for issuance, and over 300 patent applications. pSivida conducts its operations from facilities near Boston in the United States, Malvern in the United Kingdom and Perth in Australia.

pSivida is listed on NASDAQ (**PSDV**), the Australian Stock Exchange (**PSD**) and 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.

This release contains forward-looking statements that involve risks and uncertainties, including the risk that we may not meet any of the milestones in the Pfizer agreement or may not successfully develop or commercialize the products under development; the risk that Pfizer terminates the license agreement; the risk that we will not be able to exploit our drug delivery technologies outside of the eye; the risk that our evaluation agreements for our products may not produce favorable results and/or result in license agreements; and the risk that we will be unable to repay all amounts outstanding under our convertible notes or other liabilities. 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 that 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.