UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)
x QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period Ended November 30, 2008

☐ TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Transition Period from _____ to _____

Commission file number: 000-50298

ORAMED PHARMACEUTICALS INC.
(Exact name of registrant as specified in its charter)

Nevada	**98-0376008**
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

Hi-Tech Park 2/5 Givat Ram
PO Box 39098
Jerusalem, Israel 91390
(Address of principal executive offices)

+ 972 2 5660001
(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes x No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐ Accelerated filer ☐
Non-accelerated filer ☐ (Do not check if a smaller reporting company) Smaller reporting company x

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes ☐ No x

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PRECEDING FIVE YEARS:

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes ☐ No ☐

APPLICABLE ONLY TO CORPORATE ISSUERS:

State the number of shares outstanding of each of the registrant's classes of common equity, as of the latest practicable date: 56,456,710 shares issued and outstanding as of January 13, 2009.

ORAMED PHARMACEUTICALS INC.

FORM 10-QSB

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PART I – FINANCIAL INFORMATION

ITEM 1 - FINANCIAL STATEMENTS

ORAMED PHARMACEUTICALS INC.
(A development stage company)

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF NOVEMBER 30, 2008

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ORAMED PHARMACEUTICALS INC.
(**A development stage company**)
CONDENSED CONSOLIDATED BALANCE SHEETS
U.S. dollars

	November 30, 2008	August 31, 2008
	Unaudited	Audited
Assets		
CURRENT ASSETS:		
Cash and cash equivalents	$ 2,190,950	$ 2,267,320
Short term investments	1,728,000	2,728,000
Prepaid expenses and other current assets	297,694	402,574
Total current assets	4,216,644	5,397,894
LONG TERM DEPOSITS	11,776	10,824
PROPERTY AND EQUIPMENT, net	92,268	98,296
Total assets	$ 4,320,688	$ 5,507,014
Liabilities and stockholders' equity		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	$ 612,902	$ 866,702
Account payable with former shareholder	47,252	47,252
Total current liabilities	660,154	913,954
COMMITMENTS		
STOCKHOLDERS' EQUITY:		
Common stock of $ 0.001 par value - Authorized: 200,000,000 shares at November 30, 2008 and August 31, 2008; Issued and outstanding: 56,456,710 at November 30, 2008 and 56,252,806 shares at August 31, 2008, respectively	56,456	56,252
Additional paid-in capital	12,040,328	11,785,012
Deficit accumulated during the development stage	(8,436,250)	(7,248,204)
Total stockholders' equity	3,660,534	4,593,060
Total liabilities and stockholders' equity	$ 4,320,688	$ 5,507,014

The accompanying notes are an integral part of the consolidated financial statements.

ORAMED PHARMACEUTICALS INC.
(**A development stage company**)
CONDENSED CONSOLIDATED STATEMENTS OF OPERATION
U.S. dollars

	Three months ended November 30		Period from April 12, 2002 (inception) through November 30
	2008	2007	2008
		Unaudited	
RESEARCH AND DEVELOPMENT EXPENSES	$ 818,680	$ 95,674	$ 4,406,514
IMPAIRMENT OF INVESTMENT			434,876
GENERAL AND ADMINISTRATIVE EXPENSES	383,361	266,296	3,413,819
OPERATING LOSS	1,202,041	361,970	8,255,209
INTEREST INCOME	(22,144)	(17,145)	(119,650)
INTEREST EXPENSE	8,149	8,677	138,527
LOSS BEFORE TAXES ON INCOME	1,188,046	353,502	8,274,086
TAXES ON INCOME	-	-	162,164
NET LOSS FOR THE PERIOD	$ 1,188,046	$ 353,502	$ 8,436,250
BASIC AND DILUTED LOSS PER COMMON SHARE	$ (0.02)	$ (0.01)	
WEIGHTED AVERAGE NUMBER OF COMMON STOCK USED IN COMPUTING BASIC AND DILUTED LOSS PER COMMON STOCK	56,363,714	45,609,417	

The accompanying notes are an integral part of the consolidated financial statements.

ORAMED PHARMACEUTICALS INC.
(A development stage company)
CONDENSED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
U.S. dollars

	Common Stock		Additional paid-in capital	Deficit accumulated during the development stage	Total stockholders' equity
	Shares	$			
BALANCE AS OF APRIL 12, 2002 (inception)	34,828,200	$ 34,828	$ 18,872		$ 53,700
CHANGES DURING THE PERIOD FROM APRIL 12, 2002 THROUGH AUGUST 31, 2007 (audited):					
SHARES CANCELLED	(19,800,000)	(19,800)	19,800		-
SHARES ISSUED FOR INVESTMENT IN ISTI-NJ	1,144,410	1,144	433,732		434,876
SHARES ISSUED FOR OFFERING COSTS	1,752,941	1,753	(1,753)		-
SHARES ISSUED FOR CASH	27,181,228	27,181	2,095,800		2,122,981
SHARES ISSUED FOR SERVICES	125,000	125	98,625		98,750
CONTRIBUTIONS TO PAID IN CAPITAL			18,991		18,991
STOCK BASED COMPENSATION RELATED TO OPTIONS GRANTED TO EMPLOYEES AND DIRECTORS			1,968,547		1,968,547
STOCK BASED COMPENSATION RELATED TO OPTIONS GRANTED TO CONSULTANTS			177,782		177,782
DISCOUNT ON CONVERTIBLE NOTE RELATED TO BENEFICIAL CONVERSION FEATURE			108,000		108,000
COMPREHENSIVE LOSS				(16)	(16)
IMPUTED INTEREST			8,437		8,437
NET LOSS				(4,478,917)	(4,478,917)
BALANCE AS OF AUGUST 31, 2007 (audited)	45,231,779	45,231	4,946,833	(4,478,933)	513,131
RECEIPTS ON ACCOUNT OF SHARES AND WARRANTS			6,061		6,061
SHARES ISSUED FOR CONVERSION OF CONVERTIBLE NOTE	550,000	550	274,450		275,000
SHARES AND WARRANTS ISSUED FOR CASH – NET OF ISSUANCE EXPENSES	10,178,002	10,178	5,774,622		5,784,800
SHARES ISSUED FOR SERVICES	293,025	293	115,817		116,110
STOCK BASED COMPENSATION RELATED TO OPTIONS GRANTED TO EMPLOYEES AND DIRECTORS			459,467		459,467
STOCK BASED COMPENSATION RELATED TO OPTIONS GRANTED TO CONSULTANTS			203,982		203,982
IMPUTED INTEREST			3,780		3,780
NET LOSS				(2,769,271)	(2,769,271)
BALANCE AS OF AUGUST 31, 2008 (audited)	56,252,806	56,252	11,785,012	(7,248,204)	4,593,060
SHARES ISSUED FOR SERVICES	203,904	204	152,724		152,928
STOCK BASED COMPENSATION RELATED TO OPTIONS GRANTED TO EMPLOYEES AND DIRECTORS			103,168		103,168
STOCK BASED COMPENSATION RELATED TO OPTIONS GRANTED TO CONSULTANTS			(1,521)		(1,521)
IMPUTED INTEREST			945		945
NET LOSS				(1,188,046)	(1,188,046)
BALANCE AS OF NOVEMBER 30, 2008 (unaudited)	56,456,710	$ 56,456	$ 12,040,328	$ (8,436,250)	$ 3,660,534

The accompanying notes are an integral part of the consolidated financial statements

ORAMED PHARMACEUTICALS INC.
(**A development stage company**)
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
U.S. dollars

	Three months ended November 30		Period from April 12, 2002 (inception date) through November 30,
	2008	2007	2008
		Unaudited	
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net loss	$ (1,188,046)	$ (353,502)	$ (8,436,250)
Adjustments required to reconcile net loss to net cash used in operating activities:			
Depreciation	7,497	470	22,951
Amortization of debt discount	-	-	108,000
Exchange differences on long term deposits	967	(336)	(675)
Stock based compensation	101,647	82,552	2,911,425
Common stock issued for services	-	*-	367,788
Impairment of investment	-	-	434,876
Imputed interest	945	945	13,162
Changes in operating assets and liabilities:			
Prepaid expenses and other current assets	104,880	(60,533)	(297,694)
Accounts payable and accrued expenses	(100,872)	*(101,684)	612,902
Total net cash used in operating activities	(1,072,982)	(432,088)	(4,263,515)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property and equipment	(1,469)	(7,221)	(115,219)
Acquisition of short-term investments	-	-	(2,728,000)
Proceeds from sale of Short term investments	1,000,000		1,000,000
Lease deposits	(1,919)	-	(11,101)
Total net cash provided by (used in) in investing activities	996,612	(7,221)	(1,854,320)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from sales of common stocks and warrants - net of issuance expenses	-	-	7,967,542
Proceeds from convertible notes	-	-	275,000
Proceeds from short term note payable	-	-	120,000
Payments of short term note payable	-	-	(120,000)
Shareholder advances	-	-	66,423
Net cash provided by financing activities	-	-	8,308,785
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(76,370)	(439,309)	2,190,950
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	2,267,320	1,918,229	-
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 2,190,950	$ 1,478,920	$ 2,190,950
Non cash investing and financing activities:			
Shares issued for offering costs			$ 1,753
Contribution to paid in capital			$ 18,991
Stock issued for receipts on account of shares issuance		$ 255,000	
Shares issued for services rendered	$ 152,928	$ 172,202	

* Reclassified

The accompanying notes are an integral part of the consolidated financial statements.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES:

a. General:

1. Oramed Pharmaceuticals, Inc. (the “Company”) was incorporated on April 12, 2002, under the laws of the State of Nevada. From incorporation until March 3, 2006, the Company was an exploration stage company engaged in the acquisition and exploration of mineral properties. On February 17, 2006, the Company entered into an agreement with Hadasit Medical Services and Development Ltd (the “First Agreement”). to acquire the provisional patent related to orally ingestible insulin pill to be used for the treatment of individuals with diabetes. The Company has been in the development stage since its formation and has not yet realized any revenues from its planned operations.

   On May 14, 2007, the Company incorporated a wholly-owned subsidiary in Israel, Oramed Ltd. ("the Subsidiary"), which is engaged in research and development.

2. The accompanying unaudited interim consolidated financial statements as of November 30, 2008 and for the three months then ended, have been prepared in accordance with accounting principles generally accepted in the United States relating to the preparation of financial statements for interim periods. Accordingly, they do not include all the information and footnotes required for annual financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three months ended November 30, 2008, are not necessarily indicative of the results that may be expected for the year ending August 31, 2009.

3. Going concern considerations

   The accompanying unaudited interim consolidated financial statements have been prepared assuming that the Company will continue as a going concern. The Company has net losses for the period from inception (April 12, 2002) through November 30, 2008 of $8,436,250, as well as negative cash flow from operating activities. Presently, the Company does not have sufficient cash resources to meet its requirements in the twelve months following December 1, 2008. These factors raise substantial doubt about the Company's ability to continue as a going concern. Management is in the process of evaluating various financing alternatives as the Company will need to finance future research and development activities and general and administrative expenses through fund raising in the public or private equity markets. Although there is no assurance that the Company will be successful with those initiatives, management believes that it will be able to secure the necessary financing as a result of ongoing financing discussions with third party investors and existing shareholders.

   These consolidated financial statements do not include any adjustments that may be necessary should the Company be unable to continue as a going concern. The Company's continuation as a going concern is dependent on its ability to obtain additional financing as may be required and ultimately to attain profitability.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)**:**

b. Share-based payment:

The Company implements Statement of Financial Accounting Standards No. 123 (revised 2004) “Share-based Payment” (“FAS 123(R)”). FAS 123(R) requires awards classified as equity awards be accounted for using the grant-date fair value method. The fair value of share-based payment transactions is recognized as expense over the requisite service period, net of estimated forfeitures. The company recognizes compensation cost for an award with only service conditions that has a graded vesting schedule using the accelerated method of amortization under FAS 123(R) over the requisite service period for the entire awards.

On March 2005, the Securities and Exchange Commission issued Staff Accounting Bulletin No. 107 (“SAB 107”). SAB 107 provides supplemental implementation guidance on FAS 123(R), including guidance on valuation methods, inventory capitalization of share-based compensation cost, income statement effects, disclosures and other issues. SAB 107 requires share-based payment to be classified in the same expense line items as cash compensation. The company has applied the provisions of SAB 107 in its adoption of FAS 123(R).

The Company accounts for equity instruments issued to third party service providers (non-employees) in accordance with the fair value based on an option-pricing model, pursuant to the guidance in EITF 96-18 “Accounting for Equity Instruments That Are Issued to Other Than Employees for Acquiring, or in Conjunction with Selling Goods or Services”. The fair value of the options granted is revalued over the related service periods and recognized over the vesting period.

c. Recently Issued Accounting Pronouncements

1. In June 2007, the Emerging Issues Task Force (EITF) reached Issue No. 07-03, *"Accounting for Nonrefundable Advance Payments for Goods or Services Received to Be Used in Future Research and Development Activities" (EITF No. 07-03)*. EITF No. 07-03 requires that nonrefundable advance payments for goods or services that will be used or rendered for future research and development activities be deferred and amortized over the period that the goods are delivered or the related services are performed, subject to an assessment of recoverability. The provisions of EITF 07-03 will be effective for financial statements issued for fiscal years beginning after December 15, 2007, and interim periods within those fiscal years (September 1, 2009, for the Company). The provisions of this EITF are applicable for new contracts entered into on or after the effective date. Earlier application is not permitted.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)**:**

2. In December 2007, the FASB ratified EITF Issue No. 07-01, "Accounting for Collaborative Arrangements" ("EITF 07-01"). EITF 07-01 defines collaborative arrangements and establishes reporting requirements for transactions between participants in a collaborative arrangement and between participants in the arrangement and third parties. EITF 07-01 also establishes the appropriate income statement presentation and classification for joint operating activities and payments between participants, as well as the sufficiency of the disclosures related to these arrangements. EITF 07-01 is effective for fiscal years beginning after December 15, 2008 (September 1, 2009, for the Company). EITF 07-01 shall be applied using modified version of retrospective transition for those arrangements in place at the effective date. An entity should report the effects of applying this Issue as a change in accounting principle through retrospective application to all prior periods presented for all arrangements existing as of the effective date, unless it is impracticable to apply the effects the change retrospectively. The Company is currently assessing the impact that EITF 07-01 may have on its results of operations and financial position.

3. In April 2008, the FASB issued Staff Position No. FAS 142-3, “Determination of the Useful Life of Intangible Assets. ("FSP FAS 142-3")”. FSP FAS 142-3 amends the factors that should be considered in developing renewal or extension assumptions used to determine the useful life of a recognized intangible asset under SFAS No. 142, “Goodwill and Other Intangible Assets.” The intent of the position is to improve the consistency between the useful life of a recognized intangible asset under SFAS No. 142 and the period of expected cash flows used to measure the fair value of the asset under FAS 141(R), and other U.S. generally accepted accounting principles. The provisions of FSP FAS 142-3 are effective for the fiscal year beginning September 1, 2009, early adoption is prohibited. The Company is currently evaluating the impact of the provisions of FSP FAS 142-3..

NOTE 2 - COMMITMENTS:

a. On May 1, 2008, the Company entered into a consulting agreement with a third party (“the Consultant”) for a period of twelve months, pursuant to which the Consultant will assist the Company’s efforts to complete the FDA approval process for its oral insulin capsule. On October 3, 2008 the Company and the Consultant agreed to amend the agreement effective July 1, 2008. The Consultant is entitled to a fixed monthly fee of $16,666 (for the period from May 1, 2008 through June 30, 2008 the monthly fee was $8,333) and reimbursement of pre-approved out of pocket expenses.

b. On September 8, 2008, the Company entered into Clinical Research agreement with ETI Karle Clinical Pvt. Ltd. (“ETI”), pursuant to the agreement ETI will be conducting clinical trials for the Company in India. In consideration for the services provided under the agreement ETI will be entitled to an estimated cash compensation of $227,604.

NOTE 3 - STOCK BASED COMPENSATION:

The following are stock issued for services, stock options and warrants transactions made during the three months ended November 30, 2008:

a. On October 30, 2006 the Company entered into a Clinical Trial Manufacturing Agreement with Swiss Caps AG ("*Swiss*"), pursuant to which Swiss would manufacture and deliver the oral insulin capsule developed by the Company. In consideration for the services being provided to the Company by Swiss, the Company agreed to pay a certain predetermined amounts which are to be paid in common stocks of the Company, the number of stocks to be issued is based on the invoice received from Swiss, and the stock market price 10 days after the invoice was issued. The Company accounted the transaction with Swiss according to FAS 150 "*Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity*".

On October 17, 2008, the Company issued 203,904 shares of its common stock to Swiss as remuneration for the services provided, in the amount of $152,928.

b. On October 12, 2008, 828,000 options were granted to an employee of our Subsidiary, at an exercise price of $0.47 per share (equivalent to the traded market price on the date of grant), the options vest in three equal annual instalments commencing on November 1, 2009 and expire on July 11, 2018. The fair value of these options on the date of grant was $330,699, using the Black Scholes option-pricing model and was based on the following assumptions: dividend yield of 0% for all years; expected volatility of 113%; risk-free interest rates of 3.27%; and the remaining contractual life of 6.00 years.

c. On October 12, 2008, 56,000 options were granted to an employee of our Subsidiary, at an exercise price of $0.47 per share (equivalent to the traded market price on the date of grant), the options vest in two equal annual instalments commencing on May 1, 2009 and expire on July 11, 2018. The fair value of these options on the date of grant was $21,988, using the Black Scholes option-pricing model and was based on the following assumptions: dividend yield of 0% for all years; expected volatility of 113%; risk-free interest rates of 2.77%; and the remaining contractual life of 5.67 years.

The Company recognized $101,647 of expense during the three months ended November 30, 2008 related to options granted, of which $75,407 relates to options granted in prior years.

NOTE 4 - FAIR VALUE:

On September 1, 2008, the Company adopted the methods of fair value as described in SFAS No. 157 ("SFAS 157"), which defines fair value, establishes a framework for measuring fair value in accordance with GAAP and expands disclosure about fair value measurements to value its financial assets and liabilities. As defined in SFAS No. 157, fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, SFAS No. 157 establishes a fair value hierarchy that prioritizes observable and unobservable inputs used to measure fair value into three broad levels, which are described as follows:

Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2: Observable prices that are based on inputs not quoted on active markets, but corroborated by market data.

Level 3: Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

The adoption of SFAS 157 did not have a material impact on the Company's results of operations and financial condition as the Company does not have any financial assets and liabilities measured at fair value on a recurring basis subject to the requirements of SFAS 157.

NOTE 5 – SUBSEQUENT EVENTS:

a. On January 7, 2009, the Company entered into an agreement with Hadasit (the "Second Agreement") to provide for the closing referenced in the First Agreement. In the Second Agreement, Hadasit confirms that it has conveyed, transferred and assigned all of its ownership rights in the patents acquired under the First Agreement and certain other patents filed by the Company after the First Agreement as a result of the collaboration between the Company and Hadasit (the "Patents"). Hadasit further acknowledges that the 4,141,532 shares of common stock issued to Hadasit by the Company in connection with the First Agreement constitute complete compensation for the Patents.

b. On January 11, 2009, an aggregate of 300,000 options were granted to three Scientific Advisory Board members at an exercise price of $0.76 per share. The options vest in four equal quarterly installments commencing on April 1, 2009 and will expire on January 10, 2019.

c. On January 11, 2009, 150,000 options were granted to an employee of the subsidiary at an exercise price of $0.43 per share. The options vest in three equal annual installments commencing on January 1, 2010 and will expire on January 10, 2019.

d. On January 11, 2009, an aggregate of 600,000 options were granted to two Board of Directors members at an exercise price of $0.43 per share. The options vest in three equal annual installments commencing on January 1, 2010 and will expire on January 10, 2019.

ITEM 2 - MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following information should be read in conjunction with the financial statements and notes thereto appearing elsewhere in this Quarterly Report.

We have included in this Quarterly Report certain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 concerning our business, operations and financial condition. "Forward-looking statements" consist of all non-historical information, and the analysis of historical information, including the references in this Quarterly Report to future revenues, collaborative agreements, future expense growth, future credit exposure, earnings before interest, taxes, depreciation and amortization, future profitability, anticipated cash resources, anticipated capital expenditures, capital requirements, and the Company's plans for future periods. In addition, the words "could", "expects", "anticipates", "objective", "plan", "may affect", "may depend", "believes", "estimates", "projects" and similar words and phrases are also intended to identify such forward-looking statements.

Actual results could differ materially from those projected in our forward-looking statements due to numerous known and unknown risks and uncertainties, including, among other things, unanticipated technological difficulties, the length, scope and outcome of our clinical trial, difficulties or delays in obtaining regulatory approval for our product candidates, competition from other pharmaceutical or biotechnology companies, costs related to intellectual property, cost of manufacturing and higher consulting costs, product demand, changes in domestic and foreign economic, market and regulatory conditions, the inherent uncertainty of financial estimates and projections, the uncertainties involved in certain legal proceedings, instabilities arising from terrorist actions and responses thereto, our ability to obtain additional funding required to conduct our research, development and commercialization activities and other considerations described as "Risk Factors" in other filings by the Company with the SEC. Such factors may also cause substantial volatility in the market price of our common stock. All such forward-looking statements are current only as of the date on which such statements were made. We do not undertake any obligation to publicly update any forward-looking statement to reflect events or circumstances after the date on which any such statement is made or to reflect the occurrence of unanticipated events.

As used in this Quarterly Report, the terms "we", "us", "our", "Company" and "Oramed" mean Oramed Pharmaceuticals Inc. and our subsidiary, Oramed Ltd., unless otherwise indicated.

All dollar amounts refer to US dollars in thousands unless otherwise indicated.

Overview

We are a pharmaceutical company engaged in the research and development of innovative pharmaceutical solutions, including an orally ingestible insulin pill to be used for the treatment of individuals with diabetes, rectal application of insulin, flu vaccines, use of oral ingestible pills for delivery other polypeptides and use of rectal application for delivery of other polypeptides.

Oramed was incorporated on April 12, 2002, in the State of Nevada under the name “Iguana Ventures Ltd” as an exploration stage company engaged in the acquisition and exploration of mineral properties. The Company was unsuccessful in implementing its business plan as a mineral exploration company. Accordingly, the Company decided to change the focus of its business by completing a share exchange with the shareholders of Integrated Security Technologies, Inc., a New Jersey private corporation (“ISTI”) and changed its name to Integrated Security Technologies. Effective June 14, 2004 the Company effected a 3.3:1 forward stock split, increasing the amount of authorized capital to 200,000,000 shares of common stock with the par value of $.001 per share. However, due to disappointing results, on May 31, 2005, effective as of May 27, 2004 the Company terminated the share exchange agreement with the shareholders of ISTI.

On March 8, 2006, the Company executed an agreement with Hadasit Medical Services and Development Ltd. to acquire provisional patent application No. 60/718716 and related intellectual property (the “First Agreement”). The provisional patent application No. 60/718716 relates to a method of preparing insulin so that it may be taken orally to be used in the treatment for the treatment of individuals with diabetes. Effective April 10, 2006, the Company changed its name from “Integrated Security Technologies, Inc.” to “Oramed Pharmaceuticals Inc.” Based on provisional patent application No. 60/718716, the Company filed a patent application under the Patent Cooperation Treaty at the Israel Patent Office for “Methods and Compositions for Oral Administration of Proteins” on August 31, 2006.

On January 7, 2009, the Company entered into an agreement with Hadasit (the “Second Agreement”) to provide for the closing referenced in the First Agreement. In the Second Agreement, Hadasit confirms that it has conveyed, transferred and assigned all of its ownership rights in the patents acquired under the First Agreement and certain other patents filed by the Company after the First Agreement as a result of the collaboration between the Company and Hadasit (the “Patents”). Hadasit further acknowledges that the 4,141,532 shares of common stock issued to Hadasit by the Company in connection with the First Agreement constitute complete compensation for the Patents.

Plan of Operation

Short Term Business Strategy

We plan to conduct further research and development on the technology covered by the patent application "Methods and Composition for Oral Administration of Proteins", which we acquired from Hadasit Medical Services and Development Ltd., as well as the other patents we have filed since. Through our research and development efforts, we are seeking to develop an oral dosage form that will withstand the harsh chemical environment of the stomach or intestines and will be effective in delivering active insulin for the treatment of diabetes. The enzymes and vehicles that are added to the insulin in the formulation process must not modify chemically or biologically the insulin and the dosage form must be safe to ingest. We plan to continue to conduct clinical trials to show the effectiveness of our technology. We intend to conduct the clinical trials necessary to file an Investigational New Drug Application (“IND”) with the U.S. Food and Drug Administration (“FDA”). Additional clinical trials are planned in other countries such as Israel, India and South Africa, in order to substantiate our results as well as for purposes of making future filings for drug approval in these countries. We also plan to conduct further research and development by deploying our proprietary drug delivery technology for the delivery of other polypeptides in addition to insulin, and to develop other innovative pharmaceutical products, including an insulin suppository and use of rectal application for delivery of other polypeptides.

Orally Ingestible Insulin*:* During fiscal year 2007 we conducted several clinical studies of our orally ingestible insulin. The studies were intended to assess both the safety/tolerability and absorption properties of our proprietary oral insulin. Based on the pharmacokinetic and pharmacologic outcomes of these trials, we decided to continue the development of our oral insulin product.

On November 15, 2007, we successfully completed animal studies in preparation for the Phase 1B clinical trial of our oral insulin capsule (ORMD 0801). On January 22, 2008 we commenced the non FDA approved Phase 1B clinical trials with our oral insulin capsule, in healthy human volunteers with the intent of dose optimization. On March 11, 2008, we successfully completed our Phase 1B clinical trials.

On April 13, 2008, we commenced a non FDA approved Phase 2A study to evaluate the safety and efficacy of our oral insulin capsule (ORMD 0801) in Type II diabetic volunteers at Hadassah Medical Center in Jerusalem. On August 6, 2008, we announced the successful results of this trial.

On April 21, 2008, we entered into a service agreement with Encorium Group, Inc. ("Encorium") pursuant to which Encorium will provide services for the purpose of filing an IND for a Phase 2 study as required by the FDA. The FDA approval process and, if approved, registration for commercial use as an oral drug can take several years.

During July 2008 we were granted approval by the Institutional Review Board Committee of Hadassah Medical Center in Jerusalem to conduct a non FDA approved Phase 2A study to evaluate the safety and efficacy of our oral insulin capsule (ORMD 0801) on Type I diabetic volunteers. On September 24, 2008, we announced the beginning of this trail. The results of the trial have not yet been published.

We plan on conducing two additional non FDA approved Phase 2B study to evaluate the safety and efficacy of our oral insulin capsule (ORMD 0801) on Type II diabetic volunteers, in South Africa and India. The trials are scheduled to commence in early 2009.

Rectal Application of Insulin and Other Polypeptides*:* We filed two additional provisional patents for a suppository application to our technology portfolio. The first patent focuses on a rectal application for insulin. The second patent focuses on the usage of this rectal application to other polypeptides that at present are only available in injection.

On January 30, 2008, we entered into a master service agreement with OnQ Consulting; a clinical research organization located in Johannesburg, South Africa, to conduct non FDA approved clinical trials for the rectal application of insulin. The trials are expected to begin during the coming months.

On October 23, 2008 we commenced a non FDA approved Phase 1A study to evaluate the safety and efficacy of our insulin suppository (ORMD 0802) on healthy volunteers, in South Africa. The results of the trial have not yet been published.

GLP1 Analog: On September 16, 2008 we announced the launch of pre-clinical trials of ORMD 0901, a GLP1-analog. The pre-clinical trials includes a dog trial which suggests that the GLP-1analog exenatide-4 when combined with Oramed's absorption promoters is absorbed through the gastrointestinal tract and retains its biological activity.

Glucagon-like peptide-1 (GLP-1) is an incretin hormone - a type of gastrointestinal hormone that stimulates the secretion of insulin from the pancreas. The incretin concept was hypothesized when it was noted surprisingly that glucose ingested by mouth (oral) stimulated two to three times more insulin release than the same amount of glucose administered intravenously. GLP-1 was found in addition to stimulates insulin release, to suppress glucagon release (hormone involved in regulation of glucose) from the pancreas, it slows gastric emptying to reduce the rate of absorption of nutrients into the blood stream, and it increases satiety. Other important beneficial attributes of GLP-1 are its effects of increasing the number of beta cells (cells that manufacture and release insulin) in the pancreas and possibly to be hormone that protects the heart.

Licensing: We have recently engaged in preliminary discussions with potential partners outside of the United States regarding their management of clinical trials of our oral insulin capsules. Such agreements could involve us granting exclusive commercialization rights and profit interests in our products derived from certain geographic areas outside the United States in exchange for payment of the costs of running such clinical trials now. These discussions are in a very early stage, however, and may not result in our being able to enter into any such partnerships.

Long Term Business Strategy

If our oral insulin capsule or other drug delivery solutions show significant promise in clinical trials, we plan to ultimately seek a strategic commercial partner, or partners, with extensive experience in the development, commercialization, and marketing of insulin applications and/or other orally digestible drugs. We anticipate such partner or partners would be responsible for, or substantially support, late stage clinical trials (Phase III) to ensure regulatory approvals and registrations in the appropriate markets in a timely manner. We further anticipate that such partner, or partners, would also be responsible for sales and marketing of our oral insulin capsule in these markets. Such planned strategic partnership, or partnerships, may provide a marketing and sales infrastructure for our products as well as financial and operational support for global clinical trials, post marketing studies, label expansions and other regulatory requirements concerning future clinical development in the United States and elsewhere. Any future strategic partner, or partners, may also provide capital and expertise that would enable the partnership to develop new oral dosage form for other polypeptides. Under certain circumstances, we may determine to develop one or more of our oral dosage form on our own, either world-wide or in select territories.

Other Planned Strategic Activities

In addition to developing our own oral dosage form drug portfolio, we are, on an on-going basis, considering in-licensing and other means of obtaining additional technologies to complement and/or expand our current product portfolio. Our goal is to create a well-balanced product portfolio that will enhance and compliment our existing drug portfolio.

Results of Operations

Going concern assumption

The accompanying financial statements have been prepared assuming that we will continue as a going concern. We have net losses for the period from inception (April 12, 2002) through November 30, 2008 of $8,436,250, as well as negative cash flow from operating activities. Based upon our existing spending commitments, estimated at $5.1 million for the twelve months following December 1, 2008, and our cash availability, we do not have sufficient cash resources to meet our liquidity requirements through November 30, 2009. Accordingly, these factors raise substantial doubt about our ability to continue as a going concern. Management is in the process of evaluating various financing alternatives as we will need to finance future research and development activities and general and administrative expenses through fund raising in the public or private equity markets. Although there is no assurance that we will be successful with those initiatives, management believes that it will be able to secure the necessary financing as a result of ongoing financing discussions with third party investors and existing shareholders.

The financial statements do not include any adjustments that may be necessary should we be unable to continue as a going concern. Our continuation as a going concern is dependent on our ability to obtain additional financing as may be required and ultimately to attain profitability.

Critical accounting policies

Valuation of options and warrants: We granted options to purchase shares of our common stock to employees and consultants and issued warrants in connection with fundraising.

Effective March 1, 2006, the Company adopted Statement of Financial Accounting Standards No. 123 (revised 2004), "*Share-based Payment*" ("*FAS 123(R)*"). FAS 123(R) requires awards classified as equity awards be accounted for using the grant-date fair value method. The fair value of share-based payment transactions is recognized as expense over the requisite service period, net of estimated forfeitures. The Company estimated forfeitures based on historical experience and anticipated future conditions.

In March 2005, the Securities and Exchange Commission issued Staff Accounting Bulletin No. 107 ("*SAB 107*"). SAB 107 provides supplemental implementation guidance on FAS 123(R), including guidance on valuation methods, inventory capitalization of share-based compensation cost, income statement effects, disclosures and other issues. SAB 107 requires share-based payment to be classified in the same expense line items as cash compensation. The Company has applied the provisions of SAB 107 in its adoption of FAS 123(R).

The Company elected to recognize compensation cost for an award with only service conditions that has a graded vesting schedule using the accelerated method based on multiple option award approach**.**

The Company elected to adopt the modified prospective application transition method, as permitted by FAS 123(R). Under such transition method, upon the adoption of FAS 123(R), the Company's financial statements for periods prior to the effective date of the Statement are not restated.

In December 2007, the Securities and Exchange Commission issued Staff Accounting Bulletin No. 110 (“SAB 110”) relating to the use of a “simplified” method in developing an estimate of the expected term of “plain vanilla” share options. SAB 107 previously allowed the use of the simplified method until December 31, 2007. SAB 110 allows, under certain circumstances, to continue to accept the use of the simplified method beyond December 31, 2007. The Company has applied the provisions of SAB 110 in its financial statement.

The Company accounts for equity instruments issued to third party service providers (non-employees) in accordance with the fair value based on an option-pricing model or when more reliability is based on the fair value of the services received, pursuant to the guidance in EITF 96-18 “*Accounting for Equity Instruments That Are Issued to Other Than Employees for Acquiring, or in Conjunction with Selling Goods or Services*”. The fair value of the options granted is revalued over the related service periods and recognized using the accelerated method.

Taxes on income: Deferred taxes are determined utilizing the asset and liability method based on the estimated future tax effects of differences between the financial accounting and tax bases of assets and liabilities under the applicable tax laws. Deferred tax balances are computed using the tax rates expected to be in effect when those differences reverse. A valuation allowance in respect of deferred tax assets is provided if, based upon the weight of available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized. The Company has provided a full valuation allowance with respect to its deferred tax assets.

Regarding Oramed, Ltd., paragraph 9(f) of FAS 109, “*Accounting for Income Taxes*”, prohibits the recognition of deferred tax liabilities or assets that arise from differences between the financial reporting and tax bases of assets and liabilities that are measured from the local currency into dollars using historical exchange rates, and that result from changes in exchange rates or indexing for tax purposes. Consequently, the abovementioned differences were not reflected in the computation of deferred tax assets and liabilities.

As of September 1, 2007, the Company adopted FASB Interpretation No. 48, ‘‘Accounting for Uncertainty in Income Taxes - an Interpretation of FASB Statement No. 109’’ (‘‘FIN 48’’). FIN 48 specifies how tax benefits for uncertain tax positions are to be recognized, measured and derecognized in financial statements; requires certain disclosures of uncertain tax positions; specifies how reserves for uncertain tax positions should be classified on the balance sheet; and provides transition and interim-period guidance, among other provisions. On May 2, 2007, the FASB issued FASB Staff Position No. FIN 48-1, ‘‘Definition of Settlement in FASB Interpretation No. 48-1’’ (‘‘FSP FIN 48-1’’). FSP FIN 48-1 provides guidance regarding how an entity should determine whether a tax position is effectively settled for the purpose of recognizing previously unrecognized tax benefits.

Research and development expenses: Research and development expenses include costs directly attributable to the conduct of research and development programs, including the cost of salaries, payroll taxes, employee benefits, costs of registered patents materials, supplies, the cost of services provided by outside contractors, including services related to the Company’s clinical trials, clinical trial expenses, the full cost of manufacturing drug for use in research, preclinical development. All costs associated with research and development are expensed as incurred.

Clinical trial costs are a significant component of research and development expenses and include costs associated with third-party contractors. The Company out sources a substantial portion of its clinical trial activities, utilizing external entities such as contract research organizations, independent clinical investigators, and other third-party service providers to assist the Company with the execution of its clinical studies. For each clinical trial that the Company conducts, certain clinical trial costs are expensed immediately, while others are expensed over time based on the expected total number of patients in the trial, the rate at which patients enter the trial, and the period over which clinical investigators or contract research organizations are expected to provide services.

Clinical activities which relate principally to clinical sites and other administrative functions to manage the Company's clinical trials are performed primarily by contract research organizations ("CROs"). CROs typically perform most of the start-up activities for the Company's trials, including document preparation, site identification, screening and preparation, pre-study visits, training, and program management.

The following table summarizes certain statements of operations data for the Company for the three month periods ended November 30, 2008 and 2007:

	Three months ended	
Operating Data:	November 30, 2008	November 30, 2007
Research and development costs	$ 818,680	$ 95,674
General and administrative expenses	383,361	266,296
Financial (income) expense, net	(13,995)	(8,468)
Net loss for the period	$ 1,188,046	$ 353,502
Loss per common share – basic and diluted	$ (0.02)	$ (0.01)
Weighted average common shares outstanding	56,363,714	45,609,417

Research and development costs

Research and development expenses are the costs incurred in the process of our pre-clinical and our clinical trials. Clinical trial and pre-clinical expenses include regulatory and scientific consultants compensation and fees, research expenses, purchase of materials, cost of manufacturing of the oral insulin capsules, payments for patient recruitment and treatment, costs related to the maintenance of our registered patents, costs related to the filings of patent applications as well as salaries and related expenses of research and development staff.

During the three months ended November 30, 2008 research and development expenses totaled $818,680, compared to $95,674 for the three months ended November 30, 2007. The increase is mainly attributable to increased clinical trials activities, materials and patent related costs. The research and development costs include stock based compensation costs, which during the three months ended November 30, 2008 totaled $35,962 as compared to $543 during the three months ended November 30, 2007.

General and administrative expenses

General and administrative expenses include the salaries and related expenses of our management, consulting costs, legal and professional fees, traveling, business development costs, insurance expenses and other general costs.

For the three months ended November 30, 2008, general and administrative expenses totaled $383,361 compared to $266,296 for the three months ended November 30, 2007. Costs incurred related to general and administrative activities during the three months ended November 30, 2008 reflect an increase of payroll and related expenses, professional, legal and consulting expenses and an increase in general expenses such as office and maintenance expenses. During the three months ended November 30, 2008, as part of our general and administrative expenses, we incurred $65,685 related to stock options granted to employees and consultants, as compared to $82,009 during the three months ended November 30, 2007.

Financial income/expense, net

During the three months ended November 30, 2008 and 2007 we generated interest income on available cash and cash equivalents balance which were offset by bank charges.

Liquidity and Capital Resources

From inception through November 30, 2008, we incurred losses in an aggregate amount of $8,436,250. We have financed our operations through the private placements of equity and debt financing. Since inception through November 30, 2008, we raised a total of $8,308,785, net of transaction costs, through private placements of equity and debt financing. We anticipate that we will obtain additional financing through similar sources. As of November 30, 2008 we had $2,190,950 of available cash as well as $1,728,000 in short term interest bearing investments. The Company anticipates it will require approximately $5.1 million to finance its activities during the twelve months following December 1, 2008.

Management is in the process of evaluating various financing alternatives as we will need to finance future research and development activities and general and administrative expenses through fund raising in the public or private equity markets. Although there is no assurance that we will be successful with those initiatives, management believes that it will be able to secure the necessary financing as a result of ongoing financing discussions with third party investors and existing shareholders.

Our financing activities during the three months ended November 30, 2008 include the following:

- On October 17, 2008, Oramed issued 203,904 shares of common stock valued at $152,928 to a third party, for services rendered in the prior year.

Employee's and Consultant's Stock Options and Warrants

Employee and consultant stock options grants and warrant issuance activities for the three months ending November 30, 2008 include the following:

- On October 12, 2008 we granted options under the 2008 Stock Incentive Plan to purchase up to 828,000 shares of our common stock at an exercise price of $0.47 to Chaime Orlev our Chief Financial Officer.
- On October 12, 2008 we granted options under the 2008 Stock Incentive Plan to purchase up to 56,000 shares of our common stock at an exercise price of $0.47 to an employee of our subsidiary.
- On January 11, 2009 we granted options under the 2008 Stock Incentive Plan to purchase up to 100,000 shares of our common stock at an exercise price of $0.76 to each of Dr. Nir Barzilai, Prof. Ele Ferrannini and Dr. Derek LeRoith, three members of our Scientific Advisory Board.
- On January 11, 2009 we granted options under the 2008 Stock Incentive Plan to purchase up to 150,000 shares of our common stock at an exercise price of $0.43 to an employee of our subsidiary.
- On January 11, 2009 we granted options under the 2008 Stock Incentive Plan to purchase up to 300,000 shares of our common stock at an exercise price of $0.43 to each of Leonard Sank and Dr. Harold Jacob, two Board of Directors members.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements.

***Planned* Expenditures**

The estimated expenses referenced herein are in accordance with our business plan. Since our technology is still in the development stage, it can be expected that there will be changes in some budgetary items. Our planned expenditures for the twelve months beginning December 1, 2008 are as follows:

Operating Data:	Amount
Research and development costs	$ 3,650,000
General and administrative expenses	1,505,000
Financial income, net	(58,000)
Taxes on income	35,000
Total	$ 5,132,000

As previously indicated, we are planning to conduct further clinical studies as well as file an IND with the FDA for our orally ingested insulin. Our ability to proceed with these activities is dependent on several major factors including the ability to attract sufficient financing on terms acceptable to us.

Employment and Consulting Agreements

On May 1, 2008 we entered into a consulting agreement with a Dr. Ehud Arbit ("Dr. Arbit") for a period of twelve months, pursuant to which Dr. Arbit will assist our efforts to complete the FDA approval process for its oral insulin capsule. Dr. Arbit is entitled to a fixed monthly fee of $8,333 effective from May 1, 2008, and reimbursement of pre-approved out of pocket expenses. On October 3, 2008, we amended the consulting agreement with Dr. Arbit. Pursuant to the amendment, Dr. Arbit will perform his work under the contract on a full time basis and his compensation will be $16,666 per month, effective as of July 1, 2008.

ITEM 3 – QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are a smaller reporting company, as defined by Rule 12b-2 of the Exchange Act of 1934, as amended and are not required to provide information under this item.

ITEM 4T - CONTROLS AND PROCEDURES

(a) Our management, including our chief executive officer and chief financial officer, has evaluated the effectiveness of our disclosure controls and procedures as of November 30, 2008. Based on such review, our chief executive officer and chief financial officer have determined that in light of their conclusion with respect to the effectiveness of our internal control over our financial reporting as of such date, the weaknesses in controls and procedures described in our Form 10-KSB filed on November 26, 2008 continued this quarter and that the company did not have in place effective controls and procedures designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Securities Exchange Act of 1934, as amended, is accumulated and communicated to our management, including our principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure, and is recorded, processed, summarized and reported, within the time periods specified in the Commission's rules and forms.

(b) Our management, under the supervision of our chief executive officer and chief financial officer, is responsible for establishing and maintaining adequate internal control over our financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) of the Securities Exchange Act of 1934, as amended. The Company's internal control over financial reporting is defined as a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Internal control over financial reporting includes policies and procedures that:

- pertain to the maintenance of records that in reasonable detail accurately and fairly reflect our transactions and asset dispositions;
- provide reasonable assurance that transactions are recorded as necessary to permit the preparation of our financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors; and
- provide reasonable assurance regarding the prevention or timely detection of unauthorized acquisition, use or disposition of assets that could have a material effect on our financial statements.

Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we evaluated the effectiveness of our internal control over financial reporting as of November 30, 2008 based on the framework for Internal Control-Integrated Framework set forth by The Committee of Sponsoring Organizations of the Treadway Commission. Due to the inherent limitations of our company, derived from our small size and the limited number of employees, management evaluation concluded that there is a material weakness with respect to segregation of duties that may not provide reasonable assurance regarding the reliability of internal control over financial reporting and may not prevent or detect misstatements. Specifically, our CFO serves as our only qualified internal accounting and financial reporting personnel and as such performs all accounting and financial reporting functions without the benefit of independent checks, confirmations or backup other than bookkeeping functions performed by an outside accounting firm. In addition, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Based on this evaluation, our management concluded that there is no reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and that the Company's internal controls over financial reporting were not effective as of November 30, 2008.

As previously reported in our Form 10-KSB filed on November 26, 2008, during the quarter ended November 30, 2008, management, including our principal executive officer and principal financial officer, has started an extensive process, of documenting all major procedures related to the financial reporting, in order to strengthen our internal controls over financial reporting in order to reasonably ensure that reliability of financial reporting and the preparation of financial statements.

This management report on internal control over financial reporting shall not be deemed to be filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended or otherwise subject to the liabilities of that Section.

To improve our internal control over financial reporting, in the fourth quarter of our fiscal year 2008, we began to develop a comprehensive program designed to strengthen our internal controls over financial reporting. Among other things, the program provides for the engagement of an outside consulting accounting firm (separate from our independent auditing firm) to review the Company's financial reports on a quarterly basis and the implementation of an improved documentation system underlying financial reports. We continue to progress with the development of this program, although it has not yet been implemented.

This management report on internal control over financial reporting shall not be deemed to be filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended or otherwise subject to the liabilities of that Section.

(c) There were no changes in our internal controls over financial reporting identified in connection with the evaluation thereof that occurred during the quarter ended November 30, 2008 that have materially affected, or are reasonable likely to materially affect our internal control over financial reporting.

PART II – OTHER INFORMATION

ITEM 1 - LEGAL PROCEEDINGS

Except as previously disclosed, we know of no material, active or pending legal proceedings against us, nor are we involved as a plaintiff in any material proceedings or pending litigation.

ITEM 6 - EXHIBITS

Number	Exhibit
(3)	Articles of Incorporation and By-laws
3.1	Articles of Incorporation (incorporated by reference from our Registration Statement on Form SB-2, filed on November 29, 2002).
3.2	Bylaws (incorporated by reference from our Current Report on Form 8-K filed on April 10, 2006).
3.3	Articles of Merger filed with the Nevada Secretary of State on March 29, 2006 (incorporated by reference to our Current Report on Form 8-K filed on April 10, 2006).
(4)	Instruments defining rights of security holders, including indentures
4.1	Specimen Stock Certificate (incorporated by reference from our Registration Statement on Form SB-2, filed on November 29, 2002).
4.2	Form of warrant certificate (incorporated by reference from our current report on Form 8-K filed on June 18, 2007)
(10)	Material Contracts
10.1	Agreement between our company and Hadasit Medical Services and Development Ltd. dated February 17, 2006 (incorporated by reference from our current report on Form 8-K filed February 17, 2006)
10.2*	Agreement between our company and Hadasit Medical Services and Development Ltd. dated January 7, 2009
10.3	Consulting Agreement, dated May 1, 2008, between Oramed Pharmaceuticals Inc. and Dr. Ehud Arbit (incorporated by reference from our annual report on Form 10-KSB filed November 26, 2008)
10.4	Amended and Restated Consulting Agreement, dated as of May 1, 2008, between Oramed Pharmaceuticals Inc. and Dr. Ehud Arbit (incorporated by reference from our annual report on Form 10-KSB filed November 26, 2008)
10.5	Amended to Consulting Agreement, dated as of October 3, 2008, between Oramed Pharmaceuticals Inc. and Dr. Ehud Arbit (incorporated by reference from our annual report on Form 10-KSB filed November 26, 2008)
(31)	Section 302 Certification
31.1 *	Certification Statement of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2 *	Certification Statement of the Principal Accounting Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
(32)	Section 906 Certification
32.1 *	Certification Statement of the Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act Of 2002
32.2 *	Certification Statement of the Principal Accounting Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act Of 2002

* Filed herewith

SIGNATURES

In accordance with the requirements of the Securities Exchange Act of 1934, the registrant caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

ORAMED PHARMACEUTICALS INC.

Registrant

Date: January 13, 2009 By: /s/ *Nadav Kidron*

Nadav Kidron
President, Chief Executive Officer and Director

Date: January 13, 2009 By: /s/ *Chaime Orlev*

Chaime Orlev
Chief Financial Officer

AGREEMENT

This Agreement (the "**Agreement**") is effective as of this 7th day of January, 2009 (the "**Effective Date**") by and between, Oramed Pharmaceuticals Inc., a company established under the laws of the state of Navada with offices at 2/5 High Tech Park, Givat Ram Jerusalem, Israel ("**OraMed**"), and Hadasit Medical Research Services and Development Ltd. an Israeli Company with offices at P.O.B 12000, Jerusalem, 91120 Israel (the "**Hadasit**").

Whereas, OraMed is the successor of Integrated Security Technologies, Inc. ("**IST**"); and

Whereas, Hadasit and IST entered on February 1, 2006 into the agreement regarding Method of Replacing Insulin Injections with Oral Insulin attached hereto as Exhibit A (the "**First Agreement**"); and

Whereas, the First Agreement contains certain terms and conditions all of which have been met by OraMed, including, the Financing defined in Section 7 of the First Agreement which has been raised by OraMed, the Clinical Trials defined in Section 5 of the First Agreement which have been successfully completed and the closing conditions in section 13 and 14 of the First Agreement which have been met; and

Whereas, the parties now wish to perform the Closing (as defined in the First Agreement) and replace the First Agreement with the terms and conditions set forth herein;

Now therefore, the parties hereto agree as follows:

1. **DEFINITIONS**. In addition to terms elsewhere defined in this Agreement, the following terms shall have the meanings set forth opposite each one of them:

   1.1. "**Acquired Patents**" means the Patents set forth on Exhibit B and all subject matters disclosed and claimed therein.

   1.2. "**Additional Patents**" means all Patents filed by OraMed as a result of the collaboration with Hadasit as listed in Exhibit C and all subject matters disclosed and claimed therein

   1.3. **Patents**" means (i) all patents and patent applications and any patents issuing therefrom worldwide, (ii) any patents and patent applications claiming priority form (i) above, (iii) any substitutions, divisions, continuations, continuations-in-part, reissues, renewals, registrations, confirmations, re-examinations, extensions, supplementary protection certificates, term extensions (under patent or other law), certificates of invention and the like, of any such patents or patent applications, (iv) any foreign or international equivalent of any of the foregoing; and (v) any application claiming priority of any patent in (i)-(iv) above.

2. ASSIGNMENT OF PATENTS

   2.1. Consideration. Hadasit acknowledges and agrees that the 4,141,532 common stock par value US$0.001 of OraMed issued to Hadasit on February 17, 2006 constitute the sole and complete compensation and consideration for the sale, transfer and assignment of the Acquired Patents and Additional Patents and that Hadasit is not and will not be entitled for any additional consideration of any kind for the sale, transfer and assignment of the Acquired Patents and the Additional Patents.

   2.2. Acquired Patents. Hadasit confirms that it has conveyed, transferred and assigned all if its ownership rights in the Acquired Patents and any other rights, title and interest in and to the Acquired Patents to OraMed and that Hadasit has no and will have no claims whatsoever regarding the Acquired Patents. Hadasit further confirms and acknowledge that OraMed has had the right to file the Acquired Patents in its own name.

   2.3. Additional Patents. Hadasit further confirms its ownership rights and any other rights, title and interest in and to the Additional Patents have been or will be assigned, conveyed and transferred to OraMed exclusively immediately upon OraMed's requests and that Hadasit has no and will have no claims whatsoever regarding these Additional Patents.

   2.4. For the avoidance of doubt, Hadasit acknowledges and confirms that it has neither claims of any kind nor any rights to any of the Additional Patents listed in Exhibit C, attached hereto, all of which were filed by OraMed after the First Agreement. OraMed will exclusively control all prosecution, defense, enforcement, maintenance and will fully incur all costs of maintenance of both the Acquired Patents and the Additional Patents. Should OraMed decides for any reason not to incur some of the Patent costs and expenses (including, but not limited to, defense thereof against third parties claims or prosecution of third parties infringing same) relating to the Acquired Patents, and Hadasit shall bear such expenses in its stead, then OraMed shall be deemed to have automatically waived and assigned all its rights under the Acquired Patents or the Additional Patents, and shall not be entitled to any remuneration or compensation in respect of such rights or such assignment derived from Hadasit incurring such expenses. OraMed shall then take all steps and/or execute all documents necessary in order to give full force and effect to any such agreement to assign the Acquired or Additional Patents to Hadasit.

2.5. In the event that Dr. Miriam Kidron is subsequently discovered not to be the sole inventor of the Acquired Patents or the Additional Patents and that either of them is subject to a claim by any current or former employee of Hadassah Medical Organization ("Hadasit Inventor"), any consideration that may be required to be paid to any Hadasit Inventor pursuant the Hadasit's internal guidelines or otherwise will be payable to such Hadasit Inventor solely by Dr. Miriam Kidron. In no event, including the event described in this subsection, shall the consideration paid to Hadasit be reduced and/or altered in any manner in order to compensate the Hadasit Inventor. Any and all Hadasit Inventor shall assign and will assign and transfer their entire right, title, and interest exclusively to Oramed, subject to the Hadasit Inventor's entitlement to a proportionate share of Dr. Miriam Kidron share holdings in OraMed.

2.6. Representations and Warranties. Hadasit hereby represents and warrants that:

2.6.1. It has as of the Effective Date, and will have during the Term, sufficient rights and power to grant the rights to OraMed to which it purports to grant herein, free and clear of any and all liens and any requirements of charges, fees, rights, conditions or restrictions of any kind; and

2.6.2. It has not granted any third parties any rights or licenses in the Acquired Patents and Additional Patents.

2.6.3. From November 1, 2006, Dr. Miriam Kidron is no longer an employee of Hadassa Medical Organization or Hadasit, and no employer-employee relationship exists as of that date between Hadassah Medical Organization or Hadasit and Dr. Miriam Kidron. Furthermore, from November 1, 2006 any results developed by Dr. Miriam Kidron using her funds, do not belong to Hadassah Medical Organization or to Hadasit.

2.6.4. it will execute any further document reasonably requested by OraMed in order to effect this Agreement and the assignment of rights herein.

2.6.5. this Agreement is a legal and valid obligation binding upon it and enforceable in accordance with its terms; and

2.6.6. the execution, delivery and performance of this Agreement do not conflict with any agreement, instrument or understanding, oral or written, to which it is a party or by which it may be bound, nor violate any law or regulation of any court, governmental body or administrative or other agency having jurisdiction over it.

2.7. Disclaimer. Except as expressly set forth herein, NEITHER PARTY MAKES ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED, AND EXPRESSLY DISCLAIMS ALL IMPLIED WARRANTIES OF TITLE, NON-INFRINGEMENT, MERCHANTIBILITY AND FITNESS FOR A PARTICULAR PURPOSE.

3. CLINICAL TRIALS

3.1. Clinical Trial. Hadasit further acknowledges and agrees that all the results of Clinical Trials including currently performed clinical trials concerning the intellectual property and technology which is the subject matter of this Agreement, including all intellectual property right thereof, data, information, records, notes forms and regulatory files belong exclusively to OraMed.

3.2. Dr. Miriam Kidron. Dr. Kidron has retired and is not longer an employee of Hadsit or Hadassah Medical Organization. OraMed has no outstanding obligations for Hadasit with respect to Dr. Kidron and Hadasit has no claims for her as they relate to the First Agreement, the Acquired Patents and/or the Additional Patents, subject to sub-clause 2.5 above.

4. TERM

4.1. This Agreement shall become effective on the Effective Date and shall continue until the last to expire of the Acquired Patents and the Additional Patents (the "**Term**").

5. **MISCELLANEOUS**.

5.1. Governing Law. This Agreement shall be governed by and construed according to the laws of the State of Israel without regard to the conflict of laws provisions thereof. Any dispute arising under or in relation to this Agreement shall be resolved in the competent courts of Tel Aviv-Jaffa District, and each of the parties hereby submits irrevocably to the jurisdiction of such court.

5.2. Assignment. Hadasit may not assign any of its rights or delegate any of its obligations under this Agreement by operation of law or otherwise without the prior written consent of OraMed. OraMed shall be free to assign this Agreement in its sole discretion to its affiliates or to an entity that acquires a majority of the assets of OraMed to which this Agreement relates or all or substantially all of the equity of OraMed, provided that any such Assignee fully undertakes OraMed's obligations under this Agreement. Any attempted assignment in violation of the foregoing shall be null and void and of no effect. Subject to the foregoing, this Agreement shall bind and inure to the benefit of the Parties and their successors and assigns.

5.3. Headings. The heading and captions are for convenience only and do not form part of this Agreement and are not intended to interpret, define or limit the scope, extent or intent of this Agreement or any provisions hereof.

5.4. Exhibits. The exhibits of this Agreement form an integral part of this Agreement and they may be changed and updated by agreement in writing of both Parties hereto from time to time.

5.5. Notices. Notices to either Party to this Agreement shall be deemed given (a) four business days after being mailed by airmail, postage prepaid, (b) the same business day, if dispatched by facsimile and sender receives acknowledgment of receipt. Mail shall be addressed as first set forth above, or to either Party at such other address as it shall have notified the other pursuant to the provisions of this subsection 5.5.

5.6. Entire Agreement. This Agreement constitutes the entire agreement between OraMed and Hadasit with respect to the subject matter hereof superseding any prior agreement, including, the First Agreement, which is hereby no longer valid and shall be null and void. In the event of a contradiction between the body of this Agreement and any one of the exhibits thereto, the provisions contained in this Agreement shall prevail.

5.7. Amendment. This Agreement may not be altered, amended or modified, except by formal agreement in writing signed by duly authorized representatives of both Parties.

5.8. Independent Contractors. The Parties hereto are and shall remain independent contractors. Nothing herein shall be deemed to establish a partnership, joint venture, or agency relationship between the Parties. Neither Party shall have the right to obligate or bind the other Party in any manner to any third party.

5.9. No Waiver. Neither Party shall, by mere lapse of time, without giving notice thereof, be deemed to have waived any breach by the other Party of any terms or provisions of this Agreement. The waiver by either Party of any such breach shall not be construed as a waiver of subsequent breaches or as a continuing waiver of such breach.

5.10. Severability. In the event that any provision contained in his Agreement should, for any reason, be held to be invalid or unenforceable in any respect under the laws of any jurisdiction where enforcement is sought, such invalidity or unenforceability shall not affect any other provision of this Agreement and this Agreement shall be construed as if such invalid or unenforceable provision had not been contained herein.

5.11. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

5.12. Indemnification: Oramed shall indemnify, defend and hold harmless Hadasit, Hadassah Medical Organization, their trustees, officers, directors, medical and professional staff, employees, students and agents and their respective successors, heirs and assigns (the "Indemnitees"), against any liability, damage, loss or expense (including reasonable attorneys' fees and expenses of litigation) incurred by or imposed upon the Indemnitees or any one of them in connection with any claims, suits, actions, demands or judgments arising out of the production, manufacture, sale, use in commerce or in human clinical trials, lease, or promotion by OraMed or by a licensee, affiliate or agent of OraMed of any product, process or service relating to, or developed based on the Acquired Patents or the Additional Patents, or arising out of the performance of any related Clinical Trials. Oramed's indemnification obligation above will not apply to any liability, damage, loss or expense to the extent that it is attributable to the negligence, gross negligence, intentional misconduct or breach of any applicable laws by any of the Indemnitees.

5.13. Notwithstanding anything to the contrary herein, OraMed shall not use the names of the Hadasit, “Hadassah” or “HMO” without Hadasit’s prior written approval, not to be unreasonably withheld, all except for (a) references to scientific publications which are already in the public domain at the time of publication and (b) applications for regulatory approvals to official authorities, and (c) as requested by regulatory authorities as required by law or applicable regulation. Notwithstanding the foregoing, OraMed shall include appropriate acknowledgement and credit to Hadasit, HMO, and their employees in any publication relating to the Clinical Trials and/or the Patents, in whatever media, including application(s) to official authorities or presentations to potential investors. Hadasit acknowledges that OraMed is a reporting issuer in the United States and as such must file a copy of this Agreement with the SEC, which will be open for inspection by any party over the internet. Additionally, OraMed will be required to make full disclosure in material change report and in its periodic reports and other regulatory filing all aspects of this transaction. Hadasit hereby consents to all such filings.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their respective duly authorized representatives as of the Effective Date.

HADASIT		**ORAMED INC.**	
By:	/s/ Raphael Hofstein	By:	/s/ Nadav Kidron
Name:	Raphael Hofstein	Name:	Nadav Kidron
Title:	President & CEO	Title:	CEO

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002

I, Nadav Kidron, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Oramed Pharmaceuticals Inc.;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation;

c) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls;

Dated: January 13, 2009

By: /s/ *NADAV KIDRON*

Nadav Kidron
President, Chief Executive Officer and Director

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002

I, Chaime Orlev, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Oramed Pharmaceuticals Inc.;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation;

c) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls;

Dated: January 13, 2009

By: /s/ *CHAIME ORLEV*

Chaime Orlev,
Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of Oramed Pharmaceuticals Inc. (the "Company") on Form 10-Q for the period ended November 30, 2008 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Nadav Kidron, President, Chief Executive Officer and Director of the Company, certify, pursuant to 18 U.S.C. section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities and Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Dated: January 13, 2009

By: /s/ *NADAV KIDRON*

Nadav Kidron
President, Chief Executive Officer and Director

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of Oramed Pharmaceuticals Inc. (the "Company") on Form 10-Q for the period ended November 30, 2008 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Chaime Orlev, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities and Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Dated: January 13, 2009

By: /s/ *CHAIME ORLEV*
Chaime Orlev,
Chief Financial Officer