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

FORM 10-Q

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

For the Quarterly Period Ended May 31, 2010

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

For the Transition Period from _____ to _____

Commission file number: 000-50298

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

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

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

+ 972 2 566 0001
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes x No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes ☐ No ☐

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

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No x

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 57,480,217 shares issued and outstanding as of July 13, 2010.

ORAMED PHARMACEUTICALS INC.

FORM 10-QSB

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ORAMED PHARMACEUTICALS INC.
(A development stage company)

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF MAY 31, 2010

ORAMED PHARMACEUTICALS INC.
(A development stage company)

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF MAY 31, 2010

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

	May 31, 2010	August 31, 2009
	Unaudited	Audited
Assets		
CURRENT ASSETS:		
Cash and cash equivalents	$ 1,134,506	$ 1,716,866
Short term investments	500,000	1,000,000
Restricted cash	16,008	16,000
Accounts receivable - other	35,620	36,939
Prepaid expenses	100,911	4,119
Grants receivable from the Office of the Chief Scientist	266,215	400,405
Total current assets	2,053,260	3,174,329
LONG TERM DEPOSITS	10,729	12,161
PROPERTY AND EQUIPMENT, net	51,552	75,361
Total assets	$ 2,115,541	$ 3,261,851
Liabilities and stockholders' equity		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	$ 239,093	$ 321,344
Account payable with former shareholder	47,252	47,252
Total current liabilities	286,345	368,596
PROVISION FOR UNCERTAIN TAX POSITION	147,063	147,063
COMMITMENTS		
STOCKHOLDERS' EQUITY:		
Common stock of $ 0.001 par value - Authorized: 200,000,000 shares at May 31, 2010 and August 31, 2009; Issued and outstanding: 57,480,217 at May 31, 2010 and 56,456,710 shares at August 31, 2009, respectively	57,480	56,456
Additional paid-in capital	13,444,554	12,698,414
Deficit accumulated during the development stage	(11,819,901)	(10,008,678)
Total stockholders' equity	1,682,133	2,746,192
Total liabilities and stockholders' equity	$ 2,115,541	$ 3,261,851

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

	Nine months ended		Three months ended		Period from April 12, 2002 (inception) through
	May 31, 2010	May 31, 2009	May 31, 2010	May 31, 2009	May 31, 2010
			Unaudited		
RESEARCH AND DEVELOPMENT EXPENSES	$ 833,498	$ 1,500,809	$ 346,716	$ 387,663	$ 5,978,357
IMPAIRMENT OF INVESTMENT					434,876
GENERAL AND ADMINISTRATIVE EXPENSES	981,861	879,518	459,242	144,145	5,239,412
OPERATING LOSS	1,815,359	2,380,327	805,958	531,808	11,652,645
FINANCIAL INCOME	(15,897)	(38,950)	(4,981)	(18,518)	(152,005)
FINANCIAL EXPENSE	11,761	18,211	5,242		159,694
LOSS BEFORE TAXES ON INCOME	1,811,223	2,359,588	806,219	513,290	11,660,334
TAXES ON INCOME	-	-	-	-	159,567
NET LOSS FOR THE PERIOD	$ 1,811,223	$ 2,359,588	$ 806,219	$ 513,290	$ 11,819,901
BASIC AND DILUTED LOSS PER COMMON SHARE	$ 0.03	$ 0.04	$ 0.01	$ 0.01	
WEIGHTED AVERAGE NUMBER OF COMMON STOCK USED IN COMPUTING BASIC AND DILUTED LOSS PER COMMON STOCK	57,349,130	56,546,323	57,466,907	56,802,562	

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	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 (audited)	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 (audited)	56,456,710	56,456	12,698,414	(10,008,678)	2,746,192
SHARES ISSUED FOR SERVICES RENDERED IN PREVIOUS PERIOD	569,887	570	(570)		-
SHARES ISSUED FOR SERVICES RENDERED	453,620	454	211,546		212,000
STOCK BASED COMPENSATION RELATED TO OPTIONS GRANTED TO EMPLOYEES AND DIRECTORS			423,795		423,795
STOCK BASED COMPENSATION RELATED TO OPTIONS GRANTED TO CONSULTANTS			108,533		108,533
IMPUTED INTEREST			2,836		2,836
NET LOSS				(1,811,223)	(1,811,223)
BALANCE AS OF MAY 31, 2010 (unaudited)	57,480,217	$ 57,480	$ 13,444,554	$ (11,819,901)	$ 1,682,133

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

	Nine months ended May 31,		Period from April 12, 2002 (inception date) through May 31,
	2010	2009	2010
		Unaudited	
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net loss	$ (1,811,223)	$ (2,359,588)	$ (11,819,901)
Adjustments required to reconcile net loss to net cash used in operating activities:			
Depreciation	23,809	22,760	69,751
Amortization of debt discount	-	-	108,000
Exchange differences on long term deposits	317	1,110	(684)
Stock based compensation	744,328	526,138	4,475,093
Shares to be issued for services rendered		109,590	203,699
Impairment of investment	-	-	434,876
Imputed interest	2,836	2,834	18,833
Changes in operating assets and liabilities:			
Prepaid expenses and other current assets	38,717	367,526	(402,746)
Restricted cash	(8)	-	(16,008)
Accounts payable and accrued expenses	(82,251)	(438,926)	239,093
Provision for uncertain tax position	-	-	147,063
Total net cash used in operating activities	(1,083,475)	(1,768,556)	(6,542,931)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property and equipment	-	(4,110)	(121,303)
Acquisition of short-term investments	500,000	-	(3,228,000)
Proceeds from sale of Short term investments	-	2,728,000	2,728,000
Lease deposits	1,115	(4,668)	(10,045)
Total net cash derived from (used in) investing activities	501,115	2,719,222	(631,348)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from sales of common stock 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	(582,360)	950,666	1,134,506
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	1,716,866	2,267,320	-
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 1,134,506	$ 3,217,986	$ 1,134,506
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

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 capsule 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 operations.

   On May 14, 2007, the Company incorporated a wholly-owned subsidiary in Israel, Oramed Ltd., which is engaged in research and development. Unless the context indicates otherwise, the term "Group" refers to Oramed Pharmaceuticals Inc. and its Israeli subsidiary, Oramed Ltd. (the "Subsidiary").

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

2. The accompanying unaudited interim consolidated financial statements as of May 31, 2010 and for the nine months then ended, have been prepared in accordance with accounting principles generally accepted in the United States relating to the preparation of financial statements for interim periods. Accordingly, they do not include all the information and footnotes required for annual financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the nine months ended May 31, 2010, are not necessarily indicative of the results that may be expected for the year ending August 31, 2010.

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 May 31, 2010 of $11,819,901 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 May 31, 2010. These factors raise substantial doubt about the Company's ability to continue as a going concern. Management is in the process of evaluating various financing alternatives as the Company will need to finance future research and development activities and general and administrative expenses through fund raising in the public or private equity markets. Although there is no assurance that the Company will be successful with those initiatives, management believes that it will be able to secure the necessary financing as a result of ongoing financing discussions with third party investors and existing shareholders, as well as on going funding from the Office of the Chief Scientist ("OCS").

   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. Newly issued and recently adopted Accounting Pronouncements

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.

c. Reclassification:

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

NOTE 2 - 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.

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 additional of $200,000 to be paid by Oramed in accordance with the actual progress of the study. The total amount that was paid through May 31, 2010, was $359,255.

b. As to a Clinical Trial Manufacturing Agreement with Swiss Caps AG, see note 3a.

NOTE 2 – COMMITMENTS (continued):

c. On April 22, 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. Investigational New Drug (“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. The Company has completed making the 11 monthly payments in accordance with the agreement, and has made an additional payment of $30,000 for the completion of certain milestones.

d. On February 10, 2010, the subsidiary entered into agreements 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 May 31, 2010.

e. 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. The work commenced in June 2010, and no liability have accrued through May 31, 2010.

f. Grants from the Chief Scientist Office ("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 Subsidiary 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 Subsidiary 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.

At May 31, 2010, the Company has not earned any revenues from the sale of products and no royalty payments have accrued.

For the nine and three months periods ended May 31, 2010, the research and development expenses are presented net of OCS Grants, in the total of $450,717 and $158,160, respectively.

NOTE 3 - STOCK BASED COMPENSATION:

The following are stocks issued for services, stock options and warrants transactions made during the nine months ended May 31, 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 was issued. The Company accounted the transaction with Swiss according to FASB ASC 480 "Distinguishing Liabilities from Equity" (formerly FAS 150).

On September 11, 2009, the Company issued 569,887 shares of its common stock to Swiss as remuneration for the services provided, for total of $203,699.

On December 29, 2009, the Company issued 328,110 shares of its common stock to Swiss as remuneration for the services provided, in the amount of $167,310.

On April 29, 2010, the Company issued 25,510 shares of its common stock to Swiss as remuneration for the services provided, in the amount of $12,500.

b. 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 instalments 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.

c. 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 instalments 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.

d. 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.

NOTE 3 - STOCK BASED COMPENSATION (continued)**:**

e. 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 instalments 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.

f. 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 instalments 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.

g. 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 instalments 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.

h. 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 instalments commencing May 17, 2010 and expire on March 24, 2015. The fair value of these options on the date of grant, was $39,091, 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.

i. 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.

The Company recognized $532,328 of stock based compensation expense during the nine months ended May 31, 2010 related to options granted to employees and consultants.

NOTE 4 - FAIR VALUE:

The fair value of the Company's financial instruments consisting of short term investments, included in the Company's financial statements is identical or close to their carrying value due to the short-term maturities of these instruments.

NOTE 5 - SUBSEQUENT EVENTS AND RELATED PARTIES TRANSACTION:

a. Related parties transaction

On June 1, 2010, the subsidiary of the Company entered into an agreement with Laser Detect Systems Ltd. ("Laser Detect"), an Israeli company, for the establishment of a new company, Entera Bio Ltd. ("Entera").
According to the agreement, Laser Detect will invest $600,000 in Entera, and Entera will be owned in equal parts by the subsidiary and Laser Detect. As a remuneration, 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 indications. 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 the 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 Laser Detect 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 Laser Detect's controlling shareholders, is also an affiliated shareholder of the Company. Accordingly, the closing of the transaction is subject to the approval of Laser Detect's shareholders.

On June 27, 2010, Laser Detect changed its name to D.N.A Biomedical Solutions Ltd.

b. 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.

c. 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 instalments commencing on July 8, 2011 and will expire on July 7, 2020.

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

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

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

Although forward-looking statements in this Quarterly Report on Form 10-Q reflect the good faith judgment of our management, such statements can only be based on facts and factors currently known by us. Consequently, forward-looking statements are inherently subject to risks and uncertainties and actual results and outcomes may differ materially from the results and outcomes discussed in or anticipated by the forward-looking statements. Factors that could cause or contribute to such differences in results and outcomes include, without limitation, those specifically addressed under "Item 1A – Risk Factors" in our annual report on Form 10-K for the year ended August 31, 2009, and under "Risk Factors" in our registration statement on Form S-1/A filed with the SEC on February 24, 2010, as well as those discussed elsewhere in our annual report, the registration statement and in this Quarterly Report on Form 10-Q. Readers are urged not to place undue reliance on these forward-looking statements, which speak only as of the date of this Quarterly Report on Form 10-Q. We undertake no obligation to revise or update any forward-looking statements in order to reflect any event or circumstance that may arise after the date of this Quarterly Report on Form 10-Q. Readers are urged to carefully review and consider the various disclosures made throughout the entirety of this Quarterly Report on Form 10-Q which attempt to advise interested parties of the risks and factors that may affect our business, financial condition, results of operations and prospects.

We file reports with the Securities and Exchange Commission (the "SEC" or the "Commission"). We 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 www.oramed.com. You can also read and copy any materials we file with the SEC at the SEC's Public Reference Room at 100 F Street, NE, Washington, DC 20549. You can obtain additional information about the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. In addition, the SEC maintains an internet site (www.sec.gov) that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC, including us.

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

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

Overview

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, rectal application of insulin, use of orally ingestible capsules, tablets or pills for delivery of other polypeptides and rectal application of other polypeptides.

Oramed was incorporated on April 12, 2002, in the State of Nevada under the name Iguana Ventures Ltd. Following the incorporation, the Company was an exploration stage company engaged in the acquisition and exploration of mineral properties. The Company was unsuccessful in implementing its business plan as a mineral exploration company. Accordingly, the Company decided to change the focus of its business by completing a share exchange with the shareholders of Integrated Security Technologies, Inc., a New Jersey private corporation ("ISTI"). On June 4, 2004, the Company changed its name to Integrated Security Technologies by filing a Certificate of Amendment with the Nevada Secretary of State. Effective June 14, 2004 the Company effected a 3.3:1 forward stock split, increasing the amount of its authorized capital to 200,000,000 shares of common stock with the par value of $.001 per share. However, due to disappointing results of ISTI, on May 31, 2005, effective as of May 27, 2004 the Company terminated the share exchange agreement with the shareholders of ISTI.

On February 17, 2006, we executed an agreement with Hadasit Medical Services and Development Ltd. ("Hadasit") to acquire provisional patent application No. 60/718716 and related intellectual property and agreed to retain Hadasit to provide consulting and clinical trial services. The provisional patent application No. 60/718716 relates to a method of preparing insulin so that it may be taken orally to be used in the treatment of individuals with diabetes. On April 10, 2006, the Company changed its name from Integrated Security Technologies, Inc. to Oramed Pharmaceuticals Inc. On August 31, 2006, based on provisional patent application No. 60/718716, the Company filed a patent application under the Patent Cooperation Treaty at the Israel Patent Office for "Methods and Compositions for Oral Administration of Proteins."

Plan of Operation

Short Term Business Strategy

We plan to continue to conduct clinical trials to show the effectiveness of our technology. We intend to conduct studies and other tests 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 and India in order to substantiate our results as well as for purposes of 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, flu vaccines, and use of rectal application for delivery of other polypeptides.

Long Term Business Strategy

If our oral insulin capsule or other drug delivery solutions show significant promise in clinical trials, we plan to ultimately seek a strategic commercial partner, or partners, with extensive experience in the development, commercialization, and marketing of insulin applications and/or other orally digestible drugs. We anticipate such partner or partners would be responsible for, or substantially support, late stage clinical trials (Phase III) to ensure regulatory approvals and registrations in the appropriate markets in a timely manner. We further anticipate that such partner, or partners, would also be responsible for sales and marketing of our oral insulin capsule in these markets. Such planned strategic partnership, or partnerships, may provide a marketing and sales infrastructure for our products as well as financial and operational support for global clinical trials, post marketing studies, label expansions and other regulatory requirements concerning future clinical development in the United States and elsewhere. Any future strategic partner, or partners, may also provide capital and expertise that would enable the partnership to develop new oral dosage form for other polypeptides. We have not yet engaged in any meaningful discussions with potential partners and 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 years 2007 through 2009 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.

In November 2007 we successfully completed animal studies in preparation for the Phase 1B clinical trial of our oral insulin capsule (ORMD 0801). In January 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. In March 2008, we successfully completed our Phase 1B clinical trials.

In April 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. In August 2008 we successfully completed 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 commenced this trial and in July 2009 we successfully completed this trial.

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 of extended exposure to the capsule were reported throughout this first study. We are considering whether and when to conduct an additional non-FDA approved Phase 2B study in India.

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

Rectal Application of Insulin and Other Polypeptides

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

On January 30, 2008, we entered into a master service agreement with OnQ Consulting; a clinical research organization located in Johannesburg, South Africa, to conduct non-FDA approved clinical trials for the rectal application of insulin. On February 4, 2009, we concluded a proof of concept study of the insulin suppositories.

In October 2008 we commenced a non-FDA approved Phase 1A study to evaluate the safety and efficacy of our insulin suppository (ORMD 0802) on healthy volunteers, in South Africa.

As we believe that the potential commercial market for our oral insulin products are significantly greater than the potential commercial market for our rectal application products, we have determined to use our limited resources to research and develop our oral insulin capsules and tablets and have temporarily suspended our development of our recital application products.

GLP-1 Analog

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

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

Glucagon-like peptide-1 (GLP-1) is an incretin hormone - a type of gastrointestinal hormone that stimulates the secretion of insulin from the pancreas. The incretin concept was hypothesized when it was noted surprisingly that glucose ingested by mouth (orally) 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 (a 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, 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.

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.

Licensing

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

Out-licensing technology

On June 1, 2010, the subsidiary of the Company, Oramed Ltd., entered into an agreement with Laser Detect Systems Ltd. ("Laser Detect") (which changed its name to D.N.A Biomedical Solutions Ltd. on June 27, 2010), for the establishment of a new company to be called Entera Bio Ltd. ("Entera"). Under the terms of a license agreement to be entered into at the closing between Oramed Ltd. and Entera, Oramed Ltd. will out-license technology to Entera, on an exclusive basis, for the development of oral delivery drugs for certain indications to be agreed upon between the parties. The out-licensed technology differs from our main delivery technology that is used for oral insulin and GLP-1 Analog and is subject to a different patent application. Entera's initial development effort will be an oral formulation for the treatment of osteoporosis.

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 May 31, 2010 of $11,819,901, as well as negative cash flow from operating activities. Based upon our existing spending commitments, estimated at $6.6 million for the twelve months following June 1, 2010, and our cash availability, we do not have sufficient cash resources to meet our liquidity requirements through May 31, 2011. The ongoing global economic and credit crisis makes it more difficult for the Company to raise financing. Accordingly, these factors raise substantial doubt about our ability to continue as a going concern. Management is in the process of evaluating various financing alternatives as we will need to finance future research and development activities and general and administrative expenses through fund raising in the public or private equity markets. Although there is no assurance that we will be successful with those initiatives, management believes that it will be able to secure the necessary financing as a result of ongoing financing discussions with third party investors and existing shareholders.

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

Critical accounting policies

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

The discussion and analysis of our financial condition and results of operations is based on our financial statements, which we prepared in accordance with U.S. generally accepted accounting principles. The preparation of these financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported revenues and expenses during the reporting periods. We evaluate such estimates and judgments on an ongoing basis. 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.

Comparison of nine month and three month periods ended May 31, 2010 and 2009

The following table summarizes certain statements of operations data for the Company for the nine month and three month periods ended May 31, 2010 and 2009:

	Nine months ended		Three months ended	
Operating Data:	May 31, 2010	May 31, 2009	May 31, 2010	May 31, 2009
Research and development costs	$ 833,498	$ 1,500,809	$ 346,716	$ 387,663
General and administrative expenses	981,861	879,518	459,242	144,145
Financial (income) expense, net	(4,136)	(20,739)	261	(18,518)
Net loss for the period	$ 1,811,223	$ 2,359,588	$ 806,219	$ 513,290
Loss per common share – basic and diluted	$ 0.03	$ 0.04	$ 0.01	$ 0.01
Weighted average common shares outstanding	57,349,130	56,546,323	57,466,907	56,802,562

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

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

During the nine months ended May 31, 2010 research and development expenses totaled $833,498, compared to $1,500,809 for the nine months ended May 31, 2009. The decrease is mainly attributable to grants received from the Office of Chief Scientist of the Israeli Ministry of Industry, Trade and Labor (the "OCS") during the period ended May 31, 2010, in the amount of $450,717 as compared to no grants at all during the nine months ended May 31, 2009. Additional decrease was contributed by a decrease in materials purchased. The research and development costs include stock based compensation costs, which during the nine months ended May 31, 2010 totaled $212,385 as compared to $192,076 during the nine months ended May 31, 2009.

The decrease in research and development expenses during the three months ended May 31, 2010 as compared to the three months ended May 31, 2009 is attributable to the same reasons mentioned above.

Government Grants

In the nine and three months ended May 31, 2010, we recognized research and development grants in an amount of $450,717 and $158,160, respectively.

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 nine months ended May 31, 2010, general and administrative expenses totaled $981,861 compared to $879,518 for the nine months ended May 31, 2009. Costs incurred related to general and administrative activities during the nine months ended May 31, 2010 reflect mainly an increase in investors and public relations expenses and expenses related to stock options granted to employees and consultants. During the nine months ended May 31, 2010, we incurred $319,943 related to stock options granted to employees and consultants, as compared to $113,195 during the nine months ended May 31, 2009.

The increase in general and administrative expenses during the three months ended May 31, 2010 as compared to the three months ended May 31, 2009 is attributable to the same reasons mentioned above.

Financial income/expense, net

During the nine months ended May 31, 2010 and 2009, we generated interest income on available cash and cash equivalents which was offset by bank charges and imputed interest.

Liquidity and Capital Resources

Through May 31, 2010, we incurred losses in an aggregate amount of $11,819,901. Since inception through May 31, 2010, we have financed our operations through the private placements of equity and debt financings, raising a total of $8,308,785, net of transaction costs. We will seek to obtain additional financing through similar sources. As of May 31, 2010, we had $1,134,506 of available cash as well as $500,000 in short term interest bearing investments. We anticipate that we will require approximately $6.6 million to finance our activities during the twelve months following June 1, 2010. In addition, according to an agreement with Laser Detect to establish Entera, we may be required to make a capital contribution to Entera in the amount of $150,000 by June 1, 2011.

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

Our financing activities during the nine months ended May 31, 2010 included the following:

- On September 11, 2009, we issued 569,887 shares of common stock valued at $203,699 to a third party, for services rendered in the prior year.

- On December 29, 2009, we issued 328,110 shares of common stock valued at $167,310 to a third party, for services rendered.

- On December 29, 2009, we issued 100,000 shares of common stock valued at $30,000 to a third party, for services rendered and to be rendered during the six month period commencing 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.

Employee's and Consultant's Stock Options and Warrants

Employee and consultant stock options grant and warrant issuance activities for the nine months ended May 31, 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.

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 June 1, 2010 are as follows:

Operating:		Amount
Research and development costs, net of OCS funds	$	5,579,000
General and administrative expenses		1,032,000
Financial income, net		(8,000)
Taxes on income		-
Total	$	6,603,000

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

ITEM 3 – QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

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

ITEM 4T - CONTROLS AND PROCEDURES

(a) Disclosure Controls and Procedures

Our management, including our chief executive officer and chief financial officer, has evaluated the effectiveness of our disclosure controls and procedures as of May 31, 2010. Based on such review, our chief executive officer and chief financial officer have determined that in light of their conclusion with respect to the effectiveness of our internal control over our financial reporting as of such date, the weaknesses in controls and procedures described in our Form 10-K filed on November 25, 2009 continued this quarter and that the Company did not have in place effective controls and procedures designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Securities Exchange Act of 1934, as amended, is accumulated and communicated to our management, including our principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure, and is recorded, processed, summarized and reported, within the time periods specified in the Commission’s rules and forms.

(b) Changes in Internal Control over Financial Reporting

There were no changes in our internal controls over financial reporting identified in connection with the evaluation thereof that occurred during the nine months ended May 31, 2010 that have materially affected, or are reasonable likely to materially affect our internal control over financial reporting.

PART II – OTHER INFORMATION

ITEM 1 - LEGAL PROCEEDINGS

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

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

- On September 11, 2009, we issued 569,887 shares of common stock valued at $203,699 to a third party, for services rendered in the prior year.

- On December 29, 2009, we issued 328,110 shares of common stock valued at $167,310 to a third party, for services rendered.

- On December 29, 2009, we issued 100,000 shares of common stock valued at $30,000 to a third party, for services rendered and to be rendered during the six month period commencing December 15, 2009.

- On February 17, 2010, we entered into an agreement with a member of our scientific advisory board, granting options to purchase 100,000 shares of common stock at an exercise price per share of $0.50. The options vest in four installments of 25,000 each, on each three-month anniversary commencing May 17, 2010.

- On February 11, 2010, we entered into a consulting agreement for a six-month term whereby the consultant was granted options to purchase 13,200 shares of common stock at an exercise price per share of $0.43 vesting over the consulting period.

- On April 11, 2010, we entered into a consulting agreement for a two-year term whereby the consultant was granted options to purchase 50,000 shares of common stock at an exercise price per share of $0.50. The options vest in three equal installments, on each three-year anniversary commencing March 16, 2011.

- On April 11, 2010, we entered into a consulting agreement for a three-month term whereby the consultant was granted options to purchase 100,000 shares of common stock at an exercise price per share of $0.43. The options vest in three equal installments, on March 30, 2010, April 30, 2010 and May 30, 2010.

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

Since the transactions were not public offerings within the meaning of Section 4(2) of the Securities Act, these issuances were deemed exempt from registration.

ITEM 6 - EXHIBITS

Number	Exhibit
(3)	**Articles of Incorporation and By-laws**
3.1	Articles of Incorporation (incorporated by reference from our Registration Statement on Form S-1 file no. 333-164286 filed on January 11, 2010).
3.2	Bylaws (incorporated by reference from our Current Report on Form 8-K filed on April 10, 2006).
3.3	Articles of Merger filed with the Nevada Secretary of State on March 29, 2006 (incorporated by reference to our Current Report on Form 8-K filed on April 10, 2006).
(4)	**Instruments defining rights of security holders, including indentures**
4.1	Specimen Stock Certificate (incorporated by reference from our Registration Statement on Form SB-2, filed on November 29, 2002).
4.2	Form of warrant certificate (incorporated by reference from our current report on Form 8-K filed on June 18, 2007)
(10)	**Material Contracts**
10.1	Agreement dated February 17, 2006, between our company and Hadasit Medical Services and Development Ltd. (incorporated by reference from our current report on Form 8-K filed February 17, 2006).
10.2	Agreement dated October 30, 2006, between our company and Swiss Caps AG (incorporated by reference from our current report on Form 8-K filed October 26, 2006).
10.3	Agreement dated January 7, 2008, between our company and Hadasit Medical Services and Development Ltd. (incorporated by reference from our current report on Form 8-K filed January 7, 2008).
10.4	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).
10.5	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).
10.6 *	Joint Venture Agreement dated June 1, 2010, between Oramed Ltd. and Laser Detect Systems Ltd.
10.7	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)**.**
(31)	**Section 302 Certification**
31.1 *	Certification Statement of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2 *	Certification Statement of the Principal Accounting Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
(32)	**Section 906 Certification**
32.1 *	Certification Statement of the Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act Of 2002
32.2 *	Certification Statement of the Principal Accounting Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act Of 2002

* Filed herewith

SIGNATURES

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

ORAMED PHARMACEUTICALS INC.

Registrant

Date: July 14, 2010 By: /s/ *Nadav Kidron*

Nadav Kidron
President, Chief Executive Officer and Director

Date: July 14, 2010 By: /s/ *Yifat Zommer*

Yifat Zommer
Chief Financial Officer

JOINT VENTURE AGREEMENT

THIS JOINT VENTURE AGREEMENT (this "**Agreement**") is made as of June 1 2010, by and between **Laser Detect Systems Ltd.**, a company organized under the laws of the State of Israel with principal offices at 11 Granit St., Qiryat Arie, PO Box 10168, Petach Tikva 49514, Israel ("**Laser**"), and **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**") (Laser and Oramed are referred to herein as the "**Founding Shareholders**").

WHEREAS, the Founding Shareholders plan to establish an Israeli company to be named Entera Ltd. (or such other name as may be approved by the Founding Shareholders and the Companies Registrar) (the "**Company**") and will at inception be the sole shareholders of the Company; and

WHEREAS, the Founding Shareholders desire to determine the principles, provisions, terms and conditions required for the establishment, management, finance and operation of the Company, all subject to the terms and conditions set forth herein; and

WHEREAS, Oramed will provide the Company with a license pursuant to the License Agreement (as defined below), and Laser will be responsible for the initial funding the Company on the terms set forth herein.

NOW THEREFORE, in consideration of the mutual promises and covenants set forth herein and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties to this Agreement (the "**Parties**") hereby agree as follows:

1. General.

1.1 Purpose. The Founding Shareholders shall cause the Company to be incorporated under the laws of the state of Israel as a private company with limited liability, which will be operated by them pursuant to the terms of this Agreement for the purposes of developing pharmaceutical products for the oral delivery of peptides pursuant to the License Agreement.

1.2 Articles. The Company shall be organized in accordance with the provisions of this Agreement. Promptly upon incorporation, the Parties shall cause the Company to adopt this Agreement and approve the acts of the Parties carried out in the name of the Company pursuant to Israeli law. The articles of association of the Company (the "**Articles**") shall be in a form mutually agreed between the Founding Shareholders. In case of any contradiction between the provisions of this Agreement and the Articles, the provisions of the Articles shall prevail and govern in the relationship between the Parties.

1.3 Offices. The Company's offices shall be located in Oramed's offices at Hi-Tech Park 2/5 Givat-Ram, Jerusalem 91390, Israel. The Company will rent office space and services from Oramed for a period of up to 24 months commencing on the Closing Date, for a non-refundable, up-front fee in the amount of $36,000. It is acknowledged that the rental period may be less than 24 months if Oramed vacates such premises before the end of such 24-month period. The services will include the use of one half of an office for one employee of the Company and the use of office equipment and furniture.

1.4 Accounting Services. Oramed shall provide accounting services to the Company for the maintenance of the Company's accounting records and the preparation of quarterly and annual financial statements of the Company in accordance with U.S. GAAP and IFRS, to the extent financial statements in accordance with such rules are required by either of the Founding Shareholders. In consideration for such services, the Company shall pay to Oramed a monthly fee in the amount of NIS 3,500 plus VAT.

2. Capitalization, Closing and Share Transfers.

2.1 Capitalization. The authorized share capital of the Company shall initially consist of NIS 100,000 divided into 100,000 ordinary shares, NIS 1.00 par value each (the "**Ordinary Shares**").

2.1.1 On the basis of the representations, warranties, covenants, agreements, commitments, undertakings and obligations contained herein, at the Closing (as such term is defined in Section 2.3 below), each of Laser and Oramed shall purchase 5,000 Ordinary Shares (the "**Original Shares**"). The Ordinary Shares issued to Laser shall be issued against payment of $600,000, and the Ordinary Shares issued to Oramed shall be issued in consideration of Oramed's entering into the License Agreement in the form attached hereto as Exhibit A (the "**License Agreement**"). Such Original Shares shall, when issued at the Closing, be free and clear from any and all liens and shall be duly authorized, validly issued, fully paid and nonassessable. Immediately following the Closing, the issued and outstanding share capital of the Company shall consist solely of the Original Shares.

2.1.2 The Company shall adopt an employee share incentive plan that allows for the grant of awards in accordance with Section 102 of the Israeli Income Tax Ordinance [New Version], 1961. Such plan shall condition the issuance of Ordinary Shares thereunder to any person prior to the Company's initial public offering on the execution by such person of a document agreeing to become a party to this Agreement. Within 60 days following the Closing, the Company shall issue to Philip Schwartz as the Chief Executive Officer of the Company (the "**CEO**") options to purchase 1,098 Ordinary Shares (the "**CEO Options**"), reflecting 9.9% of the Company's share capital immediately following the Closing after dilution by the CEO Options. The CEO Options will be issued under the share incentive plan and pursuant to Section 102 of the Ordinance. The CEO Options shall have a ten (10) year term from the date of grant and shall be subject to vesting over a three (3) year period, with one-third of the CEO Options vesting upon the lapse of 6 months from the date of grant and one-third on each of the second and third anniversary of the date of grant. In the event that prior to the lapse of 6 months from the date of grant the Company shall receive equity financing from a third party investor, the vesting of the first third of the CEO Options shall accelerate immediately prior to the consummation of such investment. The vesting of the CEO Options will accelerate in full in the event that the CEO is terminated by the Company without cause and upon the consummation of an IPO or M&A transaction (as such terms will be defined a definitive agreement between the Company and the CEO). The exercise price per share of the CEO Options shall be the nominal value of the Ordinary Shares.

2.2 Additional Shares. Any future issuances of shares in the Company will dilute all the shareholders of the Company (the "**Shareholders**") proportionately, except as set forth in Section 3 below.

2.3 Closing. The closing of the transactions contemplated hereby (the "**Closing**") shall take place on the second business day following the fulfilment of the conditions set forth in Section 9 below, at the offices of Goldfarb, Levy, Eran, Meiri, Tzafrir & Co., 2 Weizmann Street, Tel Aviv, or at such other date and place as the Parties may otherwise agree (the date and time of the Closing are hereinafter referred to as the "**Closing Date**").

2.4 Share Transfers.

2.4.1 Each of the Parties shall be subject to the restrictions on Transfer (as defined below) of its respective Ordinary Shares set forth below and in the Articles.

2.4.2 Notwithstanding anything in this Agreement to the contrary, any Party may freely Transfer any of its Ordinary Shares to a Permitted Transferee thereof, subject to Section 2.4.3. "**Permitted Transferee**" means: (a) each of the Founding Shareholders; (b) as to any individual - any grandparents, parents, siblings, children, lineal descendant (including step and adopted children), and any spouse of such individual or any of the foregoing, or trust of which at least one of the foregoing is the beneficiary; (c) any Affiliate of the persons indicated in (a) or (b) above; (d) as to any partnership: (1) any of its general and limited partners; (2) any of its Affiliates; (3) any person, directly or indirectly, managing such entity; or (4) any entity (and its partners) managed by the same management company or managing general partner, or managed by an affiliate of such management company or managing general partner; and (e) as to a trust, the beneficiary or beneficiaries of such trust. "**Affiliate(s)**" of any person shall mean another person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such first person; and "**control**" shall mean ownership (direct or indirect) of more than 50% of the shares of the subject person entitled to vote in the election of directors (or, in the case of a person that is not a corporation, for the election of the corresponding managing authority).

2.4.3 Any transferee, concurrently with the completion of the Transfer of Ordinary Shares, shall have executed a document assuming the obligations of the transferor under, and agreeing to be bound by and become a party to, this Agreement. An Affiliated transferee of a Shareholder shall be aggregated together with such Shareholder with respect to the holdings, rights and obligations of such Shareholder under this Agreement. Any attempt by a Party to Transfer Ordinary Shares in violation of this Agreement shall be void and the Company agrees it will not affect such a Transfer nor will it treat any alleged transferee(s) as the holder of such Ordinary Shares.

2.4.4 For the purposes of this Agreement, a "**Transfer**" shall include to sell, assign, transfer, grant any right in, assign or dispose of, by gift or otherwise (including by way of realization of a Pledge), or in any way encumber, shares or other securities convertible into or exchangeable for shares in the Company, including, if the transferor (other than Laser or Oramed) is a holding company, whose primary activity is holding shares in the Company or other securities convertible into or exchangeable for shares in the Company, by way of a change of control in such transferor-company. For the removal of doubt, it is hereby clarified that the pledge, lien, hypothecation or mortgage (collectively, "**Pledge**") of any shares or other securities convertible into or exchangeable for shares in the Company shall not be considered a Transfer for the purposes of this Section 2.4.4., provided that the pledgee agrees in writing towards the Company and the Shareholders to be bound by all restrictions of Transfer set forth herein, including, without limitation, the right of first refusal pursuant to Section 2.6 hereafter.

2.5 Pre-emptive Right. Until immediately prior to the closing of the initial public offering of the Ordinary Shares ("**IPO**"), each Founding Shareholder will have the right to purchase a pro rata portion (on an as-converted basis) of any further issuance of share capital, or other rights or securities convertible into or exchangeable for share capital, by the Company, other than options (and the shares issuable upon exercise thereof) granted to employees, consultants and directors under the employee equity incentive plan of the Company. Each Founding Shareholder shall also be entitled to purchase the pro rata portion of any other Founding Shareholder that does not exercise such right.

2.6 Right of First Refusal

2.6.1 If at any time prior to the closing of the IPO, any Shareholder (the "**Offeror**") wishes to Transfer, other than to a Permitted Transferee, all or any of its Ordinary Shares or other securities convertible into or exchangeable for shares of the Company (the "**Offered Securities**"), the Founding Shareholders and the CEO shall have the right to purchase all, or any portion, of the Offered Securities on the same terms and conditions offered by the Offeror, all in accordance with customary procedures set forth in the Articles.

2.6.2 Notwithstanding the foregoing, no Shareholder may transfer Ordinary Shares to a competitor of the Company, without the prior written consent of the Board and the Founding Shareholders, which in case of a Founding Shareholder can be withheld in its sole and absolute discretion.

2.7 Drag-Along Rights. Without derogating from the provisions of Section 2.6 above, prior to an IPO, in the event that both Founding Shareholders holding in the aggregate at such time the majority of the Company's issued and outstanding share capital, accept an offer to sell all of their shares to a third party (excluding to a Permitted Transferee), and such sale is conditioned upon the sale of all remaining outstanding Ordinary Shares of the Company to such third party, all other Shareholders shall be required, upon the Founding Shareholders' request, to sell their shares in such transaction, on the same terms and conditions, provided that the terms of such sale reflect a pre-money valuation of the Company of at least $15,000,000.

2.8 Registration Rights. In the event of an IPO in the United States, the Company will grant demand and piggyback registration rights to the Founding Shareholders on customary terms and conditions.

3. Funding. In the event the Company has not obtained third party financing on or prior to the first year anniversary of this Agreement, or such other date mutually agreed upon by the Founding Shareholders, each Founding Shareholder shall make a capital contribution to the Company in the amount of $150,000 (the "**Second Financing**"). Subject to Section 2.6 above (*mutatis mutandis*), each Founding Shareholder may elect to allow a third party introduced by such Founding Shareholder to invest an amount equal to all or a portion of such Founding Shareholder's Second Financing obligation, provided that the terms of such investment reflect a pre-money valuation of the Company of at least $5,000,000 and that, at the election of the other Founding Shareholder, up to one half of the third party's investment shall count toward such other Founding Shareholder's Second Financing obligation. Notwithstanding the foregoing, in order to allow the CEO to maintain beneficial ownership of 9.9% of the Company (on a fully diluted basis) as of the closing of the Second Financing, the Company will provide the CEO with the opportunity to contribute $15,000 to the Company upon the closing of the Second Financing, whether or not a third party participates in the Second Financing. If the CEO shall not contribute such amount or if a third party participates in the Second Financing, the Company shall issue Ordinary Shares in consideration for the investments in the Second Financing; if the CEO contributes such amount, but no third party participates in the Second Financing, then such Ordinary Shares shall be issued at the same valuation as the Original Shares; otherwise, all such Ordinary Shares shall be issued at the valuation of the third party's investment in the Second Financing.

4. Corporate Governance; Management.

4.1 Shareholders Meetings.

4.1.1 The quorum for meetings of the Shareholders shall be the presence, in person or by proxy, of at least 2 (two) Shareholders, holding shares conferring a majority of the outstanding voting power of the Company, provided, however, that as long as a Founding Shareholder holds 10% (ten percent) or more of the issued and outstanding share capital of the Company, a legal quorum shall require the presence (in person or by proxy) of such Founding Shareholder.

4.1.2 If within half an hour from the time appointed for the meeting a quorum is not present, the meeting shall stand adjourned to the same day in the following week at the same time and place, or to such other date, time and place as the Board of Directors may determine. If a notice of the adjourned meeting has been given to the Shareholders, and a quorum is not present at the adjourned meeting within half an hour from the time appointed for the meeting, then any Shareholder present, in person or by proxy, shall be a quorum, and shall be entitled to deliberate and to resolve in respect of the matters for which the original meeting was convened. No business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting as originally called.

4.1.3 Other than as described in Section 4.2 below, a resolution shall be deemed adopted by the Shareholders if approved, in person or by proxy, by the holders of more than 50% of the voting power represented at the general meeting and voting thereon.

4.2 Major Decisions; Shareholders. Each of the following matters may only be approved with the prior written consent of each Founding Shareholder, for so long as such Founding Shareholder holds 20% or more of the issued and outstanding share capital of the Company, regardless of whether such matter might otherwise be deemed to be within the competence of the Board of Directors:

4.2.1 Any change in the number of directors of the Company or the manner of their selection.

4.2.2 Any amendment of the Articles that adversely affects the rights of such Founding Shareholder.

4.2.3 The merger, reorganization, consolidation or change of control transaction with or into any other entity, other than a bona fide investment transaction or a purchase of shares from an existing Shareholder of the Company.

4.2.4 Changing the independent auditor of the Company.

4.2.5 The liquidation, dissolution or winding up of the Company or termination of the Company's activities.

4.3 Board of Directors. The management of the Company shall be supervised and directed by the Board of Directors. The Board of Directors shall initially consist of four members: one representative designated by Oramed (the "**Oramed Board Member**"), one representative designated by Laser (the "**Laser Board Member**"), the CEO and an independent director mutually appointed by the Founding Shareholders, provided, however, that the rights of any Founding Shareholder under this Section 4.3 shall not apply if its holdings in the Company constitute less than 20% of the outstanding share capital. The Company shall not pay director fees to the CEO, the Oramed Board Member or the Laser Board Member.

4.4 Chairman. The Board of Directors shall appoint one director to serve as Chairman of the Board of Directors. The Chairman shall be unanimously appointed by the Board of Directors and shall not have a casting vote in addition to his or her vote as a director.

4.5 Management. The day-to-day operations of the Company will be managed by the CEO, who will report to the Board of Directors.

4.6 Board Meetings. The quorum for meetings of the Board of Directors shall be two directors, provided that the Oramed Board Member and the Laser Board Member are present, to the extent he or she is permitted to participate under applicable law. Other than as described in Section 4.8 below, resolutions of the Board of Directors shall be passed by a majority of the directors present and lawfully entitled to vote thereon.

4.7 Deadlock Resolution. If the Board of Directors is unable to adopt a resolution regarding a significant matter due to a tie vote (a "**Deadlock**"), the Deadlock shall be resolved in accordance with the following procedure: within three "**business days**" (*i.e.*, a day (other than a Friday or Saturday) on which banks are permitted to be open and transact business in Israel) of the date of the meeting of the Board of Directors in which the Deadlock arose, the Founding Shareholders shall mutually appoint an additional director to the Board of Directors. The Board of Directors shall then convene a meeting and attempt to resolve the Deadlock.

4.8 Major Decisions; Boards of Directors. Each of the following matters may only be approved with the prior written consent of each of the Oramed Board Member and the Laser Board Member, for so long as each of Oramed and Laser, respectively, holds 20% or more of the issued and outstanding share capital of the Company, regardless of whether such matter might otherwise be deemed to be part of the day-to-day management of the Company:

4.8.1 Any sale or other disposition of material assets of the Company outside the ordinary course of business.

4.8.2 Any contract or arrangement, or amendment thereto, between the Company or a subsidiary thereof, on the one hand, and any officer, director, Shareholder or Permitted Transferee of the foregoing, on the other hand.

4.8.3 Taking on loans.

4.8.4 Entering a new business area, other than a new field of development pursuant to the License Agreement.

4.8.5 The merger, reorganization, consolidation or change of control transaction, other than a bona fide investment transaction or a purchase of shares from an existing shareholder, of the Company with or into any other entity

4.8.6 The approval of the Business Plan (as defined in Section 4.11 below) and any material deviation therefrom or material modifications thereto.

4.8.7 Declaration or payment of any dividend or other distribution by the Company.

4.8.8 Making any loans, advances, liens or guarantees outside the ordinary course of business.

4.8.9 Effecting an IPO and selecting the managing underwriter thereof.

4.8.10 The hiring, compensation or termination of the CEO.

4.9 Indemnification and Insurance. The Company will undertake to indemnify its directors and officers to the fullest extent permitted by applicable law for such individuals' service as officers and directors and to advance expenses (including all reasonable legal fees incurred by any such individual in connection with such indemnification upon the receipt of the signed statement by the indemnified individual agreeing to reimburse the Company for such advance in the event it is ultimately determined that any such individual is not entitled to be indemnified against such expenses), and shall maintain Directors and Officers Liability Insurance on customary terms and conditions.

4.10 Limitation on Liability. Subject to applicable law, neither the directors nor the officers shall be liable to the Shareholders or the Company for monetary damages for an act or omission in such person's capacity as a director or officer, except for (i) acts of willful misconduct or recklessness, (ii) any transaction from which the director or officer derived, directly or indirectly, an improper personal benefit or (iii) fines imposed upon him or her.

4.11 Business Plan. The CEO shall propose to the Board of Directors an annual business plan of the Company, including the annual budget, the R&D plan and other major factors in the Company' operations (the "**Business Plan**"). The business of the Company shall be conducted in accordance with such Business Plan. The initial Business Plan of the Company for 2010 shall be proposed within 30 days of the Closing, and the Business Plan for subsequent fiscal years shall be proposed 30 days before the end of the prior fiscal year.

4.12 Information Rights. For as long as any Founding Shareholder is the holder of 5% of the issued and outstanding share capital of the Company, it shall be entitled to full transparency of the Company's affairs, including the right to receive, promptly upon request, financial information and to inspect the books of the Company, subject to Section 5.3 below.

4.13 Bank Account; Signatory Rights.

4.13.1 The Company shall open and maintain a bank account according to a resolution of the Board of Directors, into which all income and receipts of the Company will be deposited and from which all expenses of the Company will be paid.

4.13.2 The initial signature rights of the Company shall be as follows: (i) the signature of the CEO, together with the Company's seal or printed name, shall bind the Company with respect to payments of up to $5,000 each; and (ii) the joint signatures of the CEO and one director, or any two directors, together with the Company's seal or printed name, shall bind the Company in any matters that do not require the approval of the Board or Shareholders under applicable law, the Articles or this Agreement.

4.14 Accounting. The Company's initial independent auditor shall be Kesselman & Kesselman, certified public accountants in Israel and a member of PricewaterhouseCoopers International Limited. The Company shall prepare financial statements in accordance with both U.S. and Israeli generally accepted accounting principles. The Company's fiscal year shall be the calendar year.

4.15 Consulting Services. If any personnel of a Shareholder shall provide consulting services to the Company from time to time, other than in the capacity of a Board member, the Company will compensate such Shareholder on market terms.

5. Covenants.

5.1 Best Efforts. Between the date of this Agreement and the Closing Date, each of the Parties shall use its best efforts to cause the conditions in Section 9 to be satisfied as soon as practicable prior to the Closing Date.

5.2 Publicity. No Party shall issue a press release or cause any other publicity with respect to the subject matter of this Agreement or the activities of the Company without the consent of the Founding Shareholders or the Board of Directors, except as required by applicable law or stock exchange rules, in which case reasonable effort shall be made to coordinate the content and timing of such publicity.

5.3 Confidentiality. Each Shareholder shall hold in strict confidence and shall cause its directors, employees, consultants and advisors to hold in strict confidence, all documents and information in its possession concerning the Company and its business, including financial information and the entering into and content of this Agreement (the "**Confidential Information**"), will use such Confidential Information only in connection with its capacity as a Shareholder and shall not disclose the same to any person; *provided, however,* that in the event that a Shareholder is required by applicable law to disclose any Confidential Information such Shareholder will first consult with the Company and cooperate in an effort to minimize such disclosure of Confidential Information to the greatest extent possible, and after such consultation shall be entitled to disclose such Confidential Information to the extent required. The obligations in this Section 5.3 will not apply to any information which (i) is or becomes available to the public other than by breach of this Agreement by the receiving party, (ii) is or has been rightfully received by the receiving party from a third party, or disclosed by the disclosing party to a third party, without any restrictions as to its use or disclosure, (iii) is or has been independently developed by the receiving party, or (iv) is published or included in any publication in accordance to a regulatory or stock market requirement or request.

5.4 Legal Representation; Expenses. The Founding Shareholders acknowledge that attorneys at the same law firm are representing both Founding Shareholders and the Company in connection with this Agreement, the License Agreement and the establishment of the Company. Accordingly, the fees of such firm incurred in connection with such matters shall be borne by the Founding Shareholders and the Company in three equal parts. Such arrangement shall not apply to matters relating specifically to one Founding Shareholder, such as the corporate approval process of each Founding Shareholder. Except as otherwise expressly provided herein, whether or not the transactions contemplated herein are consummated, each Party shall bear and pay all fees, costs and expenses (including legal fees and accounting fees) that have been incurred or that are incurred by such Party in connection with this Agreement and the transactions contemplated herein.

5.5 Further Assurances. At any time and from time to time after the Closing Date, the Parties hereto agree to (i) furnish, execute, acknowledge and deliver upon reasonable request to each other such further assurances, documents, and information and (ii) do all such further acts and things, all as the other Party may reasonably request for the purpose of carrying out the intent of this Agreement and any document referred to herein.

5.6 Notification. Between the date of this Agreement and the Closing Date, each Party shall promptly notify the other Party in writing if it becomes aware of any fact or condition that causes or constitutes a breach of any of its representations and warranties as of the date of this Agreement, or if it becomes aware of the occurrence after the date of this Agreement of any fact or condition that could (except as expressly contemplated herein) cause or constitute a breach of any such representation or warranty had such representation or warranty been made as of the time of occurrence or discovery of such fact or condition. During the same period, each Party shall promptly notify the other Party of the occurrence of any breach of any covenant, agreement, undertaking or obligation of such Party or of the occurrence of any event that may make the satisfaction of the conditions in Section 9 impossible or not reasonably likely.

6. Non-Solicitation; Specific Performance

6.1 Non-Solicitation. Each of the Parties and the Company hereby undertakes that for as a long as such Party holds securities of the Company and for a period of one (1) year thereafter, it shall not, and shall cause its respective Affiliates not to, without the prior written consent of the other Party or the Company, as applicable, directly or indirectly, whether by itself, its employees, officers or agents and whether on its own account or on behalf of or in conjunction with or through the medium of any person, firm or company or otherwise howsoever, (with a view to employment or engagement) solicit or entice away, or endeavour to solicit or entice away, from the other Party or the Company any employee or officer of the other Party or the Company.

6.2 Specific Performance. The Parties expressly agree and acknowledge that the detriment caused by any violation of any provision of this Agreement, would be so severe and fundamental as to be impossible to quantify in monetary damages. Accordingly, the Parties agree that the Company and each Party shall be entitled to obtain an order for specific performance of any and all provisions this Agreement. Nothing in this Section 6.3 shall be interpreted to limit in any way any other legal or equitable remedies which may be or become available as a result of a breach of any portion of this Agreement, including (without limitation) monetary damages.

7. Representations and Warranties.

7.1 Each of the Parties (including the Company, upon adoption of this Agreement) hereby represents, warrants and undertakes with respect to itself, as applicable, as follows:

7.1.1 Due Incorporation. It is a corporation duly organized and validly existing under the laws in which it was incorporated, has all requisite corporate power and authority to carry on its business as now being conducted and it has all requisite corporate power to enter into and perform its obligations under this Agreement and the License Agreement.

7.1.2 Due Authorization. The execution, delivery and performance of this Agreement and the License Agreement and the consummation of the transactions provided for herein and therein, have been duly authorized by all necessary corporate action. This Agreement and the License Agreement constitute a valid and legally binding obligation on its part, enforceable in accordance with its and their terms. The execution and delivery by it of this Agreement and the License Agreement, and the consummation by it of the transactions contemplated hereby and thereby in accordance with the terms of this Agreement and the License Agreement, do not and shall not as of Closing Date contravene or conflict with (or constitute a violation of or breach of or default under or give to others any rights, including rights of termination, cancellation or acceleration): (i) its memorandum or articles of association or other corporate governing documents; (ii) any provision of any law, regulation, judgment, injunction, order or decree binding upon or applicable to it; or (iii) any agreement, contract, lease or commitment to which it is a party or by which it is bound.

7.1.3 Approvals. The execution, delivery and performance of this Agreement and the License Agreement by it do not require any consent of, notice of, or action by any person or governmental authority, which consent, notice or action has not been made, given or otherwise accomplished and satisfactory evidence thereof delivered to the other Party.

7.2 As of the Closing Date, the Company represents, warrants and undertakes with respect to itself, as follows:

7.2.1 Authorization; Valid Issuance. (a) All corporate action on the part of the Company, its directors and stockholders necessary for the authorization, sale, issuance and delivery of the Original Shares, and the performance of the Company's obligations hereunder has been taken prior to or on the Closing Date; and (b) the Original Shares, when issued in compliance with the provisions of this Agreement, will be duly authorized and validly issued, fully paid and non-assessable, will have the rights, preferences, privileges and restrictions set forth in this Agreement and the Articles.

7.2.2 Capitalization. Attached hereto as Exhibit B ("**Capitalization Table**") is a true and correct capitalization table of the Company as of the Closing Date. Except as set forth in the Capitalization Table, there are no options, warrants or other securities, conversion privileges or other rights presently outstanding or reserved to purchase or otherwise acquire any authorized but unissued share capital or other securities of the Company.

8. Term and Termination.

8.1 This Agreement shall remain in full force and effect until (i) terminated pursuant to the written consent of both Founding Shareholders or (ii) terminated by any Founding Shareholder if the Closing shall not have occurred within 60 days of this Agreement other than due to the fault of such Founding Shareholder. In addition, this Agreement shall terminate in respect of any Shareholder when such Shareholder no longer holds any Ordinary Shares.

8.2 Survival. Sections 4.9, 4.10, 5.3, 6.1, 6.2 and 10 (all subsections) of this Agreement shall survive and continue to be effective after the termination of this Agreement. The termination of this Agreement shall not, in and by itself, affect the effectiveness of any agreement executed by the Parties and/or the Company pursuant to this Agreement, and such agreements shall continue to be effective until terminated in accordance with the terms thereof.

9. Conditions to Closing.

9.1 Conditions to the Obligations of Laser.

The obligation of Laser to take the actions to be taken by it at the Closing is subject to the satisfaction, at or prior to the Closing, of each of the following conditions (any of which may be waived in whole or in part by Laser):

9.1.1 Incorporation of the Company. The Company shall be duly incorporated and validly existing under the laws of Israel.

9.1.2 Representations and Warranties. Each of the representations and warranties of Oramed set forth in this Agreement shall be true and correct as of the date of this Agreement and as of the Closing Date, with the same effect as though such representations and warranties had been made on and as of the Closing Date.

9.1.3 Covenants. All of the covenants, agreements, undertakings and obligations that Oramed is required to perform or to comply with pursuant to this Agreement at or prior to the Closing shall have been duly performed.

9.1.4 Corporate Approval. Oramed shall have approved the transactions contemplated herein in accordance with Israeli law.

9.1.5 Delivery of Documents. Laser shall have received a copy of the following documents:

(i) A copy of the License Agreement duly executed by Oramed and the Company;

(ii) A copy of the employment agreement duly executed by the Company and the CEO;

(iii) A copy of the current and valid Articles; and

(iv) A copy of a joinder agreement to this Agreement duly executed by the Company.

9.1.5 No Action or Order. No action shall be pending and no order shall have been issued which (i) involves a challenge to or seeks to prohibit, delay or restrict the consummation of any of the transactions contemplated herein or (ii) questions the validity or legality of any of the transactions contemplated herein.

9.2 Conditions to the Obligations of Oramed.

The obligation of Oramed to take the actions to be taken by it at the Closing is subject to the satisfaction, at or prior to the Closing, of each of the following conditions (any of which may be waived in whole or in part by Oramed):

9.2.1 Representations and Warranties. Each of the representations and warranties of Laser set forth in this Agreement shall be true and correct as of the date of this Agreement and as of the Closing Date, with the same effect as though such representations and warranties had been made on and as of the Closing Date.

9.2.2 Covenants. All of the covenants, agreements, undertakings and obligations that Laser is required to perform or to comply with pursuant to this Agreement at or prior to the Closing shall have been duly performed.

9.2.3 Shareholder Approval. The shareholders of Laser shall have approved the transactions contemplated herein in accordance with Israeli law.

9.2.4 Delivery of Documents. Oramed shall have received a copy of the following documents:

(i) A copy of the License Agreement duly executed by the Company;

(ii) A copy of the employment agreement duly executed by the Company and the CEO;

(iii) A copy of the current and valid Articles; and

(iv) A copy of a joinder agreement to this Agreement duly executed by the Company.

9.2.5 No Action or Order. No action shall be pending and no order shall have been issued which (i) involves a challenge to or seeks to prohibit, delay or restrict the consummation of any of the transactions contemplated herein; or (ii) questions the validity or legality of any of the transactions contemplated herein.

10. Miscellaneous.

10.1 Relationship of the Parties. No Party has the right to bind the other Party in any manner whatsoever and nothing in this Agreement shall be interpreted to make any Party the partner, agent or legal representative of any other Party.

10.2 Assignment. This Agreement and the rights and obligations granted and undertaken herein shall not be assigned by any Party without the prior written consent of the other Party, which consent shall not be unreasonably withheld, or in connection with a Transfer of Ordinary Shares in accordance with Section 2 hereof.

10.3 Taxes. Each Party shall be solely responsible for its own tax obligation. The Company shall make commercially reasonable efforts to accommodate the tax planning considerations of the Parties.

10.4 Notice. Notice as required herein shall be delivered by hand, by fax, by courier service, by electronic mail, or by registered or certified mail, return receipt requested, postage prepaid. A notice shall be addressed to a Party or the Company at the address listed below, or to another address which may subsequently be specified in writing by a Party or the Company. A notice shall be effective as of the date it is delivered if by hand or courier service; if by fax, on the date of machine-confirmation receipt; if by electronic mail, on the date of delivery; or for notices sent by mail, the earlier of the date of receipt or five (5) business days after the postmark date. Notices to the Parties shall be sent to the following:

If to Laser:
Laser Detect Systems Ltd.
11 Granit St., Qiryat Arie
P.O. Box 10168
Petach Tikva 49514, Israel
Attention: [_____]
Tel: +972 3 927 7444
Fax: +972 3 927 7543
E-mail: [_____]

If to Oramed:
Oramed Ltd.
Hi-Tech Park 2/5, Givat-Ram
PO Box 39098
Jerusalem 91390, Israel
Attention: Yifat Zommer, CFO
Tel: +972 2 566 0001
Fax: +972 2 566 0004
E-mail: yifat@oramed.com

10.5 Integration. This Agreement and the License Agreement (including all Annexes and Exhibits hereto and thereto) are the complete and exclusive statement of the understandings of the Parties with respect to the subject matter contained herein, and supersede and merge all prior proposals and understandings between the Parties, whether oral or written, in this regard.

10.6 Severability. In the event that any provision of this Agreement shall be deemed unlawful or otherwise unenforceable, such provision shall be severed from this Agreement and the balance of the Agreement shall continue in full force and effect.

10.7 Governing Law and Jurisdiction. This Agreement shall be governed by and construed solely according to the laws of the State of Israel, without regard to the conflict of laws provisions thereof. Any dispute arising under or in relation to this Agreement shall be resolved by arbitration by one arbitrator agreed by the Parties, in accordance with the Israeli Arbitration Law, 5728-1968. The arbitrator shall have expertise in the area under dispute and shall be appointed jointly by the Parties or, failing agreement thereon within fourteen (14) days after either Party requests the submission of an issue to arbitration, by the President of Israel Bar. The arbitrators shall apply substantive law but shall not be bound by the laws relating to procedure. The arbitrator shall render a decision in writing stating his reasons therefore within 14 days from the last hearing of the Parties. The fees and expenses of the arbitrator shall be borne by the Parties equally unless otherwise determined by the arbitrator, but each Party shall pay its own expenses incurred in the arbitration. The arbitration process set out herein shall be the sole method for resolving any disputes that may arise under this Agreement; provided, however, that a party may commence legal proceedings and/or seek interlocutory or other conservatory relief whether for the purpose of protecting that party's rights under applicable limitation or prescription rules or otherwise. For such purposes, each party hereto hereby irrevocably submits to the exclusive jurisdiction of the Tel-Aviv courts, and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court.

10.8 Non-waiver of rights. The waiver of a breach or default shall not constitute the waiver of any subsequent breach or default.

10.9 Captions. The captions, titles and subtitles contained in this Agreement are for convenience only and shall not affect the construction or interpretation of any provision hereof.

10.10 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original but all of which shall constitute but one instrument. The exchange of an executed Agreement (in counterparts or otherwise) by facsimile transmission or by electronic delivery in .pdf format or the like shall be sufficient to bind the parties to the terms and conditions of this Agreement, as an original.

10.11 Scriveners; Joint Negotiations. The provisions of this Agreement were negotiated by the Parties and this Agreement shall be deemed to have been drafted by all of the Parties.

10.12 Amendments and Waivers. Any term of this Agreement may be amended and the observance of any term hereof may be waived only with the written consent of all of the Parties hereto. No delay or omission to exercise any right, power, or remedy accruing to any Party upon any breach or default under this Agreement, shall be deemed a waiver of any other breach or default theretofore or thereafter occurring.

[*Signature page follows*]

IN WITNESS WHEREOF, the Parties have executed this Joint Venture Agreement as of the day and year first above written.

LASER DETECT SYSTEMS LTD.

By: _____
Name: _____
Title: _____

ORAMED LTD.

By: _____
Name: _____
Title: _____

Exhibit A

License Agreement

Exhibit B

Capitalization Table

Shareholder	Amount of Shares	Percentage
Laser Detect Systems Ltd.	5,000	50%
Oramed Ltd.	5,000	50%
TOTAL	**10,000**	**100%**

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

I, Nadav Kidron, certify that:

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

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

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

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

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

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

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

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

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

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

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

Dated: July 14, 2010

By: /s/ *NADAV KIDRON*

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

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

I, Yifat Zommer, certify that:

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

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

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

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

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

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

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

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

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

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

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

Dated: July 14, 2010

By: /s/ *YIFAT ZOMMER*

Name: Yifat Zommer,
Title: Chief Financial Officer

Exhibit 32.1

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

In connection with the quarterly report of Oramed Pharmaceuticals Inc. (the "Company") on Form 10-Q for the period ended May 31, 2010 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Nadav Kidron, President, Chief Executive Officer and Director of the Company, certify, pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that:

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

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

Dated: July 14, 2010

By: /s/ *NADAV KIDRON*

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

Exhibit 32.2

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

In connection with the quarterly report of Oramed Pharmaceuticals Inc. (the "Company") on Form 10-Q for the period ended May 31, 2010 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Yifat Zommer, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that:

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

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

Dated: July 14, 2010

By: /s/ *YIFAT ZOMMER*

Name: Yifat Zommer,
Title: Chief Financial Officer