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

FORM 10-Q

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

For the quarterly period ended November 30, 2010

☐ TRANSITION REPORT PURSUANT TO 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)	(Zip Code)

+ 972-2-566-0001
(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 preceding 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 has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☐ 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

As of January 12, 2011 there were 65,262,784 shares of the issuer's Common Stock, $.001 par value, outstanding.

ORAMED PHARMACEUTICALS INC.

FORM 10-Q

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ITEM 1 - FINANCIAL STATEMENTS

ORAMED PHARMACEUTICALS INC.
(A development stage company)

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF NOVEMBER 30, 2010

ORAMED PHARMACEUTICALS INC.
(A development stage company)

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF NOVEMBER 30, 2010

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

	November 30, 2010	August 31, 2010
	Unaudited	Audited
Assets		
CURRENT ASSETS:		
Cash and cash equivalents	$ 1,101,283	$ 1,199,638
Short term investments		100,000
Restricted cash	16,017	16,008
Accounts receivable - other	23,843	59,175
Prepaid expenses	24,097	1,859
Related parties	798	7,689
Grants receivable from the Chief Scientist	143,917	12,438
Total current assets	1,309,955	1,396,807
INVESTMENT IN A JOINT VENTURE	1,535	
LONG TERM DEPOSITS	10,967	10,582
PROPERTY AND EQUIPMENT, net	36,048	43,499
Total assets	$ 1,358,505	$ 1,450,888
Liabilities and stockholders' equity		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	$ 335,148	$ 411,330
Account payable with former shareholder	47,252	47,252
Total current liabilities	382,400	458,582
PROVISION FOR UNCERTAIN TAX POSITION	162,034	162,034
COMMITMENTS		
STOCKHOLDERS' EQUITY:		
Common stock of $ 0.001 par value - Authorized: 200,000,000 shares at November 30, 2010 and August 31, 2010; Issued and outstanding: 58,756,535 at November 30, 2010 and 57,565,321 shares at August 31, 2010, respectively	58,757	57,565
Additional paid-in capital	14,344,152	13,758,761
Deficit accumulated during the development stage	(13,588,838)	(12,986,054)
Total stockholders' equity	814,071	830,272
Total liabilities and stockholders' equity	$ 1,358,505	$ 1,450,888

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
	2010	2009	2010
		Unaudited	
RESEARCH AND DEVELOPMENT EXPENSES, net	$ 286,488	$ 332,485	$ 6,979,028
IMPAIRMENT OF INVESTMENT			434,876
GENERAL AND ADMINISTRATIVE EXPENSES	315,129	285,016	5,997,552
OPERATING LOSS	601,617	617,501	13,411,456
FINANCIAL INCOME	(2,189)	(8,373)	(162,989)
FINANCIAL EXPENSE	3,356	3,665	165,833
LOSS BEFORE TAXES ON INCOME	602,784	612,793	13,414,300
TAXES ON INCOME	-	-	174,538
NET LOSS FOR THE PERIOD	$ 602,784	$ 612,793	$ 13,588,838
BASIC AND DILUTED LOSS PER COMMON SHARE	$ (0.01)	$ (0.01)	
WEIGHTED AVERAGE NUMBER OF COMMON STOCK USED IN COMPUTING BASIC AND DILUTED LOSS PER COMMON STOCK	57,932,597	57,158,865	

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, 2008 (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– NET OF ISSUANCE EXPENSES	37,359,230	37,359	7,870,422		7,907,781
SHARES ISSUED FOR SERVICES	621,929	622	367,166		367,788
SHARES TO BE ISSUED FOR SERVICES RENDERED			203,699		203,699
CONTRIBUTIONS TO PAID IN CAPITAL			18,991		18,991
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
STOCK BASED COMPENSATION RELATED TO OPTIONS GRANTED TO EMPLOYEES AND DIRECTORS			2,864,039		2,864,039
STOCK BASED COMPENSATION RELATED TO OPTIONS GRANTED TO CONSULTANTS			498,938		498,938
DISCOUNT ON CONVERTIBLE NOTE RELATED TO BENEFICIAL CONVERSION FEATURE			108,000		108,000
COMPREHENSIVE LOSS				(16)	(16)
IMPUTED INTEREST			15,997		15,997
NET LOSS				(10,008,662)	(10,008,662)
BALANCE AS OF AUGUST 31, 2009 (audited)	56,456,710	56,456	12,698,414	(10,008,678)	2,746,192
SHARES ISSUED FOR SERVICES RENDERED	1,108,611	1,109	248,741		249,850
STOCK BASED COMPENSATION RELATED TO OPTIONS GRANTED TO EMPLOYEES AND DIRECTORS			690,882		690,882
STOCK BASED COMPENSATION RELATED TO OPTIONS GRANTED TO CONSULTANTS			116,944		116,944
IMPUTED INTEREST			3,780		3,780
NET LOSS				(2, 977, 376)	(2,977,376)
BALANCE AS OF AUGUST 31, 2010 (audited)	57,565,321	$ 57,565	$ 13,758,761	$ (12,986,054)	$ 830,272
SHARES ISSUED FOR SERVICES RENDERED	253,714	254	88,546		88,800
RECEIPTS ON ACCOUNT OF SHARES AND WARRANTS	937,500	938	299,062		300,000
STOCK BASED COMPENSATION RELATED TO OPTIONS GRANTED TO EMPLOYEES AND DIRECTORS			188,966		188,966
STOCK BASED COMPENSATION RELATED TO OPTIONS GRANTED TO CONSULTANTS			6,335		6,335
OTHER COMPREHENSIVE INCOME			1,535		1,535
IMPUTED INTEREST			947		947
NET LOSS				(602,784)	(602,784)
BALANCE AS OF NOVEMBER 30, 2010 (unaudited)	58,756,535	$ 58,757	$ 14,344,152	$ (13,588,838)	$ 814,071

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,
	2010	2009	2010
		Unaudited	
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net loss	$ (602,784)	$ (612,793)	$ (13,588,838)
Adjustments required to reconcile net loss to net cash used in operating activities:			
Depreciation	7,451	7,989	85,255
Amortization of debt discount	-	-	108,000
Exchange differences on long term deposits	(385)	(61)	(1,051)
Stock based compensation	195,301	97,977	4,366,104
Common stock issued for services	-	-	706,438
Common stock to be issued for services	88,800	169,500	203,699
Impairment of investment	-	-	434,876
Imputed interest	947	945	20,724
Changes in operating assets and liabilities:			
Prepaid expenses and other current assets	(111,494)	122,717	(192,655)
Restricted cash	(9)	-	(16,017)
Accounts payable and accrued expenses	(76,182)	42,988	335,148
Provision for uncertain tax position	-	-	162,034
Total net cash used in operating activities	(498,355)	(170,738)	(7,376,283)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property and equipment	-	-	(121,303)
Acquisition of short-term investments	-	(400,000)	(3,728,000)
Proceeds from sale of Short term investments	100,000	-	3,728,000
Lease deposits	-	-	(9,916)
Total net cash provided by (used in) investing activities	100,000	(400,000)	(131,219)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from sales of common stocks and warrants - net of issuance expenses	300,000	-	8,261,481
Receipts on account of shares issuances	-	-	6,061
Proceeds from convertible notes	-	-	275,000
Proceeds from short term note payable	-	-	120,000
Payments of short term note payable	-	-	(120,000)
Shareholder advances	-	-	66,243
Net cash provided by financing activities	300,000	-	8,608,785
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(98,355)	(570,738)	1,101,283
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	1,199,638	1,716,866	-
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 1,101,283	$ 1,146,128	$ 1,101,283
Non cash investing and financing activities:			
Shares issued for offering costs			$ 1,753
Contribution to paid in capital			$ 18,991
Discount on convertible note related to beneficial conversion feature			$ 108,000
Shares issued for services rendered		$ 152,928	

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., which is engaged in research and development. Unless the context indicates otherwise, the term "Group" refers to Oramed Pharmaceuticals Inc. and its Israeli subsidiary, Oramed Ltd (the "Subsidiary").

   The Group is engaged in research and development in the biotechnology field and is considered a development stage company in accordance with ASC Topic 915 (formerly FAS 7) "Development Stage Entities".

2. The accompanying unaudited interim consolidated financial statements as of November 30, 2010 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, 2010, are not necessarily indicative of the results that may be expected for the year ending August 31, 2011.

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, 2010 of $13,588,838 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 November 30, 2010. 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, as well as on going funding from the Office of the Chief Scientist of the Ministry of Industry, Trade and Labor of Israel ("OCS"). See also note 7b for sale of Securities Purchase Agreements to which the Company entered following November 30, 2010.

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

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.

b. Newly issued and recently adopted Accounting Pronouncements

1. In February 2010, the FASB issued Accounting Standards Update No. 2010-09 ("ASU 2010-09"), "Subsequent Events (Topic 855): Amendments to Certain Recognition and Disclosure Requirements," which among other things amended ASC 855 to remove the requirement for an SEC filer to disclose the date through which subsequent events have been evaluated. This change alleviates potential conflicts between ASC 855 and the SEC's requirements. All of the amendments in this update are effective upon issuance of this update. Management has included the provisions of these amendments in the financial statements.

2. In June 2009, the FASB updated accounting guidance relating to variable interest entities. As applicable to the Company, this will become effective as of the first annual reporting period that begins after November 15, 2009, for interim periods within that first annual reporting period, and for interim and annual reporting periods thereafter. As applicable to the Company, the adoption of the new guidance will not have a material impact on the consolidated financial statements.

c. Reclassifications
Certain figures in respect of prior period have been reclassified to conform to the current period presentation.

NOTE 2 - INVESTMENT IN A JOINT VENTURE

a. In June 2010, the subsidiary of the Company entered into an agreement with D.N.A Biomedical Solutions Ltd ("D.N.A"), for the establishment of a new company, Entera Bio Ltd. ("Entera"), ("the JV Agreement").
According to the JV Agreement, D.N.A will invest $600,000 in Entera, and Entera will be owned in equal parts by the subsidiary and D.N.A. In consideration for 50% of Entera's shares, the Subsidiary of the Company will enter into a Patent License Agreement with Entera, according to which, the subsidiary of the Company will out-license to Entera a technology for the development of oral delivery drugs for certain actions. Entera's Chief Executive Officer will be granted options to purchase ordinary shares of Entera, reflecting 9.9% of Entera's share capital.
In the event that Entera has not obtained third-party financing by June 1, 2011, or such other date mutually agreed upon by the parties, each of the subsidiary and D.N.A will be required to make a capital contribution to Entera in the amount of $150,000.
Mr. Zeev Bronfeld, who is one of D.N.A 's controlling shareholders, is also an affiliated shareholder of the Company.

As of November 30, 2010, the Group holds 50% of the issued and outstanding share capital of Entera (45% - on fully diluted basis). As the Group did not obtain control in Entera, these consolidated financial statements do not include Entera's financial statements.

NOTE 2 - INVESTMENT IN A JOINT VENTURE (continued)

During the year ended August 31, 2010, the Group recognized deferred income at the amount of $300,000 (50% of $600,000) that is presented as a provision and deducted from investment account at the same amount. As of November 30, 2010, Entera's losses from operations are at the amount of $239,726.

Entera continued activities as a going concern are subject to additional financing until the completion of the development activities and the commencement of profit generating sales.

The Group has concluded Entera is a variable interest entity according to of the terms of the JV Agreement. The Group reviewed several factors to determine whether the Company is the primary beneficiary of Entera, including the nature Entera's financing, its management structure, the nature of day-to-day operations and certain other factors. Based on those factors, the Group determined that it is not the primary beneficiary of Entera. The Group recognized its share of losses from this entity under the equity method, offset with a corresponding amount of revenue recognition on the out-license agreement.

b. The investment in Entera is composed at follows:

	November 30 2010	August 31
Share in Entera's shareholders equity	$ 300,000	$ 200,000
Currency translation adjustment	1,535	(176)
Less - equity losses	(119,863)	(67,025)
	181,672	132,799
Less - deferred income	(180,137)	(132,799)
Net investment	$ 1,535	-,-

NOTE 3 - COMMITMENTS:

a. Under the terms of the First Agreement with Hadasit (note 1a(1) above), the Company retained Hadasit to provide consulting and clinical trial services. As remuneration for the services provided under the agreement, Hadasit is entitled to $200,000. The primary researcher for Hadasit is Dr. Miriam Kidron, a director and officer of the Company. The funds paid to Hadasit under the agreement are deposited by Hadasit into a research fund managed by Dr. Kidron. Pursuant to the general policy of Hadasit with respect to its research funds, Dr. Kidron receives from Hadasit a management fee in the rate of 10% of all the funds deposited into this research fund.

On January 7, 2009, the Company entered into a second agreement with Hadasit (the “Second Agreement”) which confirms that Hadasit has conveyed, transferred and assigned all of its ownership rights in the patents acquired under the First Agreement to the Company, and certain other patents filed by the Company after the First Agreement as a result of the collaboration between the Company and Hadasit.

NOTE 3 - COMMITMENTS (continued):

On July 8, 2009 the Company entered into a third agreement with Hadasit, Prof. Itamar Raz and Dr. Miriam Kidron ("the Third Agreement"), to provide consulting and clinical trial services. According to the Third Agreement, Hadasit will be entitled to a total consideration of $400,000 to be paid by Oramed. $200,000 of this amount was agreed in the terms of the First Agreement, and the remaining of $200,000 will be paid in accordance with the actual progress of the study. The total amount that was paid through November 30, 2010 was $359,255.

b. As to a Clinical Trial Manufacturing Agreement with Swiss Caps AG, see note 5 and 7a.

c. On September 19, 2007 the Subsidiary entered into a lease agreement for its office facilities in Israel. The lease agreement is for a period of 51 months, and will end on December 31, 2011. The monthly lease payment is 2,396 NIS and is linked to the increase in the Israeli consumer price index, (as of November 31, 2010 the monthly payment in the Company's functional currency is $651, the future annual lease payments under the agreement for the years ending August 31, 2011 and 2012 are $7,532 and $2,512, respectively).
As security for its obligation under this lease agreement the Company provided a bank guarantee in an amount equal to three monthly lease payments.

d. On April 21, 2009, the subsidiary entered into a consulting service agreement with ADRES Advanced Regulatory Services Ltd. (“ADRES”) pursuant to which ADRES will provide consulting services relating to quality assurance and regulatory processes and procedures in order to assist the subsidiary in submission of a U.S. IND according to FDA regulations. In consideration for the services provided under the agreement, ADRES will be entitled to a total cash compensation of $211,000, of which the amount $110,000 will be paid as a monthly fixed fee of $10,000 each month for 11 months commencing May 2009, and the remaining $101,000 will be paid based on achievement of certain milestones. $160,000 of the total amount was paid through November 30, 2010, of that $30,000 were paid for completing the three first milestones.

e. On February 10, 2010, the subsidiary entered into an agreement with Vetgenerics Research G. Ziv Ltd, a clinical research organization (CRO), to conduct a toxicology trial on its oral insulin capsules. The total cost estimated for the studies is €107,100 ($139,138) of which €53,950 ($70,154) was paid through November 30, 2010.

f. On May 2, 2010, the subsidiary entered into an agreement with SAFC Pharma, a division of the Sigma-Aldrich Corporation, to develop a process to produce one of its oral capsule ingredients, for a total estimated consideration of $269,600, of which $41,102 was paid through November 30, 2010.

g. On July 5, 2010, the subsidiary of the Company entered into a Manufacturing Supply Agreement (MSA) with Sanofi-Aventis Deutschland GMBH ("sanofi-aventis"). According to the MSA, sanofi-aventis will supply the subsidiary with specified quantities of recombinant human insulin to be used for clinical trials in the USA.

NOTE 3 - COMMITMENTS (continued):

h. Grants from the Chief Scientist Office of the Ministry of Industry, Trade and Labor of Israel ("OCS")

The Subsidiary is obligated to pay royalties to the OCS on proceeds from the sale of products developed from research and development activities that were funded, partially, by grants from the OCS. In the case of failure of a project that was partly financed as described above, the Company is not obligated to pay any such royalties or repay funding received from the OCS.

Under the terms of the funding arrangements with the OCS, royalties of 3% to 3.5% are payable on the sale of products developed from projects funded by the OCS, which payments shall not exceed, in the aggregate, 100% of the amount of the grant received (dollar linked), plus interest at annual rate based on LIBOR. In addition, if the Company receives approval to manufacture the products developed with government grants outside the State of Israel, it will be required to pay an increased total amount of royalties (possibly up to 300% of the grant amounts plus interest), depending on the manufacturing volume that is performed outside the State of Israel, and, possibly, an increased royalty rate.

As of November 30, 2010, the subsidiary has not yet realized any revenues from the said project and did not incur any royalty liability.

For the three months period ended November 30, 2010 the research and development expenses are presented net of OCS Grants, in the total of $151,976. For the year ended August 31, 2010 the OCS Grants were $350,198.

NOTE 4 - STOCK HOLDERS' EQUITY:

On November 16, 2010, the Company entered into a Securities Purchase Agreement with an accredited investor for the sale of 937,500 units at a purchase price of $0.32 per unit for total consideration of $300,000. Each unit consisted of one share of the Company's common stock and one common stock purchase warrant. Each warrant entitles the holder to purchase 0.35 a share of common stock exercisable for five years at an exercise price of $0.50 per share.

As to shares issued after November 30, 2010, see note 7.

NOTE 5 - STOCK BASED COMPENSATION:

The following are stocks issued for services, stock options and warrants transactions made during the three months ended November 30, 2010:

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 for the transaction with Swiss according to FASB ASC 480 "Distinguishing Liabilities from Equity" (formerly FAS 150).

On September 11, 2010, the Company issued 253,714 shares of its common stock to Swiss as remuneration for the services provided, for total of $88,800.
As to shares issued after November 30, 2010, see note 7a.

The Company recognized $195,301 of stock based compensation expense during the three months ended November 30, 2010 related to options granted to employees and consultants, all of which relates to options granted in prior years.

NOTE 6 - FAIR VALUE:

The fair value of the financial instruments included in the Company's working capital is usually identical or close to their carrying value due to the short-term maturities of these instruments.

NOTE 7 - SUBSEQUENT EVENTS:

a. On January 11, 2011, the Company issued 100,000 shares of its common stock to Swiss as remuneration for the services provided, in the amount of $31,000.

b. In December 2010, the Company entered into a Securities Purchase Agreements with two accredited investors for the sale of 6,406,250 units at a purchase price of $0.32 per unit for total consideration of $2,050,000. Each unit consisted of one share of the Company's common stock and one common stock purchase warrant. Each warrant entitles the holder to purchase 0.35 a share of common stock exercisable for five years at an exercise price of $0.50 per share. 156,250 units were issued on December 23, 2010 and 6,250,000 units were issued on January 10, 2011.

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

The following discussion and analysis of our financial condition and results of operations should be read together with the financial statements and the related notes included elsewhere herein and in our consolidated financial statements, accompanying notes and Management's Discussion and Analysis of Financial Condition and Results of Operations contained in our Annual Report on Form 10-K for the year ended August 31, 2010.

This Quarterly Report on Form 10-Q (including the section regarding Management's Discussion and Analysis of Financial Condition and Results of Operations) contains forward-looking statements regarding our business, financial condition, results of operations and prospects. Words such as "expects," "anticipates," "intends," "plans," "believes," "seeks," "estimates" and similar expressions or variations of such words are intended to identify forward-looking statements, but are not deemed to represent an all-inclusive means of identifying forward-looking statements as denoted in this Quarterly Report on Form 10-Q Additionally, statements concerning future matters are forward-looking statements.

Although forward-looking statements in this Quarterly Report on Form 10-Q reflect the good faith judgment of our management, such statements can only be based on facts and factors currently known by us. Consequently, forward-looking statements are inherently subject to risks and uncertainties and actual results and outcomes may differ materially from the results and outcomes discussed in or anticipated by the forward-looking statements. Factors that could cause or contribute to such differences in results and outcomes include, without limitation, those specifically addressed under "Item 1A – Risk Factors" in our Annual Report on Form 10-K for the year ended August 31, 2010, and filed with the Securities and Exchange Commission (the "SEC" or the "Commission") on November 29, 2010, as well as those discussed elsewhere in our annual report and in this Quarterly Report on Form 10-Q. Readers are urged not to place undue reliance on these forward-looking statements, which speak only as of the date of this Quarterly Report on Form 10-Q. We undertake no obligation to revise or update any forward-looking statements in order to reflect any event or circumstance that may arise after the date of this Quarterly Report on Form 10-Q. Readers are urged to carefully review and consider the various disclosures made throughout the entirety of this Quarterly Report on Form 10-Q which attempt to advise interested parties of the risks and factors that may affect our business, financial condition, results of operations and prospects.

As used in this Quarterly Report on Form 10-Q, the terms "*we*", "*us*", "*our*", the "*Company"*, and "*Oramed*" mean Oramed Pharmaceuticals Inc. and our subsidiary, Oramed Ltd., unless otherwise indicated.

All dollar amounts refer to U.S. dollars unless otherwise indicated.

Overview of Operations

We are a pharmaceutical company engaged in the research and development of innovative pharmaceutical solutions, including an orally ingestible insulin capsule or tablet to be used for the treatment of individuals with diabetes, use of orally ingestible capsules, tablets or pills for delivery of other polypeptides.

Oramed was incorporated on April 12, 2002, in the State of Nevada under the name Iguana Ventures Ltd. Following the incorporation, the Company was 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"). On June 4, 2004, the Company changed its name to Integrated Security Technologies, Inc. by filing a Certificate of Amendment with the Nevada Secretary of State. 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 $0.001 per share. However, due to disappointing results of ISTI, on May 31, 2005, effective as of May 27, 2004 the Company terminated the share exchange agreement with the shareholders of ISTI.

On February 17, 2006, we executed an agreement with Hadasit Medical Services and Development Ltd. ("Hadasit") to acquire provisional patent application No. 60/718716 and related intellectual property. 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 of individuals with diabetes. On April 10, 2006, we changed our name from Integrated Security Technologies, Inc. to Oramed Pharmaceuticals Inc. On August 31, 2006, based on provisional patent application No. 60/718716, we filed a patent application under the Patent Cooperation Treaty at the Israel Patent Office for "Methods and Compositions for Oral Administration of Proteins."

Recent Business Developments

On December 21, 2010 we entered into a Securities Purchase Agreement with Attara Fund, Ltd. for the sale of 6,250,000 shares of our common stock ("Shares") and warrants to purchase up to 2,187,500 Shares, for a total purchase price of $2,000,000 in cash. The transaction closed on January 10, 2011. The Shares and warrants were sold in units at a price per unit of $0.32, each unit consisting of one Share and a warrant to purchase 0.35 of a Share. The warrants have an exercise price of $0.50 per Share, subject to adjustment, and a term of five years commencing from January 11, 2010.

On December 23, 2010, our wholly owned Israeli subsidiary, Oramed Ltd., was awarded a government grant amounting to a total net amount of NIS 2.9 million (approximately $807,000), from the Office of the Chief Scientist of the Ministry of Industry, Trade and Labor of Israel (the "OCS"), which was designated for research and development expenses for the period of July 2010 to June 2011. Oramed Ltd. plans to use the funds to support further research and development and clinical study of its oral insulin capsule and Oral GLP1-analog.

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, 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 ("IND") application with the U.S. Food and Drug Administration (the "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.

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. While our strategy is to partner with an appropriate party, no assurance can be given that any third party would be interested in partnering with us. 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 complement our existing drug portfolio.

Product Development

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 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 2 diabetic volunteers at Hadassah Medical Center in Jerusalem. On August 6, 2008, we announced the successful results of this trial.

In 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 1 diabetic volunteers. On September 24, 2008, we announced the beginning of this trial. On July 21, 2009 we reported positive results from this trial. On September 14, 2010, we reported the successful results of an exploratory clinical trial testing the effectiveness of our oral insulin capsule (ORMD-0801) in type 1 diabetes patients suffering from uncontrolled diabetes. Unstable or labile diabetes is characterized by recurrent, unpredictable and dramatic blood glucose swings often linked with irregular hyperglycemia and sometimes serious hypoglycemia affecting type 1 diabetes patients. This newly completed exploratory study was a proof of concept study for defining a novel indication for ORMD-0801. The encouraging results justify further clinical development of ORMD-0801 capsule application toward management of uncontrolled diabetes.

On April 21, 2009, we entered into a consulting service agreement with ADRES Advanced Regulatory Services Ltd. ("ADRES"), pursuant to which ADRES will provide services for the purpose of filing an IND application with the FDA for a Phase 2 study according to the FDA requirements. The FDA approval process and, if approved, registration for commercial use as an oral drug can take several years.

In May 2009, we commenced a non-FDA approved Phase 2B study in South Africa to evaluate the safety, tolerability and efficacy of our oral insulin capsule (ORMD 0801) on type 2 diabetic volunteers. On May 6, 2010, we reported that the capsule was found to be well tolerated and exhibited a positive safety profile. No cumulative adverse effects were reported throughout this first study of extended exposure to the capsule. We are considering whether and when to conduct an additional non-FDA approved Phase 2B study in India.

On February 10, 2010, we entered into agreements with Vetgenerics Research G. Ziv Ltd., a clinical research organization (CRO), to conduct a toxicology trial on our oral insulin capsules.

GLP-1 Analog:

On September 16, 2008 we announced the launch of pre-clinical trials of ORMD 0901, a GLP-1 analog. The pre-clinical trials include animal studies which suggest that the GLP-1 analog (exenatide -4) when combined with Oramed's absorption promoters is absorbed through the gastrointestinal tract and retains its biological activity.

On September 9, 2009, we received approval from the Institutional Review Board (IRB) in Israel to commence human clinical trials of an oral GLP-1 analog. The approval was granted after successful pre-clinical results were reported. The trials are being conducted on healthy volunteers at Hadassah University Medical Center in Jerusalem. We anticipate that the results of these trials will be released in the near future.

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. In addition to stimulating insulin release, GLP-1 was found to suppress glucagon release (hormone involved in regulation of glucose) from the pancreas, slow gastric emptying to reduce the rate of absorption of nutrients into the blood stream, and increase 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, protection of the heart.

Raw Materials:

Our oral insulin capsule is currently manufactured by Swiss Caps AG, under a Clinical Trail Manufacturing Agreement.

On July 5, 2010, our subsidiary entered into a Manufacturing Supply Agreement ("MSA") with Sanofi-Aventis Deutschland GMBH ("sanofi-aventis"). According to the MSA, sanofi-aventis will supply our subsidiary with specified quantities of recombinant human insulin to be used for clinical trials in the USA.

The raw materials required for the manufacturing of the capsule are purchased from third parties, under separate agreements. We generally depend upon a limited number of suppliers for the raw materials. Although alternative sources of supply for these materials are generally available, we could incur significant costs and disruptions in changing suppliers. The termination of our relationships with our suppliers or the failure of these suppliers to meet our requirements for raw materials on a timely and cost-effective basis could materially adversely affect our business, prospects, financial condition and results of operations.

Patents and Licenses

We maintain a proactive intellectual property strategy which includes patent filings in multiple jurisdictions, including the United States and other commercially significant markets. We hold 34 patent applications currently pending with respect to various compositions, methods of production oral administration of proteins and exenatide. Expiration dates for pending patents will in 2026 – 2028.

Consistent with our strategy to seek protection in key markets worldwide, we have been and will continue to pursue the patent applications and corresponding foreign counterparts of such applications. We believe that our success will depend on our ability to obtain patent protection for our intellectual property.

Our patent strategy is as follows:

· *Aggressively protect* all current and future technological developments to assure strong and broad protection by filing patents and/or continuations in part as appropriate;

· *Protect technological* developments at various levels, in a complementary manner, including the base technology, as well as specific applications of the technology; and

· *Establish comprehensive* coverage in the U.S. and in all relevant foreign markets in anticipation of future commercialization opportunities.

The validity, enforceability, written supports, and breadth of claims in our patent applications involve complex legal and factual questions and, therefore, may be highly uncertain. No assurance can be given that any patents based on pending patent applications or any future patent applications filed by us will be issued, that the scope of any patent protection will exclude competitors or provide competitive advantages to us, that any of the patents that have been or may be issued to us will be held valid or enforceable if subsequently challenged, or that others will not claim rights in or ownership of the patents and other proprietary rights held or licensed by us. Furthermore, there can be no assurance that others have not developed or will not develop similar products, duplicate any of our technology or design around any patents that have been or may be issued to us. Since patent applications in the United States are maintained in secrecy for the initial period of time following filing, we also cannot be certain that others did not first file applications for inventions covered by our pending patent applications, nor can we be certain that we will not infringe any patents that may be issued to others on such applications.

We also rely on trade secrets and unpatentable know-how that we seek to protect, in part, by confidentiality agreements. Our policy is to require our employees, consultants, contractors, manufacturers, outside scientific collaborators and sponsored researchers, board of directors, technical review board and other advisors to execute confidentiality agreements upon the commencement of employment or consulting relationships with us. These agreements provide that all confidential information developed or made known to the individual during the course of the individual's relationship with us is to be kept confidential and not disclosed to third parties except in specific limited circumstances. We also require signed confidentiality or material transfer agreements from any company that is to receive our confidential information. In the case of employees, consultants and contractors, the agreements provide that all inventions conceived by the individual while rendering services to us shall be assigned to us as the exclusive property of our company. There can be no assurance, however, that all persons who we desire to sign such agreements will sign, or if they do, that these agreements will not be breached, that we would have adequate remedies for any breach, or that our trade secrets or unpatentable know-how will not otherwise become known or be independently developed by competitors.

Our success will also depend in part on our ability to commercialize our technology without infringing the proprietary rights of others. No assurance can be given that patents do not exist or could not be filed which would have an adverse affect on our ability to market our technology or maintain our competitive position with respect to our technology. If our technology components, products, processes or other subject matter are claimed under other existing United States or foreign patents or are otherwise protected by third party proprietary rights, we may be subject to infringement actions. In such event, we may challenge the validity of such patents or other proprietary rights or we may be required to obtain licenses from such companies in order to develop, manufacture or market our technology. There can be no assurances that we would be able to obtain such licenses or that such licenses, if available, could be obtained on commercially reasonable terms. Furthermore, the failure to either develop a commercially viable alternative or obtain such licenses could result in delays in marketing our proposed technology or the inability to proceed with the development, manufacture or sale of products requiring such licenses, which could have a material adverse affect on our business, financial condition and results of operations. If we are required to defend ourselves against charges of patent infringement or to protect our proprietary rights against third parties, substantial costs will be incurred regardless of whether we are successful. Such proceedings are typically protracted with no certainty of success. An adverse outcome could subject us to significant liabilities to third parties and force us to curtail or cease our development and commercialization of our technology.

Partnerships and Collaborative Arrangements

We believe that working together with strategic partners will expedite product formulation, production and approval.

On February 17, 2006, we entered into an agreement with Hadasit to provide consulting and clinical trial services.

On October 30, 2006, we entered into a Clinical Trial Manufacturing Agreement with Swiss Caps AG (“Swiss”), pursuant to which Swiss currently manufactures the oral insulin capsule developed by us.

During April 2008, we entered into a five year master services agreement with SAFC**,** an operating division of Sigma-Aldrich, Inc., pursuant to which SAFC is providing services for individual projects, which may include strategic planning, expert consultation, clinical trial services, statistical programming and analysis, data processing, data management, regulatory, clerical, project management, central laboratory services, pre-clinical services, pharmaceutical sciences services, and other research and development services.

On April 21, 2009, we entered into a consulting service agreement with ADRES, pursuant to which ADRES will provide services for the purpose of filing an IND application with the FDA for a Phase 2 study in accordance with FDA requirements. The FDA approval process and, if approved, registration for commercial use as an oral drug can take several years.

On July 8, 2009 we entered into an additional agreement with Hadasit, to facilitate additional clinical trials to be performed at Hadassah Medical Center in Jerusalem.

On February 10, 2010, we entered into agreements with Vetgenerics Research G. Ziv Ltd., a clinical research organization (CRO), to conduct a toxicology trial on our oral insulin capsules.

On May 2, 2010, we entered into an additional agreement with SAFC Pharma, a division of the Sigma-Aldrich Corporation, to develop a process to produce one of our oral capsule ingredients.

As mentioned above, on July 5, 2010, our subsidiary entered into an MSA with sanofi-aventis. According to the MSA, sanofi-aventis will supply our subsidiary with specified quantities of recombinant human insulin to be used for clinical trials in the USA.

Out-Licensed Technology

On June 1, 2010, our subsidiary, Oramed Ltd., entered into an agreement with D.N.A Biomedical Solutions Ltd (formerly, Laser Detect Systems Ltd),, an Israeli company listed on the Tel Aviv Stock Exchange ("D.N.A"), for the establishment of a new company to be called Entera Bio Ltd. ("Entera").

Under the terms of a license agreement that was entered into between Oramed and Entera, we will out-license technology to Entera, on an exclusive basis, for the development of oral delivery drugs for certain indications to be agreed upon between the parties. The out-licensed technology differs from our main delivery technology that is used for oral insulin and GLP-1 analog and is subject to different patent applications. Entera's initial development effort will be an oral formulation for the treatment of osteoporosis. The license will be royalty-free unless our ownership interest in Entera decreases to 30% or less of its outstanding share capital, in which case royalties will be payable with respect to revenues derived from certain indications. Under certain circumstances, Entera may receive ownership of the licensed technology, in which case we would receive a license back on the same terms.

D.N.A invested $600,000 in Entera in two parts of $400,000 in August 2010 and $200,000 in November 2010, and Entera is owned in equal parts by Oramed and D.N.A, subject to dilution by future issuances of shares. Entera's Chief Executive Officer, Dr. Phillip Schwartz, will be granted options to purchase ordinary shares of Entera, reflecting 9.9% of Entera's share capital, upon full exercise. In the event that Entera has not obtained third-party financing by June 1, 2011, or such other date mutually agreed upon by the parties, each of Oramed and D.N.A will be required to make a capital contribution to Entera in the amount of $150,000.

Mr. Zeev Bronfeld, who is one of D.N.A's controlling shareholders, holds approximately 10.71% of our outstanding common stock (see "Securities Ownership of Certain Beneficial Owners and Management").

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, 2010 of $13,588,838, as well as negative cash flow from operating activities. Based upon our existing spending commitments, estimated at $5.4 million for the twelve months following December 1, 2010, and our cash availability, we do not have sufficient cash resources to meet our liquidity requirements through November 30, 2011. 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

Our significant accounting policies are more fully described in Note 1 to our consolidated financial statements appearing at the beginning of this Quarterly Report. We believe that the accounting policies below are critical for one to fully understand and evaluate our financial condition and results of operations.

The discussion and analysis of our financial condition and results of operations is based on our financial statements, which we prepared in accordance with U.S. generally accepted accounting principles. The preparation of these financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported revenues and expenses during the reporting periods. On an ongoing basis, we evaluate such estimates and judgments. We base our estimates on historical experience and on various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

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 fund raising.

We account for share based payments in accordance with the guidance that 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 an expense over the requisite service period, net of estimated forfeitures. We estimated forfeitures based on historical experience and anticipated future conditions.

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

When stock options are granted as consideration for services provided by consultants and other non-employees, the transaction is accounted for based on the fair value of the consideration received or the fair value of the stock options issued, whichever is more reliably measurable, pursuant to the guidance. The fair value of the options granted is measured on a final basis at the end of the related service period and is recognized over the related service period using the straight-line 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. We have provided a full valuation allowance with respect to its deferred tax assets.

Regarding our subsidiary, Oramed Ltd., the guidance 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.

The following table summarizes certain statements of operations data for the Company for the three month periods ended November 30, 2010 and 2009:

	Three months ended	
Operating Data:	November 30, 2010	November 30, 2009
Research and development costs, net	$ 286,488	$ 332,485
General and administrative expenses	315,129	285,016
Financial expenses (income), net	1,167	(4,708)
Net loss for the period	$ 602,784	$ 612,793
Loss per common share – basic and diluted	$ (0.01)	$ (0.01)
Weighted average common shares outstanding	57,932,597	57,158,865

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 our 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. We outsource a substantial portion of our clinical trial activities, utilizing external entities such as contract research organizations, independent clinical investigators, and other third-party service providers to assist us with the execution of our clinical studies. For each clinical trial that we conduct, 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 our clinical trials are performed primarily by contract research organizations ("CROs"). CROs typically perform most of the start-up activities for our trials, including document preparation, site identification, screening and preparation, pre-study visits, training, and program management.

Clinical trial and pre-clinical trial 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.

In August 2009, Oramed Ltd., our wholly owned Israeli subsidiary, was awarded a government grant amounting to a total net amount of NIS 3.1 million (approximately $813,000), from the Office of the Chief Scientist of the Ministry of Industry, Trade and Labor of Israel (the "OCS"), which the OCS designated for research and development expenses for the period of February 2009 to June 2010. The funds were used by Oramed Ltd. to support further research and development and clinical study of its oral insulin capsule and Oral GLP1-analog. In December 2010, Oramed Ltd., was awarded another grant amounting to a total net amount of NIS 2.9 million (approximately $807,000) from the OCS, which was designated for research and development expenses for the period of July 2010 to June 2011. Oramed Ltd. plans to use the funds to support further research and development and clinical study of its oral insulin capsule and Oral GLP1-analog. Our grants from the OCS are subject to repayment according to the terms determined by the OCS and applicable law. See "Item 7 – Management's Discussion and Analysis of Financial Condition and Results of Operations – Government Grants" in our Annual Report on Form 10-K for the year ended August 31, 2010, and filed with the SEC on November 29, 2010.

During the three months ended November 30, 2010 research and development expenses totaled $286,488, compared to $317,545 for the three months ended November 30, 2009. The decrease is mainly attributable to a decrease in expenses relating to manufacturing of capsules and a decrease in clinical trials costs. The research and development costs include stock based compensation costs, which during the three months ended November 30, 2010 totaled $94,669 as compared to $31,552 during the three months ended November 30, 2009.

Government Grants

In the three months ended November 30, 2010 and 2009, we recognized research and development grants in an amount of $151,976 and $147,590, respectively. As of November 30, 2010, we had no contingent liabilities to the OCS.

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, 2010, general and administrative expenses totaled $315,129 compared to $299,956 for the three months ended November 30, 2009. Costs incurred related to general and administrative activities during the three months ended November 30, 2010 reflect an increase in consulting expenses and a decrease in legal and travel expenses. During the three months ended November 30, 2010, as part of our general and administrative expenses, we incurred $100,632 related to stock options granted to employees and consultants, as compared to $66,425 during the three months ended November 30, 2009.

Financial income/expense, net

During the three months ended November 30, 2010 and 2009 we generated interest income on available cash and cash equivalents which was offset by bank charges and imputed interest.

Liquidity and Capital Resources

Since inception through November 30, 2010, we incurred losses in an aggregate amount of $13,588,838. Since inception through November 30, 2010, we have financed our operations through the private placements of equity and debt financings, raising a total of $8,608,785, net of transaction costs. We will seek to obtain additional financing through similar sources. As of November 30, 2010, we had $1,101,283 of available cash. We anticipate that we will require approximately $5.4 million to finance our activities during the twelve months following December 1, 2010.

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 as well as receive additional funding from the OCS.

Our financing activity during the three months ended November 30, 2010 included the following:

- On September 11, 2010, we issued 253,714 shares of our common stock ("Shares"), valued at $88,800, to Swiss Caps AG as remuneration for the services provided, for a total of $88,800.

- On November 16, 2010, we entered into a Securities Purchase Agreement with Vivid Horizon Limited for the sale of 937,500 Shares and warrants to purchase up to 328,125 Shares, for a total purchase price of $300,000 in cash. The transaction closed on November 18, 2010. The Shares and warrants were sold in units at a price per unit of $0.32, each unit consisting of one Share and a warrant to purchase 0.35 of a Share. The warrants have an exercise price of $0.50 per Share, subject to adjustment, and a term of five years commencing from November 18, 2010. The sale of the units was not registered under the Securities Act. The issuance of the units was a private placement to an "accredited investor" as defined in Rule 501(a) of Regulation D and is exempt from registration under Section 4(2) of the Securities Act and Rule 504 of Regulation D promulgated thereunder. There were no underwriting fees or commissions associated with this transaction.

Employee's and Consultant's Stock Options and Warrants

No options or warrants were granted to employees or consultants during the three months ended November 30, 2010.

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, 2010 are as follows:

Category:	**Amount**
Research and development costs, net of OCS funds	$ 4,263,000
General and administrative expenses	1,131,000
Financial expense, net	2,000
Taxes on income	-
Total	$ 5,396,000

As previously indicated, we are planning to conduct further clinical studies as well as file an IND application 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

We have not engaged in any employment and consulting agreements in the three months ended November 30, 2010.

ITEM 3 – QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

As a smaller reporting company, we are not required to provide the information required by this Item.

ITEM 4 - CONTROLS AND PROCEDURES

(a) **Disclosure Controls and Procedures**

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, 2010. 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, 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.

(c) **Changes in Internal Control over Financial Reporting**

There were no changes in our internal controls over financial reporting identified in connection with the evaluation thereof that occurred during the three months ended November 30, 2010 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

From time to time we may become subject to litigation incidental to our business. We are not currently a party to any material legal proceedings.

ITEM 2 – UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

(a) On September 11, 2010, we issued 253,714 shares of our common stock ("Shares"), valued at $88,800, to Swiss Cap AG as remuneration for services rendered. The transaction was not registered under the Securities Act of 1933, as amended (the "Securities Act"). The issuance of the Shares was not a public offering within the meaning of Section 4(2) of the Securities Act, and was therefore deemed exempt from registration. There were no underwriting fees or commissions associated with this transaction.

(b) On November 16, 2010, we entered into a Securities Purchase Agreement with Vivid Horizon Limited for the sale of 937,500 Shares and warrants to purchase up to 328,125 Shares, for a total purchase price of $300,000 in cash. The transaction closed on November 18, 2010. The Shares and warrants were sold in units at a price per unit of $0.32, each unit consisting of one Share and a warrant to purchase 0.35 of a Share. The warrants have an exercise price of $0.50 per Share, subject to adjustment, and a term of five years commencing from November 18, 2010. The sale of the units was not registered under the Securities Act. The issuance of the units was a private placement to an "accredited investor" as defined in Rule 501(a) of Regulation D and is exempt from registration under Section 4(2) of the Securities Act and Rule 504 of Regulation D promulgated thereunder. There were no underwriting fees or commissions associated with this transaction.

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 S-1 file no. 333-164286 filed on January 11, 2010).
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*	Securities Purchase Agreement, between Oramed Pharmaceuticals Inc. and Attara Fund, Ltd., dated as of December 21, 2010.
10.2*	Common Stock Purchase Warrant issued to Attara Fund, Ltd. on January 10, 2011.
(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

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

ORAMED PHARMACEUTICALS INC.

Registrant

Date: January 13, 2011 By: /s/ *Nadav Kidron*

Nadav Kidron
President, Chief Executive Officer and Director

Date: January 13, 2011 By: /s/ *Yifat Zommer*

Yifat Zommer
Chief Financial Officer

SECURITIES PURCHASE AGREEMENT

This Securities Purchase Agreement (this **"Agreement"**) is dated as of December 21, 2010, among Oramed Pharmaceuticals Inc., a Nevada corporation (the **"Company"**), and the investors identified on the signature page hereto (each, an **"Investor"** and collectively the "Investors").

WHEREAS, subject to the terms and conditions set forth in this Agreement and pursuant to Section 4(2) of the Securities Act of 1933, as amended (the **"Securities Act"**) and Rule 506 promulgated thereunder, the Company desires to issue and sell to each Investor, and each Investor, severally and not jointly, desires to purchase from the Company certain securities of the Company, as more fully described in this Agreement; and

WHEREAS, the Company is currently negotiating with other potential investors to invest in the Company on substantially the same price as set forth in this Agreement (**"Related Investments"**).

NOW, THEREFORE, in consideration of the mutual covenants contained in this Agreement, and for other good and valuable consideration the receipt and adequacy of which are hereby acknowledged, the Company and the Investors agree as follows:

ARTICLE I.
DEFINITIONS

1.1 Definitions. In addition to the terms defined elsewhere in this Agreement, for all purposes of this Agreement, the following terms shall have the meanings indicated in this Section 1.1:

"Affiliate" means any Person that, directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with a Person, as such terms are used in and construed under Rule 144.

"**Closing**" means the closing of the purchase and sale of the Securities pursuant to Section 2.1.

"Closing Date" means the later of (i) January 10, 2011 or (ii) the Trading Day when all of the all conditions precedent to (A) the Investors' obligations to pay the Investment Amount and (B) the Company's obligations to deliver the Securities have been satisfied or waived.

"Common Stock" means the common stock of the Company, par value $0.001 per share, and any other class of securities into which such common stock may hereafter be reclassified or changed into.

"Investment Amount" means, with respect to each Investor, the aggregate amount to be paid for Shares and Warrants purchased hereunder as indicated below such Investor's name on the signature page of this Agreement and as set forth on Schedule 1.

"**Exchange Act**" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"**Liens**" means a lien, charge, security interest, encumbrance, right of first refusal, preemptive right or other restriction.

"Per Unit Purchase Price" means $0.32.

"Person" means an individual or corporation, partnership, trust, incorporated or unincorporated association, joint venture, limited liability company, joint stock company, government (or an agency or subdivision thereof) or other entity of any kind.

"Rule 144" means Rule 144 promulgated by the SEC pursuant to the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the SEC having substantially the same effect as such Rule.

"SEC" means the U.S. Securities and Exchange Commission.

"Securities" means the Shares, the Warrants and the Warrant Shares.

"Shares" means the shares of Common Stock issued or issuable to the Investors pursuant to this Agreement.

"Short Sales" means, without limitation, all "short sales" as defined in Rule 200 of Regulation SHO promulgated under the Exchange Act.

"Trading Day" means any day other than Friday, Saturday, Sunday or other day on which commercial banks in The City of New York or Israel are authorized or required by law to remain closed.

"Transaction Documents" means this Agreement, the Warrants and any other documents or agreements executed in connection with the transactions contemplated hereunder.

"Warrants" means the Common Stock purchase warrants in the form of Exhibit A.

"Warrant Shares" means the shares of Common Stock issuable upon exercise of the Warrants.

ARTICLE II.
PURCHASE AND SALE

2.1 Closing. On the Closing Date, subject to the terms and conditions set forth in this Agreement, the Company shall issue and sell to each Investor, severally and not jointly, and each Investor, severally and not jointly, shall purchase from the Company, the Shares and the Warrants set forth opposite such Investor's name on Schedule 1. Upon satisfaction of the conditions set forth in Sections 2.2 and 2.3, the Closing shall occur at such location as the parties shall mutually agree.

(b) Notwithstanding anything to the contrary in this Agreement, the number of shares of Common Stock (and a proportionate number of Warrants) that any Investor shall be entitled to purchase from the Company shall be reduced to the extent that after giving effect to such purchase, such Investor (together with such Investor's Affiliates) would beneficially own in excess of 9.9% of the shares of Common Stock outstanding immediately after giving effect to such purchase and any other purchases of Common Stock being made concurrently. For purposes of the foregoing sentence, the aggregate number of shares of Common Stock beneficially owned by such Person and its Affiliates shall exclude shares of Common Stock which would be issuable upon exercise of the Warrants or any other securities of the Company beneficially owned by such Person and its Affiliates (including, without limitation, any convertible notes or convertible shares, options or warrants) that is subject to a limitation on conversion or exercise analogous to the limitation contained herein. Except as set forth in the preceding sentence, for purposes of this paragraph, beneficial ownership shall be calculated in accordance with Section 13(d) of the Exchange Act.

2.2 Deliveries.

(a) On the date hereof, the Company and each of the Investors shall deliver or cause to be delivered to the other, this Agreement, together with all exhibits and schedules attached thereto, duly executed by an authorized representative.

(b) On the Closing Date, the Company shall deliver or cause to be delivered to each Investor the following:

(i) a certificate evidencing the number of Shares equal to such Investor's Investment Amount divided by the Per Unit Purchase Price, registered in the name of such Investor as set forth on Schedule 1;

(ii) a warrant, registered in the name of such Investor, pursuant to which such Investor shall have the right to acquire the number of shares of Common Stock equal to 35% of the number of Shares issuable to such Investor pursuant to Section 2.2(i) and

(iii) a certificate of the Secretary of the Company dated the Closing Date, certifying the incumbency and authority of the officers or authorized signatories of the Company who execute this Agreement and the other Transaction Documents and the truth, correctness and completeness of the following exhibits which shall be attached thereto: (i) a copy of resolutions duly adopted by the Board of Directors of the Company, in full force and effect at the time this Agreement is entered into, authorizing the execution of this Agreement and the other Transaction Documents and the consummation of the transactions contemplated herein and therein, (ii) a copy of the Certificate of Incorporation of the Company, as amended through the Closing Date, and as filed with and accepted and certified by an appropriate official of the Company's jurisdiction of incorporation, and (iii) a copy of the By-Laws of the Company, as amended through the Closing Date.

(c) On the Closing Date, each Investor shall deliver or cause to be delivered (by check or wire transfer) the aggregate amount of the Investor's Investment Amount in payment for the Shares and Warrants in accordance with the instructions set forth on Schedule 2 hereof.

2.3 Closing Conditions.

(a) The obligations of the Company hereunder in connection with the Closing are subject to the following conditions having been met:

(i) the accuracy in all material respects when made and on the Closing Date of the representations and warranties of the Investors contained herein;

(ii) all obligations, covenants and agreements of the Investors contained herein required to be performed at or prior to the Closing Date shall have been performed; and

(iii) the delivery by the Investors of the items set forth in Section 2.2(c) of this Agreement.

(b) The respective obligations of the Investors hereunder in connection with the Closing are subject to the following conditions having been met:

(i) the accuracy in all material respects on the Closing Date of the representations and warranties of the Company contained herein;

(ii) all obligations, covenants and agreements of the Company contained herein required to be performed at or prior to the Closing Date shall have been performed;

(iii) the delivery by the Company of the items set forth in Section 2.2(b) of this Agreement;

(iv) from the date hereof to the Closing Date, trading in the Common Stock shall not have been suspended by the SEC or the National Association of Securities Dealers over-the-counter electronic bulletin board (the "OTCBB").

ARTICLE III.
REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of the Company. The Company hereby represents and warrants to the Investors as follows on the date hereof and as of the Closing Date:

(a) Organization, Good Standing and Qualification of the Company. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Nevada. The Company has all requisite corporate power and authority to own and operate its properties and to carry on its business as now being conducted and as proposed to be conducted. The Company is duly qualified to do business as a foreign corporation and is in good standing in each jurisdiction in which failure to so qualify would materially and adversely affect the business, properties, operations, prospects or condition, financial or otherwise, of the Company. The resolutions adopted by the directors of the Company on December __, 2010 authorizing the transactions contemplated by the Transaction Documents have not been amended or modified in any way, have not been rescinded and are in full force and effect on the date hereof.

(b) Corporate Authority; Enforceability. The Company has full right, power and authority to issue and sell the Securities as herein contemplated and the Company has full power and authority to enter into and perform its obligations under the Transaction Documents. The execution and delivery of the Transaction Documents and the consummation of the transactions contemplated herein and therein have been duly authorized and approved by all requisite corporate action, and each of the Transaction Documents are a valid and legally binding obligation of the Company.

(c) Conflicts. Neither the authorization, execution and delivery of the Transaction Documents nor the consummation of the transactions herein and therein contemplated, will (i) conflict with or result in a breach of any of the terms of the Company's Certificate of Incorporation or By-Laws, (ii) violate any judgment, order, injunction, decree or award of any court or governmental body, having jurisdiction over the Company, against or binding on the Company or to which its property is subject, (iii) violate any material law or regulation of any jurisdiction which is applicable to the Company, (iv) violate, conflict with or result in the breach or termination of, or constitute a default under, the terms of any material agreement to which the Company is a party, except for such violations or defaults which do not materially and adversely affect the business, assets, operations, prospects or condition, financial or otherwise of the Company, or (v) violate or conflict with the rules and regulations of the National Association of Securities Dealers over-the-counter electronic bulletin board (the "**OTCBB**") applicable to the Company.

(d) Capitalization. The authorized capital of the Company as of the date hereof consists of 200,000,000 shares of Common Stock, of which there were (i) 58,756,535 issued and outstanding as of the date hereof as fully paid and non-assessable shares; (ii) options and/or warrants to purchase 8,765,022 shares of Common Stock; and (iii) employee and directors options to purchase 6,648,000 shares of Common Stock. As of the date hereof, the Company has not issued any capital stock since its most recently filed periodic report under the Exchange Act, other than pursuant to the exercise of employee stock options under the Company's stock option plans and the issuance of shares of Common Stock to employees pursuant to the Company's employee stock purchase plan outstanding as of the date of the most recently filed periodic report under the Exchange Act. All of the outstanding shares of capital stock of the Company are validly issued, fully paid and nonassessable. No further approval or authorization of any stockholder or the Board of Directors of the Company is required for the issuance and sale of the Securities. The issuance of the Securities pursuant to the provisions of this Agreement will not violate any preemptive rights or rights of first refusal granted by the Company that will not be validly waived or complied with, and will be free of any liens or encumbrances, other than any liens or encumbrances created by or imposed upon the Investors through no action of the Company. There are no stockholders agreements, voting agreements or other similar agreements with respect to the Company's capital stock to which the Company is a party or, to the knowledge of the Company, between or among any of the Company's stockholders.

(e) Litigation. There are no actions, suits or proceedings at law or in equity or by or before any governmental instrumentality or other agency or regulatory authority now pending, or, to the best knowledge of the Company, threatened against the Company which, if adversely determined, could materially and adversely affect the business, assets, operations, prospects or condition, financial or otherwise, of the Company. There is no action, suit or proceeding by the Company currently pending or that the Company currently intends to initiate.

(f) Compliance with Laws. The Company is not in violation of any statute, law, rule or regulation, or in default with respect to any judgment, writ, injunction, decree, rule or regulation of any court or governmental agency or instrumentality, except for such violations or defaults which do not materially and adversely affect the business, assets, operations, prospects or condition, financial or otherwise, of the Company.

(g) Governmental Consents. Subject to the accuracy of the representations and warranties of the Investors set forth herein, no registration or filing with, or consent or approval of or other action by, any Federal, state or other government agency under laws and regulations thereof as now in effect is or will be necessary for the valid execution, delivery and performance by the Company of the Transaction Documents, and the issuance, sale and delivery of the Securities, other than the filing of a Form D with the SEC and the filings required by state securities law.

(h) Regulatory Matters. The clinical, pre-clinical and other trials, studies and tests conducted by or on behalf of or sponsored by the Company relating to its pharmaceutical product candidates were and, if still pending, are being conducted in all material respects in accordance with medical and scientific protocols and research procedures that the Company reasonably believes are appropriate. The descriptions of the results of such trials, studies and tests as set forth in the SEC Documents (as defined in Section 3(i) of this Agreement), provided to the Investors are accurate in all material respects and fairly present the data derived from such trials, studies and tests. All clinical trials conducted by the Company have been in compliance in all material respects with applicable laws and regulations. The Company has not received any warning letters or written correspondence from the FDA and/or any other governmental entity or agency requiring the termination, suspension or modification of any clinical, pre-clinical and other trials, studies or tests that are material to the Company. None of the clinical trials that the Company is currently conducting or sponsoring is subject to any temporary or permanent clinical hold by the FDA or any other governmental entity or agency, and the Company has no reason to believe that such clinical trials will be subject to any such action. The Company is planning to file an Investigational New Drug Application with the United States Food and Drug Administration ("**FDA**") for a phase II clinical trial it intends to conduct with respect to its orally ingestible insulin capsule (ORMD0801) (the "**IND Application**"). The IND Application will be in material compliance with applicable laws and rules and regulations when filed.

(i) SEC Documents; Financial Statements. The Company has filed all reports, schedules, forms, statements and other documents required to be filed by it with the SEC pursuant to the reporting requirements of the Exchange Act (all of the foregoing filed prior to the date hereof and all exhibits included therein and financial statements, notes and schedules thereto and documents incorporated by reference therein being hereinafter referred to as the "**SEC Documents**"). The Company has delivered to the Investors or their respective representatives true, correct and complete copies of each of the SEC Documents not available on the Electronic Data Gathering, Analysis, and Retrieval system of the SEC ("**EDGAR**") that have been requested by an Investor. As of their respective dates, the SEC Documents complied as to form in all material respects with the requirements of the Exchange Act and the rules and regulations of the SEC promulgated thereunder applicable to the SEC Documents, and none of the SEC Documents, at the time they were filed with the SEC, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. As of their respective dates, the financial statements of the Company included in the SEC Documents complied as to form in all material respects with applicable accounting requirements and the published rules and regulations of the SEC with respect thereto as in effect as of the time of filing. Such financial statements have been prepared in accordance with generally accepted accounting principles ("**GAAP**"), consistently applied, during the periods involved (except (i) as may be otherwise indicated in such financial statements or the notes thereto, or (ii) in the case of unaudited interim statements, to the extent they may exclude footnotes or may be condensed or summary statements) and fairly present in all material respects the financial position of the Company as of the dates thereof and the results of its operations and cash flows for the periods then ended (subject, in the case of unaudited statements, to normal year-end audit adjustments). The Company has no liabilities or obligations required to be disclosed in the SEC Documents that are not so disclosed in the SEC Documents, other than those incurred in the ordinary course of the Company's business.

(j) Sarbanes-Oxley; Internal Accounting Controls. Each SEC Document containing financial statements that has been filed with or submitted to the SEC was accompanied by the certifications required to be filed or submitted by the Company's chief executive officer and chief financial officer pursuant to the Sarbanes-Oxley Act of 2002 (the "**Sarbanes-Oxley Act**"); at the time of filing or submission of each such certification, such certification was true and accurate and complied with the Sarbanes-Oxley Act and the rules and regulations promulgated thereunder; such certifications contain no qualifications or exceptions to the matters certified therein and have not been modified or withdrawn; and neither the Company nor any of its officers has received notice from any governmental entity questioning or challenging the accuracy, completeness, form or manner of filing or submission of such certification;

(k) Absence of Changes. The Common Stock is quoted for trading on the OTCBB. No order ceasing, halting or suspending trading in the Common Stock nor prohibiting the sale of the Common Stock has been issued to and is outstanding against the Company or its directors, officers or promoters, and, to the best of the Company's knowledge, no investigations or proceedings for such purposes are pending or threatened. The Company has not taken any action which would be reasonably expected to result in the delisting or suspension of quotation of the Common Stock on or from the OTCBB and the Company has complied in all material respects with the rules and regulations of eligibility on the OTCBB. The Company has not taken any steps to seek protection pursuant to any bankruptcy law nor does the Company have any knowledge or reason to believe that its creditors intend to initiate involuntary bankruptcy proceedings or any actual knowledge of any fact which would reasonably lead any creditor or creditors to do so. Based on the financial condition of the Company as of the date hereof, after giving effect to the receipt by the Company of the proceeds from the transactions contemplated hereby, the Company reasonably believes that (i) the fair saleable value of the Company's assets exceeds the amount that will be required to be paid on or in respect of the Company's existing debts and other liabilities as they mature; (ii) the Company's assets do not constitute unreasonably small capital to carry on its business as now conducted and as proposed to be conducted including its capital needs taking into account the particular capital requirements of the business conducted by the Company, and projected capital requirements and capital availability thereof; and (iii) the current cash flow of the Company, together with the proceeds the Company would receive, were it to liquidate all of its assets, after taking into account all anticipated uses of the cash, would be sufficient to pay all amounts on or in respect of its liabilities when such amounts are required to be paid. The Company does not intend to incur debts beyond its ability to pay such debts as they mature (taking into account the timing and amounts of cash to be payable on or in respect of its debt). The SEC Documents set forth as of the dates thereof all outstanding secured and unsecured Indebtedness of the Company or any Subsidiary, or for which the Company or any Subsidiary has commitments. For the purposes of this Agreement, "**Indebtedness**" shall mean (a) any liabilities for borrowed money or amounts owed (other than trade accounts payable incurred in the ordinary course of business), (b) all guaranties, endorsements and other contingent obligations in respect of Indebtedness of others, whether or not the same are or should be reflected in the Company's balance sheet (or the notes thereto), except guaranties by endorsement of negotiable instruments for deposit or collection or similar transactions in the ordinary course of business; and (c) the present value of any lease payments due under leases required to be capitalized in accordance with GAAP. Neither the Company nor any Subsidiary is in default with respect to any Indebtedness.

(l) Patents and Trademarks. The Company has rights to use all patents, patent applications, trademarks, trademark applications, service marks, trade names, trade secrets, inventions, copyrights, licenses and other intellectual property rights and similar rights necessary or material for use in connection with its business as described in the SEC Documents and which the failure to so have would have a material adverse effect on the results of operations, assets, business, prospects, or condition, financial or otherwise, of the Company (collectively, the "**Intellectual Property Rights**"). The Company has not received any notice (written or otherwise) that the Intellectual Property Rights used by the Company violate or infringe upon the rights of any other person or entity. To the knowledge of the Company, all such Intellectual Property Rights are enforceable and there is no existing infringement by another person or entity of any of the Intellectual Property Rights. The Company has taken reasonable security measures to protect the secrecy, confidentiality and value of all of its Intellectual Property Rights.

(m) Offering. Assuming the accuracy of the representations and warranties of the Investors contained in Section 3.2 of this Agreement, the offer, issue, and sale of the Securities are exempt from the registration and prospectus delivery requirements of the Securities Act and the registration or qualification requirements of all applicable state securities laws. Neither the Company nor any authorized agent acting on its behalf will knowingly take any action hereafter that would cause the loss of such exemptions.

(n) Acknowledgment. The Company acknowledges and agrees that each Investor is acting solely in the capacity of an arm's length purchaser with respect to the Securities and the transactions contemplated hereby and thereby and that no Investor is (i) an officer or director of the Company, (ii) an Affiliate of the Company or (iii) to the knowledge of the Company, a "beneficial owner" of more than 10% of the shares of Common Stock (as defined for purposes of Rule 13d-3 of the Exchange Act). The Company further acknowledges that no Investor is acting as a financial advisor or fiduciary of the Company (or in any similar capacity) with respect to this Agreement and the transactions contemplated hereby, and any advice given by any Investor or any of its representatives or agents in connection with this Agreement and the transactions contemplated hereby is merely incidental to such Investor's purchase of the Securities. The Company further represents to each Investor that the Company's decision to enter into the Transaction Documents and issue the Securities has been based solely on the independent evaluation by the Company and its representatives.

(o) No General Solicitation; Placement Agent's Fees. Neither the Company, nor any of its Affiliates, nor any person acting on its or their behalf, has engaged in any form of general solicitation or general advertising (within the meaning of Regulation D of the Securities Act) in connection with the offer or sale of the Securities. The Company shall be responsible for the payment of any placement agent's fees, financial advisory fees, or brokers' commissions (other than for persons engaged by any Investor or its investment advisor) relating to or arising out of the transactions contemplated hereby.

(p) No Integrated Offering. Neither the Company nor any person acting on its behalf has, directly or indirectly, made any offers or sales of any security or solicited any offers to buy any security, under circumstances that would require registration of any of the Securities under the Securities Act or cause this offering of the Securities to be integrated with prior offerings by the Company for purposes of the Securities Act or any applicable shareholder approval provisions, including, without limitation, under the rules and regulations of the OTCBB or any other exchange or automated quotation system on which any of the securities of the Company are listed or designated.

(q) Manipulation of Price. The Company has not, and to its knowledge no one acting on its behalf has, (i) taken, directly or indirectly, any action designed to cause or to result in the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of any of the Securities, (ii) sold, bid for, purchased, or paid any compensation for soliciting purchases of, any of the Securities, or (iii) paid or agreed to pay to any person any compensation for soliciting another to purchase any other securities of the Company.

(r) Disclosure. All disclosure provided to the Investors with regard to the representations and warranties contained in this Section 3.1 regarding the Company, its business and the transactions contemplated hereby, furnished in writing by the Company is true and correct in all material respects and does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, together with the disclosure in the SEC Documents, not misleading.

(s) Investor Reliance. The Company expressly acknowledges and agrees that the Investors are relying upon the Company's representations contained in this Agreement.

3.2 Representations and Warranties of the Investor. Each Investor, severally and not jointly, hereby represents and warrants to the Company as follows:

(a) Authorization; Enforcement. Such Investor represents and warrants that it is an entity duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization with the requisite corporate or partnership power and authority to enter into and to consummate the transactions contemplated by the applicable this Agreement and otherwise to carry out its obligations hereunder. This Agreement has been duly executed by such Investor, and when delivered by such Investor in accordance with terms hereof, will constitute the valid and legally binding obligation of such Investor, enforceable against it in accordance with its terms.

(b) Investment Intent. Such Investor is acquiring the Securities as principal for its own account for investment purposes only and not with a view to or for distributing or reselling such Securities or any part thereof, without prejudice, however, to such Investor's right at all times to sell or otherwise dispose of all or any part of such Securities in compliance with applicable federal and state securities laws. Such Investor is acquiring the Securities hereunder in the ordinary course of its business. Such Investor does not have any agreement or understanding, directly or indirectly, with any Person to distribute any of the Securities.

(c) Investor Status. At the time such Investor was offered the Securities, it was, and at the date hereof it is, and on each date on which it exercises the Warrants it will be, an "accredited investor" as defined in Rule 501(a) under the Securities Act. Such Investor is not required to be registered as a broker-dealer under Section 15 of the Securities Exchange Act of 1934, as amended.

(d) General Solicitation. Such Investor is not purchasing the Securities as a result of any advertisement, article, notice or other communication regarding the Securities published in any newspaper, magazine or similar media or broadcast over television or radio or presented at any seminar or any other general solicitation or general advertisement.

(e) Access to Information. Such Investor acknowledges that it has been afforded (i) the opportunity to ask such questions as it has deemed necessary of, and to receive answers from, representatives of the Company concerning the terms and conditions of the offering of the Shares and the merits and risks of investing in the Securities; (ii) access to information about the Company and its financial condition, results of operations, business, properties, management and prospects sufficient to enable it to evaluate its investment; and (iii) the opportunity to obtain such additional information that the Company possesses or can acquire without unreasonable effort or expense that is necessary to make an informed investment decision with respect to the investment. Such Investor understands that a purchase of the Securities is a speculative investment involving a high degree of risk. Such Investor is aware that there is no guarantee that such Investor will realize any gain from this investment, and that such Investor could lose the total amount of this investment. Such Investor acknowledges that it has received no representations or warranties from the Company or its employees or agents in making this investment decision other than as set forth in this Agreement.

(f) Independent Investment Decision. Such Investor has independently evaluated the merits of its decision to purchase Securities pursuant to this Agreement, such decision has been independently made by such Investor and such Investor confirms that it has only relied on the advice of its own business and/or legal counsel and not on the advice of any other Investor's business and/or legal counsel in making such decision.

(g) Short Sales. Such Investor has not directly or indirectly, nor has any Person acting on behalf of or pursuant to any understanding with such Investor, executed any Short Sales in the securities of the Company since the date that such Investor was first contacted regarding an investment in the Company.

(h) Limitations on Transfers. Such Investor acknowledges that the Securities must be held indefinitely unless subsequently registered under the Securities Act or unless an exemption from such registration is available. Such Investor is aware of the provisions of Rule 144 promulgated under the Securities Act which permit limited resale of securities purchased in a private placement subject to the satisfaction of certain conditions, which may include, among other things, the existence of a public market for the securities, the availability of certain current public information about the Company, the resale occurring not less than six months after a party has purchased and paid for the security to be sold, the sale being effected through a "broker's transaction" or in transactions directly with a "market maker" and the number of securities being sold during any three month period not exceeding specified limitations.

(i) Company Reliance. Such Investor expressly acknowledges and agrees that the Company is relying upon such Investor's representations contained in this Agreement.

ARTICLE IV.
REGISTRATION RIGHTS

4.1 Registration Statement.

(a) The Company shall prepare and file with the SEC within seventy-five (75) calendar days after the Closing Date (the "**Filing Deadline**") a registration statement (on Form S-1, or other appropriate registration statement form) under the Securities Act (the "**Registration Statement**"), at the sole expense of the Company (except as specifically provided in Section 4.2 of this Agreement) so as to permit a public offering and resale of the Shares and the Warrant Shares (the "**Registrable Securities**") in the United States under the Securities Act by the Investors as selling stockholders. The Company shall use its reasonable best efforts to cause such Registration Statement to become effective as soon as possible thereafter, and within the earlier of: (i) one hundred twenty (120) calendar days after the Closing Date (or one hundred and fifty (150) calendar days in the event the SEC shall elect to review the Registration Statement), or (ii) five (5) calendar days after the SEC clearance to request acceleration of effectiveness (the "**Effectiveness Deadline**"). The Company will notify the Investors of the effectiveness of the Registration Statement (the "**Effective Date**") within three (3) Trading Days.

(b) The Company will maintain the Registration Statement filed under Section 4 of this Agreement effective under the Securities Act until the earlier of the date (i) all of the Registrable Securities have been sold pursuant to such Registration Statement, (ii) the Investors receive an opinion of counsel to the Company, which opinion and counsel shall be reasonably acceptable to the Investors, that the Registrable Securities may be sold under the provisions of Rule 144 without limitation as to volume, (iii) all Registrable Securities (or all Warrants, in the case of Warrants not then exercised) have been otherwise transferred to persons who may trade the Registrable Securities without restriction under the Securities Act, and the Company has delivered a new certificate or other evidence of ownership for such Registrable Securities not bearing a restrictive legend, (iv) all Registrable Securities may be sold without any time, volume or manner limitations pursuant to Rule 144 or any similar provision then in effect under the Securities Act in the opinion of counsel to the Company, which counsel shall be reasonably acceptable to the Investors, or (v) one (1) year from the Effective Date.

(c) Prior to the Effective Date, the rights to cause the Company to register Registrable Securities granted to the Investors by the Company under Section 4 of this Agreement may be assigned in full by an Investor in connection with a transfer by such Investor of not less than 1,000,000 shares of Common Stock in a single transaction to a single transferee purchasing as principal, provided, however, that (i) such transfer is otherwise effected in accordance with applicable securities laws; (ii) such Investor gives prior written notice to the Company; and (iii) such transferee agrees to comply with the terms and provisions of this Agreement in a form reasonably satisfactory to the Company, and such transfer is otherwise in compliance with this Agreement.

(d) If at any time or from time to time after the Effective Date, the Company notifies the Investors in writing of the existence of a Potential Material Event (as defined in Section 4(e) below), the Investors shall not offer or sell any Registrable Securities or engage in any other transaction involving or relating to Registrable Securities, from the time of the giving of notice with respect to a Potential Material Event until the Investors receives written notice from the Company that such Potential Material Event either has been disclosed to the public or no longer constitutes a Potential Material Event. If a Potential Material Event shall occur prior to the Filing Deadline, then the Company's obligation to file such Registration Statement shall be delayed without penalty for not more than thirty (30) calendar days. The Company must, if lawful and practicable, give the Investors notice in writing at least two (2) Trading Days prior to the first day of the blackout period.

(e) "**Potential Material Event**" means any of the following: (i) the possession by the Company of material information not ripe for disclosure in a registration statement, as determined in good faith by the Chief Executive Officer or the Board of Directors of the Company that disclosure of such information in a Registration Statement would be detrimental to the business and affairs of the Company; or (ii) any material engagement or activity by the Company which would, in the good faith determination of the Chief Executive Officer or the Board of Directors of the Company, be adversely affected by disclosure in a registration statement at such time, which determination shall be accompanied by a good faith determination by the Chief Executive Officer or the Board of Directors of the Company that the applicable Registration Statement would be materially misleading absent the inclusion of such information; provided that, (i) the Company shall not use such right with respect to the Registration Statement for more than an aggregate of 90 days in any 12-month period; and (ii) the number of days the Company is required to keep the Registration Statement effective under Section 4(b)(v) above shall be extended by the number of days for which the Company shall have used such right.

(f) The Investors will cooperate with the Company in all respects in connection with this Agreement, including timely supplying all information reasonably requested by the Company (which shall include all information regarding the Investors and proposed manner of sale of the Registrable Securities required to be disclosed in any Registration Statement) and executing and returning all documents reasonably requested in connection with the registration and sale of the Registrable Securities and entering into and performing its obligations under any underwriting agreement, if the offering is an underwritten offering, in usual and customary form, with the managing underwriter or underwriters of such underwritten offering. Any delay or delays caused by the Investors, or by any other purchaser of securities of the Company having registration rights similar to those contained herein, by failure to cooperate as required hereunder shall not constitute a breach or default of the Company under this Agreement.

(g) The Company acknowledges that there is no adequate remedy at law for failure by it to comply with the provisions of Section 4 of this Agreement and that such failure would not be adequately compensable in damages. Therefore, the Company agrees that in the event that the Registration Statement to be filed by the Company pursuant to paragraph 4(a) above (i) is not filed with the SEC on or before the Filing Deadline, or (ii) such Registration Statement is not declared effective by the SEC on or before the Effectiveness Deadline, then the Company shall (x) for the period commencing on the seventy sixth (76th) day after the Closing Date and on the 30th day thereafter until the date that the Registration Statement is filed and (y) for the period commencing on the one hundred twenty first (121st) day after the Closing Date (or the one hundred fifty first (151st) day after the Closing Date in the event the SEC shall elect to review the Registration Statement) and on the 30th day thereafter until the date that the Registration Statement is declared effective by the SEC, the Company will pay to each Investor as liquidated damages and not as a penalty for such failure (the "**Liquidated Damages**") either: (A) a cash payment equal to a certain percentage (the "**Percentage**") of such Investor's Investment Amount or (B) at the sole election of such Investor, shares of Common Stock equal to the Percentage of the number of Shares purchased by such Investor pursuant to this Agreement. The Percentage shall initially equal 0.5% and, after the first three payments of the Liquidated Damages, to the extent that the Liquidated Damages are still required to be paid, the Percentage shall increase to 1.0%. In no event shall the Liquidated Damages exceed, in the aggregate, 10% of such Investor's Investment Amount. On either the Filing Deadline, if the Registration Statement has not be filed, or the Effectiveness Deadline, if the Registration Statement has not be declared effective, the Company will provide written notice of failure to the Investor and promptly pay the Investor the Liquidated Damages .. The Company and the Investors agree that the agreements contained in Section 4 of this Agreement may be specifically enforced, and the Liquidated Damages are in addition to any other rights or remedies the Investors may have at law or in equity. In addition, the Company shall also reimburse the Investors for any and all reasonable legal fees and expenses incurred by it in enforcing their rights pursuant to Section 4 of this Agreement, regardless of whether any litigation was commenced. Notwithstanding anything in this Agreement to the contrary, (i) if the SEC limits the number of Registrable Securities that may be included in the Registration Statement due to limitations on the use of Rule 415 of the Securities Act, then the Company shall so advise all the Investors holding Registrable Securities which were proposed to be registered in such Registration Statement, and the number of shares of Common Stock that may be included in the Registration Statement shall be allocated to the holders of such Registrable Securities so requesting to be registered on a pro rata basis, based on the number of Registrable Securities then held by all such Investors and no Liquidated Damages shall be paid in respect of the Registrable Securities excluded from the Registration Statement pursuant thereto, (ii) no Investor shall be entitled to receive any Liquidated Damages with respect to any period during which such Investor is permitted to sell all its Registrable Securities without any time, volume or manner limitations pursuant to Rule 144 or any similar provision then in effect under the Securities Act in the opinion of counsel to the Company, which counsel shall be reasonably acceptable to the Investors and (iii) no Liquidated Damages shall be payable in respect of any delay in the effectiveness of the Registration Statement caused by the existence of anti-dilution adjustment provisions in the Warrants.

4.2 Registration Expenses. All fees, disbursements and out-of-pocket expenses and costs incurred by the Company in connection with the preparation and filing of the Registration Statement and in complying with applicable securities and "blue sky" laws (including, without limitation, all attorneys' fees of the Company, registration, qualification, notification and filing fees, printing expenses, escrow fees, blue sky fees and expenses and the expense of any special audits incident to or required by any such registration) shall be borne by the Company. The Investors shall bear the cost of underwriting and/or brokerage discounts, fees and commissions, if any, applicable to the Registrable Securities being registered and the fees and expenses of its counsel. The Investors and its counsel shall have a reasonable period, not to exceed five (5) Trading Days, to review the proposed Registration Statement or any amendment thereto, prior to filing with the SEC. The Company shall qualify any of the Registrable Securities for sale in such states as an Investor reasonably designates. However, the Company shall not be required to qualify in any state which will require an escrow or other restriction relating to the Company and/or the sellers, or which will require the Company to qualify to do business in such state or require the Company to file therein any general consent to service of process. The Company at its expense will supply each Investor with copies of the applicable Registration Statement and the prospectus included therein and other related documents in such quantities as may be reasonably requested by such Investor.

4.3 Registration Procedures. Whenever the Company is required by any of the provisions of this Agreement to effect the registration of any of the Registrable Securities under the Securities Act, the Company shall (except as otherwise provided in this Agreement), as expeditiously as possible, subject to the assistance and cooperation as reasonably required of the Investors with respect to each Registration Statement:

(a) (A) prior to the filing with the SEC of any Registration Statement (including any amendments thereto) and the distribution or delivery of any prospectus (including any supplements thereto), provide draft copies thereof to the Investor and reflect in such documents all such comments as the Investor (and its counsel), reasonably may propose respecting the Selling Shareholders and Plan of Distribution sections (or equivalents) and (B) furnish to the Investor such numbers of copies of a prospectus including a preliminary prospectus or any amendment or supplement to any prospectus, as applicable, in conformity with the requirements of the Securities Act, and such other documents, as the Investor may reasonably request in order to facilitate the public sale or other disposition of the Registrable Securities owned by the Investor;

(b) register and qualify the Registrable Securities covered by the Registration Statement under such other securities or blue sky laws of such jurisdictions as the Investor shall reasonably request (subject to the limitations set forth in Section 4.2 above), and do any and all other acts and things which may be necessary or advisable to enable the Investor to consummate the public sale or other disposition in such jurisdiction of the securities owned by the Investor;

(c) cause the Registrable Securities to be quoted or listed on each service on which the Common Stock of the Company is then quoted or listed;

(d) notify the Investor, at any time when a prospectus relating thereto covered by the Registration Statement is required to be delivered under the Securities Act, of the happening of any event of which it has knowledge as a result of which the prospectus included in the Registration Statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing, and the Company shall prepare and file a curative amendment as promptly as commercially reasonable;

(e) as promptly as practicable after becoming aware of such event, notify the Investor (or, in the event of an underwritten offering, the managing underwriters) of the issuance by the SEC of any stop order or other suspension of the effectiveness of the Registration Statement at the earliest possible time and take all lawful action to effect the withdrawal, recession or removal of such stop order or other suspension; and

(f) provide a transfer agent and registrar for all securities registered pursuant to the Registration Statement and a CUSIP number for all such securities.

4.4 Piggyback Registration Rights. In addition to the registration rights set forth in Section 4.1 of this Agreement, if the Registration Statement to be filed pursuant to Section 4.1 is not filed by the Filing Deadline, or otherwise declared effective by the SEC, then the Investors shall also have certain "piggy-back" registration rights as follows:

(a) If at any time after the issuance of the Registrable Securities, the Company shall file with the SEC a registration statement under the Securities Act registering any shares of equity securities (but other than registration relating solely to employee benefit plans on Form S-8 or similar forms that may be promulgated in the future, or a registration relating solely to a SEC Rule 145 transaction on Form S-4 or similar forms that may be promulgated in the future), the Company shall give written notice to the Investors prior to such filing.

(b) Within twenty (20) calendar days after such notice from the Company, each Investor shall give written notice to the Company whether or not it desires to have all of its Registrable Securities included in the registration statement. If an Investor fails to give such notice within such period, such Investor shall not have further rights hereunder to have its Registrable Securities registered pursuant to such registration statement. If an Investor gives such notice, then the Company shall include such Investor's Registrable Securities in the registration statement, at Company's sole cost and expense, subject to the remaining terms of this Section 4.4.

(c) If the registration statement relates to an underwritten offering, and the underwriter shall determine in writing that the total number of shares of equity securities to be included in the offering, including the Registrable Securities, shall exceed the amount which the underwriter deems to be appropriate for the offering, the number of shares of the Registrable Securities shall be reduced in the same proportion as the remainder of the shares in the offering and the Investor's Registrable Securities included in such registration statement will be reduced proportionately, provided, however, that securities being offered by the Company or by a shareholder pursuant to demand registration rights shall be entitled to priority over the Registrable Securities. Any Registrable Securities excluded or withdrawn from such underwriting shall be excluded and withdrawn from the registration. For this purpose, if other securities in the registration statement are derivative securities, their underlying shares shall be included in the computation. The Investor shall enter into such agreements as may be reasonably required by the underwriters and the Investor shall pay the underwriters commissions relating to the sale of their respective Registrable Securities.

(d) The Investors shall have an unlimited number of opportunities to have the Registrable Securities registered under this Section 4.4, provided that the Company shall not be required to register any Registrable Security or keep any Registration Statement effective beyond such period required under Section 4.1(b) of this Agreement.

(e) The Investors shall furnish in writing to the Company such information as the Company shall reasonably require in connection with a registration statement.

(f) The Company shall have the right to terminate or withdraw any registration initiated by it under this Section 4.4 prior to the effectiveness of such registration, whether or not any Investor has elected to include securities in such registration.

4.5 Indemnity and Contribution.

(a) The Company agrees to indemnify and hold harmless each Investor, its officers, directors, employees, partners, legal counsel and accountants, and each person controlling such Investor within the meaning of Section 15 of the Securities Act, from and against any direct losses, claims, damages, expenses or liabilities (or actions or proceedings in respect thereof) to which such Investor or such other indemnified persons may become subject (including in settlement of litigation, whether commenced or threatened) insofar as such losses, claims, damages, expenses or liabilities (or actions or proceedings in respect thereof) arise out of, or are based upon, any untrue statement or alleged untrue statement of a material fact or omission or alleged omission to state a material fact in the Registration Statement, including all documents filed as a part thereof and information deemed to be a part thereof, on the effective date thereof, or any amendment or supplements thereto, and the Company will, as incurred, reimburse such Investor, each of its officers, directors, employees, partners, legal counsel and accountants, and each person controlling such Investor, for any legal or other expenses reasonably incurred in investigating, defending or preparing to defend or settling such action, proceeding or claim; provided, however, that the Company shall not be liable in any such case to the extent that such loss, claim, damage, expense or liability (or action or proceeding in respect thereof) arises out of, or is based upon, (i) the failure of such Investor, or any of its agents, affiliates or persons acting on its behalf, to comply with such Inevestor's covenants and agreements contained in this Agreement with respect to the sale of Registrable Securities, (ii) an untrue statement or omission in such Registration Statement in reliance upon and in conformity with written information furnished to the Company by an instrument duly executed by or on behalf of such Investor, or any of its agents, affiliates or persons acting on its behalf, and stated to be specifically for use in preparation of the Registration Statement and not corrected in a timely manner by such Investor in writing or (iii) an untrue statement or omission in any prospectus that is corrected in any subsequent prospectus, or supplement or amendment thereto, that was delivered to such Investor prior to the pertinent sale or sales by such Investor and not delivered by such Investor to the individual or entity to which it made such sale(s) prior to such sale(s).

(b) Each Investor, severally and not jointly, agrees to indemnify and hold harmless the Company, its officers, directors, employees, partners, legal counsel and accountants, and each person controlling the Company within the meaning of Section 15 of the Securities Act, from and against any direct losses, claims, damages, expenses or liabilities (or actions or proceedings in respect thereof) to which the Company or such other indemnified persons may become subject (under the Securities Act or otherwise) insofar as such losses, claims, damages, expenses or liabilities (or actions or proceedings in respect thereof) arise out of, or are based upon (i) the failure of such Investor or any of its agents, affiliates or persons acting on its behalf, to comply with the covenants and agreements contained in this Agreement with respect to the sale of Registrable Securities; or (ii) an untrue statement or alleged untrue statement of a material fact or omission to state a material fact in the Registration Statement in reliance upon and in conformity with written information furnished to the Company by an instrument duly executed by or on behalf of such Investor and stated to be specifically for use in preparation of the Registration Statement; provided, however, that such Investor shall not be liable in any such case for (i) any untrue statement or alleged untrue statement or omission in any prospectus or Registration Statement which statement has been corrected, in writing, by such Investor and delivered to the Company before the sale from which such loss occurred; or (ii) an untrue statement or omission in any prospectus that is corrected in any subsequent prospectus, or supplement or amendment thereto, that was delivered to such Investor prior to the pertinent sale or sales by such Investor and delivered by such Investor to the individual or entity to which it made such sale(s) prior to such sale(s), and such Investor will, as incurred, reimburse the Company for any legal or other expenses reasonably incurred in investigating, defending or preparing to defend any such action, proceeding or claim. Notwithstanding the foregoing, such Investor shall not be liable or required to indemnify the Company or such other indemnified persons in the aggregate for any amount in excess of the net amount received by such Investor from the sale of the Registrable Securities, to which such loss, claim, damage, expense or liability (or action proceeding in respect thereof) relates.

(c) Promptly after receipt by any indemnified person of a notice of a claim or the beginning of any action in respect of which indemnity is to be sought against an indemnifying person pursuant to this Section 4.5, such indemnified person shall notify the indemnifying person in writing of such claim or of the commencement of such action and, subject to the provisions hereinafter stated, in case any such action shall be brought against an indemnified person, the indemnifying person shall be entitled to participate therein, and, to the extent that it shall wish, to assume the defense thereof. After notice from the indemnifying person to such indemnified person of the indemnifying person's election to assume the defense thereof, the indemnifying person shall not be liable to such indemnified person for any legal expenses subsequently incurred by such indemnified person in connection with the defense thereof; provided, however, that if there exists or shall exist a conflict of interest that would, in the opinion of counsel to the indemnified party, make it inappropriate under applicable laws or codes of professional responsibility for the same counsel to represent both the indemnified person and such indemnifying person or any affiliate or associate thereof, the indemnified person shall be entitled to retain its own counsel at the expense of such indemnifying person; provided, further, that the indemnifying person shall not be obligated to assume the expenses of more than one counsel to represent all indemnified persons. In the event of such separate counsel, such counsel shall agree to reasonably cooperate. Notwithstanding anything to the contrary herein, no indemnifying person shall be required to pay any amounts of indemnification or contribution with respect to a settlement of any Proceeding or losses, claims, damages, expenses or liabilities if such settlement is effected without the consent of the indemnifying person.

(d) If the indemnification provided for in this Section 4.5 is unavailable or insufficient to hold harmless an indemnified party under subsection (a) or (b) above in respect of any direct losses, claims, damages, expenses or liabilities (or actions or proceedings in respect thereof) referred to therein, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages, expenses or liabilities (or actions or proceedings in respect thereof) in such proportion as is appropriate to reflect the relative fault of the Company on the one hand and the Investors, or its respective agents, affiliates or persons acting on its behalf, on the other in connection with the statements or omissions which resulted in such losses, claims, damages, expenses or liabilities (or actions or proceedings in respect thereof), as well as any other relevant equitable considerations. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company on the one hand or an Investor, or its agents, affiliates or persons acting on its behalf, on the other and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Company and such Investor agree that it would not be just and equitable if contribution pursuant to this subsection (d) were determined by any other method of allocation which does not take into account the equitable considerations referred to above in this subsection (d). The amount paid or payable by an indemnified party as a result of the losses, claims, damages, expenses or liabilities (or actions or proceedings in respect thereof) referred to above in this subsection (d) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. In any event, such Investor shall not be liable or required to contribute to the Company in the aggregate for any amount in excess of the net amount received by such Investor from the sale of its Registrable Securities.

4.6 Market Standoff. Each Investor hereby agrees that, if so requested by the representative of the lead or managing underwriters (the "**Managing Underwriter**"), such Investor shall not, without the prior consent of the Managing Underwriter (i) lend, offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, any Registrable Securities or any other securities of the Company or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Registrable Securities, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of Registrable Securities or such other securities, in cash or otherwise, during the period specified by the Managing Underwriter (the "**Market Standoff Period**"), with such period not to exceed 10 days prior to the anticipated effective date of such registration statement and 90 days following the effective date of such registration statement. Each Investor further agrees to execute such agreements as may be reasonably requested by the underwriters in the Company's offering on the same terms of this Section 4.6.

ARTICLE V.
TERMINATION

5.1 Termination. If the conditions to the Investors' obligations at Closing have not been satisfied or waived on before January 31, 2011, then this Agreement may be terminated at any time thereafter upon written notice to the Company by Investors representing at least a majority in interest of the Shares to be purchased hereunder. The provisions of Sections 6.2 and 6.5 to 6.17 shall survive the termination of this Agreement.

ARTICLE VI.
MISCELLANEOUS

6.1 Certificates; Resales.

(a) The Securities may only be disposed of in compliance with state and federal securities laws. In connection with any transfer of the Securities other than pursuant to an effective registration statement or Rule 144(b)(1), to the Company or to an Affiliate of an Investor, the Company may require the transferor thereof to provide to the Company an opinion of counsel selected by the transferor, reasonably acceptable to the Company, the form and substance of which opinion shall be reasonably satisfactory to the Company, to the effect that such transfer does not require registration of such transferred Securities under the Securities Act.

(b) Certificates evidencing the Securities will contain the following legend, until such time as they are not required:

[NEITHER THESE SECURITIES NOR THE SECURITIES ISSUABLE UPON EXERCISE OF THESE SECURITIES HAVE BEEN REGISTERED] [THESE SECURITIES HAVE NOT BEEN REGISTERED] WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL TO THE TRANSFEROR TO SUCH EFFECT, THE SUBSTANCE OF WHICH SHALL BE REASONABLY ACCEPTABLE TO THE COMPANY. [THESE SECURITIES AND THE SECURITIES ISSUABLE UPON EXERCISE OF THESE SECURITIES] [THESE SECURITIES] MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT SECURED BY SUCH SECURITIES.

(c) Certificates evidencing the Shares and Warrant Shares shall not contain any legend (including the legend set forth in Section 5.1(b) of this Agreement), (i) following a sale of such securities pursuant to an effective registration statement, or (ii) following any sale of such Shares or Warrant Shares pursuant to Rule 144 (assuming the transferor was not an Affiliate of the Company), or (iii) if such Shares or Warrant Shares are eligible for sale under Rule 144(b)(1), or (iv) if such legend is not required under applicable requirements of the Securities Act (including judicial interpretations and pronouncements issued by the staff of the SEC). The Company shall cause its counsel to issue a legal opinion to the Company's transfer agent promptly after the Effective Date if required by the Company's transfer agent to effect the removal of the legend hereunder in contemplation of a sale of Registrable Securities pursuant to the Registration Statement. If all or any portion of a Warrant is exercised at a time when there is an effective registration statement to cover the issuance of the Warrant Shares, such Warrant Shares shall be issued free of all legends. The Company agrees that at such time as such legend is no longer required under this Section 5.1(c), it will, no later than three Trading Days following the delivery by an Investor to the Company or the Company's transfer agent of a certificate representing Warrant Shares issued with a restrictive legend accompanied by a customary representation letter , deliver or cause to be delivered to such Investor a certificate representing such shares that is free from all restrictive and other legends. The Company may not make any notation on its records or give instructions to any transfer agent of the Company that enlarge the restrictions on transfer set forth in this Section 5.1(c) except in the case of an Investor or its permitted transferee becoming an Affiliate. Certificates for Securities subject to legend removal hereunder shall be transmitted by the transfer agent of the Company to the Investors by crediting the account of the Investor's prime broker with the Depository Trust Company System.

6.2 Indemnification.

(a) Each Investor acknowledges that he, she or it understands the meaning and legal consequences of the representations and warranties that are contained herein and hereby agrees, severally and not jointly, to indemnify, save and hold harmless the Company and its directors, officers, employees and counsel, from and against any and all claims or actions arising out of a breach of any representation, warranty or acknowledgment of such Investor contained in this Agreement. Such indemnification shall be deemed to include not only the specific liabilities or obligations with respect to which such indemnity is provided, but also all reasonable costs, expenses, counsel fees and expenses of settlement relating thereto, whether or not any such liability or obligation shall have been reduced to judgment. In addition, each Investor's representations, warranties and indemnification contained herein shall survive such Investor's purchase of the Securities hereunder for a period of one year following the date hereof.

(b) The Company acknowledges it understands the meaning and legal consequences of the representations and warranties that are contained herein and hereby agrees to indemnify, save and hold harmless each Investor and its directors, officers, employees and counsel, from and against any and all claims or actions arising out of a breach of any representation, warranty or acknowledgment of the Company contained in this Agreement. Such indemnification shall be deemed to include not only the specific liabilities or obligations with respect to which such indemnity is provided, but also all reasonable costs, expenses, counsel fees and expenses of settlement relating thereto, whether or not any such liability or obligation shall have been reduced to judgment. In addition, the Company's representations, warranties and indemnification contained herein shall survive the purchase of the Securities hereunder for a period of one year following the date hereof.

6.3 Preemptive Right.

(a) Following the Closing Date, for so long as any Investor holds shares of Common Stock constituting 5% or more of the outstanding shares of Common Stock, if the Company proposes to issue Additional Securities (other than upon the exercise or conversion of options, warrants or other rights to purchase Common Stock), it shall give such Investor a written notice thereof of its intention to do so (the "**Rights Notice**"), describing the Additional Securities, the price and the general terms upon which the Company proposes to issue them. Each Investor shall have fourteen (14) calendar days from delivery of the Rights Notice to agree to purchase all or any part of its pro-rata portion of such Additional Securities, which pro-rata portion is equal to the ratio of (i) the number of outstanding shares of Common Stock which such Investor holds immediately prior to the issuance of such Additional Securities to (ii) the total number of outstanding shares of Common Stock prior to issuance of the Additional Securities, for the price and upon the general terms specified in the Rights Notice, by giving written notice to the Company setting forth the quantity of Additional Securities which such Investor wishes to purchase.

(b) If the Investors fail to exercise in full their preemptive right within the period specified in Section 5.3(a), then the Company shall have sixty (60) Days after delivery of the Rights Notice to sell the unsold Additional Securities at a price and upon general terms no more favorable to the purchasers thereof than specified in the Rights Notice. If the Company has not sold the Additional Securities within said sixty (60) Day period, the Company shall not thereafter issue or sell any Additional Securities without first offering such securities to the Investors in the manner provided above.

(c) The preemptive right granted to the Investors hereunder is personal and is not transferable to any other Person.

(d) **"Additional Securities"** means any shares of Common Stock or options, warrants or other rights to purchase shares of Common Stock, other than (i) securities issued in any investment round raising less than $500,000 at the closing thereof, (ii) securities issued to directors, officers or employees of the Company or a wholly owned subsidiary thereof in their capacity as such in the ordinary course pursuant to an incentive plan approved by the Board of Directors of the Company and (iii) securities having a market value of up to $1,000,000 in the aggregate issued in bona fide, arm's-length transactions to service providers of the Company or a wholly owned subsidiary thereof in consideration for services provided.

6.4 Abstention from Trading. From the date hereof until the Closing Date, (i) the Investors will not engage in any financial market transactions (whether long, short or other hedging transactions) with respect to the Company's Common Stock and (ii) the Company will not, and the Company shall cause its directors and officers and each of its and their respective Affiliates to not, engage in any financial market transactions (whether long, short or other hedging transactions) with respect to the Company's Common Stock.

6.5 Entire Agreement; Amendment. The parties have not made any representations or warranties with respect to the subject matter hereof not set forth herein. This Agreement, together with the Warrants and any other instruments executed simultaneously herewith, constitute the entire agreement between the parties with respect to the subject matter hereof. All understandings and agreements heretofore between the parties with respect to the subject matter hereof are merged in this Agreement and any such instruments, which alone fully and completely expresses their agreement. This Agreement may not be changed, modified, extended, terminated or discharged orally, but only by an agreement in writing, which is signed by all of the parties to this Agreement.

6.6 Notices. Any notice required or permitted to be given to a party pursuant to the provisions of this Agreement will be in writing and will be effective on (i) the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number set forth in this Agreement prior to 5:30 p.m. (in the time zone of the recipient of such notice) on a Trading Day, (ii) the next Trading Day after the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number set forth in this Agreement on a day that is not a Trading Day or later than 5:30 p.m. (in the time zone of the recipient of such notice) on any Trading Day, (iii) the 2nd Trading Day following the date of mailing, if sent by U.S. nationally recognized overnight courier service, including Express Mail, for United States deliveries or (iii) five (5) Trading Days after deposit in the United States mail by registered or certified mail for United States deliveries. All notices not delivered personally or by facsimile will be sent with postage and other charges prepaid and properly addressed to the party to be notified at the address set forth below such party's signature of this Agreement or at such other address as such party may designate by ten (10) days advance written notice to the other parties hereto. The address for such notices and communications shall be as follows:

If to the Company: Oramed Pharmaceuticals Inc.

Hi-Tech Park 2/5
Givat-Ram
PO Box 39098
Jerusalem 91390 Israel
Attn: Nadav Kidron
Facsimile: +972-2-566-0004

With a copy to:

Goldfarb, Levy, Eran, Meiri, Tzafrir & Co.
2 Weitzman Street
Tel Aviv 64239, Israel
Attn: Adam M. Klein, Adv.
Facsimile: +972-3-608-9855

If to an Investor: To the address set forth under such Investor's name on the signature pages hereof.

6.7 Delays or Omissions. Except as otherwise specifically provided for hereunder, no party shall be deemed to have waived any of his or her or its rights hereunder or under any other agreement, instrument or document signed by any of them with respect to the subject matter hereof unless such waiver is in writing and signed by the party waiving said right. Except as otherwise specifically provided for hereunder, no delay or omission by any party in exercising any right with respect to the subject matter hereof shall operate as a waiver of such right or of any such other right. A waiver on any one occasion with respect to the subject matter hereof shall not be construed as a bar to, or waiver of, any right or remedy on any future occasion. All rights and remedies with respect to the subject matter hereof, whether evidenced hereby or by any other agreement, instrument or document, will be cumulative, and may be exercised separately or concurrently.

6.8 Severability. If any provision of this Agreement is held to be unenforceable under applicable law, then such provision shall be excluded from this Agreement, and the balance of this Agreement shall be interpreted as if such provision was so excluded and shall be enforceable in accordance with its terms.

6.9 Successors and Assigns. Except as otherwise expressly provided herein, the provisions hereof shall inure to the benefit of, and be binding upon, the successors, assigns, heirs, executors and administrators of the parties hereto.

6.10 Counterparts; Signatures. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, and all of which together shall constitute one instrument. Signatures transmitted by facsimile or scanned and transmitted by electronic mail shall be considered valid and binding signatures.

6.11 Survival of Warranties. The representations, warranties, covenants and agreements of the Company and the Investors contained in or made pursuant to this Agreement shall survive the execution and delivery of this Agreement and shall in no way be affected by any investigation made by an Investor or the Company.

6.12 Further Action. The parties agree to execute any and all such other and further instruments and documents, and to take any and all such further actions reasonably required to effectuate this Agreement and the intent and purposes hereof.

6.13 Construction. The headings herein are for convenience only, do not constitute a part of this Agreement and shall not be deemed to limit or affect any of the provisions hereof. The language used in this Agreement will be deemed to be the language chosen by the parties to express their mutual intent, and no rules of strict construction will be applied against any party. This Agreement shall be construed as if drafted jointly by the parties, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provisions of this Agreement.

6.14 No Third-Party Beneficiaries. This Agreement is intended for the benefit of the parties hereto and their respective successors and permitted assigns and is not for the benefit of, nor may any provision hereof be enforced by, any other Person.

6.15 Governing Law; Venue and Waiver of Jury Trial. This Agreement is to be construed in accordance with and governed by the internal laws of the State of New York without giving effect to any choice of law rule that would cause the application of the laws of any jurisdiction to the rights and duties of the parties. The Company and the Investors agree that any suit, action, or proceeding arising out of or relating to this Agreement shall be brought in the United States District Court for the Southern District of New York (or should such court lack jurisdiction to hear such action, suit or proceeding, in a New York state court in the County of New York) and that the parties shall submit to the jurisdiction of such court. The parties irrevocably waive, to the fullest extent permitted by law, any objection the party may have to the laying of venue for any such suit, action or proceeding brought in such court. THE PARTIES ALSO EXPRESSLY WAIVE ANY RIGHT THEY HAVE OR MAY HAVE TO A JURY TRIAL OF ANY SUCH SUIT, ACTION OR PROCEEDING. If any one or more provisions of this Section 5.14 shall for any reason be held invalid or unenforceable, it is the specific intent of the parties that such provisions shall be modified to the minimum extent necessary to make it or its application valid and enforceable.

6.16 Replacement of Securities. If any certificate or instrument evidencing any Securities is mutilated, lost, stolen or destroyed, the Company shall issue or cause to be issued in exchange and substitution for and upon cancellation thereof, or in lieu of and substitution therefor, a new certificate or instrument, but only upon receipt of evidence reasonably satisfactory to the Company of such loss, theft or destruction and customary and reasonable indemnity, if requested. The applicants for a new certificate or instrument under such circumstances shall also pay any reasonable third-party costs associated with the issuance of such replacement Securities. If a replacement certificate or instrument evidencing any Securities is requested due to a mutilation thereof, the Company may require delivery of such mutilated certificate or instrument as a condition precedent to any issuance of a replacement.

6.17 Independent Nature of Investors' Obligations and Rights. The obligations of each Investor under any Transaction Document are several and not joint with the obligations of any other Investor, and no Investor shall be responsible in any way for the performance or non-performance of the obligations of any other Investor under any Transaction Document. Nothing contained herein or in any other Transaction Document, and no action taken by any Investor pursuant thereto, shall be deemed to constitute the Investors as a partnership, an association, a joint venture or any other kind of entity, or create a presumption that the Investors are in any way acting in concert or as a group with respect to such obligations or the transactions contemplated by the Transaction Documents. Each Investor shall be entitled to independently protect and enforce its rights, including without limitation, the rights arising out of this Agreement or out of the other Transaction Documents, and it shall not be necessary for any other Investor to be joined as an additional party in any proceeding for such purpose.

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SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Securities Purchase Agreement to be duly executed by their respective authorized signatories as of the date first indicated above.

ORAMED PHARMACEUTICALS INC.

By: /s/ Nadav Kidron
Name: Nadav Kidron
Title: Chief Executive Officer

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SIGNATURE PAGES FOR INVESTORS FOLLOW]

IN WITNESS WHEREOF, the parties have executed this Securities Purchase Agreement as of the date first written above.

Investment Amount:

6,250,000 Units x $0.32 per Unit = $2,000,000

(Each Unit consists of one Share and a Warrant convertible into 0.35 Shares)

Name of Investor: **Attara Fund, Ltd.**

Signature of Authorized Signatory of Investor: /s/ Alexandra Toohey

Name of Authorized Signatory: Alexandra Toohey

Title of Authorized Signatory: Director

Email Address of Investor: _____

Social Security or Taxpayer Identification Number _____

Address for Notice of Investor:

c/o Attara Capital LP
767 Fifth Ave.
12th floor
New York, New York 10153
Facsimile: 1-212-256-8401

Address for Delivery of Securities for Investor (if not same as above):

_____
_____
_____
_____

SCHEDULE 1

Investor	Number of Shares	Number of Warrants (35% of the Number of Shares)	Investment Amount
Attara Fund, Ltd.	**6,250,000**	**2,187,500**	**$ 2,000,000**

NEITHER THIS SECURITY NOR THE SECURITIES INTO WHICH THIS SECURITY IS EXERCISABLE HAVE BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL TO THE TRANSFEROR TO SUCH EFFECT, THE SUBSTANCE OF WHICH SHALL BE REASONABLY ACCEPTABLE TO THE COMPANY. THIS SECURITY AND THE SECURITIES ISSUABLE UPON EXERCISE OF THIS SECURITY MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN SECURED BY SUCH SECURITIES.

COMMON STOCK PURCHASE WARRANT

To Purchase 2,187,500 Shares of Common Stock of

ORAMED PHARMACEUTICALS INC.

THIS COMMON STOCK PURCHASE WARRANT (the "Warrant") certifies that, for value received, **Attara Fund, Ltd.** (the "Holder"), is entitled, upon the terms and subject to the limitations on exercise and the conditions hereinafter set forth, at any time on or after the date hereof (the "Initial Exercise Date") and on or prior to the close of business on the fifth anniversary of the Initial Exercise Date (the "Termination Date") but not thereafter, to subscribe for and purchase from Oramed Pharmaceuticals Inc. a Nevada corporation (the "Company"), up to 2,187,500 shares (the "Warrant Shares") of Common Stock, par value $0.001 per share, of the Company (the "Common Stock"). The purchase price of one share of Common Stock under this Warrant shall be equal to the Exercise Price, as defined in Section 2(b).

Section 1. Definitions. Capitalized terms used and not otherwise defined herein shall have the meanings set forth in that certain Securities Purchase Agreement (the "Purchase Agreement"), dated December 21, 2010, among the Company and the purchasers signatory thereto.

Section 2. Exercise

(a) Exercise of Warrant. Exercise of the purchase rights represented by this Warrant may be made, in whole or in part, at any time or times on or after the Initial Exercise Date and on or before the Termination Date by delivery to the Company of a duly executed facsimile copy of the Notice of Exercise Form annexed hereto at the headquarters of the Company (or such other office or agency of the Company as it may designate by notice in writing to the registered Holder at the address of such Holder appearing on the books of the Company); and within 5 Trading Days of the date said Notice of Exercise is delivered to the Company, the Company shall have received payment of the aggregate Exercise Price of the shares thereby purchased by wire transfer or cashier's check drawn on a United States bank. Notwithstanding anything herein to the contrary, the Holder shall not be required to physically surrender this Warrant to the Company until the Holder has purchased all of the Warrant Shares available hereunder and the Warrant has been exercised in full, in which case the Holder shall surrender this Warrant to the Company for cancellation within 5 Trading Days of the date the final Notice of Exercise is delivered to the Company. Partial exercises of this Warrant resulting in purchases of a portion of the total number of Warrant Shares available hereunder shall have the effect of lowering the outstanding number of Warrant Shares purchasable hereunder in an amount equal to the applicable number of Warrant Shares purchased. The Holder and the Company shall maintain records showing the number of Warrant Shares purchased hereunder and the date of such purchases. The Company shall deliver any objection to any Notice of Exercise Form within three Business Days of receipt of such notice. The Holder and any assignee, by acceptance of this Warrant, acknowledge and agree that, by reason of the provisions of this paragraph, following the purchase of a portion of the Warrant Shares hereunder, the number of Warrant Shares available for purchase hereunder at any given time may be less than the amount stated on the face hereof.

(b) Exercise Price. The exercise price per share of the Common Stock under this Warrant shall be $0.50, subject to adjustment hereunder (the "Exercise Price").

(c) Cashless Exercise. If, after the Effectiveness Deadline, at the time of exercise hereof there is no effective registration statement registering all of the Warrant Shares for resale by the Holder into the market from time to time, then, at the election of the Holder, this Warrant may also be exercised by means of a "cashless exercise" by which the Holder authorizes the Company to withhold from issuance a number of shares of Common Stock issuable upon such exercise of this Warrant which, when multiplied by the Fair Market Value of the Common Stock, is equal to the aggregate Exercise Price (and such withheld shares shall no longer be issuable under this Warrant). For purposes hereof, "Fair Market Value" means:

(i) if the Common Stock is then listed or quoted on a securities exchange (the "Trading Market"), the volume weighted average price of the Common Stock for the five trading days immediately prior to (but not including) the date of delivery of the Exercise Notice Form on the Trading Market on which the Common Stock is then listed or quoted for trading as reported by Bloomberg Financial L.P. (based on a trading day on the Trading Market from 9:30 a.m. (New York City time) to 4:02 p.m. (New York City time); (ii) if the Common Stock is not then listed or quoted for trading on the Trading Market but is quoted for trading on the OTC Bulletin Board, the volume weighted average price of the Common Stock for such period on the OTC Bulletin Board; (iii) if the Common Stock is not then quoted for trading on the OTC Bulletin Board and if prices for the Common Stock are then reported in the "Pink Sheets" published by Pink Sheets, LLC (or a similar organization or agency succeeding to its functions of reporting prices), the average of the last sale price over the five trading day period immediately prior to (but not including) the date of delivery of the Exercise Notice Form; or (iv) in all other cases, the fair market value of a share of Common Stock as determined by an independent appraiser selected in good faith by the Board of Directors of the Company and reasonably acceptable to the Holder. If the Holder shall elect to effect a cashless exercise and clause (i) or (ii) above shall be applicable, then the Exercise Notice Form shall be accompanied by a copy of a print-out of the Bloomberg screen showing the Fair Market Value of the Common Stock, certified as true and correct by the Holder.

(d) Mechanics of Exercise.

(i) Authorization of Warrant Shares. The Company covenants that all Warrant Shares which may be issued upon the exercise of the purchase rights represented by this Warrant will, upon exercise of the purchase rights represented by this Warrant, be duly authorized, validly issued, fully paid and nonassessable and free from all taxes, liens and charges created by the Company in respect of the issue thereof (other than taxes in respect of any transfer occurring contemporaneously with such issue).

(ii) Delivery of Certificates Upon Exercise. Certificates for shares purchased hereunder shall be transmitted by the transfer agent of the Company to the Holder by crediting the account of the Holder's prime broker with the Depository Trust Company through its Deposit Withdrawal Agent Commission ("DWAC") system if the Company is a participant in such system, so long as the certificates therefor are not required to bear a legend regarding restriction on transferability, and otherwise by physical delivery to the address specified by the Holder in the Notice of Exercise within three (3) Trading Days from the delivery to the Company of the Notice of Exercise Form, surrender of this Warrant (if required) and payment of the aggregate Exercise Price as set forth above ("Warrant Share Delivery Date"). This Warrant shall be deemed to have been exercised on the date the Exercise Price is received by the Company. The Warrant Shares shall be deemed to have been issued, and Holder or any other person so designated to be named therein shall be deemed to have become a holder of record of such shares for all purposes, as of the date the Warrant has been exercised by payment to the Company of the Exercise Price (or cashless exercise, if permitted) and all taxes required to be paid by the Holder, if any, pursuant to Section 2(d)(v) prior to the issuance of such shares, have been paid.

(iii) Delivery of New Warrants Upon Exercise. If this Warrant shall have been exercised in part, the Company shall, at the request of a Holder and upon surrender of this Warrant certificate, at the time of delivery of the certificate or certificates representing Warrant Shares, deliver to Holder a new Warrant evidencing the rights of Holder to purchase the unpurchased Warrant Shares called for by this Warrant, which new Warrant shall in all other respects be identical with this Warrant.

(iv) Rescission Rights. If the Company fails to deliver to the Holder a certificate or certificates representing the Warrant Shares by the close of business on the third Trading Day after the Warrant Share Delivery Date, then the Holder will have the right to rescind such exercise by providing written notice that is received by the Company prior to the issuance of the Warrant Shares.

(v) Compensation for Buy-In on Failure to Timely Deliver Certificates Upon Exercise. In addition to any other rights available to the Holder, if the Company fails to deliver to the Holder a certificate representing the Warrant Shares pursuant to an exercise by the close of business on the third Trading Day after the Warrant Share Delivery Date, and if after such date the Holder is required to purchase (in an open market transaction or otherwise) shares of Common Stock to deliver in satisfaction of a prior sale by the Holder of the Warrant Shares which the Holder anticipated receiving upon such exercise (a "Buy-In"), then the Company shall within three Trading Days after the Holder's request and in the Holder's discretion, either (1) pay cash to the Holder in an amount equal to the Holder's total purchase price (including brokerage commissions, if any) for the shares of Common Stock less the aggregate Exercise Price (the "Buy-In Price"), at which point the Company's obligation to deliver such certificate (and to issue such Common Stock), solely with respect to such exercise, shall terminate or (2) promptly honor its obligation to deliver to the Holder a certificate representing such Common Stock and pay cash to the Holder in an amount equal to the excess (if any) of the Buy-In-Price over the product of (A) such number of shares of Common Stock, times (B) the closing price on the date of the event giving rise to the Company's obligation to deliver such certificates. Nothing herein shall limit a Holder's right to pursue any other remedies available to it hereunder, at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief with respect to the Company's failure to timely deliver certificates representing Warrant Shares upon exercise of the Warrant as required pursuant to the terms hereof.

(vi) No Fractional Shares or Scrip. No fractional shares or scrip representing fractional shares shall be issued upon the exercise of this Warrant. As to any fraction of a share which Holder would otherwise be entitled to purchase upon such exercise, the Company shall at its election, either pay a cash adjustment in respect of such final fraction in an amount equal to such fraction multiplied by the Exercise Price or round up to the next whole share.

(vii) Charges, Taxes and Expenses. Issuance and delivery of certificates for Warrant Shares shall be made without charge to the Holder for any issue or transfer tax, withholding tax, transfer agent fee or other incidental tax or expense in respect of the issuance of such certificate, all of which taxes and expenses shall be paid by the Company, and such certificates shall be issued in the name of the Holder or in such name or names as may be directed by the Holder; provided, however, that in the event certificates for Warrant Shares are to be issued in a name other than the name of the Holder, this Warrant when surrendered for exercise shall be accompanied by the Assignment Form attached hereto duly executed by the Holder; and the Company may require, as a condition thereto, the payment of a sum sufficient to reimburse it for any transfer tax incidental thereto.

(e) Closing of Books. The Company will not close its stockholder books or records in any manner which prevents the timely exercise of this Warrant, pursuant to the terms hereof.

(f) Limitations on Exercise. Notwithstanding anything to the contrary herein, the Company shall not effect the exercise of this Warrant, and the Holder shall not have the right to exercise this Warrant, to the extent that after giving effect to such exercise, such Person (together with such Person's Affiliates) would beneficially own in excess of 9.9% (the "Maximum Percentage") of the shares of Common Stock outstanding immediately after giving effect to such exercise. For purposes of the foregoing sentence, the aggregate number of shares of Common Stock beneficially owned by such Person and its Affiliates shall include the number of shares of Common Stock issuable upon exercise of this Warrant with respect to which the determination of such sentence is being made, but shall exclude shares of Common Stock which would be issuable upon (i) exercise of the remaining, unexercised portion of this Warrant beneficially owned by such Person and its Affiliates and (ii) exercise or conversion of the unexercised or unconverted portion of any other securities of the Company beneficially owned by such Person and its Affiliates (including, without limitation, any convertible notes or convertible shares, options or warrants) that is subject to a limitation on conversion or exercise analogous to the limitation contained herein. Except as set forth in the preceding sentence, for purposes of this paragraph, beneficial ownership shall be calculated in accordance with Section 13(d) of the Securities Exchange Act of 1934, as amended. For purposes of this Warrant, in determining the number of outstanding shares of Common Stock, the Holder may rely on the number of outstanding shares of Common Stock as reflected in the most recent of (1) the Company's most recent Form 10-Q, Form 10-K or other public filing with the Securities and Exchange Commission, as the case may be, (2) a more recent public announcement by the Company or (3) any other notice by the Company or its transfer agent setting forth the number of shares of Common Stock outstanding. For any reason at any time, upon the written or oral request of the Holder, the Company shall within two (2) Trading Days confirm to the Holder the number of shares of Common Stock then outstanding. In any case, the number of outstanding shares of Common Stock shall be determined after giving effect to the conversion or exercise of securities of the Company, including this Warrant, by the Holder and its Affiliates since the date as of which such number of outstanding shares of Common Stock was reported. By written notice to the Company, the Holder may from time to time increase or decrease the Maximum Percentage to any other percentage specified in such notice; provided that (i) any such increase will not be effective until the sixty-first (61st) day after such notice is delivered to the Company, and (ii) any such increase or decrease will apply only to the Holder. The provisions of this paragraph shall be construed, corrected and implemented in a manner so as to effectuate the intended beneficial ownership limitation herein contained. The limitations contained in this paragraph shall apply to any successor Holder of this Warrant.

Section 3. Certain Adjustments.

(a) Stock Dividends and Splits. If the Company, at any time while this Warrant is outstanding: (A) pays a stock dividend or otherwise make a distribution or distributions on shares of its Common Stock or any other equity or equity equivalent securities payable in shares of Common Stock (which, for avoidance of doubt, shall not include any shares of Common Stock issued by the Company upon exercise of Warrant), (B) subdivides outstanding shares of Common Stock into a larger number of shares, or (C) combines (including by way of reverse stock split) outstanding shares of Common Stock into a smaller number of shares, then in each case the Exercise Price shall be multiplied by a fraction of which the numerator shall be the number of shares of Common Stock (excluding treasury shares, if any) outstanding immediately before such event and of which the denominator shall be the number of shares of Common Stock outstanding immediately after such event. Any adjustment made pursuant to this Section 3(a) shall become effective immediately after the record date for the determination of stockholders entitled to receive such dividend or distribution and shall become effective immediately after the effective date in the case of a subdivision or combination.

(b) Reclassification Transaction. In the event of a reclassification or reorganization of the outstanding shares of the Common Stock of the Company at any time while this Warrant is outstanding, including, without limitation, as a result of a merger or consolidation, the Company shall thereafter deliver at the time of purchase of Warrant Shares under this Warrant and in lieu of the number of Warrant Shares in respect of which the right to purchase is then being exercised, the number of shares of the Company of the appropriate class or classes resulting from said reclassification or reclassifications as the Holder would have been entitled to receive in respect of the number of Warrant Shares in respect of which the right of purchase hereunder is then being exercised had the right of purchase been exercised before such reclassification or reorganization.

(c) Adjustments for Other Dividends and Distributions. In the event the Company, at any time or from time to time while this Warrant is outstanding, shall make or issue, or fix a record date for the determination of holders of Common Stock entitled to receive a dividend or other distribution payable in securities of the Company (other than shares of Common Stock) or in cash or other property (other than cash out of earnings or earned surplus, determined in accordance with generally accepted accounting principles), then and in each such event provision shall be made so that the Holder shall receive upon exercise hereof, in addition to the number of shares of Common Stock issuable hereunder, the kind and amount of securities of the Company and/or cash and other property to which the Holder would have been entitled to receive had this Warrant been exercised into Common Stock on the date of such event and had the Holder thereafter, during the period from the date of such event to and including the Exercise Date, retained any such securities receivable, giving application to all adjustments called for during such period under this Section 3 with respect to the rights of the Holder, provided, however, (x) in the event that the holders of Common Stock have received options, warrants or rights that have expired prior to the date of exercise of this Warrant, the Holder shall not be entitled to receive such options, warrants or rights and (y) in the event of a distribution consisting of cash as referred to above, the Exercise Price in effect immediately prior to such distribution will be proportionately reduced by the amount of the distribution per share of Common Stock such Holder would have been entitled to receive had such Holder been the holder of record of such Common Stock as of the date on which holders of Common Stock received or became entitled to receive such cash distribution.

(d) Fundamental Transaction. If, at any time while this Warrant is outstanding, (A) the Company effects any merger or consolidation of the Company with or into another Person, (B) the Company effects any sale of all or substantially all of its assets in one or a series of related transactions, (C) any tender offer or exchange offer is accepted by the holders of more than the 50% of the outstanding shares of Common Stock (not including any Common Stock held by the Person or Persons making or party to, or associated or affiliated with the Persons making or party to, such tender or exchange offer), or (D) the Company effects any reclassification of the Warrant Shares or any compulsory share exchange (other than a share split or reverse share split) pursuant to which the Warrant Shares are effectively converted into or exchanged for other securities, cash or property (in any such case, a "Fundamental Transaction"), then, upon any subsequent exercise of this Warrant, the Holder shall have the right to receive, for each Warrant Share that would have been issuable upon such exercise immediately prior to the occurrence of such Fundamental Transaction, at the option of the Holder, (a) upon exercise of this Warrant, the number of shares of stock, or other securities or property of the successor or acquiring corporation or of the Company, if it is the surviving corporation, and any additional consideration (the "Alternate Consideration") receivable upon or as a result of such reorganization, reclassification, merger, consolidation or disposition of assets by a Holder to which the Holder would have been entitled if the Holder had exercised its rights pursuant to the Warrant immediately prior thereto or (b) if the Company is acquired in an all cash transaction in which the per share consideration payable to the holders of Common Stock is less than the Exercise Price, cash equal to the value of this Warrant as determined in accordance with the Black-Scholes option pricing formula. For purposes of any such exercise, the determination of the Exercise Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one Warrant Share in such Fundamental Transaction, and the Company shall apportion the Exercise Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Warrant Shares are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Holder shall be given the same choice as to the Alternate Consideration it receives upon any exercise of this Warrant following such Fundamental Transaction. To the extent necessary to effectuate the foregoing provisions, any successor to the Company or surviving entity in such Fundamental Transaction shall issue to the Holder a new warrant consistent with the foregoing provisions and evidencing the Holder's right to exercise such warrant into Alternate Consideration. The terms of any agreement pursuant to which a Fundamental Transaction is effected shall include terms requiring any such successor or surviving entity to comply with the provisions of this Section 3(d) and insuring that this Warrant (or any such replacement security) will be similarly adjusted upon any subsequent transaction analogous to a Fundamental Transaction.

(e) Anti-dilution Adjustments. If, at any time while this Warrant is outstanding, the Company shall issue or sell any Common Stock for a consideration per share less than the Exercise Price then in effect, or shall issue or sell any options, warrants or other rights (including, without limitation, securities convertible into or exercisable for Common Stock) for the purchase or acquisition of such shares at a consideration per share of less than the Exercise Price then in effect, the Exercise Price shall be reduced to an amount equal to the per share consideration payable to the Company in such sale or issuance. The consideration per share payable to the Company in a sale or issuance of options, warrants or other rights for the purchase or acquisition of shares of Common Stock shall be determined by dividing: (A) the total amount, if any, received or receivable by the Company as consideration for the sale or issue of such options, warrants or other rights, plus the minimum aggregate amount of additional consideration (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such consideration) payable to the Company upon the exercise of such options, warrants or other rights or conversion or exercise of such other rights, by (B) the maximum number of shares of Common Stock (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such number) issuable upon the exercise of such options, warrants or other rights or conversion or exercise of such other rights. In case any portion of the consideration to be received by the Company shall be in a form other than cash, the fair market value of such non-cash consideration, as determined in good faith by the Board of Directors of the Company, shall be utilized to determine the consideration per share. The foregoing adjustment shall not apply in any of the following scenarios: (i) any issuances of securities to directors, officers or employees of the Company or a wholly owned subsidiary thereof in their capacity as such in the ordinary course pursuant to an incentive plan approved by the Board of Directors of the Company; (ii) any issuances of securities having a Fair Market Value of up to $1,000,000 in the aggregate to service providers of the Company or a wholly owned subsidiary thereof in bona fide, arm's length transactions in consideration for services provided; (iii) any issuances of securities having a Fair Market Value of up to $6,000,000 in the aggregate to investors during the one-year period commencing on the date hereof; and (iv) any issuances of Common Stock pursuant to options or warrants to purchase Common Stock that are outstanding prior to the date hereof.

(f) Voluntary Adjustment By Company. The Company may at any time during the term of this Warrant reduce the then current Exercise Price to any amount and for any period of time deemed appropriate by the Board of Directors of the Company.

(g) Number of Warrant Shares. Simultaneously with any adjustment to the Exercise Price pursuant to of this Section 3, the number of shares issuable upon exercise of this Warrant shall be proportionately adjusted so that after such adjustment the aggregate Exercise Price payable hereunder for the increased or decreased number of Warrant Shares shall be the same as the aggregate Exercise Price in effect immediately prior to such adjustment.

(h) Calculations. All calculations under this Section 3 shall be made to the nearest cent or the nearest 1/100th of a share, as the case may be. For purposes of this Section 3, the number of shares of Common Stock deemed to be issued and outstanding as of a given date shall be the sum of the number of shares of Common Stock (excluding treasury shares, if any) issued and outstanding.

(i) Notice to Holders.

(i) Adjustment to Exercise Price. Whenever the Exercise Price is adjusted pursuant to any provision of this Section 3, the Company shall promptly mail to each Holder a notice setting forth the Exercise Price after such adjustment and setting forth a brief statement of the facts requiring such adjustment.

(ii) Notice to Allow Exercise by Holder. If (A) the Company shall declare a dividend (or any other distribution in whatever form) on the Common Stock; (B) the Company shall declare a special nonrecurring cash dividend on or a redemption of the Common Stock; (C) the Company shall authorize the granting to all holders of the Common Stock rights or warrants to subscribe for or purchase any shares of capital stock of any class or of any rights; (D) the approval of any stockholders of the Company shall be required in connection with any reclassification of the Common Stock, any consolidation or merger to which the Company is a party, any sale or transfer of all or substantially all of the assets of the Company, of any compulsory share exchange whereby the Common Stock is converted into other securities, cash or property; (E) the Company shall authorize the voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Company; then, in each case, the Company shall notify the Holder at least 10 calendar days prior to the applicable record or effective date hereinafter specified, a notice stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution, redemption, rights or warrants, or if a record is not to be taken, the date as of which the holders of the Common Stock of record to be entitled to such dividend, distributions, redemption, rights or warrants are to be determined or (y) the date on which such reclassification, consolidation, merger, sale, transfer or share exchange is expected to become effective or close, and the date as of which it is expected that holders of the Common Stock of record shall be entitled to exchange their shares of the Common Stock for securities, cash or other property deliverable upon such reclassification, consolidation, merger, sale, transfer or share exchange; provided that the failure to mail such notice or any defect therein or in the mailing thereof shall not affect the validity of the corporate action required to be specified in such notice. Any such notice or information published via international wire or furnished to or filed with the U.S. Securities and Exchange Commission shall satisfy this notice requirement.

Section 4. Transfer of Warrant.

(a) Transferability. Subject to compliance with any applicable securities laws and the conditions set forth in Section 4(d) hereof and to the provisions of Section 5.7 of the Purchase Agreement, this Warrant and all rights hereunder (including, without limitation, any registration rights) are transferable, in whole or in part, upon surrender of this Warrant at the principal office of the Company or its designated agent, together with a written assignment of this Warrant substantially in the form attached hereto duly executed by the Holder or its agent or attorney and funds sufficient to pay any transfer taxes payable upon the making of such transfer. Upon such surrender and, if required, such payment, the Company shall execute and deliver a new Warrant or Warrants in the name of the assignee or assignees and in the denomination or denominations specified in such instrument of assignment, and shall issue to the assignor a new Warrant evidencing the portion of this Warrant not so assigned, and this Warrant shall promptly be cancelled. A Warrant, if properly assigned, may be exercised by a new holder for the purchase of Warrant Shares without having a new Warrant issued.

(b) New Warrants. This Warrant may be divided or combined with other Warrants upon presentation hereof at the aforesaid office of the Company, together with a written notice specifying the names and denominations in which new Warrants are to be issued, signed by the Holder or its agent or attorney. Subject to compliance with Section 4(a), as to any transfer which may be involved in such division or combination, the Company shall execute and deliver a new Warrant or Warrants in exchange for the Warrant or Warrants to be divided or combined in accordance with such notice.

(c) Warrant Register. The Company shall register this Warrant, upon records to be maintained by the Company for that purpose (the "Warrant Register"), in the name of the record Holder hereof from time to time. The Company may deem and treat the registered Holder of this Warrant as the absolute owner hereof for the purpose of any exercise hereof or any distribution to the Holder, and for all other purposes, absent actual notice to the contrary.

(d) Transfer Restrictions. If, at the time of the surrender of this Warrant in connection with any transfer of this Warrant, the transfer of this Warrant shall not be registered pursuant to an effective registration statement under the Securities Act and under applicable state securities or blue sky laws, the Company may require, as a condition of allowing such transfer (i) that the Holder or transferee of this Warrant, as the case may be, furnish to the Company a written opinion of counsel (which opinion shall be in form, substance and scope customary for opinions of counsel in comparable transactions) to the effect that such transfer may be made without registration under the Securities Act and under applicable state securities or blue sky laws, (ii) that the holder or transferee execute and deliver to the Company an investment letter in form and substance acceptable to the Company and (iii) that the transferee be an "accredited investor" as defined in Regulation D under the Securities Act or a qualified institutional buyer as defined in Rule 144A under the Securities Act.

Section 5. Miscellaneous.

(a) No Rights as Shareholder Until Exercise. This Warrant does not entitle the Holder to any voting rights or other rights as a shareholder of the Company prior to the exercise hereof. Upon the surrender of this Warrant and the payment of the aggregate Exercise Price, the Warrant Shares so purchased shall be and be deemed to be issued to such Holder as the record owner of such shares as of the close of business on the later of the date of such surrender or payment.

(b) Loss, Theft, Destruction or Mutilation of Warrant. The Company covenants that upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of this Warrant or any stock certificate relating to the Warrant Shares, and in case of loss, theft or destruction, of indemnity or security reasonably satisfactory to it (which, in the case of the Warrant, shall not include the posting of any bond), and upon surrender and cancellation of such Warrant or stock certificate, if mutilated, the Company will make and deliver a new Warrant or stock certificate of like tenor and dated as of such cancellation, in lieu of such Warrant or stock certificate.

(c) Saturdays, Sundays, Holidays, etc. If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall not be a Business Day, then such action may be taken or such right may be exercised on the next succeeding Business Day.

(d) Authorized Shares.

The Company covenants that during the period the Warrant is outstanding, it will reserve from its authorized and unissued Common Stock a sufficient number of shares to provide for the issuance of the Warrant Shares upon the exercise of any purchase rights under this Warrant. The Company further covenants that its issuance of this Warrant shall constitute full authority to its officers who are charged with the duty of executing stock certificates to execute and issue the necessary certificates for the Warrant Shares upon the exercise of the purchase rights under this Warrant. The Company will take all such reasonable action as may be necessary to assure that such Warrant Shares may be issued as provided herein without violation of any applicable law or regulation, or of any requirements of the Trading Market upon which the Common Stock may be listed.

Except and to the extent waived or consented to by the Holder, the Company shall not by any action, including, without limitation, amending its certificate of incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such actions as may be necessary or appropriate to protect the rights of Holder as set forth in this Warrant against impairment. Without limiting the generality of the foregoing, the Company will (a) not increase the par value of any Warrant Shares above the amount payable therefor upon such exercise immediately prior to such increase in par value, (b) take all such action as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and nonassessable Warrant Shares upon the exercise of this Warrant, and (c) use commercially reasonable efforts to obtain all such authorizations, exemptions or consents from any public regulatory body having jurisdiction thereof as may be necessary to enable the Company to perform its obligations under this Warrant.

(e) Jurisdiction. All questions concerning the construction, validity, enforcement and interpretation of this Warrant shall be determined in accordance with the provisions of the Purchase Agreement.

(f) Restrictions. The Holder acknowledges that the Warrant Shares acquired upon the exercise of this Warrant, if not registered, will have restrictions upon resale imposed by state and federal securities laws.

(g) Nonwaiver and Expenses. No course of dealing or any delay or failure to exercise any right hereunder on the part of Holder shall operate as a waiver of such right or otherwise prejudice Holder's rights, powers or remedies, notwithstanding the fact that all rights hereunder terminate on the Termination Date. If the Company willfully and knowingly fails to comply with any provision of this Warrant, which results in any damages to the Holder, and if the Holder shall prevail against the Company in a final non-appealable court judgment, the Company shall pay to Holder such amounts as shall be sufficient to cover any costs and expenses including, but not limited to, reasonable attorneys' fees, including those of appellate proceedings, incurred by Holder in collecting any amounts due pursuant hereto or in otherwise enforcing any of its rights, powers or remedies hereunder.

(h) Notices. Any notice, request or other document required or permitted to be given or delivered to the Holder by the Company shall be delivered in accordance with the notice provisions of the Purchase Agreement.

(i) Limitation of Liability. No provision hereof, in the absence of any affirmative action by Holder to exercise this Warrant to purchase Warrant Shares, and no enumeration herein of the rights or privileges of Holder, shall give rise to any liability of Holder for the purchase price of any Common Stock or as a stockholder of the Company, whether such liability is asserted by the Company or by creditors of the Company.

(j) Remedies. Holder, in addition to being entitled to exercise all rights granted by law, including recovery of damages, will be entitled to specific performance of its rights under this Warrant, without duplication. The Company agrees that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of the provisions of this Warrant and hereby agrees to waive and not to assert the defense in any action for specific performance that a remedy at law would be adequate.

(k) Successors and Assigns. Subject to applicable securities laws, this Warrant and the rights and obligations evidenced hereby shall inure to the benefit of and be binding upon the successors of the Company and the successors and permitted assigns of Holder. The provisions of this Warrant are intended to be for the benefit of all Holders from time to time of this Warrant and shall be enforceable by any such Holder or holder of Warrant Shares.

(l) Amendment. This Warrant may be modified or amended or the provisions hereof waived with the written consent of the Company and the Holder.

(m) Severability. Wherever possible, each provision of this Warrant shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Warrant shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions or the remaining provisions of this Warrant.

(n) Headings. The headings used in this Warrant are for the convenience of reference only and shall not, for any purpose, be deemed a part of this Warrant.

IN WITNESS WHEREOF, the Company has caused this Warrant to be executed by its officer thereunto duly authorized.

ORAMED PHARMACEUTICALS INC.

By: /s/ Nadav Kidron
Name: Nadav Kidron
Title: Chief Executive Officer

Dated: January 10, 2011

NOTICE OF EXERCISE

TO: Oramed Pharmaceuticals Inc.
Hi-Tech Park 2/5
Givat-Ram
PO Box 39098
Jerusalem 91390 Israel
Attn: Nadav Kidron

(1) The undersigned hereby elects to purchase _____ Warrant Shares of the Company pursuant to the terms of the attached Warrant (only if exercised in full), and tenders herewith payment of the exercise price in full, together with all applicable transfer taxes, if any.

(2) Payment shall take the form of (check applicable box):

[ ] in lawful money of the United States; or

[ ] the cancellation of such number of Warrant Shares as is necessary, in accordance with the formula set forth in Section 2(c), to exercise this Warrant with respect to the maximum number of Warrant Shares purchasable pursuant to the cashless exercise procedure set forth in Section 2(c). [Attached hereto is a true and correct copy of a print-out of the Bloomberg screen showing the Fair Market Value of the Common Stock, as defined therein.]

(3) Please issue a certificate or certificates representing said Warrant Shares in the name of the undersigned or in such other name as is specified below:

_____

The Warrant Shares shall be delivered to the following:

_____
_____
_____

(4) Accredited Investor. The undersigned is an "accredited investor" as defined in Regulation D promulgated under the Securities Act of 1933, as amended.

[SIGNATURE OF HOLDER]

Name of Investing Entity: _____
Signature of Authorized Signatory of Investing Entity: _____
Name of Authorized Signatory: _____
Title of Authorized Signatory: _____
Date: _____

ASSIGNMENT FORM

(To assign the foregoing warrant, execute
this form and supply required information.
Do not use this form to exercise the warrant.)

FOR VALUE RECEIVED, the foregoing Warrant and all rights evidenced thereby are hereby assigned to whose address is _____ _____

Dated: _____

Holder's Signature: _____

Holder's Address: _____
_____
_____

Signature Guaranteed: _____

NOTE: The signature to this Assignment Form must correspond with the name as it appears on the face of the Warrant, without alteration or enlargement or any change whatsoever, and must be guaranteed by a bank or trust company. Officers of corporations and those acting in a fiduciary or other representative capacity should file proper evidence of authority to assign the foregoing Warrant.

CERTIFICATION OF PRINCIPAL EXECUTIVE 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) 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) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;

c) 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; and

d) 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 and material weaknesses in the design or operation of internal controls which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

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

Dated: January 13, 2011

By: /s/ *NADAV KIDRON*

Name: Nadav Kidron
Title: President, Chief Executive Officer
and Director

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

I, Yifat Zommer, 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) 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) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;

c) 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; and

d) 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 and material weaknesses in the design or operation of internal controls which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

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

Dated: January 13, 2011

By: /s/ *YIFAT ZOMMER*

Name: Yifat Zommer,
Title: 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, 2010 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 1350, as adopted pursuant to 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, 2011

By: /s/ *NADAV KIDRON*

Name: Nadav Kidron
Title: 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, 2010 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Yifat Zommer, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. section 1350, as adopted pursuant to 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, 2011

By: /s/ *YIFAT ZOMMER*

Name: Yifat Zommer,
Title: Chief Financial Officer