

INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF
SECURITIESFiled pursuant to Section 16(a) of the Securities Exchange Act of 1934
or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person* <u>Finlay Aaron</u> (Last) (First) (Middle) <u>C/O PSIVIDA LIMITED</u> <u>400 PLEASANT STREET</u> (Street) <u>WATERTOWN MA</u> <u>02472</u> (City) (State) (Zip)	2. Date of Event Requiring Statement (Month/Day/Year) <u>07/13/2007</u>	3. Issuer Name and Ticker or Trading Symbol <u>pSivida LTD [PSDV]</u>	
		4. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) <u>Secretary</u>	5. If Amendment, Date of Original Filed (Month/Day/Year) 6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Beneficially Owned

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
Ordinary Shares ⁽¹⁾	4,900	I	By The Aylesford Trust
Ordinary Shares ⁽²⁾	10,100	I	By The Maritime Superannuation Fund

Table II - Derivative Securities Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)		3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)		4. Conversion or Exercise Price of Derivative Security	5. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable	Expiration Date	Title	Amount or Number of Shares			
Option to purchase Ordinary Shares ⁽³⁾	08/05/2005	08/05/2009	Ordinary Shares	700,000	1.025 ⁽⁴⁾	I	By The Aylesford Trust
Option to purchase Ordinary Shares ⁽³⁾	04/22/2006	03/31/2010	Ordinary Shares	200,000	0.695 ⁽⁵⁾	I	By The Aylesford Trust
Option to purchase Ordinary Shares ⁽³⁾	12/30/2006	10/30/2010	Ordinary Shares	200,000	0.799 ⁽⁶⁾	I	By The Aylesford Trust

Explanation of Responses:

- These shares are owned by The Aylesford Trust, of which Mrs. Sophie Finlay, Mr. Finlay's spouse, is the trustee. Mr. Finlay disclaims beneficial ownership in these shares except to the extent of his pecuniary interest.
- These shares are owned by The Maritime Superannuation Fund, of which Mrs. Sophie Finlay, Mr. Finlay's spouse, is the trustee. Mr. Finlay disclaims beneficial ownership in these shares except to the extent of his pecuniary interest.
- These options are owned by The Aylesford Trust, of which Mrs. Sophie Finlay, Mr. Finlay's spouse, is the trustee. Mr. Finlay disclaims beneficial ownership in these options except to the extent of his pecuniary interest.
- The exercise price was converted from A\$1.18 using the noon-day rate of exchange of the Federal Reserve Bank of New York on July 13, 2007. The actual exercise price will be the Australian dollar amount regardless of the exchange rate on the date of grant or of exercise.
- The exercise price was converted from A\$0.80 using the noon-day rate of exchange of the Federal Reserve Bank of New York on July 13, 2007. The actual exercise price will be the Australian dollar amount regardless of the exchange rate on the date of grant or of exercise.
- The exercise price was converted from A\$0.92 using the noon-day rate of exchange of the Federal Reserve Bank of New York on July 13, 2007. The actual exercise price will be the Australian dollar amount regardless of the exchange rate on the date of grant or of exercise.

/s/ Aaron Finlay

08/27/2007

** Signature of Reporting Person

Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

* If the form is filed by more than one reporting person, see Instruction 5 (b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.

POWER OF ATTORNEY

I hereby constitute and appoint Lori Freedman, signing singly, my true and lawful attorney-in-fact to:

- (1) execute for and on my behalf, in my capacity as an officer of pSivida Limited (the "Company"), Forms 3, 4 and 5 in accordance with Section 16(a) of the Securities Exchange Act of 1934 and the rules thereunder; and
- (2) do and perform any and all acts for and on my behalf that may be necessary or desirable to complete and execute any such Form 3, 4 or 5 and timely file such form with the United States Securities and Exchange Commission and any stock exchange or similar authority.

I hereby grant to each such attorney-in-fact full power and authority to do and perform any and every act and thing whatsoever requisite, necessary, or proper to be done in the exercise of any of the rights and powers herein granted, as fully to all intents and purposes as I might or could do if personally present, with full power of substitution or revocation, hereby ratifying and confirming all that such attorney-in-fact, or such attorney-in-fact's substitute or substitutes, shall lawfully do or cause to be done by virtue of this power of attorney and the rights and powers herein granted. I acknowledge that the attorneys-in-fact, in serving in such capacity at my request, are not assuming, nor is the Company assuming, any of my responsibilities to comply with Section 16 of the Securities Exchange Act of 1934.

This Power of Attorney shall remain in full force and effect until I am no longer required to file Forms 3, 4 and 5 with respect to my holdings of and transactions in Company securities, unless I earlier revoke it in a signed writing delivered to the attorneys-in-fact.

IN WITNESS WHEREOF, I have caused this Power of Attorney to be executed as of this 20th day of August, 2007.

/s/ Aaron Finlay

Signature

Aaron Finlay

Print Name