As filed with the Securities and Exchange Commission on March 24, 2011

Registration No. 333

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

FORM S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

ORAMED PHARMACEUTICALS INC.
(Exact Name of Registrant as Specified in Its Charter)

Delaware	2834	98-0376008
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification No.)

Hi-Tech Park 2/5
Givat-Ram
PO Box 39098
Jerusalem 91390, Israel
Telephone: 972-2-566-0001
(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

Vcorp Services, LLC
1811 Silverside Road
Wilmington, Delaware 19810
Telephone: (888) 528 2677
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Eliezer M. Helfgott, Esq.	**Adam M. Klein, Adv.**
Blank Rome LLP	**Goldfarb, Levy, Eran, Meiri, Tzafrir & Co.**
405 Lexington Avenue	**2 Weizmann Street**
New York, NY 10174	**Tel-Aviv 64239, Israel**
Telephone: (212) 885-5431	**Telephone: 972-3-608-9947**
Facsimile: (917) 332-3065	**Facsimile: 972-3-608-9855**

Approximate date of commencement of proposed sale to the public: From time to time after the effective date of this registration statement, as determined by market and other conditions.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933 check the following box. x

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

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. (Check one):

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

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount To Be Registered (1)	Proposed Maximum Offering Price Per Unit (2)	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee (3)
Common Stock, $0.001 par value (4)	13,993,217	$ 0.27	$ 3,778,168	$ 438.65

(1) Pursuant to Rule 416(a) under the Securities Act of 1933, as amended (the "Act"), this registration statement shall be deemed to cover any additional number of shares of common stock as may be issued from time to time upon exercise of the warrants or options to prevent dilution as a result of stock splits, stock dividends or similar transactions. No additional consideration will be received for the common stock, and therefore no registration fee is required pursuant to Rule 457(i) under the Act.

(2) Estimated in accordance with Rule 457(c) under the Act, solely for the purpose of calculating the registration fee, based on the average of the high and low prices of our common stock on March 21, 2011, as reported on the OTC Bulletin Board.

(3) Pursuant to Rule 429 under the Securities Act of 1933, the prospectus constituting a part of this registration statement also relates to 30,444,550 shares of Registrant's securities registered under Registration Statement 333-164288, for which a filing fee in the amount of $2,672.73 has previously been paid.

(4) Represents 10,028,000 shares of common stock of Oramed Pharmaceuticals Inc. being registered for resale that have been issued to the selling stockholders and 3,965,217 shares of common stock of Oramed Pharmaceuticals Inc. issuable upon exercise of warrants and options that have been issued to the selling stockholders.

Pursuant to Rule 429(a) under the Securities Act of 1933, the prospectus included in this registration statement is a combined prospectus and also relates to 30,444,550 shares registered and remaining unsold under Registrant's Registration Statement on Form S-1 (No. 333-164288) and amendments thereto. Pursuant to Rule 429(b), this registration statement, upon effectiveness, also constitutes a Post-Effective Amendment to Registration Statement No. 333-164288, which post-effective amendment shall hereafter become effective concurrently with the effectiveness of this registration statement and in accordance with Section 8(c) of the Securities Act of 1933. If securities previously registered under that registration statement are offered and sold before the effective date of this registration statement, the amount of previously registered securities so sold will not be included in the prospectus hereunder.

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(a) OF THE SECURITIES ACT OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(a), MAY DETERMINE.

The information in this preliminary prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell nor does it seek an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to completion. Dated March 24, 2011.

PROSPECTUS

ORAMED PHARMACEUTICALS INC.

44,437,767 SHARES OF COMMON STOCK

The selling stockholders identified in this prospectus may offer from time to time up to 37,269,298 shares of our common stock and 7,168,469 shares of our common stock issuable upon exercise of warrants and options.

This prospectus describes the general manner in which the shares may be offered and sold by the selling stockholders. If necessary, the specific manner in which the shares may be offered and sold will be described in a supplement to this prospectus.

While we will not receive any proceeds from the sale of the shares by the selling stockholders, we will receive cash proceeds equal to the total exercise price of any warrants or options that are exercised for cash.

Our common stock is quoted on the OTC Bulletin Board, or the OTCBB, under the symbol "ORMP.OB". On March 23, 2011, the last reported bid price per share of our common stock as quoted on the OTCBB was $0.27 per share.

Investing in the shares involves risks. You should carefully read the *"Risk Factors"* beginning on page 6 of this prospectus before investing.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is _____.

TABLE OF CONTENTS

You should rely only on the information contained in this prospectus. Neither we nor the selling stockholders have authorized any dealer, salesperson or other person to give any information or to make any representations to you other than the information contained in this prospectus. You must not rely on any information or representations not contained in this prospectus as if we had authorized it. The information contained in this prospectus is current only as of the date on the cover page of this prospectus and may change after that date. We do not imply that there has been no change in the information contained in this prospectus or in our affairs since that date by delivering this prospectus. Neither we nor the selling stockholders are making an offer of these securities in any state where the offer is not permitted.

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

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

PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this prospectus. Before making an investment decision, you should read the entire prospectus carefully, including the section entitled "Risk Factors".

THE COMPANY

General

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, and the use of orally ingestible capsules, tablets or pills for delivery of other polypeptides.

Oral Insulin: We are seeking to revolutionize the treatment of diabetes through our proprietary flagship product, an orally ingestible insulin capsule (ORMD0801). Our technology allows insulin to travel from the gastrointestinal tract via the portal vein to the bloodstream, revolutionizing the manner in which insulin is delivered. It enables its passage in a more physiological manner than current delivery methods of insulin.

Our technology is a platform that has the potential to deliver medications and vaccines orally that today can only be delivered via injection.

Diabetes: Diabetes is a disease in which the body does not produce or properly use insulin. Insulin is a hormone that causes sugar to be absorbed into cells, where the sugar is converted into energy needed for daily life.

Intellectual Property: We own a portfolio of patents and patent applications covering our technologies and we are aggressively protecting these technology developments on a worldwide basis.

Management: We are led by a highly-experienced management team knowledgeable in the treatment of diabetes. Our Chief Medical and Technology Officer, Miriam Kidron, PhD, is a world-recognized pharmacologist and a biochemist and the innovator primarily responsible for our Oral Insulin technology development and know-how.

Scientific Advisory Board: Our management team has access to our internationally recognized Scientific Advisory Board whose members are thought-leaders in their respective areas. The Advisory Board is comprised of Dr. Nir Barzilai, Professor Ele Ferrannini, Professor Avram Hershko, Dr. Derek LeRoith and Dr. John Amatruda.

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 proteins 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"). 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.

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 increase the likelihood of obtaining 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.

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 (ORMD 0801), 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 (ORMD0801) 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 ORMD0801. We believe the encouraging results justify further clinical development of ORMD0801 capsule application toward management of uncontrolled diabetes.

On March 23, 2011, we reported that we successfully completed a comprehensive toxicity study for our oral insulin capsule (ORMD0801). 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.

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-1analog (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.

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.

Out-Licensed Technology

On June 1, 2010, our subsidiary, Oramed Ltd., entered into a joint venture 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 called Entera Bio Ltd. ("Entera").

Under the terms of a license agreement that was entered into between Oramed and Entera in August 2010, we 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 is for an oral formulation for the treatment of osteoporosis. D.N.A invested $600,000 in Entera, and Entera was owned in equal parts by Oramed and D.N.A, subject to dilution by future issuances of shares.

On February 22, 2011, Oramed Ltd. entered into a share purchase agreement with D.N.A for the sale of 47% of Entera's outstanding share capital on an undiluted basis. As consideration for the Entera shares, Oramed will receive a promissory note issued by D.N.A in the principal amount of US $450,000, with an annual interest rate of 0.45%, to be paid within four months from closing, and 8,404,667 ordinary shares of D.N.A, having an aggregate market value of approximately $700,000. In addition, D.N.A agreed to invest $250,000 in Oramed's recent private placement, for which it received 781,250 shares of our common stock and five-year warrants to purchase 273,438 shares of common stock at an exercise price of $0.50 per share.

As part of the transaction, we entered into a patent transfer agreement (to replace the original license agreement upon closing) according to which, Oramed will assign to Entera all of its right, title and interest in and to the patent application that it has licensed to Entera since August 2010. Under this agreement, Oramed Ltd. is entitled to receive from Entera royalties of 3% of Entera's net revenues (as defined in the agreement) and a license back of that patent application for use in respect of diabetes and influenza.

The closing of the abovementioned transactions will take place concurrently on the first business day following the satisfaction of all the closing conditions. If the closing does not occur by March 31, 2011, Oramed will have the right to terminate the agreements. Upon the closing, Oramed, Entera and D.N.A will terminate the jointventure agreement, entered into on June 1, 2010 in connection with the formation of Entera.

Mr. Zeev Bronfeld, one of D.N.A's directors and controlling shareholders, holds more than 5% of our outstanding common stock. Accordingly, pursuant to Israeli law, the closing of the transactions is subject to the approval of D.N.A's shareholders at its extraordinary general meeting to be held on March 28, 2011.

Recent Business Developments

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. We plan to use the funds to support further research and development and clinical study of our oral insulin capsule and Oral GLP1-analog.

In March, 2011, we consummated a private placement that commenced in November 2010, with a number of accredited investors pursuant to which we agreed to sell to the investors an aggregate of 9,706,250 units at a purchase price of $0.32 per unit for total consideration of $3,106,000. Each unit consisted of one share of common stock and a five-year warrant to purchase 0.35 of a share of common stock at an exercise price of $0.50 per share. We also issued 196,750 shares of common stock and warrants to purchase 70,863 shares of common stock as finders' fees in connection with the private placement.

THE OFFERING

Issuer	Oramed Pharmaceuticals Inc. Hi-Tech Park 2/5 Givat-Ram, PO Box 39098 Jerusalem 91390, Israel Telephone: 972-2-566-0001
Securities offered by the Selling Stockholders	37,269,298 shares of common stock and 7,168,469 shares of common stock issuable upon exercise of warrants and options.
Trading Market	The common stock offered in this prospectus is quoted on the OTCBB under the symbol "ORMP.OB".
Common stock outstanding (as of March 22, 2011)	67,822,035 shares[1].
Use of Proceeds	We will not receive any of the proceeds from the sale of the shares of our common stock being offered for sale by the selling stockholders. However, we may receive up to approximately $4.2 million in proceeds upon exercise of the warrants and options held by the selling stockholders, as the warrants and options have an average exercise price of $0.58 per share and are exercisable into 7,168,469 shares of our common stock. These potential proceeds will be used for the research and development of our products and for general working capital purposes. See *"Use of Proceeds."*
Plan of Distribution	The selling stockholders, and their pledgees, donees, transferees or other successors in interest, may from time to time offer and sell, separately or together, some or all of the common stock covered by this prospectus. Registration of the common stock covered by this prospectus does not mean, however, that those shares necessarily will be offered or sold. See *"Plan of Distribution."*
Risk Factors	Please read "*Risk Factors*" and other information included in this prospectus for a discussion of factors you should carefully consider before deciding to invest in the securities offered in this prospectus.

[1] Does not include 20,552,948 shares of our common stock issuable upon the exercise of outstanding options and warrants.

RISK FACTORS

An investment in our securities involves a high degree of risk. You should consider carefully the following information about these risks, together with the other information contained in this prospectus before making an investment decision. Our business, prospects, financial condition, and results of operations may be materially and adversely affected as a result of any of the following risks. The value of our securities could decline as a result of any of these risks. You could lose all or part of your investment in our securities. Some of the statements in "Risk Factors" are forward looking statements.

Risks Related to Our Business

There is substantial doubt as to our ability to continue as a going concern.

Our financial statements were prepared on the assumption that we will continue as a going concern. We estimate that our cash reserves will not be sufficient to permit us to continue at our anticipated level of operations for our fiscal year ending August 31, 2011. During 2011, we plan to increase research and development, product development, and administrative expenses relating to our business, including expenses related to research and development related to our oral delivery platform. We intend to use our cash reserves, as well as other funds in the event that they shall become available on commercially reasonable terms, to finance these activities and other activities described herein, although we can provide no assurance that these additional funds will be available in the amounts or at the times we may require. If sufficient capital is not available, we would likely be required to scale back or terminate our research and development efforts. See "*Risk Factors — We will need substantial additional capital in order to satisfy our business objectives*."

We will need substantial additional capital in order to satisfy our business objectives.

To date, we have financed our operations principally through offerings of securities exempt from the registration requirements of the Securities Act. We believe that our available resources and cash flow will be sufficient to meet our anticipated working capital needs for a minimum of six months from the date of this prospectus. We estimate that we will require substantial additional financing at various intervals in order to continue our research and development programs, including significant requirements for operating expenses including intellectual property protection and enforcement, for pursuit of regulatory approvals, and for commercialization of our products. We can provide no assurance that additional funding will be available on a timely basis, on terms acceptable to us, or at all. In the event that we are unable to obtain such financing, we will not be able to fully develop and commercialize our technology. Our future capital requirements will depend upon many factors, including:

- continued scientific progress in our research and development programs;
- costs and timing of conducting clinical trials and seeking regulatory approvals and patent prosecutions;
- competing technological and market developments;
- our ability to establish additional collaborative relationships; and
- effects of commercialization activities and facility expansions if and as required.

If we cannot secure adequate financing when needed, we may be required to delay, scale back or eliminate one or more of our research and development programs or to enter into license or other arrangements with third parties to commercialize products or technologies that we would otherwise seek to develop ourselves and commercialize ourselves. In such event, our business, prospects, financial condition, and results of operations may be adversely affected as we may be required to scale-back, eliminate, or delay development efforts or product introductions or enter into royalty, sales or other agreements with third parties in order to commercialize our products.

We are a development stage company with a history of losses and can provide no assurance as to our future operating results.

We are a development stage company with no revenues from our research and development activities. Consequently, we have incurred net losses and negative cash flows since inception. We currently have no product revenues, and may not succeed in developing or commercializing any products which could generate product or licensing revenues. We do not expect to have any products on the market for several years. In addition, development of our product candidates requires a process of pre-clinical and clinical testing, during which our products could fail. We may not be able to enter into agreements with one or more companies experienced in the manufacturing and marketing of therapeutic drugs and, to the extent that we are unable to do so, we will not be able to market our product candidates. Eventual profitability will depend on our success in developing, manufacturing, and marketing our product candidates. As of November 30, 2010 and August 31, 2010 and 2009, we had working capital of $927,555, $938,225 and $2.8 million, respectively, and stockholders' equity of $814,071, $830,272 and $2.7 million, respectively. We have generated no revenues to date. For the period from our inception on April 12, 2002 through November 30, 2010, the three month period ended November 30, 2010 and the year ended August 31, 2010, we incurred net losses of $13.6 million, $602,784, and $3.0 million, respectively. We may never achieve profitability and expect to incur net losses in the foreseeable future. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations*."

We rely upon patents to protect our technology. We may be unable to protect our intellectual property rights and we may be liable for infringing the intellectual property rights of others.

Our ability to compete effectively will depend on our ability to maintain the proprietary nature of our technologies. We currently hold several pending patent applications in the United States for our technologies covering oral administration of insulin and other proteins and oral administration of exenatides and proteins, and corresponding patent applications filed in Israel, South Africa and India. Further, we intend to rely on a combination of trade secrets and non-disclosure, and other contractual agreements and technical measures to protect our rights in our technology. We intend to depend upon confidentiality agreements with our officers, directors, employees, consultants, and subcontractors, as well as collaborative partners, to maintain the proprietary nature of our technology. These measures may not afford us sufficient or complete protection, and others may independently develop technology similar to ours, otherwise avoid our confidentiality agreements, or produce patents that would materially and adversely affect our business, prospects, financial condition, and results of operations. We believe that our technology is not subject to any infringement actions based upon the patents of any third parties; however, our technology may in the future be found to infringe upon the rights of others. Others may assert infringement claims against us, and if we should be found to infringe upon their patents, or otherwise impermissibly utilize their intellectual property, our ability to continue to use our technology could be materially restricted or prohibited. If this event occurs, we may be required to obtain licenses from the holders of this intellectual property, enter into royalty agreements, or redesign our products so as not to utilize this intellectual property, each of which may prove to be uneconomical or otherwise impossible. Licenses or royalty agreements required in order for us to use this technology may not be available on terms acceptable to us, or at all. These claims could result in litigation, which could materially adversely affect our business, prospects, financial condition, and results of operations.

The patent position of biopharmaceutical and biotechnology firms is generally uncertain and involves complex legal and factual questions. We do not know whether any of our current or future patent applications will result in the issuance of any patents. Even issued patents may be challenged, invalidated or circumvented. Patents may not provide a competitive advantage or afford protection against competitors with similar technology. Competitors or potential competitors may have filed applications for, or may have received patents and may obtain additional and proprietary rights to compounds or processes used by or competitive with ours. In addition, laws of certain foreign countries do not protect intellectual property rights to the same extent as do the laws of the United States.

Patent litigation is becoming widespread in the biopharmaceutical and biotechnology industry and we cannot predict how this will affect our efforts to form strategic alliances, conduct clinical testing or manufacture and market any products under development. If challenged, our patents may not be held valid. We could also become involved in interference proceedings in connection with one or more of our patents or patent applications to determine priority of invention. If we become involved in any litigation, interference or other administrative proceedings, we will likely incur substantial expenses and the efforts of our technical and management personnel will be significantly diverted. In addition, an adverse determination could subject us to significant liabilities or require us to seek licenses that may not be available on favorable terms, if at all. We may be restricted or prevented from manufacturing and selling our products in the event of an adverse determination in a judicial or administrative proceeding or if we fail to obtain necessary licenses.

Our commercial success will also depend significantly on our ability to operate without infringing the patents and other proprietary rights of third parties. Patent applications are, in many cases, maintained in secrecy until patents are issued. The publication of discoveries in the scientific or patent literature frequently occurs substantially later than the date on which the underlying discoveries were made and patent applications are filed. In the event of infringement or violation of another party's patent, we may be prevented from pursuing product development or commercialization. See "*Business—Patents and Licenses.*"

At present, our success depends primarily on the successful commercialization of our oral insulin capsule.

The successful commercialization of oral insulin capsule is crucial for our success. At present, our principal product is the oral insulin capsule. Our oral insulin capsule is in a very early stage of clinical development and faces a variety of risks and uncertainties. Principally, these risks include the following:

- future clinical trial results may show that the oral insulin capsule is not well tolerated by recipients at its effective doses or is not efficacious as compared to placebo;

- future clinical trial results may be inconsistent with previous preliminary testing results and data from our earlier studies may be inconsistent with clinical data;

- even if our oral insulin capsule is shown to be safe and effective for its intended purposes, we may face significant or unforeseen difficulties in obtaining or manufacturing sufficient quantities or at reasonable prices;

- our ability to complete the development and commercialization of the oral insulin capsule for our intended use is significantly dependent upon our ability to obtain and maintain experienced and committed partners to assist us with obtaining clinical and regulatory approvals for, and the manufacturing, marketing and distribution of, the oral insulin capsule on a worldwide basis;

- even if our oral insulin capsule is successfully developed, commercially produced and receive all necessary regulatory approvals, there is no guarantee that there will be market acceptance of the products; and

- our competitors may develop therapeutics or other treatments which are superior or less costly than our own with the result that our products, even if they are successfully developed, manufactured and approved, may not generate significant revenues.

If we are unsuccessful in dealing with any of these risks, or if we are unable to successfully commercialize our oral insulin capsule for some other reason, it would likely seriously harm our business.

We have limited experience in conducting clinical trials.

Clinical trials must meet FDA and foreign regulatory requirements. We have limited experience in designing, conducting and managing the preclinical studies and clinical trials necessary to obtain regulatory approval for our product candidates in any country. We have entered into agreements with Hadasit Medical Center, ETI Karle Clinical Pvt, Ltd., and OnQ Consulting to assist us in designing, conducting and managing our various clinical trials in Israel, South Africa, and India, respectively, as more fully described in "Our Business – Partnerships and Collaborative Agreements." Any failure of such consultants to fulfill their obligations could result in significant additional costs as well as delays in designing, consulting and completing clinical trials on our products.

Notwithstanding the assistance of such consultants, we may encounter problems in clinical trials that may cause us or the FDA or foreign regulatory agencies to delay, suspend or terminate our clinical trials at any phase. These problems could include the possibility that we may not be able to conduct clinical trials at our preferred sites, enroll a sufficient number of patients for our clinical trials at one or more sites or begin or successfully complete clinical trials in a timely fashion, if at all. Furthermore, we, the FDA or foreign regulatory agencies may suspend clinical trials at any time if we or they believe the subjects participating in the trials are being exposed to unacceptable health risks or if we or they find deficiencies in the clinical trial process or conduct of the investigation. If clinical trials of any of the product candidates fail, we will not be able to market the product candidate which is the subject of the failed clinical trials. The FDA and foreign regulatory agencies could also require additional clinical trials, which would result in increased costs and significant development delays. Our failure to adequately demonstrate the safety and effectiveness of a pharmaceutical product candidate under development could delay or prevent regulatory approval of the product candidate and could have a material adverse effect on our business, prospects, financial condition, and results of operations.

We can provide no assurance that our products will obtain regulatory approval or that the results of clinical studies will be favorable.

The testing, marketing and manufacturing of any of our products will require the approval of the FDA or regulatory agencies of other countries. We have completed certain non-FDA clinical trials and pre-clinical trials for our products but have yet to conduct any FDA approved trials. We have retained Advanced Regulatory Services Ltd. to assist us in the preparation of an IND Application with the FDA to conduct an FDA approved Phase 2 study on our oral insulin capsule product but no application has yet been filed.

We cannot predict with any certainty the amount of time necessary to obtain regulatory approvals, including from the FDA or other foreign regulatory authorities, and whether any such approvals will ultimately be granted. In any event, review and approval by the regulatory bodies is anticipated to take a number of years. Preclinical and clinical trials may reveal that one or more of our products are ineffective or unsafe, in which event further development of such products could be seriously delayed or terminated. Moreover, obtaining approval for certain products may require the testing on human subjects of substances whose effects on humans are not fully understood or documented. Delays in obtaining necessary regulatory approvals of any proposed product and failure to receive such approvals would have an adverse effect on the product's potential commercial success and on our business, prospects, financial condition, and results of operations. In addition, it is possible that a product may be found to be ineffective or unsafe due to conditions or facts which arise after development has been completed and regulatory approvals have been obtained. In this event we may be required to withdraw such product from the market. See "*Our Business – Governmental Regulation*."

We are dependent upon third party suppliers of our raw materials.

We are dependent on outside vendors for our entire supply of the oral insulin capsule. While we believe that there are numerous sources of supply available, if the third party suppliers were to cease production or otherwise fail to supply us with quality raw materials in sufficient quantities on a timely basis and we were unable to contract on acceptable terms for these services with alternative suppliers, our ability to produce our products and to conduct testing and clinical trials would be materially adversely affected

We are highly dependent upon our ability to enter into agreements with collaborative partners to develop, commercialize, and market our products.

Our long-term strategy is to ultimately seek a strategic commercial partner, or partners, such as large pharmaceutical companies, 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) and sales and marketing of our oral insulin capsule and other products. 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.

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. We currently lack the resources to manufacture any of our product candidates on a large scale and we have no sales, marketing or distribution capabilities. In the event we are not able to enter into a collaborative agreement with a partner or partners, on commercially reasonable terms, or at all, we may be unable to commercialize our products, which would have a material adverse effect upon our business, prospects, financial condition, and results of operations.

The biotechnology and biopharmaceutical industries are characterized by rapid technological developments and a high degree of competition. We may be unable to compete with more substantial enterprises.

The biotechnology and biopharmaceutical industries are characterized by rapid technological developments and a high degree of competition. As a result, our products could become obsolete before we recoup any portion of our related research and development and commercialization expenses. These industries are highly competitive, and this competition comes both from biotechnology firms and from major pharmaceutical and chemical companies. Many of these companies have substantially greater financial, marketing, and human resources than we do (including, in some cases, substantially greater experience in clinical testing, manufacturing, and marketing of pharmaceutical products). We also experience competition in the development of our products from universities and other research institutions and compete with others in acquiring technology from such universities and institutions. In addition, certain of our products may be subject to competition from products developed using other technologies. See "*Our Business – Competition*".

We have limited senior management resources and may be required to obtain more resources to manage our growth.

We expect the expansion of our business to place a significant strain on our limited managerial, operational, and financial resources. We will be required to expand our operational and financial systems significantly and to expand, train, and manage our work force in order to manage the expansion of our operations. Our failure to fully integrate our new employees into our operations could have a material adverse effect on our business, prospects, financial condition, and results of operations. Our ability to attract and retain highly skilled personnel is critical to our operations and expansion. We face competition for these types of personnel from other technology companies and more established organizations, many of which have significantly larger operations and greater financial, technical, human, and other resources than we have. We may not be successful in attracting and retaining qualified personnel on a timely basis, on competitive terms, or at all. If we are not successful in attracting and retaining these personnel, our business, prospects, financial condition, and results of operations will be materially adversely affected. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations,*" "*Our Business – Strategy*" and "*Business—Employees.*"

We depend upon our senior management and skilled personnel and their loss or unavailability could put us at a competitive disadvantage.

We currently depend upon the efforts and abilities of our senior executives, as well as the services of several key consultants and other key personnel, including Dr. Miriam Kidron, our Chief Medical and Technology Officer. The loss or unavailability of the services of any of these individuals for any significant period of time could have a material adverse effect on our business, prospects, financial condition, and results of operations. We do not maintain "keyman" life insurance policies for any of our senior executives. In addition, recruiting and retaining qualified scientific personnel to perform future research and development work will be critical to our success. There is currently a shortage of employees with expertise in developing, manufacturing and commercialization of products and related clinical and regulatory affairs, and this shortage is likely to continue. Competition for skilled personnel is intense and turnover rates are high. Our ability to attract and retain qualified personnel may be limited. Our inability to attract and retain qualified skilled personnel would have a material adverse effect on our business, prospects, financial condition, and results of operations.

Fulfilling our obligations incident to being a public company will be expensive and time consuming.

As a public company, the Sarbanes-Oxley Act of 2002 and the related rules and regulations of the SEC, requires us to implement additional corporate governance practices and adhere to a variety of reporting requirements and complex accounting rules. Compliance with these public company obligations increases our legal and financial compliance costs and place significant additional demands on our finance and accounting staff and on our financial, accounting and information systems.

We became a publicly traded company through the acquisition of a public shell company, and we could be liable for unanticipated claims or liabilities as a result thereof.

We were originally incorporated on April 12, 2002 as an exploration stage company engaged in the acquisition and exploration of mineral properties. We were unsuccessful in implementing its business plan as a mineral exploration company and became a public shell company. On May 27, 2004, we executed a share exchange with the shareholders of Integrated Security Technologies, Inc., a New Jersey private corporation ("ISTI"). However, due to disappointing results, on May 31, 2005, effective as of May 27, 2004 we terminated the share exchange agreement with the shareholders of ISTI, and we again became a public shell company. We remained a public shell company until March 8, 2006, when we became a pharmaceutical company engaged in the development of innovative pharmacological solutions.

We face substantial risks associated with being a former public shell company, including absence of accurate or adequate public information concerning the public shell company; undisclosed liabilities; improper accounting; claims or litigation from former officers, directors, employees or stockholders; contractual obligations; and regulatory requirements. Although management performed due diligence on us, there can be no assurance that such risks do not occur. The occurrence of any such risk could materially adversely affect our financial condition.

Entera Bio Ltd., our new joint venture with D.N.A Biomedical Solutions Ltd., will require additional funding and may not be successful.

If the pending sale of most of our equity interest in Entera to D.N.A is not consummated,

- we may be required to contribute additional funds to Entera to enable its continued operations;
- in any event, Entera will have to raise a lot of capital to fund its operations;
- our ownership stake will be diluted if Entera raises funds from third parties;
- we do not have control of the management of Entera;
- Entera may have difficulties in retaining key employees who are necessary to manage its operations; and

- there can be no assurance that Entera's operations will ever result in profits that are distributed to us as shareholders or in net revenues requiring that royalties be paid to us under the terms of the patent transfer agreement that we recently entered into.

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Healthcare policy changes, including pending proposals to reform the U.S. healthcare system, may harm our future business.

Healthcare costs have risen significantly over the past decade. There have been and continue to be proposals by legislators, regulators and third-party payors to keep these costs down. Certain proposals, if passed, would impose limitations on the prices we will be able to charge for the products that we are developing, or the amounts of reimbursement available for these products from governmental agencies or third-party payors. These limitations could in turn reduce the amount of revenues that we will be able to generate in the future from sales of our products and licenses of our technology.

In March 2010, the United States Congress enacted and President Obama signed into law healthcare reform legislation that may significantly impact the pharmaceutical industry. In addition to requiring most individuals to have health insurance and establishing new regulations on health plans, this legislation will require discounts under the Medicare drug benefit program and increased rebates on drugs covered by Medicaid. In addition, the legislation imposes an annual fee, which will increase annually, on sales by branded pharmaceutical manufacturers starting in 2011. The financial impact of these discounts, increased rebates and fees and the other provisions of the legislation on our business is unclear and there can be no assurance that our business will not be materially adversely affected. In addition, these and other ongoing initiatives in the United States have increased and will continue to increase pressure on drug pricing. The announcement or adoption of any such initiative could have an adverse effect on potential revenues from any product that we may successfully develop.

Various healthcare reform proposals have also emerged at the state level. We cannot predict what healthcare initiatives, if any, will be implemented at the federal or state level, or the effect any future legislation or regulation will have on us. However, an expansion in government's role in the U.S. healthcare industry may lower the future revenues for the products we are developing and adversely affect our future business, possibly materially.

Risks Related to our Common Stock

As the market price of our common stock may fluctuate significantly, this may make it difficult for you to sell your shares of common stock when you want or at prices you find attractive.

The price of our common stock is quoted on the Over-the-Counter Bulletin Board, or OTCBB, and constantly changes. In recent years, the stock market in general has experienced extreme price and volume fluctuations. We expect that the market price of our common stock will continue to fluctuate. These fluctuations may result from a variety of factors, many of which are beyond our control. These factors include:

- Clinical trial results and the timing of the release of such results,
- The amount of cash resources and ability to obtain additional funding,
- Announcements of research activities, business developments, technological innovations or new products by companies or their competitors,
- Entering into or terminating strategic relationships,
- Changes in government regulation,
- Departure of key personnel,
- Disputes concerning patents or proprietary rights,
- Changes in expense level,
- Future sales of our equity or equity-related securities,
- Public concern regarding the safety, efficacy or other aspects of the products or methodologies being developed,

- Activities of various interest groups or organizations,
- Media coverage, and
- Status of the investment markets.

Future sales of common stock or the issuance of securities senior to our common stock or convertible into, or exchangeable or exercisable for, our common stock could materially adversely affect the trading price of our common stock, and our ability to raise funds in new equity offerings.

Future sales of substantial amounts of our common stock or other equity-related securities in the public market or privately, or the perception that such sales could occur, could adversely affect prevailing trading prices of our common stock and could impair our ability to raise capital through future offerings of equity or other equity-related securities. We anticipate that we will need to raise capital though offerings of equity and equity related securities. We can make no prediction as to the effect, if any, that future sales of shares of our common stock or equity-related securities, or the availability of shares of common stock for future sale, will have on the trading price of our common stock.

Our common stock is deemed to be a "penny stock," which may make it more difficult for investors to sell their shares due to suitability requirements. Low-priced stocks are sometimes the subject of fraud and abuse.

The Securities and Exchange Commission, or the SEC, has adopted regulations that generally define "penny stock" to be an equity security that has a market price of less than $5.00 per share, subject to specific exemptions, such as if the issuer of the security has net tangible assets in excess of $2,000,000. The market price of our common stock is currently less than $5.00 per share, and our net tangible assets as of November 30, 2010 were less than $2,000,000. Therefore, our common stock is currently a "penny stock" according to SEC rules. Designation as a "penny stock" requires any broker or dealer selling these securities to disclose certain information concerning the transaction, obtain a written agreement from the purchaser, furnish the customer a document describing the risks of investing in penny stocks and send monthly account statements showing the market value of each penny stock held in the customer's account. These rules may restrict the ability of brokers or dealers to sell penny stocks.

You should be aware that, according to the SEC, the market for penny stocks has suffered in recent years from patterns of fraud and abuse. These could affect low-priced stocks, such as ours, even if they do not qualify as "penny stocks" under the SEC rules. Such patterns include:

- Control of the market for the security by one or a few broker-dealers;
- "Boiler room" practices involving high-pressure sales tactics;
- Manipulation of prices through prearranged matching of purchases and sales;
- The release of misleading information;
- Excessive and undisclosed bid-ask differentials and markups by selling broker-dealers; and
- Dumping of securities by broker-dealers after prices have been manipulated to a desired level, which hurts the price of the stock and causes investors to suffer loss.

We are aware of the abuses that have occurred in the market for low-priced stocks. Although we do not expect to be in a position to dictate the behavior of the market or of broker-dealers who participate in the market, we will strive within the confines of practical limitations to prevent such abuses with respect to our common stock.

Future sales of our common stock by our existing stockholders could adversely affect our stock price.

The market price of our common stock could decline as a result of sales of a large number of shares of our common stock in the market, or the perception that these sales could occur. These sales also might make it more difficult for us to sell equity securities in the future at a time and at a price that we deem appropriate. As of March 22, 2011, we had outstanding 67,822,035 shares of common stock. This prospectus relates to 37,210,281 shares of common stock held by the selling stockholders and 7,168,469 shares of common stock issuable upon exercise of warrants and options held by the selling stockholders.

Our issuance of warrants and options to investors, employees and consultants may have a negative effect on the trading prices of our common stock as well as a dilutive effect.

We have issued and may continue to issue warrants, options and convertible notes at, above or below the current market price. As of March 22, 2011, we had outstanding warrants and options exercisable for 20,552,948 shares of common stock (15,413,022 as of November 30, 2010 and 15,584,897 as of August 31, 2010). In addition to the dilutive effect of a large number of shares and a low exercise price for the warrants and options, there is a potential that a large number of underlying shares may be sold in the open market at any given time, which could place downward pressure on the trading of our common stock.

Because we will not pay cash dividends, investors may have to sell shares in order to realize their investment.

We have not paid any cash dividends on our common stock and do not intend to pay cash dividends in the foreseeable future. We intend to retain future earnings, if any, for reinvestment in the development and expansion of our business. Any credit agreements which we may enter into with institutional lenders or otherwise may restrict our ability to pay dividends. Whether we pay cash dividends in the future will be at the discretion of our board of directors and will be dependent upon our financial condition, results of operations, capital requirements, and any other factors that our board of directors decides is relevant. See "*Market Price and Dividends*" and "*Description of Common Stock*".

Our shares of common stock are not listed for trading on a national securities exchange.

Our common stock currently trades on the OTCBB and is not listed for trading on any national securities exchange. Investments in securities trading on the OTCBB are generally less liquid than investments in securities trading on a national securities exchange. The failure of our shares to be approved for trading on a national securities exchange may have the effect of limiting the trading activity of our common stock and reducing the liquidity of an investment in our common stock.

Risks Related to Conducting Business in Israel

We are affected by the political, economic, and military risks of locating our principal operations in Israel.

Our operations are located in the State of Israel, and we are directly affected by political, economic, and security conditions in that country. Since the establishment of the State of Israel in 1948, a number of armed conflicts have taken place between Israel and its Arab neighbors. Since October 2000, there has been a marked increase in hostilities between Israel and the Palestinians, and in 2007, Hamas, an Islamist movement responsible for many attacks against Israelis, took control of the Gaza Strip by force. Recent political events in various countries in the Middle East have weakened the stability of those countries. In addition, Iran has threatened to attack Israel and is widely believed to be developing nuclear weapons. Iran is also believed to have a strong influence among extremist groups in areas that neighbor Israel, such as Hamas in Gaza and Hezbollah in Lebanon. This situation may potentially escalate in the future to violent events which may affect Israel and us. Our business, prospects, financial condition, and results of operations could be materially adversely affected if major hostilities involving Israel should occur or if trade between Israel and its current trading partners is interrupted or curtailed.

All adult male permanent residents of Israel, unless exempt, may be required to perform military reserve duty annually. Additionally, all such residents are subject to being called to active duty at any time under emergency circumstances. Some of our officers, directors, and employees currently are obligated to perform annual military reserve duty. We can provide no assurance that such requirements will not have a material adverse effect on our business, prospects, financial condition, and results of operations in the future, particularly if emergency circumstances occur.

Because almost all of our officers and directors are located in non-U.S. jurisdictions, you may have no effective recourse against our management for misconduct.

Almost all of our directors and officers are nationals and/or residents of countries other than the United States, and all or a substantial portion of their assets are located outside the United States. As a result, it may be difficult for investors to enforce within the United States any judgments obtained against such officers or directors, including judgments predicated upon the civil liability provisions of the securities laws of the United States or any U.S. state. Additionally, it may be difficult to enforce civil liabilities under U.S. federal securities law in original actions instituted in Israel. Israeli courts may refuse to hear a claim based on a violation of U.S. securities laws because Israel is not the most appropriate forum to bring such a claim. In addition, even if an Israeli court agrees to hear a claim, it may determine that Israeli law and not U.S. law is applicable to the claim. If U.S. law is found to be applicable, the content of applicable U.S. law must be proved as a fact, which can be a time-consuming and costly process. Certain matters of procedure will also be governed by Israeli law.

FORWARD-LOOKING STATEMENTS

This prospectus and any prospectus supplement may contain forward-looking statements within the meaning of the federal securities laws 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 prospectus. Additionally, statements concerning future matters are forward-looking statements.

Although forward-looking statements in this prospectus 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 the heading "*Risks Related to Our Business*" above, as well as those discussed elsewhere in this prospectus. Readers are urged not to place undue reliance on these forward-looking statements, which speak only as of the date of this prospectus. 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 prospectus. Readers are urged to carefully review and consider the various disclosures made throughout the entirety of this prospectus which attempt to advise interested parties of the risks and factors that may affect our business, financial condition, results of operations and prospects.

USE OF PROCEEDS

We will not receive any of the proceeds from the sale of the shares of our common stock being offered for sale by the selling stockholders. However, we may receive up to approximately $4.2 million in proceeds upon exercise of the warrants and options held by the selling stockholders, as the warrants and options have an average exercise price of $0.58 per share and are exercisable into 7,168,469 shares of our common stock. None of the selling stockholders have presently advised us of their intention to exercise any warrants or options at this time. All potential proceeds will be used for the research and development of our products and for general working capital purposes. We will incur all costs associated with this registration statement and prospectus.

MARKET PRICE AND DIVIDENDS

Market Price for our Common Stock

Our common stock is quoted on the OTCBB under the symbol "ORMP.OB". We had 67,822,035 shares of common stock issued and outstanding and approximately 63 holders of record of the common stock as of March 22, 2011. We believe that a number of stockholders hold their shares of our common stock in brokerage accounts and registered in the name of stock depositories. The quarterly high and low reported bid prices for our common stock as quoted on the OTCBB for the periods indicated are as follows:

	High	Low
Fiscal Year Ending August 31, 2011		
First Quarter	$ 0.42	$ 0.28
Second Quarter	$ 0.37	$ 0.27
Third Quarter (through March 23, 2011)	$ 0.31	$ 0.23
Year Ended August 31, 2010		
First Quarter	$ 0.64	$ 0.43
Second Quarter	$ 0.48	$ 0.37
Third Quarter	$ 0.55	$ 0.41
Fourth Quarter	$ 0.51	$ 0.36
Year Ended August 31, 2009		
First Quarter	$ 0.76	$ 0.36
Second Quarter	$ 0.52	$ 0.25
Third Quarter	$ 0.62	$ 0.20
Fourth Quarter	$ 0.59	$ 0.40

The foregoing quotations were provided by Yahoo! Finance and the quotations reflect inter-dealer prices, without retail mark-up, mark-down or commission and may not represent actual transactions. On March 23, 2011, the last reported bid price per share of common stock as quoted on the OTCBB was $0.27 per share.

Dividend Policy

We have never paid any cash dividends on our capital stock and do not anticipate paying any cash dividends on our common stock in the foreseeable future. We intend to retain future earnings to fund ongoing operations and future capital requirements of our business. Any future determination to pay cash dividends will be at the discretion of our board of directors and will be dependent upon our financial condition, results of operations, capital requirements and such other factors as our board deems relevant.

MANAGEMENT'S DISCUSSION AND ANALYSIS

OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis should be read in conjunction with our consolidated financial statements and notes thereto that appear elsewhere in this prospectus. In addition to historical consolidated financial information, the following discussion contains forward-looking statements that reflect our plans, estimates and beliefs. Our actual results could differ materially from those discussed in the forward-looking statements. Factors that could cause or contribute to these differences include those discussed below and elsewhere in this prospectus, particularly in the section entitled "Risk Factors."

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, and the use of orally ingestible capsules, tablets or pills for delivery of other polypeptides.

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.

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 increase the likelihood of obtaining 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.

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 $13.6 million, as well as negative cash flow from operating activities. Based upon our existing spending plans, estimated at $4.1 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. The current estimated plan is lower in $1.3 million with respect to our prior estimation. Our aggregate plan of expenditures has not changed but have only been delayed. We expect to continue to incur the $1.3 million of R&D expenses and other periodic costs in the subsequent quarters. The ongoing global economic and credit crisis makes it more difficult for us to raise funds. 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 the notes to our consolidated financial statements. 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.

Comparison of three month periods ended November 30, 2010 and 2009 and Fiscal Year 2010 to Fiscal Year 2009

The following table summarizes certain statements of operations data 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

The following table summarizes certain statements of operations data for us for the twelve month periods ended August 31, 2010 and 2009:

	Year ended	
Operating Data:	August 31, 2010	August 31, 2009
Research and development expenses, net	$ 1,463,886	$ 1,574,074
General and administrative expenses	1,508,667	1,210,044
Financial income, net	(10,148)	(21,047)
Loss before taxes on income	(2,962,405)	(2,763,071)
Taxes on income	14,971	(2,597)
Net loss for the period	$ (2,977,376)	$ (2,760,474)
Loss per common share – basic and diluted	$ (0.05)	$ (0.05)
Weighted average common shares outstanding	57,389,991	56,645,820

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, or 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, or the OCS. This grant was used for research and development expenses for the period of February 2009 to June 2010. The funds were used by us to support further research and development and clinical study of our 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. We plan to use the funds to support further research and development and clinical study of our oral insulin capsule and Oral GLP1-analog. The two grants are subject to repayment according to the terms determined by the OCS and applicable law. See "—Government Grants" below.

During the three months ended November 30, 2010, research and development expenses totaled $286,488, compared to $332,485 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.

During the year ended August 31, 2010, research and development expenses totaled $1,463,886, compared to $1,574,074 for the year ended August 31, 2009. The decrease is mainly attributable to a decrease in purchase of clinical materials. The research and development costs include stock based compensation costs, which during the year ended August 31, 2010, totaled $341,203 as compared to $264,861 during the year ended August 31, 2009.

Government Grants

The Government of Israel encourages research and development projects through the OCS, pursuant to the Law for the Encouragement of Industrial Research and Development, 1984, as amended, commonly referred to as the "R&D Law". Under the R&D Law, a research and development plan that meets specified criteria is eligible for a grant of up to 50% of certain approved research and development expenditures. Each plan must be approved by the OCS.

In the three month periods 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.

In the years ended August 31, 2010 and 2009, we recognized research and development grants in an amount of $350,198 and $400,405, respectively. As of August 31, 2010, we had no contingent liabilities to the OCS.

Under the terms of the grants we received from the OCS, we are obligated to pay royalties of 3% to 3.5% on all revenues derived from the sale of the products developed pursuant to the funded plans, including revenues from licenses. Royalties are payable up to 100% of the amount of such grants, or up to 300% as detailed below, linked to the U.S. Dollar, plus annual interest at LIBOR.

The R&D Law generally requires that a product developed under a program be manufactured in Israel. However, upon notification to the OCS, up to 10% of a company's approved Israeli manufacturing volume, measured on an aggregate basis, may be transferred out of Israel. In addition, upon the approval of the Chief Scientist, a greater portion of the manufacturing volume may be performed outside of Israel, provided that the grant recipient pays royalties at an increased rate, which may be substantial, and the aggregate repayment amount is increased up to 300% of the grant, depending on the portion of the total manufacturing volume that is performed outside of Israel. The R&D Law further permits the OCS, among other things, to approve the transfer of manufacturing rights outside Israel in exchange for an import of different manufacturing into Israel as a substitute, in lieu of the increased royalties. The R&D Law also allows for the approval of grants in cases in which the applicant declares that part of the manufacturing will be performed outside of Israel or by non-Israeli residents and the research committee is convinced that doing so is essential for the execution of the program. This declaration will be a significant factor in the determination of the OCS whether to approve a program and the amount and other terms of benefits to be granted. For example, an increased royalty rate and repayment amount might be required in such cases.

The R&D Law also provides that know-how developed under an approved research and development program may not be transferred to third parties in Israel without the approval of the research committee. Such approval is not required for the sale or export of any products resulting from such research or development. The R&D Law further provides that the know-how developed under an approved research and development program may not be transferred to any third parties outside Israel, except in certain special circumstances and subject to the OCS' prior approval. The OCS may approve the transfer of OCS-funded know-how outside Israel, generally in the following cases: (a) the grant recipient pays to the OCS a portion of the sale price paid in consideration for such OCS-funded know-how (according to certain formulas), or (b) the grant recipient receives know-how from a third party in exchange for its OCS-funded know-how, or (c) such transfer of OCS-funded know-how arises in connection with certain types of cooperation in research and development activities.

The R&D Law imposes reporting requirements with respect to certain changes in the ownership of a grant recipient. The law requires the grant recipient and its controlling shareholders and foreign interested parties to notify the OCS of any change in control of the recipient or a change in the holdings of the means of control of the recipient that results in a non-Israeli becoming an interested party directly in the recipient, and requires the new interested party to undertake to the OCS to comply with the R&D Law. In addition, the rules of the OCS may require additional information or representations in respect of certain such events. For this purpose, "control" is defined as the ability to direct the activities of a company other than any ability arising solely from serving as an officer or director of the company. A person is presumed to have control if such person holds 50% or more of the means of control of a company. "Means of control" refers to voting rights or the right to appoint directors or the chief executive officer. An "interested party" of a company includes a holder of 5% or more of its outstanding share capital or voting rights, its chief executive officer and directors, someone who has the right to appoint its chief executive officer or at least one director, and a company with respect to which any of the foregoing interested parties owns 25% or more of the outstanding share capital or voting rights or has the right to appoint 25% or more of the directors. Accordingly, any non-Israeli who acquires 5% or more of our ordinary shares will be required to notify the OCS that it has become an interested party and to sign an undertaking to comply with the R&D Law.

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 $285,016 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.

For the year ended August 31, 2010, general and administrative expenses totaled $1,508,667 million compared to $1,210,044 million for the year ended August 31, 2009. Costs incurred related to general and administrative activities during the year ended August 31, 2010 reflect an increase of professional, legal and consulting expenses and an increase in business development costs. During the year ended August 31, 2010, as part of our general and administrative expenses, we incurred $466,623 related to stock options granted to employees and consultants, as compared to $288,338 during the year ended August 31, 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.

During the year ended August 31, 2010, we generated interest income on available cash and cash equivalents balance which were offset by bank charges. During the year ended August 31, 2009, we incurred imputed interest expenses on convertible notes issued as well as bank charges.

The decrease in the interest income for the year ending August 31, 2010, as compared with the year ended August 31, 2009, is attributable to the decrease in interest rates in both the United States and the State of Israel, and to decrease in cash and cash equivalents.

Liquidity and Capital Resources

Since inception through November 30, 2010, we incurred losses in an aggregate amount of $13.6 million. Since inception through November 30, 2010, we have financed our operations through the private placements of equity and debt financings, raising a total of $8.6 million, net of transaction costs. We will seek to obtain additional financing through similar sources. As of November 30, 2010, we had $1.1 million of available cash. We anticipate that we will require approximately $4.1 million to finance our activities during the twelve months following December 1, 2010. The current estimated plan is lower in $1.3 million with respect to our prior estimation. Our aggregate plan of expenditures has not changed but have only been delayed. We expect to continue to incur the $1.3 million of R&D expenses and other periodic costs in the subsequent quarters.

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.

During our fiscal years 2009 and 2010 we issued 1,312,515 common shares to various third party vendors for services rendered. The aggregate value of those shares was approximately $589,000. We also consummated a private placement by selling 937,500 units at a purchase price of $0.32 per unit for a total consideration of $300,000. Each unit consisted of one share of common stock and 0.35 share purchase warrant. Each share purchase warrant entitles the holder to purchase one share of common stock for a period of five years at an exercise price of $0.50.

Our recent financing activities include the following:

- In September 2010 and January 2011, we issued 353,714 shares of our common stock, valued at $119,800, in the aggregate, to Swiss Caps AG as remuneration for services rendered.

- Between November 2010 and March 2011, we held a private investment round with a number of “accredited investors” as defined in Rule 501(a) of Regulation D, pursuant to which we agreed to sell to the investors an aggregate of 9,706,250 units at a purchase price of $0.32 per unit for total consideration of $3,106,000. Each unit consisted of one share of common stock and a five-year warrant to purchase 0.35 of a share of common stock at an exercise price of $0.50 per Share.

- On February 22, 2011, we entered into a securities purchase agreement with D.N.A for the sale of 781,250 shares of common stock and warrants to purchase up to 273,438 shares of common stock, for a total purchase price of $250,000 in cash. The transaction is expected to close at the end of March 2011, upon the fulfillment of the relevant closing conditions. The shares and warrants will be sold in units at a price per unit of $0.32, each unit consisting of one share of common stock and a warrant to purchase 0.35 of a share of common stock. The warrants have an exercise price of $0.50 per share, subject to adjustment, and a term of five years commencing from the closing of the transaction. D.N.A's $250,000 investment in Oramed is included in the private placement described in the immediately preceding paragraph.

Employee's and Consultant’s Stock Options and Warrants

Employee and consultant stock options grant and warrant issuance activities for the fiscal year 2010 include the following:

- On November 23, 2009 we granted options under the 2008 Stock Incentive Plan to purchase up to 100,000 shares of our common stock at an exercise price of $0.76 to a consultant.

- On November 23, 2009 we granted options under the 2008 Stock Incentive Plan to purchase up to 36,000 shares of our common stock at an exercise price of $0.46 to an employee of our subsidiary.

- On March 16, 2010, 50,000 options were granted to a consultant of our subsidiary at an exercise price of $0.50 per share. The options vest in three equal annual installments commencing on March 16, 2011 and will expire on March 15, 2015.

- On March 16, 2010, 100,000 options were granted to a consultant of the Company at an exercise price of $0.43 per share. The options vest in three equal monthly installments commencing on March 30, 2010 and will expire on March 15, 2015.

- On March 16, 2010, 13,200 options were granted to a consultant of the Company at an exercise price of $0.43 per share. The options vest in six monthly installments commencing on March 30, 2010 and will expire on March 15, 2015.

- On March 25, 2010, 100,000 options were granted to a consultant of the Company at an exercise price of $0.50 per share. The options vest in four equal quarterly installments commencing on May 17, 2010 and will expire on March 24, 2015.

- On April 21, 2010, 864,000 options were granted to each of Nadav Kidron and Miriam Kidron under the 2008 Stock Option Plan at an exercise price of $0.49 per share, 108,000 of such options vested immediately on the date of grant and the remainder will vest in twenty equal monthly installments, commencing on May 31, 2010. The options have an expiration date of April 20, 2020**.**

- On July 8, 2010, 300,000 options were granted to a director at an exercise price of $0.48 per share. The options vest in three equal annual installments commencing on July 8, 2011 and will expire on July 7, 2020.

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	$ 2,986,000
General and administrative expenses	1,069,000
Financial income, net	2,000
Taxes on income	-
Total	$ 4,057,000

The current estimated plan is lower in $1.3 million with respect to our prior estimation. Our aggregate plan of expenditures has not changed but have only been delayed. We expect to continue to incur the $1.3 million of R&D expenses and other periodic costs in the subsequent quarters.

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.

OUR BUSINESS

General

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, and the use of orally ingestible capsules, tablets or pills for delivery of other polypeptides.

Oral Insulin: We are seeking to revolutionize the treatment of diabetes through our proprietary flagship product, an orally ingestible insulin capsule (ORMD0801) currently in Phase 2 clinical trials. Our technology allows insulin to travel from the gastrointestinal tract via the portal vein to the bloodstream, revolutionizing the manner in which insulin is delivered. It enables its passage in a more physiological manner than current delivery methods of insulin.

Through our research and development efforts, we are developing 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 proteins and vehicles that are added to the insulin in the formulation process must not modify chemically or biologically, and the insulin and the dosage form must be safe to ingest.

Our research and development team has performed numerous animal studies to optimize the composition and functionality of their oral insulin (ORMD0801) modality and to demonstrate its safety and efficacy. Our studies have confirmed the feasibility of lowering blood glucose levels with an orally administered form of insulin that is both safe and effective.

Our technology is a platform that has the potential to deliver medications and vaccines orally that today can only be delivered via injection.

Diabetes: Diabetes is a disease in which the body does not produce or properly use insulin. Insulin is a hormone that causes sugar to be absorbed into cells, where the sugar is converted into energy needed for daily life. The cause of diabetes is attributed both to genetics (type 1 diabetes) and, most often, to environmental factors such as obesity and lack of exercise (type 2 diabetes).

According to the International Diabetes Federation ("IDF"), an estimated 285 million people worldwide suffered from diabetes in 2010. In the United States there were approximately 26.8 million people with diabetes, or 8.7% of the United States population in 2010. The IDF predicts that the number of people worldwide with diabetes will exceed 435 million in 2030 if the current rate of growth continues unchecked.

Diabetes now affects seven percent of the world’s adult population and claims four million lives every year. The disease is a leading cause of blindness, kidney failure, heart attack, stroke and amputation. Diabetes was estimated to cost the world economy at least $376 billion in 2010, or 11.6% of total world healthcare expenditure. By 2030, this number is projected to exceed $490 billion. More than 80% of diabetes spending is in the world’s richest countries and not in the poorer countries, where over 70% of people with diabetes now live.

The regions with the highest comparative prevalence rates are North America, where 10.2% of the adult population has diabetes, followed by the Middle East and North Africa with 9.3%. The regions with the highest number of people living with diabetes are the Western Pacific, where some 77 million people have diabetes and South East Asia with 59 million.

Each year seven million people develop diabetes. The most dramatic increases in type 2 diabetes have occurred in populations where there have been rapid and major improvements in living standards, demonstrating the important role played by lifestyle factors and the potential for reversing the global epidemic.

Intellectual Property: We own a portfolio of patents and patent applications covering our technologies and we are aggressively protecting these technology developments on a worldwide basis.

Management*:* We are led by a highly-experienced management team knowledgeable in the treatment of diabetes. Our Chief Medical and Technology Officer, Miriam Kidron, PhD, is a world-recognized pharmacologist and a biochemist and the innovator primarily responsible for our Oral Insulin technology development and know-how.

Scientific Advisory Board: Our management team has access to our internationally recognized Scientific Advisory Board whose members are thought-leaders in their respective areas. The Advisory Board is comprised of Dr. Nir Barzilai, Professor Ele Ferrannini, Professor Avram Hershko, Dr. Derek LeRoith and Dr. John Amatruda.

Strategy

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.

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 increase the likelihood of obtaining 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 (ORMD0801). On January 22, 2008, we commenced the non-FDA approved Phase 1B clinical trials with our oral insulin capsule, in healthy human volunteers with the intent of dose optimization. On March 11, 2008, we successfully completed our Phase 1B clinical trials.

On April 13, 2008, we commenced a non-FDA approved Phase 2A study to evaluate the safety and efficacy of our oral insulin capsule (ORMD0801) 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 (ORMD0801) 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 (ORMD0801) 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 ORMD0801. The encouraging results justify further clinical development of ORMD0801 capsule application toward management of uncontrolled diabetes.

On March 23, 2011, we reported that we successfully completed a comprehensive toxicity study for our oral insulin capsule (ORMD0801). The study was completed under conditions prescribed by the FDA Good Laboratory Practices regulations and is the last study required to be performed before filing an IND filing.

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 (ORMD0801) 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.

On February 10, 2010, we entered into agreements with Vetgenerics Research G. Ziv Ltd., a clinical research organization, 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 ORMD0901, a GLP-1-analog. The pre-clinical trials include animal studies which suggest that the GLP-1analog (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 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 fall 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 United States.

Out-Licensed Technology

On June 1, 2010, our subsidiary, Oramed Ltd., entered into a joint venture 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 in August 2010, we 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 is for an oral formulation for the treatment of osteoporosis. The license is 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, 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.

On February 22, 2011 Oramed Ltd. entered into a share purchase agreement with D.N.A for the sale of 47% of Entera's outstanding share capital on an undiluted basis. As consideration for the Entera shares, Oramed will receive a promissory note issued by D.N.A in the principal amount of $450,000, with an annual interest rate of 0.45%, to be paid within four months from closing, and 8,404,667 ordinary shares of D.N.A, having an aggregate market value of approximately $700,000. In addition, D.N.A agreed to invest $250,000 in Oramed's investment round, for which it will receive 781,250 shares of our common stock and five-year warrants to purchase 273,438 shares of common stock at an exercise price of $0.50 per share.

As part of the transaction, we entered into a patent transfer agreement (to replace the original license agreement upon closing) according to which, Oramed will assign to Entera all of its right, title and interest in and to the patent application that it has licensed to Entera since August 2010. Under this agreement, Oramed Ltd. is entitled to receive from Entera royalties of 3% of Entera's net revenues (as defined in the agreement) and a license back of that patent application for use in respect of diabetes and influenza. The assigned technology differs from Oramed’s main delivery technology that is used for oral insulin and is subject to a different patent application.

The closing of the abovementioned transactions will take place concurrently on the first business day following the satisfaction of all the closing conditions. If the closing does not occur by March 31, 2011, Oramed will have the right to terminate the agreements. Upon the closing, Oramed, Entera and D.N.A will terminate the joint venture agreement, entered into on June 1, 2010 in connection with the formation of Entera.

As of March 22, 2011, Mr. Zeev Bronfeld, one of D.N.A's directors and controlling shareholders, held more than 5% of our outstanding common stock (see "Security Ownership of Certain Beneficial Owners and Management"). Accordingly, pursuant to Israeli law, the closing of the transactions is subject to the approval of D.N.A's shareholders at its Extraordinary General Meeting to be held on March 29, 2011.

Government Regulation

The Drug Development Process

Regulatory requirements for the approval of new drugs vary from one country to another. In order to obtain approval to market our drug portfolio, we need to go through a different regulatory process in each country in which we apply for such approval. In some cases information gathered during the approval process in one country can be used as supporting information for the approval process in another country. The FDA compliance requirements are considered to be one of the most stringent worldwide. The following is a summary of the FDA’s requirements.

The FDA requires that pharmaceutical and certain other therapeutic products undergo significant clinical experimentation and clinical testing prior to their marketing or introduction to the general public. Clinical testing, known as *clinical trials* or *clinical studies*, is either conducted internally by life science, pharmaceutical, or biotechnology companies or is conducted on behalf of these companies by contract research organizations.

The process of conducting clinical studies is highly regulated by the FDA, as well as by other governmental and professional bodies. Below we describe the principal framework in which clinical studies are conducted, as well as describe a number of the parties involved in these studies.

Protocols. Before commencing human clinical studies, the sponsor of a new drug or therapeutic product must submit an IND application, to the FDA. The application contains what is known in the industry as a *protocol*. A protocol is the blueprint for each drug study. The protocol sets forth, among other things, the following:

- who must be recruited as qualified participants;
- how often to administer the drug or product;
- what tests to perform on the participants; and
- what dosage of the drug or amount of the product to give to the participants.

Institutional Review Board. An institutional review board is an independent committee of professionals and lay persons which reviews clinical research studies involving human beings and is required to adhere to guidelines issued by the FDA. The institutional review board does not report to the FDA, but its records are audited by the FDA. Its members are not appointed by the FDA. All clinical studies must be approved by an institutional review board. The institutional review board’s role is to protect the rights of the participants in the clinical studies. It approves the protocols to be used, the advertisements which the company or contract research organization conducting the study proposes to use to recruit participants, and the form of consent which the participants will be required to sign prior to their participation in the clinical studies.

Clinical Trials. Human clinical studies or testing of a potential product are generally done in three stages known as Phase I through Phase III testing. The names of the phases are derived from the regulations of the FDA. Generally, there are multiple studies conducted in each phase.

· *Phase I*. Phase I studies involve testing a drug or product on a limited number of healthy participants, typically 24 to 100 people at a time. Phase I studies determine a product's basic safety and how the product is absorbed by, and eliminated from, the body. This phase lasts an average of six months to a year.

· *Phase II*. Phase II trials involve testing up to 200 participants at a time who may suffer from the targeted disease or condition. Phase II testing typically lasts an average of one to two years. In Phase II, the drug is tested to determine its safety and effectiveness for treating a specific illness or condition. Phase II testing also involves determining acceptable dosage levels of the drug. If Phase II studies show that a new drug has an acceptable range of safety risks and probable effectiveness, a company will continue to review the substance in Phase III studies.

· *Phase III*. Phase III studies involve testing large numbers of participants, typically several hundred to several thousand persons. The purpose is to verify effectiveness and long-term safety on a large scale. These studies generally last two to three years. Phase III studies are conducted at multiple locations or sites. Like the other phases, Phase III requires the site to keep detailed records of data collected and procedures performed.

New Drug Approval. The results of the clinical trials are submitted to the FDA as part of a new drug application ("NDA"). Following the completion of Phase III studies, assuming the sponsor of a potential product in the United States believes it has sufficient information to support the safety and effectiveness of its product, it submits an NDA to the FDA requesting that the product be approved for marketing. The application is a comprehensive, multi-volume filing that includes the results of all clinical studies, information about the drug's composition, and the sponsor's plans for producing, packaging and labeling the product. The FDA's review of an application can take a few months to many years, with the average review lasting 18 months. Once approved, drugs and other products may be marketed in the United States, subject to any conditions imposed by the FDA.

Phase IV. The FDA may require that the sponsor conduct additional clinical trials following new drug approval. The purpose of these trials, known as Phase IV studies, is to monitor long-term risks and benefits, study different dosage levels or evaluate safety and effectiveness. In recent years, the FDA has increased its reliance on these trials. Phase IV studies usually involve thousands of participants. Phase IV studies also may be initiated by the company sponsoring the new drug to gain broader market value for an approved drug. For example, large-scale trials may also be used to prove effectiveness and safety of new forms of drug delivery for approved drugs. Examples may be using an inhalation spray versus taking tablets or a sustained-release form of medication versus capsules taken multiple times per day.

The drug approval process is time-consuming, involves substantial expenditures of resources, and depends upon a number of factors, including the severity of the illness in question, the availability of alternative treatments, and the risks and benefits demonstrated in the clinical trials.

Other Regulations

Various Federal and state laws, regulations, and recommendations relating to safe working conditions, laboratory practices, the experimental use of animals, and the purchase, storage, movement, import, export, use, and disposal of hazardous or potentially hazardous substances, including radioactive compounds and infectious disease agents, used in connection with our research are applicable to our activities. They include, among others, the United States Atomic Energy Act, the Clean Air Act, the Clean Water Act, the Occupational Safety and Health Act, the National Environmental Policy Act, the Toxic Substances Control Act, and Resources Conservation and Recovery Act, national restrictions on technology transfer, import, export, and customs regulations, and other present and possible future local, state, or federal regulation. The extent of governmental regulation which might result from future legislation or administrative action cannot be accurately predicted.

Competition

Competition in General

Competition in the area of biomedical and pharmaceutical research and development is intense and significantly depends on scientific and technological factors. These factors include the availability of patent and other protection for technology and products, the ability to commercialize technological developments and the ability to obtain governmental approval for testing, manufacturing and marketing. Our competitors include major pharmaceutical, medical products, chemical and specialized biotechnology companies, many of which have financial, technical and marketing resources significantly greater than ours. In addition, many biotechnology companies have formed collaborations with large, established companies to support research, development and commercialization of products that may be competitive with ours. Academic institutions, governmental agencies and other public and private research organizations are also conducting research activities and seeking patent protection and may commercialize products on their own or through joint ventures. We are aware of certain other products manufactured or under development by competitors that are used for the treatment of the diseases and health conditions that we have targeted for product development. We can provide no assurance that developments by others will not render our technology obsolete or noncompetitive, that we will be able to keep pace with new technological developments or that our technology will be able to supplant established products and methodologies in the therapeutic areas that are targeted by us. The foregoing factors could have a material adverse affect on our business, prospects, financial condition and results of operations. These companies, as well as academic institutions, governmental agencies and private research organizations, also compete with us in recruiting and retaining highly qualified scientific personnel and consultants.

Competition within our sector is increasing, so we will encounter competition from existing firms that offer competitive solutions in diabetes treatment solutions. These competitive companies could develop products that are superior to, or have greater market acceptance, than the products being developed by us. We will have to compete against other biotechnology and pharmaceutical companies with greater market recognition and greater financial, marketing and other resources.

Our competition will be determined in part by the potential indications for which our technology is developed and ultimately approved by regulatory authorities. In addition, the first product to reach the market in a therapeutic or preventive area is often at a significant competitive advantage relative to later entrants to the market. Accordingly, the relative speed with which we, or our potential corporate partners, can develop products, complete the clinical trials and approval processes and supply commercial quantities of the products to the market are expected to be important competitive factors. Our competitive position will also depend on our ability to attract and retain qualified scientific and other personnel, develop effective proprietary products, develop and implement production and marketing plans, obtain and maintain patent protection and secure adequate capital resources. We expect our technology, if approved for sale, to compete primarily on the basis of product efficacy, safety, patient convenience, reliability, value and patent position.

Competition for our Oral Insulin Capsule

We anticipate the oral insulin capsule to be a competitive diabetes drug because of its anticipated efficacy and safety profile. The following are treatment options for type 1 and type 2 diabetic patients:

- Insulin injections;
- Insulin pumps;
- Insulin inhalers; or
- a combination of diet, exercise and oral medication which improve the body's response to insulin or cause the body to produce more insulin.

Several entities who are developing oral insulin capsules and other alternative oral insulin as well as the development stage are thought to be**:** Diabetology (UK, Phase 2), Emisphere Technologies (US, Phase 2), Biocon (India), Apollo Life Sciences (Australia, Phase 1), Generex (Canada, Phase 3) – Buccal delivery, Biodel (US, Phase 3) – Sublingual delivery and MannKind (US) -Inhaled delivery

Scientific Advisory Board

We maintain a scientific advisory board consisting of internationally recognized scientists who advise us on scientific and technical aspects of our business. The scientific advisory board meets periodically to review specific projects and to assess the value of new technologies and developments to us. In addition, individual members of the scientific advisory board meet with us periodically to provide advice in particular areas of expertise. The scientific advisory board consists of the following members, information with respect to whom is set forth below: Professor Avram Hershko, Dr. Nir Barzilai, Professor Ele Ferrannini, Dr. Derek LeRoith and Dr. John Amatruda.

Professor Avram Hershko, MD PhD joined the Oramed Scientific Advisory Board in July 2008. He earned his MD degree (1965) and PhD degree (1969) from the Hebrew University- Hadassah Medical School of Jerusalem, a period which included service as a physician in the Israel Defense Forces (1965-67). After a post-doctoral fellowship with Gordon Tomkins at the University of San Francisco (1969-72), he joined the faculty of the Haifa Technion becoming professor in 1980. He is now Distinguished Professor in the Unit of Biochemistry in the B. Rappaport Faculty of Medicine of the Technion. Professor Hershko's main research interests concern the mechanisms by which cellular proteins are degraded, a formerly neglected field of study. Hershko and his colleagues showed that cellular proteins are degraded by a highly selective proteolytic system. This system tags proteins for destruction by linkage a protein called ubiquitin, which had previously been identified in many tissues, but whose function was previously unknown. Subsequent work in Hershko's and many other laboratories has shown that the ubiquitin system has a vital role in controlling a wide range of cellular processes, such as the regulation of cell division, signal transduction and DNA repair. Professor Hershko was awarded the Nobel Prize in Chemistry (2004) jointly with his former PhD student Aaron Ciechanover and their colleague Irwin Rose. His many honors include the Israel Prize for Biochemistry (1994), the Gardner Award (1999), the Lasker Prize for Basic Medical Research (2000), the Wolf Prize for Medicine (2001) and the Louisa Gross Horwitz Award (2001). Hershko is a member of the Israel Academy of Sciences (2000) and a Foreign Associate of the US Academy of Sciences (2003).

Derek LeRoith MD PhD joined the Oramed Scientific Advisory Board in January 2007. He is currently the Chief of the Division of Endocrinology, Diabetes and Bone Diseases at Mt. Sinai School of Medicine, NY. Dr. LeRoith has worked at the NIH since 1979 in the field of Endocrinology and Diabetes and rose to be Diabetes Branch at the National Institutes of Health in Bethesda MD, a position he held until 2005. His main interests have focused on the role of insulin and the insulin-like growth factors in normal physiology and disease states. In these areas he has published over 500 peer-reviewed articles and reviews in high profile journals. He is also the senior editor of a textbook on diabetes, now in its third edition and has edited books on the insulin-like growth factors. Dr. LeRoith has made major contributions in our understanding of the basic pathophysiology of type 2 diabetes and also the role of the IGFs in various disorders especially in cancer, and is considered a world expert on these topics. In recognition of his contributions he has received many lectureships worldwide and has been the plenary speaker at numerous national and international symposia. He is the editor of a number of diabetes- and growth factor-related journals, has been on the advisory boards of a number of companies and co-chairs two national committees that deal with the education of endocrinologist and primary care physicians.

Professor Ele Ferrannini joined the Oramed Scientific Advisory Board in February 2007. He is a past President to the EASD, European Association for the Study of Diabetes, which embraces scientists, physicians, laboratory workers, nurses and students from all over the world who are interested in diabetes and related subjects for Europe, such that the ADA, American Diabetes Association does in America. Professor Ferrannini has worked with various institutions including the Department of Internal Medicine, University of Pisa School of Medicine, and CNR (National Research Council) Institute of Clinical Physiology, Pisa, Italy; Diabetes Division, Department of Medicine, University of Texas Health Science Center at San Antonio, Texas, USA. He has also had extensive training focused on microbiology, immunology, endocrinology, and specializing in diabetes studies. Professor Ferrannini has received a Certificate of the Educational Council for Foreign Medical Graduates from the University of Bologna, and with cum laude honors completed a subspecialty in Diabetes and Metabolic Diseases from the University of Torino. He has published over 350 original papers and 50 book chapters and he is among the "highly cited scientists", according to the Institute for Scientific Information.

Dr. Nir Barzilai joined the Oramed Scientific Advisory Board in January 2007. He is the Director of the Institute for Aging Research at the Albert Einstein College of Medicine. He is currently an Associate Professor in the Department of Medicine, Molecular Genetics and the Diabetes Research Center and is a member of the Divisions of Endocrinology and Geriatrics. He is also the Director of the Montefiore Hospital Diabetes Clinic. He has spent over 20 years in assisting patients internationally and training in vast fields from Medicine, Geriatrics, Endocrinology and Molecular Genetics. Dr. Barzilai has had a strong career in diabetes studies between Israel, London and the United States. He has worked for such esteemed institutions as Hadassah Research Hospital, NIH (National Institute of Health), and many esteemed US based university hospitals including Cornell and Yale.

Dr. John Amatruda joined the Oramed Scientific Advisory Board in February 2010. He graduated from Yale University, received his MD degree from the Medical College of Wisconsin and did his internship and residency in Internal Medicine and Fellowship in Endocrinology and Metabolism at The Johns Hopkins Hospital. He is board certified in Internal Medicine and Endocrinology and Metabolism and continues to see patients. Dr. Amatruda was a Professor of Medicine at The University of Rochester School of Medicine where he was head of the Clinical Research Center, fully funded as principle investigator on two NIH grants, and acting Head of the Endocrine Metabolism Unit. From 1992 to 2002, he started and ran a drug discovery group at Bayer Corp where he served as Vice President and Therapeutic Area Research Head, as well as a Professor of Medicine Adjunct at Yale University School of Medicine. He assisted in the approval of Acarbose and his group put several compounds into clinical development including the first glucagon receptor antagonist. From 2002 to 2009, Dr. Amatruda held various positions at Merck, including Vice President and Therapeutic Area Head for Metabolism and Atherosclerosis and acting Therapeutic Area head for Cardiovascular. These groups filed NDAs for Vytorin, Januvia and Janumet. Most recently Dr. Amatruda was Senior Vice President and Franchise Head for Diabetes and Obesity and a member of the Research Management Committee at Merck. Dr. Amatruda is an author on over 150 papers, abstracts, reviews and book chapters, primarily in the areas of insulin action in vitro systems and in clinical diabetes and obesity.

Employees

We have been successful in retaining the experienced personnel involved in our research and development program. In addition, we believe we have successfully recruited clinical/regulatory, quality assurance and other personnel needed to advance through clinical studies or have engaged the services of experts in the field for these requirements. As of August 31, 2010, we contracted eight individuals through employment or consulting agreements. Of our staff, two are senior management, four are engaged in research and development work, and the remaining are involved in administration work.

Corporate History

Oramed was incorporated on April 12, 2002, in the State of Nevada under the name Iguana Ventures Ltd. Following the incorporation, we were an exploration stage company engaged in the acquisition and exploration of mineral properties. We were unsuccessful in implementing its business plan as a mineral exploration company. Accordingly, we decided to change the focus of our business by completing a share exchange with the shareholders of Integrated Security Technologies, Inc., a New Jersey private corporation ("ISTI"). On June 4, 2004, we changed our name to Integrated Security Technologies by filing a Certificate of Amendment with the Nevada Secretary of State. Effective June 14, 2004 we effected a 3.3:1 forward stock split, increasing the amount of authorized capital to 200,000,000 shares of common stock with the par value of $.001 per share. However, due to disappointing results, we 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 for 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."

On March 11, 2011, Oramed was reincorporated from the State of Nevada to the State of Delaware.

DESCRIPTION OF PROPERTY

Our principal executive offices are comprised of approximately 117 square meters of office space in Givat-Ram, Jerusalem, Israel. The lease commenced on October 1, 2007 and is for a period of 51 months. The aggregate annual base rental for this space is $7,548. We believe that our existing facilities are suitable and adequate to meet our current business requirements. In the event that we should require additional or alternative facilities, we believe that such facilities can be obtained on short notice at competitive rates.

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.

MANAGEMENT

Directors and Executive Officers

Set forth below is certain information with respect to the individuals who are our directors, executive officers and significant employees.

Name	Age	Position
Nadav Kidron	36	President, Chief Executive Officer and Director
Miriam Kidron	70	Chief Medical and Technology Officer and Director
Leonard Sank	45	Director
Harold Jacob	57	Director and member of the Scientific Advisory Board
Michael Berelowitz	66	Director
Yifat Zommer	37	Chief Financial Officer, Treasurer and Secretary

Dr. Miriam Kidron is Mr. Nadav Kidron's mother. There are no other directors or officers of our company who are related by blood or marriage.

The following is a brief account of the education and business experience during at least the past five years of each director, executive officer and significant employee, indicating the principal occupation during that period, and the name and principal business of the organization in which such occupation and employment were carried out.

Mr. Nadav Kidron was appointed President, Chief Executive Officer and director in March 2006. He is also a director in Entera Bio Ltd. In 2009, he was a fellow at the Merage Foundation for U.S.-Israel Trade Programs for executives in the life science field. From 2003 to 2006, he was the managing director of the Institute of Advanced Jewish Studies at Bar Ilan University. From 2001 to 2003, he was a legal intern at Wine, Mishaiker & Erenstof Law Offices in Jerusalem, Israel. Mr. Kidron holds an LLB and an Inernational MBA from Bar Ilan University and is a member of the Israel bar.

Dr. Miriam Kidron was appointed Chief Medical and Technology Officer and director in March 2006. Dr. Kidron is a pharmacologist and a biochemist with a PhD in biochemistry. From 1990 to 2007, Dr. Kidron has been a senior researcher in the Diabetes Unit at Hadassah University Hospital in Jerusalem, Israel. During 2003 and 2004, Dr. Kidron served as a consultant to Emisphere Technologies Inc., a company that specializes in developing broad-based proprietary drug delivery platforms. Dr Kidron was formerly a visiting professor at the Medical School at the University of Toronto (Canada), and is a member of the American, European and Israeli Diabetes Associations. Dr. Kidron is a recipient of the Bern Schlanger Award.

Mr. Leonard Sank was appointed a director in October 2007. Mr. Sank is a South African entrepreneur and businessman who is devoted to entrepreneurial endeavors and initiatives. He has over 20 years of experience playing important leadership roles in developing businesses. He was a director in Eastvaal Motor Group, a diversified retail motor business. He was a also director in Vecto Finance, a credit lending business. He has also served as a director of Macsteel Service Centres SA Pty Ltd., South Africa's largest private company. He also serves on the board of local non-profit charity organizations in Cape Town, where he resides.

Dr. Harold Jacob was appointed a director in July 2008. Since 1998, Dr. Jacob has served as the president of Medical Instrument, a company which provides a range of support and consulting services to start-up and early stage companies as well as patenting its own proprietary medical devices. Dr. Jacob has advised a spectrum of companies in the past and he served as a consultant and then as the Director of Medical Affairs at Given Imaging Ltd., during the years 1997 to 2003, a company that developed the first swallowable wireless pill camera for inspection of the intestine. He has licensed patents to a number of companies including Kimberly Clark Ballard. Since 2003, Dr. Jacob has served as the CEO of NanoVibronix, a medical device company using surface acoustics to prevent catheter acquired infection as well as other applications. He practiced clinical gastroenterology in New York and served as Chief of Gastroenterology at St. Johns Episcopal Hospital and South Nassau Communities Hospital in the years 1986-1995, and was a Clinical Assistant Professor of Medicine at SUNY during the years 1983-1990. Dr. Jacob founded and served as Editor in Chief of Endoscopy Review and has authored numerous publications in the field of gastroenterology.

Dr. Michael Berelowitz was appointed a director in June 2010. From 2009 to 2010, Dr. Berelowitz served as Senior Vice President and Head of Clinical Development and Medical Affairs in the Specialty Care Business Unit at Pfizer, Inc. From 1996 to 2009, he served in various other roles at Pfizer, Inc., beginning as a Medical Director in the Diabetes Clinical Research team and then assuming positions of increasing responsibility until being appointed to his present role. Prior to that, Dr. Berelowitz spent a number of years in academia. Among his public activities, Dr. Berelowitz has served on the board of directors of the American Diabetes Association, the Clinical Initiatives Committee of the Endocrine Society, and has chaired the Task Force on Research of the New York State Council on Diabetes. He has also served on several editorial boards, including the Journal of Clinical Endocrinology and Metabolism and Endocrinology, Reviews in Endocrine and Metabolic Disorders and Clinical Diabetes. Dr. Berelowitz has authored and co-authored more than 100 peer-reviewed journal articles and book chapters in the areas of pituitary growth hormone regulation, diabetes and metabolic disorders. Dr Berelowitz holds adjunct appointments as Professor of Medicine in the Divisions of Endocrinology and Metabolism at SUNY – StonyBrook and Mt. Sinai School of Medicine in New York.

Ms. Yifat Zommer was appointed Chief Financial Officer, Treasurer and Secretary in April 2009. From April 2007 to October 2008, Ms. Zommer served as Chief Financial Officer of Witech Communications Ltd., a subsidiary of IIS Intelligence Information Systems Ltd, a company operating in the field of video transmission using wireless communications. From April 2006 to April 2007, Ms. Zommer acted as Chief Financial Officer for CTWARE Ltd, a telecommunication company. Prior to that she was an audit manager in PricewaterhouseCoopers (PwC), where she served for five years. Ms. Zommer holds a Bachelor of Accounting and Economics degree from the Hebrew University and Business Administration (MBA) from Tel-Aviv University. Ms. Zommer is a certified public accountant in Israel.

There have been no events under any bankruptcy act, no criminal proceedings and no judgments, injunctions, orders or decrees material to the evaluation of the ability and integrity of any director, executive officer, or control person of the Company during the past five years.

EXECUTIVE COMPENSATION

Summary Compensation Table

The following table sets forth the compensation earned during the years ended August 31 2009 and 2010 by our President and Chief Executive Officer, our Chief Medical and Technology Officer, our Chief Financial Officer and former Chief Financial Officer (the "Named Executive Officers"):

Name and Principal Position	Year (1)	Salary ($) (9)	Option Awards ($) (2)	All Other Compensation ($) (3)(9)	Total ($)
Nadav Kidron					
President and CEO and director (4)	2010	159,919	236,344	10,783	407,046
	2009	155,359	153,855	15,474	324,688
Miriam Kidron					
Chief Medical and Technology Officer and director (5)(6)	2010	160,092	236,344	7,727	404,163
	2009	154,983	153,855	11,539	320,377
Yifat Zommer					
CFO, Treasurer and Secretary (7)	2010	76,896	81,803	26,979	185,678
	2009	20,468	19,946	11,245	51,659
Chaime Orlev					
CFO and Secretary(8)	2009	59,300	Nil	25,544	84,844

(1) The information is provided for each fiscal year which begins on September 1 and ends on August 31.

(2) The amounts reflect the compensation expense in accordance with FAS 123(R) of these option awards. The assumptions used to determine the fair value of the option awards for fiscal years ended August 31, 2010 and 2009 are set forth in the notes to our audited consolidated financial statements included in this prospectus. Our Named Executive Officers will not realize the value of these awards in cash unless and until these awards are exercised and the underlying shares subsequently sold.

(3) See All Other Compensation Table below.

(4) Mr. Kidron was appointed as our President, CEO and Director on March 8, 2006 and received compensation from our subsidiary through KNRY, an Israeli entity owned by Mr. Kidron. See "Employment and Consulting Agreements."

(5) Dr. Kidron was appointed as our Chief Medical and Technology Officer and Director on March 8, 2006 and received compensation from our subsidiary through KNRY, an Israeli entity owned by Mr. Kidron. See "Employment and Consulting Agreements."

(6) See "Certain Relationships and Related Transactions and Director Independence" for a description of management fees received by Dr. Kidron from Hadasit.

(7) Ms. Zommer was appointed as our CFO and Secretary on April 19, 2009.

(8) Mr. Orlev served as our CFO and Secretary from May 1, 2008 through March 31, 2009.

(9) Amounts paid for Salary and All Other Compensation were originally denominated in NIS and were translated into dollars using historical exchange rates.

All Other Compensation Table

All Other Compensation amounts in the Summary Compensation Table consist of the following:

Name	Year	Automobile Related Expenses ($)	Manager's Insurance * ($)	Education Fund* ($)	Total ($)
Nadav Kidron	2010	10,783	—	—	10,783
Miriam Kidron	2010	7,727	—	—	7,727
Yifat Zommer	2010	9,814	11,466	5,699	26,979

*Manager's insurance and education funds are customary benefits provided to employees based in Israel. Manager's insurance is a combination of severance savings (in accordance with Israeli law), defined contribution tax-qualified pension savings and disability insurance premiums. An Education fund is a savings fund of pre-tax contributions to be used after a specified period of time for educational or other permitted purposes.

Outstanding Equity Awards at Fiscal Year-End

The following table sets forth information concerning stock options and stock awards held by the Named Executive Officers as of August 31, 2010.

Option Awards

Name	Number of Securities Underlying Unexercised Options(#) Exercisable	Number of Securities Underlying Unexercised Options(#) Unexercisable	Option Exercise Price ($)	Option Expiration Date
Nadav Kidron	850,000(1)	—	0.45	08/01/12
	720,000(2)	144,000(2)	0.54	05/06/18
	864,000(5)	612,000(2)	0.49	04/20/20
Miriam Kidron	3,361,360(3)	—	0.001	08/13/12
	850,000(1)	—	0.45	08/01/12
	720,000(2)	144,000(2)	0.54	05/06/18
	864,000(5)	612,000(2)	0.49	04/20/20
Yifat Zommer	—	400,000(4)	0.47	10/19/19

(1) On August 2, 2007, 850,000 options were granted to each of Nadav Kidron and Miriam Kidron under the 2006 Stock Option Plan at an exercise price of $0.45 per share; the options vested immediately and have an expiration date of August 2, 2012.

(2) On May 7, 2008, 864,000 options were granted to each of Nadav Kidron and Miriam Kidron under the 2008 Stock Option Plan at an exercise price of $0.54 per share, 144,000 of such options vested immediately on the date of grant and the remainder will vest in twenty equal monthly installments, commencing on June 7, 2008. The options have an expiration date of May 7, 2018.

(3) On August 14, 2007 3,361,630 stock options were granted to Miriam Kidron, at an exercise price of $0.001 per share; the options vested immediately and have an expiration date of August 14, 2012. These options were not issued pursuant to any outstanding award plans.

(4) On June 3, 2009, 400,000 options were granted to Yifat Zommer under the 2008 Stock Option Plan at an exercise price of $0.47 per share. The options vest in three equal annual installments, commencing October 19, 2010, and expire on October 19, 2019.

(5) On April 21, 2010, 864,000 options were granted to each of Nadav Kidron and Miriam Kidron under the 2008 Stock Option Plan at an exercise price of $0.49 per share, 108,000 of such options vested immediately on the date of grant and the remainder will vest in twenty one equal monthly installments, commencing on May 31, 2010. The options have an expiration date of April 20, 2020.

Stock Option Plans

2006 Stock Option Plan

On October 15, 2006, our board of directors adopted the 2006 Stock Option Plan (the "2006 Plan") in order to attract and retain quality personnel. Under the 2006 Plan, 3,000,000 shares have been reserved for the grant of options by the board. In addition, under the terms of the 2006 Plan, options that have expired or been terminated for any reason prior to being exercised may be reissued. As of August 31, 2010, options with respect to 1,700,000 shares were outstanding under the 2006 Plan, which amount reflects the aggregate grant of options with respect to 3,350,000 shares, of which 1,650,000 have expired through August 31, 2010.

2008 Stock Incentive Plan

On May 5, 2008, our board of directors adopted the 2008 Stock Incentive Plan (the "2008 Plan") in order to attract and retain quality personnel. The 2008 Plan provides for the grant of stock options, restricted stock, restricted stock units and stock appreciation rights, collectively referred to as "awards." Stock options granted under the Plan may be either incentive stock options under the provisions of Section 422 of the Internal Revenue Code, or non-qualified stock options. Incentive stock options may be granted only to our employees or to our parent or subsidiary. Awards other than incentive stock options may be granted to employees, directors and consultants. Under the 2008 Plan, 8,000,000 shares have been reserved for the grant of options, which may be issued at the discretion of our board of directors from time to time. As of August 31, 2010, options with respect to 6,739,200 shares have been granted under the 2008 Plan, 978,000 of which have been forfeited.

On August 14, 2007, we granted to Dr. Miriam Kidron options to purchase up to 3,361,360 shares at an exercise price of $0.001; the options vested immediately and have an expiration date of August 14, 2012. These options are not governed by any of the plans detailed above.

Stock Option Grants

We made the following stock options grants to the Named Executive Officers and directors during the year ended August 31, 2010:

· On April 21, 2010, 864,000 options were granted to each of Nadav Kidron and Miriam Kidron under the 2008 Stock Option Plan at an exercise price of $0.49 per share, 108,000 of such options vested immediately on the date of grant and the remainder will vest in twenty equal monthly installments, commencing on May 31, 2010. The options have an expiration date of April 20, 2020**.**

· On July 8, 2010, 300,000 options were granted to a director at an exercise price of $0.48 per share. The options vest in three equal annual installments commencing on July 8, 2011 and will expire on July 7, 2020.

Employment and Consulting Agreements

Effective August 1, 2007 we entered into employment agreements with KNRY Ltd. ("KRNY"), pursuant to which Nadav Kidron and Dr. Miriam Kidron provided employment services to our company. Based on the agreements, Nadav Kidron served as the President and Chief Executive officer and Miriam Kidron served as our Chief Medical and Technology Officer. As remuneration for such services, KNRY was paid $20,000 per month, commencing on August 1, 2007.

On July 1, 2008, Oramed Ltd., our Israeli subsidiary, entered into a consulting agreement with KNRY, whereby Mr. Nadav Kidron, through KNRY, provides services as President and Chief Executive Officer of both the Company and Oramed Ltd. (the "Nadav Kidron Consulting Agreement"). Additionally, on July 1, 2008, Oramed Ltd. entered into a consulting agreement with KNRY whereby Dr. Miriam Kidron, through KNRY, provides services as Chief Medical and Technology Officer of both the Company and Oramed Ltd. (the "Miriam Kidron Consulting Agreement" and together with the Nadav Kidron Consulting Agreement, the "Consulting Agreements"). The Consulting Agreements replace the employment agreements entered into between the Company and KNRY, dated as of August 1, 2007 referenced above.

The Consulting Agreements are both terminable by either party upon 60 days prior written notice. The Consulting Agreements provide that KNRY (i) will be paid, under each of the Consulting Agreements, in New Israeli Shekels a gross amount of NIS 50,400 per month and (ii) will be reimbursed for reasonable expenses incurred in connection with performance of the Consulting Agreements.

Pursuant to the Consulting Agreements, KNRY, Nadav Kidron and Miriam Kidron each agree that during the term of the Consulting Agreements and for a 12 month period thereafter, none of them will compete with Oramed Ltd. nor solicit employees of Oramed Ltd.

On November 2, 2008, we entered into indemnification agreements with our directors and executive officers pursuant to which we agreed to indemnify each director and executive officer for any liability he or she may incur by reason of the fact that he or she serves as our director or executive officer, to the maximum extent permitted by Nevada law.

We, through our Israeli subsidiary, Oramed Ltd., have entered into an employment agreement with Yifat Zommer as of April 19, 2009, pursuant to which Ms. Zommer was appointed as Chief Financial Officer, Treasurer and Secretary of Oramed. On August 31, 2009, the agreement was amended, pursuant to which Ms. Zommer's gross monthly salary will be NIS 22,000 ($5,764). In accordance with the employment agreement, as amended, as of October 19, 2009, Ms. Zommer's gross monthly salary was increased to NIS 24,200 ($6,340). On April 19, 2009, Oramed and Ms. Zommer also entered into an indemnification agreement, pursuant to which Oramed agrees to indemnify Ms. Zommer for any liability she may incur by reason of the fact that she serves as Oramed's CFO, to the maximum extent permitted by law.

On March 11, 2011, we entered into indemnification agreements with our directors and executive officers pursuant to which we agreed to indemnify each director and executive officer for any liability he or she may incur by reason of the fact that he or she serves as our director or executive officer, to the maximum extent permitted by Delaware law.

Director Compensation

Directors are entitled to reimbursement for reasonable travel and other out-of-pocket expenses incurred in connection with attendance at meetings of our board of directors. Effective June 1, 2010, each independent director is entitled to receive as remuneration for his or her service as a member of the board a sum equal to $10,000 per annum, to be paid quarterly and shortly after the close of each quarter. Prior thereto, the fee was $8,000 per annum. The board of directors may award special remuneration to any director undertaking any special services on behalf of us other than services ordinarily required of a director.

Other than indicated in this prospectus, no director received and/or accrued any compensation for his or her services as a director, including committee participation and/or special assignments.

The following table sets forth director compensation for the year ended August 31, 2010.

Name of Director	Fees Earned or Paid in Cash ($)	Option Awards (1) ($)	Total ($)
Nadav Kidron (2)			
Miriam Kidron (2)			
Leonard Sank	8,500	45,218	53,718
Harold Jacob	8,500	45,218	53,718
Michael Berelowitz	2,500	11,201	13,701

(1) The amounts reflect the compensation expense in accordance with FAS 123(R) of these option awards. The assumptions used to determine the fair value of the option awards are set forth in Note 8 of our audited consolidated financial statements included in this prospectus. Our directors will not realize the value of these awards in cash unless and until these awards are exercised and the underlying shares subsequently sold.
(2) Please refer to the summary compensation table for executive compensation with respect to the named individual.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information regarding beneficial ownership of our common stock as of March 22, 2011 by: (i) each person who is known by us to own beneficially more than 5% of our common stock; (ii) each director; (iii) each executive officer; and (iv) all of our directors and executive officers as a group. On such date, we had 67,822,035 shares of common stock outstanding.

As used in the table below and elsewhere in this form, the term "*beneficial ownership*" with respect to a security consists of sole or shared voting power, including the power to vote or direct the vote and/or sole or shared investment power, including the power to dispose or direct the disposition, with respect to the security through any contract, arrangement, understanding, relationship, or otherwise, including a right to acquire such power(s) during the next 60 days following March 22, 2011. Inclusion of shares in the table does not, however, constitute an admission that the named stockholder is a direct or indirect beneficial owner of those shares. Unless otherwise indicated, each person or entity named in the table has sole voting power and investment power (or shares that power with that person's spouse) with respect to all shares of capital stock listed as owned by that person or entity.

Name and Address of Beneficial Owner	Number of Shares	Percentage of Shares Beneficially Owned
Nadav Kidron †‡ 10 Itamar Ben Avi St. Jerusalem, Israel	12,553,735(1)	17.93%
Zeev Bronfeld 6 Uri St. Tel-Aviv, Israel	6,158,517(2)	9.08%
Miriam Kidron †‡ 2 Elza St. Jerusalem, Israel	5,543,360(3)	7.56%
Hadasit Medical Research Services & Development Ltd. P.O. Box 12000 Jerusalem, Israel	4,141,532	6.11%
Leonard Sank † 3 Blair Rd Camps Bay Cape Town, South Africa	2,682,650(4)	3.94%
Harold Jacob † Haadmur Mebuyon 26 Jerusalem, Israel	210,000(5)	*
Michael Berelowitz † 415 East 37th Street New York, NY, USA	—	—
Yifat Zommer ‡ P.O. Box 39098, Jerusalem, Israel	133,333(6)	*
Attara Fund, Ltd 767 Fifth Ave. New York, NY, USA	6,765,407(7)	9.90%
All current executive officers and directors, as a group (six persons)	21,123,078(8)	29.93%

* Less than 1%

† Indicates Director
‡ Indicates Officer
(1) Includes 2,182,000 shares of common stock issuable upon the exercise of outstanding stock options.
(2) Does not include the 781,250 shares of common stock and five-year warrants to purchase 273,438 shares of common stock at an exercise price of $0.50 per share, which are issuable to D.N.A upon the closing of the D.N.A Share Purchase Agreement. Upon the closing of such transaction, Mr. Bronfeld, a controlling shareholder of D.N.A, may be deemed to beneficially own such shares and warrants through his shared control over D.N.A.
(3) Includes 5,543,360 shares of common stock issuable upon the exercise of outstanding stock options.
(4) Includes 325,000 shares of common stock issuable upon the exercise of warrants beneficially owned by the referenced person and outstanding stock options. Include 2,190,983 shares held by Hargreave Hale Nominees Limited.
(5) Includes 200,000 shares of common stock issuable upon the exercise of outstanding stock options.
(6) Includes of 133,333 shares of common stock issuable upon the exercise of outstanding stock options.
(7) Includes of 515,407 shares of common stock issuable upon the exercise of warrants beneficially owned by the referenced person.
(8) Includes 8,383,693 shares of common stock issuable upon the exercise of warrants beneficially owned by the referenced person and the exercise of outstanding stock options.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Except as otherwise indicated below, during the fiscal year 2010, and until the date of this prospectus, we have not been a party to any transaction, proposed transaction, or series of transactions in which the amount involved exceeds the lesser of $120,000 or one percent of the average of our total assets at year-end for the last two completed fiscal years , and in which, to our knowledge, any of our directors, officers, five percent beneficial security holder, or any member of the immediate family of the foregoing persons has had or will have a direct or indirect material interest.

Our policy is to enter into transactions with related parties on terms that, on the whole, are no less favorable than those available from unaffiliated third parties. Based on our experience in the business sectors in which we operate and the terms of our transactions with unaffiliated third parties, we believe that all of the transactions described below met this policy standard at the time they occurred. All related parties transactions are approved by our board of directors.

On June 1, 2010, our subsidiary, Oramed Ltd, entered into a joint venture agreement with D.N.A for the establishment of Entera. On February 22, 2011, we entered into agreements with D.N.A for the sale of 47% of Entera and a patent application, See "Our Business – Product Development – Out-Licensed Technology" for further information.

Mr. Zeev Bronfeld, a holder of 9% of the Company outstanding shares of common stock, is one of D.N.A's directors and controlling shareholders.

The board of directors has determined that Leonard Sank, Harold Jacob and Michael Berelowitz are independent as defined under the rules promulgated by the NASDAQ Stock Market.

See “Executive Compensation - *Employment and Consulting Agreements*” above for information as to the agreements with our employees and consultants.

DESCRIPTION OF COMMON STOCK

The following summary is a description of the material terms of our share capital. We encourage you to read our Certificate of Incorporation and Bylaws which have been filed with the SEC.

General

Our authorized capital stock consists of 200,000,000 shares of common stock, par value $0.001 per share.

Description of Common Stock

Upon liquidation, dissolution or winding up of the Company, the holders of common stock are entitled to share ratably in all net assets available for distribution to security holders after payment to creditors. The common stock is not convertible or redeemable and has no preemptive, subscription or conversion rights. Each outstanding share of common stock is entitled to one vote on all matters submitted to a vote of security holders. There are no cumulative voting rights. The holders of outstanding shares of common stock are entitled to receive dividends out of assets legally available therefore at such times and in such amounts as our board of directors may from time to time determine. Holders of common stock will share equally on a per share basis in any dividend declared by the board of directors. We have not paid any dividends on our common stock and do not anticipate paying any cash dividends on such stock in the foreseeable future. In the event of a merger or consolidation, all holders of common stock will be entitled to receive the same per share consideration.

As of March 22, 2011, we had outstanding 67,822,035 shares of common stock, and employee and directors stock options to purchase an aggregate of 10,009,360 shares of common stock at a weighted average exercise price of $0.32 with the latest expiration date of these options being July 7, 2020 (of which options to purchase an aggregate of 8,360,026 shares of common stock were exercisable as of March 22, 2011). On February 24, 2011, at our Annual Meeting of Stockholders, our stockholders authorized our board of directors to effect a reverse stock split of our shares of common stock at a ratio not to exceed one-for-eighteen.

The current transfer agent and registrar for our common stock is Continental Stock Transfer & Trust Company, 17 Battery Place New York, NY 10004.

Meetings of Stockholders

An annual meeting of our stockholders shall be held on the day and at the time as may be set by the board of directors, at which the stockholders shall elect the board of directors and transact such other business as may properly be brought before the meeting. All annual meetings of stockholders are to be held at our registered office in the State of Delaware or at such other place as may be determined by our board of directors.

Special meetings of our stockholders may be called, for any purpose or purposes, unless otherwise prescribed by statute, may be called by the majority of our board of directors. Business transacted at any special meeting of stockholders shall be confined to the purpose or purposes stated in the notice.

SELLING STOCKHOLDERS

The selling stockholders acquired the securities being registered for resale pursuant to this prospectus in private placement transactions, as remuneration for services rendered and as equity compensation :

On June 15, 2007, we issued to certain selling stockholders, in a private placement, 3,600,000 units of our securities at a price of $0.50 per unit for aggregate proceeds of $1,800,000. Each unit consisted of one share of common stock and one three-year warrant, each warrant exercisable into one share of common stock at an exercise price of $0.75 per share. These warrants expired on June 15, 2010.

On August 2, 2007, we issued to certain selling stockholders, in a private placement, 510,000 units at a purchase price of $0.50 per unit for aggregate proceeds of $255,000. Each unit consisted of one share of common stock and one three-year warrant, each warrant exercisable into one share of common stock at an exercise price of $0.75 per share. These warrants expired on August 2, 2010. We also issued 10,000 shares of common stock to Shikma A M R LTD as a finder's fee.

On July 14, 2008, we entered into a securities purchase agreement with certain selling stockholders pursuant to which we agreed to sell to such selling stockholders an aggregate of 8,524,669 shares of common stock at a purchase price of $0.60 per share. Such selling stockholders also received three-year warrants to purchase an aggregate of 4,262,337 shares of common stock at an exercise price of $0.90 per share.

In September 2010 and January 2011, we issued 353,714 shares of common stock, in the aggregate, valued at $119,800, to Swiss Caps AG as remuneration for services rendered.

Between November 2010 and March 2011, we held a private investment round with a number of "accredited investors" as defined in Rule 501(a) of Regulation D, pursuant to which we sold to the investors an aggregate of 9,706,250 units at a purchase price of $0.32 per unit for total consideration of $3,106,000. Each unit consisted of one share of common stock and a five-year warrant to purchase 0.35 of a share of common stock at an exercise price of $0.50 per share.

We are also registering for resale pursuant to this prospectus 2,182,000 shares of common stock issuable upon the exercise of options held by Mr. Nadav Kidron, our President and Chief Executive Officer and a director. The options have an average exercise price of $0.494 per share, are fully vested and expire in August 2012, May 2018 and April 2020.

The following table sets forth, for each selling stockholder, the name, the number of shares of common stock beneficially owned as of March 22, 2011 (directly and indirectly via warrants or options), the maximum number of shares of common stock that may be offered pursuant to this prospectus and the number of shares of common stock that would be beneficially owned after the sale of the maximum number of shares of common stock.

Other than the relationships described below, none of the selling stockholders are employees or suppliers of ours or our affiliates. Within the past three years, other than the relationships described below, none of the selling stockholders has held a position as an officer or director of ours, nor has any selling stockholder had any material relationship of any kind with us or any of our affiliates, except that certain selling stockholders acquired shares of our common stock and warrants pursuant to the transactions described above. All information with respect to share ownership has been furnished by the selling stockholders. The shares being offered are being registered to permit public secondary trading of such shares and each selling stockholder may offer all or part of the shares it owns for resale from time to time pursuant to this prospectus. In addition, other than the relationships described below, none of the selling stockholders has any family relationships with our officers, directors or controlling stockholders. Furthermore, based on representations made to us by the selling stockholders, no selling stockholder is a registered broker-dealer or an affiliate of a registered broker-dealer, except for Hargreave Hale Nominees Limited. The selling stockholders have informed us that they do not have any agreement or understanding, directly or indirectly, with any person to distribute their common stock, warrants or options.

Any selling stockholders who are affiliates of broker-dealers and any participating broker-dealers are deemed to be "underwriters" within the meaning of the Securities Act, and any commissions or discounts given to any such selling stockholder or broker-dealer may be regarded as underwriting commissions or discounts under the Securities Act.

The term “selling stockholders” also includes any transferees, pledgees, donees, or other successors in interest to the selling stockholders named in the table below. Unless otherwise indicated, to our knowledge, each person named in the table below has sole voting and investment power (subject to applicable community property laws) with respect to the shares of common stock set forth opposite such person’s name. We will file a supplement to this prospectus (or a post-effective amendment hereto, if necessary) to name successors to any named selling stockholders who are able to use this prospectus to resell the securities registered hereby.

Name of Selling Stockholder	Shares Beneficially Owned Before the Offering (excluding shares issuable upon the exercise of warrants or options) [1]	Shares Beneficially Owned Before the Offering that are Issuable Upon the Exercise of Warrants or Options	Maximum Number of Shares to be Offered in the Offering	Number of Shares Beneficially Owned Immediately AfterSale of Maximum Number of Shares in the Offering	
				# of Shares[2]	% of Class
Hargreave Hale Nominees Limited A/C 060788	83,333	41,666	124,999	—	—
Hargreave Hale Nominees Limited A/C 063717	1,666,667	833,334	2,500,001	—	—
Hargreave Hale Nominees Limited (3)	2,437,500	328,125	2,765,625	—	—
Leonard Sank (3)	607,650	83,334	250,001	440,983	—
Apollo Nominees Inc.	281,250	98,438	379,688	—	—
Laurie Rubin	440,000	-	440,000	-	-
Swiss Caps AG (4)	940,039	—	940,039	—	—
Mirabaud & CIE	166,667	83,334	250,001	—	—
Joan Samson	166,667	83,334	250,001	—	—
Vered Schimmel	100,000	50,000	150,000	—	—
Shikma A M R Ltd	110,000	50,000	160,000	—	—
Edward Danehy	110,000	55,000	165,000	—	—

Name of Selling Stockholder	Shares Beneficially Owned Before the Offering (excluding shares issuable upon the exercise of warrants or options) [1]	Shares Beneficially Owned Before the Offering that are Issuable Upon the Exercise of Warrants or Options	Maximum Number of Shares to be Offered in the Offering	Number of Shares Beneficially Owned Immediately AfterSale of Maximum Number of Shares in the Offering	
				# of Shares[2]	% of Class
Oberdorf Finance SA	80,000	—	80,000	—	—
Pnini David Jerusalem	83,500	41,750	125,250	—	—
David Lifscitz	70,000	35,000	105,000	—	—
Elhanan Noam Enterprising Ltd.	102,642	—	102,642	—	—
Lawrence Leigh	41,666	20,833	62,499	—	—
Ryan Lazarus	40,000	20,000	60,000	—	—
Aviad Freidman	63,583	7,088	70,671	—	—
Nadav Kidron (5)	10,371,735	2,182,000	12,553,735	—	—
Zeev Bronfeld	6,158,517	—	6,158,517	—	—
Hadasit Medical Services and Development Ltd	4,141,532	—	4,141,532	—	—
Russel Leigh	700,000	50,000	750,000	—	—
Attara Fund, Ltd (6)	6,250,000	515,407	8,437,500	—	—
Vivid Horizon Limited	937,500	328,125	1,265,625	—	—
Novatrust Ltd re Clifton Two Trust	156,250	54,688	210,938	—	—

Name of Selling Stockholder	Shares Beneficially Owned Before the Offering (excluding shares issuable upon the exercise of warrants or options) [1]	Shares Beneficially Owned Before the Offering that are Issuable Upon the Exercise of Warrants or Options	Maximum Number of Shares to be Offered in the Offering	Number of Shares Beneficially Owned Immediately AfterSale of Maximum Number of Shares in the Offering	
				# of Shares[2]	% of Class
Lashmar Holdings Inc	675,000	236,250	911,250	—	—
ICT NV	468,750	164,063	632,813	—	—
Marcel Kremer	156,250	54,688	210,938	—	—
Vladimir Shklar	103,583	77,921	181,504	—	—
Total	**37,710,281**	**5,496,376**	**44,437,767**	**440,983**	**0.8%**

(1) Beneficial ownership is determined in accordance with SEC rules and generally includes voting or investment power with respect to securities. Shares of common stock subject to options or warrants currently exercisable, or exercisable within sixty (60) days, are counted as outstanding for computing the percentage of the person holding such options or warrants but are not counted as outstanding for computing the percentage of any other person.

(2) Assumes all of the shares of common stock offered are sold. Based on 67,822,035 shares of common stock issued and outstanding on March 22, 2011.

(3) Mr. Leonard Sank is a director of the Company. 1,750,000 of the shares owned by Hargreave Hale Nominees Limited, and are registered under this prospectus, are held for Mr. Leonard Sank.

(4) Swiss Caps AG is a supplier of the Company.

(5) Mr. Nadav Kidron is President, Chief Executive Officer and a director of the Company. He is the son of Dr. Miriam Kidron, the Chief Medical and Technology Officer and a director of the Company.

(6) The 2,187,500 warrants being offered in the offering by Attara Fund are subject to a blocker agreement whereby the right to exercise such warrants is limited such that Attara Fund will not have greater than 9.9% beneficial ownership of the Company. Consequently based on the number of shares outstanding in the Company, only 515,407 shares are deemed to be currently beneficially owned by Attara Fund upon exercise of such warrant.

We may require the selling stockholders to suspend the sales of the securities offered by this prospectus upon the occurrence of any event that makes any statement in this prospectus or the related registration statement untrue in any material respect or that requires the changing of statements in these documents in order to make statements in those documents not misleading.

Information concerning additional selling stockholders not identified in this prospectus will be set forth in post-effective amendments from time to time, if and as required. Information concerning the selling stockholders may change from time to time and any changed information will be set forth in post-effective amendments or prospectus supplements if and when necessary.

PLAN OF DISTRIBUTION

The selling stockholders, and their pledgees, donees, transferees or other successors in interest, may from time to time offer and sell, separately or together, some or all of the shares of common stock (the "securities") covered by this prospectus. Registration of the securities covered by this prospectus does not mean, however, that those securities necessarily will be offered or sold.

The securities covered by this prospectus may be sold from time to time, at market prices prevailing at the time of sale, at prices related to market prices, at a fixed price or prices subject to change or at negotiated prices, by a variety of methods including the following:

- in the over-the-counter market;
- in privately negotiated transactions;
- through broker-dealers, who may act as agents or principals;
- through one or more underwriters on a firm commitment or best-efforts basis;
- in a block trade in which a broker-dealer will attempt to sell a block of securities as agent but may position and resell a portion of the block as principal to facilitate the transaction;
- directly to one or more purchasers;
- through agents; or
- in any combination of the above.

In effecting sales, brokers or dealers engaged by the selling stockholders may arrange for other brokers or dealers to participate. Broker-dealer transactions may include:

- purchases of the securities by a broker-dealer as principal and resales of the securities by the broker-dealer for its account pursuant to this prospectus;
- ordinary brokerage transactions; or
- transactions in which the broker-dealer solicits purchasers on a best efforts basis.

The selling stockholders have not entered into any agreements, understandings or arrangements with any underwriters or broker-dealers regarding the sale of the securities covered by this prospectus. At any time a particular offer of the securities covered by this prospectus is made, a revised prospectus or prospectus supplement, if required, will be distributed which will set forth the aggregate amount of securities covered by this prospectus being offered and the terms of the offering, including the name or names of any underwriters, dealers, brokers or agents. In addition, to the extent required, any discounts, commissions, concessions and other items constituting underwriters' or agents' compensation, as well as any discounts, commissions or concessions allowed or reallowed or paid to dealers, will be set forth in such revised prospectus supplement. Any such required prospectus supplement, and, if necessary, a post-effective amendment to the registration statement of which this prospectus is a part, will be filed with the SEC to reflect the disclosure of additional information with respect to the distribution of the securities covered by this prospectus.

DISCLOSURE OF COMMISSION POSITION OF INDEMNIFICATION FOR SECURITIES ACT LIABILITIES

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Company under applicable corporate law, we have been advised that the opinion of the SEC is that such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable.

INTERESTS OF NAMED EXPERTS AND COUNSEL

No expert or counsel named in this prospectus as having prepared or certified any part of this prospectus or having given an opinion upon the validity of the securities being registered or upon other legal matters in connection with the registration or offering of the securities was employed on a contingency basis or had, or is to receive, in connection with the offering, a substantial interest, directly or indirectly, in the registrant. Nor was any such person connected with the registrant as a promoter, managing or principal underwriter, voting trustee, director, executive officer or employee.

LEGAL MATTERS

Blank Rome LLP, New York, New York, and Snell & Wilner L.L.P., Las Vegas, Nevada, will issue legal opinions as to the validity of the issuance of the shares of common stock offered under this prospectus.

EXPERTS

The financial statements as of August 31, 2009 and 2008 and for three years in the period ended August 31, 2010, and for the cumulative period September 1, 2007 to August 31, 2010 included in this Prospectus have been so included in reliance on the report of Kesselman & Kesselman, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

The consolidated financial statements for the cumulative period from April 12, 2002 (the date of becoming a development stage entity) through August 31, 2007 included in this prospectus have been so included in reliance on the report of Malone & Bailey, PC –Certified Public Accountants, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

WHERE YOU CAN FIND MORE INFORMATION

We are subject to the reporting and information requirements of the Securities Exchange Act of 1934, as amended, and as a result file periodic reports and other information with the SEC. These periodic reports and other information will be available for inspection and copying at the SEC's public reference room and the website of the SEC referred to above. We also make available on our website under "Investor Information/SEC Filings," free of charge, our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports as soon as reasonably practicable after we electronically file such materials with or furnish them to the SEC. Our website address is http://www.oramed.com. This reference to our website is an inactive textual reference only, and is not a hyperlink. The contents of our website are not part of this prospectus, and you should not consider the contents of our website in making an investment decision with respect to the securities.

We have filed a Registration Statement on Form S-1 under the Securities Act with the SEC with respect to the shares of our common stock offered through this prospectus. This prospectus is filed as a part of that registration statement and does not contain all of the information contained in the registration statement and exhibits. We refer you to our registration statement and each exhibit attached to it for a more complete description of matters involving us, and the statements we have made in this prospectus are qualified in their entirety by reference to these additional materials.

You may read and copy the reports and other information we file with the SEC at the SEC's Public Reference Room at 100 F Street, N.E., Washington D.C. 20549. You may also obtain copies of this information by mail from the public reference section of the SEC, 100 F Street, N.E., Washington, D.C. 20549, at prescribed rates. You may obtain information regarding the operation of the public reference room by calling 1 (800) SEC-0330. The SEC also maintains a website that contains reports and other information about issuers, like us, who file electronically with the SEC. The address of that website is http://www.sec.gov. This reference to the SEC's website is an inactive textual reference only, and is not a hyperlink.

FINANCIAL STATEMENTS
ORAMED PHARMACEUTICALS INC.
FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA
Index to Financial Statements

Interim Unaudited Consolidated Financial Statements
November 30, 2010

Audited Consolidated Financial Statements
August 31, 2010

ORAMED PHARMACEUTICALS INC.
(A development stage company)

INTERIM UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

AS OF NOVEMBER 30, 2010

TABLE OF CONTENTS

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 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 "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. The accounting principles applied in the preparation of the interim statements are consistent with those applied in the preparation of the annual financial statements; however, the interim statements do not include all the information and explanations required for the annual financial statements. 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 through fund raising in the public or private equity markets as the Company will need to finance future research and development activities and general and administrative expenses. 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 ongoing 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 subsequent to 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 does 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 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 will enter into a Patent License Agreement with Entera, according to which, the Subsidiary 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 (hereafter - "VIE") according to of the terms of the JV Agreement. As further discussed in Note 1 to the annual financial statements, a new accounting standard became which became effective, as applicable to the Company, on September 1, 2010 related to accounting for and consolidation of VIEs. According to this standard, the Group reviewed several factors to determine whether the company is the primary beneficiary of Entera, including an assessment whether the group including its related parties and defacto agents group) has the power to direct the activities of Entera that most significantly impact Entera's economic performance and has the obligation to absorb losses of Entera that could potentially be significant to Entera; or the right to receive benefits from Entera that could potentially be significant to Entera. 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 30, 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 was 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 7a.

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".

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 relate 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.

c. On February 22, 2011, the Subsidiary entered into a share purchase agreement with D.N.A for the sale of 47% of Entera's outstanding share capital on an undiluted basis. As consideration for the Entera shares, the Subsidiary will receive a promissory note issued by D.N.A in the principal amount of US $450,000, with an annual interest rate of 0.45%, to be paid within four months from closing, and 8,404,667 ordinary shares of D.N.A, having an aggregate market value of approximately $700,000. In addition, D.N.A agreed to invest $250,000 in the Company's recent private placement, for which it received 781,250 shares of our common stock and five-year warrants to purchase 273,438 shares of common stock at an exercise price of $0.50 per share.

NOTE 7 - SUBSEQUENT EVENTS (continued)**:**

As part of the transaction, the Subsidiary entered into a patent transfer agreement (to replace the original license agreement upon closing) according to which, the Subsidiary will assign to Entera all of its right, title and interest in and to the patent application that it has licensed to Entera since August 2010. Under this agreement, the Subsidiary. is entitled to receive from Entera royalties of 3% of Entera's net revenues (as defined in the agreement) and a license back of that patent application for use in respect of diabetes and influenza.

The closing of the abovementioned transactions will take place concurrently on the first business day following the satisfaction of all the closing conditions. If the closing does not occur by March 31, 2011, The Subsidiary will have the right to terminate the agreements. Upon the closing, Oramed, Entera and D.N.A will terminate the joint venture agreement, entered into on June 1, 2010 in connection with the formation of Entera.

Mr. Zeev Bronfeld, one of D.N.A's directors and controlling shareholders, an affiliated shareholder. Accordingly, pursuant to Israeli law, the closing of the transactions is subject to the approval of D.N.A's shareholders at its extraordinary general meeting to be held on March 29, 2011.

TABLE OF CONTENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders of
Oramed Pharmaceuticals Inc.
(A Development Stage Company)

We have audited the accompanying consolidated balance sheets of Oramed Pharmaceuticals Inc. (A Development Stage Company) and its subsidiary (the "*Company*") as of August 31, 2010 and 2009, and the related consolidated statements of operations, changes in stockholders' equity and cash flows for the years then ended and cumulatively, for the period from September 1, 2007 to August 31, 2010 (not separately presented herein) . These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the cumulative totals of the Company for the period from April 12, 2002 (date of incorporation) to August 31, 2007, which totals reflect a deficit of $4,478,933 accumulated during the development stage. Those cumulative totals were audited by other independent auditors, whose report, dated December 10, 2007, expressed an unqualified opinion on the cumulative amounts but included an emphasis of a matter. Our opinion, insofar as it relates to amounts included for that period is based on the report of the other independent auditors.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, based upon our audits and the report of the other independent auditors, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company as of August 31, 2010 and 2009, and the consolidated results of their operations and their cash flows for the years then ended and cumulatively, for the period from September 1, 2007 to August 31, 2010 (not separately presented herein), in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1a to the financial statements, the Company has suffered recurring losses for the period from inception (April 12, 2002) through August 31, 2010 and presently the Company does not have sufficient cash and other resources to meet its requirements in the following twelve months. These factors raise substantial doubts as to the Company's ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 1a. The accompanying financial statements have been prepared assuming that the Company will continue as a going concern and do not include any adjustments that might result from the outcome of this uncertainty

Kesselman & Kesselman

Tel Aviv, Israel
November 29, 2010

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors
Oramed Pharmaceuticals Inc.
(a development stage company)
Jerusalem, Israel

We have audited the consolidated statements of expenses, changes in stockholders' deficit, and cash flows for the period from April 12, 2002 (Inception) through August 31, 2007. These financial statements are the responsibility of Oramed's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with standards of the Public Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the results of its consolidated operations and its cash flows for the periods described in conformity with accounting principles generally accepted in the United States of America.

MALONE & BAILEY, PC
www.malone-bailey.com
Houston, Texas

December 10, 2007

ORAMED PHARMACEUTICALS INC.
(A Development Stage Company)

CONSOLIDATED BALANCE SHEETS

U.S. dollars

	August 31	
	2010	**2009**
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 1,199,638	$ 1,716,866
Short term investments (note 2)	100,000	1,000,000
Restricted cash (note 1n)	16,008	16,000
Accounts receivable - other	59,175	36,939
Prepaid expenses	1,859	4,119
Related parties (note 13)	7,689	
Grants receivable from the Chief Scientist	12,438	400,405
Total current assets	1,396,807	3,174,329
LONG TERM DEPOSITS (note 6b)	10,582	12,161
PROPERTY AND EQUIPMENT, NET (note 5)	43,499	75,361
Total assets	$ 1,450,888	$ 3,261,851
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses (note 9)	$ 411,330	$ 321,344
Account payable with former shareholder	47,252	47,252
Total current liabilities	458,582	368,596
PROVISION FOR UNCERTAIN TAX POSITION (note 12f)	162,034	147,063
COMMITMENTS (note 6)		
STOCKHOLDERS' EQUITY:		
Common stock, $ 0.001 par value (200,000,000 authorized shares; 57,565,321 and 56,456,710 shares issued and outstanding as of August 31, 2010 and 2009, respectively)	57,565	56,456
Additional paid-in capital	13,758,761	12,698,414
Deficit accumulated during the development stage	(12,986,054)	(10,008,678)
Total stockholders' equity	830,272	2,746,192
Total liabilities and stockholders' equity	$ 1,450,888	$ 3,261,851

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

ORAMED PHARMACEUTICALS INC.

(A Development Stage Company)

CONSOLIDATED STATEMENTS OF OPERATIONS

U.S. dollars

	Year ended August 31		Period from April 12, 2002 (inception) through August 31,
	2010	**2009**	**2010**
RESEARCH AND DEVELOPMENT EXPENSES, NET (note 10)	$ 1,463,886	$ 1,574,074	$ 6,692,540
IMPAIRMENT OF INVESTMENT			434,876
GENERAL AND ADMINISTRATIVE EXPENSES (note 11)	1,508,667	1,210,044	5,682,423
OPERATING LOSS	2,972,553	2,784,118	12,809,839
FINANCIAL INCOME	(24,692)	(38,602)	(160,800)
FINANCIAL EXPENSE	14,544	17,555	162,477
LOSS BEFORE TAXES ON INCOME	2,962,405	2,763,071	12,811,516
TAXES ON INCOME (note 12)	14,971	(2,597)	174,538
NET LOSS FOR THE PERIOD	$ 2,977,376	$ 2,760,474	$ 12,986,054
BASIC AND DILUTED LOSS PER COMMON SHARE	$ (0.05)	$ (0.05)	
WEIGHTED AVERAGE NUMBER OF COMMON STOCK USED IN COMPUTING BASIC ANDDILUTED LOSS PER COMMON STOCK	57,389,991	56,645,820	

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

ORAMED PHARMACEUTICALS INC.
(A development stage company)
CONSOLIDTAED 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:					
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	418,025	418	214,442		214,860
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			2,428,014		2,428,014
STOCK BASED COMPENSATION RELATED TO OPTIONS GRANTED TO CONSULTANTS			381,764		381,764
DISCOUNT ON CONVERTIBLE NOTE RELATED TO BENEFICIAL CONVERSION FEATURE			108,000		108,000
COMPREHENSIVE LOSS				(16)	(16)
IMPUTED INTEREST			12,217		12,217
NET LOSS				(7,248,188)	(7,248,188)
BALANCE AS OF AUGUST 31, 2008	56,252,806	56,252	11,785,012	(7,248,204)	4,593,060
SHARES ISSUED FOR SERVICES RENDERED	203,904	204	152,724		152,928
SHARES TO BE ISSUED FOR SERVICES RENDERED			203,699		203,699
STOCK BASED COMPENSATION RELATED TO OPTIONS GRANTED TO EMPLOYEES AND DIRECTORS			436,025		436,025
STOCK BASED COMPENSATION RELATED TO OPTIONS GRANTED TO CONSULTANTS			117,174		117,174
IMPUTED INTEREST			3,780		3,780
NET LOSS				(2,760,474)	(2,760,474)
BALANCE AS OF AUGUST 31, 2009	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	57,565,321	$ 57,565	$13,758,761	$ (12,986,054)	$ 830,272

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

ORAMED PHARMACEUTICALS INC.

(A Development Stage Company)
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended August 31		Period from April 12, 2002 (inception date) through August 31,
	2010	2009	2010
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net loss	$ (2,977,376)	$ (2,760,474)	$ (12,986,054)
Adjustments required to reconcile net loss to net cash used in operating activities:			
Depreciation and amortization	31,862	30,488	77,804
Amortization of debt discount			108,000
Exchange differences on long term deposits	335	641	(666)
Stock based compensation	807,826	553,199	4,170,803
Common stock issued for services	249,850	152,928	617,638
Common stock to be issued for services		203,699	203,699
Impairment of investment			434,876
Imputed interest	3,780	3,780	19,777
Changes in operating assets and liabilities:			
Prepaid expenses and other current assets	360,302	(38,889)	(81,161)
Restricted cash	(8)	(16,000)	(16,008)
Accounts payable and accrued expenses	89,986	(414,708)	411,330
Provision for uncertain tax position	14,971	16,413	162,034
Total net cash used in operating activities	(1,418,472)	(2,268,923)	(6,877,928)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property and equipment		(7,553)	(121,303)
Purchase of short term investments		(1,000,000)	(3,728,000)
Proceeds from sale of short term investments	900,000	2,728,000	3,628,000
Lease deposits, net	1,244	(1,978)	(9,916)
Total net cash provided by (used in) investing activities	901,244	1,718,469	(231,219)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from sales of common stocks and warrants - net of issuance expenses			7,961,481
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			8,308,785
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(517,228)	(550,454)	1,199,638
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	1,716,866	2,267,320	
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 1,199,638	$ 1,716,866	$ 1,199,638
Non cash investing and financing activities:			
Discount on convertible note related to beneficial conversion feature			$ 108,000
Shares issued for offering costs			$ 1,753
Contribution to paid in capital			$ 18,991

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

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES:

a. General:

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 March 8, 2006, the Company entered into an agreement with Hadasit Medical Services and Development Ltd ("Hadasit") (the "First Agreement") to acquire the provisional patent related to orally ingestible insulin pill to be used for the treatment of individuals with diabetes, see also note 6a.

The Company has been in the development stage since its formation and has not yet generated 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"), (together with the Company, "the Group").

The Group is engaged in research and development in the biotechnology field and is considered a development stage company in accordance with the guidance.

The Company has suffered recurring losses for the period from inception (April 12, 2002) through August 31, 2010 amounting to $12,986,054, as well as negative cash flow from operating activities. Presently, the Company does not have sufficient cash and other resources to meet its requirements in the twelve months following September 1, 2010. These factors raise substantial doubts as to the Company's ability to continue as a going concern. The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern and do not include any adjustments that might result from the outcome of this uncertainty. Management is in the process of evaluating various financing alternatives through fund raising in the public or private equity markets, as the Company will need to finance future research and development activities and general and administrative expenses. 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, existing shareholders, as well as on going funding from the Office of the Chief Scientist ("OCS"), (see note 6h).

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

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued):

b. Accounting principles

The consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America ("*U.S. GAAP*"). In June 2009, the Financial Accounting Standards Board ("FASB") issued the FASB Accounting Standards Codification ("Codification" or "ASC"). The Codification became the single authoritative source for U.S. GAAP and changed the way in which the accounting literature is organized. The Codification does not change U.S. GAAP and accordingly its adoption did not have a material impact on the Company's consolidated financial statements

c. Use of estimates in the preparation of financial statements

The preparation of the consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the financial statement date and the reported expenses during the reporting periods. Actual results could differ from those estimates.
As applicable to these consolidated financial statements, the most significant estimates and assumptions relate to stock based compensation.

d. Functional currency

The currency of the primary economic environment in which the operations of the Company are conducted is the US dollar ("*$*" or "*dollar*").

Most of the group's operating expenses are incurred in dollars. Thus, the functional currency of the Company is the dollar.

Transactions and balances originally denominated in dollars are presented at their original amounts. Balances in foreign currencies are translated into dollars using historical and current exchange rates for non-monetary and monetary balances, respectively. For foreign transactions and other items reflected in the statements of operations, the following exchange rates are used: (1) for transactions - exchange rates at transaction dates or average rates and (2) for other items (derived from non-monetary balance sheet items such as depreciation) - historical exchange rates. The resulting transaction gains or losses are carried to financial income or expenses, as appropriate.

For the year ended August 31, 2010, the group recorded $10,650 as financial income derived from exchange rate differences.

e. Principles of consolidation

The consolidated financial statements include the accounts of the Company and its subsidiary. All inter-company transactions and balances have been eliminated in consolidation.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued):

f. Property and equipment

Property and equipment are recorded at cost and depreciated by the straight-line method over the estimated useful lives of the assets.

Annual rates of depreciation are as follows:

	%
Computers and peripheral equipment	33
Office furniture and equipment	15-33

Leasehold improvements are amortized over the term of the lease which is shorter than the estimated useful life of the improvements.

g. Income taxes

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

Regarding the Subsidiary, the recognition is prohibited for a 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

2. Uncertainty in income tax
The Company follows a two-step approach to recognizing and measuring uncertain tax positions. The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates that it is more likely than not that the position will be sustained on audit. The second step is to measure the tax benefit as the largest amount that is more than 50% likely of being realized upon ultimate settlement. Such liabilities are classified as long-term, unless the liability is expected to be resolved within twelve months from the balance sheet date. The Company's policy is to include interest and penalties related to unrecognized tax benefits within income tax expenses.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued):

h. Research and development

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

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

Grants received from the OCS are recognized when the grants become receivable, provided there is reasonable assurance that the Company will comply with the conditions attached to the grant and there is reasonable assurance the grant will be received. The grants are deducted from the related research and development expenses as the costs are incurred. See also note 6h.

i. Cash equivalents

The Company considers all short term, highly liquid investments, which include short-term deposits with original maturities of three months or less from the date of purchase that are not restricted as to withdrawal or use and are readily convertible to known amounts of cash, to be cash equivalents.

j. Comprehensive loss

The Company has no other comprehensive loss components other than net loss for the fiscal years of 2009 and 2010.

k. Loss per share

Basic and diluted net losses per share of common stock are computed by dividing the net loss for the period by the weighted average number of shares of common stock outstanding and shares relating to receipts on account of shares in equity during the period. Outstanding stock options, warrants and convertible notes have been excluded from the calculation of the diluted loss per share because all such securities are anti-dilutive for all periods presented. The total number of common stock options and warrants excluded from the calculation of diluted net loss was 15,584,897 for the year ended August 31, 2010 (18,017,697 for the year ended August 31, 2009).

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued):

l. Impairment in value of long-lived assets

The Company reviews long-lived assets, to be held and used, for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. In the event the sum of the expected future cash flows (undiscounted and without interest charges) of the long-lived assets is less than the carrying amount of such assets, an impairment loss would be recognized, and the assets are written down to their estimated fair values.

m. Stock based compensation

Equity awards granted to employees are 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. The Company estimated forfeitures based on historical experience and anticipated future conditions.

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

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued):

n. Fair value measurement:

On September 1, 2008, the Company adopted the methods of fair value as described in the authoritative guidance issued by the FASB, which defines fair value, establishes a framework for measuring fair value in accordance with GAAP and expands disclosure about fair value measurements to value its financial assets and liabilities. As defined in the guidance, fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, the guidance establishes a fair value hierarchy that prioritizes observable and unobservable inputs used to measure fair value into three broad levels, which are described as follows:

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

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

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

As of August 31, 2009 the only assets or liabilities measured at fair value comprise of derivatives, which have a negligible fair value, measured based on observable prices (level 2).

In order to secure the fulfillment of the Company's obligations under the derivatives agreements, the Company has placed a restricted deposit with the bank in an amount of $16,000.

o. Concentration of credit risks

Financial instruments that subject the Company to credit risk consist primarily of cash and cash equivalents, deposit and short term investments, which are deposited in major financial institutions. The company is in the opinion the credit risk in respect of these balances is remote.

p. Newly issued and recently adopted accounting pronouncements:

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 is not expected to have a material impact on the consolidated financial statements.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued):

q. Reclassifications

Certain figures in respect of prior year have been reclassified to conform to the current year presentation.

NOTE 2 - SHORT TERM INVESTEMNTS:

Amount represents bank deposits with an original maturity of more than three months but less than one year. The bank deposits are in US Dollars and bear interest of 0.4% and 1.4% per annum as of August 31, 2010 and 2009, respectively.

NOTE 3 - FAIR VALUE OF FINANCIAL INSTRUMENTS:

The financial instruments of the Group consist mainly of cash and cash equivalents, current receivables and accounts payable and accruals.

The fair value of the financial instruments included in the working capital of the Group is identical or close to their carrying value.

NOTE 4 - INVESTMENT IN A JOINT VENTURE

b. On June 1, 2010, the subsidiary of the Company entered into an agreement with D.N.A Biomedical Solutions Ltd (formerly, Laser Detect Systems Ltd) ("D.N.A"), an Israeli company, 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. The out-licensed technology differs from Oramed’s main delivery technology that is used for oral insulin and is subject to a different patent application. Entera's initial development effort will be an oral formulation for the treatment of osteoporosis. 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. The agreement also contains customary provisions with respect to preemptive rights, rights of first refusal, drag-along rights, veto rights and information rights.
Mr. Zeev Bronfeld, who is one of D.N.A 's controlling shareholders, is also an affiliated shareholder of the Company.
On August 19, 2010, the closing of the transaction took place and the subsidiary of the Company and Entera entered into the Patent License Agreement. On August 31, 2010, D.N.A. invested $400,000 in Entera.

As of August 31, 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 statement.

NOTE 4 - INVESTMENT IN A JOINT VENTURE (continued)

The Group recognized deferred income at the amount of $200,000 (50% of $400,000) that is presented as a provision and deducted from investment account at the same amount. As of August 31, 2010, Entera's losses from operations are at the amount of $134,049.

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 Company has concluded Entera is a variable interest entity according to of the terms of the JV Agreement. The Company reviewed several factors to determine whether the Company is the primary beneficiary of Entera, including the nature of Entera's financing, its management structure, the nature of day-to-day operations and certain other factors. Based on those factors, the Company determined that it is not the primary beneficiary of Entera. The Company 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:

	August 31 2010
Share in Entera's shareholders	$ 200,000
Currency translation adjustment	(176)
Less - equity losses	(67,025)
	132,799
Less - deferred income	(132,799)
Net investment	-,-

NOTE 5 - PROPERTY AND EQUIPMENT, Net:

a. Composition of property and equipment, grouped by major classifications, is as follows:

	August 31	
	2010	**2009**
Cost:		
Leasehold improvements	$ 76,029	$ 76,029
Office furniture and equipment	19,941	19,941
Computers and peripheral equipment	25,333	25,333
	121,303	121,303
Less - accumulated depreciation and amortization	77,804	45,942
	$ 43,499	$ 75,361

b. Depreciation expenses totaled $31,862 and $30,488 in the years ended August 31, 2010 and 2009, respectively.

NOTE 6 - COMMITMENTS:

i. Under the terms of the First Agreement with Hadasit (note 1a 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”) to provide for the closing referenced in the First Agreement. In the Second Agreement, Hadasit confirms that it has conveyed, transferred and assigned all of its ownership rights in the patents acquired under the First Agreement 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.

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 August 31, 2010 was $359,255.

j. The Subsidiary has entered into operating lease agreements for vehicles used by its employees for a period of 3 years.

The lease expenses for the years ended August 31, 2010 and 2009 were $37,583 and $44,092, respectively. The future lease payments under the lease agreement are $39,292, $22,945 and $13,047 for the years ending August 31, 2011, 2012 and 2013, respectively.

As security for its obligation under the lease agreements the Subsidiary deposited $9,010, which are classified as long term deposits.

k. 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 August 31, 2010 the monthly payment in the Company's functional currency is $628, 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.

l. As to a Clinical Trial Manufacturing Agreement with Swiss Caps AG, see note 8a.

NOTE 6 - COMMITMENTS (continued):

m. 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 though August 31, 2010, of that $30,000 were paid for completing the three first milestones.

n. 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 ($133,040) of which €12,195 ($16,806) was paid through August 31, 2010 and additional $38,147 are presented as accounts payables.

o. 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 $35,589 are presented as accounts payables.

p. 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.

q. Grants from the Chief Scientist Office ("OCS")

The subsidiary is committed to pay royalties to the Government of Israel on proceeds from sales of products in the research and development of which the Government participates by way of grants.
At the time the grants were received, successful development of the related projects was not assured. In case of failure of a project that was partly financed as above, the company is not obligated to pay any such royalties.

Under the terms of the company’s funding from the Israeli Government, royalties of 3%-3.5% are payable on sales of products developed from a project so funded, up to 100% of the amount of the grant received by the company (dollar linked) with the addition of annual interest at a rate based on LIBOR.

On August 31, 2010, the subsidiary has not yet realized any revenues from the said project and did not incur any royalty liability.
For the years ended August 31, 2010, and 2009, and for the period from inception on April 12, 2002 through August 31, 2010, the research and development expenses are presented net of OCS Grants, in the total amount of $350,198 and $400,405 and $750,603,respectively.

NOTE 7 - STOCK HOLDERS' EQUITY:

The Company's shares are traded on the Over-The-Counter Bulletin Board.

The following are capital stock transactions that took place during the years ended August 31, 2010 and 2009:

a. As to shares issued as part of stock based compensation plan see Note 8.

b. As to a Clinical Trial Manufacturing Agreement with Swiss Caps AG, see note 8a.

NOTE 8 - STOCK BASED COMPENSATION:

On October 15, 2006, the Company's Board of Directors adopted the 2006 Stock Option Plan (the "2006 Stock Option Plan").

On May 5, 2008, the Company's Board of Directors adopted the 2008 Stock Option Plan (the "2008 Stock Option Plan").

Under both plans 11,000,000 shares have been reserved for the grant of options, which may be issued at the discretion of the Company's Board of Directors from time to time. Under these plans, each option is exercisable into one share of common stock of the Company.

The options may be exercised after vesting and in accordance with vesting schedules which will be determined by the board of directors for each grant. The maximum term of the options is 10 years.

The fair value of each stock option grant is estimated at the date of grant using a Black Scholes option pricing model. The volatility is based on a historical volatility, by statistical analysis of the daily share price for past periods. The expected term is the length of time until the expected dates of exercising the options, based on estimated data regarding employees' exercise behavior.

NOTE 8 - STOCK BASED COMPENSATION (continued):

The following are stock options and warrants transactions made during the years ended August 31, 2009 and 2010:

a. On October 30, 2006 the Company entered into a Clinical Trial Manufacturing Agreement with Swiss Caps AG ("*Swiss*"), pursuant to which Swiss would manufacture and deliver the oral insulin capsule developed by the Company. In consideration for the services being provided to the Company by Swiss, the Company agreed to pay a certain predetermined amounts which are to be paid in common stocks of the Company, the number of stocks to be issued is based on the invoice received from Swiss, and the stock market price 10 days after the invoice is issued. During the years ended on August 31 2010 and 2009, the Company issued 388,724 and 203,904 shares of its common stock, respectively, to Swiss as remuneration for the services provided in the amount of $198,850 and $113,210, respectively.

b. On October 12, 2008, 828,000 options were granted to an employee of the subsidiary, at an exercise price of $0.47 per share (equivalent to the traded market price on the date of grant). The options vest in three equal annual installments commencing on November 1, 2009 and expire on October 11, 2018. On March 31, 2009 the employee ended his services with the Company and the options were forfeited before they had vested. The Company recognized an expense of $71,406 during the six months ended February 28, 2009 and reversed that expense in the three months ended May 31, 2009.

c. On October 12, 2008, 56,000 options were granted to an employee of the subsidiary, at an exercise price of $0.47 per share (equivalent to the traded market price on the date of grant). The options vest in two equal annual installments commencing on May 1, 2009 and expire on October 11, 2018.

d. On January 11, 2009, an aggregate of 600,000 options were granted to two Board of Directors members and 150,000 options were granted to an employee of the subsidiary. All 750,000 options were granted at an exercise price of $0.43 per share (equivalent to the traded market price on the date of grant). The options vest in three equal annual installments commencing on January 1, 2010 and expire on January 10, 2019. On May 31, 2009 the employee ended his services with the Company and the options were forfeited before they had vested. During the year ended August 31, 2009, the Company recognized an expense of $4,354 related to the options granted to the employee and reversed that expense during the same year.

e. On January 11, 2009, an aggregate of 300,000 options were granted to three Scientific Advisory Board members, at an exercise price of $0.76 per share (higher than the traded market price on the date of grant). The options vest in four equal quarterly installments commencing on April 1, 2009 and expire on January 10, 2019.

f. On June 3, 2009, 400,000 options were granted to an employee of the subsidiary, at an exercise price of $0.47 per share (equivalent to the traded market price on the date of grant). The options vest in three equal annual installments, commencing October 19, 2010, and expire on October 19, 2019.

g. On August 20, 2009, 100,000 options were granted to an employee of the subsidiary, at an exercise price of $0.42 per share (equivalent to the traded market price on the date of grant). The options vest in three equal annual installments commencing August 20, 2010, and expire on August 20, 2019.

NOTE 8 - STOCK BASED COMPENSATION (continued):

h. On November 23, 2009, 100,000 options were granted to a consultant, at an exercise price of $0.76 per share (higher than the traded market price on the date of grant), the options vest in three equal annual installments commencing November 23, 2010 and expire on November 23, 2014. The engagement with the consultant has ended during the nine months period ended May 31, 2010. The fair value of these options on the date of grant, was $36,662, using the Black Scholes option-pricing model and was based on the following assumptions: dividend yield of 0% for all years; expected volatility of 123.30%; risk-free interest rates of 2.20%; and the remaining contractual life of 5 years. The Company recorded all expenses in respect of these options during that period.

i. On November 23, 2009, 36,000 options were granted to an employee of the Subsidiary, at an exercise price of $0.46 per share (equivalent to the traded market price on the date of grant), the options vest in three equal annual installments commencing November 23, 2010, and expire on November 23, 2019. The fair value of these options on the date of grant was $14,565, using the Black Scholes option-pricing model and was based on the following assumptions: dividend yield of 0% for all years; expected volatility of 123.55%; risk-free interest rates of 2.55%; and the remaining contractual life of 6 years.

j. On December 29, 2009, the Company issued 100,000 shares of its common stock to a third party as remuneration for services rendered and to be rendered during the six month period commencing December 15, 2009. The fair value of these shares on the date of issuance was $37,000.

k. On March 16, 2010, 13,200 options were granted to a consultant, at an exercise price of $0.43 per share (equivalent to the traded market price on the date of grant), the options vest in six monthly installments commencing March 30, 2010 and expire on March 15, 2015. The fair value of these options on the date of grant, was $4,747, using the Black Scholes option-pricing model and was based on the following assumptions: dividend yield of 0% for all years; expected volatility of 121.61%; risk-free interest rates of 2.37%; and the remaining contractual life of 5 years.

l. On March 16, 2010, 100,000 options were granted to a consultant, at an exercise price of $0.43 per share (equivalent to the traded market price on the date of grant), the options vest in three equal monthly installments commencing March 30, 2010 and expire on March 15, 2015. The fair value of these options on the date of grant, was $35,960, using the Black Scholes option-pricing model and was based on the following assumptions: dividend yield of 0% for all years; expected volatility of 121.61%; risk-free interest rates of 2.37%; and the remaining contractual life of 5 years.

m. On March 16, 2010, 50,000 options were granted to a consultant, at an exercise price of $0.50 per share (higher than the traded market price on the date of grant), the options vest in three equal annual installments commencing March 16, 2011 and expire on March 15, 2015. The fair value of these options on the date of grant, was $17,702, using the Black Scholes option-pricing model and was based on the following assumptions: dividend yield of 0% for all years; expected volatility of 121.61%; risk-free interest rates of 2.37%; and the remaining contractual life of 5 years.

n. On March 25, 2010, 100,000 options were granted to a consultant, at an exercise price of $0.50 per share (higher than the traded market price on the date of grant), the options vest in four equal quarterly installments commencing May 17, 2010 and expire on March 24, 2015. The fair value of these options on the date of grant, was $39,051, using the Black Scholes option-pricing model and was based on the following assumptions: dividend yield of 0% for all years; expected volatility of 121.21%; risk-free interest rates of 2.65%; and the remaining contractual life of 5 years.

NOTE 8 - STOCK BASED COMPENSATION (continued):

o. On April 21, 2010, an aggregate of 1,728,000 options were granted to Nadav Kidron, the Company's President, Chief Executive Officer and director, and Miriam Kidron, the Company's Chief Medical and Technology Officer and director, both are related parties, at an exercise price of $0.49 per share (equivalent to the traded market price on the date of grant), 216,000 of the options vested immediately on the date of grant and the remainder will vest in twenty one equal monthly installments. These options expire on April 20, 2020. The fair value of these options on the date of grant was $807,392, using the Black Scholes option-pricing model and was based on the following assumptions: dividend yield of 0% for all years; expected volatility of 120.69%; risk-free interest rates of 3.77%; and expected lives of 10 years.

p. On July 8, 2010, 300,000 options were granted to a director at an exercise price of $0.48 per share (equivalent to the traded market price on the date of grant). The options vest in three equal annual installments commencing on July 8, 2011 and will expire on July 7, 2020. The fair value of these options on the date of grant, was $123,890, using the Black Scholes option-pricing model and was based on the following assumptions: dividend yield of 0% for all years; expected volatility of 117.82%; risk-free interest rates of 2.14%; and the remaining contractual life of 6 years.

q. On August 2, 2010, the Company issued 50,000 shares of its common stock to a third party as remuneration for services to be rendered during the six month period commencing July 14, 2010. The fair value of these shares on the date of issuance was $21,000.

The fair value of each option grant is estimated on the date of grant using the Black Scholes option-pricing model with the following assumptions:

	For options granted in the year ended August 31	
	2010	**2009**
Expected option life (years)	4.5-10.0	1.0-9.8
Expected stock price volatility (%)	113.1-130.5	113.1-130.5
Risk free interest rate (%)	1.3-3.9	0.7-3.6
Expected dividend yield (%)	0.0	0.0

NOTE 8 - STOCK BASED COMPENSATION (continued):

A summary of the status of the stock options granted to employees and directors as of August 31, 2010 and 2009, and changes during the years ended on those dates, is presented below:

	Year ended August 31,			
	2010		2009	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
		$		$
Options outstanding at beginning of year	8,445,360	0.31	7,289,360	0.29
Changes during the year:				
Granted - at market price	2,064,000	0.49	2,134,000	0.45
Expired	(500,000)	0.76		
Forfeited			(978,000)	0.46
Options outstanding at end of year	10,009,360	0.32	8,445,360	0.31
Options exercisable at end of year	7,549,360		7,001,360	
Weighted average fair value of options grantedduring the year	$ 0.46		$ 0.45	

Costs incurred in respect of stock based compensation for employees and directors, for the years ended August 31, 2010 and 2009 were $690,882 and $436,025, respectively.

The following table presents summary information concerning the options outstanding as of August 31, 2010:

Range of exercise prices	Number outstanding	Weighted Average Remaining Contractual Life	Weighted average exercise price	Aggregate intrinsic value
$		Years	$	$
0.001	3,361,360	1.95	0.001	1,307,569
0.40 to 0.62	6,648,000	5.31	0.32	-
	10,009,360	4.18	0.21	1,307,569

NOTE 8 - STOCK BASED COMPENSATION (continued):

The following table presents summary information concerning the options exercisable as of August 31, 2010:

Range of exercise prices	Number exercisable	Weighted Average Remaining Contractual Life	Weighted average exercise price	Aggregate intrinsic value
$		Years	$	$
0.001	3,361,360	1.95	0.001	1,307,569
0.40 to 0.62	4,188,000	3.99	0.49	-
	7,549,360	3.08	0.27	1,307,569

As of August 31, 2010, there were $601,523 unrecognized compensation costs related to non-vested employees and directors ,to be recorded over the next 35 months.

A summary of the status of the stock options granted to non-employees as of August 31, 2010, and changes during the years ended on this date, is presented below:

	Year ended August 31			
	2010		2009	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
		$		$
Options outstanding at beginning of year	1,200,000	0.68	900,000	0.65
Changes during the year:				
Granted - at market price	113,200	0.43		
Granted - at an exercise price above market Price	250,000	0.60	300,000	0.76
Expired	(750,000)	(0.64)		
Options outstanding at end of year	813,200	0.63	1,200,000	0.68
Options exercisable at end of year	313,200		900,000	

The Company recorded stock compensation of $116,944 and $117,174 during the years ended August 31, 2010 and 2009 respectively, related to consulting services.

NOTE 8 - STOCK BASED COMPENSATION (continued):

The following table presents summary information concerning the options granted to non-employees outstanding as of August 31, 2010:

Range of exercise prices	Number outstanding	Weighted Average Remaining Contractual Life	Weighted average exercise price	Aggregate intrinsic value
$		Years	$	$
0.40 to 0.62	363,200	3.54	0.78	-
0.76 to 0.90	450,000	6.18	0.51	-
	813,200	5.00	0.63	-

The following table presents summary information concerning the options exercisable as of August 31, 2010:

Range of exercise prices	Number exercisable	Weighted Average Remaining Contractual Life	Weighted average exercise price	Aggregate intrinsic value
$		Years	$	$
0.40 to 0.62	263,200	3.15	0.52	-
0.76 to 0.90	50,000	0.92	0.90	-
	313,200	2.80	0.58	-

As of August 31, 2010 there were $29,884 unrecognized compensation costs related to non-vested non-employees, to be recorded over the next 31 months.

NOTE 9 - ACCOUNTS PAYABLE AND ACCRUED EXPENSES:

	Year ended August 31,	
	2010	2009
Service providers	$ 381,522	$ 274,291
Tax provisions		12,504
Payroll and related expenses	29,808	34,549
	$ 411, 330	$ 321,344

NOTE 10 - RESEARCH AND DEVELOPMENT EXPENSES:

	Year ended August 31,		Period from April 12, 2002 (inception) through August 31,
	2010	2009	2010
Clinical trials	$ 905,206	$ 1,304,779	$ 3,273,311
Payroll and consulting fees	402,145	286,315	1,122,696
Costs for registration of patents	32,992	17,775	151,457
Compensation costs in respect of warrants granted to employees, directors and consultants	341,203	264,861	2,557,866
Other	132,538	100,749	337,814
Less - grants from the OCS	(350,198)	(400,405)	(750,603)
	$ 1,463,886	$ 1,574,074	$ 6,692,540

NOTE 11 - GENERAL AND ADMINISTRATIVE EXPENSES

	Year ended August 31		Period from April 12, 2002 (inception) through August 31,
	2010	2009	2010
Compensation costs in respect of warrants granted to employees, directors and consultants	$ 466,623	$ 288,338	$ 1,612,937
Professional services	322,447	240,523	1,334,249
Consulting fees	159,919	155,359	640,597
Travel costs	67,543	94,844	419,425
Write off of debt			275,000
Business development	151,517	73,286	379,160
Payroll and related expenses	159,485	190,923	434,878
Insurance	23,958	25,068	72,656
Other	157,175	141,703	513,521
	$ 1,508,667	$ 1,210,044	$ 5,682,423

NOTE 12 - TAXES ON INCOME:

Taxes on income included in the consolidated statements of operations represent current taxes due to taxable income of the US Company and its subsidiary.

a. Corporate taxation in the U.S.

The applicable corporate tax rate for the Company is 35%.

As of August 31, 2010, the Company has an accumulated tax loss carryforward of approximately $3,979,276 (August 31, 2009 approximately $3,606,510). Under USA tax laws, carryforward tax losses expire 20 years after the year in which it incurred, in the case of the Company the net loss carryforward will expire in the years 2025 through 2028.

b. Corporate taxation in Israel:

The Subsidiary is taxed in accordance with Israeli tax laws. The regular corporate tax rate in Israel for 2010 is 25%.

On July 23, 2009, the Economic Efficiency (Legislation Amendments to the Implementation of the Economic Plan for the Years 2009 and 2010) Law, 2009 (hereinafter – the 2009 Amendment) was published in the Official Gazette. Inter alia, the 2009 Amendment provides for a further gradual reduction of the corporate tax rate in tax years 2011 and thereinafter, as follows: 2010 -25%, 2011 - 24%, 2012 - 23%, 2013 - 22%, 2014 - 21%, 2015 - 20% and 2016 and thereinafter - 18%.

As of August 31, 2010, the Subsidiary has an accumulated tax loss carryforward of approximately $2,664,091(August 31, 2009 approximately $1,115,041).

NOTE 12 - TAXES ON INCOME (continued):

c. Deferred income taxes:

	August 31	
	2010	**2009**
In respect of:		
Net operating loss carryforward	$ 1,978,850	$ 1,507,587
Less - Valuation allowance	(1,978,850)	(1,507,587)
Net deferred tax assets	-,-	-,-

Realization of deferred tax assets is dependent upon sufficient future taxable income during the period that deductible temporary differences and carryforwards are expected to be available to reduce taxable income. As the achievement of required future taxable income is uncertain, the Company recorded a full valuation allowance.

d. Income loss before taxes on income and income taxes included in the income statements:

	Year ended August 31		Period from April 12, 2002 (inception) through August 31,
	2010	**2009**	**2010**
Loss before taxes on income:			
U.S.	$ 453,676	$ 248,890	$ 7,587,802
Outside U.S.	2,508,729	2,514,181	5,385,876
	2,962,405	2,763,071	12,973,678
Taxes on income:			
Current:			
U.S.	13,107	16,664	69,570
Outside U.S.	1,864	(19,261)	104,968
	$ 14,971	$ (2,597)	$ 174,538

NOTE 12 - TAXES ON INCOME (continued):

e. Reconciliation of the theoretical tax expense to actual tax expense

Following is a reconciliation of the theoretical tax expense, assuming all income is taxed at the regular tax rates applicable to companies in U.S., and the actual tax expense:

	Year ended August 31		Period from April 12, 2002 (inception) through August 31,
	2010	2009	2010
Loss before income taxes as reported in the consolidated statement of operations	$(2,962,405)	$(2,763,071)	$(12,811,516)
Computed "expected" tax benefit	(1,036,842)	(967,075)	(4,484,031)
Increase (decrease) in income taxes resulting from:			
Change in the balance of the valuation allowance for deferred tax losses	576,939	528,143	2,229,483
Disallowable deductions	211,304	149,043	1,642,813
Increase in taxes resulting from different tax rates applicable to non U.S. subsidiary	248,599	270,879	554,239
Uncertain tax position	14,971	16,413	162,034
Taxes on income for the reported year	$ 14,971	$ (2,597)	$ 174,538

f. Uncertainty in Income Taxes

The Company adopted FIN 48 effective September 1, 2007. FIN 48 requires significant judgment in determining what constitutes an individual tax position as well as assessing the outcome of each tax position. Changes in judgment as to recognition or measurement of tax positions can materially affect the estimate of the effective tax rate and consequently, affect the operating results of the Company. The Company had no unrecognized tax benefits as of September 1, 2007. As a result of the implementation of FIN 48 the Company recoded an additional provision for income taxes in the amount of $130,650 due to uncertainty in its tax position. The Company recognizes interest and penalties related to its tax contingencies as income tax expense. As of August 31, 2010 and 2009, the Company recorded $65,151 and $47,881, respectively, of penalties related to tax contingencies.

The following table summarizes the activity of the Company unrecognized tax benefits:

	Year ended August 31	
	2010	2009
Balance at Beginning of Year	$ 147,063	$ 130,650
Increase (decrease) in tax positions for prior years	14,971	8,844
Increase in tax positions for current year		7,569
Balance at End of Year	$ 162,034	$ 147,063

NOTE 12 - TAXES ON INCOME (continued):

The Company do not expect unrecognized tax expenses to change significantly over the next 12 months.

The Company is subject to Israeli income tax examinations and to U.S. Federal income tax examinations for the tax years of 2002 through 2008. As of August 31, 2009, the Company did not record any change to its unrecognized tax benefits.

NOTE 13 - RELATED PARTIES - TRANSACTIONS:

a. During the fiscal years of 2010 and 2009 the Company paid to directors $19,500 and $16,000, respectively, for managerial services.

b. As to the agreements with Hadassit, see note 6a.

c. On July 1, 2008, the subsidiary entered into a consulting agreement with KNRY Ltd. ("KNRY"), an Israeli company owned by Nadav Kidron, whereby Mr. Nadav Kidron, through KNRY, will provide services as President and Chief Executive Officer of both Oramed and the subsidiary (the "Nadav Kidron Consulting Agreement"). Additionally, on July 1, 2008, the subsidiary entered into a consulting agreement with KNRY whereby Dr. Miriam Kidron, through KNRY, will provide services as Chief Medical and Technology Officer of both Oramed and the subsidiary (the "Miriam Kidron Consulting Agreement" and together with the Nadav Kidron Consulting Agreement, the "Consulting Agreements"). The Consulting Agreements replaced the employment agreements entered into between the Company and KNRY, dated as of August 1, 2007, pursuant to which Nadav Kidron and Miriam Kidron, respectively, provided services to Oramed and the subsidiary. The Consulting Agreements are both terminable by either party upon 60 days prior written notice. The Consulting Agreements provide that KNRY (i) will be paid, under each of the Consulting Agreements, in New Israeli Shekels ("NIS") a gross amount of NIS50,400 per month (as of August 31, 2010 the monthly payment in the Company's functional currency is $13,204) and (ii) will be reimbursed for reasonable expenses incurred in connection with performance of the Consulting Agreements.

d. As to options granted to related parties, see note 8o.

e. As to the establishment of the Joint Venture Entera, see note 4.

f. According to the JV agreement (note 4), Entera will rent office space and services from the subsidiary of the Company for a period of up to 24 months commencing August 19, 2010, for a non-refundable, up-front fee in the amount of $36,000. It was acknowledged that the rental period may be less than 24 months if Oramed vacates such premises before the end of such 24-month period.

g. According to the JV agreement (note 4), the subsidiary of the Company shall provide accounting services to Entera at a monthly fee in the amount of NIS 3,500 ($917).

h. Balances with related parties:

	August 31	
	2010	**2009**
Current assets - related parties - Entera	7,689	-
Accounts payable and accrued expenses - KNRY	22,773	26,450

NOTE 14 - SUBSEQUENT EVENTS

d. On November 9, 2010, the Company issued 253,714 shares of its common stock to Swiss as remuneration for the services provided, in the amount of $88,880.

e. 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.

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 13. *OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION*

The following is a statement of expenses to be incurred by Oramed Pharmaceuticals Inc. in connection with the distribution of the securities registered under this registration statement:

	Amount
SEC fee	$ 439
Legal fees and expenses	$ 30,000
Accountant's fees and expenses	$ 11,800
Printing expenses	$ 700
Miscellaneous	$ 2,061
Total	$ 45,000

ITEM 14. *INDEMNIFICATION OF DIRECTORS AND OFFICERS*

Delaware law generally permits us to indemnify our directors, officers, employees and agents. A Delaware corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) by reason of the fact that the person is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by the person in connection with such action, suit or proceeding if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe the person's conduct was unlawful. With respect to actions by or in the right of the corporation, no indemnification shall be made with respect to any claim, issue or matter as to which such person shall have been adjudged to be liable to the corporation unless and only to the extent that the Court of Chancery or the court in which such action or suit is brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper. A director or officer who is successful, on the merits or otherwise, in defense of any proceeding subject to the Delaware corporate statutes' indemnification provisions shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith.

Delaware law provides that expenses incurred by an officer or director in defending any civil, criminal, administrative or investigative action, suit or proceeding may be paid by the corporation in advance of the final disposition of the action, suit or proceeding upon receipt of an undertaking by or on behalf of the director or officer to repay the amount if it is ultimately determined that he or she is not entitled to be indemnified by the corporation. A Delaware corporation has the discretion to decide whether or not to advance expenses, unless provided otherwise in its certificate of incorporation or by-laws.

Our bylaws provide that we shall indemnify our directors and officers to the fullest extent authorized under Delaware law, and that we will advance expenses to any officer or director in advance of the final disposition of the proceeding upon receipt of an undertaking by or on behalf of the director or officer to repay the amount if it is ultimately determined that he or she is not entitled to be indemnified by us.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Company under Delaware law or otherwise, the Company has been advised that the opinion of the SEC is that such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable.

We entered into indemnification agreements with our directors and officers pursuant to which we agreed to indemnify each director and officer for any liability he or she may incur by reason of the fact that he or she serves as our director or officer, to the maximum extent permitted by law.

We expect to maintain standard policies of insurance that provide coverage to our directors and officers against loss rising from claims made by reason of breach of duty or other wrongful act.

ITEM 15. ***RECENT SALES OF UNREGISTERED SECURITIES***

Over the past three years, we have issued and sold the following securities without registration under the Securities Act:

On February 12, 2007, we issued unsecured convertible debentures, in the amount of $125,000, to Epsom Investment Services. All of any portion of the amounts due under the debenture may be converted at any time, at the option of the holder, into 250,000 shares of our common stock at a conversion price of $0.50 per share.

On June 15, 2007, we issued to certain selling stockholders, in a private placement, 3,600,000 units of our securities at a price of $0.50 per unit for aggregate proceeds of $1,800,000. Each unit consists of one share of common stock and one three-year warrant, each warrant exercisable into one share of common stock at an exercise price of $0.75 per share. We issued the units to seven non-U.S. persons (as that term is defined in Regulation S of the Securities Act) in an offshore transaction relying on Regulation S and/or Section 4(2) of the Securities Act. These warrants expired on June 15, 2010.

On August 2, 2007, we issued to certain selling stockholders, in a private placement, 510,000 units at a purchase price of $0.50 per unit for aggregate proceeds of $255,000. Each unit consisted of one share of common stock and one three-year warrant, each warrant exercisable into one share of common stock at an exercise price of $0.75 per share. We also issued 10,000 shares of common stock to one non-US individual as a finder's fee pursuant to an offshore transaction relying on Regulation S and/or Section 4(2) of the Securities Act. We issued the units to six non-U.S. persons (as that term is defined in Regulation S of the Securities Act) in an offshore transaction relying on Regulation S and/or Section 4(2) of the Securities Act.

On September 7, 2007, we issued 283,025 shares of common stock, valued at $113,210, to Swiss Cap AG, for services rendered in the prior year.

On November 8, 2007, we issued 10,000 shares as a finder's fee to Shikma A M R LTD, valued at $2,900.

On July 14, 2008 we completed a private placement to 29 accredited investors pursuant to which we sold to the investors an aggregate of 8,524,669 shares of common stock at a purchase price of $0.60 per share. The investors also received three-year warrants to purchase an aggregate of 4,262,337 shares of common stock at an exercise price of $0.90 per share. We paid $85,000 to a director as a finder's fee and issued an aggregate of 143,333 shares of common stock to four other individuals as finder's fees in connection with the private placement.

On October 17, 2008, we issued 203,904 shares of common stock valued at $152,928 to Swiss Cap AG, for services rendered in the prior year.

On September 11, 2009, we issued 569,887 shares of our common stock to Swiss Cap AG as remuneration for services rendered during 2009, in the amount of $203,699.

On December 29, 2009, we issued 328,110 shares of common stock, valued at $169,500, to Swiss Cap AG for services rendered in the prior year.

On December 29, 2009, we issued 100,000 shares of common stock, valued at $12,500, to a third party for services that will be rendered in the six months beginning December 15, 2009.

On April 29, 2010, we issued 25,510 shares of common stock, valued at $12,500, to a third party for services rendered.

On July 22, 2010, we issued 35,104 shares of common stock, valued at $16,850, to a third party for services rendered.

On August 2, 2010, we issued 50,000 shares of common stock, valued at $21,000, to a third party for services that will be rendered in the six months beginning July 14, 2010.

In September 2010 and January 2011, we issued 353,714 shares of our common stock ("Shares"), in the aggregate, valued at $119,800, to a third party as remuneration for services rendered.

Between November 2010 and March 2011, we completed a private investment with a number of “accredited investors” as defined in Rule 501(a) of Regulation D, pursuant to which we agreed to sell to the investors an aggregate of 9,706,250 units at a purchase price of $0.32 per unit for total consideration of $3,106,000. Each unit consisted of one share of common stock and a five-year warrant to purchase 0.35 of a share of common stock at an exercise price of $0.50 per Share.

Over the past three years, we issued options to purchase 3,350,000 shares of common stock under the 2006 Plan, with a weighted average exercise price of $0.57. Of these options, 1,650,000 have expired, none of the options have been exercised for shares of our common stock and the remaining 1,700,000 are currently outstanding. We have also issued options to purchase 6,739,200 shares of common stock under the 2008 Plan, with a weighted average exercise price of $0.44. Of these options, 978,000 have been forfeited, none have been exercised for shares of our common stock and the remaining 2,238,800 are currently outstanding. On August 14, 2007 the Company granted options to purchase up to 3,361,360 shares at an exercise price of $0.001 for five years to Dr. Miriam Kidron. Of these options, none have been forfeited, none have been exercised for shares of our common stock and options to purchase 3,361,360 shares remain outstanding.

The proceeds of all the foregoing sales were used to finance the research and development of our products and for general corporate purposes. We believe that all of the foregoing sales qualified for exemption under Section 4(2) of the Securities Act since the issuance of the securities by us did not involve a public offering. The offerings were not “public offerings” as defined in Section 4(2) due to the type of investors, the insubstantial number of investors involved in the offering, the size of the offering, the manner of the offering and number of securities offered. In addition, these securityholders represented as to the necessary investment intent as required by Section 4(2). Some of the foregoing sales qualified as offshore transactions under Regulations S promulgated under the Securities Act. We did not employ an underwriter in connection with the issuance of the securities described above. For a list of the selling stockholders, please see *"Selling Stockholders"* above.

ITEM 16. ***EXHIBITS AND FINANCIAL STATEMENT SCHEDULES***

(a) Exhibits.

The exhibits filed with this registration statement are set forth on the “*Exhibit Index*” set forth elsewhere herein.

(b) Financial Statement Schedules.

Schedules filed with this registration statement are set forth on the “*Index to Financial Statements*” set forth elsewhere herein.

ITEM 17. ***UNDERTAKINGS***

The undersigned Registrant hereby undertakes:

To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) to include any prospectus required by Section 10(a)(3) of the Securities Act;

(ii) to reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than 20 percent change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement; and

(iii) to include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.

That, for the purpose of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

That, for the purpose of determining liability under the Securities Act to any purchaser:

(A) Each prospectus filed by a Registrant pursuant to Rule 424(b)(3) shall be deemed to be part of the registration statement as of the date the filed prospectus was deemed part of and included in the registration statement; and

(B) Each prospectus required to be filed pursuant to Rule 424(b)(2), (b)(5) or (b)(7) as part of a registration statement in reliance on Rule 430B relating to an offering made pursuant to Rule 415(a)(1)(i), (vii) or (x) for the purpose of providing the information required by Section 10(a) of the Securities Act shall be deemed to be part of and included in the registration statement as of the earlier of the date such form of prospectus is first used after effectiveness or the date of the first contract of sale of securities in the offering described in the prospectus. As provided in Rule 430B, for liability purposes of the issuer and any person that is at that date an underwriter, such date shall be deemed to be a new effective date of the registration statement relating to the securities in the registration statement to which the prospectus relates, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof. *Provided, however*, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such effective date, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such effective date.

That, for the purpose of determining liability of the Registrant under the Securities Act to any purchaser in the initial distribution of the securities, the undersigned Registrant undertakes that in a primary offering of securities of the undersigned Registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned Registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:

(i) Any preliminary prospectus or prospectus of the undersigned Registrant relating to the offering required to be filed pursuant to Rule 424;

(ii) Any free writing prospectus relating to the offering prepared by or on behalf of the undersigned Registrant or used or referred to by the undersigned Registrant;

(iii) The portion of any other free writing prospectus relating to the offering containing material information about the undersigned Registrant or its securities provided by or on behalf of the undersigned Registrant; and

(iv) Any other communication that is an offer in the offering made by the undersigned Registrant to the purchaser.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Jerusalem, Israel on the 24 day of March, 2011.

Oramed Pharmaceuticals Inc.

By: /s/ Nadav Kidron

Name: Nadav Kidron

Title: President, Chief Executive Officer and Director

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints each of Nadav Kidron and Yifat Zommer, as his true and lawful attorney-in-fact and agent, each with full power of substitution, for the undersigned in any and all capacities, to sign any and all amendments to this Registration Statement (including post-effective amendments or any abbreviated registration statement and any amendments thereto filed pursuant to Rule 462(b) increasing the number of securities for which registration is sought), and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, with full power of each to act alone, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully for all intents and purposes as the undersigned might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or his or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed below by the following persons in the capacities indicated:

Signature	Title	Date
/s/ *Nadav Kidron* Nadav Kidron	President, Chief Executive Officer and Director (principal executive officer)	March 24, 2011
/s/ *Yifat Zommer* Yifat Zommer	Chief Financial Officer, Treasurer and Secretary (principal financial and accounting officer)	March 24, 2011
/s/ *Miriam Kidron* Miriam Kidron	Chief Medical and Technology Officer and Director	March 24, 2011
/s/ *Leonard Sank* Leonard Sank	Director	March 24, 2011
/s/ *Harold Jacob* Harold Jacob	Director and Member of the Scientific Advisory Board	March 24, 2011
/s/ *Michael Berelowitz* Michael Berelowitz	Director	March 24, 2011

EXHIBIT INDEX

Exhibit No.	Description
3.1	Certificate of Incorporation (incorporated by reference from our current report on Form 8-K filed March 14, 2011).
3.2	Bylaws (incorporated by reference from our current report on Form 8-K filed March 14, 2011).
4.1*	Specimen Stock Certificate.
5.1*	Opinion of Blank Rome LLP.
5.2*	Opinion of Snell & Wilmer L.L.P.
10.1	Form of Securities Purchase Agreement for February 6, 2006 private placement (incorporated by reference from our current report on Form 8-K filed February 6, 2006).
10.2	Agreement between our company and Hadasit Medical Services and Development Ltd. dated February 17, 2006 concerning the acquisition of U.S. patent application 60/718716 (incorporated by reference from our current report on Form 8-K filed February 17, 2006).
10.3	Consulting Agreement between our company and Dr. Miriam Kidron (incorporated by reference from our current report on Form 8-K filed February 17, 2006).
10.4	Agreement between our company and Swiss Caps Ag dated October 30, 2006 (incorporated by reference from our current report on Form 8-K filed October 26, 2006).
10.5	Stock Option Plan dated October 15, 2006 (incorporated by reference from our current report on Form 8-K filed on November 28, 2006).
10.6	Stock Option Agreement dated November 23, 2006 (incorporated by reference from our current report on Form 8-K filed on November 28, 2006).
10.7	Form of subscription agreement and warrant certificate (incorporated by reference from our current report on Form 8-K filed on June 18, 2007).
10.8	Form of Shares for Services agreement (incorporated by reference from our current report on Form 8-K filed on August 3, 2007).
10.9	Master Services Agreement dated January 29, 2008 between Oramed Pharmaceuticals Inc. and OnQ Consulting (incorporated by reference from our current report on Form 8-K filed on February 1, 2008).
10.10	Consulting Agreement by and between Oramed Ltd. and KNRY, Ltd. entered into as of July 1, 2008 for the services of Nadav Kidron (incorporated by reference from our current report on Form 8-K filed on July 2, 2008).
10.11	Consulting Agreement by and between Oramed Ltd. and KNRY, Ltd. entered into as of July 1, 2008 for the services of Miriam Kidron (incorporated by reference from our current report on Form 8-K filed on July 2, 2008).
10.12	Oramed Pharmaceuticals Inc. 2008 Stock Incentive Plan (incorporated by reference from our current report on Form 8-K filed on July 2, 2008).

10.13	Form of Notice of Stock Option Award and Stock Option Award Agreement (incorporated by reference from our current report on Form 8-K filed on July 2, 2008).
10.14	Form of Stock Purchase Agreement (incorporated by reference from our current report on Form 8-K filed on July 15, 2008).
10.15	Form of Warrant Certificate (incorporated by reference from our current report on Form 8-K filed July 15, 2008).
10.16	Employment Agreement, dated as of April 19, 2009, by and between Oramed Ltd. and Yifat Zommer (incorporated by reference from our current report on Form 8-K filed on April 22, 2009).
10.17	Agreement dated April 22, 2009, between Oramed Ltd. and ADRES Advanced Regulatory Services Ltd. (incorporated by reference from our current report on Form 8-K filed April 22, 2009).
10.18	Agreement dated July 8, 2009, between our company and Hadasit Medical Services and Development Ltd. (incorporated by reference from our current report on Form 8-K filed July 9, 2009).
10.19	Agreement dated January 7, 2009, between our company and Hadasit Medical Services and Development Ltd. (incorporated by reference from our current report on Form 8-K filed January 7, 2009).
10.20	Agreement dated June 1, 2010, between Oramed Ltd and LASER Detect Systems Ltd (incorporated by reference from our current report on Form 10-Q filed July 14, 2010).
10.21	Manufacturing Supply Agreement dated July 5, 2010, between Oramed Ltd. and Sanofi-Aventis Deutschland GMBH (incorporated by reference from our current report on Form 8-K filed July 14, 2010).
10.22	Securities Purchase Agreement, between Oramed Pharmaceuticals Inc. and Attara Fund, Ltd., dated as of December 21, 2010 (incorporated by reference from our current report on Form 10-Q filed January 13, 2011).
10.23	Common Stock Purchase Warrant issued to Attara Fund, Ltd. on January 10, 2011 (incorporated by reference from our current report on Form 10-Q filed January 13, 2011).
10.24*	Share Purchase Agreement dated February 22, 2011, between Oramed Ltd. and D.N.A Biomedical Solutions Ltd.
10.25*	Patent Transfer Agreement dated February 22, 2011, between Oramed Ltd. and Entera Bio Ltd.
10.26*	Form of Securities Purchase Agreement used in 2010-2011 private placement round.
10.27*	Form of Common Stock Purchase Warrant used in 2010-2011private placement round.
10.28	Form of Indemnification Agreements dated March 11, 2011, between our company and each of our directors and officers (incorporated by reference from our definitive proxy statement on Schedule 14A filed on January 31, 2011)..
23.1*	Consent of Kesselman & Kesselman, certified public accountants in Israel, a member of PricewaterhouseCoopers International.
23.2*	Consent of Malone & Bailey, PC –Certified Public Accountants.
23.3*	Consent of Blank Rome LLP. (contained in Exhibit 5.1).
23.4*	Consent of Snell & Wilmer L.L.P. (contained in Exhibit 5.2)

24.1*	Power of Attorney (included in the signature pages hereto).

* Filed herewith.

NUMBER
OP 00030

INCORPORATED DELAWARE

SHARES
XXXXXXXXXX

ORAMED PHARMACEUTICALS INC.

INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE

SEE REVERSE FOR CERTAIN DEFINITIONS

COMMON STOCK

CUSIP 68403P 10 4

THIS CERTIFIES THAT:

SPECIMEN

IS THE OWNER OF

FULLY PAID AND NON-ASSESSABLE SHARES OF COMMON STOCK OF $.001 PAR VALUE EACH OF

ORAMED PHARMACEUTICALS INC.

transferable on the books of the Corporation in person or by attorney upon surrender of this certificate duly endorsed or assigned. This certificate and the shares represented hereby are subject to the laws of the State of Nevada, and to the Articles of Incorporation and Bylaws of the Corporation, as now or hereafter amended. This certificate is not valid until countersigned by the Transfer Agent.

DELAWARE

WITNESS the facsimile seal of the Corporation and the facsimile signatures of its duly authorized officers.

DATED:

ORAMED PHARMACEUTICALS INC. CORPORATE SEAL 2002 DELAWARE NEVADA

PRESIDENT & CEO

COUNTERSIGNED:
CONTINENTAL STOCK TRANSFER & TRUST COMPANY
JERSEY CITY, NJ
TRANSFER AGENT

BY: XXXXXXXXXXXXXXXXXXXXXX

AUTHORIZED OFFICER

The following abbreviations, when used in the inscription on the face of this certificate, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM - as tenants in common
TEN ENT - as tenants by the entireties
JT TEN - as joint tenants with right of survivorship and not as tenants in common

UNIF GIFT MIN ACT - .....Custodian.....
(Cust) (Minor)
under Uniform Gifts to Minors Act.....
(State)

Additional abbreviations may also be used though not in the above list.

For Value Received, _____ hereby sell, assign and transfer unto

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

_____

(PLEASE PRINT OR TYPE NAME AND ADDRESS, INCLUDING ZIP CODE, OF ASSIGNEE)

_____

_____

_____ *Shares of the stock represented by the within Certificate, and do hereby irrevocably constitute and appoint*

_____ *Attorney to transfer the said stock on the books of the within named Corporation with full power of substitution in the premises.*

Dated _____

NOTICE: THE SIGNATURE TO THIS ASSIGNMENT MUST CORRESPOND WITH THE NAME AS WRITTEN UPON THE FACE OF THE CERTIFICATE IN EVERY PARTICULAR, WITHOUT ALTERATION OR ENLARGEMENT OR ANY CHANGE WHATSOEVER.

THE SIGNATURE TO THE ASSIGNMENT MUST CORRESPOND TO THE NAME AS WRITTEN UPON THE FACE OF THIS CERTIFICATE IN EVERY PARTICULAR, WITHOUT ALTERATION OR ENLARGEMENT OR ANY CHANGE WHATSOEVER, AND MUST BE GUARANTEED BY A COMMERCIAL BANK OR TRUST COMPANY OR A MEMBER FIRM OF A NATIONAL OR REGIONAL OR OTHER RECOGNIZED STOCK EXCHANGE IN CONFORMANCE WITH A SIGNATURE GUARANTEE MEDALLION PROGRAM.

BLANK ROME LLP
COUNSELORS AT LAW

March 24, 2011

Oramed Pharmaceuticals Inc.
Hi-Tech Park 2/5 Givat Ram
P.O. Box 39098
Jerusalem 91390
Israel

Dear Sir/Madam:

We have acted as counsel to Oramed Pharmaceuticals Inc., a Delaware corporation (the "Company"), in connection with preparation and filing of a Registration Statement on Form S-1 with the Securities and Exchange Commission under the Securities Act of 1933, as amended (the "Securities Act") (as may be amended from time to time, the "Registration Statement"), relating to the offer and sale by certain selling stockholders of (i) 10,028,000 shares (the "Shares") of the Company's common stock, $0.001 par value per share ("Common Stock"), and (ii) 3,965,217 shares (the "Warrant Shares") of Common Stock issuable upon the exercise of warrants issued by the Company (the "Warrants"), pursuant to the Registration Statement.

On March 8, 2011, the Company adopted a Plan of Conversion pursuant to which the Company converted from a Nevada corporation to a Delaware corporation pursuant to Section 265 of the General Corporation Law of the State of Delaware, as amended, and Section 92A.120 of the Nevada Revised Statutes, as amended (the "Plan of Conversion"). In connection with the Plan of Conversion, the Company filed a Certificate of Conversion (the "Certificate of Conversion") dated March 8, 2011 with the Secretary of State of the State of Delaware and an Articles of Conversion (the "Articles of Conversion") dated March 8, 2011 with the Secretary of State of the State of Nevada.

As a basis for rendering the opinion contained herein, we have examined the following documents: (i) the Registration Statement, (ii) the Plan of Conversion and the Certificate of Conversion, (iii) the Certificate of Incorporation and Bylaws of the Company, and (iv) resolutions of the Board of Directors of the Company. We have also examined and relied upon the original or certified copies of such records of the Company and such agreements, certificates of public officials, certificates of officers or representatives of the Company and others, and such other documents as we deem relevant and necessary as a basis for the opinion hereinafter expressed. In such examination, we have assumed, without inquiry, the legal capacity of all natural persons, the authenticity of all documents submitted to us as originals, the genuineness of all signatures on original documents, the conformity with originals of all documents submitted to us as certified or photostatic copies, and the correctness of all statements of fact contained in the

documents examined. We have also assumed that the books and records of the Company are maintained in accordance with proper corporate procedures. As to various questions of fact material to our opinion, we have relied upon statements or certificates of public officials, certificates of officers or representatives of the Company and others.

The opinions expressed herein are limited to the laws of the State of Delaware in effect on the date hereof, and we express no opinion as to the effect on the matters covered by this letter of the laws of any other jurisdiction. Insofar as our opinion pertains to matters of Nevada law, we have relied exclusively on the opinion of Snell & Wilmer L.L.P. dated as of the date hereof.

Based upon the foregoing, it is our opinion that the Shares were validly issued and are fully paid and non-assessable and the Warrant Shares, when sold, paid for and issued as contemplated by the terms of the Warrants, will be validly issued, fully paid and non-assessable under the laws of the State of Delaware.

We hereby consent to the filing of this opinion as Exhibit 5 to the Registration Statement and to the reference to this firm under the caption "Legal Matters" in the Prospectus constituting part of the Registration Statement. In giving this consent, we do not thereby concede that we are in the category of persons whose consent is required under Section 7 of the Securities Act or the General Rules and Regulations thereunder. This opinion letter is limited to the matters set forth herein, and no opinion may be inferred or implied beyond the matters expressly set forth herein. This opinion letter is not a guaranty nor may one be inferred or implied. This opinion letter speaks as of the date hereof, and we disclaim any undertaking to advise you of any subsequent changes of the facts stated or assumed herein or of any subsequent changes in applicable law or the interpretation thereof.

Very truly yours,

/s/ Blank Rome LLP

BLANK ROME LLP

EXHIBIT 5.2

OPINION OF COUNSEL

Snell & Wilmer L.L.P.
600 Anton Boulevard
Suite 1400
Costa Mesa, California 92626-7689
TELEPHONE: (714) 427-7000
FACSIMILE: (714) 427-7799

March 24, 2011

Oramed Pharmaceuticals Inc.
Hi-Tech Park 2/5 Givat Ram
PO Box 39098
Jerusalem, 91390, Israel

Re: Registration Statement on Form S-1

Ladies and Gentlemen:

We have acted as special Nevada counsel to Oramed Pharmaceuticals Inc., a Delaware corporation (the "**Company**"), in connection with its Registration Statement on Form S-1 (the "**Registration Statement**"), relating to the proposed resale by the selling stockholders named in the prospectus made part of the Registration Statement (collectively, the "**Selling Stockholders")** of up to 13,993,217 shares of the Company's common stock (the "**Shares**"), comprised of (i) 10,028,000 Shares (the "**Outstanding Shares**") that were purchased by certain of the Selling Stockholders in transactions with the Company pursuant to exemptions from the registration requirements of the Securities Act of 1933 as amended (the "**Securities Act**"**)**; and (ii) 3,965,217 shares of common stock (the "**Warrant Shares**") which may be issued to certain of the Selling Stockholders upon the exercise of issued and outstanding warrants to purchase shares of the Company's common stock (the "**Warrants**"), as more specifically described in the prospectus made part of the Registration Statement.

On March 8, 2011, the Company adopted a Plan of Conversion ("**Plan of Conversion**") pursuant to which the Company converted from a Nevada corporation to a Delaware corporation pursuant to Section 265 of the General Corporation Law of the State of Delaware, as amended, and Section 92A.120 of the Nevada Revised Statutes, as amended (the "**Conversion**"). In connection with the Plan of Conversion, the Company filed a Certificate of Conversion dated March 8, 2011 with the Secretary of State of the State of Delaware on March 10, 2011, and Articles of Conversion (the "**Articles of Conversion**"), dated March 8, 2011, with the Secretary of State of the State of Nevada on March 10, 2011.

In connection with rendering this opinion, we have examined the Plan of Conversion and the Articles of Conversion. We have also examined and relied upon the original or certified copies of such records of the Company and such agreements, certificates of public officials, certificates of officers or representatives of the Company and others, and such other documents as we deem relevant and necessary as a basis for the opinion hereinafter expressed. In such examination, we have assumed the genuineness of signatures not witnessed, the authenticity of all documents, instruments and certificates submitted to us as originals or copies or unexecuted forms, and the exact conformity with the executed originals of all documents, instruments, and certificates submitted to us as copies or unexecuted forms. We have also assumed that the books and records of the Company are maintained in accordance with proper corporate procedures. As to various questions of fact material to our opinion, we have relied upon statements or certificates of public officials, certificates of officers or representatives of the Company and others.

In connection with this opinion, we have examined and relied upon the Company's Articles of Incorporation; the Company's Bylaws; the Registration Statement and related prospectus; and such corporate records of the Company and such other instruments and other certificates of public officials, officers and representatives of the Company and such other persons, and we have made such investigations of law, as we have deemed appropriate as a basis for the opinions expressed below. In addition, we have assumed and have not independently verified the accuracy as to factual matters of each document we have reviewed.

We are opining only on the matters expressly set forth herein, and no opinion should be inferred as to any other matter. The law covered by the opinions expressed herein is limited to the laws of the State of Nevada. This opinion letter is delivered as of its date and without any undertaking to advise you of any changes of law or fact that occur after the date of this opinion letter even though the changes may affect the legal analysis, a legal conclusion or information confirmed in this opinion letter.

Based on the foregoing, and the matters discussed below, after having given due regard to such issues of law as we deemed relevant, we are of the opinion that (i) the Articles of Conversion were duly filed with the Secretary of State of the State of Nevada, (ii) the Plan of Conversion is effective under the laws of the State of Nevada, (iii) immediately prior to the filing of the Articles of Conversion with the Secretary of State of the State of Nevada, the Outstanding Shares were validly issued, fully paid and non-assessable, (iv) immediately prior to the filing of the Articles of Conversion with the Secretary of State of the State of Nevada, the Warrants were valid and legally binding obligations of the Company enforceable against the Company in accordance with their terms, and (v) the Warrant Shares, if sold, paid for and issued as contemplated by the terms of the Warrants immediately prior to the filing of the Articles of Conversion, would have been validly issued, fully paid and non-assessable.

We express no opinion as to the applicability of, compliance with, or effect of any laws except the laws of the State of Nevada, including such laws as set forth in Chapters 78 and 92A of the Nevada Revised Statutes, applicable provisions of the Nevada Constitution and reported judicial decisions interpreting these laws. We assume no obligation to supplement this letter if any applicable laws change after the date of this letter with possible retroactive effect, or if any facts or events occur or come to our attention after the date of this letter that might change any of the opinions expressed above.

We are furnishing this opinion to the Company solely in connection with the Registration Statement. We hereby consent to the filing of this opinion as an exhibit to the Registration Statement and to the reference to our firm's name under the caption "**Legal Matters**" and elsewhere in the Registration Statement and related prospectus of the Company, including documents incorporated by reference. In giving such consent, we do not hereby concede that we are within the category of persons whose consent is required under Section 7 of the Act or the Rules and Regulations of the Commission thereunder. This opinion is furnished by us, as special Nevada counsel to the Company, in accordance with the requirements of Item 601(b)(5) of Regulation S-K under the Act and, except as provided in this paragraph, is not to be used, circulated or quoted for any other purpose; provided, however, we understand and agree that Blank Rome LLP may rely upon this opinion as if it were an addressee hereof for the purpose of providing the opinion to be delivered by such firm in connection with the Registration Statement.

Very truly yours,

Snell & Wilmer L.L.P.

/s/ Snell & Wilmer L.L.P.

SHARE PURCHASE AGREEMENT

This Share Purchase Agreement ("**Agreement**") is entered into as of the 22nd day of February, 2011 between D.N.A Biomedical Solutions Ltd. a public company duly registered under the laws of the State of Israel, with offices at Shimon Hatarasi 43, Tel Aviv 62492, Company Number 51-3600056 (the "**Company**") and, Oramed Ltd. a private company duly registered under the laws of the State of Israel with offices at Hi-Tech Park 2/5 Givat Ram, PO Box 39098, Jerusalem 91390 Israel, Company Number 51-3976712 ("**Oramed**") (the Company and Oramed shall be referred to hereinafter, each as a "**Party**" and collectively as the "**Parties**").

WITNESSETH:

WHEREAS Entera Bio Ltd. is a private company duly registered under the laws of the State of Israel with offices at Avishai 3 Jerusalem 93149, Israel, Company Number 51-4330604 ("**Entera**") that operates in the development of oral delivery drugs for certain indications namely for the treatment of osteoporosis;

WHEREAS The Company and Oramed each hold 50% of Entera's share capital respectively;

WHEREAS Entera's outstanding share capital consists of 30,000 ordinary shares, NIS 0.01 par value each, of Entera (the "**Ordinary Shares**").

WHEREAS Oramed agrees to sell and transfer 14,100 Ordinary Shares in Entera to the Company (the "**Oramed Shares**"), so that Oramed will be left with 900 Ordinary Shares of Entera, reflecting three percent (3%) of Entera's outstanding share capital on an undiluted basis;

WHEREAS The Company agrees to purchase the Oramed Shares for the Consideration amount set forth in Section 7.2.1 below;

WHEREAS The Company further agrees to issue to Oramed the Company Shares in accordance with the terms and conditions set forth herein;

WHEREAS The Company has agreed to participate in a private placement of Oramed's parent company, Oramed Pharmaceuticals Inc. ("**Parent**"), a Nevada corporation, in an amount of US $250,000 pursuant to the Securities Purchase Agreement attached hereto as **Exhibit A** (the "**Oramed SPA**"), which has been executed between the Company and Parent (the "**Oramed Private Placement**") on the date hereof;

WHEREAS Oramed and Entera have executed the Patent Transfer Agreement on the date hereof; and

WHEREAS the Audit Committee and Board of Directors of the Company and the Board of Directors of each of Oramed and Parent have approved the respective transactions to which they are parties.

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth herein, the Parties hereby agree as follows:

1. **PREAMBLE AND INTERPRETATION**

1.1 The Preamble to this Agreement and the Annexes attached hereto form an integral part hereof.

1.2 The headings of the clauses of this Agreement have been inserted for the convenience of the Parties only and they shall not be used for the interpretation of the Agreement.

2. **DEFINITIONS**

2.1. The following expressions as used in this Agreement will bear the meaning set out opposite them, unless otherwise expressly stated or unless the context requires otherwise:

"Agreement"	Shall mean this Agreement together with any and all annexes and schedules attached hereto.
"Articles of Association"	Shall mean the Articles of Association of each respective Party to this Agreement.
"Closing"	As described in Section 7 below.
"Company Shares"	Shall mean 8,404,667 ordinary shares of the Company whose aggregate value equals that of US $700,000, based on the representative exchange rate between the U.S. dollar and the NIS published by the Bank of Israel on February 21, 2011. This reflects a price per share of NIS 0.30 per share.
"Company"	As defined in the preamble of this Agreement.
"Consideration"	As described in Section 7.2.1 below.
"Entera"	As defined in the recitals of this Agreement.
"ISA"	Israeli Securities Authority.
"Oramed Shares"	As defined in the recitals of this Agreement.
"Oramed"	As defined in the preamble of this Agreement.
"Oramed Private Placement"	As defined in the recitals of this Agreement.
"Oramed SPA"	As defined in the recitals of this Agreement.
"Ordinary Shares"	The ordinary shares, NIS 1.00 par value each, of Entera.
"Parent"	As defined in the recitals of this Agreement.
"Party/ies"	Shall mean the Company and/or Oramed.
"Patent and Transfer Agreement"	Shall mean the Patent and Transfer Agreement, attached hereto as **Exhibit B**, entered into between Oramed and Entera on the date hereof.
"TASE"	Tel Aviv Stock Exchange.

3. **TRANSACTION**

At the Closing, Oramed shall transfer the Oramed Shares to the Company for the Consideration amount set forth in Section 7.2.1 below. The Company shall issue to Oramed the Company Shares for the Consideration as defined in this Agreement.

4. **CLOSING CONDITIONS**

The Closing is subject to the satisfaction (or waiver by the intended beneficiary) of the following conditions and the actions set forth in Section 7.2:

4.1. The effectiveness of the Patent and Transfer Agreement; and

4.2. The consummation of the Oramed Private Placement.

5. **ORAMED REPRESENTATIONS AND WARRANTIES**

Oramed hereby represents and warrants to the Company as follows on the date hereof and as of the Closing.

5.1. Oramed is a company duly organized and validly existing under the laws of the State of Israel with the requisite corporate power and authority to enter into and to consummate the transactions contemplated by the this Agreement and otherwise to carry out its obligations hereunder. This Agreement has been duly executed by Oramed, and when delivered by Oramed in accordance with terms hereof, will constitute the valid and legally binding obligation of Oramed, enforceable against it in accordance with its terms, subject to laws of general application relating to bankruptcy, insolvency and the relief of debtors.

5.2. Signing this Agreement does not constitute a breach of Oramed's Articles of Association, and, to the best of the Oramed's knowledge, it does not violate the provisions of law or of any agreement or of any competent authority, and does not require any approval or any other third party consent.

5.3. The Oramed Shares are free of any liens and/or any third party debts.

5.4. But for the representations actually made in this Agreement, Oramed represents that it is aware that the Company Shares are allocated "AS IS" without any further representations by the Company and/or its directors and/or its shareholders.

5.5. Oramed represents that it is capable of evaluating the merits and risks of the transactions contemplated hereunder, and that it shall solely bear all such economic risks.

5.6. Oramed recognizes that its investment involves a high degree of risk, and has required knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of its investment and has the ability to bear the economic risks of its investment and the potential loss of its entire investment.

5.7. Oramed further warrants that it has considered and shall solely bear the tax implications which apply to it in connection of the execution of its investment and that the Company has not presented it with any representation in accordance with such tax implications.

5.8. Oramed hereby acknowledges that the Company Shares are subject to a resale restriction pursuant to applicable Israeli law and regulations.

5.9. As of the date of this Agreement Oramed does not hold any ordinary shares of the Company.

5.10. Conflicts. Neither the authorization, execution and delivery of this Agreement 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 Oramed's Articles of Incorporation (ii) violate any judgment, order, injunction, decree or award of any court or governmental body, having jurisdiction over Oramed, against or binding on Oramed or to which its property is subject, or (iii) violate, conflict with or result in the breach or termination of, or constitute a default under, the terms of any material agreement to which Oramed 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 Oramed.

5.11. Filings, Consents and Approvals. To the best of Oramed's knowledge no registration or filing with, or consent or approval of or other action by, any government agency under laws and regulations thereof as now in effect is or will be necessary for the sale and delivery of the Oramed Shares.

5.12. The representations and warranties contained in this Section 5 regarding Oramed is true and correct in all material respects.

5.13. Company Reliance. Oramed expressly acknowledges and agrees that the Company is relying upon Oramed's representations contained in this Agreement.

6. **COMPANY REPRESENTATIONS AND WARRANTIES**

The Company hereby represents and warrants to Oramed as follows on the date hereof and as of the Closing.

6.1. Organization. The Company is a company duly organized and validly existing under the laws of the State of Israel. 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.

6.2. Corporate Authority; Enforceability. The Company has full right, power and authority to issue the Company Shares as herein contemplated and the Company has full power and authority to enter into and perform its obligations under this Agreement. The execution and delivery of this Agreement and the consummation of the transactions contemplated herein have been duly authorized and approved by all requisite corporate action, and this Agreement is a valid and legally binding obligation of the Company. This Agreement has been duly executed by the Company and, when delivered in accordance with the terms thereof, will constitute the valid and binding obligation of the Company enforceable against them in accordance with its terms, subject to laws of general application relating to bankruptcy, insolvency and the relief of debtors. Subject to the resale restrictions under the relevant securities laws, the Company Shares, when issued by the Company, will be duly and validly issued, fully paid and nonassessable, and free and clear of all liens.

6.3. Conflicts. Neither the authorization, execution and delivery of this Agreement 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 Articles of Incorporation (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 or, (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.

6.4. Capitalization. The authorized capital of the Company as of the date hereof consists of 200,000,000 ordinary shares, of which there were (i) 133,197,419 issued and outstanding as of the date hereof as fully paid and nonassessable shares; (ii) options and/or warrants to purchase 792,001 ordinary shares; and (iii) employee and directors options to purchase 4,351,789 ordinary shares. All of the outstanding shares of share capital of the Company are validly issued, fully paid and nonassessable. The issuance of the Company Shares 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 Oramed through no action of the Company. Notwithstanding the aforesaid, pursuant to the Creditors Settlement, dated March 9, 2010 attached hereto as **Schedule 6.4** (**"Creditors Settlement"**), additional Company equity may be issued. Other than a verbal understanding between Mr. Zeev Bronfeld and Mr. Meni Mor, each a controlling shareholder of the Company, to act in concert with respect to the ordinary shares of the Company held by each of them, there are no shareholders agreements, voting agreements or other similar agreements with respect to the Company's share capital to which the Company is a party or, to the knowledge of the Company, between or among any of the Company's shareholders, including Oramed.

6.5. Litigation. Excluding suits and or proceedings pursuant to the Creditors Settlement and an appeal brought against the Company by a former employee of the Company, to the best of Company's knowledge 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.

6.6. 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.

6.7. Filings, Consents and Approvals. Except for the requisite approval of the TASE and/or the ISA to the best of the Company's knowledge no registration or filing with, or consent or approval of or other action by, any 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 this Agreement, and the issuance, sale and delivery of the Company Shares. All reports delivered by the Company in accordance to applicable TASE and ISA regulations were true and correct and did not contain any misleading information as such term is defined in the Israel Securities Law 1968.

6.8. Absence of Changes. The ordinary shares of the Company are listed on the TASE. No order ceasing, halting or suspending trading in the ordinary shares or prohibiting the sale of the ordinary shares 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 ordinary shares on or from the TASE.

6.9. Offering. The offer, issue, and sale of the Company Shares contemplated hereby are exempt from the prospectus requirements of under the Israeli Securities Law, 5728-1968. 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. The Company has not offered or sold its ordinary shares or related derivative securities to more than 35 investors (excluding qualified institutional investors) during the past 12 months.

6.10. Disclosure. All disclosure provided to Oramed with regard to the representations and warranties contained in this Section 6 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.

6.11. Oramed Reliance. The Company expressly acknowledges and agrees that Oramed is relying upon the Company's representations contained in this Agreement.

7. CLOSING

7.1. The closing shall take place at Victor Tshuva & Co. – Law Offices, at Level 8, S.A.P Building, Hayezira 3, Ramat Gan, Israel at 11:00 A.M. (Israel time) on the first business day following the satisfaction of all the closing conditions set forth herein, or on such other date and place as the Parties' mutually agree upon orally or in writing (the "**Closing**"). If the Closing shall not have occurred on or prior to March 31, 2011, then Oramed shall have the right to terminate this Agreement and the transactions contemplated hereby.

7.2. At the Closing, the following actions shall take place:

7.2.1 The Company shall pay the "**Consideration**" which shall consist of the following:

7.2.1.1 The Company shall execute and deliver to Oramed a Promissory Note, in the form attached hereto as **Schedule 7.2.1.1**, in the principal amount of US $450,000.

7.2.1.2 The Company shall issue the Company Shares in favor of the Company's registration company ("חברה לרישומים") instructing the registration company to register the Company Shares to Oramed's bank account as described below:

Bank Leumi
Bank Address: Har Hachozvim, Hartum 7 Jerusalem, Israel
Routing Number - IL010856
Swift No: LUMIILITXXX
IBAN il950109680000053550084
Account Title/Beneficiary: Oramed Ltd
Account Number: 53550084

7.2.2 The Company shall transfer US $250,000 to Parent in the Oramed Private Placement.

7.2.3 Parent shall deliver to the Company an executed warrant to purchase 781,250 shares of common stock of Parent in the form attached to the Oramed SPA and a copy of its instructions to its transfer agent to issue the 273,438 shares of common stock of Parent pursuant to the Oramed SPA.

7.2.4 Oramed shall deliver to the Company an executed Share Transfer Deed for the Oramed Shares, in the form attached hereto as **Schedule 7.2.4**.

7.2.5 Resolutions of the Audit Committee and Board of Directors of the Company, the Board of Directors of each of Oramed and Parent and the Board of Directors and shareholders of Entera authorizing the applicable party to enter into this Agreement and approving the respective transactions to which they are parties shall be delivered to the Parties.

7.2.6 Shareholders' resolutions of the Company authorizing it to enter into this Agreement and, approving the transactions contemplated by this Agreement shall be delivered to Oramed.

7.2.7 The Company shall deliver to Oramed a copy of the approval of the TASE for the listing of the Company Shares.

7.2.8 Each of the Parties and Entera shall execute and deliver an instrument of termination and mutual release in respect of the Joint Venture Agreement among them, dated June 1, 2010.

7.2.9 In connection with this Agreement, Entera shall have amended its articles of association to remove the special rights of Oramed.

7.2.10 All the actions at the Closing and all transactions occurring at the Closing shall be deemed to take place simultaneously, and no transaction shall be deemed to have been completed and no document or certificate shall be deemed to have been delivered, until all transactions are completed and all documents as ascribed hereinabove have been delivered.

8. TAXES

Each Party will bear the taxes applicable to it as a result of this transaction under this Agreement.

9. GOVERNING LAW AND JURISDICTION

This Agreement, its interpretation, validity and breach shall be governed exclusively by the laws of the State of Israel, without regard to its conflict of laws rules, the competent courts of Tel Aviv-Jaffa shall have exclusive jurisdiction in the resolution of any dispute relating to this Agreement.

10. MISCELLANEOUS

10.1. Entire Agreement. This Agreement and the annexes attached hereto fully embraces the legal relationship between the Parties, and no previous agreements, memoranda of agreements, letters, negotiations, promises, consents, undertakings, representations, warranties or documents which were applied, exchanged, or signed, whether written or oral, by or between any of the Parties prior to the signing of this Agreement shall have any force or effect with respect to the subject matter hereof.

10.2. Further Cooperation. The Parties agree to execute any and all documents necessary in order to consummate, implement and give full force and effect to this Agreement, and to all matters, things and transactions envisaged and contemplated herein including, but not limited to, filings with governmental or regulatory bodies, powers of attorney, corporate resolutions and such other documentation as may be reasonably necessary from time to time.

10.3. Severability. If one or more provisions of this Agreement is held to be unenforceable under applicable law, such provision shall be excluded from this Agreement, and the balance of the Agreement shall be interpreted as if such provision were so excluded and shall be enforceable in accordance with its terms; provided, however, that in such event this Agreement shall be interpreted so as to give effect, to the greatest extent consistent with and permitted by applicable law, to the meaning and intention of the excluded provision as determined by such court of competent jurisdiction.

10.4. Counterparts; Facsimile. This Agreement may be executed at one or more times and in any number of counterparts, including counterparts executed or delivered by fax or other electronic transmission, each of which containing the signature of any of the Parties shall be deemed an original, but all of which together shall constitute one and the same instrument. The original of any copy of this Agreement executed with an original signature and transmitted via facsimile or other electronic transmission shall be deemed valid.

10.5. Amendments and Waivers. The failure of any Party at any time or times to require performance of any provision hereof or to enforce any right with respect thereto, shall in no manner affect the right of such Party at a later time to enforce the same and shall in no way be construed to be a waiver of such provision or right. Any term of this Agreement may be amended and the observance of any term of this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively), only with the written consent of the Party against whom enforcement of any such amendment or waiver is sought.

10.6. Notices. All notices and other communications given or made pursuant hereto shall be in writing and shall be deemed effectively given: (i) upon personal delivery to the party to be notified, (ii) when sent by confirmed electronic mail or facsimile if sent during normal business hours of the recipient; if not, then on the next business day, (iii) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (iv) one (1) day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All communications shall be sent to the respective parties at the addresses set forth in this Agreement (or at such other addresses as shall be specified by notice given in accordance with this Section 10.7).

[Signature Page to Follow]

IN WITNESS WHEREOF the parties have signed this Agreement as of the date first set forth above.

:/s/ Zeev Bronfeld /s/ Meni Mor	/s/ Nadav Kidron
D.N.A Biomedical Solutions Ltd.	Oramed Ltd.
By: Zeev Bronfeld and Meni Mor	By: Nadav Kidron
Title: Directors	Title: CEO

EXHIBIT B
Patent Transfer Agreement

SCHEDULE 6.4
Creditors Settlement

SCHEDULE 7.2.1.1
Promissory Note

SCHEDULE 7.2.4
Share Transfer Deed

Patent Transfer Agreement

This Patent Transfer Agreement (this "**Agreement**"), made and entered into as of the 22nd day of February, 2011 and effective on the date of the Closing (as defined below) (the "**Effective Date**"), by and between **Oramed Ltd.**, a company organized under the laws of the State of Israel with principal offices at Hi-Tech Park 2/5 Givat-Ram, PO Box 39098, Jerusalem 91390, Israel ("**Oramed**"), and **Entera Bio Ltd.**, a company organized under the laws of the State of Israel with principal offices at Avishai 3 Jerusalem 93149, Israel, ("**Entera**"; Oramed and Entera shall be referred to individually as a "**Party**" and together as the "**Parties**")

WITNESSETH: THAT

WHEREAS, the Parties have entered into a Patent License Agreement dated August 19, 2010 (the "**Original Agreement**"), attached hereto as **Exhibit A-1**, pursuant to which Oramed granted to Entera certain rights in respect of the Patent (hereinafter defined); and

WHEREAS, this Agreement constitutes Exhibit A to that certain Share Purchase Agreement by and between Oramed and D.N.A. Biomedical Solutions Ltd. ("**DNA**"), attached hereto as **Exhibit A-2** (the "**Share Purchase Agreement**"); and

WHEREAS, the Parties wish, subject to and conditional upon all the Conditions Precedent (hereinafter defined) to replace the Original Agreement with the terms set forth herein, according to which Oramed shall assign the Patent to Entera and Entera shall grant Oramed an exclusive right and license under the Patent in respect of the Licensed Fields under the terms set forth in this Agreement;

NOW, THEREFORE, subject to the terms and conditions hereof, in consideration of the mutual covenants contained herein, the Parties agree as follows:

1. **Definitions**

1.1. "**Conditions Precedent**" means all of the conditions set forth in Section 2.1 below.

1.2. "**Closing**" shall have the same meaning as defined in the Share Purchase Agreement.

1.3. "**Intellectual Property Rights**" means all (a) Licensed Patents, patents, patent applications and patent rights; (b) rights associated with works of authorship, including copyrights, copyrights applications, copyrights restrictions, mask work rights, mask work applications and mask work registrations; (c) rights relating to the protection of "know how", trade secrets, and confidential information; and (d) any and all patents, or applications, or divisions, continuations, continuation in part, renewals, reissues and extensions of the foregoing (as applicable) now existing or hereafter filed, issued, or acquired or claiming the benefit or priority of the applications of Licensed Patents.

1.4. "**Licensed Field**" means Diabetes and Influenza.

1.5. **"Net Revenues"** shall mean the gross revenues generated and actually received by Entera, directly or indirectly, from the sales, lease or other transfer of the Licensed Patent and/or of any products covered by the Licensed Patent and/or related services and/or any other exploitation of the Licensed Patent, less (i) research and development expenses incurred by Entera that directly relate to the Patent or the products that generated such revenues, and all sales and marketing expenses and manufacturing and production of product costs (COGS) incurred by Entera that directly relate to such revenues, in each case as reflected in Entera's audit financial statements in accordance with the accounting standards used by Entera, and (ii) the amounts paid by Entera, which are separately stated on the corresponding invoice or receipt and directly applicable to the Patent or products and services covered by it, as the case may be, for VAT or similar taxes, freight charges, export packing and crating expenses, cost of returned products, wholesale discounts and quantity discounts. The fair market value of non-monetary consideration received in connection with the foregoing, shall be calculated based on the fair market value of such consideration or transaction assuming an arm's length transaction made in the ordinary course of business.

1.6. "**Patent**" means the patent application in PCT which Oramed filed under international publication number WO 2010/020978A1 entitled "Methods and Compositions for Oral Administration of Proteins" and which was published on February 25, 2010 by the International Bureau of the World Intellectual Property Organization (WIPO) attached as **Exhibit B** hereto, including all inventions and discoveries identified in it, and any continuation, continuation in part, divisional, re-issue, re-examination and substitution applications of any of the foregoing; all applications of any of the foregoing, together with all patents which may issue based thereon filed in any and all jurisdictions worldwide.

2. **Closing.**

2.1. Conditions Precedent. The obligations of each Party under this Agreement are subject to the fulfillment on or before the Closing of each of the below conditions (the **"Conditions Precedent"**):

2.1.1. The Closing of the Share Purchase Agreement shall occur simultaneously with the consummation of this Agreement.

2.1.2. Oramed, Entera and DNA shall terminate that certain Joint Venture Agreement, entered into on June 1, 2010 as amended on August 15, 2010.

2.2. DNA shall have received shareholders approval necessary to fulfill all of the respective obligations set forth under this Agreement.

2.2.1. The shareholders of Entera shall have amended and restated the Amended and Restated Articles of Association of Entera to the reasonable satisfaction of DNA pursuant to which all special shareholder's rights of Oramed (including, but not limited to, pre-emptive rights, right of first refusal, veto rights, appointment of members of the board of directors) shall be cancelled.

2.3. Actions at Closing. The following actions shall occur at the Closing: All documents shall have been delivered and executed that are required pursuant to this Agreement, including such documents required for the amendment of the applications and filings relating to the Patent with all relevant patent offices in any applicable jurisdiction to reflect the assignment of the Patent to Entera.

To the extent that by or upon the Closing not all Conditions Precedent have been met, this Agreement shall be null and void and the Original Agreement shall continue to apply without change. On the Effective Date, each of the Parties, for and on behalf of itself and its successors and assigns, shall be deemed to have released the other Party and its officers, directors, shareholders, employees, agents, representatives, successors and assigns, from any and all actions, claims and/or demands which they respectively may now have, ever had and/or may in the future have against each other arising out of and/or in connection with the Original Agreement and the transactions contemplated thereunder.

3. **Patent Assignment**. Upon and subject to the Closing, Oramed shall assign to Entera all its right, title and interest in and to the Patent, free and clear of any kind of lien, mortgage, security interest or other encumbrance, and execute and deliver the Transfer Deed attached hereto as **Exhibit C**. To the extent required after the Closing, Oramed shall execute, verify and deliver such additional documents as Entera may reasonably request for use in applying for, obtaining, perfecting, evidencing, sustaining and enforcing the said Patent assignment. In the event Oramed does not sign any document required in connection with the said assignment, as aforesaid, Oramed hereby irrevocably designates and appoints the chief executive officer of Entera as its agent and attorney in fact, solely to act for and on Oramed's behalf to execute, verify and file any such documents and to perform all other lawfully permitted acts solely for the purpose of assigning the rights to the Patent (including, without limitation, amendment of filings with relevant patent offices), provided that such individual provides Oramed with a copy of each and every document that is signed, as aforesaid, concurrently with the execution thereof. Concurrently with the Closing, Oramed shall transfer to Entera a copy of all documentation in Oramed's possession relating to the Patent (including, but not limited to, all applications made worldwide, and all correspondence with patent offices, legal advisors and patent attorneys). Other than the assignment of the Patent, nothing contained herein shall be construed as granting to Entera or any other party any rights, title or interest in and to Oramed's and/or Oramed Inc.'s Intellectual Property Rights.

4. **Exclusive License Back**.

4.1. License Back. Automatically, upon assignment of the Patent to Entera, Entera grants to Oramed under the Patent and any derivatives, modifications, enhancements and improvements thereof (the "**Licensed Patent**"): a worldwide, royalty free, fully paid-up, exclusive (solely in respect of the Licensed Field), irrevocable and perpetual, non-transferable license but, with the right to sublicense, to develop, test, manufacture, make, use, market, distribute and sell, have developed, tested, manufactured, made, used, marketed, distributed and sold products covered by the Licensed Patent or otherwise exploit the Licensed Patent, solely in the Licensed Field. Oramed shall have the right to sublicense its rights hereunder in the Licensed Patent, provided that the sublicensee is bound by terms no less restrictive than those set forth herein and that Oramed is responsible for the sublicensee's compliance with the terms of the sub-license.

4.2. Entera's Ownership and Rights. Other than the rights expressly granted to Oramed in this Agreement, Entera shall retain all right, title, and interest in and to the Patent and the Licensed Patent and any derivatives, modifications, enhancements and improvements thereto and documentation related thereto and all Intellectual Property Rights embedded therein and and/or related thereto. Nothing herein contained (a) shall prevent Entera from freely using and exploiting the Patent and the Licensed Patent and/or Intellectual Property Rights related thereto, outside of the Licensed Field; and (b) nothing herein contained shall grant to Oramed any rights of any kind or nature in respect of any other patents or other intellectual property rights of Entera.

5. **Non- Compete**.

Entera shall not, directly or indirectly, engage in any activities within the Licensed Field, including without limitation market or sell, solicit the submission of, entertain inquiries, proposals, offers from any person or entity, or otherwise provide information or engage in discussions with any person or entity, in any way relating to the development, sale, licensing, distribution or other disposition of products, materials or methods within the Licensed Field.

6. **Warranty and Disclaimer**.

6.1. Mutual Warranties. Each of the Parties hereto represents and warrants that (a) it is authorized to enter into this Agreement and to carry out its obligations hereunder, (b) the Agreement constitutes, when executed and delivered at the Closing, valid and binding obligations of the Parties enforceable in accordance with its terms, (c) neither the execution and delivery of this Agreement nor the performance of any of its obligations under this Agreement will violate or conflict with a provision in an agreement or instrument or an order or judgement of a court, tribunal or governmental or regulatory body which is binding on it, and (d) except as expressly provided for in this Agreement, no approval, waiver, registration, consultation or notification is required to be obtained or made by it in connection with the execution, performance or enforcement of this Agreement.

6.2. Oramed's Warranties. Oramed represents and warrants to Entera that as of the date hereof (a) it is the sole and exclusive owner of the entire right, title and interest in and to the Patent, (b) it has, to its knowledge, performed, or caused to be performed, all acts and things, reasonably required to protect the Patent in the Territory, including, but not limited to, filing, prosecution and maintenance, and made or required payments related to the foregoing, (c) there are no outstanding payments in respect of the filing, prosecution and maintenance regarding the Patent, (d) the Patent is free and clear of any kind of lien, mortgage, security interest or other encumbrance, (e) it is not aware of any existing or threatened litigation against Oramed or any of its affiliated companies concerning the Patent, (f) it has not granted any licenses under the Patent (other than under the Original Agreement), (g) other than the Patent, it has not made any application or filing related to the absorption enhancers N (5-clilorosa1icyloyl)-8-aminocaprylic acid, N (1 O-[2-hydroxybenzoyl] amino) decanoic acid, N (8-[2-hydroxybenzoyl] amino) caprylic acid, or any entity related to the above or any combination of entities related to the above said absorption enhancers, and that (h) it has not withheld from Entera any material information regarding Section 6.2(a) above .

6.3. Entera's Warranties. Entera represents and warrants to Oramed that in its capacity as the licensee of the Patent under the Original Agreement: (a) Entera has obtained and reviewed a copy of the PCT Application of the Patent and it is fully aware of the potential risks, if at all, of proceeding with the commercialization of the Patent prior to the expiration of a certain other existing patent and in respect of which delay, if any, it has no claims to Oramed; and (b) that Oramed is engaged in a continuing development process of components that are mutual to the Patent as well as other patents owned by Oramed, such as but not limited to SBTI and Aprotinin, and that any Intellectual Property Rights associated with such process and/or components is not part of the assignment of the Patent hereunder, provided however that Oramed shall not assert against Entera intellectual property rights associated with Oramed's ongoing and/or future optimization of quantities of, and/or the ratios between, said components.

6.4. Nothing in this Agreement shall be construed as an agreement or commitment in any way that Oramed supply to Entera any products developed as a result of Oramed's ongoing and/or future development or optimization of any component or components that are mutual to the Patent as well as one or more other patents owned by Oramed.

6.5. Oramed's Covenant. Oramed undertakes to perform all acts reasonably required relating to the filing, prosecution and maintenance of the Patent until the Closing.

6.6. Disclaimer. Except for explicit representations and warranties made in this Agreement, nothing in this Agreement is or shall be construed as: (i) a warranty or representation by Oramed as to the validity or scope of the Patent; (ii) any warranty or representation by Oramed that the Patent is valid and/or enforceable or (b) is or will be free from infringement of patents, copyrights, and other rights of third parties; (iii) granting by implication, estoppel or otherwise any rights or licenses under patents owned or licensed by Oramed or Oramed Inc. other than the Patent defined in this Agreement, regardless of whether such patents are dominant or subordinate to the Patent. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, ORAMED AND/OR ORAMED INC. MAKES NO REPRESENTATIONS AND EXTENDS NO WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, AS TO MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, OR NON INFRINGEMENT.

7. **Royalties**.

7.1. Commencing upon the date of Closing, Entera shall be obligated to pay Oramed three percent (3%) of its Net Revenues ("**Royalties**"). Royalties shall be paid within thirty (30) days after the end of each calendar quarter together with a detailed written calculation of the amounts due hereunder which shall include an itemization of the sale, lease, transfer and other exploitation of each product covered by, and each sublicense of, the Licensed Patent, both due and paid, during the relevant calendar quarter.

7.2. Entera shall keep, full and correct books of account in accordance with Generally Accepted Accounting Principles as required by international accounting standards, enabling Royalties to be calculated accurately. At the request of Oramed, but not more than twice per year, a certified public accountant, approved by the Parties, shall be entitled during regular business hours of Entera and upon prior written coordination, to audit the relevant books and records of Entera to verify its compliance with the provisions of this Section 7. Entera shall promptly pay to Oramed the underpayment of Royalties, if any, as may be determined by the said auditor, as well as the reasonable fees of the auditor in the event that such underpayment is more than 5% of the Royalty amounts due for the audited period.

7.3. Payments shall be made by wire transfer to the bank account designated by Oramed. Entera shall add VAT to all payments hereunder, if applicable. All payments shall be made without the withholding or deduction of any taxes, levies or charges, provided that Oramed shall provide the requisite exemptions upon request.

7.4. Any payments which are not duly paid shall bear interest from the due date of payment until actual payment is made, at the rate of LIBOR plus two percent (2%), compounded annually.

7.5. In the event that a court of last resort has ruled that Oramed is in breach of its representations and warranties pursuant to Sections 6.2(a) herein, the right of Oramed to receive Royalties shall immediately terminate, without prejudice to any other right or remedy Entera may have.

8. **Confidential Information**

8.1. Definition and Use. Pursuant to this Agreement, each party may disclose to the other certain proprietary technical or business information or materials ("**Confidential Information**"). Each party agrees that it will not use any Confidential Information received from the other except for the purposes of this Agreement and agrees not to disclose any such Confidential Information to third parties, and to maintain and follow reasonable procedures to prevent unauthorized disclosure or use of the Confidential Information received from the other party and to prevent it from falling into the public domain or the possession of unauthorized persons. Without limiting the generality of the foregoing, each party agrees to disclose to its employees only such Confidential Information as is necessary to each employee's responsibilities in performing the acts allowed by this Agreement. Each party shall promptly advise the disclosing party of any disclosure, loss or use of Confidential Information in violation of this Agreement after becoming aware of the same. The parties agree that the terms and conditions of this Agreement constitute Confidential Information. Each party agrees that its confidentiality obligations hereunder shall survive for a period of five (5) years after the termination of this Agreement.

8.2. Exclusions. Confidential Information shall not include information:

8.2.1. that becomes lawfully known or available to the receiving party from a source other than the disclosing party without breach of any confidentiality obligation under this Agreement;

8.2.2. that was already known to the receiving party, as shown by written records, before its disclosure by the disclosing party;

8.2.3. developed independently by the receiving party without the use or consideration of or reference to the Confidential Information;

8.2.4. that is within, or later falls within, the public domain without breach of this Agreement;

8.2.5. publicly disclosed with the written approval of the disclosing party; or

8.2.6. disclosed pursuant to the requirement or demand of a lawful governmental or judicial authority, but only to the extent required by operation of law, regulation or court order provided, however, that the receiving party shall provide prompt notice of such court order or requirement to the disclosing party to enable the disclosing party to seek a protective order or otherwise prevent or restrict such disclosure.

9. **Patent Protection and Prosecution**.

9.1. As of the Closing, Entera shall be responsible for and in control of the filing, prosecution and maintenance (including obtaining continuations) of all patents included in, or that claims any of the inventions included in, the Licensed Patent at its own expense. Such responsibility shall be with respect to patent prosecution in the following countries: USA, Europe, Japan, China, Israel, Brazil, Russia, India, Canada, New Zealand and Australia (the "**Territory**"). Nothing herein contained shall be construed as obligating Entera to prosecute any particular patent applications in any county other than those set forth above.

9.2. In the event that Entera provides explicit written notice to Oramed that it has decided not to file and prosecute a patent application for the Licensed Patent in a particular jurisdiction in the Territory or fails to do so after at least thirty days prior written notice of such failure by Oramed to Entera, then in such event, Oramed may at its expense prepare, file, prosecute and maintain the Licensed Patent in all such jurisdictions in Entera's name and Entera hereby authorizes Oramed to take all such actions.

10. **Intellectual Property Infringement Enforcement**.

10.1. In the event that either Party hereto becomes aware of any infringement or threatened infringement or misappropriation or threatened misappropriation of, or challenge to, the Licensed Patent ("**IP Infringement**"), such Party will promptly advise the other Party of such IP Infringement and of all the relevant facts and circumstances known by it in connection with the IP Infringement.

10.2. As of the Closing in the event of any IP Infringement or defense, Entera shall take all reasonable legal action at its expense as recommended by its legal counsel, to protect the Licensed Patent against infringement. Oramed shall reasonably cooperate with Entera, at Entera's expense, in the prosecution of any such action and upon Entera's request shall join such action as necessary for standing to commence and maintain the action. In addition, Oramed may, at its own expense, actively participate in the conduct of any such action and, in any event, may provide ongoing comments and advice regarding its position in the dispute which comments Entera shall consider in good faith, provided, however, that Entera shall retain sole control of the defense and/or settlement of any such claim. Any recovery obtained as a result of such action shall belong to Entera, less applicable Royalties on the result of such action minus litigation expenses. In the event Entera declines or fails to timely pursue any legal action relating to such IP Infringement or defense, Oramed and/or Oramed Inc. may at their sole discretion undertake all such legal action at its expense and with its own legal counsel as it sees fit. Any recovery obtained as a result of such action shall belong solely to Oramed.

11. **Indemnification.**

11.1. Entera shall hold harmless, defend and indemnify Oramed, its directors officers, employees and assigns from and against any liability, damage, loss or expense (including reasonable attorney's fees and expenses of litigation) claims, demands or causes of action whatsoever that a court of last resort has ruled is caused by, arising out of, or resulting from, (i) any breach of any representation or warranty by Entera under this Agreement and/or (ii) the exercise of its rights granted under this Agreement.

11.2. Oramed shall hold harmless, defend and indemnify Entera, its directors officers, employees and assigns from and against any liability, damage, loss or expense (including reasonable attorney's fees and expenses of litigation) claims, demands or causes of action whatsoever that a court of last resort has ruled is caused by, arising out of, or resulting from, (i) any breach of any representation or warranty by Oramed under this Agreement and/or (ii) the exercise of its rights granted under this Agreement.

11.3. The indemnification obligations of each of the indemnitor parties above are conditioned upon: (a) prompt notice by the indemnitee to the indemnitor of the cause of action for any claim; (b) the indemnitor having sole control of the defense of the claim and the settlement thereof, provided that no settlement shall be made without the prior written consent of the indemnitee which consent shall not be unreasonably withheld and provided that the indemnitor diligently pursues the defense of such claim; and (c) the indemnitee provides reasonable assistance and cooperation as requested by indemnitor at indemnitor's expense.

12. **Limitation of Liability.**

12.1. NOTWITHSTANDING SECTION 11 ABOVE, NEITHER PARTY SHALL BE LIABLE TO THE OTHER, ITS CUSTOMERS, THE USERS OF ANY PRODUCT, OR ANY THIRD PARTIES FOR INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES, INCLUDING, WITHOUT LIMITATION, ANY DAMAGE OR INJURY TO BUSINESS EARNINGS, PROFITS OR GOODWILL SUFFERED BY ANY PERSON ARISING FROM ANY USE OF THE LICENSED PATENT OR PRODUCTS BASED THEREON, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

13. **Term and Termination**

13.1. **Term.** This Agreement shall commence on the Effective Date and continue in full force and effect, unless terminated in accordance with the terms of this Agreement ("**Term**").

13.2. **Termination for Cause.** Either Party may terminate this Agreement effective upon written notice to the other party in the event the other Party materially breaches this Agreement, and such breach remains uncured for forty-five (45) days following written notice of such breach by the non-breaching Party, unless such breach is incurable in which event termination shall be immediate upon receipt of written notice.

13.3. **Termination for Insolvency.** Each Party may terminate this Agreement by written notice, (i) upon the institution by or against the other party of insolvency, receivership or bankruptcy proceedings or any other proceedings for the settlement of such party's debts, (ii) upon the other party's making a general assignment for the benefit of creditors, or (iii) upon the other party's dissolution or ceasing to do business.

13.4. **Consequences and Survival of Certain Terms.** The provisions of Sections 1, 2, 3, 4, 6, 7, 8, 11, 12 and 13 shall survive the termination of this Agreement.

14. **General Provisions:**

14.1. **Independent Contractors**: The relationship established between the Parties by this Agreement is that of independent contractors. Nothing in this Agreement shall be construed to constitute the Parties as partners, joint venturers, co-owners or otherwise as participants in a joint or common undertaking for any purpose whatsoever.

14.2. **Governing Law; Jurisdiction**. The rights and obligations of the Parties under this Agreement shall be governed by and construed in accordance with laws of the State of Israel, without regard to conflicts of laws principles. Any dispute arising out of or in connection with this Agreement shall be brought exclusively in, and each Party irrevocably consents to the personal and exclusive jurisdiction and venue of the applicable court in the Tel Aviv Jaffa District

14.3. **Amendment**. The terms and conditions of this Agreement may only be amended by a writing signed by both Parties.

14.4. **No Waiver**. Except as expressly provided herein, the rights and remedies herein provided shall be cumulative and not exclusive of any other rights or remedies provided by law or otherwise. Failure by either party to detect, protest, or remedy any breach of this Agreement shall not constitute a waiver or impairment of any such terms or condition or the rights of such party at any time to avail itself of such remedies as it may have for any breach or breaches of such term or condition. Waiver may only occur pursuant to the express written permission of an authorized officer of the party against whom the waiver is asserted.

14.5. **Severability**. In the event any term, condition or provision of this Agreement is declared or found by a court of competent jurisdiction to be illegal, unenforceable or void, the Parties shall endeavor in good faith to agree to amendments that will preserve, as far as possible, the intentions expressed in this Agreement. If the Parties fail to agree on such amendments, such invalid term, condition or provision shall be served from the remaining terms, conditions and provisions, which shall continue to be valid and enforceable to the fullest extent permitted by law.

14.6. **Assignment**. Nothing herein shall be construed as limiting Entera's right to sell, lease, license or otherwise assign or dispose of its rights (collectively, "**Assignment**") in and to the Licensed Patent or any of its Intellectual Property Rights, provided that: (i) any such Assignment shall not relieve Entera of any of its obligations under this Agreement incurred prior to any Assignment; (ii) any Entera designated assignee shall be bound by all of Entera's obligations under this Agreement and such designated assignee confirms in writing to Oramed the aforesaid.

14.7. **Notices**. Any notice required or permitted under this Agreement or required by law must be in writing and must be (i) delivered in person, (ii) sent by registered or certified mail, postage prepaid, or (iii) sent by overnight courier such as FedEx or DHL to the addresses first written above, provided that a copy is always sent by e-mail which shall not be considered formal notice hereunder. The e-mail address of Oramed is: yifat@oramed.com and the e-mail address of Entera is: phillip@enterabio.com. Notices will be deemed to have been given at the time of actual delivery in person, seven (7) business days after deposit in the mail as set forth herein, or one (1) business day after delivery to an overnight courier service.

14.8. **Force Majeure**. Neither party will be liable to the other for any default hereunder (excluding any payment obligations) resulting from delay or failure to perform all or any part of this Agreement in such delay or failure is caused, in whole or in part, by events, occurrences or causes beyond the reasonable control of such party, Such events include, without limitation, acts of God strikes, lockouts, riots, acts of war, earthquakes, floods and fire, but the inability to meet financial obligations is expressly excluded.

14.9. **Entire Agreement.** This Agreement, including all attachments, all of which this Agreement incorporates by reference, sets forth the entire agreement and understanding between the Parties and supersedes and cancels all previous negotiations, agreements and commitments, whether oral or in writing, with respect to the subject matter described herein, and neither party shall be bound by any term, clause, provision, or condition save as expressly provided in this Agreement or as duly set forth in writing as a subsequent amendment to this Agreement, signed by duly authorized officers or each party.

IN WITNESS WHEREOF, the parties have caused their duly authorized representatives to enter into this Patent Transfer Agreement, effective as of the Effective Date.

ORAMED LTD.		ENTERA BIO LTD.	
By:	/s/ Nadav Kidron	By:	/s/ Phillip Schwartz
Print Name:	Nadav Kidron	Print Name:	Phillip Schwartz
Title:	CEO	Title:	

Exhibit C

Patent Assignment

Oramed Ltd., a company organized under the laws of the State of Israel with principal offices at Hi-Tech Park 2/5 Givat-Ram, PO Box 39098, Jerusalem 91390, Israel (herein referred to as "Assignor") hereby acknowledges that pursuant to the Patent Transfer Agreement by and among Assignor and **Entera Bio Ltd**., a company organized under the laws of the State of Israel with principal offices at Hi-Tech Park 2/5 Givat-Ram, PO Box 39098, Jerusalem 91390, Israel (herein referred to as "Assignee"), executed on February 22, 2011 (the "Patent Transfer Agreement"), Assignor hereby sells, assigns, transfers, and sets over unto Assignee:

(1) Assignor's entire right, title and interest in, to, and under the patent and patent applications, and any and all inventions, discoveries and applications that are disclosed in these patent and patent applications, for the United States and in all countries, as identified in Schedule A attached to this Patent Assignment (herein referred to as the "Patents"), and including any and all divisional, continuation, continuation-in-part, renewal, reissue, reexamination, revival, extension, and any substitute application based upon the Patents,; (2) the full and complete right to file patent applications in the name of the Assignee, its designee, or its designee's election, in all countries of the world, on the aforesaid Patents and any inventions, discoveries and applications disclosed in the Patents; (3) the entire right, title and interest in and to any letters patents that may issue thereon in the United States or in any country, and any renewals, revivals, reissues, reexaminations and extensions thereof, and any patents of confirmation, registration and importation of the same; (4) the entire right, title and interest in all convention and treaty rights of all kinds thereon, including without limitation all rights of priority in any country of the world, in and to the Patents and the inventions, discoveries and applications that are disclosed in the Patents; (5) any and all claims, demands, causes of action, damages, and remedies of every kind recoverable at law or in equity or otherwise from any and every party for any and every infringement of the Patents and any letters patent that may issue thereon together with the rights to bring and maintain any action for past, present, and future acts of infringements and for the recovery of damages and fees in the United States or in any country; and (6) all rights, title, and interest evidenced by or embodied in or connected or related to the foregoing.

Assignor hereby authorizes and requests the competent authorities to grant and issue any and all letters patents that may issue from the Patents in the United States and throughout the world to the Assignee of the entire right, title and interest therein, as fully and entirely as the same would have been held and enjoyed by Assignor had this assignment, sale and transfer not been made.

Assignor shall execute, verify and deliver such additional documents as Assignee may reasonably request for use in applying for, obtaining, perfecting, evidencing, sustaining and enforcing the said Patent assignment. In the event Assignor does not sign any document required in connection with the said assignment, as aforesaid, Assignor hereby irrevocably designates and appoints the chief executive officer of Assignee as its agent and attorney in fact, solely to act for and on Assignor's behalf to execute, verify and file any such documents and to perform all other lawfully permitted acts solely for the purpose of assigning the rights to the Patent (including, without limitation, amendment of filings with relevant patent offices), provided that such individual provides Assignor with a copy of each and every document that is signed, as aforesaid, concurrently with the execution thereof.

Assignor hereby covenants that no assignment, sale, agreement or encumbrance has been or will be made or entered into that would conflict with this Patent Assignment.

This Patent Assignment is delivered pursuant to the Patent Transfer Agreement and is subject to the conditions, representations, warranties and covenants provided therein. Nothing contained herein shall itself change, amend, extend or alter the terms or conditions of the Patent Transfer Agreement in any manner whatsoever. In the event of any conflict or other difference between the Patent Transfer Agreement and this instrument, the provisions of the Patent Transfer Agreement shall prevail.

All capitalized terms not otherwise defined in this Patent Assignment shall have the same meaning ascribed to them in the Patent Transfer Agreement.

ASSIGNOR: ORAMED LTD.

Date: _____

_____
Signature
Name: _____
Title: _____

ASSIGNEE: ENTERA BIO LTD.

Date: _____

_____
Signature
Name: _____
Title: _____

SCHEDULE A TO THE PATENT ASSIGNMENT
Oramed Ltd.
List of Patents and Patent Applications

SERIAL NO FILING DATE	PATENT NO (or publication no. in parentheses if still pending)	CTRY	TITLE	RELATED APPS.	STATUS	PATENT EXPIRATION DATE	NAMED INVENTORS

SECURITIES PURCHASE AGREEMENT

This Securities Purchase Agreement (this **"Agreement"**) is dated as of [_____ __, ____], 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; and

(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).

(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 [20], 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 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.

4.2 (g) Notwithstanding anything in this Agreement to the contrary, 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.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 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 6.4 to 6.16 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 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.

6.4 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.

6.5 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.

6.6 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.

6.7 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.

6.8 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.

6.9 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.

6.10 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.

6.11 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.

6.12 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.

6.13 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.

6.14 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.

6.15 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.

6.16 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: _____
Name: Nadav Kidron
Title: Chief Executive Officer

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK
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:

[_____] Units x $0.32 per Unit = $[_____]

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

Name of Investor: _____

Signature of Authorized Signatory of Investor:_____

Name of Authorized Signatory: _____

Title of Authorized Signatory:_____

Email Address of Investor:_ _____

Social Security or Taxpayer Identification Number _____

Address for Notice of Investor:

[_____]
[_____]
[_____]
[_____]
Facsimile: [_____]

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
[_____]	[_____]	[_____]	$[_____]

SCHEDULE 2

WIRE TRANSFER INSTRUCTIONS (US DOLLARS)

HSBC BANK USA ABA 021001088
452 FIFTH AVENUE
NEW YORK, N. Y. 10018
FAVOR OF ACCOUNT NAME: ORAMED PHARMACEUTICALS INC.
ACCOUNT NUMBER: 605154082
SWIFT MRMDUS33

EXHIBIT A

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 [_____] Shares of Common Stock of

ORAMED PHARMACEUTICALS INC.

THIS COMMON STOCK PURCHASE WARRANT (the "Warrant") certifies that, for value received, **[NAME OF HOLDER]** (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 [_____] 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 [_____ __, ____], 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) 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.

(f) 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.

(g) 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.

(h) 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: _____

Name: Nadav Kidron
Title: Chief Executive Officer

Dated:

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.

PRICEWATERHOUSECOOPERS

Kesselman & Kesselman
Certified Public Accountants (Isr.)
Trade Tower, 25 Hamered Street
Tel Aviv 68125 Israel
P.O. Box 452 Tel Aviv 61003 Israel
Telephone +972-3-7954555
Facsimile +972-3-7954556

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the use in this Registration Statement on Form S-1 of our report dated November 29, 2010 relating to the financial statements of Oramed Pharmaceuticals, Inc. which appears in such Registration Statement. We also consent to the reference to us under the heading "Experts" in such Registration Statement.

Kesselman & Kesselman

Tel Aviv, Israel
March 24, 2011

malonebailey LLP
CERTIFIED PUBLIC ACCOUNTING FIRM

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference of our report dated December 10, 2007 relating to the inception through August 31, 2007 audited financial statements of Oramed Pharmaceuticals, Inc. which appears in the Registration Statement on Form S-1. We also consent hereby to the reference to our firm under the caption "Experts" in such Registration Statement.

/s/ MaloneBailey, LLP

MaloneBailey, LLP
www.malone-bailey.com
Houston, Texas

March 24, 2011

10350 Richmond Ave., Suite 800 • Houston, TX 77042 • 713.343.4200
15 Maiden Lane, Suite 1003 • New York, NY 10038 • 212.406.7272
www.malonebailey.com
NEXIA INTERNATIONAL