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

FORM 10-K

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Fiscal Year Ended August 31, 2012

or

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

Commission file number 000-50298

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

Delaware	**98-0376008**
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)
Hi-Tech Park 2/5 **Givat-Ram** **P.O. Box 39098** **Jerusalem, Israel**	
(Address of Principal Executive Offices)	**91390** (Zip Code)

+972-2-566-0001
(Registrant's Telephone Number, Including Area Code)

Securities registered pursuant to Section 12(b) of the Exchange Act: None

Securities registered pursuant to Section 12(g) of the Act: Common Stock, $.001 par value per share

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes ☐ No ☒

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 ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Date File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

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

Large accelerated filer ☐ Accelerated filer ☐

Non-accelerated filer ☐ Smaller reporting company ☒

(Do not check if a smaller reporting company)

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

Yes ☐ No ☒

The aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the average bid and asked price of such common equity, as of the last business day of the registrant's most recently completed second fiscal quarter was $17,492,586 based on a price of $0.31, being the last price at which the shares of the registrant's common stock were sold on the OTC Bulletin Board prior to the end of the most recently completed second fiscal quarter.

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date: 86,505,020 shares of common stock issued and outstanding as of December 6, 2012.

ORAMED PHARMACEUTICALS INC.

FORM 10-K
(FOR THE FISCAL YEAR ENDED AUGUST 31, 2012)

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As used in this Annual Report on Form 10-K, the terms "we," "us," "our," the "Company," and "Oramed" mean Oramed Pharmaceuticals Inc. and our wholly-owned Israeli subsidiary, Oramed Ltd., unless otherwise indicated. All dollar amounts refer to U.S. Dollars unless otherwise indicated.

On August 31, 2012, the exchange rate between the NIS and the dollar, as quoted by the Bank of Israel, was NIS 4.028 to $1.00. Unless indicated otherwise by the context, statements in this Annual Report on Form 10-K that provide the dollar equivalent of NIS amounts or provide the NIS equivalent of dollar amounts are based on such exchange rate.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K (including the section regarding Management's Discussion and Analysis of Financial Condition and Results of Operations) contains forward-looking statements within the meaning of the federal securities laws regarding our business, clinical trials, financial condition, expenditures, results of operations and prospects. Words such as "expects," "anticipates," "intends," "plans," "planned expenditures," "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 Annual Report on Form 10-K. Additionally, statements concerning future matters are forward-looking statements.

Although forward-looking statements in this Annual Report on Form 10-K reflect the good faith judgment of our management, such statements can only be based on facts and factors currently known by us. Consequently, forward-looking statements are inherently subject to risks and uncertainties and actual results and outcomes may differ materially from the results and outcomes discussed in or anticipated by the forward-looking statements. Factors that could cause or contribute to such differences in results and outcomes include, without limitation, those specifically addressed under the heading "Item 1A. Risk Factors" below, as well as those discussed elsewhere in this Annual Report on Form 10-K. Readers are urged not to place undue reliance on these forward-looking statements, which speak only as of the date of this Annual Report on Form 10-K. Except as required by law, 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 Annual Report on Form 10-K. Readers are urged to carefully review and consider the various disclosures made throughout the entirety of this Annual Report on Form 10-K which attempt to advise interested parties of the risks and factors that may affect our business, financial condition, results of operations and prospects.

PART I

ITEM 1. BUSINESS.

DESCRIPTION OF BUSINESS

Research and Development

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

Oral insulin: We are seeking to revolutionize the treatment of diabetes through our proprietary flagship product, an orally ingestible insulin capsule (ORMD0801) currently in non-U.S. Food and Drug Administration, or FDA, approved Phase 2 clinical trials. Our technology allows insulin to travel from the gastrointestinal tract via the portal vein to the bloodstream, revolutionizing the manner in which insulin is delivered. It enables its passage in a more physiological manner than current delivery methods of insulin. Our technology is a platform that has the potential to deliver medications and vaccines orally that today can only be delivered via injection.

Diabetes: Diabetes is a disease in which the body does not produce or properly use insulin. Insulin is a hormone that causes sugar to be absorbed into cells, where the sugar is converted into energy needed for daily life. The cause of diabetes is attributed both to genetics (type 1 diabetes) and, most often, to environmental factors such as obesity and lack of exercise (type 2 diabetes). According to the World Health Organization, or WHO, an estimated 347 million people worldwide suffered from diabetes in 2010. In 2004, an estimated 3.4 million people died from consequences of high blood sugar, and the WHO projects that diabetes deaths will increase by two thirds between 2008 and 2030. According to the American Diabetes Association, or ADA, in the United States there were approximately 25.8 million people with diabetes, or 8.3% of the United States population in 2010. Diabetes is a leading cause of blindness, kidney failure, heart attack, stroke and amputation.

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

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

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

Strategy

Short Term Business Strategy

We plan to conduct further research and development on the technology covered by the patent application "Methods and Composition for Oral Administration of Proteins," which we acquired from Hadasit Medical Research Services and Development Ltd., or Hadasit, in 2006 and which is pending in various foreign jurisdictions, as well as the other patents we have filed in various foreign jurisdictions since then, as discussed below under "—Patents and Licenses" and "Item 1A. Risk Factors." Through our research and development efforts, we are seeking to develop an oral dosage form that will withstand the harsh chemical environment of the stomach and intestines and will be effective in delivering active insulin for the treatment of diabetes. The enzymes and vehicles that are added to the insulin in the formulation process must not modify the insulin chemically or biologically, and the dosage form must be safe to ingest. We plan to continue to conduct clinical trials to show the effectiveness of our technology. We intend to conduct the clinical trials necessary to file an Investigational New Drug, or IND, application with the FDA. Additional clinical trials are planned in Israel in order to substantiate our results as well as for purposes of making future filings for drug approval. We also plan to conduct further research and development by deploying our proprietary drug delivery technology for the delivery of other polypeptides in addition to insulin, and to develop other innovative pharmaceutical products.

Long Term Business Strategy

If our oral insulin capsule or other drug delivery solutions show significant promise in clinical trials, we plan to ultimately seek a strategic commercial partner, or partners, with extensive experience in the development, commercialization, and marketing of insulin applications and/or other orally digestible drugs. We anticipate such partner or partners would be responsible for, or substantially support, late stage clinical trials (Phase 3) to increase the likelihood of obtaining regulatory approvals and registrations in the appropriate markets in a timely manner. We further anticipate that such partner, or partners, would also be responsible for sales and marketing of our oral insulin capsule in these markets. Such planned strategic partnership, or partnerships, may provide a marketing and sales infrastructure for our products as well as financial and operational support for global clinical trials, post marketing studies, label expansions and other regulatory requirements concerning future clinical development in the United States and elsewhere. Any future strategic partner, or partners, may also provide capital and expertise that would enable the partnership to develop new oral dosage form for other polypeptides. While our strategy is to partner with an appropriate party, no assurance can be given that any third party would be interested in partnering with us. Under certain circumstances, we may determine to develop one or more of our oral dosage form on our own, either world-wide or in select territories.

Other Planned Strategic Activities

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

Product Development

Orally Ingestible Insulin

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

In November 2007, we successfully completed animal studies in preparation for the Phase 1B clinical trial of our oral insulin capsule (ORMD0801). 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 in type 2 diabetic volunteers at Hadassah Medical Center in Jerusalem. In August 2008, we announced the successful results of this trial.

In July 2008 we were granted approval by the Institutional Review Board Committee of Hadassah Medical Center in Jerusalem, or the IRB, to conduct a non-FDA approved Phase 2A study to evaluate the safety and efficacy of our oral insulin capsule on type 1 diabetic volunteers. In September 2008, we announced the beginning of this trial. In July 2009 we reported positive results from this trial.

In April 2009, we entered into a consulting service agreement with ADRES Advanced Regulatory Services Ltd., or ADRES, (which was amended in February 2012), 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 on type 2 diabetic volunteers. In May 2010, we reported that the capsule was found to be well tolerated and exhibited a positive safety profile. No cumulative adverse effects were reported throughout this first study of extended exposure to the capsule.

In February 2010, we entered into agreements with Vetgenerics Research G. Ziv Ltd., a clinical research organization, to conduct a toxicology trial on our oral insulin capsules. In March 2011, we reported that we successfully completed the resulting comprehensive toxicity study for our oral insulin capsule. The study was completed under conditions prescribed by the FDA Good Laboratory Practices regulations.

In September 2010, we reported the successful results of an exploratory clinical trial testing the effectiveness of our oral insulin capsule in type 1 diabetes patients suffering from uncontrolled diabetes. Unstable or labile diabetes is characterized by recurrent, unpredictable and dramatic blood glucose swings often linked with irregular hyperglycemia and sometimes serious hypoglycemia affecting type 1 diabetes patients. This completed exploratory study was a proof of concept study for defining a novel indication for ORMD0801. We believe the encouraging results justify further clinical development of ORMD0801 capsule application toward management of uncontrolled diabetes.

We intend to file an IND application with the FDA for Phase 2 clinical studies of our orally ingested insulin during the fourth calendar quarter of 2012. If we do not receive comments from the FDA on our IND application within 30 days from submission, we intend to immediately commence an FDA approved Phase 2 study to evaluate the safety, tolerability and efficacy of our oral insulin capsule on type 2 diabetic volunteers.

In September 2012, we entered into a Master Service Agreement with Medpace, Inc., or Medpace, to retain Medpace as a clinical research organization for our upcoming Phase 2 clinical trial for an oral insulin capsule that is expected to start in the first calendar quarter of 2013 in the United States, and is expected to be completed in September 2013.

GLP-1 Analog

In September 2008 we announced the launch of pre-clinical trials of ORMD0901, an analog for GLP-1, a gastrointestinal hormone. 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.

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

In September 2009, we received approval from the IRB to commence human clinical trials of an oral GLP-1 analog. The approval was granted after successful pre-clinical results were reported. The trials are being conducted on healthy volunteers at Hadassah University Medical Center in Jerusalem. Oramed's first-in-humans clinical trial was testing the safety and efficacy of ORMD0901, an encapsulated oral GLP-1 analog formulation. The study monitored the responses of healthy males to a single dose delivered 60 minutes before a glucose load and was completed in December 2009. ORMD0901 was well tolerated by all subjects and demonstrated physiological activity, as extrapolated from ensuing subject insulin levels when compared to those observed after treatment with placebo.

In June 2012, we presented an abstract, which reported on the impact of our oral insulin capsule ORMD0801 delivered in combination with our oral exenatide capsule ORMD0901. The work that was presented assessed the safety and effectiveness of a combination of oral insulin and oral exenatide treatments delivered to pigs prior to food intake. The drug combination resulted in significantly improved blood glucose regulation when compared to administration of each drug separately.

Raw Materials

Our oral insulin capsule is currently manufactured by Swiss Caps AG, or Swiss Caps.

In May 2010, Oramed Ltd. entered into an agreement with SAFC Pharma, or SAFC, to develop a process to produce one of our oral capsule ingredients and in June, 2011, Oramed Ltd. issued a purchase order to SAFC for producing the ingredient.

In July 2010, Oramed Ltd. entered into the Manufacturing and Supply Agreement, or MSA, with Sanofi-Aventis Deutschland GMBH, or Sanofi-Aventis. According to the MSA, Sanofi-Aventis will supply Oramed Ltd. with specified quantities of recombinant human insulin to be used for clinical trials in the United States.

We purchase, pursuant to separate agreements with third parties, the raw materials required for the manufacturing of our oral capsule. 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 if we would need to change 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 have a material adverse affect on our business, prospects, financial condition and results of operations.

Patents and Licenses

We maintain a proactive intellectual property strategy which includes patent filings in multiple jurisdictions, including the United States and other commercially significant markets. We hold 36 patent applications currently pending, with respect to various compositions, methods of production and oral administration of proteins and exenatide. Expiration dates for pending patents, if granted, will fall between 2026 and 2032.

In January 2012, we filed a provisional patent application with the U.S. Patent and Trademark Office for a combination therapy of our lead compound, ORMD0801, in combination with our oral GLP-1 analog formulation, ORMD0901. We also hold three patents issued by the Australian, Israeli and New Zealand Patent Offices that cover a part of our technology which allows for the oral delivery of peptides.

In February 2012, we filed a provisional patent application with the U.S. Patent and Trademark Office for the composition of a key ingredient of our oral capsules.

In May 2012, we were issued a patent by the New Zealand Patent Office that covers part of our technology with respect to oral exenatide compositions.

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

Our patent strategy is as follows:

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

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

Establish comprehensive coverage in the United States and in all relevant foreign markets in anticipation of future commercialization opportunities.

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

Partnerships and Collaborative Arrangements

In April 2009, we entered into a consulting service agreement with ADRES pursuant to which ADRES will provide services for the purpose of filing an IND application with the FDA for a Phase 2 study in accordance with FDA requirements. In February 2012, we entered into an amendment agreement with ADRES, according to which we paid the remaining $51,000 of the original agreement upon execution of the amendment agreement. In addition, beginning March 1, 2012 and until submission of the IND, we will pay ADRES a monthly fee of approximately $3,600.

In July 2010, we entered into the MSA with Sanofi-Aventis. Pursuant to the MSA, Sanofi-Aventis will supply specified quantities of recombinant human insulin to be used for clinical trials in the United States.

In September 2011, we entered into the fourth agreement with Hadasit, Dr. Miriam Kidron and Dr. Daniel Schurr, or the Fourth Agreement, to facilitate clinical trials and provide other services. According to the Fourth Agreement, Hadasit will be entitled to total consideration of $200,000 to be paid in accordance with the actual progress of the study, none of which was recognized or paid through August 31, 2012. See "Item 13. Certain Relationships and Related Transactions, and Director Independence" below for a further description of the terms and conditions of the Fourth Agreement.

In December 2011, we received a quotation for the supply of insulin soft gel capsules for our clinical trials according to which Swiss Caps manufactured insulin capsules for total consideration of CHF 395,000 (approximately $411,000). The manufacturing was completed during November 2012.

In February 2012, we entered into an advisory agreement with a third party advisor for a period of one year, pursuant to which the advisor agreed to provide investor relations services for share based compensation as follows: 300,000 shares of our common stock will be issued in six installments over the engagement period, commencing as of February 15, 2012, and a warrant to purchase 750,000 shares of our common stock. The warrant has a term of five years and an exercise price of $0.50 per share and vests in 12 monthly installments over the first year of the agreement. In July 2012, we and the advisor entered into an amendment to the agreement, according to which the original agreement was extended until July 3, 2013 (unless terminated earlier by one of the parties), and a new payment and vesting schedule was determined as of such date for the remaining share based compensation and unvested warrant shares, respectively, until the end of the new term of the agreement. As of August 31, 2012, 100,000 shares of our common stock had been issued to the advisor, and 400,000 of the warrant shares had vested.

Out-Licensed Technology

In June 2010, Oramed Ltd. entered into a joint venture agreement with D.N.A Biomedical Solutions Ltd. (formerly Laser Detect Systems Ltd), an Israeli company listed on the Tel Aviv Stock Exchange, or D.N.A, for the establishment of Entera Bio Ltd., or Entera.

Under the terms of a license agreement that was entered into between Oramed and Entera in August 2010, we out-licensed technology to Entera, on an exclusive basis, for the development of oral delivery drugs for certain indications to be agreed upon between the parties. The out-licensed technology differs from our main delivery technology that is used for oral insulin and GLP-1 analog and is subject to different patent applications. Entera's initial development effort is for an oral formulation for the treatment of osteoporosis. The license was royalty-free unless our ownership interest in Entera decreased to 30% or less of its outstanding share capital, in which case royalties would have been payable with respect to revenues derived from certain indications. Under certain circumstances, Entera may have received ownership of the licensed technology, in which case we would have received a license back on the same terms.

D.N.A initially invested $600,000 in Entera, and Entera was initially owned in equal parts by Oramed and D.N.A. Entera's Chief Executive Officer, Dr. Phillip Schwartz, was granted options to purchase ordinary shares of Entera, reflecting 9.9% of Entera's share capital, upon full exercise.

In March 2011, we consummated a transaction with D.N.A, whereby we sold to D.N.A 47% of Entera's outstanding share capital on an undiluted basis. As consideration for the Entera shares, we received a promissory note issued by D.N.A in the principal amount of $450,000, with an annual interest rate of 0.45%, to be paid within four months after closing, and 8,404,667 ordinary shares of D.N.A, having an aggregate market value of approximately $581,977 as of March 31, 2011 ($200,311 as of August 31, 2012). The promissory note was secured by a personal guarantee of the D.N.A majority shareholders and its term was extended in August 2011. D.N.A paid off the promissory note in November 2011. The ordinary shares of D.N.A were restricted for six months from the closing. In addition, D.N.A invested $250,000 in our private placement investment round, which closed in March 2011, for which it received 781,250 shares of our common stock and five-year warrants to purchase 273,438 shares of common stock at an exercise price of $0.50 per share.

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

In March 2011, Oramed Ltd., Entera and D.N.A terminated the joint venture agreement entered into in June 2010 in connection with the formation of Entera.

In September 2011, Entera reported successful Phase 1 clinical trial results. We believe the Phase 1 data supports the continued development of Entera's oral osteoporosis drug. The Phase 1 clinical trial consisted of twelve healthy patients and was conducted at the Hadassah Medical Center in Jerusalem. No adverse events were reported.

Government Regulation

The Drug Development Process

Regulatory requirements for the approval of new drugs vary from one country to another. In order to obtain approval to market our drug portfolio, we need to go through a different regulatory process in each country in which we apply for such approval. In some cases information gathered during the approval process in one country can be used as supporting information for the approval process in another country. As a strategic decision, we decided to first explore the FDA regulatory pathway. The following is a summary of the FDA's requirements.

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

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

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

- Who must be recruited as qualified participants,

- How often to administer the drug or product,
- What tests to perform on the participants, and
- What dosage of the drug or amount of the product to give to the participants.

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

Clinical Trials. Human clinical studies or testing of a potential product are generally done in three stages known as Phase 1 through Phase 3 testing. The names of the phases are derived from the regulations of the FDA. Generally, there are multiple studies conducted in each phase.

Phase 1. Phase 1 studies involve testing a drug or product on a limited number of healthy participants, typically 24 to 100 people at a time. Phase 1 studies determine a product's basic safety and how the product is absorbed by, and eliminated from, the body. This phase lasts an average of six months to a year.

Phase 2. Phase 2 trials involve testing up to 200 participants at a time who may suffer from the targeted disease or condition. Phase 2 testing typically lasts an average of one to two years. In Phase 2, the drug is tested to determine its safety and effectiveness for treating a specific illness or condition. Phase 2 testing also involves determining acceptable dosage levels of the drug. If Phase 2 studies show that a new drug has an acceptable range of safety risks and probable effectiveness, a company will generally continue to review the substance in Phase 3 studies.

Phase 3. Phase 3 studies involve testing large numbers of participants, typically several hundred to several thousand persons. The purpose is to verify effectiveness and long-term safety on a large scale. These studies generally last two to three years. Phase 3 studies are conducted at multiple locations or sites. Like the other phases, Phase 3 requires the site to keep detailed records of data collected and procedures performed.

New Drug Approval. The results of the clinical trials are submitted to the FDA as part of a new drug application, or NDA. Following the completion of Phase 3 studies, assuming the sponsor of a potential product in the United States believes it has sufficient information to support the safety and effectiveness of its product, the sponsor will generally submit an NDA to the FDA requesting that the product be approved for marketing. The application is a comprehensive, multi-volume filing that includes the results of all clinical studies, information about the drug's composition, and the sponsor's plans for producing, packaging and labeling the product. The FDA's review of an application can take a few months to many years, with the average review lasting 18 months. Once approved, drugs and other products may be marketed in the United States, subject to any conditions imposed by the FDA.

Phase 4. The FDA may require that the sponsor conduct additional clinical trials following new drug approval. The purpose of these trials, known as Phase 4 studies, is to monitor long-term risks and benefits, study different dosage levels or evaluate safety and effectiveness. In recent years, the FDA has increased its reliance on these trials. Phase 4 studies usually involve thousands of participants. Phase 4 studies also may be initiated by the company sponsoring the new drug to gain broader market value for an approved drug.

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

Other Regulations

Various federal, state and local laws, regulations, and recommendations relating to safe working conditions, laboratory practices, the experimental use of animals, the environment and the purchase, storage, movement, import, export, use, and disposal of hazardous or potentially hazardous substances, including radioactive compounds and infectious disease agents, used in connection with our research are applicable to our activities. They include, among others, the U.S. Atomic Energy Act, the Clean Air Act, the Clean Water Act, the Occupational Safety and Health Act, the National Environmental Policy Act, the Toxic Substances Control Act, and Resources Conservation and Recovery Act, national restrictions on technology transfer, import, export, and customs regulations, and other present and possible future local, state, or federal regulation. The compliance with these and other laws, regulations and recommendations can be time-consuming and involve substantial costs. In addition, the extent of governmental regulation which might result from future legislation or administrative action cannot be accurately predicted and may have a material adverse effect on our business, financial condition, results of operations and prospects.

Competition

Competition in General

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

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

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

Competition for Our Oral Insulin Capsule

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

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

Several entities who are developing oral insulin capsules and other alternative oral insulin as well as the development stage are thought to be: Novo Nordisk (Denmark), Biocon Limited (India) and Apollo Life Sciences Pvt. Limited (India).

Scientific Advisory Board

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

We have entered into an agreement with Dr. Berelowitz pursuant to which we will pay him certain fees as compensation for serving as Chairman. See "Item 10. Directors, Executive Officers and Corporate Governance" and "Item 11. Executive Compensation—Director Compensation" for certain information about Dr. Berelowitz.

Professor Avram Hershko, MD, PhD, joined the Oramed Scientific Advisory Board in July 2008**.** He earned his MD degree (1965) and PhD degree (1969) from the Hebrew University- Hadassah Medical School of Jerusalem. Professor Hershko served as a physician in the Israel Defense Forces from 1965 to 1967. After a post-doctoral fellowship with Gordon Tomkins at the University of San Francisco (1969-72), he joined the faculty of the Haifa Technion becoming a professor in 1980. He is now Distinguished Professor in the Unit of Biochemistry in the B. Rappaport Faculty of Medicine of the Technion. Professor Hershko's main research interests concern the mechanisms by which cellular proteins are degraded, a formerly neglected field of study. Professor Hershko and his colleagues showed that cellular proteins are degraded by a highly selective proteolytic system. This system tags proteins for destruction by linkage to a protein called ubiquitin, which had previously been identified in many tissues, but whose function was previously unknown. Subsequent work by Professor Hershko and many other laboratories has shown that the ubiquitin system has a vital role in controlling a wide range of cellular processes, such as the regulation of cell division, signal transduction and DNA repair. Professor Hershko was awarded the Nobel Prize in Chemistry (2004) jointly with his former PhD student Aaron Ciechanover and their colleague Irwin Rose. His many honors include the Israel Prize for Biochemistry (1994), the Gardner Award (1999), the Lasker Prize for Basic Medical Research (2000), the Wolf Prize for Medicine (2001) and the Louisa Gross Horwitz Award (2001). Professor Hershko is a member of the Israel Academy of Sciences (2000) and a Foreign Associate of the U.S. Academy of Sciences (2003).

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

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

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

Dr. John Amatruda*, *MD, joined the Oramed Scientific Advisory Board in February 2010. He graduated from Yale University, received his MD degree from the Medical College of Wisconsin and did his internship and residency in Internal Medicine and Fellowship in Endocrinology and Metabolism at The Johns Hopkins Hospital. He is board certified in Internal Medicine and Endocrinology and Metabolism and continues to see patients. From 1977 to 1992, Dr. Amatruda was a Professor of Medicine at The University of Rochester School of Medicine where he was head of the Clinical Research Center, fully funded as principle investigator on two NIH grants, and acting Head of the Endocrine Metabolism Unit. From 1992 to 2002, he started and ran a drug discovery group at Bayer Corp. where he served as Vice President and Therapeutic Area Research Head, as well as a Professor of Medicine Adjunct at Yale University School of Medicine. He assisted in the approval of Acarbose, an anti-diabetic drug distributed by Bayer AG used to treat type 2 diabetes and, in some countries, prediabetes, and his group put several compounds into clinical development including the first glucagon receptor antagonist. From 2002 to 2009, Dr. Amatruda held various positions at Merck & Co. Inc., including Vice President and Therapeutic Area Head for Metabolism and Atherosclerosis and acting Therapeutic Area head for Cardiovascular. These groups filed NDAs for the drugs Vytorin, Januvia and Janumet. Most recently Dr. Amatruda was Senior Vice President and Franchise Head for Diabetes and Obesity and a member of the Research Management Committee at Merck. Dr. Amatruda is an author of over 150 papers, abstracts, reviews and book chapters, primarily in the areas of insulin action in vitro systems and in clinical diabetes and obesity.

Employees

We have been successful in retaining experienced personnel involved in our research and development program. In addition, we believe we have successfully recruited the clinical/regulatory, quality assurance and other personnel needed to advance through clinical studies or have engaged the services of experts in the field for these requirements. As of August 31, 2012, we have contracted with eight individuals for employment or consulting arrangements. Of our staff, three are senior management, three are engaged in research and development work, and the remaining two are involved in administration work.

ITEM 1A. RISK FACTORS.

An investment in our securities involves a high degree of risk. You should consider carefully the following information about these risks, together with the other information contained in this Annual Report on Form 10-K before making an investment decision. Our business, prospects, financial condition, and results of operations may be materially and adversely affected as a result of any of the following risks. The value of our securities could decline as a result of any of these risks. You could lose all or part of your investment in our securities. Some of the statements in "Item 1A. Risk Factors" are forward-looking statements. The following risk factors are not the only risk factors facing our Company. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also affect our business, prospects, financial condition and results of operations.

Risks Related to Our Business

We continue and expect to incur losses in the future.

Successful completion of our development programs and our transition to normal operations are dependent upon obtaining necessary regulatory approvals from the FDA prior to selling our products within the United States, and foreign regulatory approvals must be obtained to sell our products internationally. There can be no assurance that we will receive regulatory approval of any of our product candidates, and a substantial amount of time may pass before we achieve a level of revenues adequate to support our operations, if at all. We also expect to incur substantial expenditures in connection with the regulatory approval process for each of our product candidates during their respective developmental periods. Obtaining marketing approval will be directly dependent on our ability to implement the necessary regulatory steps required to obtain marketing approval in the United States and in other countries. We cannot predict the outcome of these activities.

Based on our current cash resources and commitments, we believe we will be able to maintain our current planned development activities and the corresponding level of expenditures for at least the next 12 months, although no assurance can be given that we will not need additional funds prior to such time. If there are unexpected increases in our operating expenses, we may need to seek additional financing during the next 12 months. See "Item 1A. Risk Factors—We will need substantial additional capital in order to satisfy our business objectives."

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

To date, we have financed our operations principally through offerings of securities exempt from the registration requirements of the Securities Act of 1933, as amended, or the Securities Act. We believe that our available resources and cash flow will be sufficient to meet our anticipated working capital needs for at least the next 12 months from the date of this Annual Report on Form 10-K. We will require substantial additional financing at various intervals in order to continue our research and development programs, including significant requirements for operating expenses including intellectual property protection and enforcement, for pursuit of regulatory approvals, and for commercialization of our products. We can provide no assurance that additional funding will be available on a timely basis, on terms acceptable to us, or at all. In the event that we are unable to obtain such financing, we will not be able to fully develop and commercialize our technology. Our future capital requirements will depend upon many factors, including:

- Continued scientific progress in our research and development programs,
- Costs and timing of conducting clinical trials and seeking regulatory approvals and patent prosecutions,

- Competing technological and market developments,
- Our ability to establish additional collaborative relationships, and
- Effects of commercialization activities and facility expansions if and as required.

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

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

We are a development stage company with no revenues from our research and development activities. Consequently, we have incurred net losses and negative cash flows since inception. We currently have no product revenues, and may not succeed in developing or commercializing any products which could generate product or licensing revenues. We do not expect to have any products on the market for several years. In addition, development of our product candidates requires a process of pre-clinical and clinical testing, during which our products could fail. We may not be able to enter into agreements with one or more companies experienced in the manufacturing and marketing of therapeutic drugs and, to the extent that we are unable to do so, we will not be able to market our product candidates. Eventual profitability will depend on our success in developing, manufacturing, and marketing our product candidates. As of August 31, 2012 and August 31, 2011, we had working capital of $4,439,438 and $3,842,790, respectively, and stockholders' equity of $3,778,013 and $3,723,916, respectively. We have generated no revenues to date. For the period from our inception on April 12, 2002 through August 31, 2012, the year ended August 31, 2012 and the year ended August 31, 2011, we incurred net losses of $17,891,777, $3,344,478 and $1,561,245, respectively. We may never achieve profitability and expect to incur net losses in the foreseeable future. See "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations."

We rely upon patents to protect our technology.

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

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

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

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

Our commercial success will also depend significantly on our ability to operate without infringing the patents and other proprietary rights of third parties. Patent applications are, in many cases, maintained in secrecy until patents are issued. The publication of discoveries in the scientific or patent literature frequently occurs substantially later than the date on which the underlying discoveries were made and patent applications are filed. In the event of infringement or violation of another party's patent, we may be prevented from pursuing product development or commercialization. See "Item 1. Business—Description of Business—Patents and Licenses."

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

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

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

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

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

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

- Even if our oral insulin capsule is successfully developed, commercially produced and receives all necessary regulatory approvals, there is no guarantee that there will be market acceptance of our product, and

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

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

We have limited experience in conducting clinical trials.

Clinical trials must meet FDA and foreign regulatory requirements. We have limited experience in designing, conducting and managing the preclinical studies and clinical trials necessary to obtain regulatory approval for our product candidates in any country. We have entered into agreements with Hadasit to assist us in designing, conducting and managing our various clinical trials in Israel, as more fully described in "Item 1. Business—Description of Business—Partnerships and Collaborative Agreements." Any failure of Hadasit or any other consultant to fulfill their obligations could result in significant additional costs as well as delays in designing, consulting and completing clinical trials on our products.

Our clinical trials may encounter delays, suspensions or other problems.

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

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

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

We cannot predict with any certainty the amount of time necessary to obtain regulatory approvals, including from the FDA or other foreign regulatory authorities, and whether any such approvals will ultimately be granted. In any event, review and approval by the regulatory bodies is anticipated to take a number of years. Preclinical and clinical trials may reveal that one or more of our products are ineffective or unsafe, in which event further development of such products could be seriously delayed or terminated. Moreover, obtaining approval for certain products may require the testing on human subjects of substances whose effects on humans are not fully understood or documented. Delays in obtaining necessary regulatory approvals of any proposed product and failure to receive such approvals would have an adverse effect on the product's potential commercial success and on our business, prospects, financial condition, and results of operations. In addition, it is possible that a product may be found to be ineffective or unsafe due to conditions or facts which arise after development has been completed and regulatory approvals have been obtained. In this event we may be required to withdraw such product from the market. See "Item 1. Business—Description of Business—Government Regulation."

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

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

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

Our long-term strategy is to ultimately seek a strategic commercial partner, or partners, such as large pharmaceutical companies, with extensive experience in the development, commercialization, and marketing of insulin applications and/or other orally digestible drugs. We anticipate such partner or partners would be responsible for, or substantially support, late stage clinical trials (Phase 3) and sales and marketing of our oral insulin capsule and other products. Such planned strategic partnership, or partnerships, may provide a marketing and sales infrastructure for our products as well as financial and operational support for global clinical trials, post marketing studies, label expansions and other regulatory requirements concerning future clinical development in the United States and elsewhere.

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

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

The biotechnology and biopharmaceutical industries are characterized by rapid technological developments and a high degree of competition. As a result, our products could become obsolete before we recoup any portion of our related research and development and commercialization expenses. These industries are highly competitive, and this competition comes both from biotechnology firms and from major pharmaceutical and chemical companies. Many of these companies have substantially greater financial, marketing, and human resources than we do (including, in some cases, substantially greater experience in clinical testing, manufacturing, and marketing of pharmaceutical products). We also experience competition in the development of our products from universities and other research institutions and compete with others in acquiring technology from such universities and institutions. In addition, certain of our products may be subject to competition from products developed using other technologies. See "Item 1. Business—Description of Business—Competition."

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

We expect the expansion of our business to place a significant strain on our limited managerial, operational, and financial resources. We will be required to expand our operational and financial systems significantly and to expand, train, and manage our work force in order to manage the expansion of our operations. Our failure to fully integrate our new employees into our operations could have a material adverse effect on our business, prospects, financial condition, and results of operations. Our ability to attract and retain highly skilled personnel is critical to our operations and expansion. We face competition for these types of personnel from other technology companies and more established organizations, many of which have significantly larger operations and greater financial, technical, human, and other resources than we have. We may not be successful in attracting and retaining qualified personnel on a timely basis, on competitive terms, or at all. If we are not successful in attracting and retaining these personnel, our business, prospects, financial condition, and results of operations will be materially adversely affected. See "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations," "Item 1. Business—Description of Business—Strategy" and "—Employees."

We have limited financial personnel and may not provide reasonable assurance regarding the reliability of internal control over financial reporting.

Due to the inherent limitations of our Company, derived from our small size and limited number of employees, management's evaluation of our internal control over financial reporting, as further discussed in "Item 9A. Controls and Procedures", concluded that there is a material weakness with respect to segregation of duties that may not provide reasonable assurance regarding the reliability of internal control over financial reporting and may not prevent or detect misstatements. Specifically, our Chief Financial Officer serves as our only qualified internal accounting and financial reporting personnel and as such performs all accounting and financial reporting functions without the benefit of independent checks, confirmations or backup other than bookkeeping functions performed by an outside accounting firm. In addition, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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

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

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

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

Healthcare policy changes, including pending legislation recently adopted and further proposals still pending to reform the U.S. healthcare system, may harm our future business.

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

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

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

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

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

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

Risks Related to our Common Stock

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

The price of our common stock is currently quoted on the OTC Bulletin Board, or the OTCBB, and constantly changes. In recent years, the stock market in general has experienced extreme price and volume fluctuations. We expect that the market price of our common stock will continue to fluctuate, even if our shares begin trading on the Nasdaq Stock Market, or Nasdaq, where we have applied to have our shares listed. These fluctuations may result from a variety of factors, many of which are beyond our control. These factors include:

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

We may effect a reverse stock split of our shares of common stock.

Our Board and stockholders have approved a reverse stock split of our shares of common stock at a ratio not to exceed one-for-eighteen. Our Board has up to 24 months from July 24, 2012, to effect the reverse stock split and may need to do so in order to meet Nasdaq listing requirements, but there can be no assurance that our Board will do so. While the Board believes that the potential advantages of a reverse stock split outweigh the risks, if the Board does effect a reverse stock split there can be no assurance that:

- Our shares of common stock will trade at a price in proportion to the reduction in the number of outstanding shares resulting from the reverse shares split,

- The reverse stock split will result in a per share price high enough to attract and retain employees and strategic partners,

- The bid price of our shares of common stock after a reverse stock split can be maintained at or above the minimum bid price requirement,

- Our shares of common stock will not be rejected from listing on Nasdaq for other reasons,

- The liquidity of our shares of common stock will not be adversely affected by the reduced number of shares that would be outstanding after the reverse stock split,

- Engaging in a reverse stock split will not be perceived in a negative manner by investors, analysts or other stock market participants, or

- The reverse stock split will not result in some stockholders owning "odd-lots" of less than 100 shares of common stock, potentially resulting in higher brokerage commissions and other transaction costs than the commissions and costs of transactions in "round-lots" of even multiples of 100 shares.

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

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

Our stockholders may experience significant dilution as a result of any additional financing using our equity securities.

To the extent that we raise additional funds by issuing equity securities, our stockholders may experience significant dilution. Sale of additional equity securities at prices below certain levels may trigger anti-dilution provisions with respect to certain securities we have previously sold.

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

The SEC has adopted regulations that generally define "penny stock" to be an equity security that has a market price of less than $5.00 per share (as calculated pursuant to SEC rules), subject to specific exemptions, such as if the issuer of the security has net tangible assets in excess of $2,000,000 and has been in continuous operation for at least three years. The market price of our common stock is currently less than $5.00 per share, and there are no applicable exemptions available to us. Therefore, our common stock is currently a "penny stock" according to SEC rules. Designation as a "penny stock" requires any broker or dealer selling these securities to, among other things, disclose certain information concerning the transaction, obtain a written agreement from the purchaser, furnish the customer a document describing the risks of investing in penny stocks and send monthly account statements showing the market value of each penny stock held in the customer's account. Such rules may restrict the ability of brokers or dealers to sell penny stocks.

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

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

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

The market price of our common stock could decline as a result of sales of a large number of shares of our common stock in the market, or the perception that these sales could occur. These sales also might make it more difficult for us to sell equity securities in the future at a time and at a price that we deem appropriate. As of December 6, 2012, we had outstanding 86,505,020 shares of common stock, a large majority of which are freely tradeable. Giving effect to the exercise in full of all of our outstanding warrants and options, we would have outstanding 111,557,056 shares of common stock.

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

We have issued and may continue to issue warrants, options and convertible notes at, above or below the current market price. As of August 31, 2012, we had outstanding warrants and options exercisable for 22,942,310 shares of common stock (15,200,044 as of August 31, 2011). In addition to the dilutive effect of a large number of shares and a low exercise price for the warrants and options, there is a potential that a large number of underlying shares may be sold in the open market at any given time, which could place downward pressure on the trading of our common stock.

Delaware law could discourage a change in control, or an acquisition of us by a third party, even if the acquisition would be favorable to you, and thereby adversely affect existing stockholders.

The Delaware General Corporation Law contains provisions that may have the effect of making more difficult or delaying attempts by others to obtain control of our Company, even when these attempts may be in the best interests of stockholders. Delaware law imposes conditions on certain business combination transactions with "interested stockholders." These provisions and others that could be adopted in the future could deter unsolicited takeovers or delay or prevent changes in our control or management, including transactions in which stockholders might otherwise receive a premium for their shares over then current market prices. These provisions may also limit the ability of stockholders to approve transactions that they may deem to be in their best interests.

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

We have not paid any cash dividends on our common stock and do not intend to pay cash dividends in the foreseeable future. We intend to retain future earnings, if any, for reinvestment in the development and expansion of our business. Any credit agreements which we may enter into with institutional lenders or otherwise may restrict our ability to pay dividends. Whether we pay cash dividends in the future will be at the discretion of our Board and will be dependent upon our financial condition, results of operations, capital requirements, and any other factors that our Board decides is relevant. See "Item 5. Market Price for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities."

Because certain of our stockholders control a significant number of shares of our common stock, they may have effective control over actions requiring stockholder approval.

As of December 6, 2012, our directors, executive officers and principal affiliated stockholders beneficially own approximately 35.2% of our outstanding shares of common stock. As a result, these stockholders, should they act together, may have the ability to control the outcome of matters submitted to our stockholders for approval, including the election of directors and any merger, consolidation or sale of all or substantially all of our assets. In addition, these stockholders, should they act together, may have the ability to control the management and affairs of our Company. Accordingly, this concentration of ownership might harm the market price of our common stock by:

- Delaying, deferring or preventing a change in corporate control,
- Impeding a merger, consolidation, takeover or other business combination involving us, or
- Discouraging a potential acquirer from making a tender offer or otherwise attempting to obtain control of us.

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

Although we have applied to have our common stock list for trading on Nasdaq, there is no assurance that such listing will be approved or how long such approval could take. Our common stock currently only trades on the OTCBB and is not listed for trading on any national securities exchange. Investments in securities trading on the OTCBB are generally less liquid than investments in securities trading on a national securities exchange. The failure of our shares to be approved for trading on a national securities exchange may have the effect of limiting the trading activity of our common stock and reducing the liquidity of an investment in our common stock.

Risks Related to Conducting Business in Israel

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

Our operations are located in the State of Israel, and we are directly affected by political, economic, and security conditions in that country. Since the establishment of the State of Israel in 1948, a number of armed conflicts have taken place between Israel and its Arab neighbors and a state of hostility, varying in degree and intensity, has led to security and economic problems for Israel. Since October 2000, there has been a high level of violence between Israel and the Palestinians. In addition, acts of terrorism, armed conflicts or political instability in the region could negatively affect local business conditions and harm our results of operations. We cannot predict the effect on the region of any diplomatic initiatives or political developments involving Israel or the Palestinians or other countries in the Middle East. Recent political events, including political uprisings, social unrest and regime change, in various countries in the Middle East and North Africa have weakened the stability of those countries, which could result in extremists coming to power. In addition, Iran has threatened to attack Israel and is widely believed to be developing nuclear weapons. Iran is also believed to have a strong influence among extremist groups in the region, such as Hamas in Gaza and Hezbollah in Lebanon. This situation may potentially escalate in the future to violent events which may affect Israel and us. Our business, prospects, financial condition, and results of operations could be materially adversely affected if major hostilities involving Israel should occur or if trade between Israel and its current trading partners is interrupted or curtailed.

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

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

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

ITEM 1B. UNRESOLVED STAFF COMMENTS.

Not applicable.

ITEM 2. PROPERTIES.

Our principal executive offices are comprised of approximately 117 square meters of leased office space in Givat-Ram, Jerusalem, Israel. The current lease term is from January 1, 2012 until September 30, 2016. The aggregate annual base rent for this space is currently $11,768 in fiscal year 2013, $15,338 in 2013 and $16,713 from 2014 onwards, and will be linked to the increase in the Israeli consumer price index. We believe that our existing facilities are suitable and adequate to meet our current business requirements. In the event that we should require additional or alternative facilities, we believe that such facilities can be obtained on short notice at competitive rates.

As security for our obligations under the lease agreement, we have provided a bank guarantee in an amount equal to three monthly lease payments, valid until November 30, 2016.

ITEM 3. LEGAL PROCEEDINGS.

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

ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES.

Market Price for our Common Stock

Our common stock is quoted on the OTCBB under the symbol "ORMP." We have applied to have our common stock listed on Nasdaq. The quarterly high and low reported bid prices for our common stock as quoted on the OTCBB for the periods indicated are as follows:

	High	Low
Year Ended August 31, 2011		
Three Months Ended November 30, 2010	$ 0.42	$ 0.28
Three Months Ended February 28, 2011	$ 0.37	$ 0.27
Three Months Ended May 31, 2011	$ 0.35	$ 0.23
Three Months Ended August 31, 2011	$ 0.34	$ 0.20
Year Ended August 31, 2012		
Three Months Ended November 30, 2011	$ 0.44	$ 0.25
Three Months Ended February 29, 2012	$ 0.38	$ 0.27
Three Months Ended May 31, 2012	$ 0.36	$ 0.27
Three Months Ended August 31, 2012	$ 0.36	$ 0.23

The foregoing quotations were provided by Yahoo! Finance and the quotations reflect inter-dealer prices, without retail mark-up, mark-down or commission and may not represent actual transactions. The last reported bid price per share of common stock as quoted on the OTCBB was $0.30 on December 10, 2012.

Holders

As of December 6, 2012, there were 86,505,020 shares of our common stock issued and outstanding held of record by approximately 96 registered stockholders. We believe that a significant number of stockholders hold their shares of our common stock in brokerage accounts and registered in the name of stock depositories and are therefore not included in the number of stockholders of record.

Dividend Policy

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

Unregistered Sales of Equity Securities and Use of Proceeds

In July 2012, we issued 50,000 shares of our common stock, valued at $16,000, in the aggregate, to an advisor as remuneration for services provided.

The above issuance and sale was exempt under Section 4(a)(2) of the Securities Act.

ITEM 6. SELECTED FINANCIAL DATA.

Not applicable.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

The following discussion and analysis of our financial conditions and results of operations should be read in conjunction with our accompanying consolidated financial statements and notes thereto for the years ended August 31, 2012 and 2011. In addition to our consolidated financial statements, the following discussion contains forward-looking statements that reflect our plans, estimates and beliefs. Our actual results could differ materially from those discussed in the forward-looking statements. Factors that could cause or contribute to these differences include those discussed below and elsewhere in this Annual Report on Form 10-K, particularly in "Cautionary Statement Regarding Forward-Looking Statements" and "Item 1A. Risk Factors."

Overview of Operations

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

Short Term Business Strategy

We plan to conduct further research and development on the technology covered by the patent application "Methods and Composition for Oral Administration of Proteins," which we acquired from Hadasit in 2006 and which is pending in various foreign jurisdictions, as well as the other patents we have filed in various foreign jurisdictions since then, as discussed above under "Item 1. Business—Description of Business—Patents and Licenses" and "Item 1A. Risk Factors." Through our research and development efforts, we are seeking to develop an oral dosage form that will withstand the harsh chemical environment of the stomach and intestines and will be effective in delivering active insulin for the treatment of diabetes. The enzymes and vehicles that are added to the insulin in the formulation process must not modify the insulin chemically or biologically, and the dosage form must be safe to ingest. We plan to continue to conduct clinical trials to show the effectiveness of our technology. We intend to conduct the clinical trials necessary to file an IND application with the FDA. Additional clinical trials are planned in Israel in order to substantiate our results as well as for purposes of making future filings for drug approval. We also plan to conduct further research and development by deploying our proprietary drug delivery technology for the delivery of other polypeptides in addition to insulin, and to develop other innovative pharmaceutical products.

Long Term Business Strategy

If our oral insulin capsule or other drug delivery solutions show significant promise in clinical trials, we plan to ultimately seek a strategic commercial partner, or partners, with extensive experience in the development, commercialization, and marketing of insulin applications and/or other orally digestible drugs. We anticipate such partner or partners would be responsible for, or substantially support, late stage clinical trials (Phase 3) to increase the likelihood of obtaining regulatory approvals and registrations in the appropriate markets in a timely manner. We further anticipate that such partner, or partners, would also be responsible for sales and marketing of our oral insulin capsule in these markets. Such planned strategic partnership, or partnerships, may provide a marketing and sales infrastructure for our products as well as financial and operational support for global clinical trials, post marketing studies, label expansions and other regulatory requirements concerning future clinical development in the United States and elsewhere. Any future strategic partner, or partners, may also provide capital and expertise that would enable the partnership to develop new oral dosage form for other polypeptides. While our strategy is to partner with an appropriate party, no assurance can be given that any third party would be interested in partnering with us. Under certain circumstances, we may determine to develop one or more of our oral dosage form on our own, either world-wide or in select territories.

Other Planned Strategic Activities

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

Results of Operations

Critical accounting policies

Our significant accounting policies are more fully described in the notes to our accompanying consolidated financial statements. We believe that the accounting policies below are critical for one to fully understand and evaluate our financial condition and results of operations.

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

Marketable securities*:* Consist mainly of equity securities classified as available-for-sale and are recorded at fair value. Until September 30, 2011, the fair value of the restricted securities was measured based on the quoted prices of the otherwise identical unrestricted securities, adjusted for the effect of the restriction by applying a proper discount. The discount was determined with reference to other similar restricted instruments. Similar securities, with no restriction on tradability, are quoted on an active market. As of October 1, 2011, the securities are not restricted and the fair value of the securities is measured based on the quoted prices of the securities on an active market. Changes in fair value, net of taxes, are reflected in other comprehensive income (loss).

Factors considered in determining whether a loss is temporary include the extent to which fair value has been less than the cost basis, and the financial condition and near-term prospects of the investee based on our intent and ability to hold the investment for a period of time sufficient to allow for any anticipated recovery in market value. The loss is recorded as a charge to earnings.

Valuation of options and warrants: We grant options to purchase shares of our common stock to employees and consultants and issue warrants in connection with some of our financings and to certain other consultants.

We account for share-based payments in accordance with the guidance that requires awards classified as equity awards be accounted for using the grant-date fair value method. The fair value of share-based payment transactions is recognized as an expense over the requisite service period, net of estimated forfeitures. We estimate forfeitures based on historical experience and anticipated future conditions.

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

When stock options are granted as consideration for services provided by consultants and other non-employees, the transaction is accounted for based on the fair value of the consideration received or the fair value of the stock options issued, whichever is more reliably measurable, pursuant to the guidance. The fair value of the options granted is measured on each reporting date, and the gains (losses) are recorded to earnings over the related service period using the straight-line method.

Valuation of warrants issued as part of capital raisings that are classified as a liability: Warrants that entitle the holder to down-round protection (through ratchet and anti-dilution provisions) are classified as liabilities in the statement of financial position. The liability is measured both initially and in subsequent periods in fair value, with changes in fair value are charged to finance expenses, net.

The fair value of the warrants was determined by using Monte Carlo type model based on the risk neutral approach. The model takes as an input the estimated future dates when new capital will be raised, and builds a multi-step dynamic model. The first step is to model the risk neutral distribution of the share value on the new issue dates, then for each path to use the Black-Scholes model to estimate the value of the warrants on the last issue date including all the changes in exercise price and quantity along this path. The significant unobservable input used in the fair value measurement is the future expected issue dates. Significant delay in this input would result in a higher fair value measurement.

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

Regarding our subsidiary, Oramed Ltd., relevant accounting guidance prohibits the recognition of deferred tax liabilities or assets that arise from differences between the financial reporting and tax bases of assets and liabilities that are measured from the local currency into dollars using historical exchange rates, and that result from changes in exchange rates or indexing for tax purposes. Consequently, the above-mentioned differences were not reflected in the computation of deferred tax assets and liabilities.

Comparison of Fiscal Year 2012 to Fiscal Year 2011

The following table summarizes certain statements of operations data for us for the twelve month periods ended August 31, 2012 and 2011:

	Year ended	
Operating Data:	August 31, 2012	August 31, 2011
Research and development expenses, net	$ 1,680,845	$ 1,159,309
General and administrative expenses	1,203,164	1,275,960
Gain on sale of investment	-	(1,033,004)
Impairment of available for sale securities	184,254	197,412
Financial expenses (income), net	185,997	(14,452)
Loss before taxes on income	(3,254,260)	(1,585,225)
Taxes on income	90,218	(23,980)
Net loss for the period	(3,344,478)	(1,561,245)
Loss per common share – basic and diluted	$ (0.05)	$ (0.02)
Weighted average common shares outstanding	70,605,814	64,999,026

Research and development expenses

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

Clinical trial costs are a significant component of research and development expenses and include costs associated with third-party contractors. We outsource a substantial portion of our clinical trial activities, utilizing external entities such as CROs, independent clinical investigators, and other third-party service providers to assist us with the execution of our clinical studies.

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

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

In August 2009, Oramed Ltd. was awarded a government grant amounting to a total net amount of NIS 3.1 million (approximately $813,000), from the Office of the Chief Scientist of the Ministry of Industry, Trade and Labor of Israel, or OCS. This grant was used for research and development expenses for the period of February 2009 to June 2010. The funds were used by us to support further research and development and clinical study of our oral insulin capsule and oral GLP-1-analog. In December 2010, Oramed Ltd. was awarded a second grant, or the Second Grant, amounting to a total net amount of NIS 2.9 million (approximately $720,000) from the OCS, which was designated for research and development expenses for the period of July 2010 to November 2011. As a result of a delay in the research and development plan, as of November 30, 2011, Oramed Ltd. had used only NIS 1,473,000 (approximately $365,000) of the Second Grant. In May 2012, Oramed Ltd. was awarded an extension of nine months to use the funds of the Second Grant until August 2012. In addition, in May 2012, Oramed Ltd. was granted a third grant amounting to a total net amount of NIS 595,000 (approximately $148,000) from the OCS, which was designated for research and development expenses for the period of September 2012 to December 2012. We used the funds to support further research and development and clinical studies of our oral insulin capsule and oral GLP-1 analog. The three grants are subject to repayment according to the terms determined by the OCS and applicable law. See "—Government grants" below.

During the year ended August 31, 2012, research and development expenses totaled $1,680,845, compared to $1,159,309 for the year ended August 31, 2011. The increase is mainly attributed to the preparation for the FDA approved Phase 2 study that will follow the expected IND filing in the fourth calendar quarter of 2012. The research and development costs include stock based compensation costs, which during the year ended August 31, 2012 totaled $98,688, as compared to $265,327 during the year ended August 31, 2011. The decrease is mainly attributable to the end of the vesting period at January 31, 2012 of the 864,000 options granted to Dr. Miriam Kidron in April 2010.

Government grants

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

In the years ended August 31, 2012 and 2011, we recognized research and development grants in an amount of $372,959 and $354,906, respectively. As of August 31, 2012, we had no contingent liabilities to the OCS.

Under the terms of the grants we received from the OCS, we are obligated to pay royalties of 3% to 3.5% on all revenues derived from the sale of the products developed pursuant to the funded plans, including revenues from licensed ancillary services. Pursuant to a proposed amendment to the R&D Law, our royalty rate may be 3% to 6% per annum. Royalties are payable up to 100% of the amount of such grants, or up to 300% as detailed below, linked to the U.S. Dollar, plus annual interest at LIBOR.

The R&D Law generally requires that a product developed under a program be manufactured in Israel. However, upon notification to the OCS (and provided that the OCS does not object within 30 days), up to 10% of a company's approved Israeli manufacturing volume, measured on an aggregate basis, may be transferred outside of Israel. In addition, upon the approval of the OCS, a greater portion of the manufacturing volume may be performed outside of Israel, provided that the grant recipient pays royalties at an increased rate, which may be substantial, and the aggregate repayment amount is increased up to 300% of the grant, depending on the portion of the total manufacturing volume that is performed outside of Israel. The R&D Law further permits the OCS, among other things, to approve the transfer of manufacturing rights outside of Israel in exchange for an import of different manufacturing into Israel as a substitute, in lieu of the increased royalties. The R&D Law also allows for the approval of grants in cases in which the applicant declares that part of the manufacturing will be performed outside of Israel or by non-Israeli residents and an OCS research committee is convinced that doing so is essential for the execution of the program. This declaration will be a significant factor in the determination of the OCS as to whether to approve a program and the amount and other terms of benefits to be granted. For example, an increased royalty rate and repayment amount might be required in such cases.

The R&D Law also provides that know-how developed under an approved research and development program may not be transferred to third parties in Israel without the approval of the research committee. Such approval is not required for the sale or export of any products resulting from such research or development. The R&D Law further provides that the know-how developed under an approved research and development program may not be transferred to any third parties outside Israel absent OCS approval which may be granted under special circumstances such as those noted in the following cases: (a) the grant recipient pays to the OCS a portion of the sale price paid in consideration for such OCS-funded know-how or the price paid in consideration for the sale of the grant recipient itself, as the case may be (according to certain formulas; the portion to be paid in respect of a sale of the grant recipient itself changed under the applicable rules that came into effect in November 2012); (b) the grant recipient receives know-how from a third party in exchange for its OCS-funded know-how; or (c) such transfer of OCS-funded know-how arises in connection with certain types of cooperation in research and development activities.

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

Failure to meet the R&D Law's requirements may subject us to mandatory repayment of grants received by us (together with interest and penalties), as well as expose us to criminal proceedings. In addition, the Israeli government may from time to time audit sales of products which it claims incorporate technology funded through OCS programs which may lead to additional royalties being payable on additional products.

Grants from Bio-Jerusalem

The Bio-Jerusalem fund was founded by the Jerusalem Development Authority in order to support the biomed industry in Jerusalem. We are committed to pay royalties to the Bio-Jerusalem fund on proceeds from future sales at a rate of 4% and up to 100% of the amount of the grants received by the Company (Israeli CPI linked) in the total aggregate amount of $52,733 as of August 31, 2012. For the year ended August 31, 2012, there were no grants received from the Bio-Jerusalem fund and in the year ended August 31, 2011, we received $20,950 from said fund. As we have not yet realized any revenues since inception, we have not incurred any royalty liability to the Bio-Jerusalem fund.

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 year ended August 31, 2012, general and administrative expenses totaled $1,203,164 compared to $1,275,960 for the year ended August 31, 2011. The increase in costs incurred related to general and administrative activities during the year ended August 31, 2012 was mainly due to an increase in investor relations costs, which was partially offset by a decrease in consulting fees. During the year ended August 31, 2012, as part of our general and administrative expenses, we incurred $172,470 related to stock options granted to employees and consultants, as compared to $263,999 during the year ended August 31, 2011.

Financial income/expense, net

Financial expenses for the year ended August 31, 2012 include an expense of $142,704 for changes in fair value of warrant liabilities, which was mainly derived from an amendment to certain warrants that reduced the exercise prices and increased the number of shares issuable pursuant thereto, as discussed below under "Liquidity and Capital Resources." During the year ended August 31, 2012, we incurred increased losses, as compared to the year ended August 31, 2011, as a result of exchange rate differences and bank charges that were partially offset by interest income on available cash and cash equivalents. The decrease in the interest income for the year ended August 31, 2012 was also attributable to the use of funds raised by share issuances described below in the year ended August 31, 2011.

As of August 31, 2011, the warrants that were granted to Regals Fund LP, or Regals, during the year ended August 31, 2011 were presented within stockholders' equity. After further review, we have determined that these instruments should have been classified as liabilities. Changes in the fair value of these warrants require adjustments to the amount of the liabilities recorded on our balance sheet, and the corresponding gain or loss is required to be recorded in our statement of operations. We assessed the materiality of the correction and concluded that it was immaterial to previously reported annual and interim amounts and that the correction of the error in 2012 is not material to the current year end results of operations. Accordingly, we corrected this error during the year ended August 31, 2012, as reflected in the financial expenses for the year ended August 31, 2012, and did not restate our consolidated financial statements for the prior years or interim periods impacted.

Gain on sale of investment and impairment of available for sale securities

In March 2011, we consummated a transaction with D.N.A, whereby we sold to D.N.A 47% of Entera's outstanding share capital on an undiluted basis, as discussed above under "Item 1. Business—Description of Business—Out-Licensed Technology." As a result of the transaction, we recognized a gain on sale of investment of $1,033,004 for the year ended August 31, 2011. Also as a result of the transaction, we received 8,404,667 ordinary shares of D.N.A, having an aggregate market value of approximately $581,977 as of March 31, 2011, the closing date of the Entera sale. The D.N.A shares were recorded at fair value as discussed above under "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations—Results of Operations—Marketable securities." As of August 31, 2012, these ordinary shares of D.N.A had an aggregate market value of approximately $200,311. Changes in fair value, net of taxes, are discussed in Note 3 to our accompanying consolidated financial statements for the years ended August 31, 2011 and 2012.

Liquidity and Capital Resources

From inception through August 31, 2012, we incurred losses in an aggregate amount of $17,891,777. We have financed our operations through the private placements of equity financing, raising a total of $15,169,728, net of transaction costs. We will seek to obtain additional financing through similar sources in the future as needed. As of August 31, 2012, we had $4,430,740 of available cash as well as $454,381 in short term interest bearing investments. We anticipate that we will require approximately $5.2 million to finance our activities during the 12 months following August 31, 2012, of which we engaged in equity financings that raised a total amount of $1,489,518 from September 2012 through November 2012.

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 stockholders as well as through additional funding from the OCS.

During the year ended August 31, 2012, cash and cash equivalents increased by $2,917,375 from the $1,513,365 reported as of August 31, 2011, which is primarily due to proceeds from the issuance of common stock and warrants and proceeds from the sale of our investment in Entera.

Operating activities used cash of $2,301,608 in the year ended August 31, 2012 and $1,705,844 in the year ended August 31, 2011. Cash used for operating activities in the year ended August 31, 2012 primarily consisted of net loss resulting from research and development and general and administrative expenses, partially offset by stock based compensation adjustments, common stock issued for services and increases in accounts payable and accrued expenses. The increase in cash used by operating activities in the year ended August 31, 2012, as compared to the year ended August 31, 2011, is mainly due to the gain on sale of investment of $1,033,004 from our sale of Entera's shares as discussed above under "Item 1. Business—Description of Business—Out-Licensed Technology," that was recognized in the year ended August 31, 2011.

Investing activities provided cash of $1,768,898 in the year ended August 31, 2012, as compared to $1,703,430 used in investing activities in the year ended August 31, 2011. Cash provided by investing activities in the year ended August 31, 2012 consisted primarily of proceeds from short-term bank deposits and proceeds from the sale of our investment in Entera. In the year ended August 31, 2011, cash used in investing activities consisted primarily of purchasing short term investments.

Financing activities provided cash of $3,488,942 in the year ended August 31, 2012 and $3,694,212 in the year ended August 31, 2011. Cash provided by financing activities during both periods consisted of proceeds from our issuance of common stock and warrants.

During the year ended August 31, 2012, of the $372,959 OCS grants we recognized during such period, we received approximately $305,984 from the OCS towards our research and development expenses, as compared to $284,817 received in the year ended August 31, 2011. The amounts that were recognized but not received during the year ended August 31, 2012 are expected to be received by the OCS following the submission of periodic and final reports by Oramed Ltd., and their examination by the OCS. The OCS has supported our activity in the past two years. In May 2012, Oramed Ltd. was awarded a nine month extension through August 2012 for its existing Second Grant, and an additional grant amounting to a total net amount of NIS 595,000 (approximately $148,000) from the OCS, which extended Second Grant and additional grant were designated to support further research and development and clinical studies of our oral insulin capsule and oral GLP-1 analog from December 2011 to December 2012.

During fiscal years 2012 and 2011 we issued a total of 1,079,637 shares of common stock to various third party vendors for services rendered. The aggregate value of those shares was approximately $335,429. We also consummated three private placements by selling 11,611,875 and 9,622,142 "units" at a purchase price of $0.32 and $0.37 per unit, respectively, for total consideration of $3,715,800 and $3,560,192, respectively. Each unit consisted of one share of common stock and a five-year warrant to purchase 0.35 and 0.50, respectively, of a share of common stock at an exercise price of $0.50 per share.

Our recent financing activities include the following:

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

- In March 2011, we completed a private placement pursuant to which we agreed to sell to the investors an aggregate of 10,487,500 "units" at a purchase price of $0.32 per unit for total consideration of $3,356,000. Each unit consisted of one share of common stock and a five-year warrant to purchase 0.35 of a share of common stock at an exercise price of $0.50 per share. We also issued 196,750 shares of common stock and warrants to purchase 70,863 shares of common stock as finders' fees in connection with the private placement. These amounts include the $250,000 investment by D.N.A in connection with our technology transaction on March 31, 2011.

- In April 2011, we completed a private placement pursuant to which we agreed to sell to the investors an aggregate of 1,124,375 "units" at a purchase price of $0.32 per unit for total consideration of $359,800. Each unit consisted of one share of common stock and a five-year warrant to purchase 0.35 of a share of common stock at an exercise price of $0.50 per share. We also issued five year warrants to purchase 67,462 shares of common stock at an exercise price of $0.50 per share and paid $21,588 as finders' fees in connection with the private placement.

- In May 2011, we issued 176,923 shares of our common stock, valued at $47,769, in the aggregate, to Swiss Caps as remuneration for services rendered in the past.

- In May 2011, we issued 200,000 shares of our common stock, valued at $60,000, in the aggregate, to New Castle Consulting, LLC as remuneration for services to be rendered.

- In December 2011, we issued 83,000 shares of our common stock, valued at $24,900, in the aggregate, to an advisor as remuneration for services provided.

- In March 2012, we issued 133,000 shares in the aggregate of our common stock, valued at $38,570, to two advisory companies as remuneration for services provided.

- In May 2012, we issued 83,000 shares of our common stock, valued at $24,900, in the aggregate, to an advisor as remuneration for services provided.

- In July 2012, we issued 50,000 shares of our common stock, valued at $16,000, in the aggregate, to an advisor as remuneration for services provided.

- Between August and November 2012, we completed private placements pursuant to which we agreed to sell to the investors an aggregate of 13,647,866 "units" at a purchase price of $0.37 per unit for total consideration of $5,049,710. Each unit consisted of one share of common stock and a five-year warrant to purchase 0.50 of a share of common stock at an exercise price of $0.50 per share. We paid cash compensation of $76,635 and might be required to pay additional cash compensation of $7,500. We also issued 13,514 shares of common stock and warrants to purchase 6,757 shares of common stock as finders' fees in connection with the private placements and will issue 149,561 shares of common stock and warrants to purchase 74,780 shares of common stock as finder's fee to one of our directors, Leonard Sank.

- In October 2012, we entered into a Securities Purchase Agreement with D.N.A, according to which, we issued to D.N.A 2,390,057 shares of our common stock in consideration for a warrant to purchase up to 21,637,611 ordinary shares of D.N.A at no additional cost. D.N.A. has filed an application for the approval of the Tel Aviv Stock Exchange Board of Directors to list the ordinary shares of D.N.A issuable upon exercise of the warrant. We plan to exercise the warrant if and when such approval is received. Should we exercise this warrant, we would hold approximately 14.5% of D.N.A's outstanding ordinary shares, including the D.N.A ordinary shares we received in March 2011 as further discussed in "Item 1. Business—Description of Business—Out-Licensed Technology."

- On November 29, 2012, we entered into a letter agreement, or the Agreement, with Regals in connection with (i) the warrant originally issued in January 2011, as amended in August 2012 and November 2012, to purchase up to 3,485,500 shares of our common stock, (ii) the warrant dated August 28, 2012, to purchase up to 1,351,352 shares of our common stock and (iii) the warrant dated November 5, 2012, to purchase up to 202,703 shares of our common stock , or together, the Warrants. Pursuant to the Agreement, we and Regals agreed to amend the Warrants (and to prepare and execute amendments to the Warrants setting forth such terms as soon as reasonably practicable) to provide that the anti-dilution protection of the Warrants shall be deleted in its entirety. In addition, as to the warrants issued in August and November 2012, the parties agreed that the exercise price shall be reduced to $0.3138 per share, the current exercise price per share of the warrants originally issued to Regals in January 2011. On that day, we also issued to Regals a warrant, or the New Warrant, pursuant to which Regals shall have the right to purchase up to 1,647,722 shares of our common stock over a period of four years at an exercise price of $0.60 per share.

In connection with the New Warrant, Nadav Kidron, our President, Chief Executive Officer and a director, in his personal capacity as one of our shareholders, undertook and agreed that following the execution and delivery of the Agreement, in the event that an adjustment pursuant to the anti-dilution protection of the Warrants (had they not been amended by the Agreement) would have been triggered and the number of shares of our common stock that Regals would have been able to purchase under the Warrants would have increased by an aggregate number in excess of 1,647,722 common shares, then Regals shall have the right to purchase from Mr. Kidron such number of shares of our common stock owned by Mr. Kidron equal to such excess, up to a maximum of 1,352,278 shares of our common stock at an exercise price of $0.3138 per share. The foregoing right shall survive until the termination of the Warrants.

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 September 1, 2012 are as follows:

Category	Amount
Research and development, net of OCS funds	$ 4,198,000
General and administrative expenses	1,038,000
Financial income, net	(10,000)
Total	$ 5,246,000

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 during the fourth calendar quarter of 2012. We expect to have a significant increase in research and development expenses as a result of preparation for the FDA approved Phase 2 study that will follow the IND filing, and during the term of the study. Our ability to complete these activities is dependent on several major factors including the ability to attract sufficient financing on terms acceptable to us and receiving additional grants from the OCS.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Not applicable.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

See Item 15 of this Annual Report on Form 10-K.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

None.

ITEM 9A. CONTROLS AND PROCEDURES.

Disclosure Controls and Procedures

Our management, including our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures as of August 31, 2012. 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 (as described below), 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, or the Exchange Act, is accumulated and communicated to our management, including our Chief Executive and Chief 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 SEC's rules and forms.

Management's Annual Report on Internal Control over Financial Reporting

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

- pertain to the maintenance of records that in reasonable detail accurately and fairly reflect our transactions and asset dispositions;

- provide reasonable assurance that transactions are recorded as necessary to permit the preparation of our financial statements in accordance with U.S. generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors; and

- provide reasonable assurance regarding the prevention or timely detection of unauthorized acquisition, use or disposition of assets that could have a material effect on our financial statements.

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we evaluated the effectiveness of our internal control over financial reporting as of August 31, 2012 based on the framework for Internal Control-Integrated Framework set forth by The Committee of Sponsoring Organizations of the Treadway Commission. Due to the inherent limitations of our Company, derived from our small size and the limited number of employees, the management evaluation concluded that there is a material weakness with respect to segregation of duties that may not provide reasonable assurance regarding the reliability of internal control over financial reporting and may not prevent or detect misstatements. Specifically, our Chief Financial Officer serves as our only qualified internal accounting and financial reporting personnel and as such performs all accounting and financial reporting functions without the benefit of independent checks, confirmations or backup other than bookkeeping functions performed by an outside accounting firm. In addition, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

As of August 31, 2011, we presented warrants that were granted to an investor during the year ended August 31, 2011 within stockholders' equity; after further review, we have determined that these instruments should have been classified as liabilities. Changes in the fair value of these warrants require adjustments to the amount of the liabilities recorded on our balance sheet, and the corresponding gain or loss is required to be recorded in our statement of operations. We assessed the materiality of the correction and concluded that it was immaterial to previously reported annual and interim amounts and that the correction of the error in 2012 is not material to the current year end results of operations. Accordingly, we corrected this error during the year ended August 31, 2012 and did not restate our consolidated financial statements for the prior periods impacted. This error was considered a "material weakness" in our internal control over financial reporting.

Based on this evaluation, our management concluded that the Company's internal control over financial reporting was not effective as of August 31, 2012 at a reasonable assurance level.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during the quarter ended August 31, 2012 that have materially affected, or are reasonable likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION.

On August 8, 2012, our Board cancelled the 2006 Stock Option Plan, or the 2006 Plan, and will no longer issue any securities pursuant to the 2006 Plan, and reallocated the pool of 3,000,000 shares of the Company's common stock that were reserved for issuance under the 2006 Plan and transferred such shares to the 2008 Stock Incentive Plan, or the 2008 Plan. As of such date, there were no longer any outstanding securities under the 2006 Plan.

On August 8, 2012, our Board reserved an additional 4,000,000 shares of the Company's common stock for the grant of awards under the 2008 Plan, resulting in a total of 12,000,000 shares of the Company's common stock now being reserved for issuance under the 2008 Plan, including the shares reallocated to the 2008 Plan from the 2006 Plan.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE.

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

Name	Age	Position
Nadav Kidron	38	President, Chief Executive Officer and Director
Miriam Kidron	72	Chief Medical and Technology Officer and Director
Leonard Sank	47	Director
Harold Jacob	59	Director
Michael Berelowitz	68	Director and Chairman of the Scientific Advisory Board
Gerald Ostrov	62	Director
Yifat Zommer	38	Chief Financial Officer, Treasurer and Secretary

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

Business Experience

The following is a brief account of the education and business experience during at least the past five years of each director and our only executive officer who is not a director, indicating the principal occupation during that period, and the name and principal business of the organization in which such occupation and employment were carried out.

Mr. Nadav Kidron was appointed ***President, Chief Executive Officer and director*** in March 2006. He is also a director of Entera (of which the Company owns 3% of the outstanding shares). In 2009, he was a fellow at the Merage Foundation for U.S.-Israel Trade Programs for executives in the life sciences field. From 2003 to 2006, he was the managing director of the Institute of Advanced Jewish Studies at Bar Ilan University. From 2001 to 2003, he was a legal intern at Wine, Mishaiker & Ernstoff Law Offices in Jerusalem, Israel. Mr. Kidron holds an LL.B. and an International MBA from Bar Ilan University, Israel, and is a member of the Israel Bar Association.

We believe that Mr. Kidron's qualifications to serve on our Board include his familiarity with the Company as its founder, his experience in capital markets, as well as his knowledge and familiarity with corporate management.

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

We believe that Dr. Kidron's qualifications to serve on our Board include her expertise in the Company's technology, as it is based on her research, as well as her experience and relevant education in the fields of pharmacology and diabetes.

Mr. Leonard Sank was appointed a ***director*** in October 2007. Mr. Sank is a South African entrepreneur and businessman, who is devoted to entrepreneurial endeavors and initiatives. He has over 20 years of experience playing important leadership roles in developing businesses. Since December 2011, Mr. Sank has served as a director in Eastvaal Motors Pty Ltd., a diversified retail motor business, and served as a director there in the past. Since 2010, Mr. Sank has served as a director in Bradbury Finance Pty Ltd. From 2000 to 2007, Mr. Sank served as a director in Vecto Finance Pty Ltd., a credit lending business. For the past fifteen years Mr. Sank has served as a director of Macsteel Service Centres SA Pty Ltd., South Africa's largest private company. He also serves on the boards of small businesses and local non-profit charity organizations in Cape Town, where he resides.

We believe that Mr. Sank's qualifications to serve on our Board include his years of experience in development stage businesses, as well as his experience serving as a director of many entities.

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

We believe that Dr. Jacob's qualifications to serve on our Board include his years of experience in the biomed industry, his experience serving in management roles of various companies, as well as his knowledge and familiarity with gastroenterology.

Dr. Michael Berelowitz was appointed a ***director*** in June 2010 and ***Chairman of our Scientific Advisory Board*** in June 2011. From 2009 to 2010, Dr. Berelowitz served as Senior Vice President and Head of Clinical Development and Medical Affairs in the Specialty Care Business Unit at Pfizer, Inc. From 1996 to 2009, he served in various other roles at Pfizer, Inc., beginning as a Medical Director in the Diabetes Clinical Research team and then assuming positions of increasing responsibility until being appointed to his present role. Prior to that, Dr. Berelowitz spent a number of years in academia. Among his public activities, Dr. Berelowitz has served on the board of directors of the ADA, the Clinical Initiatives Committee of the Endocrine Society, and has chaired the Task Force on Research of the New York State Council on Diabetes. He has also served on several editorial boards, including the Journal of Clinical Endocrinology and Metabolism and Endocrinology, Reviews in Endocrine and Metabolic Disorders and Clinical Diabetes. Dr. Berelowitz has authored and co-authored more than 100 peer-reviewed journal articles and book chapters in the areas of pituitary growth hormone regulation, diabetes and metabolic disorders. Dr. Berelowitz holds adjunct appointments as Professor of Medicine in the Divisions of Endocrinology and Metabolism at SUNY – StonyBrook and Mt. Sinai School of Medicine in New York.

We believe that Dr. Berelowitz's qualifications to serve on our Board include his years of experience in management roles in the pharmaceuticals industry, as well as his vast skill and expertise in the fields of endocrinology and diabetes.

Mr. Gerald Ostrov was appointed a ***director*** in September 2012. Mr. Ostrov currently serves on the board of directors of Orasure Technologies Inc., a Nasdaq listed company which develops, manufactures, markets and sells oral fluid diagnostic products and specimen collection devices, is a founder and a board of directors member of Adlens Beacon, a privately held company developing self adjustable reading glasses, serves as a board of directors member of the Robert Wood Johnson University Hospital Foundation and serves on the Johnson & Johnson Corporate Contributions Committee. From 2008 to 2010, Mr. Ostrov served as Chairman and Chief Executive Officer of Bausch & Lomb Incorporated, where he helped to stabilize and restructure the business following its privatization. From 1998 to 2006, Mr. Ostrov acted as Company Group Chairman for Johnson & Johnson's Worldwide Vision Care businesses. Mr. Ostrov began his career with Johnson & Johnson's Health Care Division in 1976. In 1982, he left Johnson & Johnson to become Vice President of Marketing for Ciba-Geigy's Consumer Pharmaceuticals Company, where he was named President of Ciba Consumer Pharmaceuticals in 1985 and served in that capacity until rejoining Johnson & Johnson in 1991 as President of the corporation's Personal Products Company. Mr. Ostrov holds a Bachelor of Science degree with distinction in Industrial Engineering and Operations Research from Cornell University and holds an M.B.A. from Harvard University.

We believe that Mr. Ostrov's qualifications to serve on our Board include his years of experience in management roles in the pharmaceuticals industry, as well as his experience serving as a director of many entities.

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

Board of Directors

There are no agreements with respect to the election of directors. Each director is elected for a period of one year at our annual meeting of stockholders and serves until the next such meeting and until his or her successor is duly elected. The Board may also appoint additional directors up to a maximum of fifteen directors. A director so chosen or appointed will hold office until the next annual meeting of stockholders. The Board has determined that Leonard Sank, Harold Jacob, Michael Berelowitz and Gerald Ostrov are independent as defined under the rules promulgated by Nasdaq.

We have determined that each of the directors is qualified to serve as a director of the Company based on a review of the experience, qualifications, attributes and skills of each director. In reaching this determination, we have considered a variety of criteria, including, among other things: character and integrity; ability to review critically, evaluate, question and discuss information provided, to exercise effective business judgment and to interact effectively with the other directors; and willingness and ability to commit the time necessary to perform the duties of a director.

Board Meeting Attendance

During the year ended August 31, 2012, our Board held four meetings and took actions by written consent on five occasions. No incumbent director of the meeting attended fewer than 75% of the aggregate of: (i) the total number of meetings of the Board (during the period for which such director served as a director); and (ii) the total number of meetings held by all committees of the Board on which such director served (during the period for which such director served on such committees). Board members are encouraged to attend our annual meetings of stockholders. At the annual meeting of stockholders held on July 24, 2012, three Board members were present.

Committees

Audit Committee and Audit Committee Financial Expert

The members of our Audit Committee are Leonard Sank, Michael Berelowitz and Gerald Ostrov. Our Board has determined that Gerald Ostrov is an "audit committee financial expert" as set forth in Item 407(d)(5) of Regulation S-K and that all members of the Audit Committee are "independent" as defined by the rules of the SEC and the Nasdaq rules and regulations. The Audit Committee operates under a charter that was approved by our Board on September 28, 2012. The primary responsibilities of our Audit Committee include:

- Appointing, compensating and retaining our registered independent public accounting firm;

- Overseeing the work performed by any outside accounting firm;

- Assisting the Board in fulfilling its responsibilities by reviewing: (i) the financial reports provided by us to the SEC, our stockholders or to the general public, and (ii) our internal financial and accounting controls; and

- Recommending, establishing and monitoring procedures designed to improve the quality and reliability of the disclosure of our financial condition and results of operations.

Compensation Committee

The members of our Compensation Committee are Leonard Sank, Michael Berelowitz and Gerald Ostrov. The Board has determined that all of the members of the Compensation Committee are "independent" as defined by the rules of the SEC and Nasdaq rules and regulations. The Compensation Committee operates under a written charter that was approved by our Board on September 28, 2012. The primary responsibilities of our Compensation Committee include:

- Reviewing, negotiating and approving, or recommending for approval by our Board of the salaries and incentive compensation of our executive officers;

- Administering our equity based plans and making recommendations to our Board with respect to our incentive–compensation plans and equity–based plans; and

- Periodically reviewing and making recommendations to our Board with respect to director compensation.

Section 16(a) Beneficial Ownership Reporting Compliance

Based solely upon a review of Forms 3, 4 and 5, and amendments thereto, furnished to us during fiscal year 2012, we believe that during fiscal year 2012, our executive officers, directors and all persons who own more than ten percent of a registered class of our equity securities complied with all Section 16(a) filing requirements, except as follows:

Dr. Miriam Kidron, our Chief Medical and Technology Officer and a director, failed to timely file a Form 4 reporting her August 14, 2007 grant of a warrant to purchase up to 3,361,360 shares of our common stock, as well as a Form 4 reporting the August 8, 2012 amendment of such warrant, extending the expiration of such warrant from August 14, 2012 to August 6, 2014. Dr. Kidron filed a Form 4 with the SEC reporting such transactions on November 23, 2012.

Leonard Sank, a director, failed to timely file a Form 4 reporting his August 22, 2012 acquisition of 270,270 shares of our common stock and a warrant to purchase 135,135 shares of our common stock in connection with one of our 2012 private placements. Mr. Sank filed a Form 4 reporting this transaction on November 6, 2012.

Dr. Harold Jacob, a director, failed to report ownership of 10,000 shares of our common stock in his initial statement of beneficial ownership on Form 3 filed with the SEC on September 8, 2008. Dr. Jacob filed a Form 3/A with the SEC reporting such ownership on November 30, 2012.

Code of Ethics

We have adopted a Code of Ethics and Business Conduct for our senior officers, directors and employees. A copy of the Code of Ethics and Business Conduct is located at our website at www.oramed.com.

ITEM 11. EXECUTIVE COMPENSATION.

Summary Compensation Table

The following table sets forth the compensation earned during the fiscal years ended August 31, 2012 and 2011 by our President and Chief Executive Officer, our Chief Medical and Technology Officer and our Chief Financial Officer, or the Named Executive Officers:

Name and Principal Position	Year (1)	Salary ($) (7)	Option Awards ($) (2)	All Other Compensation ($) (3) (7)	Total ($)
Nadav Kidron	2012	159,136	88,927	17,989	266,052
President and CEO and director (4)	2011	171,167	163,304	28,213	362,684
Miriam Kidron	2012	159,136	88,927	13,200	261,263
Chief Medical and Technology Officer and director (5)(6)	2011	172,172	163,304	13,581	349,057
Yifat Zommer	2012	58,686	32,915	29,719	121,320
CFO, Treasurer and Secretary	2011	85,700	46,162	32,034	163,896

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

) The amounts reflect the grant date fair value, as calculated pursuant to FASB ASC Topic 718, of these option awards. The assumptions used to determine the fair value of the option awards for fiscal years ended August 31, 2012 and 2011 are set forth in Note 10 to our audited consolidated financial statements included in this Annual Report on Form 10-K. Our Named Executive Officers will not realize the value of these awards in cash unless and until these awards are exercised and the underlying shares subsequently sold.

) See "All Other Compensation Table" below.

) Mr. Kidron receives compensation from Oramed Ltd. through KNRY, Ltd., an Israeli entity owned by Mr. Kidron, or KNRY. See "—Employment and Consulting Agreements" below.

) Dr. Kidron receives compensation from Oramed Ltd. through KNRY. See "—Employment and Consulting Agreements" below.

) See "Item 13. Certain Relationships and Related Transactions, and Director Independence" for a description of management fees received by Dr. Kidron from Hadasit.

) Amounts paid for Salary and All Other Compensation were originally denominated in NIS and were translated into U.S. Dollars at the then current exchange rate for each payment.

All Other Compensation Table

The "All Other Compensation" amounts set forth in the Summary Compensation Table above consist of the following:

Name	Year	Automobile-Related Expenses ($)	Manager's Insurance* ($)	Education Fund* ($)	Total ($)
Nadav Kidron	2012	17,989	--	--	17,989
	2011	21,044	--	--	21,044
Miriam Kidron	2012	13,200	--	--	13,200
	2011	13,581	--	--	13,581
Yifat Zommer	2012	12,976	11,024	5,719	29,719
	2011	21,017	7,169	3,849	32,035

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

Outstanding Equity Awards at Fiscal Year-End

The following table sets forth information concerning stock options and stock awards held by the Named Executive Officers as of August 31, 2012.

	Option Awards			
Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price ($)	Option Expiration Date
Nadav Kidron	864,000(1)	-	0.54	05/07/18
	864,000(3)	-	0.49	04/20/20
	288,000(4)	576,000(4)	0.34	08/08/22
Miriam Kidron	864,000(1)	-	0.54	05/07/18
	864,000(3)	-	0.49	04/20/20
	288,000(4)	576,000(4)	0.34	08/08/22
Yifat Zommer	266,666(2)	133,334(2)	0.47	10/19/19
	21,000(5)	588,000(5)	0.34	08/08/22

(1) On May 7, 2008, 864,000 options were granted to each of Nadav Kidron and Miriam Kidron under the 2008 Plan at an exercise price of $0.54 per share; 144,000 of such options vested immediately on the date of grant and the remainder vested in twenty equal monthly installments, commencing on June 30, 2008. The options have an expiration date of May 7, 2018.

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

(3) On April 21, 2010, 864,000 options were granted to each of Nadav Kidron and Miriam Kidron under the 2008 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 vested in twenty-one equal monthly installments, commencing on May 31, 2010. The options have an expiration date of April 20, 2020.

(4) On August 8, 2012, 864,000 options were granted to each of Nadav Kidron and Miriam Kidron under the 2008 Plan at an exercise price of $0.34 per share; 252,000 of such options vested immediately on the date of grant and the remainder vests in seventeen equal monthly installments, commencing on August 31, 2012. The options have an expiration date of August 8, 2022.

(5) On August 8, 2012, 609,000 options were granted to Yifat Zommer under the 2008 Plan at an exercise price of $0.34 per share; the options vest in twenty-nine equal monthly installments, commencing on August 31, 2012, and expire on August 8, 2022.

Employment and Consulting Agreements

On July 1, 2008, Oramed Ltd. entered into a consulting agreement with KNRY, whereby Mr. Nadav Kidron, through KNRY, provides services as President and Chief Executive Officer of both the Company and Oramed Ltd., or the Nadav Kidron Consulting Agreement. Additionally, on July 1, 2008, Oramed Ltd. entered into a consulting agreement with KNRY whereby Dr. Miriam Kidron, through KNRY, provides services as Chief Medical and Technology Officer of both the Company and Oramed Ltd., or the Miriam Kidron Consulting Agreement, and together with the Nadav Kidron Consulting Agreement, the Consulting Agreements.

The Consulting Agreements are both terminable by either party upon 60 days prior written notice. The Consulting Agreements provide that KNRY (i) will be paid, under each of the Consulting Agreements, in a gross amount of NIS 50,400 per month and (ii) will be reimbursed for reasonable expenses incurred in connection with performance of the Consulting Agreements. Pursuant to the Consulting Agreements, KNRY, Nadav Kidron and Miriam Kidron each agree that during the term of the Consulting Agreements and for a 12 month period thereafter, none of them will compete with Oramed Ltd. nor solicit employees of Oramed Ltd.

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

We, through Oramed Ltd., have entered into an employment agreement with Yifat Zommer as of April 19, 2009, pursuant to which Ms. Zommer was appointed as Chief Financial Officer, Treasurer and Secretary of the Company and Oramed Ltd. In accordance with the employment agreement, as amended, Ms. Zommer's current gross monthly salary is NIS 24,200.

Director Compensation

Our directors are entitled to reimbursement for reasonable travel and other out-of-pocket expenses incurred in connection with attendance at meetings of our Board. Effective June 1, 2010, each independent director is entitled to receive as remuneration for his or her service as a member of the Board a sum equal to $10,000 per annum, to be paid quarterly and shortly after the close of each quarter. Our executive officers did not receive additional compensation for service as directors. The Board may award special remuneration to any director undertaking any special services on behalf of us other than services ordinarily required of a director.

On June 22, 2011, we appointed one of our directors, Michael Berelowitz, to serve as the Chairman of our Scientific Advisory Board. In this role, Dr. Berelowitz will be actively involved in our scientific decisions, clinical strategy, and partnership negotiations. Dr. Berelwoitz will be paid a fee of $300 per hour, up to $1,500 per day, as compensation for serving in this position.

Other than as indicated in this Annual Report on Form 10-K, no director received and/or accrued any compensation for his or her services as a director, including committee participation and/or special assignments, during the year ended August 31, 2012.

The following table sets forth director compensation for the year ended August 31, 2012.

Name of Director	Fees Earned or Paid in Cash ($)	Option Awards (6) ($)	All Other Compensation ($)	Total ($)
Nadav Kidron [1]	-	-	-	-
Miriam Kidron [1]	-	-	-	-
Leonard Sank [2] [4]	10,000	11,106	-	21,106
Harold Jacob [2] [4]	10,000	11,106	-	21,106
Michael Berelowitz [3] [5]	10,000	32,528	4,500	47,028
Gerald Ostrov [7]	-	-	-	-

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(1) Please refer to the summary compensation table for executive compensation with respect to the named individual.

(2) On January 11, 2009, 300,000 options were granted to each of Leonard Sank and Harold Jacob under the 2008 Plan at an exercise price of $0.43 per share. The options vested in three equal annual installments, commencing January 1, 2010, and expire on January 10, 2019.

(3) On July 8, 2010, 300,000 options were granted to Michael Berelowitz under the 2008 Plan at an exercise price of $0.48 per share. The options vest in three equal annual installments, commencing July 8, 2011, and expire on July 7, 2020.

(4) On August 8, 2012, 240,000 options were granted to each of Leonard Sank and Harold Jacob under the 2008 Plan at an exercise price of $0.34 per share. The options vest in two equal annual installments, commencing January 1, 2013, and expire on August 8, 2022.

(5) On August 8, 2012, 40,000 options were granted to Michael Berelowitz under the 2008 Plan at an exercise price of $0.34 per share. The options vest in two equal annual installments, commencing January 1, 2013, and expire on August 8, 2022.

(6) The amounts reflect the grant date fair value, as calculated pursuant to FASB ASC Topic 718, of these option awards. The assumptions used to determine the fair value of the option awards for the fiscal year ended August 31, 2012 are set forth in Note 10 to our audited consolidated financial statements included in this Annual Report on Form 10-K. Our directors will not realize the value of these awards in cash unless and until these awards are exercised and the underlying shares subsequently sold.

(7) Mr. Ostrov was appointed as a director on September 24, 2012.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS.

Stock Option Plans

2006 Stock Option Plan

On October 15, 2006, our Board adopted the 2006 Plan in order to attract and retain quality personnel. Under the 2006 Plan, 3,000,000 shares have been reserved for the grant of options by the Board. In addition, under the terms of the 2006 Plan, options that have expired or been terminated for any reason prior to being exercised may be reissued.

On August 8, 2012, our Board cancelled the 2006 Plan and will no longer issue any securities pursuant to the 2006 Plan, and reallocated the pool of 3,000,000 shares of the Company's common stock that were reserved for issuance under the 2006 Plan and transferred such shares to the 2008 Plan. As of such date, there were no longer any outstanding securities under the 2006 Plan.

2008 Stock Incentive Plan

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

On August 8, 2012, our Board reserved an additional 4,000,000 shares of the Company's common stock for the grant of awards under the 2008 Plan, resulting in a total of 12,000,000 shares of the Company's common stock now being reserved for the issuance of awards under the 2008 Plan, including the shares reallocated to the 2008 Plan from the 2006 Plan.

As of August 31, 2012, options with respect to 9,964,200 shares have been granted under the 2008 Plan, of which 1,034,000 have been forfeited and 100,000 have expired.

Other

On August 14, 2007, we granted Dr. Miriam Kidron a warrant to purchase up to 3,361,360 shares at an exercise price of $0.001 per share; the warrant vested immediately and had an expiration date of August 14, 2012. On August 8, 2012, our Board resolved to extend the term of Dr. Kidron's warrant until August 6, 2014. The warrant is not governed by either of the plans detailed above.

The following table sets forth additional information with respect to our equity compensation plans as of August 31, 2012:

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weight-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	--	--	--
Equity compensation plans not approved by security holders	12,923,560	$ 0.26	3,419,800
Total	12,923,560	$ 0.26	3,419,800

Security Ownership of Certain Beneficial Owners and Management

The following table sets forth certain information regarding the beneficial ownership of our common stock as of December 6, 2012 by: (i) each person who is known by us to own beneficially more than 5% of our common stock; (ii) each director; (iii) each of our Named Executive Officers listed above under "Summary Compensation Table"; and (iv) all of our directors and executive officers as a group. On such date, we had 86,505,020 shares of common stock outstanding.

As used in the table below and elsewhere in this Annual Report on Form 10-K, the term "*beneficial ownership*" with respect to a security consists of sole or shared voting power, including the power to vote or direct the vote and/or sole or shared investment power, including the power to dispose or direct the disposition, with respect to the security through any contract, arrangement, understanding, relationship, or otherwise, including a right to acquire such power(s) during the next 60 days following December 6, 2012. Inclusion of shares in the table does not, however, constitute an admission that the named stockholder is a direct or indirect beneficial owner of those shares. Unless otherwise indicated, each person or entity named in the table has sole voting power and investment power (or shares that power with that person's spouse) with respect to all shares of common stock listed as owned by that person or entity.

Name and Address of Beneficial Owner	**Number of Shares**	**Percentage of Shares Beneficially Owned**
Nadav Kidron †‡ 12 Eliezer Hagadol St. Jerusalem, Israel	12,567,735 (1)	14.2%
Miriam Kidron †‡ 2 Elza St. Jerusalem, Israel	5,557,360 (2)	6.0%
Leonard Sank † 3 Blair Rd Camps Bay Cape Town, South Africa	6,318,050 (3)	7.2%
Harold Jacob † Haadmur Mebuyon 26 Jerusalem, Israel	430,000 (4)	*
Michael Berelowitz † 415 East 37th Street New York, NY, USA	220,000 (5)	*
Yifat Zommer ‡ P.O. Box 39098, Jerusalem, Israel	526,000 (6)	*

Regals Fund LP 767 Fifth Ave. New York, NY, USA	15,814,947 (7)	17.0%
Zeev Bronfeld 6 Uri St. Tel-Aviv, Israel	8,366,212 (8)	9.6%
All current executive officers and directors, as a group (seven persons)	25,619,145 (9)	26.6%

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* Less than 1%
† Indicates Director
‡ Indicates Executive Officer

(1) Includes 2,196,000 shares of common stock issuable upon the exercise of outstanding stock options.

(2) Includes 3,361,360 shares of common stock issuable upon the exercise of an outstanding warrant and 2,196,000 shares of common stock issuable upon the exercise of outstanding stock options.

(3) Includes: (i) 2,763,055 shares of common stock and warrants to purchase 202,703 shares of common stock held by Mr. Sank, (ii) 937,500 shares of common stock and a warrant to purchase 328,125 shares of common stock held by Mr. Sank's wife, (iii) 420,000 shares of common stock issuable upon the exercise of outstanding stock options, and (iv) 1,666,667 shares of common stock owned by a company wholly owned by a trust of which Mr. Sank is a trustee. Mr. Sank disclaims beneficial ownership of the securities referenced in (ii) and (iv) above. The foregoing is based on Form 4's filed by Mr. Sank on January 13, 2009, October 6, 2011, August 9, 2012 and November 6, 2012, and information available to the Company.

(4) Includes 10,000 shares of common stock indirectly acquired through a corporation wholly-owned by Mr. Jacob, and 420,000 shares of common stock issuable upon the exercise of outstanding stock options.

(5) Includes 220,000 shares of common stock issuable upon the exercise of outstanding stock options.

(6) Includes 526,000 shares of common stock issuable upon the exercise of outstanding stock options.

(7) Include warrants to purchase 6,687,277 shares of common stock. Regals Capital Management LP is the investment manager of Regals Fund LP, the owner of record of these shares of common stock. Mr. David M. Slager is the managing member of the general partner of Regals Capital Management LP. All investment decisions are made by Mr. Slager, and thus the power to vote or direct the votes of these shares of common stock, as well as the power to dispose or direct the disposition of such shares of common stock is held by Mr. Slager through Regals Capital Management LP. The forgoing is based on a Schedule 13G/A and Form 3 filed September 6, 2012, and on a Form 4 filed November 6, 2012, each of which was filed jointly by Regals Fund LP, Regals Capital Management LP and Mr. Slager, and on subsequent information available to the Company.

(8) Includes 2,390,057 shares of common stock and warrants to purchase 273,438 shares of common stock held by D.N.A. Mr. Bronfeld and Mr. Meni Mor are parties to a voting agreement relating to their joint holdings in D.N.A, which as of December 31, 2011, represented approximately 41.2% of D.N.A's outstanding share capital on an actual basis, as reported by D.N.A to the Israel Securities Authority. As a result, Mr. Bronfeld may be deemed a beneficial owner of, and to share the power to vote and dispose of our securities held by D.N.A. Mr. Bronfeld has disclaimed beneficial ownership of any of our securities held by D.N.A. The foregoing is based on a Schedule 13G/A filed by Mr. Bronfeld on January 19, 2012 and on subsequent information available to the Company.

(9) Includes 9,870,188 shares of common stock issuable upon the exercise of warrants beneficially owned by the referenced persons and the exercise of outstanding stock options.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE.

Except as otherwise indicated below, during fiscal years 2012 and 2011, we did not participate in any transaction, and we are not currently participating in any proposed transaction, or series of transactions, in which the amount involved exceeds the lesser of $120,000 or one percent of the average of our total assets at year-end for the last two completed fiscal years, and in which, to our knowledge, any of our directors, officers, five percent beneficial security holders, or any member of the immediate family of the foregoing persons had, or will have, a direct or indirect material interest.

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

On February 17, 2006, we entered into an agreement with Hadasit, or the First Agreement, to retain Hadasit to provide consulting and clinical trial services for a total consideration of $200,000, and to acquire the provisional patent related to our research and development of an orally ingestible insulin pill to be used for the treatment of individuals with diabetes. On January 7, 2009, we entered into a second agreement with Hadasit which replaced in its entirety the First Agreement and confirms that Hadasit has conveyed, transferred and assigned all of its ownership rights in the patents acquired under the First Agreement and certain other patents filed by us after the First Agreement as a result of the collaboration between us and Hadasit, and that Hadasit acknowledges and agrees that the 4,141,532 shares of our common stock that were issued to Hadasit on February 17, 2006 constitute the sole and complete compensation for said sale. On July 8, 2009, we entered into a third agreement with Hadasit to retain consulting and clinical trial services from Hadasit for a total consideration of $400,000, with $200,000 of this amount having first been agreed to in the terms of the First Agreement. The clinical trials conducted by Hadasit are managed by Dr. Miriam Kidron, our Chief Medical and Technology Officer and one of our directors, through a research fund account at Hadasit in Dr. Kidron's name. The fees paid by us to Hadasit are deposited into such Hadasit research account. Pursuant to the general policy of Hadasit with respect to its research funds, Dr. Kidron is entitled to receive a management fee in the amount of 10% of all the funds deposited into this research fund account, including the funds paid by us under the aforementioned agreements. Since March 2006, only the funds paid by us have been deposited in this account, of which, $10,214 has been paid to Dr. Kidron. On September 11, 2011, we entered into the Fourth Agreement to facilitate clinical trials and provide other services. According to this agreement, Hadasit will be entitled to total consideration of $200,000 to be paid in accordance with the actual progress of the study, none of which was recognized or paid through August 31, 2012. Hadasit will deduct 16.7% of the payments that will be received from us as overhead. All other terms and conditions of this agreement are substantially similar to those of the previous Hadasit agreements.

On June 1, 2010, Oramed Ltd. entered into a joint venture agreement with D.N.A for the establishment of Entera, according to which D.N.A invested $600,000, Oramed Ltd. entered into a patent license agreement with Entera, and Entera was owned in equal parts by Oramed Ltd. and D.N.A. On February 22, 2011, Oramed Ltd. entered into a share purchase agreement with D.N.A for the sale of 47% of Entera's outstanding share capital on an undiluted basis, for total consideration of approximately $1,032,000 to be paid in D.N.A shares and in a promissory note. As part of the transaction, Oramed Ltd. entered into a patent transfer agreement with Entera that replaced the original patent license agreement. These two transactions closed on March 31, 2011. In addition, on the closing date, D.N.A participated in our private placement, on the same investment terms as other investors at that time, for which D.N.A received 781,250 shares of our common stock and five-year warrants to purchase 273,438 shares of common stock at an exercise price of $0.50 per share for consideration of $250,000. We currently own 3% of the outstanding shares of Entera. Mr. Zeev Bronfeld, who is one of D.N.A's directors and controlling shareholders, holds approximately 9.6% of our outstanding common stock (see "Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters"). Mr. Nadav Kidron, our President, Chief Executive Officer and one of our directors, is also a director of Entera.

On October 30 2012, we entered into a Securities Purchase Agreement with D.N.A, according to which, we issued to D.N.A 2,390,057 shares of our common stock, valued at such time at approximately $628,630, in consideration for a warrant to purchase up to 21,637,611 ordinary shares of D.N.A at no additional cost. D.N.A. has filed an application for the approval of the Tel Aviv Stock Exchange Board of Directors to list the ordinary shares of D.N.A issuable upon exercise of the warrant. We plan to exercise the warrant if and when such approval is received. Should we exercise this warrant, we would hold approximately 14.5% of D.N.A's outstanding ordinary shares, including the D.N.A ordinary shares we received in March 2011 as further discussed in "Item 1. Business—Description of Business—Out-Licensed Technology."

On November 29, 2012, we entered into the Agreement with Regals in connection with the Warrants. Pursuant to the Agreement, we and Regals agreed to amend the Warrants (and to prepare and execute amendments to the Warrants setting forth such terms as soon as reasonably practicable) to provide that the anti-dilution protection of the Warrants shall be deleted in its entirety. In addition, as to the warrants issued in August and November 2012, the parties agreed that the exercise price shall be reduced to $0.3138 per share, the current exercise price per share of the warrants originally issued to Regals in January 2011. On that day, we also issued to Regals the New Warrant pursuant to which Regals shall have the right to purchase up to 1,647,722 shares of our common stock over a period of four years at an exercise price of $0.60 per share.

In connection with the New Warrant, Nadav Kidron, our President, Chief Executive Officer and a director, in his personal capacity as one of our shareholders, undertook and agreed that following the execution and delivery of the Agreement, in the event that an adjustment pursuant to the anti-dilution protection of the Warrants (had they not been amended by the Agreement) would have been triggered and the number of shares of our common stock that Regals would have been able to purchase under the Warrants would have increased by an aggregate number in excess of 1,647,722 common shares, then Regals shall have the right to purchase from Mr. Kidron such number of shares of our common stock owned by Mr. Kidron equal to such excess, up to a maximum of 1,352,278 shares of our common stock at an exercise price of $0.3138 per share. The foregoing right shall survive until the termination of the Warrants.

See "Item 11. Executive Compensation—Director Compensation" above for information as to one of our directors and the Chairman of our Scientific Advisory Board, Michael Berelowitz.

The Board has determined that Leonard Sank, Harold Jacob, Michael Berelowitz and Gerald Ostrov are independent as defined under the rules promulgated by Nasdaq.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

The aggregate fees billed by Kesselman & Kesselman, independent registered public accounting firm, and member firm of PricewaterhouseCoopers International Limited, for services rendered to us during the fiscal years ended August 31, 2012 and 2011:

Summary:	**2012**	**2011**
Audit Fees[1]	$ 102,240	$ 100,390
Audit-Related Fees	-	-
Tax Fees[2]	7,500	-
All Other Fees	-	-
Total Fees	$ 109,740	$ 100,390

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(1) Amount represents fees paid for professional services for the audit of our consolidated annual financial statements and review of our interim condensed consolidated financial statements included in quarterly reports and services that are normally provided by our independent registered public accounting firm in connection with statutory and regulatory filings or engagements.

(2) Amount represents fees paid for consulting services to assist us with our implementation of FASB ASC Topic 740-10 (formerly FIN 48), "Income Taxes," relating to uncertain tax positions.

During the year ended August 31, 2012, we did not have an audit committee. As such, our three independent directors acted as our audit committee. No formal pre-approval process has been adopted. The Board established our Audit Committee on September 28, 2012.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.

(a) Index to Financial Statements

The following financial statements are filed as part of this Annual Report on Form 10-K:

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

We have audited the accompanying consolidated balance sheets of Oramed Pharmaceuticals Inc. (A Development Stage Company) and its subsidiary (the "Company") as of August 31, 2012 and 2011, and the related consolidated statements of operations, changes in stockholders' equity and cash flows for the years then ended and cumulatively, for the period from September 1, 2007 to August 31, 2012 (not separately presented herein). These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the cumulative totals of the Company for the period from April 12, 2002 (date of incorporation) to August 31, 2007, which totals reflect a deficit of $4,478,933 accumulated during the development stage. Those cumulative totals were audited by other independent auditors, whose report, dated December 10, 2007, expressed an unqualified opinion on the cumulative amounts but included an emphasis of a matter. Our opinion, insofar as it relates to amounts included for that period is based on the report of the other independent auditors.

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

In our opinion, based upon our audits and the report of the other independent auditors, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company as of August 31, 2012 and 2011, and the consolidated results of their operations and their cash flows for the years then ended and cumulatively, for the period from September 1, 2007 to August 31, 2012 (not separately presented herein), in conformity with accounting principles generally accepted in the United States of America.

Tel Aviv, Israel
December 11, 2012

/s/ Kesselman & Kesselman
Kesselman & Kesselman
Certified Public Accountant (Isr.)
A member firm of PricewaterhouseCoopers
International Limited

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

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

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

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

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

December 10, 2007

ORAMED PHARMACEUTICALS INC.
(A Development Stage Company)
CONSOLIDATED BALANCE SHEETS
U.S. dollars

	August 31	
	2012	**2011**
Assets		
CURRENT ASSETS:		
Cash and cash equivalents	$ 4,430,740	$ 1,513,365
Short term deposits (note 2)	454,381	1,801,400
Marketable securities (note 3)	200,311	384,565
Restricted cash (note 1o)	16,000	16,000
Accounts receivable - other (note 4)	87,691	542,891
Prepaid expenses	2,307	1,670
Related parties (note 16)	404	-
Grants receivable from the chief scientist	84,642	24,191
T o t a l current assets	5,276,476	4,284,082
LONG TERM DEPOSITS AND INVESTMENT (note 9b)	8,867	10,186
AMOUNTS FUNDED IN RESPECT OF EMPLOYEE RIGHTS UPON RETIREMENT (note 8)	4,740	14,293
PROPERTY AND EQUIPMENT, NET (note 6)	4,768	17,376
T o t a l assets	$ 5,294,851	$ 4,325,937
Liabilities and stockholders' equity		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses (note 12)	$ 597,173	$ 375,538
Related parties (note 16)	-	18,502
Account payable with former shareholder	47,252	47,252
T o t a l current liabilities	644,425	441,292
LONG TERM LIABILITIES:		
Warrants (note 7)	637,182	-
Employee rights upon retirement (note 8)	6,959	22,675
Provision for uncertain tax position (note 15e)	228,272	138,054
	872,413	160,729
COMMITMENTS (note 9)		
STOCKHOLDERS' EQUITY:		
Common stock, $ 0.001 par value (200,000,000 authorized shares; 80,075,725 and 70,104,583 shares issued and outstanding as of August 31, 2012 and 2011, respectively)	80,075	70,104
Additional paid-in capital	21,589,715	18,201,111
Deficit accumulated during the development stage	(17,891,777)	(14,547,299)
T o t a l stockholders' equity	3,778,013	3,723,916
T o t a l liabilities and stockholders' equity	$ 5,294,851	$ 4,325,937

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

ORAMED PHARMACEUTICALS INC.
(A Development Stage Company)
CONSOLIDATED STATEMENTS OF OPERATIONS
U.S. dollars

	Year ended August 31		Period from April 12, 2002 (inception) through August 31,
	2012	2011	2012
RESEARCH AND DEVELOPMENT EXPENSES, NET (note 13)	$ 1,680,845	$ 1,159,309	$ 9,532,694
IMPAIRMENT OF INVESTMENT	-	-	434,876
GENERAL AND ADMINISTRATIVE EXPENSES (note 14)	1,203,164	1,275,960	8,161,547
OPERATING LOSS	2,884,009	2,435,269	18,129,117
FINANCIAL INCOME	(13,126)	(33,232)	(207,158)
GAIN ON SALE OF INVESTMENT	-	(1,033,004)	(1,033,004)
IMPAIRMENT OF AVAILABLE- FOR-SALE SECURITIES	184,254	197,412	381,666
FINANCIAL EXPENSES	199,123	18,780	380,380
LOSS BEFORE TAXES ON INCOME	3,254,260	1,585,225	17,651,001
TAXES ON INCOME (note 15)	90,218	(23,980)	240,776
NET LOSS FOR THE PERIOD	$ 3,344,478	$ 1,561,245	$ 17,891,777
BASIC AND DILUTED LOSS PER COMMON SHARE	$ (0.05)	$ (0.02)	
WEIGHTED AVERAGE NUMBER OF COMMON SHARES USED IN COMPUTING BASIC AND DILUTED LOSS PER COMMON STOCK	70,605,814	64,999,026	

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

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

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

ORAMED PHARMACEUTICALS INC.
(A development stage company)
CONSOLIDATED 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 AUGUST 31, 2008	56,252,806	56,252	11,785,012	(7,248,204)	4,593,060
SHARES ISSUED FOR SERVICES RENDERED	203,904	204	152,724	-	152,928
SHARES TO BE ISSUED FOR SERVICES RENDERED	-	-	203,699	-	203,699
STOCK BASED COMPENSATION RELATED TO OPTIONS GRANTED TO EMPLOYEES AND DIRECTORS	-	-	436,025	-	436,025
STOCK BASED COMPENSATION RELATED TO OPTIONS GRANTED TO CONSULTANTS	-	-	117,174	-	117,174
IMPUTED INTEREST	-	-	3,780	-	3,780
NET LOSS	-	-	-	(2,760,474)	(2,760,474)
BALANCE AS OF AUGUST 31, 2009	56,456,710	$ 56,456	$ 12,698,414	$ (10,008,678)	$ 2,746,192
SHARES ISSUED FOR SERVICES RENDERED	1,108,611	1,109	248,741	-	249,850
STOCK BASED COMPENSATION RELATED TO OPTIONS GRANTED TO EMPLOYEES AND DIRECTORS	-	-	690,882	-	690,882
STOCK BASED COMPENSATION RELATED TO OPTIONS GRANTED TO CONSULTANTS	-	-	116,944	-	116,944
IMPUTED INTEREST	-	-	3,780	-	3,780
NET LOSS	-	-	-	(2, 977, 376)	(2,977,376)
BALANCE AS OF AUGUST 31, 2010	57,565,321	$ 57,565	$ 13,758,761	$ (12,986,054)	$ 830,272
SHARES ISSUED FOR SERVICES RENDERED	730,636	731	226,838	-	227,569
SHARES AND WARRANTS ISSUED FOR CASH*	11,808,626	11,808	3,682,404	-	3,694,212
STOCK BASED COMPENSATION RELATED TO OPTIONS GRANTED TO EMPLOYEES AND DIRECTORS	-	-	502,593	-	502,593
STOCK BASED COMPENSATION RELATED TO OPTIONS GRANTED TO CONSULTANTS	-	-	26,733	-	26,733
IMPUTED INTEREST	-	-	3,782	-	3,782
NET LOSS	-	-	-	(1,561,245)	(1,561,245)
BALANCE AS OF AUGUST 31, 2011	70,104,583	70,104	18,201,111	(14,547,299)	3,723,916
SHARES ISSUED FOR SERVICES	349,000	349	107,511	-	107,860
SHARES AND WARRANTS ISSUED FOR CASH, INCLUDING RECLASSIFICATION OF WARRANTS	9,622,142	9,622	2,984,842	-	2,944,464
SHARES AND WARRANTS TO BE ISSUED FOR CASH	-	-	25,093	-	25,093
STOCK BASED COMPENSATION RELATED TO OPTIONS GRANTED TO EMPLOYEES AND DIRECTORS	-	-	200,866	-	200,866
STOCK BASED COMPENSATION RELATED TO OPTIONS GRANTED TO CONSULTANTS	-	-	70,292	-	70,292
NET LOSS	-	-	-	(3,344,478)	(3,344,478)
BALANCE AS OF AUGUST 31, 2012	80,075,725	$ 80,075	$ 21,589,715	$ (17,891,777)	$ 3,778,013

* Including 196,750 issued as finders' fee. See also note 10a.

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

ORAMED PHARMACEUTICALS INC.
(A Development Stage Company)
CONSOLIDATED STATEMENTS OF CASH FLOWS
U.S. dollars

	Year ended August 31		Period from April 12, 2002 (inception date) through August 31,
	2012	2011	2012
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net loss	$ (3,344,478)	$ (1,561,245)	$ (17,891,777)
Adjustments required to reconcile net loss to net cash used in operating activities:			
Depreciation and amortization	14,737	28,303	120,844
Amortization of debt discount	-	-	108,000
Exchange differences	62,494	(30,791)	31,037
Stock based compensation	271,158	529,326	4,971,287
Common stock issued for services	107,860	227,569	1,155,956
Gain on sale of investment	-	(1,033,004)	(1,033,004)
Impairment of investments	-	-	434,876
Impairment of available for sale securities	184,254	197,412	381,666
Imputed interest	-	3,782	23,559
Changes in fair value of warrant liabilities	142,704	-	142,704
Changes in operating assets and liabilities:			
Prepaid expenses and other current assets	(31,199)	(36,105)	(160,159)
Restricted cash	-	8	(16,000)
Accounts payable and accrued expenses	203,133	(17,290)	597,173
Liability for employee rights upon retirement	(2,489)	22,675	20,186
Provision for uncertain tax position	90,218	(36,484)	228,272
Total net cash used in operating activities	(2,301,608)	(1,705,844)	(10,885,380)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property and equipment	(2,129)	(2,180)	(125,612)
Purchase of short term deposits	(475,353)	(1,700,382)	(5,903,735)
Proceeds from sale of short term deposits	1,800,000	-	5,428,000
Proceeds from sale of investment	450,000	-	450,000
Funds in respect of employee rights upon retirement	(3,620)	(3,275)	(6,895)
Lease deposits	-	2,407	(7,509)
Total net cash provided by (used in) investing activities	1,768,898	(1,703,430)	(165,751)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from sales of common stocks and warrants - net of issuance expenses	3,488,942	3,694,212	15,144,635
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	3,488,942	3,694,212	15,491,939
EFFECT OF EXCHANGE RATE CHANGES ON CASH	(38,857)	28,789	(10,068)
INCREASE IN CASH AND CASH EQUIVALENTS	2,917,375	313,727	4,430,740
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	1,513,365	1,199,638	-
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 4,430,740	$ 1,513,365	$ 4,430,740
Material non cash investing and financing activities:			
Discount on convertible note related to beneficial conversion feature			$ 108,000
Shares and warrants issued as offering costs		$ 76,026	$ 77,779
Contribution to paid in capital			$ 18,991
Shares and warrants to be issued for cash	$ 25,093	-	$ 25,093
Changes to amounts funded in respect of employee rights upon retirement and long term liability to Employee rights upon retirement	$ 13,227	-	$ 13,227

As disclosed in note 5, in the year ended August 31, 2011, the Subsidiary sold 47% of Entera's shares for non-cash proceeds of net $1,031,977.

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

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES:

a. General

Oramed Pharmaceuticals Inc. (the "Company") was incorporated on April 12, 2002, under the laws of the State of Nevada. From incorporation until March 3, 2006, the Company was an exploration stage company engaged in the acquisition and exploration of mineral properties. On February 17, 2006, the Company entered into an agreement with Hadasit Medical Services and Development Ltd ("Hadasit") (the "First Agreement") to acquire the provisional patent related to orally ingestible insulin pill to be used for the treatment of individuals with diabetes, see also note 9a.

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

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

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

Successful completion of the Company's development programs and its transition to normal operations is dependent upon obtaining necessary regulatory approvals from the FDA prior to selling its products within the United States, and foreign regulatory approvals must be obtained to sell its products internationally. There can be no assurance that the Company will receive regulatory approval of any of its product candidates, and a substantial amount of time may pass before the Company achieves a level of revenues adequate to support its operations, if at all. The Company also expects to incur substantial expenditures in connection with the regulatory approval process for each of its product candidates during their respective developmental periods. Obtaining marketing approval will be directly dependent on the Company's ability to implement the necessary regulatory steps required to obtain marketing approval in the United States and in other countries. The Company cannot predict the outcome of these activities.

Based on its current cash resources and commitments, and cash received in private offerings in 2012 (see notes 10g and 17b), the Company believes it will be able to maintain its current planned development activities and the corresponding level of expenditures for at least the next 12 months, although no assurance can be given that it will not need additional funds prior to such time. If there are unexpected increases in general and administrative expenses or research and development expenses, the Company may need to seek additional financing during the next 12 months.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued):

b. Accounting principles

The consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP").

c. Use of estimates in the preparation of financial statements

The preparation of the consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the financial statements date and the reported expenses during the reporting periods. Actual results could differ from those estimates.

As applicable to these consolidated financial statements, the most significant estimates and assumptions relate to stock based compensation, valuation and impairment of marketable securities and valuation of tax exposure.

d. Functional currency

The currency of the primary economic environment in which the operations of the Group are conducted is the U.S. dollar ("$" or "dollar").

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

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

e. Principles of consolidation

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

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued):

f. Property and equipment

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

Annual rates of depreciation are as follows:

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

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

g. Income taxes

1. Deferred taxes

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

Regarding the Subsidiary, the recognition is prohibited for deferred tax liabilities or assets that arise from differences between the financial reporting and tax bases of assets and liabilities that are measured from the local currency into dollars using historical exchange rates, and that result from changes in exchange rates or indexing for tax purposes. Consequently, the abovementioned differences were not reflected in the computation of deferred tax assets and liabilities.

Taxes that would apply in the event of disposal of investments in the subsidiary have not been taken into account in computing deferred taxes, as it is the Company’s intention to hold this investment, not to realize it.

2. Uncertainty in income tax

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

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued):

h. Research and development, net

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

Clinical trial costs are a significant component of research and development expenses and include costs associated with third-party contractors. The Company out sources a substantial portion of its clinical trial activities, utilizing external entities such as Contract Research Organizations, independent clinical investigators, and other third-party service providers to assist the Company with the execution of its clinical studies. For each clinical trial that the Company conducts, clinical trial costs are expensed immediately.

Grants received from the OCS and Bio-Jerusalem are recognized as grant income when the grants become receivable, provided there is reasonable assurance that the Company will comply with the conditions attached to the grant and there is reasonable assurance the grant will be received. The grants are deducted from the related research and development expenses as the costs are incurred and are presented in R&D expenses, net. See also notes 9j and 9k.

i. Cash equivalents

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

j. Comprehensive loss

The Company has no other comprehensive loss components other than net loss for the fiscal years of 2012 and 2011.

k. Loss per common share

Basic and diluted net loss per common share are computed by dividing the net loss for the period by the weighted average number of shares of common stock outstanding and shares relating to receipts on account of shares in equity during the period. Outstanding stock options and warrants have been excluded from the calculation of the diluted loss per share because all such securities are anti-dilutive for all periods presented. The total number of common stock options and warrants excluded from the calculation of diluted net loss was 21,937,116 for the year ended August 31, 2012 (15,200,044 for the year ended August 31, 2011).

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued):

l. Impairment in value of long-lived assets

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

m. Stock based compensation

Equity awards granted to employees are accounted for using the grant-date fair value method. The fair value of share-based payment transactions is recognized as an expense over the requisite service period, net of estimated forfeitures. The Company estimated forfeitures based on historical experience and anticipated future conditions.

The Company elected to recognize compensation cost for an award with only service conditions that has a graded vesting schedule using the accelerated method based on the multiple-option award approach. When stock options are granted as consideration for services provided by consultants and other non-employees, the transaction is accounted for based on the fair value of the consideration received or the fair value of the stock options issued, whichever is more reliably measurable. The fair value of the options granted is measured on a final basis at the end of the related service period and is recognized over the related service period using the straight-line method.

n. Warrants issued as part of capital raisings that are classified as a liability

Warrants that entitle the holder to down-round protection (through ratchet and anti-dilution provisions) are classified as liabilities in the statement of financial position.

The liability is measured both initially and in subsequent periods in fair value, with changes in fair value charged to finance expenses, net. See note 7.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued):

o. Fair value measurement:

Fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, the guidance establishes a fair value hierarchy that prioritizes observable and unobservable inputs used to measure fair value into three broad levels, which are described as follows:

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

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

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

As of August 31, 2012 the assets or liabilities measured at fair value comprise of:

- available for sale securities (level 1).
- warrants (level 3).

In determining fair value, the Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent.

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

Available-for-sale securities are reported at fair value with unrealized gains and losses, net of related tax, recorded as a separate component of other comprehensive income in equity until realized. Unrealized losses that are considered to be other-than-temporary are charged to statement of operations as an impairment charge and are included in the consolidated statement of operations under impairment of available-for-sale securities.

The Company considers available evidence in evaluating potential impairments of its investments, including the duration and extent to which fair value is less than cost, and the Company's ability and intent to hold the investment. Realized gains and losses on sales of the securities are included in the consolidated statement of operations as financial income or expenses.

p. Concentration of credit risks

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

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued):

q. Newly issued and recently adopted accounting pronouncements:

1. In May 2011, the Financial Accounting Standard Board ("FASB") issued an accounting update that amends ASC No. 820, "Fair Value Measurement" regarding fair value measurements and disclosure requirements. The amendments are effective during interim and annual periods beginning after December 15, 2011 and are to be applied prospectively. The Company adopted the accounting update beginning in the third quarter of fiscal year 2012. As applicable to the Company, the adoption of the new guidance did not have any material impact on the consolidated financial statements.

2. In June 2011, the FASB issued an update to ASC No. 220, "Presentation of Comprehensive Income," which eliminates the option to present other comprehensive income and its components in the statement of shareholders' equity. The Company can elect to present the items of net income and other comprehensive income in a single continuous statement of comprehensive income or in two separate, but consecutive, statements. Under either method the statement would need to be presented with equal prominence as the other primary financial statements. The amended guidance, which must be applied retroactively, is effective for fiscal years, and interim periods within those years, beginning after December 15, 2011, with earlier adoption permitted. In December 2011, the FASB issued another update on the topic, which deferred the effective date pertaining only to the presentation of reclassification adjustments on the face of the financial statements. The accounting update will be applicable to the Company beginning in the first quarter of fiscal year 2013. The adoption of the new guidance is not expected to have a material impact on the consolidated financial statements.

r. Reclassifications

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

NOTE 2 - SHORT TERM INVESTEMNTS:

Amount represents bank deposits with an original maturity of more than three months but less than one year.

	August 31			
	2012		2011	
	Annual interest rate	Amount	Annual interest rate	Amount
Dollars deposits	0.85%	$ 260,371	0.7-0.86%	$ 1,801,400
NIS deposits	1.93-1.97%	194,010		-
		$ 454,381		$ 1,801,400

NOTE 3 - MARKETABLE SECURITIES:

Marketable securities consist wholly of equity securities of D.N.A Biomedical Solutions Ltd. which were received in March 2011 as part of the consideration for selling the Company's equity method investee Entera. Those securities are classified as available-for-sale and are recorded at fair value. The D.N.A Shares are listed on the Tel Aviv Stock Exchange ("TASE") and their tradability was restricted for a period of 6 months from the closing date of the transaction according to TASE policy with regards to private placements. Until September 30, 2011, the fair value of the restricted securities was measured based on the quoted prices of the otherwise identical unrestricted securities, adjusted for the effect of the restriction by applying a proper discount. The discount was determined with reference to other similar restricted instruments. Similar securities, with no restriction on tradability, are quoted on an active market. As of the first quarter of 2011, the securities are not restricted and the fair value of the securities is measured based on the quoted prices of the securities on an active market.

Financial assets carried at fair value as of August 31, 2012 and August 31, 2011 are classified in the tables below in one of the three categories described above:

	Level 1	Level 3	Total
Marketable securities:			
August 31, 2012	$ 200,311	-	$ 200,311
August 31, 2011	-	$ 384,565	$ 384,565

The following table summarizes the activity for those financial assets where fair value measurements are estimated utilizing Level 3 inputs:

	August 31	
	2012	2011
Carrying value at the beginning of the period	$ 384,565	$ -
Additions - see note 5	-	581,977
Reclassification to level 1	(384,565)	-
Impairment of available-for-sale securities - financial expenses	-	(197,412)
Carrying value at the end of the period	$ -	$ 384,565

As of August 31, 2012, the carrying amount of cash and cash equivalents, accounts receivables, other current assets and accounts payables and accrued expenses approximates their fair values due to the short-term maturities of these instruments.

The fair value of long-term deposits also approximates their carrying value, since they bear interest at rates close to the prevailing market rates. The amounts funded in respect of employee rights are stated at cash surrender value which approximates its fair value.

As to financial liabilities carried at fair value, see note 7.

NOTE 4 - ACCOUNTS RECEIVABLE:

Composition of accounts receivable , grouped by major classifications, is as follows:

	August 31	
	2012	2011
Receivables from D.N.A (see note 5)	$ -	$ 450,844
Tax Authorities	53,341	32,406
Other receivables	34,350	59,641
	$ 87,691	$ 542,891

NOTE 5 - AGREEMENT WITH D.N.A BIOMEDICAL SOLUTIONS LTD

a. In June 2010, the Subsidiary entered into an agreement with D.N.A, for the establishment of a new company, Entera. According to the JV Agreement, D.N.A invested $600,000, in two stages, in Entera, and Entera was owned in equal parts by the Subsidiary and D.N.A. In consideration for 50% of Entera's shares, the Subsidiary entered into a Patent License Agreement with Entera, according to which, the Subsidiary out-licensed to Entera a technology for the development of oral delivery drugs for certain actions.

Mr. Zeev Bronfeld, who is one of D.N.A 's directors and controlling shareholders, is also an affiliated stockholder of the Company.

The Group has concluded Entera was a variable interest entity (a "VIE"), according to the terms of the JV Agreement until its sale in March 2011, as described below.

b. On February 22, 2011, the Subsidiary entered into a share purchase agreement with D.N.A for the sale of 47% of Entera's outstanding share capital on an undiluted basis. The closing of that transaction took place on March 31, 2011. As consideration for the Entera shares, the Subsidiary received a promissory note issued by D.N.A in the principal amount of $450,000, with an annual interest rate of 0.45%, which was paid on November 14, 2011, and 8,404,667 ordinary shares of D.N.A (the "D.N.A Shares"), having a fair value of $581,977 as of the closing date of the transaction. The D.N.A Shares are listed on the Tel Aviv Stock Exchange ("TASE") and their tradability was restricted for a period of 6 months from the closing date of the transaction according to TASE policy with regards to private placements.

D.N.A.'s securities are classified as available-for-sale, during 2012 and 2011 the Company recognized an impairment of $184,254 and $197,412, respectively.

In addition, on the closing date, D.N.A participated in the Company's private placement, at same investment terms granted to other investors at that period, for which it received 781,250 shares of our common stock and five-year warrants to purchase 273,438 shares of common stock at an exercise price of $0.50 per share for $250,000.

As part of the transaction, the Subsidiary entered into a patent transfer agreement (that replaced the original license agreement) according to which, the Subsidiary assigned to Entera all of its right, title and interest in and to the patent application that it has licensed to Entera since August 2010. Under this agreement, the Subsidiary is entitled to receive from Entera royalties of 3% of Entera's net revenues (as defined in the agreement) and a license back of that patent application for use in respect of diabetes and influenza. On August 31, 2012, Entera had not yet realized any revenues and did not pay any royalties to the Subsidiary.

NOTE 5 - AGREEMENT WITH D.N.A BIOMEDICAL SOLUTIONS LTD (continued):

Upon the closing, Oramed, Entera and D.N.A terminated the joint venture agreement, as amended, entered into on June 1, 2010 in connection with the formation of Entera.

In 2011, the Subsidiary recognized a gain on sale of investment of $1,033,004 from the transaction, as followed:

Fair value of D.N.A Shares	$ 581,977
Receivables from D.N.A	450,000
Re-classification of currency translation adjustments	7,930
	$1,039,907
Less - net cost of the investment realized	(6,903)
	$1,033,004

As a result of the above transaction, the Company no longer has the ability to exert significant influence over Entera and the remaining 3% interest, in the amount of $1,027, is accounted for at a cost method investment.

NOTE 6 - PROPERTY AND EQUIPMENT, NET:

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

	August 31	
	2012	**2011**
Cost:		
Leasehold improvements	$ 76,029	$ 76,029
Office furniture and equipment	19,941	19,941
Computers and peripheral equipment	29,642	27,513
	125,612	123,483
Less - accumulated depreciation and amortization	120,844	106,107
	$ 4,768	$ 17,376

b. Depreciation expenses totaled $14,737 and $28,303 in the years ended August 31, 2012 and 2011, respectively.

NOTE 7 - WARRANTS

As part of the Company's private placements as described in notes 10a and 10f, warrants were granted to an investor who was considered as a leading investor (the "Leading Investor). 2,187,500 warrants were granted in January 2011 (the "2011 Warrants") and 1,351,352 were granted in August 2012. Each warrant was granted for five years at an initial exercise price of $0.50 per share. The warrants include anti-dilution protection (the "full ratchet anti-dilution protection"), from the second year anniversary date after issuing the warrant, subject to certain limitations and while the warrant is outstanding. In the event the Company shall issue or sell any common stock for a consideration per share lower than the exercise price then in effect, or shall issue or sell any options, warrants or other rights for the purchase or acquisition of such shares at a consideration per share of less than the exercise price then in effect, the warrants will be amended to (a) reduce the exercise price to an amount equal to the per share consideration payable to the company in such sale or issuance, and (b) the quantity of warrants will be updated, based on certain rules as determined in the Warrants Agreements with the Leading Investor.

As a result of the August 2012 private placements, and pursuant to the adjustment terms of the 2011 Warrants held by the Leading Investor, prior to such private placements, the warrant held by the Leading Investor was amended to: (i) reduce the exercise price from $0.50 to $0.37, (ii) increase the number of shares issuable upon the exercise of the warrant from 2,187,500 to 2,956,081, and (iii) delete the limitation which restricted the Leading Investor 's ability from receiving more than 9.9% of the Company's outstanding shares.

As to amendment to the Warrant after August 31, 2012, see also note 17d.

As of August 31, 2011, the Warrants that were granted to this investor during the year ended August 31, 2011 were presented within stockholders' equity. After further review, the Company has determined that these instruments should have been classified as liabilities. Changes in the fair value of these Warrants require adjustments to the amount of the liabilities recorded on the Company's balance sheet, and the corresponding gain or loss is required to be recorded in the Company's statement of operations. The Company assessed the materiality of the correction and concluded that it was immaterial to previously reported annual and interim amounts and that the correction of the error in 2012 is not material to the current year results of operations. Accordingly, the Company corrected this error during the year ended August 31, 2012 and did not restate its consolidated financial statements for the prior years or interim periods impacted.

The fair value of the warrants was determined by using Monte Carlo type model based on the risk neutral approach. The model takes as an input the estimated future dates when new capital will be raised, and builds a multi-step dynamic model. The first step is to model the risk neutral distribution of the share value on the new issue dates, then for each path to use the Black-Scholes model to estimate the value of the warrants on the last issue date including all the changes in exercise price and quantity along this path. The significant unobservable input used in the fair value measurement is the future expected issue dates. Significant delay in this input would result a higher fair value measurement.

Financial liabilities carried at fair value as of August 31, 2012 are classified in the tables below in one of the three fair value categories:

	Fair value measurements at reporting date using	
	Level 3	**Total**
Warrants -		
August 31, 2012	$ 637,182	$ 637,182

The following table summarizes the activity for those financial liabilities where fair value measurements are estimated utilizing Level 3 inputs:

	August 31 2012
Carrying value at the beginning of the period	-
Additions	$ 494,478
Changes in fair value of warrant liabilities	142,704
Carrying value at the end of the period	$ 637,182

As to the change in the terms of the warrants after August 31, 2012, see note 17e.

NOTE 8 - EMPLOYEES RIGHTS UPON RETIREMENT:

The Subsidiary is required to make a severance payment upon dismissal of an employee, or upon termination of employment in certain circumstances. The severance pay liability to the employees (based upon length of service and the latest monthly salary - one month's salary for each year employed) is recorded on the Subsidiary's balance sheets under "Liability for employee rights upon retirement." The liability is recorded as if it were payable at each balance sheet date on an undiscounted basis.

The liability is funded in part from the purchase of insurance policies or by the establishment of pension funds with dedicated deposits in the funds. The amounts used to fund these liabilities are included in the Subsidiary's balance sheets under "Funds in respect of employee rights upon retirement." These policies are the Subsidiary's assets. However, under labor agreements and subject to certain limitations, any policy may be transferred to the ownership of the individual employee for whose benefit the funds were deposited. In the years ended August 31, 2012 and 2011, the Subsidiary deposited $3,620 and $3,275, respectively, with insurance companies in connection with its severance payment obligations.

In accordance with the current employment agreements with certain employees, the Subsidiary makes regular deposits with certain insurance companies for accounts controlled by each applicable employee in order to secure the employee's rights upon retirement. The Subsidiary is fully relieved from any severance pay liability with respect to each such employee after it makes the payments on behalf of the employee. The liability accrued in respect of these employees and the amounts funded, as of the respective agreement dates, are not reflected in the Subsidiary 's balance sheets, as the amounts funded are not under the control and management of the Subsidiary and the pension or severance pay risks have been irrevocably transferred to the applicable insurance companies (the "Contribution Plans").

The amounts of severance pay expenses were $5,615 and $10,241 for the years ended August 31, 2012 and 2011, respectively. $7,089 and $6,966 in the years ended August 31, 2012 and 2011, respectively, were in respect of a Contribution Plan.

The Subsidiary expects to contribute approximately $10,155 in the year ending August 31, 2013 to insurance companies in connection with its severance liabilities for its operations for that year, $7,619 of which will be contributed to one or more Contribution Plans.

NOTE 9 - COMMITMENTS:

a. Under the terms of the First Agreement with Hadasit (note 1a above), the Company retained Hadasit to provide consulting and clinical trial services. As remuneration for the services provided under the agreement, Hadasit is entitled to $200,000. The primary researcher for Hadasit is Dr. Miriam Kidron, a director and officer of the Company. The funds paid to Hadasit under the agreement are deposited by Hadasit into a research fund managed by Dr. Kidron. Pursuant to the general policy of Hadasit with respect to its research funds, Dr. Kidron receives from Hadasit a management fee in the rate of 10% of all the funds deposited into this research fund. The total amount paid to Dr. Kidron out of this fund was $10,214.

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

NOTE 9 - COMMITMENTS (continued):

On July 8, 2009, the Company entered into a third agreement with Hadasit, Prof. Itamar Raz and Dr. Miriam Kidron ("the Third Agreement"), to retain consulting and clinical trial services from Hadasit. According to the Third Agreement, Hadasit was entitled to total consideration of $400,000 to be paid by Oramed. $200,000 of this amount was agreed in the terms of the First Agreement, and the remaining of $200,000 was paid in accordance with the actual progress of the study. The total amount was paid through May 31, 2011.

On September 11, 2011, the Company entered into a fourth agreement with Hadasit, Dr. Miriam Kidron and Dr. Daniel Schurr (the "Fourth Agreement"), to retain consulting and clinical trial services. According to the Fourth Agreement, Hadasit will be entitled to consideration of $200,000 to be paid by the Company in accordance with the actual progress of the study. None of which was recognized or paid through August 31, 2012.

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

The lease expenses for the years ended August 31, 2012 and 2011 were $29,543 and $37,144, respectively. The future lease payments under the lease agreement are $21,201, $8,237 and $686 for the years ending August 31, 2013, 2014 and 2015, respectively.

As security for its obligation under the lease agreements the Subsidiary deposited $7,840, which are classified as long term deposits.

c. On March 18, 2012, the Subsidiary entered into a lease agreement for its office facilities in Israel. The lease agreement is for a period of 57 months commencing January 1, 2012. The monthly lease payment will be NIS 3,400 in 2012, NIS 4,225 in 2013 and NIS 5,610 from 2014 onwards, and will be linked to the increase in the Israeli consumer price index (as of August 31, 2012, the monthly payment in the Company's functional currency is $844, the future annual lease payments under the agreement will be $11,768 in 2013, $15,338 in 2013 and $16,713 from 2014 onwards).

As security for its obligation under this lease agreement the Company provided a bank guarantee in an amount equal to three monthly lease payments.

d. On April 21, 2009, the Subsidiary entered into a consulting service agreement withADRES Advanced Regulatory Services Ltd. (“ADRES”) (the "Original Agreement") 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 the U.S. Food and Drug Administration (the “FDA”) regulations. In consideration for the services provided under the agreement, ADRES will be entitled to total cash compensation of $211,000, of which the amount of $110,000 will be paid as a monthly fixed fee of $10,000 each month for 11 months commencing May 2009, and the remaining $101,000 will be paid based on achievement of certain milestones. $160,000 of the total amount was paid through November 30, 2011, $50,000 of which was paid for completing the first three milestones.

On February 26, 2012, the parties entered into an amendment agreement, according to which the Subsidiary paid the remaining $51,000 of the Original Agreement upon execution of the amendment agreement. In addition, beginning March 1, 2012 and until submission of the IND, the Subsidiary will pay ADRES a monthly fee of approximately $3,600. The Company recognized the $51,000 as an expense during 2012.

NOTE 9 - COMMITMENTS (continued):

e. On February 10, 2010, the Subsidiary entered into an agreement with Vetgenerics Research G. Ziv Ltd, a clinical research organization, to conduct a toxicology trial on its oral insulin capsules. The total cost estimated for the studies is €107,100 ($154,320) of which €89,923 ($129,570) was paid through August 31, 2012. The Company did not recognized any expense during 2012 with respect to said agreement.

f. On February 15, 2011, the Subsidiary entered into a consulting agreement with a third party (the "Consultant") for a period of five years, pursuant to which the Consultant will provide consultation on scientific and clinical matters. The Consultant is entitled to a fixed monthly fee of $8,000, royalties of 8% of the net royalties actually received by the Subsidiary in respect of the patent that was sold to Entera on February 22, 2011 and an option to purchase up to 250,000 shares of common stock of the Company at an exercise price of $0.50 per share. The option vests in five annual installments commencing February 16, 2012 and expires on February 16, 2021. The initial fair value of the option on the date of grant was $62,185, using the Black Scholes option-pricing model and was based on the following assumptions: dividend yield of 0% for all years; expected volatility of 78.65%; risk-free interest rates of 3.62%; and the remaining expected term of 10 years. The fair value of the option as of August 31, 2012 was $54,345, using the following assumptions: dividend yield of 0% and expected term of 8.5 years; expected volatility of 75.41%; and risk-free interest rate of 1.29%.The fair value of the option granted is remeasured at each balance sheet reporting date and is recognized over the related service period using the straight-line method.

g. On June 22, 2011, the Subsidiary issued a purchase order to SAFC Pharma for producing one of its oral capsule ingredients in the amount of $600,000. During the year ended August 31, 2012, only a quantity valued at approximately $444,000 was supplied to the Subsidiary, of which $170,000 was paid through August 31, 2012, and the remaining is presented under accounts payable and accrued expenses.

h. On December 12, 2011, the Subsidiary entered into a Supply Agreement with Swiss Caps AG ("Swiss Caps"), according to which, Swiss Caps will manufacture insulin capsules for total consideration of CHF 395,000 (approximately $411,000) of which CHF 340,000 (approximately $375,000) was paid and recognized through August 31, 2012.

i. On February 15, 2012, the Company entered into an advisory agreement with a third party for a period of one year, pursuant to which such third party will provide investors relations services and will be entitled to a share based compensation as follows: 300,000 shares of common stock of the Company will be issued in six installments over the engagement period, commencing February 15, 2012, and a warrant to purchase 750,000 shares of common stock of the Company at an exercise price of $0.50 per share. The warrant vests in 12 monthly installments commencing February 15, 2012 and expires on February 15, 2017. The initial fair value of the option on the date of grant was $121,304, using the Black Scholes option-pricing model and was based on the following assumptions: dividend yield of 0% for all years; expected volatility of 76.82%; risk-free interest rates of 0.81%; and the remaining expected term of 5 years.

NOTE 9 - COMMITMENTS (continued):

On July 3, 2012, the Company and the third party entered into an amendment to the agreement, according to which the original agreement will be extended until July 3, 2013 (unless terminated earlier by one of the parties), and a new payment schedule was determined for the remainder of the share based compensation until July 3, 2013. The Company records expenses in respect of this warrant during the term of the services.

The fair value of the option as of August 31, 2012, was $115,698, using the following assumptions: dividend yield of 0% and expected term of 4.5 years; expected volatility of 75.41%; and risk-free interest rate of 0.52%. The fair value of the option granted is remeasured at each balance sheet reporting date and is recognized over the related service period using the straight-line method.

j. Grants from Bio-Jerusalem

The Subsidiary is committed to pay royalties to the Bio-Jerusalem fund on proceeds from future sales at a rate of 4% and up to 100% of the amount of the grant received by the Company (Israeli CPI linked) at the total amount of $52,733. As of August 31, 2012, the Subsidiary had not yet realized any revenues and did not incur any royalty liability.

During the year ended August 31, 2012 no grants were received from Bio-Jerusalem . For the period from inception on April 12, 2002 through August 31, 2012, the research and development expenses are presented net of Bio-Jerusalem grants, in the total amount of $52,733.

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

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

At the time the grants were received, successful development of the related projects was not assured. In case of failure of a project that was partly financed as above, the Company is not obligated to pay any such royalties.

On August 31, 2012, the Subsidiary had not yet realized any revenues from the said project and did not incur any royalty liability. The total amount that was actually received through August 31, 2012 was $1,332,374.

For the years ended August 31, 2012, and 2011, and for the period from inception on April 12, 2002 through August 31, 2012, the research and development expenses are presented net of OCS Grants, in the total amount of $372,959, $296,995 and $1,415,557, respectively.

NOTE 10 - STOCK HOLDERS' EQUITY:

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

The following are capital stock transactions that took place during the years ended August 31, 2012 and 2011:

a. Between November 2010 and February 2011, the Company entered into Securities Purchase Agreements with a few accredited investors for the sale of 9,706,250 units at a purchase price of $0.32 per unit for total consideration of $3,106,000. Each unit consisted of one share of the Company's common stock and one common stock purchase warrant. Each warrant entitles the holder to purchase 0.35 a share of common stock exercisable for five years at an exercise price of $0.50 per share. For finder's fee with respect to these Securities Purchase Agreements, see note 11c..

As to the warrants purchased by the Leading Investor - see note 7.

b. On March 31, 2011, the Company consummated a transaction with D.N.A for the sale of 781,250 shares of common stock and warrants to purchase up to 273,438 shares of common stock, for a total purchase price of $250,000 in cash. The shares and warrants were sold in units at a price per unit of $0.32, each unit consisting of one share of common stock and a warrant to purchase 0.35 of a share of common stock. The warrants have an exercise price of $0.50 per share, and a term of five years commencing from the closing of the transaction. See also note 5.

NOTE 10 - STOCK HOLDERS' EQUITY (continued):

c. In April 2011, the Company entered into Securities Purchase Agreements with nine accredited investors for the sale of 1,124,375 units at a purchase price of $0.32 per unit for total consideration of $359,800.

d. In May 2011, the Company issued 176,923 shares of its common stock, valued at $47,769, in the aggregate, to Swiss Caps as settlement of our liability for services rendered in the past.

e. On August 15, 2011, the Company entered into a consulting agreement with a third party (the "Advisor") for a period of nine months, pursuant to which such Advisor provided investor relations services and received a monthly cash fee and shares of the Company's common stock in that were issued in three equal installments as follows: on each of December 12, 2011, March 14, 2012 and May 15, 2012, the Company issued 83,000 shares of its common stock at fair value of $24,900, $26,560 and $24,900, respectively.

f. On each of March 14, 2012 and July 5, 2012, the Company issued 50,000 shares of its common stock to an advisor as remuneration for services provided. The fair value of the shares at the dates of grant was $15,500 and $16,000, respectively. See also note 9i.

g. In August 2012, the Company entered into Securities Purchase Agreements with a number of investors for the sale of 9,622,142 units at a purchase price of $0.37 per unit for total consideration of $3,560,192. Each unit consisted of one share of the Company's common stock and one common stock purchase warrant. Each warrant entitles the holder to purchase 0.50 a share of common stock exercisable for five years at an exercise price of $0.50 per share.The investors were granted customary registration rights with respect to resales of shares, including the shares underlying the warrants. In addition, in August 2012, the Company entered into a Securities Purchase Agreement with an investor for the sale of 67,819 units at same terms as describe above. As the payment from said investor was received during September 2012, following which, the Company issued him its shares of common stock, the proceeds from that investment, of $25,093 are presented as shares and warrants to be issued for cash.

As to the units purchased by the Leading Investor and the amendment to the 2011 Warrants, see note 7.

The Company paid cash consideration of $71,250 as finders' fees in connection with the securities purchase agreements.

NOTE 10 - STOCK HOLDERS' EQUITY (continued)**:**

h. As to shares issued as part of stock based compensation plan see note 11.

i. As to a Clinical Trial Manufacturing Agreement with Swiss Caps, see note 11a.

NOTE 11 - STOCK BASED COMPENSATION:

On October 15, 2006, the Company's Board of Directors adopted the 2006 Stock Option Plan (the "2006 Stock Option Plan") for reserving a pool of 3,000,000 shares of the Company's common stock which may be issued at the discretion of the Company's Board of Directors from time to time.

On May 5, 2008, the Company's Board of Directors adopted the 2008 Stock Option Plan (the "2008 Stock Option Plan") for reserving a pool of 8,000,000 shares of the Company's common stock which may be issued at the discretion of the Company's Board of Directors from time to time.

On August 8, 2012, the Company's Board of Directors decided to cancel the 2006 Stock Option Plan, under which there were no longer any outstanding securities, and to reserve an additional 4,000,000 shares of the Company's common stock to the 2008 Stock Option Plan, which reflected a net increase of 1,000,000 shares with respect to the total amount of shares in both plans.

Under the 2008 Stock Option Plan 12,000,000 shares have been reserved for the grant of options, which may be issued at the discretion of the Company's Board of Directors from time to time. Under this Plan, each option is exercisable into one share of common stock of the Company.

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

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

The following are stock options and warrants transactions made during the years ended August 31, 2012 and 2011:

a. On October 30, 2006, the Company entered into a Clinical Trial Manufacturing Agreement with Swiss Caps, pursuant to which Swiss Caps would manufacture and deliver the oral insulin capsule developed by the Company. In consideration for the services being provided to the Company by Swiss Caps, the Company agreed to pay certain predetermined amounts which are to be paid in common stock of the Company, the number of shares to be issued is based on the invoice received from Swiss Caps, and the stock market price 10 days after the invoice is issued. During the year ended on August 31, 2011, the Company issued 530,637 shares of its common stock to Swiss Caps as remuneration for the services provided in the amount of $167,569. No shares were issued to Swiss Caps during the year ended on August 31, 2012.

b. On February 15, 2011, the Company granted options under the 2008 Stock Incentive Plan to purchase up to 250,000 shares of our common stock at an exercise price of $0.50 to a consultant. The options vest in five annual installments commencing February 16, 2012 and expire on February 16, 2021. The initial fair value of the option on the date of grant, was $62,185, using the Black Scholes option-pricing model and was based on the following assumptions: dividend yield of 0% for all years; expected volatility of 78.65%; risk-free interest rates of 3.42%; and the remaining contractual life of 10 years. The fair value of the options granted is measured on a final basis at the end of the related service period and is recognized over the related service period using the straight-line method.

NOTE 11 - STOCK BASED COMPENSATION (continued):

c. In March 2011, in connection with the securities purchase agreement, as described in note 10a, the Company issued 196,750 shares of the Company's common stock and warrants to purchase 70,864 shares of common stock to three individuals, as finders' fees. The fair value of the shares at the date of grant was $59,778, and the fair value of the warrants at that date was $12,630, using the Black Scholes option-pricing model and was based on the following assumptions: dividend yield of 0% for all years; expected volatility of 78.54% - 78.68%; risk-free interest rates of 2.11% - 2.19%; and the remaining expected term of 5 years. The warrants have an exercise price of $0.50 per share

d. In April 2011, the Company entered into Securities Purchase Agreements with nine accredited investors for the sale of 1,124,375 units at a purchase price of $0.32 per unit for total consideration of $359,800. Each unit consisted of one share of the Company's common stock and one common stock purchase warrant. Each warrant entitles the holder to purchase 0.35 a share of common stock exercisable for five years at an exercise price of $0.50 per share. The Company paid $21,588 and issued on July 2011, 67,462 warrants as finders' fees. The fair value of the warrants at that date was $11,050, using the Black Scholes option-pricing model and was based on the following assumptions: dividend yield of 0% for all years; expected volatility of 79.28%; risk-free interest rates of 2.09%; and the remaining expected term of 5 years.

e. On April 27, 2011, 43,000 options were granted to ExperiMind Ltd as remuneration for services rendered at an exercise price of $0.50 per share (higher than the traded market price on the date of grant). The options vested immediately on the date of grant and will expire on April 26, 2016. The fair value of these options on the date of grant, was $10,000, using the Black Scholes option-pricing model and was based on the following assumptions: dividend yield of 0% for all years; expected volatility of 79.24%; risk-free interest rates of 2.06%; and the remaining expected term of 5 years.

f. In May 2011, the Company issued 200,000 shares of its common stock, valued at $60,000, in the aggregate, to New Castle Consulting, LLC as remuneration for services rendered in the six month period that commenced on May 4, 2011.

g. On July 25, 2011, the Company issued warrants to purchase 32,000 shares of its common stock at an exercise price of $0.50 per share to The Trout Group, LLC as remuneration for services to be rendered during the 12 month period commencing May 13, 2011. The warrants vest in twelve equal annual installments commencing on October 13, 2011 and will expire on July 25, 2016. The fair value of these warrants on the date of grant, was $5,057, using the Black Scholes option-pricing model and was based on the following assumptions: dividend yield of 0% for all years; expected volatility of 77.39%; risk-free interest rates of 1.55%; and the remaining expected term of 5 years. The fair value of the option as of August 31, 2012, was $4,548, using the following assumptions: dividend yield of 0% and expected term of 4 years; expected volatility of 75.41%; and risk-free interest rate of 0.45%. The fair value of the option granted is remeasured at each balance sheet reporting date and is recognized over the related service period using the straight-line method.

NOTE 11 - STOCK BASED COMPENSATION (continued):

h. On August 8, 2012, an aggregate of 1,728,000 options was 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 related parties, at an exercise price of $0.34 per share (equivalent to the traded market price on the date of grant) 504,000 of the options vested immediately on the date of grant and the remainder will vest in seventeen equal monthly installments of 72,000 each. These options expire on August 7, 2022. The fair value of these options on the date of grant was $373,565, using the Black Scholes option-pricing model and was based on the following assumptions: dividend yield of 0% for all years; expected volatility of 76.03%; risk-free interest rates of 0.83%; and expected term of 5.5 years.

i. On August 8, 2012, an aggregate of 520,000 options was granted to three Board of Directors members at an exercise price of $0.34 per share (equivalent to the traded market price on the date of grant). The options vest in two equal annual installments, commencing January 1, 2013, and expire on August 7, 2022. The fair value of these options on the date of grant was $114,694, using the Black Scholes option-pricing model and was based on the following assumptions: dividend yield of 0% for all years; expected volatility of 76.03%; risk-free interest rates of 1.0375%; and expected term of 5.75 years.

j. On August 8, 2012, 609,000 options were granted to an employee of the Subsidiary, at an exercise price of $0.34 per share (equivalent to the traded market price on the date of grant). The options vest in 29 equal monthly installments of 21,000, commencing August 31, 2012, and expire on August 7, 2022. The fair value of these options on the date of grant was $134,324, using the Black Scholes option-pricing model and was based on the following assumptions: dividend yield of 0% for all years; expected volatility of 76.03%; risk-free interest rates of 1.0375%; and expected term of 5.75 years.

k. On August 8, 2012, 75,000 options were granted to an employee of the Subsidiary, at an exercise price of $0.34 per share (equivalent to the traded market price on the date of grant). The options vest in three equal annual installments, commencing January 1, 2013, and expire on August 7, 2022. The fair value of these options on the date of grant was $16,780, using the Black Scholes option-pricing model and was based on the following assumptions: dividend yield of 0% for all years; expected volatility of 76.03%; risk-free interest rates of 0.935%; and expected term of 6 years.

l. On August 8, 2012, the Company's Board of Directors approved an extension of the term of the 3,361,360 warrants held by Dr. Miriam Kidron by approximately two years from such approval , expiring on August 6, 2014. The incremental fair value of the warrant extension was negligible.

m. As to options granted to third parties, see note 9i.

NOTE 11 - STOCK BASED COMPENSATION (continued):

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

	For options granted in the year ended August 31	
	2012	**2011**
Expected option life (years)	5-6	5-10
Expected stock price volatility (%)	76.0	76.8-78.7
Risk free interest rate (%)	0.8-1.0	1.6-3.6
Expected dividend yield (%)	0.0	0.0

A summary of the status of the stock options granted to employees and directors as of August 31, 2012 and 2011, and changes during the years ended on those dates, is presented below:

	Year ended August 31,			
	2012		**2011**	
	Number of options	**Weighted average exercise price**	**Number of options**	**Weighted average exercise price**
		$		**$**
Options outstanding at beginning of year	10,009,360	0.32	10,009,360	0.32
Changes during the year:				
Granted - at market price	2,932,000	0.34	-	
Expired	(1,700,000)	0.45	-	
Forfeited	(56,000)	0.47	-	
Options outstanding at end of year	11,185,360	0.31	10,009,360	0.32
Options exercisable at end of year	8,605,026		8,925,359	
Weighted average fair value of options granted during the year	$ 0.28		-	

Costs incurred in respect of stock based compensation for employees and directors, for the years ended August 31, 2012 and 2011 were $200,866 and $502,593, respectively.

NOTE 11 - STOCK BASED COMPENSATION (continued):

The following table presents summary information concerning the options granted to employees and directors outstanding as of August 31, 2012:

Range of exercise prices	Number outstanding	Weighted Average Remaining Contractual Life	Weighted average exercise price	Aggregate intrinsic value
$		Years	$	$
0.001	3,361,360	1.93	0.001	1,072,274
0.34 to 0.54	7,824,000	7.95	0.44	-
	11,185,360	6.14	0.31	1,072,274

The following table presents summary information concerning the options granted to employees and directors exercisable as of August 31, 2012:

Range of exercise prices	Number exercisable	Weighted Average Remaining Contractual Life	Weighted average exercise price	Aggregate intrinsic value
$		Years	$	$
0.001	3,361,360	1.93	0.001	1,072,274
0.34 to 0.54	5,243,666	7.08	0.48	-
	8,605,026	5.07	0.29	1,072,274

As of August 31, 2012, there were $574,758 of unrecognized compensation costs related to non-vested employees and directors, to be recorded over the next 28 months.

NOTE 11 - STOCK BASED COMPENSATION (continued):

A summary of the status of the stock options granted to non-employees as of August 31, 2012, and changes during the years ended on this date, is presented below:

	Year ended August 31			
	2012		2011	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
		$		$
Options outstanding at beginning of year	988,200	0.60	813,200	0.63
Changes during the year:				
Granted - at market price	-		-	
Granted - at an exercise price above market price	750,000	0.50	325,000	0.50
Expired	-		(150,000)	(0.71)
Options outstanding at end of year	1,738,200	0.56	988,200	0.60
Options exercisable at end of year	1,064,201		606,200	

The Company recorded stock compensation of $117,098 and $26,733 during the years ended August 31, 2012 and 2011, respectively, related to consulting services.

The following table presents summary information concerning the options granted to non-employees outstanding as of August 31, 2012:

Range of exercise prices	Number outstanding	Weighted Average Remaining Contractual Life	Weighted average exercise price	Aggregate intrinsic value
$		Years	$	$
0.34 to 0.54	1,338,200	4.79	0.49	-
0.76	400,000	4.83	0.76	-
	1,738,200	4.80	0.56	-

NOTE 11 - STOCK BASED COMPENSATION (continued):

The following table presents summary information concerning the options granted to non-employee exercisable as of August 31, 2012:

Range of exercise prices	Number exercisable	Weighted Average Remaining Contractual Life	Weighted average exercise price	Aggregate intrinsic value
$		Years	$	$
0.34 to 0.54	697,535	4.15	0.49	-
0.76	366,666	5.25	0.76	-
	1,064,201	4.53	0.58	-

As of August 31, 2012 there were $124,948 of unrecognized compensation costs related to non-vested non-employees, to be recorded over the next 45 months.

NOTE 12 - ACCOUNTS PAYABLE AND ACCRUED EXPENSES:

	Year ended August 31,	
	2012	2011
Service providers	$ 580,714	$ 339,052
Payroll and related expenses	16,459	36,486
	$ 597,173	$ 375,538

NOTE 13 - RESEARCH AND DEVELOPMENT EXPENSES, NET:

	Year ended August 31,		Period from April 12, 2002 (inception) through August 31,
	2012	2011	2012
Clinical trials	$ 1,298,310	$ 591,733	$ 5,163,353
Payroll and consulting fees	385,646	413,191	1,921,533
Costs for registration of patents	110,811	189,342	451,610
Compensation costs in respect of options granted to employees, directors and consultants	98,688	265,327	2,921,881
Other	160,350	49,444	547,608
Less - grants from the OCS and Bio Jerusalem Fund	(372,959)	(349,728)	(1,468,290)
	$ 1,680,845	$ 1,159,309	$ 9,532,694

NOTE 14 - GENERAL AND ADMINISTRATIVE EXPENSES

	Year ended August 31		Period from April 12, 2002 (inception) through August 31,
	2012	2011	2012
Compensation costs in respect of options granted to employees, directors and consultants	$ 172,470	$ 263,999	$ 2,049,406
Professional services	221,218	344,277	1,899,744
Consulting fees	159,136	171,167	970,900
Travel costs	71,529	54,976	545,930
Write off of debt	-	-	275,000
Business development	284,899	151,886	815,945
Payroll and related expenses	144,101	174,229	753,208
Insurance	22,375	23,890	118,921
Other	127,436	91,536	732,493
	$ 1,203,164	$ 1,275,960	$ 8,161,547

NOTE 15 - TAXES ON INCOME:

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

a. Corporate taxation in the U.S.

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

As of August 31, 2012, the Company has an accumulated tax loss carryforward of approximately $4,896,605 (as of August 31, 2011, approximately $3,468,280). Under U.S. tax laws, carryforward tax losses expire 20 years after the year in which incurred. In the case of the Company the net loss carryforward will expire in the years 2025 through 2032.

b. Corporate taxation in Israel:

The Subsidiary is taxed in accordance with Israeli tax laws. The regular corporate tax rate in Israel for 2012 is 25%.

NOTE 15 - TAXES ON INCOME (continued):

On December 6, 2011, the "Tax Burden Distribution Law" Legislation Amendment (2011) was published in the Official Gazette. Under this law, the previously approved gradual decrease in the corporate tax rate was cancelled. The Corporate tax rate will increase to 25% beginning 2012.

As of August 31, 2012, the Subsidiary has an accumulated tax loss carryforward of approximately $5,905,361 (as of August 31, 2011, approximately $3,328,946).

Deferred income taxes:

	August 31	
	2012	**2011**
In respect of:		
Net operating loss carryforward	3,190,152	1,813,108
Less - Valuation allowance	(3,190,152)	(1,813,108)
Net deferred tax assets	-,-	-,-

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

c. Loss before taxes on income and income taxes included in the income statements of operations:

	Year ended August 31		Period from April 12, 2002 (inception) through August 31,
	2012	**2011**	**2012**
Loss before taxes on income:			
U.S.	599,067	415,836	8,440,543
Outside U.S.	2,655,193	1,169,389	9,210,458
	$ 3,254,260	$ 1,585,225	$ 17,651,001
Taxes on income:			
Current:			
U.S.	(7,569)	(33,567)	62,001
Outside U.S.	97,787	9,587	202,755
	$ 90,218	$ (23,980)	$ 264,756

NOTE 15 - TAXES ON INCOME (continued):

d. Reconciliation of the statutory tax benefit to effective tax expense

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

	Year ended August 31		Period from April 12, 2002 (inception) through August 31,
	2012	2011	2012
Loss before income taxes as reported in the consolidated statement of operations	$ (3,254,260)	$ (1,585,225)	$ (17,651,001)
Statutory tax benefit	(1,138,991)	(554,829)	(6,177,851)
Increase (decrease) in income taxes resulting from:			
Change in the balance of the valuation allowance for deferred tax losses	516,749	(58,357)	2,762,468
Disallowable deductions	120,156	481,122	2,244,091
Increase in taxes resulting from different tax rates applicable to Subsidiary	502,086	132,064	1,183,796
Uncertain tax position	90,218	(23,980)	228,272
Taxes on income for the reported year	$ 90,218	$ (23,980)	$ 240,776

e. Uncertainty in Income Taxes

ASC No.740 "Income Taxes" requires significant judgment in determining what constitutes an individual tax position as well as assessing the outcome of each tax position. Changes in judgment as to recognition or measurement of tax positions can materially affect the estimate of the effective tax rate and consequently, affect the operating results of the Company. The Company recognizes interest and penalties related to its tax contingencies as income tax expense. As of August 31, 2012 and 2011, the Company recorded $15,539 and $34,105, respectively, of penalties related to tax contingencies.

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

	Year ended August 31	
	2012	2011
Balance at Beginning of Year	$ 138,054	$ 162,034
Increase (decrease) in tax positions for the current year	90,218	(23,980)
Balance at End of Year	$ 228,272	$ 138,054

NOTE 15 - TAXES ON INCOME (continued):

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

The Company and the Subsidiary are subject to Israeli income tax examinations and to U.S. Federal income tax examinations for the tax years of 2008 through 2012. As of August 31, 2012, the Group did not record any change to its unrecognized tax benefits.

NOTE 16 - RELATED PARTIES - TRANSACTIONS:

a. During each of the fiscal years of 2012 and 2011 the Company paid to directors $30,000, for managerial services.

b. As to the agreements with Hadasit, see note 9a.

c. On July 1, 2008, the Subsidiary entered into a consulting agreement with KNRY Ltd. ("KNRY"), an Israeli company owned by Nadav Kidron, whereby Mr. Nadav Kidron, through KNRY, will provide services as President and Chief Executive Officer of both Oramed and the Subsidiary (the "Nadav Kidron Consulting Agreement"). Additionally, on July 1, 2008, the Subsidiary entered into a consulting agreement with KNRY whereby Dr. Miriam Kidron, through KNRY, will provide services as Chief Medical and Technology Officer of both Oramed and the Subsidiary (the "Miriam Kidron Consulting Agreement" and together with the Nadav Kidron Consulting Agreement, the "Consulting Agreements"). The Consulting Agreements replaced the employment agreements entered into between the Company and KNRY, dated as of August 1, 2007, pursuant to which Nadav Kidron and Miriam Kidron, respectively, provided services to the Company and the Subsidiary. The Consulting Agreements are both terminable by either party upon 60 days prior written notice. The Consulting Agreements provide that KNRY (i) will be paid, under each of the Consulting Agreements, in NIS a gross amount of NIS50,400 per month (as of August 31, 2012 the monthly payment in the Company's functional currency is $12,512) and (ii) will be reimbursed for reasonable expenses incurred in connection with performance of the Consulting Agreements.

d. As to options granted to related parties, see note 11h.

e. According to the JV Agreement (note 5), Entera rented office space and services from the Subsidiary for a period of up to 24 months commencing August 19, 2010, for a non-refundable, up-front fee in the amount of $36,000. The rent period ended on March 31, 2011, when the JV Agreement was terminated.

f. According to the JV agreement (note 5), the subsidiary of the Company provided accounting services to Entera at a monthly fee in the amount of NIS 3,500 ($869). These services were ceased on March 31, 2011, when the JV agreement was terminated.

g. Balances with related parties:

	August 31	
	2012	**2011**
Accounts Receivables - KNRY	$ 404	-
Accounts payable and accrued expenses - KNRY	-	$ 18,502

NOTE 17 - SUBSEQUENT EVENTS:

a. In September 2012, the Company issued 67,819 shares of its common stock and 33,910 common stock purchase warrant to an investor. See also note 10g.

b. Between September and November 2012, the Company entered into Securities Purchase Agreements with a number of investors for the sale of 3,957,905 units at a purchase price of $0.37 per unit for total consideration of $1,464,425. Each unit consisted of one share of the Company's common stock and one common stock purchase warrant. Each warrant entitles the holder to purchase 0.50 a share of common stock exercisable for five years at an exercise price of $0.50 per share. The investors were granted customary registration rights with respect to resales of shares, including the shares underlying the warrants. In addition, the Leading Investor, who purchased 405,405 of the units, was granted the right to maintain its percentage of the shares of the Company's common stock outstanding by purchasing more shares whenever the Company proposes to issue certain additional shares to other investors. Such right only exists so long as such investor holds at least 5% of the Company's outstanding common stock. In addition, such investor's warrants contain full ratchet anti-dilution protection and cashless exercise provisions not contained in the other investors' warrants. The terms of the Leading Investor's Securities Purchase Agreement are substantially the same as those from 2011. See note 10a above.

As finder's fee, in connection with the securities purchase agreements, the Company paid cash consideration of $5,385 and might be required to pay additional $7,500, as well as issued 13,514 shares of the Company's common stock 6,757 common stock purchase warrant for other individual. The Company will also issue 152,939 shares of the Company's common stock and 76,470 common stock purchase warrant to a director as finder's fee with respect to the Securities Purchase Agreements described above and in note 10g.

c. On September 27, 2012, the Subsidiary entered into a Master Services Agreement with Medpace, Inc. ("Medpace"), to retain it as a CRO, for its upcoming Phase 2 clinical trial for an oral insulin capsule, that is expected to start in the first calendar quarter of 2013 in the United States. As consideration for its services, the subsidiary will pay Medpace a total amount of approximately $3,500,000 that will be paid during the term of the engagement and based on achievement of certain milestones.

d. On October 30, 2012, the Company entered into a Securities Purchase Agreement with D.N.A, according to which, the Company issued on that day to D.N.A 2,390,057 shares of its common stock, valued at approximately $628,630 at the day of the transaction, in consideration for the option to purchase up to 21,637,611 ordinary shares of D.N.A with no additional cost. Following the exercise of the option by the Company, it will hold approximately 14.5% of D.N.A shareholders equity, including D.N.A shares that were received in March 2011, see note 5.

In addition, as a result of this agreement with D.N.A, and pursuant to the adjustment terms of the 2011 Warrants held by the Leading Investor, as described in note 10a and 10g, the Company further amended the 2011 Warrants by: (i) reducing the exercise price from $0.37 to $0.3138 and (ii) increasing the number of shares issuable upon the exercise of the 2011 Warrants from 2,956,081 to 3,485,500.

NOTE 17 - SUBSEQUENT EVENTS (continued):

e. On November 29, 2012, the Company and the Leading Investor entered into a letter agreement (the "Agreement") in connection with three warrants issued by the Company to the Leading Investor in January 2011, August 2012 and November 2012 (together, the "Three Warrants"). Pursuant to the Agreement, the Company and the Leading Investor agreed to amend the Three Warrants to provide that the anti-dilution protection of each of the Three Warrants shall be removed in its entirety. In addition, as to the Warrants issued in August and November 2012, the parties agreed that the exercise price shall be reduced to $0.3138. On that day, the Company also issued to the Leading Investor a Common Stock Purchase Warrant (the "New Warrant") pursuant to which, the Leading Investor shall have the right to purchase up to 1,647,722 shares of the common stock of the Company over a period of four years at an exercise price of $0.60 per share.

In addition to the New Warrant, Nadav Kidron, the Company's President, Chief Executive Officer and director, in his personal capacity as a shareholder of the Company, undertook and agreed that following the execution and delivery of the Agreement, in the event that an adjustment pursuant to the anti-dilution protection of any of the Three Warrants (had it not been amended by the Agreement thereof) would have been triggered and the number of shares of common stock of the Company that the Leading Investor would have been able to purchase under the Three Warrants would have increased by an aggregate number in excess of 1,647,722 shares, then the Leading Investor shall have the right to purchase from Mr. Kidron such number of shares of common stock of the Company owned by Mr. Kidron equal to such excess, up to a maximum of 1,352,278 shares of common stock of the Company at an exercise price of $0.3138. The foregoing right shall survive until the termination of such Three Warrants.

All other schedules for which provision is made in the applicable accounting regulations of the SEC are not required under the related instructions, or are inapplicable, and therefore have been omitted.

(b) Exhibits

3.1	Certificate of Incorporation (incorporated by reference from our current report on Form 8-K filed March 14, 2011).
3.2	By-laws (incorporated by reference from our current report on Form 8-K filed March 14, 2011).
4.1	Specimen Stock Certificate (incorporated by reference from our registration statement on Form S-1 filed March 24, 2011).
4.2	Common Stock Purchase Warrant issued to Attara Fund, Ltd. on January 10, 2011 (incorporated by reference from our quarterly report on Form 10-Q filed January 13, 2011).
4.3	Form of Common Stock Purchase Warrant used in 2010-2011 private placement (incorporated by reference from our registration statement on Form S-1 filed March 24, 2011).
4.4*	Form of Common Stock Purchase Warrant used in 2012 private placements.
10.1+	Consulting Agreement by and between Oramed Ltd. and KNRY, Ltd., entered into as of July 1, 2008 for the services of Nadav Kidron (incorporated by reference from our current report on Form 8-K filed on July 2, 2008).
10.2+	Consulting Agreement by and between Oramed Ltd. and KNRY, Ltd., entered into as of July 1, 2008 for the services of Miriam Kidron (incorporated by reference from our current report on Form 8-K filed on July 2, 2008).

10.3+	Oramed Pharmaceuticals Inc. 2008 Stock Incentive Plan (incorporated by reference from our current report on Form 8-K filed on July 2, 2008).
10.4+	Form of Notice of Stock Option Award and Stock Option Award Agreement (incorporated by reference from our current report on Form 8-K filed on July 2, 2008).
10.5+	Employment Agreement dated as of April 19, 2009, by and between Oramed Ltd. and Yifat Zommer (incorporated by reference from our current report on Form 8-K filed on April 22, 2009).
10.6	Consulting Service Agreement dated April 21, 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).
10.7*	Amendment to Consulting Service Agreement dated February 26, 2012, between Oramed Ltd. and ADRES Advanced Regulatory Services Ltd.
10.8*+	Clinical Trial Agreement dated September 11, 2011, between Oramed Ltd.. and Hadasit Medical Research Services and Development Ltd.
10.9+	Clinical Trial Agreement dated July 8, 2009, between Oramed Ltd., Hadasit Medical Research Services and Development Ltd., Miriam Kidron and Itamar Raz (incorporated by reference from our current report on Form 8-K filed July 9, 2009).
10.10	Agreement dated January 7, 2009, between Oramed Pharmaceuticals Inc. and Hadasit Medical Research Services and Development Ltd. (incorporated by reference from our current report on Form 8-K filed January 7, 2009).
10.11	Joint Venture Agreement dated June 1, 2010, between Oramed Ltd. and LASER Detect Systems Ltd (now known as D.N.A Biomedical Solutions Ltd.) (incorporated by reference from our quarterly report on Form 10-Q filed July 14, 2010).
10.12	Manufacturing and Supply Agreement dated July 5, 2010, between Oramed Ltd. and Sanofi-Aventis Deutschland GMBH (incorporated by reference from our current report on Form 8-K filed July 14, 2010).
10.13	Securities Purchase Agreement between Oramed Pharmaceuticals Inc. and Attara Fund, Ltd., dated as of December 21, 2010 (incorporated by reference from our quarterly report on Form 10-Q filed January 13, 2011).
10.14	Share Purchase Agreement dated February 22, 2011, between Oramed Ltd. and D.N.A Biomedical Solutions Ltd. (incorporated by reference from our registration statement on Form S-1 filed March 24, 2011).
10.15	Patent Transfer Agreement dated February 22, 2011, between Oramed Ltd. and Entera Bio Ltd. (incorporated by reference from our registration statement on Form S-1 filed March 24, 2011).
10.16	Form of Securities Purchase Agreement used in 2010-2011 private placement (incorporated by reference from our registration statement on Form S-1 filed March 24, 2011).

10.17+	Form of Indemnification Agreements dated March 11, 2011, between Oramed Pharmaceuticals Inc. and each of our directors and officers (incorporated by reference from our definitive proxy statement on Schedule 14A filed on January 31, 2011).
10.18+	Agreement dated June 21, 2011, with Dr. Michael Berelowitz (incorporated by reference from our current report on Form 8-K filed June 22, 2011).
10.19*	Form of Securities Purchase Agreement used in 2012 private placements.
10.20*	Form of Securities Purchase Agreement used in 2012 private placement with Regals Fund LP.
10.21*	Master Service Agreement dated September 27, 2012, between Oramed Ltd. and Medpace, Inc.
10.22*	MEDPACE Task Order Number: 1 dated September 27, 2012, between Oramed Ltd. and Medpace, Inc. (portions of this exhibit have been omitted pursuant to a request for confidential treatment)
10.23*	Securities Purchase Agreement dated October 30, 2012, between Oramed Pharmaceuticals Inc. and D.N.A Biomedical Solutions Ltd.
21.1*	Subsidiary.
23.1*	Consent of Kesselman & Kesselman, Independent Registered Public Accounting Firm.
23.2*	Consent of Malone & Bailey, PC, Independent Registered Public Accounting Firm.
31.1*	Certification Statement of the Chief Executive Officer pursuant to Rule 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as amended.
31.2*	Certification Statement of the Chief Financial Officer pursuant to Rule 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as amended.
32.1**	Certification Statement of the Principal Executive Officer pursuant to 18 U.S.C. Section 1350.
32.2**	Certification Statement of the Principal Financial Officer pursuant to 18 U.S.C. Section 1350.
101.1**	The following financial statements from the Company's annual report on Form 10-K for the year ended August 31, 2012, formatted in XBRL (eXtensible Business Reporting Language): (i) Consolidated Balance Sheets, (ii) Consolidated Statements of Operations, (iii) Consolidated Statements of Changes in Stockholders' Equity, (iv) Consolidated Statements of Cash Flows and (v) the Notes to Consolidated Financial Statements, tagged as blocks of text.

———————————

* Filed herewith.
** Furnished herewith.
\+ Management contract or compensation plan.

SIGNATURES

Pursuant to the requirements of Section 13 or 15 (d) 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.

By: /s/ NADAV KIDRON
Nadav Kidron,
President and Chief Executive Officer

Date: December 11, 2012

Pursuant to the requirements of the Securities and Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

/s/ NADAV KIDRON Nadav Kidron, President and Chief Executive Officer and Director (principal executive officer)	December 11, 2012
/s/ YIFAT ZOMMER Yifat Zommer, Chief Financial Officer (principal financial and accounting officer)	December 11, 2012
/s/ MIRIAM KIDRON Miriam Kidron, Chief Medical and Technology Officer and Director	December 11, 2012
/s/ LEONARD SANK Leonard Sank, Director	December 11, 2012
/s/ HAROLD JACOB Harold Jacob, Director	December 11, 2012
/s/ MICHAEL BERELOWITZ Michael Berelowitz, Director	December 11, 2012
/s/ GERALD OSTROV Gerald Ostrov,	December 11, 2012

Exhibit 4.4

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

COMMON STOCK PURCHASE WARRANT

To Purchase _____ Shares of Common Stock of

ORAMED PHARMACEUTICALS INC.

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

Section 1. Definitions. Capitalized terms used and not otherwise defined herein shall have the meanings set forth in that certain Securities Purchase Agreement (the "Purchase Agreement"), dated November __, 2012, among the Company and the purchasers signatory thereto.

Section 2. Exercise.

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

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

(c) Intentionally Left Blank

(d) Mechanics of Exercise.

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

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

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

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

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

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

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

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

Section 3. Certain Adjustments.

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

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

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

(d) Fundamental Transaction. If, at any time while this Warrant is outstanding, (A) the Company effects any merger or consolidation of the Company with or into another Person, (B) the Company effects any sale of all or substantially all of its assets in one or a series of related transactions, (C) any tender offer or exchange offer is accepted by the holders of more than the 50% of the outstanding shares of Common Stock (not including any Common Stock held by the Person or Persons making or party to, or associated or affiliated with the Persons making or party to, such tender or exchange offer), or (D) the Company effects any reclassification of the Warrant Shares or any compulsory share exchange (other than a share split or reverse share split) pursuant to which the Warrant Shares are effectively converted into or exchanged for other securities, cash or property (in any such case, a "Fundamental Transaction"), then, upon any subsequent exercise of this Warrant, the Holder shall have the right to receive, for each Warrant Share that would have been issuable upon such exercise immediately prior to the occurrence of such Fundamental Transaction, at the option of the Holder, upon exercise of this Warrant, the number of shares of stock, or other securities or property of the successor or acquiring corporation or of the Company, if it is the surviving corporation, and any additional consideration (the "Alternate Consideration") receivable upon or as a result of such reorganization, reclassification, merger, consolidation or disposition of assets by a Holder to which the Holder would have been entitled if the Holder had exercised its rights pursuant to the Warrant immediately prior thereto, provided, however, that if the Fundamental Transaction involves the acquisition by a third party of all of the outstanding Common Stock of the Company for cash, this Warrant shall terminate upon, and be no longer exercisable after, the consummation of such Fundamental Transaction. For purposes of any such exercise, the determination of the Exercise Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one Warrant Share in such Fundamental Transaction, and the Company shall apportion the Exercise Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Warrant Shares are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Holder shall be given the same choice as to the Alternate Consideration it receives upon any exercise of this Warrant following such Fundamental Transaction. To the extent necessary to effectuate the foregoing provisions, any successor to the Company or surviving entity in such Fundamental Transaction shall issue to the Holder a new warrant consistent with the foregoing provisions and evidencing the Holder's right to exercise such warrant into Alternate Consideration. The terms of any agreement pursuant to which a Fundamental Transaction is effected shall include terms requiring any such successor or surviving entity to comply with the provisions of this Section 3(d) and insuring that this Warrant (or any such replacement security) will be similarly adjusted upon any subsequent transaction analogous to a Fundamental Transaction.

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

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

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

(h) Notice to Holders.

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

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

Section 4. Transfer of Warrant.

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

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

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

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

Section 5. Miscellaneous.

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

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

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

(d) Authorized Shares.

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

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

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

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

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

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

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

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

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

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

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

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

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

ORAMED PHARMACEUTICALS INC.

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

Dated: November __, 2012

NOTICE OF EXERCISE

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

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

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

☐ in lawful money of the United States; or

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

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

_____

The Warrant Shares shall be delivered to the following:

_____

_____

_____

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

[SIGNATURE OF HOLDER]

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

ASSIGNMENT FORM

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

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

_____

_____

Dated: _____

Holder's Signature:

Holder's Address: _____

_____

_____

Signature Guaranteed: _____

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

Exhibit 10.7

26 February 2012

Amendment to Consultant Service Agreement Dated April 21, 2009

Between Oramed (Company) and ADRES (Contractor)

According to the original agreement dated April 21, 2009, the last milestone payment of 71,000 US$ was due on IND submission. Because of delays in the product development resulted in delay in IND submission, the following changes to the original agreement are introduced as agreed by the parties:

1. 20,000 US$ out of the 71,000 US$ were already paid to CBR and ADRES
2. The last milestone payment of 51,000 US$ will be paid upon issuance this amendment (invoice to be issued 1 March 2012)
3. As of 1 March 2012 until the IND submission, monthly retainer payment to ADRES equivalent to 15 hours per month at a rate of 400 NIS per hour (it is expected to submit the IND within 6-8 months)
4. As of 1 March 2012 until the IND submission, fee for sercive payment to CBR. The total budget should not exceed 16,000 US$
5. As stated in the service agreement, correspondence with the FDA after IND submission and prior to its approval, limited to 20 hours, will be free of charge.

In case IND is not submitted by 1 November 2012 the companies will negotiate in good faith extension of this amendment.

	Company	Contractor	
	Oramed	CBR International Corp.	ADRES Advanced Regulatory Services Ltd.
By			
Print Name	Nadav Kidron	Jeanne M. Novak, Ph.D	Rivka Zaibel
Title:	CEO	CEO and Principal Consultant	CEO and Consultant
Date:			

Exhibit 10.8

CLINICAL TRIAL AGREEMENT

This Agreement is entered into as of September 11, 2011 by and between HADASIT MEDICAL RESEARCH SERVICES AND DEVELOPMENT LIMITED, a company duly incorporated under the laws of Israel, of P.O. Box 12000, Jerusalem 91120, (hereinafter: "Hadasit" or the "Institution") and Dr. Daniel Schurr and Dr. Miriam Kidron (the "Investigator") on one hand and Oramed Ltd., a corporation organized under the laws of the state of Delaware, with its registered office located at 2/5 Hi-Tech Park Givat-Ram P.O. Box 39098, Jerusalem 91390, (hereinafter: "**Sponsor**"), on the other hand.

PREAMBLE

WHEREAS Hadasit is a wholly owned subsidiary of Hadassah Medical Organization ("HMO") and is authorized to enter this Agreement and to utilize HMO's facilities, employees and agents for purpose of this Agreement;

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

Whereas, on February 17, 2006 Hadasit and IST have entered into the agreement regarding Method of Replacing Insulin Injections with Oral Insulin attached hereto as Schedule E (the "**First Agreement**"); and

Whereas, Section 5 of the First Agreement contains certain terms and conditions in connection with Clinical Trials (as defined in the original agreement) to be performed by IST and Hadasit as well as funding requirements for said Clinical Trials; and

Whereas, on January 9, 2009 Hadasit and Oramed have entered into an agreement replacing the First Agreement (the "**Second Agreement**"); and

Whereas, on July 8, 2009 Hadasit and Oramed have entered into a Clinical Trial Agreement (the "**Third Agreement**"); and

Whereas the Sponsor is in the process of development of administration and delivery of peptides into the body (hereinafter: the "**Product**") and has prepared the Protocol in order to conduct clinical trials for further investigation of the Product.

Whereas the Sponsor represents that it is the sole owner of any and all intellectual property rights in the Product and the Protocol (as such term is defined herein), and that the execution and delivery of this Agreement does not infringe any third parties' rights and/or any applicable law;

Whereas, the Sponsor has previously invested and is willing to invest certain funds in the Study (as hereinafter defined) to be carried at HMO's facilities by the Investigator under the terms and conditions herein;

NOW THEREFORE, the parties agree as follows:

1. STUDY, INVESTIGATOR AND SITE

A. Hadasit shall contribute the Investigator for purpose of carrying out clinical trials (the: "**Study**") in accordance with the Sponsor Protocols (the "**Protocols**"), which have been drafted by the Sponsor at its sole responsibility. A list of said protocols and a copy of each Protocol is attached herein as **Schedule A**.

The Investigator will be responsible for performing the Study and for the direct supervision of any individual performing portions of the Study.

B. In the event that the Investigator ceases to be available for purpose of the Study (including without limitation the event of termination of employment between HMO and the Investigator for any reason whatsoever), Hadasit shall use its best efforts to procure within 30 days his/her substitution by a suitably qualified person acceptable to Sponsor. If such substitute is not acceptable to the Sponsor, Sponsor shall be entitled to terminate this Agreement without further notice, and this shall be Sponsor's sole remedy in such circumstances except as further defined in Schedule B.

C. Notwithstanding anything to the contrary herein, the Sponsor hereby represents and warrants that it has examined the facilities of the Institution and found them entirely adequate and suitable for the purpose of performance of the Protocol and the Study. In addition, nothing contained herein shall be construed as casting upon the Institution, the Investigator or HMO an undertaking to purchase any equipment for purpose of the Study or to improve its existing equipment.

2. COMPLIANCE WITH LAWS, REGULATIONS AND GUIDELINES

A. The Investigator will perform the Study in conformance (i) with the Protocols, (ii) with all applicable laws and regulations, including laws and regulations governing the performance of clinical studies and (iii) with all applicable standards, regulations or guidelines for good clinical practice ("**GCP**") and ethical conduct in connection with clinical studies, including those of the Institution and HMO.

B. Prior to commencement of the Study, the Investigator will seek at the Sponsor's expense any consents or approvals that must be obtained from the HMO's ethics committee (the "**Committee**"). The Investigator will comply with all requirements established by the Committee and agrees to execute such assurances and other documents as the Committee may reasonably request. The Sponsor shall assist the Investigator to the extent required in this regard including, without limitation, signing the relevant forms and amending the Sponsor's documents which shall be filed with the Committee. The Investigator will not enroll patients in the Study until the Protocol has been reviewed and approved by the Committee. The Sponsor shall be liable to obtain any further approval that may be required under applicable law. Any delay in the performance by the Institution and/or the Investigator' of any of their undertakings hereunder due to insufficient approvals shall not be deemed to be a breach of this Agreement by them.

3. INFORMED CONSENT

A. The Investigator will be responsible for obtaining the written informed consent of each subject participating in the Study (or his or her authorized legal representative) before his or her participation in the Study. The form that shall be used in this regard shall be drafted by the Sponsor and approved by the Investigator; however the Sponsor shall be solely responsible for the content thereof as part of the Study's documents.

B. Without derogating from the generality of the aforementioned, the parties agree that such informed consent shall be granted only under circumstances that provide the prospective Study subject (or his or her representative) with sufficient opportunity to consider whether or not to participate and that minimize the possibility of coercion or undue influence. The parties further agree that any such written informed consent shall be obtained in compliance with all applicable laws, regulations, standards or guidelines.

4. RECORDKEEPING, REPORTING AND ACCESS

A. ACCESS. The Sponsor and/or any regulatory authorities may, to the extent reasonably necessary or to the extent required by applicable laws, regulations, standards or guidelines, subject to prior coordination with the Investigator and at the normal working hours in HMO (i.e. 8:00AM-16:00 PM):

(1) Examine and inspect the Investigator' and the Institution's facilities required for performance of the Study; and

(2) Confidentially inspect all data and work product relating to the Study.

(3) Receive, on a quarterly basis, a detailed report on the expenses incurred in connection with the study which are charged to Dr. Kidron's Research Fund

(4) Notwithstanding anything to the contrary herein, any information and/or data to be provided to the Sponsor under Sub Sections 1-3 above or under any other provision hereunder, shall be subject to the provisions of section 6(D) below and to the rights of the Subject of the Study for medical confidentiality and privacy under any applicable law or regulation (including, without limitation, HMO's internal procedures).

B. The Investigator shall prepare and maintain reasonably complete and accurate written records, accounts, notes, reports and data of the Study, including case report forms and shall provide Sponsor with copies of all such documentation upon request. The Investigator will retain or will cause the Institution to retain all such materials and data that the Institution has to retain under any applicable law for such periods as such law determines. After the termination of such applicable retention periods, the Institution shall no longer have any duty whatsoever to retain any such materials and data.

C. REPORTING OF ADVERSE EVENTS

The Investigator shall promptly advise the Sponsor of any serious adverse event or unanticipated adverse effect occurring during the Study, or subsequent to the completion or termination of the Study, that becomes known to him.

D. INTERVAL AND FINAL STUDY REPORTS

During the course of the Study, the Investigator shall provide the Sponsor with quarterly interval reports (to be provided within 60 days of the end of each quarter with respect to such quarter) including copies of patient case report forms. The Investigator will deliver a final written Study report to the Sponsor within 3 months from the Study's completion.

5. COMPENSATION FOR STUDY

The Sponsor will pay compensation to the Institution for the performance of the Study as set forth in **SCHEDULE B** hereto.

6. CONFIDENTIAL INFORMATION

A. Subject to the publication rights set out in section 7 below, the Investigator and the Institution agree to keep in confidence any written information expressly marked as "confidential" that is forwarded by the Sponsor to the Investigator or the Institution for purpose of the Study (or such oral information which is clearly defined as confidential upon its disclosure provided it is followed by a written notice specifying the information so disclosed and its being confidential within 30 days of such disclosure); or (b) information that the Proprietary Data of the Sponsor as defined in section 8 hereto (the information described in clauses (a) and (b) above being collectively the "**Confidential Information**"). However, the obligation of non-disclosure and non-use shall not apply to the following:

(1) Information that is or becomes publicly available other than as a result of disclosure by the Investigator or the Institution;

(2) Information that is already independently known by the Investigator, , prior to its disclosure; or

(3) Information that was independently developed by employees of the Institution or of HMO who have not been exposed to the Confidential Information;

(4) Information at or after such time that is disclosed on a non confidential basis to the Investigator or the Institution or the HMO, or their employees, by a third party; or

(5) Information that the disclosure thereof is required under any law, court writ or any competent authority. However, if the Investigator and/or the Institution are legally required to disclose any Confidential Information to a court or governmental authority, prompt written notice thereof shall be given to the Sponsor.

B. The obligations of non-disclosure and non-use hereunder shall continue for 5 years after the termination of this Agreement for any reason whatsoever.

C. At the request of the Sponsor, the Investigator or the Institution, as the case may be, will return to the Sponsor all copies or other manifestations of Confidential Information that may be in the possession of the Investigator or the Institution, except for materials that have to be retained by the Investigator or the Institution as aforementioned and subject further to Section 4(B) hereto.

D. **Confidentiality of Medical Records**

Sponsor, Investigator, and Institution understand, acknowledge and agree that they share the common goal of securing all individually identifiable health information and according that information the highest possible degree of confidentiality and protection from disclosure; accordingly, all individually identifiable health information shall at all times be treated as confidential by the parties in accordance with all federal, state and local laws, rules and regulations governing the confidentiality and privacy of individually identifiable health information as applicable, including, but not limited to, the Health Insurance Portability and Accountability Act of 1996 ("HIP AA") and any regulations and official guidance promulgated thereunder, as well as the Israeli Patient's Rights Law, 1996 (the "PR Law"), the Israeli Protection of Privacy Law, 1981 (the "PP Law") and any regulations and rules promulgated thereunder, and the parties agree to take such additional steps and/or to negotiate such amendments to this Agreement as may be required to ensure that the parties are and remain in compliance with the HIP AA regulations and official guidance, as well as the PR and PP Laws and any regulations and rules promulgated thereunder. It is hereby agreed that any undertaking of the Institution and/or Investigator hereunder whatsoever is subject to any restrictions and/or limitations deemed necessary by the Institution and/or Investigator in their sole discretion, to comply with the above provisions. It is hereby made expressly clear that no patient identifiable information will be provided, or made available, to the Sponsor or any party acting on its behalf, without the express written consent of the patient.

7. PUBLICATIONS

A. Notwithstanding anything contained herein to the contrary, the Investigator and/or Institution may publish the results of the Study, provided that the Investigator and/or Institution have notified the Sponsor of their intent to publish as set forth in Sub-Section B below. The Investigator and/or Institution and the Sponsor shall be listed as co-authors on said publication. Any said publication will require Sponsor's prior written approval and will not contain the Sponsor's Confidential Information, which for the purpose of this section shall not include the Study results.

B. The Investigator will provide Sponsor with a copy of any proposed publication or presentation materials ("Material") and a written notice of intent (on behalf of the Investigator or any Study staff at the Institution) to publish or present the Material at least 45 days prior to the scheduled presentation or publication submission date (the "Evaluation Period"). The Sponsor shall use said 45 days to determine whether it wishes to seek patent protection for said Material and shall notify Investigator and Institution in writing, prior to the end of the Evaluation Period, if it intends to seek patent protection. If Sponsor decides to seek patent protection, it shall have an additional 30 days, beginning from the end of the Evaluation Period ("Preparation Period"), to prepare and submit any patent application it wishes. After such time, Investigator and/or Institution shall be free to publish the Material, subject to the limitations contained herein.

C. If the Sponsor, in its reasonable judgement, needs additional time to seek patent or other protection for the Material intended to be published or presented, the Sponsor will notify the Investigator of such need within the Evaluation Period and publication or presentation will be deferred until such time that the Sponsor gives notification that such protection has been applied for. Such deferrals will in no event extend for a total of more than 15 days beyond the Preparation Period without written agreement of the Investigator.

Notwithstanding anything to the contrary herein, the Sponsor shall not use the names of the Institution, HMO or the Investigator and shall not disclose their involvement in the Study or the Products without the Institution's prior written approval, all except for (a) references to scientific publications which are already in the public domain at the time of publication and (b) applications for regulatory approvals to official authorities, and (c) as requested by regulatory authorities as required by law or applicable regulation. Subject to the foregoing, the Sponsor shall include appropriate acknowledgement and credit to the Institution, HMO, the Investigator and their employees in any publication relating to the Study and/or to the Product in whatever media, including application(s) to official authorities or presentations to potential investors.

8. INTELLECTUAL PROPERTY

A. Subject to Sub-Section C hereto, all intellectual property, including ideas, documents, information, know-how, trade secrets, reports, analyses, data and inventions, generated by the Investigator or the Institution or their respective employees, agents or contractors, directly from the performance of the Study and this Agreement (collectively, the "Proprietary Data") shall be owned by the Sponsor.

B. The Investigator and the Institution hereby assign and transfer to the Sponsor all right, title and interest in such Proprietary Data and agree to take all further acts reasonably required, at the Sponsor's expense, to convey title in such property to the Sponsor and/or to assist the Sponsor to perfect and protect such rights.

C. The Proprietary Data shall not include and Institution and/or the Investigator shall retain any and all rights, including intellectual property rights, to any development processes, software (including codes), technology, means, and know-how developed by the Institution and/or Investigator and/or HMO, including, but not limited to, that which relate to data collection, data management or project management.

D. Nothing contained herein shall prevent Institution and/or HMO and/or Investigator from using the Proprietary Data for academic research, non commercial therapeutic and educational purposes only, provided that every person or entity making use of the proprietary data is explicitly made aware by the Institution or the Investigator or HMO of the Sponsor's proprietary interest therein. Such use will be subject to Sponsor's prior written consent.

9. TANGIBLE MATERIALS

The Sponsor shall provide the Institution and the Investigator free of charge with all such materials, drugs, accessories and other items as shall be required for the conduct of the Study including, without limitation, those listed in **Schedule C** hereto. It is being clarified; however, that any use of any drugs under the Study shall only be made via HMO's internal pharmacy and shall be subjected to its procedures. Upon completion of the Study or termination of this Agreement, the Investigator shall promptly return, at the Sponsor's expense, all unused compounds, drugs, devices and other related materials.

10. INDEMNIFICATION, INSURANCE, LIMITED LIABILITIES

A. Each party shall defend, indemnify and hold harmless (the "Indemnifying Party") the other parties and any of their employees, agents or contractors (collectively the "Indemnitees") promptly upon their first demand from and against any loss, damage, liability and expense (including legal fees) arising out of or resulting from the results or performance of the Study and/or from the direct or indirect use, sale or manufacture of the Study and/or the Study results and /or of products incorporating or involving such results and, without limitation to the foregoing, from or against product liability claims or claims regarding third party's intellectual property rights; provided however:

(1) that the Indemnifying Party's indemnification obligations under this Section shall be proportionately reduced to the extent the loss was caused or increased by the negligence or willful misconduct of an Indemnitee (but only to the extent that such demands, claims, or judgments are due to the negligence or willful malfeasance of the Indemnitees);

(2) that the Indemnifying Party is notified in writing as soon as practicable under the circumstances of any complaint or claim potentially subject to indemnification;

B. The Indemnitees shall be entitled, at their sole discretion, to either (i) instruct the Indemnifying Party to assume defense of any litigation or other legal procedure which entitles them to indemnification under this Agreement, in which case the Indemnitees shall be entitled to approve the choice of the legal counsel of the Indemnifying Party, such approval shall not be unreasonably withheld, or (ii) to manage their defense themselves, in which case the Indemnifying Party shall be responsible to any legal expenses (including reasonable attorney fees) stemming from such procedure and the results thereof.

C. The Sponsor shall reimburse Institution for reasonable and necessary medical expenses incurred by Study Subjects as a direct result of the treatment of adverse reactions resulting from the administration of Study drugs and/or devices or procedures performed in accordance with the Protocol, provided such expenses are not covered by the Study Subject's medical or hospital insurance coverage and are in no way attributable to the negligence or misconduct of any agent or employee of the Institution. No other compensation of any type will be provided by the Sponsor to the Study Subjects.

D. Without derogating from the aforementioned, the Sponsor warrants and undertakes that it has purchased, and shall maintain during the entire term of the Agreement and for all relevant times subsequent thereto (including under applicable statues of limitation), sufficient insurance coverage for the Study and for the Sponsor's liabilities hereunder, including without limitation, for claims relating to negligence of both Sponsor and of personnel performing the Study, and for claims relating to product liability, which insurance coverage shall be satisfactory to the Institution. The Sponsor further undertakes that HMO, the Institution, the Investigator and their employees will be included as co-insured in such insurance policy/ies. The Sponsor represents that as of the date hereof, it maintains the insurance policy that is annexed hereto as **Schedule D**[1].

E. **Disclaimer of Warranty**. Nothing contained in this Agreement shall be construed as a warranty by the Institution and the Investigator that the results of the Study will be useful or commercially exploitable or of any value whatsoever. In addition, and without derogating from the aforementioned the Institution and the Investigator disclaim all warranties, either express or implied, with respect to the Study and any products that incorporate, integrate or are designed based in whole or part, on the Study results ("Products"), including without limitation implied warranties of merchantability, efficacy and fitness for a particular purpose. The entire risk arising out of the production and use of the Study and the Products and any accompanying materials remains solely with the Sponsor, and the Sponsor shall be solely responsible for any use of the Work and/or the Product.

[1] make sure an insurance policy is attached.

F. **Limitation on liability**. Without derogating from the above, and except in the event of gross negligence, willful misconduct or medical malpractice to the Study subjects, if the Institution or the Investigator are found liable (whether under contract, tort (including negligence) or otherwise), then the cumulative liability thereof for all claims whatsoever related to the Study or the Products or otherwise arising out of this Agreement, shall not exceed a total consideration actually paid to it by the Sponsor under this Agreement. This limitation of liability is intended to apply to all claims of the Sponsor without regard to which other provisions of this Agreement have been breached or have proved ineffective.

G. **Exclusion of Consequential Damages**. Neither party shall be liable (whether under contract, tort (including negligence) or otherwise) to the other party, or any third party for any indirect, incidental or consequential damages, including, without limitation, any loss or damage to business earnings, lost profits or goodwill and lost or damaged data or documentation, suffered by any person, arising from and/or related with and/or connected to this agreement even if such party is advised of the possibility of such damages.

11. TERM AND TERMINATION

A. This Agreement shall become effective upon its execution by both parties and shall be in effect during the entire period of the Study as set forth in Schedule A hereto, unless terminated by the parties as set forth herein.

B. Hadasit and the Sponsor may either terminate this Agreement upon the filing by any person of a petition for the winding-up or liquidation or the appointment of a receiver on most of the assets of the terminated party, if petition has not been withdrawn or dismissed within 21 days of its filing. In addition, each party may terminate this Agreement without further notice in case the terminated party has breached this Agreement and did not cure such breach within 21 days of delivery of a written notice from the non-defaulting party. The Sponsor may terminate this Agreement without prior notice as set in Section 1 (B) hereto.

C. In addition, this Agreement may be terminated by either Hadasit or the Sponsor for any other reason upon 60 days written notice.

D. In the event that this agreement is terminated by the Sponsor, the Sponsor shall reimburse the Institution for all costs and non-cancelable commitments incurred prior such termination with regard to the performance of this Agreement.

E. Subject to Sub-Section D above, upon termination of this Agreement, the Investigator and the Institution shall return to the Sponsor any funds not expended or irrevocably committed prior to the effective termination date. However, and without derogating from the Institution's rights under any applicable law, the Institution may set-off from such funds any debts of the Sponsor towards the Institution or the Investigator.

F. The Sponsor shall be obliged notwithstanding the termination of this Agreement for any reason to continue supplying any material and drug supplied by the Sponsor and used in the Study in order to comply with applicable laws and regulations and/or to avoid injury or harm to the Study subjects.

G. Termination of this Agreement by either party shall not affect the rights and obligations of the parties accrued prior to the effective date of the termination. The rights and duties under Sections 6, 7, 8, 10, 14, and 16 will survive the termination or expiration of this Agreement.

12. CHANGES TO THE PROTOCOL

Any amendment or modification of the Protocol must be agreed upon by both the Investigator and the Sponsor and documented in writing, however any such change shall not exempt the Sponsor of its liabilities and responsibilities hereunder.

13. ASSIGNMENTS

Except as specifically permissible under Section 1 (B) hereto, this Agreement, and the rights and obligations hereunder, may not be assigned by any party hereto without the express written consent of the other parties, which shall not be unreasonably withheld.

14. APPLICABLE LAW

This Agreement shall be governed by and construed in accordance with the laws of Israel. The competent courts in Jerusalem shall have exclusive jurisdiction over any dispute that may arise with respect to this Agreement.

15. INDEPENDENT CONTRACTORS

Each party hereto (including the Investigator) is an independent contractor. Nothing contained herein shall be construed as forming employee-employer relations between the Sponsor's employees and the Institution or HMO or between the Institution's and HMO's employees (including the Investigator) and the Sponsor.

16. NOTICES

All notices required or permitted to be given under the Agreement shall be sent as follows:

If to the Sponsor:

Oramed LTD
2/5 Hi-Tech Park, Givat Ram
POB 39098, Jerusalem 91390, Israel
Attention: Nadav Kidron

If to the Institution or to the Investigator:

Hadasit Medical Research Services And Development Ltd
POB 12000 Jerusalem 91120 Israel
Attention _____

17. ENTIRE AGREEMENT

This Agreement represents the entire understanding of the parties with respect to the subject matter hereof. In the event of any inconsistency between this Agreement and the Protocol, the terms of this Agreement shall govern. The invalidity or unenforceability of any term or provision of this Agreement shall not affect the validity or enforceability of any other term or provision hereof. This Agreement may be amended only by a written document signed by Hadasit and the Sponsor. The Investigator's signature shall only be required with respects to changes that cast further liabilities on the Investigator that are not already included hereunder.

[Signatures appear on the following page]

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement effective as of the date first set forth above.

ORAMED LTD

By:_____
Name: Nadav Kidron
Title: Chief Executive Officer
Date:_____

INVESTIGATOR:

_____
Dr. Miriam Kidron

_____
Dr. Daniel Schurr

HADASIT MEDICAL RESEARCH SERVICES AND DEVELOPMENT LTD

By:_____
Name:_____
Title:_____
Date:_____

Schedule A - Protocols

Schedule B - Compensation

1. For the performance of the Study, the Sponsor shall pay Hadasit the amount of $200,000 (two hundred thousand U.S. Dollars) (the "Study fee"), payable in accordance with the actual progress of the study.

   All payments will be due upon invoice issued by Hadassit to the sponsor. Invoices to Oramed LTD will add the applicable VAT.

   Hadasit undertakes to transfer the Study Fee to Dr. Kidron's Research Fund after deduction of 16.7% Overhead.

   The Study will include a dose response study and a GLP1 study.

2. Payments shall be made within 30 days of invoice date. Payment shall be made in U.S. Dollars or New Israeli Shekels, according to exchange rate in effect on the date of payment.

   Method of Payment: Either via check, made out to "Hadasit Medical Research Services and Development Ltd.", or via a bank transfer to the following account:

   Account name: Hadasit medical research services & development Ltd.
   Account no. 605 100 / 21
   BANK LEUMI LEISRAEL
   Main Branch no. 901
   Jaffa Street 21 - Jerusalem
   Interbank Swift Code (TID): LUMIILITTLV

   In the event of bank transfer, Sponsor shall send Institution a notice that payment has been made, and will provide Institution with full details of the payment transaction.

3. The compensation detailed above shall constitute the complete compensation to be paid by the Sponsor to Hadasit for the Study and include all fees, charges and expenses that the Sponsor is obligated to pay under the Agreement.

4. Sponsor will have no obligation or liability in respect of payments to be made by Dr. Kidron and/or her research fund.

5. At the termination, for any reason, of the Agreement any unused funds in Dr. Kidron's research fund will be returned to the Sponsor.

6. TAXES. If required under Israel law, Sponsor shall add VAT to any payments made under this Agreement to the Institution. Any payment shall be made against the provision of tax invoice by the Institution.

7. INTEREST. Any amount payable hereunder, which has not been made upon its due date of payment, shall bear interest from the date such payment is due until the date of its actual payment, according to the following: (i) any amounts due in Israeli currency shall bear the maximum interest charged by Bank Leumi Le Israel B.M. for unapproved overdrafts; (ii) any amount due in foreign currency shall bear the same interest charged by Bank Leumi Le Israel B.M. for a loan of the said amount in the said currency plus an annual compounded interest at a rate of 3%.

Schedule C - Materials

- Insulin capsules
- GLP1 capsules.

Schedule D - Insurance policy

Schedule E – First Agreement

Exhibit 10.19

SECURITIES PURCHASE AGREEMENT

This Securities Purchase Agreement (this **"Agreement"**) is dated as of November ___, 2012, among Oramed Pharmaceuticals Inc., a Delaware corporation (the **"Company"**), and the investors identified on the signature page hereto (each, an **"Investor"** and collectively the "Investors").

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

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

ARTICLE I.
DEFINITIONS

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

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

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

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

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

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

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

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

"Per Unit Purchase Price" means $0.37.

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

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

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

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

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

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

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

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

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

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

ARTICLE II.
PURCHASE AND SALE

2 . 1 Closing. On the Closing Date, subject to the terms and conditions set forth in this Agreement, the Company shall issue and sell to each Investor, severally and not jointly, and each Investor, severally and not jointly, shall purchase from the Company, the Shares and the Warrants set forth opposite such Investor's name on Schedule 1. Upon satisfaction of the conditions set forth in Sections 2.2 and 2.3, the Closing shall occur at such location as the parties shall mutually agree.

2.2 Deliveries.

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

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

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

(ii) a warrant, registered in the name of such Investor, pursuant to which such Investor shall have the right to acquire the number of shares of Common Stock equal to 50% of the number of Shares issuable to such Investor pursuant to Section 2.2(i).

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

2.3 Closing Conditions.

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

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

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

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

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

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

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

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

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

ARTICLE III.
REPRESENTATIONS AND WARRANTIES

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

(a) Organization, Good Standing and Qualification of the Company. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. The Company has all requisite corporate power and authority to own and operate its properties and to carry on its business as now being conducted and as proposed to be conducted. The Company is duly qualified to do business as a foreign corporation and is in good standing in each jurisdiction in which failure to so qualify would materially and adversely affect the business, properties, operations, prospects or condition, financial or otherwise, of the Company. The resolutions adopted by the directors of the Company on August 8, 2012 authorizing the transactions contemplated by the Transaction Documents have not been amended or modified in any way, have not been rescinded and are in full force and effect on the date hereof.

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

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

(d) Capitalization. The authorized capital of the Company as of the date hereof consists of 200,000,000 shares of Common Stock, of which there were (i) 84,788,784 issued and outstanding as of the date hereof as fully paid and non-assessable shares; (ii) options and/or warrants to purchase 16,043,201 shares of Common Stock; and (iii) employee and directors options to purchase 7,824,000 shares of Common Stock. As of the date hereof, the Company has not issued any capital stock since its most recently filed periodic report under the Exchange Act, other than pursuant to the exercise of employee stock options under the Company's stock option plans and the issuance of shares of Common Stock to employees pursuant to the Company's employee stock purchase plan outstanding as of the date of the most recently filed periodic report under the Exchange Act. All of the outstanding shares of capital stock of the Company are validly issued, fully paid and nonassessable. No further approval or authorization of any stockholder or the Board of Directors of the Company is required for the issuance and sale of the Securities. The issuance of the Securities pursuant to the provisions of this Agreement will not violate any preemptive rights or rights of first refusal granted by the Company that will not be validly waived or complied with, and will be free of any liens or encumbrances, other than any liens or encumbrances created by or imposed upon the Investors through no action of the Company. There are no stockholders agreements, voting agreements or other similar agreements with respect to the Company's capital stock to which the Company is a party or, to the knowledge of the Company, between or among any of the Company's stockholders.

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

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

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

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

(i) SEC Documents; Financial Statements. For the past twelve (12) months, the Company has filed all reports, schedules, forms, statements and other documents required to be filed by it with the SEC pursuant to the reporting requirements of the Exchange Act (all of the foregoing filed prior to the date hereof and all exhibits included therein and financial statements, notes and schedules thereto and documents incorporated by reference therein being hereinafter referred to as the "**SEC Documents**"). The Company has delivered to the Investors or their respective representatives true, correct and complete copies of each of the SEC Documents not available on the Electronic Data Gathering, Analysis, and Retrieval system of the SEC ("**EDGAR**") that have been requested by an Investor. As of their respective dates, the SEC Documents complied as to form in all material respects with the requirements of the Exchange Act and the rules and regulations of the SEC promulgated thereunder applicable to the SEC Documents, and none of the SEC Documents, at the time they were filed with the SEC, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. As of their respective dates, the financial statements of the Company included in the SEC Documents complied as to form in all material respects with applicable accounting requirements and the published rules and regulations of the SEC with respect thereto as in effect as of the time of filing. Such financial statements have been prepared in accordance with generally accepted accounting principles ("**GAAP**"), consistently applied, during the periods involved (except (i) as may be otherwise indicated in such financial statements or the notes thereto, or (ii) in the case of unaudited interim statements, to the extent they may exclude footnotes or may be condensed or summary statements) and fairly present in all material respects the financial position of the Company as of the dates thereof and the results of its operations and cash flows for the periods then ended (subject, in the case of unaudited statements, to normal year-end audit adjustments). The Company has no liabilities or obligations required to be disclosed in the SEC Documents that are not so disclosed in the SEC Documents, other than those incurred in the ordinary course of the Company's business.

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

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

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

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

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

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

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

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

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

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

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

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

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

(c) Investor Status. At the time such Investor was offered the Securities, it was, and at the date hereof it is, and on each date on which it exercises the Warrants it will be, an "accredited investor" as defined in Rule 501(a) under the Securities Act and a non-"U.S. person" within the meaning of Rule 902(k) promulgated under the Securities Act (and the Investor is not purchasing for the account or benefit of a U.S. Person). At the time of the offer and sale of the Securities, the Investor was not located in the United States. Such Investor is not required to be registered as a broker-dealer under Section 15 of the Securities Exchange Act of 1934, as amended.

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

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

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

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

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

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

ARTICLE IV.
REGISTRATION RIGHTS

4.1 Registration Statement.

(a) The Company shall prepare and file with the SEC within one hundred and twenty (120) calendar days after the Closing Date (the "**Filing Deadline**") a registration statement (on Form S-1, or other appropriate registration statement form) under the Securities Act (the "**Registration Statement**"), at the sole expense of the Company (except as specifically provided in Section 4.2 of this Agreement) so as to permit a public offering and resale of the Shares and the Warrant Shares (the "**Registrable Securities**") in the United States under the Securities Act by the Investors as selling stockholders. The Company shall use its reasonable best efforts to cause such Registration Statement to become effective as soon as possible thereafter, and within the earlier of: (i) one hundred and eighty (180) calendar days after the Closing Date (or two hundred and ten (210) calendar days in the event the SEC shall elect to review the Registration Statement), or (ii) five (5) calendar days after the SEC clearance to request acceleration of effectiveness (the "**Effectiveness Deadline**"). The Company will notify the Investors of the effectiveness of the Registration Statement (the "**Effective Date**") within three (3) Trading Days.

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

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

(d) If at any time or from time to time after the Effective Date, the Company notifies the Investors in writing of the existence of a Potential Material Event (as defined in Section 4(e) below), the Investors shall not offer or sell any Registrable Securities or engage in any other transaction involving or relating to Registrable Securities, from the time of the giving of notice with respect to a Potential Material Event until the Investors receives written notice from the Company that such Potential Material Event either has been disclosed to the public or no longer constitutes a Potential Material Event. If a Potential Material Event shall occur prior to the Filing Deadline, then the Company's obligation to file such Registration Statement shall be delayed for not more than fifty (50) calendar days. The Company must, if lawful and practicable, give the Investors notice in writing at least two (2) Trading Days prior to the first day of the blackout period.

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

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

(g) Notwithstanding anything in this Agreement to the contrary, if the SEC limits the number of Registrable Securities that may be included in the Registration Statement due to limitations on the use of Rule 415 of the Securities Act, then the Company shall so advise all the Investors holding Registrable Securities which were proposed to be registered in such Registration Statement, and the number of shares of Common Stock that may be included in the Registration Statement shall be allocated to the holders of such Registrable Securities so requesting to be registered on a pro rata basis, based on the number of Registrable Securities then held by all such Investors.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

4.5 Indemnity and Contribution.

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

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

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

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

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

ARTICLE V.
TERMINATION

5.1 Intentionally omitted.

ARTICLE VI.
MISCELLANEOUS

6.1 Certificates; Resales.

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

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

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

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

6.2 Indemnification.

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

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

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

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

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

If to the Company: Oramed Pharmaceuticals Inc.

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

With a copy to:

Goldfarb Seligman & Co., Law Offices
Electra Tower, 98 Yigal Alon Street
Tel Aviv 67891, Israel
Attn: Adam M. Klein, Adv.
Facsimile: +972-3-608-9855

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

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

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

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

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

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

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

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

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

6.14 Governing Law; Venue and Waiver of Jury Trial. This Agreement is to be construed in accordance with and governed by the internal laws of the State of Delaware without giving effect to any choice of law rule that would cause the application of the laws of any jurisdiction to the rights and duties of the parties. The Company and the Investors agree that any suit, action, or proceeding arising out of or relating to this Agreement shall be brought to any court of competent jurisdiction sitting in Wilmington, Delaware and that the parties shall submit to the jurisdiction of such court. The parties irrevocably waive, to the fullest extent permitted by law, any objection the party may have to the laying of venue for any such suit, action or proceeding brought in such court. THE PARTIES ALSO EXPRESSLY WAIVE ANY RIGHT THEY HAVE OR MAY HAVE TO A JURY TRIAL OF ANY SUCH SUIT, ACTION OR PROCEEDING. If any one or more provisions of this Section 6.14 shall for any reason be held invalid or unenforceable, it is the specific intent of the parties that such provisions shall be modified to the minimum extent necessary to make it or its application valid and enforceable.

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

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

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

ORAMED PHARMACEUTICALS INC.

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

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK
SIGNATURE PAGES FOR INVESTORS FOLLOW]

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

Investment Amount:

_____Units x $0.37 per Unit = $_____

(Each Unit consists of one Share and a Warrant convertible into 0.50 Shares)

Name of Investor: **_____**

Signature of Authorized Signatory of Investor:_____

Name of Authorized Signatory: _____

Title of Authorized Signatory: _____

Email Address of Investor: _____

Phone number of Investor: **_____**

Social Security or Taxpayer Identification Number _____

Address for Notice of Investor:

_____

_____
_____
_____
_____
Facsimile: _____

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

SCHEDULE 1

Investor Name	Number of Shares	Number of Warrant Shares (50% of the Number of Shares)	Investment Amount
_____	_____	_____	$_____

SCHEDULE 2

WIRE TRANSFER INSTRUCTIONS (US DOLLARS)

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

Exhibit 10.20

EXECUTION VERSION

SECURITIES PURCHASE AGREEMENT

This Securities Purchase Agreement (this **"Agreement"**) is dated as of November ___, 2012, among Oramed Pharmaceuticals Inc., a Delaware corporation (the **"Company"**), and the investors identified on the signature page hereto (each, an **"Investor"** and collectively the "Investors").

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

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

ARTICLE I.
DEFINITIONS

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

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

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

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

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

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

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

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

"Per Unit Purchase Price" means $0.37.

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

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

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

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

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

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

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

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

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

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

ARTICLE II.
PURCHASE AND SALE

2 . 1 Closing. On the Closing Date, subject to the terms and conditions set forth in this Agreement, the Company shall issue and sell to each Investor, severally and not jointly, and each Investor, severally and not jointly, shall purchase from the Company, the Shares and the Warrants set forth opposite such Investor's name on Schedule 1. Upon satisfaction of the conditions set forth in Sections 2.2 and 2.3, the Closing shall occur at such location as the parties shall mutually agree.

2.2 Deliveries.

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

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

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

(ii) a warrant, registered in the name of such Investor, pursuant to which such Investor shall have the right to acquire the number of shares of Common Stock equal to 50% of the number of Shares issuable to such Investor pursuant to Section 2.2(i) and

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

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

2.3 Closing Conditions.

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

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

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

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

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

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

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

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

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

ARTICLE III.
REPRESENTATIONS AND WARRANTIES

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

(a) Organization, Good Standing and Qualification of the Company. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. The Company has all requisite corporate power and authority to own and operate its properties and to carry on its business as now being conducted and as proposed to be conducted. The Company is duly qualified to do business as a foreign corporation and is in good standing in each jurisdiction in which failure to so qualify would materially and adversely affect the business, properties, operations, prospects or condition, financial or otherwise, of the Company. The resolutions adopted by the directors of the Company on August 6, 2012 authorizing the transactions contemplated by the Transaction Documents have not been amended or modified in any way, have not been rescinded and are in full force and effect on the date hereof.

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

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

(d) Capitalization. The authorized capital of the Company as of the date hereof consists of 200,000,000 shares of Common Stock, of which there were (i) 82,939,006 issued and outstanding as of the date hereof as fully paid and non-assessable shares; (ii) options and/or warrants to purchase 15,118,310 shares of Common Stock; and (iii) employee and directors options to purchase 7,824,000 shares of Common Stock. As of the date hereof, the Company has not issued any capital stock since its most recently filed periodic report under the Exchange Act, other than pursuant to the exercise of employee stock options under the Company's stock option plans and the issuance of shares of Common Stock to employees pursuant to the Company's employee stock purchase plan outstanding as of the date of the most recently filed periodic report under the Exchange Act. All of the outstanding shares of capital stock of the Company are validly issued, fully paid and nonassessable. No further approval or authorization of any stockholder or the Board of Directors of the Company is required for the issuance and sale of the Securities. The issuance of the Securities pursuant to the provisions of this Agreement will not violate any preemptive rights or rights of first refusal granted by the Company that will not be validly waived or complied with, and will be free of any liens or encumbrances, other than any liens or encumbrances created by or imposed upon the Investors through no action of the Company. There are no stockholders agreements, voting agreements or other similar agreements with respect to the Company's capital stock to which the Company is a party or, to the knowledge of the Company, between or among any of the Company's stockholders.

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

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

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

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

(i) SEC Documents; Financial Statements. For the past twelve (12) months, the Company has filed all reports, schedules, forms, statements and other documents required to be filed by it with the SEC pursuant to the reporting requirements of the Exchange Act (all of the foregoing filed prior to the date hereof and all exhibits included therein and financial statements, notes and schedules thereto and documents incorporated by reference therein being hereinafter referred to as the "**SEC Documents**"). The Company has delivered to the Investors or their respective representatives true, correct and complete copies of each of the SEC Documents not available on the Electronic Data Gathering, Analysis, and Retrieval system of the SEC ("**EDGAR**") that have been requested by an Investor. As of their respective dates, the SEC Documents complied as to form in all material respects with the requirements of the Exchange Act and the rules and regulations of the SEC promulgated thereunder applicable to the SEC Documents, and none of the SEC Documents, at the time they were filed with the SEC, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. As of their respective dates, the financial statements of the Company included in the SEC Documents complied as to form in all material respects with applicable accounting requirements and the published rules and regulations of the SEC with respect thereto as in effect as of the time of filing. Such financial statements have been prepared in accordance with generally accepted accounting principles ("**GAAP**"), consistently applied, during the periods involved (except (i) as may be otherwise indicated in such financial statements or the notes thereto, or (ii) in the case of unaudited interim statements, to the extent they may exclude footnotes or may be condensed or summary statements) and fairly present in all material respects the financial position of the Company as of the dates thereof and the results of its operations and cash flows for the periods then ended (subject, in the case of unaudited statements, to normal year-end audit adjustments). The Company has no liabilities or obligations required to be disclosed in the SEC Documents that are not so disclosed in the SEC Documents, other than those incurred in the ordinary course of the Company's business.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE IV.
REGISTRATION RIGHTS

4.1 Registration Statement.

(a) The Company shall prepare and file with the SEC within one hundred and twenty (120) calendar days after the Closing Date (the "**Filing Deadline**") a registration statement (on Form S-1, or other appropriate registration statement form) under the Securities Act (the "**Registration Statement**"), at the sole expense of the Company (except as specifically provided in Section 4.2 of this Agreement) so as to permit a public offering and resale of the Shares and the Warrant Shares (the "**Registrable Securities**") in the United States under the Securities Act by the Investors as selling stockholders. The Company shall use its reasonable best efforts to cause such Registration Statement to become effective as soon as possible thereafter, and within the earlier of: (i) one hundred and eighty (180) calendar days after the Closing Date (or two hundred and ten (210) calendar days in the event the SEC shall elect to review the Registration Statement), or (ii) five (5) calendar days after the SEC clearance to request acceleration of effectiveness (the "**Effectiveness Deadline**"). The Company will notify the Investors of the effectiveness of the Registration Statement (the "**Effective Date**") within five (5) Trading Days.

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

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

(d) If at any time or from time to time after the Effective Date, the Company notifies the Investors in writing of the existence of a Potential Material Event (as defined in Section 4(e) below), the Investors shall not offer or sell any Registrable Securities or engage in any other transaction involving or relating to Registrable Securities, from the time of the giving of notice with respect to a Potential Material Event until the Investors receives written notice from the Company that such Potential Material Event either has been disclosed to the public or no longer constitutes a Potential Material Event. If a Potential Material Event shall occur prior to the Filing Deadline, then the Company's obligation to file such Registration Statement shall be delayed without penalty for not more than fifty (50) calendar days. The Company must, if lawful and practicable, give the Investors notice in writing at least two (2) Trading Days prior to the first day of the blackout period.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

4.5 Indemnity and Contribution.

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

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

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

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

4 . 6 Market Standoff. Each Investor hereby agrees that, if so requested by the representative of the lead or managing underwriters of a public offering (the "**Managing Underwriter**"), such Investor shall not, without the prior consent of the Managing Underwriter (i) lend, offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, any Registrable Securities or any other securities of the Company or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Registrable Securities, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of Registrable Securities or such other securities, in cash or otherwise, during the period specified by the Managing Underwriter (the "**Market Standoff Period**"), with such period not to exceed 10 days prior to the anticipated effective date of such registration statement and 90 days following the effective date of such registration statement. Each Investor further agrees to execute such agreements as may be reasonably requested by the underwriters in the Company's offering on the same terms of this Section 4.6.

ARTICLE V.
TERMINATION

5 . 1 Termination. If the conditions to the Investors' obligations at Closing have not been satisfied or waived on before November 15, 2012, then this Agreement may be terminated at any time thereafter upon written notice to the Company by Investors representing at least a majority in interest of the Shares to be purchased hereunder. The provisions of Sections 6.2 and 6.5 to 6.17 shall survive the termination of this Agreement.

ARTICLE VI.
MISCELLANEOUS

6.1 Certificates; Resales.

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

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

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

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

6.2 Indemnification.

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

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

6.3 Preemptive Right.

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

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

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

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

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

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

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

If to the Company: Oramed Pharmaceuticals Inc.

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

With a copy to:

Goldfarb Seligman & Co., Law Offices
Electra Tower, 98 Yigal Alon Street
Tel Aviv 67891, Israel
Attn: Adam M. Klein, Adv.
Facsimile: +972-3-608-9855

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

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

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

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

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

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

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

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

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

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

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

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

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK
SIGNATURE PAGES FOLLOW]

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

ORAMED PHARMACEUTICALS INC.

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

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK
SIGNATURE PAGES FOR INVESTORS FOLLOW]

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

Investment Amount:

405,405 Units x $0.37 per Unit = $150,000

(Each Unit consists of one Share and a Warrant convertible into 0.50 Shares)

Name of Investor: **Regals Fund LP.**

Signature of Authorized Signatory of Investor:_____

Name of Authorized Signatory: David Slager

Title of Authorized Signatory: **Managing Member Of The General Partner**

Email Address of Investor: **atoohey@regalsholdings.com**

Phone number of Investor: **212-256-8402**

Social Security or Taxpayer Identification Number **45-4227948**

Address for Notice of Investor:

C/O Regals Capital LP
152 West 57th Street, 9th floor
New York, NY 10019
Tel: 212-256-8402

_____
Facsimile: _____

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

_____
_____
_____
_____

SCHEDULE 1

Investor	Number of Shares	Number of Warrant Shares (50% of the Number of Shares)	Investment Amount
Regals Fund			**$**

SCHEDULE 2

WIRE TRANSFER INSTRUCTIONS (US DOLLARS)

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

This **Master Services Agreement** (the "**Agreement**"), dated as of 27 September, 2012 (the "**Effective Date**"), is between **Medpace, Inc.**, an Ohio Corporation with a principal place of business at 5375 Medpace Way, Cincinnati, OH 45227 ("**MEDPACE**") and **Oramed, Ltd.**, a company established pursuant to the laws of the State of Israel, with a principal place of business at Hi-Tech Park 2/5 Givat Ram, PO Box 39098, Jerusalem, 91390, Israel, ("**SPONSOR**"). MEDPACE and SPONSOR are sometimes referred to herein individually as a "**Party**" and together as the "**Parties**".

RECITALS:

WHEREAS, SPONSOR is in the business of developing and obtaining regulatory approval of the marketing and sale of pharmaceutical products and or biological products, and or medical devices; and

WHEREAS, MEDPACE is engaged in the business of providing services related to the design and execution of clinical development programs involving drugs, biologics, and medical devices through engagement by its clients, the sponsors of clinical development programs, to perform such services; and

WHEREAS, SPONSOR desires to engage MEDPACE to perform certain services ("**Services**") as set forth hereinafter in connection with certain clinical trials, all in accordance with and subject to the terms of this Agreement;

NOW, THEREFORE, in consideration of the premises and the mutual covenants and conditions hereinafter set forth, the Parties agree as follows:

1. **PROJECT SPECIFICATIONS**

   A. MEDPACE hereby agrees to perform Services for SPONSOR from time to time. The precise Services to be performed by MEDPACE shall be mutually agreed upon by the Parties and set forth in one or more task orders (each a "**Task Order**"), a form of which is attached hereto as Exhibit A. Each Task Order shall be signed by an authorized representative of each Party and shall include detailed information concerning a given project, including a description of the specific services to be provided ("**Scope of Work**"), project milestones and target completion dates ("**Project Schedule**"), the applicable protocol, a detailed budget ("**Project Budget**"), and a schedule of payments related to the Project Schedule and the Project Budget ("**Payment Schedule**"). Each Task Order shall contain a Transfer of Obligations list ("**Transfer of Obligations**") in conjunction with the relevant Task Order and consistent with the regulations set forth in 21 C.F.R. Section 312, Subpart D (Responsibilities of Sponsors and Investigators). Any responsibilities not specifically transferred in the Transfer of Obligations shall remain the regulatory responsibility of SPONSOR.

B. Unless otherwise stated in the applicable Task Order, the Services will be conducted in compliance with MEDPACE SOPs and Policies, copies of which have been or will be provided to SPONSOR during the negotiation of the relevant Task Order.

C. From time to time, SPONSOR may wish to enter into a Task Order with a MEDPACE Affiliate for Services under this Agreement (" **Affiliate Task Order**"), and such MEDPACE Affiliate may wish enter into the Affiliate Task Order with SPONSOR. Any such Affiliate Task Order must be in writing and signed by the parties to the Affiliate Task Order, and each signatory to an Affiliate Task Order is solely responsible for all obligations it undertakes under the Affiliate Task Order. For the purposes of a particular Affiliate Task Order, the Affiliate signing such Affiliate Task Order will be substituted for MEDPACE everywhere it appears in this Agreement, and the term "Affiliate Task Order" will be substituted for Task Order everywhere it appears in this Agreement.

D. As used herein, "Affiliate" means in relation to a Party, any entity, directly or indirectly, controlling such Party, controlled by such Party, or under common control with such Party. For purposes of this definition, "control" shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the activities, management or policies of such party, whether through the ownership of voting securities, by contract or otherwise. Without limiting the foregoing, control shall be presumed to exist when a person, organization or entity (i) owns or directly controls fifty percent (50%) or more of the outstanding voting stock or other ownership interest of the other organization or entity, or (ii) possesses, directly or indirectly, the power to elect or appoint fifty percent (50%) or more of the members of the governing body of the organization or other entity.

E. To avoid any doubt, the Parties agree that any and all regulatory filings and submissions that may be made with respect to the Services provided under this Agreement shall be (i) coordinated with and approved by SPONSOR in advance at all times, (ii) made solely in SPONSOR's name, (iii) owned solely by SPONSOR. The extent of MEDPACE's responsibility for such filings and submissions shall be set out in the applicable Task Order.

F. As part of the Services and as an accommodation to SPONSOR, MEDPACE may contract with third parties for the provision of services not customarily performed or provided by MEDPACE ("Pre-funded Vendors"). While MEDPACE may contract with and/or facilitate the activities of such Pre-funded Vendors, MEDPACE does not undertake by virtue of this Agreement, the relevant Task Order or such third party contract, responsibility for the Pre-funded Vendor's business, professional conduct, performance, or breaches by such Pre-funded Vendors. MEDPACE's responsibility with respect to such Pre-funded Vendors shall be to coordinate the services of such Pre-funded Vendors and to make payments after receipt of sufficient funds from SPONSOR ("Pre-funded Expenses"). Pre - funded Expenses may include but are not limited to third party advance payments for investigator meetings, vendors, Study Site payments ("Study Site" shall mean the physical location at which a particular investigator conducts a study), and any payments to investigators, institutions, and site maintenance organizations for services performed that relate to a study. In the event a Pre-funded Vendor requests indemnification with respect to the services performed under such Pre-funded Vendor's contract, MEDPACE shall notify SPONSOR and SPONSOR enter into an indemnification agreement directly with such Pre-funded Vendors. MEDPACE shall have no obligation with respect to the indemnity of a Pre-funded Vendors. The Parties acknowledge and agree that any Pre-funded Vendors (including but not limited to investigators, institutions or site management organizations) paid with Pre-funded Expenses in connection with the performance of Services under this Agreement or any Task Order shall not be considered the agent, employee or subcontractor of MEDPACE.

G. Except as otherwise agreed by the Parties in writing, SPONSOR is and at all times remains, in all geographical regions where the Study is being performed, the "Sponsor" or "Legal Representative" of the Study pursuant to or applicable law.

2. PROJECT SCHEDULE

A. Each Task Order shall contain project timelines, milestones and/or target dates for completion of a project or a portion thereof, and all such schedules shall be reasonable for the Services to be provided. The Parties shall, at all times, use their reasonable best efforts to comply with and perform their obligations in accordance with each Task Order.

B. If at any time either Party anticipates a delay in meeting the timelines for a given Task Order as set forth in its Project Schedule, either due to changes to the Services requested by SPONSOR, or other causes beyond the control of such Party (such as FDA approval of a competitor's NDA for the same drug, which may adversely affect patient enrollment), then the anticipating Party shall promptly notify the other Party in writing, specifying the reason for the delay and the anticipated effect upon the timelines, milestones or other deliverables.

3. CONTRACT AMENDMENTS

Any change in the details of a Task Order or the assumptions upon which the Task Order is based may require changes in the Project Budget, Payment Schedule or Project Schedule. Every such change shall require a written amendment to the Task Order (a "**Contract Amendment**"). Each Contract Amendment shall detail the requested changes to the applicable task, responsibility, duty, budget, timeline or other matter. The Contract Amendment will become effective upon the execution of the Contract Amendment by both Parties, and if applicable, will specify the period of time within which MEDPACE must implement the changes. Both Parties agree to act in good faith and promptly when considering a Contract Amendment requested by the other party but neither party is obligated to execute a Contract Amendment. No Contract Amendment shall become effective unless and until it is signed by both Parties. Any such changes that result in additional charges shall be reflected in the Contract Amendment to the affected Task Order, Project Budget or Payment Schedule.

4. PROJECT BUDGET, PAYMENT SCHEDULE, AND TERMS

A. Service Fees:

The SPONSOR agrees to pay MEDPACE for Services rendered pursuant to the Project Budget and Payment Schedules included in each Task Order.

B. Pass Through Costs:

The SPONSOR agrees to reimburse MEDPACE for reasonable pass-through costs identified in the Task Order and incurred by MEDPACE in providing the Services in accordance with the relevant Task Order. All expenses billed to SPONSOR by MEDPACE must be accompanied by appropriate documentary evidence, such as receipts or other documentation reasonably acceptable to SPONSOR.

C. Pre - funded Expenses:

The Parties will work to establish a process for payment of Pre-funded Expenses in the applicable Task Order which allows for timely payment of such funds to Pre-funded Vendors.

D. Payment Terms:

SPONSOR shall mail payments to MEDPACE within 30 days after receipt of a written invoice and required supporting documentation as applicable. An annual interest rate of 14% will be applied to outstanding invoices greater than 45 days. The Parties will work in good faith to establish a payment schedule in the applicable Task Order to ensure that MEDPACE is kept in a cash neutral position and to avoid a negative cash flow at any time during the term of the applicable Task Order.

E. Security:

If at any time and from time to time during the term of the Agreement or any Task Order, (1) SPONSOR is more than 90 days late on any single invoice, or (2) 45 days late on three consecutive invoices, or (3) SPONSOR is unable to provide evidence of credit worthiness, MEDPACE shall have the right to require SPONSOR to provide security in such amount and form and at such time as MEDPACE deems necessary. SPONSOR shall provide such security within fifteen (15) business days of MEDPACE's request. As a public company, SPONSOR's quarterly financial statements are available to the public, on-line at www.oramed.com.

5. WARRANTIES AND REPRESENTATIONS:

A. Acknowledgements:

MEDPACE acknowledges that the Services to be provided hereunder are for the benefit of, and are subject to the direction of SPONSOR. MEDPACE acknowledges that SPONSOR is the beneficiary under the terms of this Agreement and each Task Order, and that SPONSOR is entitled to enforce the provisions thereof.

B. Representations and Warranties of MEDPACE:

i. MEDPACE represents and warrants that it is duly organized, validly existing and in good standing in its jurisdiction of organization, and is in good standing and duly qualified to carrying on business including as contemplated by this Agreement.
ii. MEDPACE represents and warrants that the execution, delivery and performance of this Agreement and each Task Order has been (and will be at the relevant time) validly authorized by all necessary corporate action and this Agreement and each Task Order represents (and will represent) the valid binding agreement of MEDPACE enforceable in accordance with its terms. MEDPACE represents and warrants that the execution, delivery and performance of this Agreement and each Task Order does not and will not violate any organizational document governing MEDPACE, any agreement to which MEDPACE is a party, or any law or court or governmental order, holding or writ by which MEDPACE is bound. MEDPACE further represents and warrants that it shall, and undertakes to, render the Services requested by SPONSOR in accordance with high professional standards, consistent with Good Clinical Practices and with the standard of care customary in the contract research organization industry.
iii. MEDPACE represents and warrants that the personnel assigned to perform services rendered under this Agreement shall be qualified and professionally capable of performing the Services, shall be adequate to effectively perform the Services on the agreed upon schedule and shall devote such time as is necessary to perform the Services on such agreed upon schedule. Upon request of SPONSOR, MEDPACE will provide SPONSOR with the credentials of all study personnel.
iv. MEDPACE further represents, warrants and undertakes that it shall perform the Services in compliance with all applicable laws and regulations in the jurisdiction(s) in which the Services are performed, including, without limitation, the US Food, Drug and Cosmetic Act and the regulations promulgated pursuant thereto, and all future amendments thereto during the term. In addition, MEDPACE undertakes to ensure that any materials provided by SPONSOR for the purpose of the performance of the Services pursuant to any Task Order shall be handled, transported, stored, used and disposed of in accordance with the laws and regulations.
v. MEDPACE represents and warrants that there is no litigation, regulatory investigation or proceeding, administrative hearing or any other similar proceeding pending or to the best of its knowledge threatened against MEDPACE which could adversely affect MEDPACE's ability to perform the Services.

C. Representations and Warranties of SPONSOR

i. SPONSOR represents and warrants that it is a corporation with its principal office and place of business at Hi-Tech Park 2/5 Givat Ram, PO Box 39098, Jerusalem, 91390, Israel, duly organized, validly existing and in good standing in its place of organization, and is in good standing in and duly qualified to do business.

ii. SPONSOR represents and warrants that the execution, delivery and performance of this Agreement and each Task Order has been and will be validly authorized by all corporate action and this Agreement and each Task Order represents and will represent the valid binding agreement of SPONSOR enforceable in accordance with its terms. The execution, delivery and performance of this Agreement and each Task Order does not and will not violate any organizational document governing SPONSOR, any agreement to which SPONSOR is a party, or any law or court or governmental order, holding or writ by which SPONSOR is bound.

iii. SPONSOR represents and warrants that there is no litigation, regulatory investigation or proceeding, administrative hearing or any other similar proceeding pending or to the best of its knowledge threatened against SPONSOR which could adversely affect SPONSOR's ability to perform under this Agreement or any Task Order.

6. TERMINATION

A. SPONSOR may terminate this Agreement without cause immediately upon giving the other Party notice of such termination, provided such termination shall not in and of itself affect any then uncompleted Task Order.

B. SPONSOR may terminate any Task Order without cause immediately upon giving MEDPACE notice of such termination. As soon as practicable, after receipt of such notice, the Parties shall cooperate in good faith to agree on a plan to expeditiously conclude activities with respect to such matter. MEDPACE shall transfer to SPONSOR all case report forms, study files, and other data and information in any and all formats available, including electronic format and computer files and programs, in MEDPACE's possession.

C. MEDPACE may terminate a Task Order only if SPONSOR has defaulted on its obligations thereunder and has not cured such default within fifteen (15) days after receipt of written notice if the default is the failure to pay MEDPACE any amount due thereunder or within thirty (30) days after receipt of written notice in the event of any other default, *provided, however*, that where SPONSOR is making diligent, good faith efforts to cure such default but requires additional time to complete such cure, SPONSOR will notify MEDPACE in writing of its request for additional time and the parties will negotiate in good faith an appropriate extension to such period, *provided, further*, that SPONSOR shall be entitled to an extension of at least fifteen (15) days if the parties fail to reach agreement in respect of an appropriate extension. As soon as practicable, after receipt of such notice, the Parties shall cooperate in good faith to agree on a plan to expeditiously conclude activities with respect to such matter. MEDPACE shall transfer to SPONSOR all case report forms, study files, and other data and information in any and all formats available, including electronic format and computer files and programs, in MEDPACE's possession.

D. In the event of any termination of a Task Order before completion, SPONSOR agrees to pay MEDPACE for all Services rendered pursuant to the unfinished Task Order prior to such termination and any non-cancelable expenses incurred in connection with MEDPACE's performance of Services thereunder to the extent such expenses cannot be reasonably mitigated. As soon as reasonably practicable following receipt of a termination notice, MEDPACE shall submit an itemized accounting of Services performed, expenses incurred pursuant to performance of the Services, non-cancelable expenses incurred by MEDPACE relating to any unfinished Task Order, and payments received in order to determine a balance to be paid by either Party to the other. Such balance shall be paid within 30 days of receipt of such an itemized accounting by SPONSOR.

E. The following sections shall survive any expiration of termination of this Agreement: 8 [Confidentiality], 9 [Rights in Property], 10 [Patent Rights], 11 [Publicity], 14 [Indemnification], 15 [Limitation of Liability and Insurance], 16 [Inspections and Audit] and 18 [Non-Solicitation].

7. COMMUNICATIONS

Any notice required or permitted under this Agreement shall be in writing and shall be deemed properly received as follows (i) upon receipt, if delivered personally, (ii) 5 business days after delivery to the postal authorities by the party serving notice if mailed by prepaid, first class, certified mail, return receipt requested, (iii) 2 business days after delivery to the courier service by the party serving notice if sent by express courier service, (iv) by facsimile, one business day after transmission or dispatch, or (v) by e-mail, 24 hours after the e-mail was sent, unless the party sending the e-mail knows or ought reasonably to suspect that the e-mail was not delivered to the addressee's domain specified in the e-mail address; in each case to the Party to be notified at the addresses and/or coordinates set forth below (or such other address as shall be designated by written notice):

If to MEDPACE:
Medpace, Inc.
5375 Medpace Way
Cincinnati, Ohio 45227
Attn: August J. Troendle
Telephone: (513) 579-9911 x2278
Facsimile: 1.513.579.0444
Email: j.wynne@medpace.com

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

8. CONFIDENTIALITY

A. SPONSOR, may provide confidential information to MEDPACE during the course of this Agreement. All information provided by SPONSOR or its clients, and any and all data collected and/or generated by MEDPACE during the course of performance of the Services is deemed to be the confidential information of SPONSOR ("**SPONSOR Confidential Information**"). MEDPACE shall not disclose SPONSOR Confidential Information to any third party, or use SPONSOR Confidential Information for any purpose other than for the benefit of SPONSOR pursuant to the terms of this Agreement, without the prior written consent of SPONSOR.

i. MEDPACE shall ensure by binding written agreement that its employees, agents, and independent contractors (approved in advance and in writing by SPONSOR) who are involved in the provision of the Services (herein "**MEDPACE Representatives**") shall comply with the provisions of Article 8 of this Agreement. MEDPACE shall disclose SPONSOR Confidential Information only to those MEDPACE Representatives who reasonably need to know SPONSOR Confidential Information to enable MEDPACE to perform its obligations under this Agreement. MEDPACE shall remain responsible to SPONSOR for all acts and omissions of MEDPACE Representatives with respect to their use of the SPONSOR Confidential Information.

ii. MEDPACE shall exercise due care, but no less than a reasonable degree of care, to prevent the unauthorized disclosure and use of SPONSOR Confidential Information associated with the Services. In the event that MEDPACE learns of any such unauthorized disclosure and use, it shall immediately (a) notify SPONSOR thereof, and (b) take all necessary actions to ensure that such disclosure and use is terminated.

B. MEDPACE may provide confidential information to SPONSOR during the course of this Agreement ("**MEDPACE Confidential Information**"). MEDPACE Confidential Information shall include but is not limited to standard operating procedures, pricing, and financial information provided by MEDPACE or its Affiliates to SPONSOR during the course of performance of the Services, and any non-public information pertaining to MEDPACE's business practices or other proprietary information. SPONSOR shall not disclose MEDPACE Confidential Information to any third party, or use MEDPACE Confidential Information for any purpose other than for those set forth under this Agreement or a Task Order, without the prior written consent of MEDPACE.

i. SPONSOR shall ensure by binding written agreement that its employees, agents, and approved independent contractors involved in the Services shall comply with the provisions of Article 8 of this Agreement. SPONSOR shall disclose MEDPACE Confidential Information only to those of its employees, agents, and independent contractors who reasonably need to know MEDPACE Confidential Information.
ii. SPONSOR shall exercise due care, but no less than a reasonable degree of care, to prevent the unauthorized disclosure and use of confidential information associated with the Services.

C. This confidentiality and non-disclosure provision shall not apply to:

i. Information which was known by the Party receiving such information (the "**Receiving Party**") before the date hereof or which is independently discovered, after the date hereof, without the aid, application or use of the confidential information, as evidenced by written records;
ii. Information which is in the public domain on the date hereof or subsequently becomes publicly available through no fault or action of the Receiving Party; or
iii. Information, which is disclosed to the Receiving Party by a third party, authorized to disclose it.

D. If the Receiving Party is requested to disclose the Confidential Information of the other Party (the "**Disclosing Party**") or the substance of this Agreement in connection with a legal or administrative proceeding or otherwise to comply with a requirement under applicable law, the Receiving Party will give the Disclosing Party prompt notice of such request so that the Disclosing Party may seek an appropriate protective order or other remedy, or waive compliance with the relevant provisions of this Agreement. The Disclosing Party must notify the Receiving Party within 10 days that it intends to take action in response to the request for disclosure. If the Disclosing Party seeks a protective order or other remedy, the Receiving Party, at the Disclosing Party's expense, will cooperate with and assist the Disclosing Party in such efforts. Failure of the Disclosing Party to intervene shall not relieve the obligations to maintain confidentiality except in so far as the Receiving Party must comply with the terms of such process compelling disclosure.

E. Each Party acknowledges that any violation or threatened violation of the foregoing provisions may cause irreparable injury to the other Party, entitling the other Party to seek injunctive relief in addition to all other legal remedies.

9. RIGHTS IN PROPERTY

A. All materials, documents, data, laboratory samples, medical imaging data, software and information of every kind and description supplied to MEDPACE by SPONSOR or any of SPONSOR's clients, or prepared, developed, or generated by MEDPACE or the MEDPACE Representatives pursuant to this Agreement (collectively, the "**Results**"), (except for the pre-existing MEDPACE procedural manuals, personal data, methods, procedures, and policies) are and shall be the sole and exclusive property of SPONSOR. Further, all Results, and all rights subsisting therein and related thereto, shall be and remain the exclusive property of SPONSOR. SPONSOR shall have the sole right to make whatever use SPONSOR deems desirable of the Results. MEDPACE shall not, without the prior written consent of SPONSOR, publish, disseminate, or otherwise disclose to any third party any Results (except such disclosure as may be required by law, in which event MEDPACE shall notify SPONSOR thereof in advance), or use any Results for any purpose other than the performance of this Agreement. Any inventions or other intellectual property, including without limitation patent rights, trade secrets, protectable copyrights and trademarks, that may evolve from the Results shall belong solely to SPONSOR, and MEDPACE agrees to assign its rights in all such inventions and/or other intellectual property to SPONSOR consistent with the obligations set forth in Article 10 below. MEDPACE further agrees to perform such further acts and execute such further documents as may be reasonably necessary to carry out and give full effect to the foregoing arrangements.

B. SPONSOR acknowledges that all computer programs, software, applications, databases, proposals and other documentation generally used by MEDPACE and not directly related to, derived from or developed solely for SPONSOR are the exclusive and confidential property of MEDPACE or the third parties from whom MEDPACE has secured the right of use. SPONSOR agrees that any improvement, alteration or enhancement to MEDPACE systems, software, applications or processes which are developed or implemented during the course of any Services performed hereunder, without the use of any SPONSOR data, information, materials or Confidential Information (or derivatives thereof) or Results, shall be the property of MEDPACE.

10. PATENT RIGHTS

MEDPACE shall disclose promptly to SPONSOR any and all patentable and unpatentable inventions, discoveries and improvements conceived or made by MEDPACE while providing Services to SPONSOR pursuant to the Agreement and any Task Order and constituting a modification, improvement, derivative or extension of use relating to SPONSOR's proprietary rights, and agrees to assign all its interest therein to SPONSOR or its nominee; whenever requested to do so by SPONSOR, MEDPACE shall execute any and all applications, assignments, or other instruments and give testimony which SPONSOR shall deem necessary to apply for and obtain a patent in the United States of America and/or other applicable jurisdiction or of any foreign country or to protect otherwise SPONSOR's interests and shall compensate MEDPACE for the time devoted to said activities at an hourly rate agreed to by SPONSOR and MEDPACE, and reimburse MEDPACE for expenses reasonably incurred in respect to such activities.

11. PUBLICITY

A. MEDPACE shall not make any public announcements, presentations, disclosures and/or publications concerning this Agreement or the subject matter hereof without the prior written consent of SPONSOR, unless required by applicable law or government agency.

B. SPONSOR may not use MEDPACE's name, logo or trademark in any public communication, release, notice or other publication without the express prior written consent of MEDPACE; *provided, however*, that SPONSOR may do so in order to comply with applicable laws, regulations and filing obligations of stock exchanges.

12. RECORDS, SECURITY AND DISPOSITION OF STUDY FILES

A. MEDPACE shall make available to SPONSOR relevant records, programs and data which is the subject of a Task Order in accordance with the arrangements to be agreed in the relevant Task Order.

B. SPONSOR shall have the right to monitor the operations of MEDPACE hereunder, and SPONSOR and or its designated representatives shall have the right to visit any of the facilities, upon reasonable advance written notice, where MEDPACE is performing any of the Services and during such visits to inspect the work being done and materials used, to observe the procedures being followed, and to examine the books, records and other data relevant to the Services. If any regulatory agency requests to inspect any books, records, data of MEDPACE relating to the Services, MEDPACE shall immediately notify SPONSOR.

C. MEDPACE shall use industry-standard commercially reasonable efforts, including, but not limited to, periodic backup of computer files (in accordance with MEDPACE's SOPs), to prevent the loss or alteration of SPONSOR's study data, Confidential Information, documentation, and correspondence, including secure, off-site redundancy storage. MEDPACE shall in all respects comply with any Food and Drug Administration regulations concerning the maintenance, creation and storage of records, including electronic records.

D. MEDPACE shall transfer study materials, documents and correspondence to SPONSOR in accordance with the arrangements (which shall include frequency of such transfer) set out in the applicable Task Order. MEDPACE shall have the right to retain one copy of any study materials, documentation, and correspondence necessary solely to meet regulatory or MEDPACE's own internal audit requirements, so long as it continues to maintain the confidentiality requirements of Article 8.

13. SPONSOR OBLIGATIONS

SPONSOR acknowledges that performance of the Services by MEDPACE will require the co-operative involvement of both Parties, and SPONSOR hereby agrees to provide such assistance as may be reasonably necessary to enable MEDPACE to perform the Services.

14. INDEMNIFICATION

A. SPONSOR shall indemnify, defend and hold harmless MEDPACE from and against any and all damages, losses, liabilities, costs or expenses (collectively "**Damages**"), resulting or arising from any third-party claims, demands, assessments, actions, suits, investigations or proceedings (collectively "**Claims**"), relating to or arising from or in connection with this Agreement or the Services under any Task Order (including but not limited to any Damages arising from or in connection with any study, test, device, product or potential product to which this Agreement relates), to the extent such Claims or Damages have not resulted from MEDPACE's negligence, willful misconduct, or breach of any applicable law or material breach of this Agreement or any Task Order by MEDPACE.

B. MEDPACE agrees to indemnify, defend and hold harmless SPONSOR from and against any and all Damages resulting or arising from third-party Claims relating to or arising from or in connection with the Services under any Task Order to the extent that such Claims or Damages are determined to have resulted from the negligence, , or willful misconduct of MEDPACE or a breach of any applicable federal, state or local law or a material breach of this Agreement or any Task Order by MEDPACE.

C. Any party providing indemnification under this Agreement shall have the right to control the defense and settlement of any Claims or Damages. The indemnified party shall have the right to obtain separate legal counsel at its own expense if it so chooses. The indemnifying party shall not unreasonably withhold consent for settlement and the indemnified party shall reasonably cooperate in the defense of any Claims or Damages and provide prompt notice to the indemnifying party of any Claims or Damages for which indemnification is sought.

15. LIMITATION OF LIABILITY AND INSURANCE

A. Notwithstanding the terms of Article 14 above in no event shall SPONSOR or MEDPACE be liable for any indirect, incidental, special, or consequential damages or lost profits arising out of the provision of services hereunder, even if the breaching party has been advised of the possibility of such damages. For clarity, other types of damages may be a possible remedy in any suit between the parties (including but not limited to punitive damages).

B. Upon request, each Party shall provide a copy of a certificate evidencing its insurance coverage to the other Party.

16. INSPECTIONS AND AUDITS

A. SPONSOR shall have the right, upon at least ten (10) days' prior written notice to MEDPACE, to examine the standard operating procedures, facilities, books, records, papers, files and documentation, including computer files, data bases and records, at MEDPACE's facilities and the facilities of clinical investigators contracted by MEDPACE to determine the adequacy of such records, to ensure the Services are being performed in accordance with the approved Task Orders and applicable regulations and/or to examine the financial records of MEDPACE as may be reasonably necessary to verify out-of-pocket expenses incurred during the performance of the Services. Such inspections and audits shall be conducted during normal business hours.

B. MEDPACE shall provide reasonable assistance, including making available members of its staff and providing access to all requested records, to facilitate such inspections and audits.

C. MEDPACE shall take all reasonable steps required by SPONSOR to cure any deficiencies found in any audit, inspection or investigation.

D. The obligations herein shall survive termination for a period of 7 years.

17. DEBARMENT

A. MEDPACE hereby represents, warrants, and certifies that neither it nor any of its officers, directors, owners, principals or employees has been or will be at any relevant time hereunder debarred under Section 306 of the Federal Food, Drug and Cosmetic Act, 21 U.S.C. §335a(a) or (b), or similar local law. In the event that any such party becomes debarred, MEDPACE shall notify SPONSOR in writing immediately, and upon SPONSOR's request, such individual shall cease to be involved in the provision of the Services.

B. MEDPACE hereby represents, warrants, and certifies that it has not and shall not use in any capacity the services of any individual, corporation, partnership, or association which has been debarred under Section 306 of the Federal Food, Drug and Cosmetic Act, 21 U.S.C. §335a(a) or (b), or similar local law. In the event MEDPACE becomes aware of or receives notice of the debarment of any individual, corporation, partnership, or association providing services to MEDPACE, which relate to the Services being provided under this Agreement, MEDPACE shall notify SPONSOR in writing immediately, and upon SPONSOR's request, such individual shall cease to be involved in the provision of the Services.

18. NON-SOLICITATION

Neither Party nor its Affiliates shall, during the term of this Agreement and for a period of twelve (12) months following its expiration or termination, either directly or indirectly, hire any employee of the other Party with whom its comes into contact as a result of providing the Services, or recruit, solicit, or entice any such person to become employed by it or any Affiliate and shall not approach any such employee for such purpose or encourage, authorize or approve the taking of such action by any other person. The Parties agree that any breach of this provision would cause irreparable harm and that in addition to any and all other available remedies injunctive relief, without the necessity of a bond or other security, shall be appropriate and available.

19. ENTIRE AGREEMENT

This Agreement, including the attachments hereto, contains the full understanding of the Parties with respect to the subject matter hereof and supersedes all existing agreements and all other oral, written or other communications between the Parties concerning the subject matter hereof. This Agreement shall not be amended, modified or supplemented in any way except in writing and signed by a duly authorized representative of SPONSOR and MEDPACE.

20. GOVERNING LAW

This Agreement and the performance hereof shall be governed, interpreted and construed in all respects by the internal laws of the State of New York. All disputes and claims arising under this Agreement or any Task Order shall be resolved exclusively in a court of applicable jurisdiction located in New York, New York, and each party consents to the venue of any such action; *provided, however*, that injunctive relief may be sought in any court of competent jurisdiction.

21. NO WAIVER

No waiver of any term, provision, or condition of this Agreement whether by conduct or otherwise in any one or more instances shall be deemed to be or construed as a further or continuing waiver of any such term, provisions, or conditions, or of any other term, provision, or condition of this Agreement. Any waiver must be in writing and signed by the party so waiving the term, provision, or condition.

22. INDEPENDENT CONTRACTOR

In fulfilling its obligations pursuant to this Agreement, each Party shall be acting as an independent contractor. Neither Party is granted any right or authority to assume or to create any obligation or responsibility, expressed or implied, on behalf of or in the name of the other Party.

23. FORCE MAJEURE

Neither Party shall be liable or deemed to be in default for any delay due to causes beyond the reasonable control of the Party, such as: war, acts or threats of terrorism, civil disorders, acts of God, or government action; provided, that the affected Party promptly notifies the other of the cause and its effects on the Services to be performed hereunder. Financial difficulty shall never be deemed a force majeure event.

24. SEVERABILITY

In the event any provision of this Agreement shall be determined to be void or unenforceable, the remaining provisions shall remain in full force and effect.

25. ASSIGNMENT

A. Except as set forth herein, neither Party shall assign this Agreement or any Task Order except with the express prior written consent of the other Party.

B. Notwithstanding anything contained herein, a Party may assign this Agreement and/or any Task Order to an Affiliate, and SPONSOR may assign this Agreement and/or any Task Order to a successor in interest to such Party or in the event of a merger or acquisition; in any such event, the Party so assigning shall notify the other Party in writing thereof.

26. SUBCONTRACTING

A. MEDPACE may subcontract any portion of the Services hereunder to an Affiliate without the prior written consent of SPONSOR provided MEDPACE remains liable for the performance of any such Affiliate, such subcontracting shall not derogate from MEDPACE's obligations under this Agreement, and MEDPACE provides prompt written notice of such arrangement to MEDPACE.

27. CONFLICTS BETWEEN AGREEMENTS

In the event that there is any conflict between the provisions of this Agreement and any duly executed Task Order, this Agreement shall control unless the applicable provision in the Task Order clearly states that it shall take precedence over the related provision in this Agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first set forth above.

MEDPACE, INC.

Signature: /s/ John Wynne
By: John Wynne
Title: Executive Director
Business Development Support

ORAMED, LTD.

Signature: /s/ Nadav Kidron
By: Nadav Kidron
Title: CEO

EXHIBIT A

FORM OF TASK ORDER

MEDPACE Task Order Number: _____

MEDPACE Project Number: _____

This Task Order, dated _____, is between **Medpace Inc.** ("MEDPACE"), and **Oramed, Ltd.** ("SPONSOR").

RECITALS:

WHEREAS, MEDPACE and SPONSOR have entered into that certain Master Services Agreement dated _____ (the "Master Services Agreement"); and

WHEREAS, pursuant to the Master Services Agreement, MEDPACE has agreed to perform certain Services in accordance with Task Orders from time to time entered into by the Parties and SPONSOR and MEDPACE now desire to enter into such a Task Order; and

WHEREAS, MEDPACE and SPONSOR desire that MEDPACE provide certain services with respect to _____ (the "Study") for the study of the product _____ ("Study Product") as set out in the Protocol Number: _____, which is incorporated herein by reference;

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the Parties hereby agree as follows:

1. **Scope of Work**. MEDPACE shall perform the services described in the Scope of Work, attached hereto as Appendix 1, in accordance with the Project Schedule, attached hereto as Appendix 2 and any other documents attached to and specifically referenced in this Task Order ("Services").

2. **Compensation**. For performance of these Services, SPONSOR shall pay to MEDPACE an amount equal to the Project Budget set forth in Appendix 3, which amount shall be payable pursuant to the Payment Schedule set forth in Appendix 4. The Project Budget is provided for cost analysis purposes. It is agreed that all fees are fixed prices unless the underlying assumptions (including, but not limited to, trial duration, number of sites/patients, services provided) change and all such changes shall be documented in a Contract Amendment. After staff are assigned, costs are incurred based upon allocation of staff capacity.

3. **Transfer of Obligations.** Sponsor Obligations transferred to MEDPACE by SPONSOR (consistent with the regulations set forth in 21 C.F.R. Section 312, Subpart D) are identified in Appendix 5.

4. **MSA.** The provisions of the Master Services Agreement are hereby expressly incorporated by reference into and made a part of this Task Order.

IN WITNESS WHEREOF, the Parties have hereunto signed this Task Order effective as of the day and year first written above.

MEDPACE, INC.

Signature:_____

By:_____

Title: _____

ORAMED, LTD.

Signature:_____

By:_____
(Print Name)
Title: _____

List of Appendices:

Appendix 1: Scope of Work
Appendix 2: Project Schedule
Appendix 3: Project Budget
Appendix 4: Payment Schedule
Appendix 5: Transfer of Obligations

****CONFIDENTIAL PORTIONS HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND HAVE BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION (THE "COMMISSION").****

TASK ORDER

MEDPACE Task Order Number: 1

MEDPACE Project Number: ORINS07

This Task Order, dated 27 September 2012, is between **Medpace, Inc.** (**"MEDPACE"**), and **Oramed Ltd.,** (**"SPONSOR"**).

RECITALS:

WHEREAS, MEDPACE and SPONSOR have entered into that certain Master Services Agreement dated 27 September 2012 (the "Master Services Agreement"); and

WHEREAS, pursuant to the Master Services Agreement, MEDPACE has agreed to perform certain Services in accordance with Task Orders from time to time entered into by the Parties and SPONSOR and MEDPACE now desire to enter into such a Task Order; and

WHEREAS, MEDPACE and SPONSOR desire that MEDPACE provide certain services with respect to a protocol entitled, *Randomized, Double-Blind, Placebo-Controlled Study to Assess the Safety and Pharmacodynamics of Multiple Oral Bedtime Doses of ORMD-0801 (Insulin Capsules) in Adult Patients with Type 2 Diabetes Mellitus who are Inadequately Controlled with Diet and Metformin* (the "Study") for the study of the product ORMD-0801 ("Study Product") as set out in the Protocol Number: ORA-D-007, which is incorporated herein by reference;

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the Parties hereby agree as follows:

1. Scope of Work: MEDPACE shall perform the services described in the Scope of Work, attached hereto as Appendix 1, in accordance with the Project Schedule, attached hereto as Appendix 2, and protocol version dated 14 August 2012.

2. Compensation: For performance of these Services, SPONSOR shall pay to MEDPACE an amount equal to the Project Budget set forth in Appendix 3, which amount shall be payable pursuant to the Payment Schedule set forth in Appendix 4. The Project Budget is provided for cost analysis purposes. It is agreed that all fees are fixed prices unless the underlying assumptions as written in Appendix # 1 SCOPE OF WORK, and Appendix #2, PROJECT SCHEDULE are changed, and all such changes shall be documented in a Contract Amendment. After staff is assigned, costs are incurred based upon allocation of staff capacity.

3. Third Parties/Vendors: MEDPACE is responsible for coordinating with the vendors which will be selected and approved by SPONSOR. SPONSOR will review and comment on all Third Parties/Vendors contracts prior to MEDPACE's execution of such contracts.

4. Transfer of Obligations: Sponsor Obligations transferred to MEDPACE by SPONSOR (consistent with the regulations set forth in 21 C.F.R. Section 312, Subpart D) are identified in Appendix 5.

5. MSA. The provisions of the Master Services Agreement are hereby expressly incorporated by reference into and made a part of this Task Order.

IN WITNESS WHEREOF, the Parties have hereunto signed this Task Order effective as of the day and year first written above.

MEDPACE, INC.

Signature: /s/ John Wynne
By: John Wynne
Title: Executive Director
Business Development Support

Oramed Ltd.

Signature: /s/ Nadav Kidron
By: Nadav Kidron
Title: CEO

List of Appendices:

Appendix 1: Scope of Work
Appendix 2: Project Schedule
Appendix 3: Project Budget
Appendix 4: Payment Schedule
Appendix 5: Transfer of Obligations

APPENDIX 1: SCOPE OF WORK

Project Specifications

Item	Description
Number of investigators per country	10 sites + 5 Back-up sites (United States)
Number of screened patients	294 patients
Number of randomized patients	147 patients
Duration of enrollment period (first patient in–last patient in)	4 months
Duration of screening/treatment/follow-up period	~7.5 weeks
Duration of Investigator Meeting	1 meeting (12-hour duration); location TBD
Location and duration of Kickoff Meeting	1 meeting at Medpace (8-hour duration)
Teleconferences	26 calls (approx. 2 per month; one hour each)
Number of qualification visits	1 visit
Number of initiation visits	10 visits
Number of routine monitoring visits (RMV)	40 visits
Monitoring frequency	On average, every 5-6 weeks as needed
Number of close-out visits	Assumed part of final RMV
Number of serious adverse events (SAEs)	8 SAEs
Total CRFs	5880 CRFs
CRFs per patient	40 CRFs
Unique CRFs	18 CRFs
Average data points per CRF	12 data points
Number of raw listings	23 raw listings
Number of unique TFLs	25 unique TFLs
Number of version TFLs	25 version TFLs
Study conducted in compliance with SOPs and Policies	Medpace SOPs and Policies

Roles and Responsibilities

1.1 PROJECT START-UP

Oramed	Medpace	N/A	Item	Description
X			Write protocol	
	X		Review protocol	Includes comment from Medpace team
X			Submit protocol amendments	
	X		Develop ICF template	Using Medpace template
X			Review ICF template	
	X		ICF amendments	1 amendment
	X		ICF local customization	Negotiate changes with each site
	X		CRF design	Design of CRFs and completion guidelines
X	X		Site identification	Medpace to identify qualified Investigators; Oramed to select/approve sites; assumes 15 sites selected (10 main sites + 5 back-up sites)
	X		Investigator Meeting Planning	Arrange meeting
	X		Preparation of Investigator Meeting(s)	Preparation and distribution of binders and meeting materials; includes presentation by Medpace associates
	X		Investigator Meeting Attendees	CTM, Medical Expert, Project Coordinator, Data Manager, Statistical Analyst, Safety Manager, IVRS Manager and 3 CRAs; Assumes 1 day meeting
X	X		Investigator Meeting Planner Contract Negotiation and Payment Management	Medpace will negotiate the contract on behalf of Sponsor; Sponsor will sign the contract and make payments to the meeting planner
	X		Kickoff Meeting Attendees	CTM, Medical Expert, Project Coordinator, Project Assistant, Regulatory Submissions Manager, Data Manager, Statistical Analyst, Safety Manager, Safety Specialist and Lead CRA; Assumes 8 hrs. meeting at Medpace office
	X		Submit essential documents to US central IRB	13 sites using central IRB (9 main + 4 back-up sites)
	X		Support sites to submit essential documents to US local IRB	2 site using local IRB (1 main + 1 back-up sites)
	X		Trial Master File set-up and maintenance	Set up and maintain file for all study sites according to Medpace SOPs

1.2 CLINICAL OPERATIONS

Oramed	Medpace	N/A	Item	Description
	X		Clinical trial management	Provide overall study management for 10 sites
	X		Project website	Medpace to develop secure, project-specific website containing relevant information and tools
	X		Newsletters	6 monthly electronic newsletters
	X		Ongoing essential document collection	Ongoing collection and maintenance of site-specific documents
	X		Tracking of study medication shipments	Assumes 2 shipments per site for 10 sites
	X		Supply, packaging, and labeling of study medication	Assumes Medpace will contract and manage packaging, labeling and drug depot vendor
	X		Storage and distribution of Study medication	Assumes Medpace will contract and manage vendor to perform packaging, labeling and drug depot services
X	X		Destruction of study medication	Assumes Medpace will contract and manage drug depot vendor who will destroy drug upon Sponsor approval
	X		Study medication accountability procedures	Follow Medpace SOPs and approved by Sponsor
	X		Site contract negotiation	Negotiate site contract and budget for 15 sites
	X		Investigator payments management	Make 2 quarterly payments per site for 10 sites

X	X		External vendors contract negotiation and management	Assumes Medpace will contract and manage drug depot vendor; Medpace will coordinate the purchase and distribution of CGM devices and study supplies upon sponsor approval
	X		Central lab selection	Please reference MRL budget
	X		Central lab contract negotiation and management	MRL
	X		Central IRB payment management	Assumes 1 central IRB and 2 quarterly payments

1.3 CLINICAL MONITORING

Oramed	Medpace	N/A	Item	Description
	X		Clinical Research Associates (CRAs)	3 CRAs
	X		Qualification visits	1 visit, 4 hrs. on-site; Cost of $2,347 shall be charged for each additional visit
	X		Monitoring plan	Ongoing updates Includes monthly meetings
	X		Site initiation visits	10 visits, 4 hrs. on-site; Cost of $2,347 shall be charged for each additional visit
	X		Routine monitoring visits (RMVs)	40 visits
	X		Frequency of RMVs	On average, every 5-6 weeks, as needed
	X		Estimated on-site time	16 hours
	X		Close-out visits	Assumed combined with final RMV
	X		In-house monitoring coordination	Medpace CRA contact sites to discuss project-specific issues; records maintained in ClinTrak

1.4 CLINICAL SAFETY

Oramed	Medpace	N/A	Item	Description
	X		Medical monitoring	Medical Expert on-call 24/7 during recruitment and treatment periods for 10 sites
	X		Develop Safety Monitoring Plan	Includes one final version and one revision. Assumes utilization of Medpace SOPs
	X		SAE reporting	All SAEs will be reported by sites to Medpace. Includes one initial and two follow-up reports per case; Assumes 8 SAEs; Cost of $1,339 shall be charged for each additional unit
	X		Development of safety database	ARGUS will be used; Medpace to hold database
	X		Enter SAEs into safety database	8 SAEs
	X		Medical monitor review of SAE reports	Includes assessment of expectedness and company causality
	X		Receive, query, and follow-up on reported SAEs	
	X		Generate SAE narratives	Narratives written Clinical Study Report ready. Assumes final approval by Medpace Medical Monitor prior to distribution to sponsor.
	X		Generate expedited SAE reports safety report	Assumes 1 expedited report, if additional events occur, a unit cost of $1,636 per report shall be charged.
X	X		Distribute expedited SAE reports to FDA	Oramed to review and approve prior to submission
	X		Distribute expedited SAE reports to central IRB	Compile and submit documents
	X		Preparation of safety notification letters	Sponsor to review and approve prior to submission
	X		Distribute safety notification letter for this protocol to sites	10 sites
		X	Prepare periodic reports for regulatory authorities	
X	X		Prepare Annual Safety Report	Medpace to prepare safety line listings to be included in IND Annual Report; Oramed will be responsible for IND Annual Report filing
		X	Distribute periodic reports to regulatory authorities/ECs	
		X	Distribute Annual Safety Report to regulatory authorities/ECs	Assumes Oramed will be responsible for IND Annual Report
	X		Ongoing reconciliation between clinical and safety database	A final reconciliation is completed prior to database lock
	X		Ongoing clinical trial AE data review including signal detection and trend analysis	Required per FDA guidance
	X		Write narratives for withdrawals due to AE and/or abnormal lab values for inclusion in clinical study report	Assumes 1 withdrawal due to AE. If additional events occur, a unit cost of $915 shall be charged.

1.5 IVR/IWR SYSTEM

Oramed	Medpace	N/A	Item	Description
	X		Randomization/Drug Supply Management	Provide study-specific system for randomization, patient visit tracking, and customized reports, drug management (via web or phone 24/7), including maintenance and Help Desk. Assumes English language only.

1.6 DATA MANAGEMENT

Oramed	Medpace	N/A	Item	Description
	X		Develop data management (DM) documents	DM documents include: - Database specifications; - Guidelines for the tracking of CRFs and data queries; - Guidelines for entry of the CRF data; and - Database edit check specifications
	X		Database development	EDC system, ClinTrak EDC
	X		Database validation	Medpace SOPs
	X		EDC Help Desk	Medpace provide support via phone/email
	X		DM coordination and status reporting	Medpace coordination includes: - CRF tracking - Data cleaning/editing - Query tracking Medpace monthly DM status reports provided via secure website include: - CRF status by site - Patient status by site - Query status by site
	X		Query tracking/resolution	
	X		Coding of AE/concomitant medications/medical histories	Assumed that Sponsor holds a valid agreement with the Maintenance and Support Services Organization (MSSO) for the MedDRA dictionary and Uppsala Monitoring Centre (UMC) for the WHODrug dictionary
	X		Number of AE codes	5 AE codes per patient
	X		Number of concomitant medications	5 concomitant medications per patient
		X	Number of medical histories/conditions	
	X		Number of external data sources	Assumes MRL
	X		Data transfers from external data sources	2 quarterly transfers from MRL
	X		Data transfers to Sponsor	2 transfers (1 test, 1 final)
	X		Deliver data	CDISC SDTM
	X		Database document	Medpace submission-ready

1.7 STATISTICAL ANALYSIS

Oramed	Medpace	N/A	Item	Description
	X		Develop Statistical Analysis Plan (SAP)	Medpace format and template; Medpace to prepare the SAP to be included in the IND filing. The SAP will be revised (if needed) and finalized prior to the Database Lock.
	X		Programming, validation, and generation of Tables, Figures, Listings (TFLs)	23 raw listings 25 unique TFLs 25 version TFLs 2 derived datasets
	X		Results review meeting	One meeting via teleconference after delivery of analysis results

1.8 MEDICAL WRITING

Oramed	Medpace	N/A	Item	Description
	X		Study report shell (SRS)	SRS incorporates protocol-related and statistical methodology information and in-text table shells in the results sections
X			SRS review	
	X		Pre-final study report (PFSR)	PFSR is a complete version of the report, including results, but without the appendices
X			PFSR review	
	X		Final study report (FSR)	FSR is a complete version of the report including appendices.
	X		Publishing FSR	FSR file is converted to an Adobe PDF file and published by setting applicable document attributes.
	X		Bookmarking/ hyperlinking FSR	Apply internal and external navigation via bookmarking/hyper linking from the FSR to any corresponding appendices

APPENDIX 2: PROJECT SCHEDULE

Task	Date
Medpace Begins Work*	SEP-2012
Final Protocol	SEP-2012
Statistical Analysis Plan (Final Draft for IND Filing)**	15-NOV-2012
First Patient, First Visit	31-JAN-2013
Last Patient, First Visit	02-JUN-2013
Last Patient, Last Visit	25-JUL-2013
Final Database Lock	+ 6 weeks
Final Tables, Figures, and Listings available	+4 weeks
Delivery of Final Clinical Study Report	+ 8 weeks
Medpace Ends Work	NOV-2013

* Assumes Medpace receives final protocol and Investigator Brochure (IB) at start date.

** SAP date (Nov. 15, 2012) will depend on the Task Order signing and Final Protocol date. Medpace requires 6 weeks from these dates (whichever is later) to provide the SAP.

APPENDIX 3: PROJECT BUDGET

		Fee Details			
Medpace Fees		**Unit Desc**	**# Unit**	**Unit Cost**	**Fee**
Start-up Services	Review Protocol	Protocol	1		
	CRF Review/Development	CRF Book	1		
	Investigator Meeting	Meeting	1		
	Kick-Off Meeting	Meeting	1		
	Project Specific Training	Study	1		
	Vendor Contract Negotiation	Vendor	1		
	Investigator Contract Negotiation	Site	1		
	Site Identification/Selection	Site	15		
	Investigator File Set-up	Study	1		
	Initial Essential Document Collection	Site	15		
	Total				
Meetings	Conference Calls	Call	26		
	Total				
Interactive Voice Response System (IVRS)	IVRS Development	System	1		
	IVRS Maintenance and Help Desk	Months	5.8		
	IVRS System Utilization and Hosting	Months	5.8		
	Total				
Project Management	Project Management	Months	5.8		
	Vendor Management	Months	5.8		
	Newsletters	Edition	6		
	Ongoing Essential Document Collection and Review	Months	5.8		
	ICF Amendment	Amendments	1		
	Vendor Payment Administration	Payment	6		
	Investigator Grants Management	Site Payments	20		
	Total				
Clinical Safety	Medical Monitoring	Months	5.8		
	Safety Plan Development	Plan	1		
	SAE Reporting	Events	8		
	Processing Expedited SAE Reports	Events	1		
	Other Narrative Preparation Total	Events	1		
Clinical Monitoring	Monitoring Plan Development and Ongoing Maintenance	Months	5.8		
	Pre-Study Visits	Visits	1		
	Study Initiation Visits	Visits	10		
	Site Management	Site Month	58.1		
	Routine Monitoring Visits	Visits	40		
	Total				

THE CONFIDENTIAL PORTION HAS BEEN SO OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND HAS BEEN FILED SEPARATELY WITH THE COMMISSION.

Medpace Fees		Fee Details			
		Unit Desc	# Unit	Unit Cost	Fee
Data Management	Data Management Manual	Study	1		
	Database Development	Database	1		
	Database Conversion (CDISC)	Database	1		
	EDC User Acceptance Testing	UAT	1		
	Data Entry and Cleaning	CRF Book	5880		
	EDC Help Desk	Site Months	58.1		
	DM Coordination and Status Reports	Months	5.8		
	EDC System Utilization and Hosting	Months	5.8		
	Total				
Biostatistics	Analysis Plan	Ran	1		
	Analysis Programming and Generation	Analysis	1		
	Raw Data Listings	Raw Listings	23		
	Unique TLFs	Unique TFL	25		
	Version TLFs	Version TFL	25		
	Total				
Medical Writing	Clinical Study Report	Study Report	1		
	Total				
Total Direct Fees					**$1,267,246.18**

THE CONFIDENTIAL PORTION HAS BEEN SO OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND HAS BEEN FILED SEPARATELY WITH THE COMMISSION.

		Fee Details			
		Unit Desc	# Unit	Unit Cost	Fee
Pre-Funded Expenses	Investigator Payments	Randomized Patients	147		
	Drug Packaging, labeling and Depot Fees	Study	1		
	Central Laboratory Fees (MRL)	Study	1		
	Study Specific Supplies (CGM & Supplies)	Study	1		
	CGM Data Management Software (SweetSpot)	System	1		
Total Pre-Funded Expenses:					**$1,686,001.56**
Pass-Through Costs	Monitoring Tray el	Visit	51		
	Central IRB Fees	Study	1		
	Telecommunication Fees	Calls	26		
	Misc. Printing/Copying/Shipping	Sites	10		
	Meeting Expense	Study	1		
Total Pass Through Costs:					**$80,201.00**

THE CONFIDENTIAL PORTION HAS BEEN SO OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND HAS BEEN FILED SEPARATELY WITH THE COMMISSION.

Sponsor Directly Paid Vendor Investigator Meeting Planner Fee	Meetings	1	**THE CONFIDENTIAL PORTION HAS BEEN SO OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND HAS BEEN FILED SEPARATELY WITH THE COMMISSION.**	
Total Sponsor Directly Paid Vendor Fee				**$83,450.00**

APPENDIX 4: PAYMENT SCHEDULE

Payment Schedule

Payment Schedule				
Project Sponsor:	**Ph II Study of ORMD-0801 in Patients w/ T2DM Total Direct Fees: $ 1,267,246 Oramed Pharmaceuticals, Ltd.**			
Payment Number	**Milestones**	**Approximate Date**	**Amount to Pay**	**Percentage**
1	Task Order Signed	Sep-12	$ 63,362	5.0%
2	Kick-Off Meeting	11/5/2012	$ 139,397	11.0%
3	Investigator Meeting	1/3/2013	$ 76,035	6.0%
4	First Patient Screened	1/31/2013	$ 190,087	15.0%
5	25% Patients Enrolled	3/16/2013	$ 190,087	15.0%
6	50% Patients Enrolled	4/18/2013	$ 190,087	15.0%
7	Last Patient Screened	6/2/2013	$ 164,742	13.0%
8	Last Patient Complete	7/25/2013	$ 126,725	10.0%
9	Submission of Clinical Study Report to Sponsor for Final Approval	11/30/2013	$ 126,725	10.0%
		Total Payments:	$ 1,267,246	100%

****THE CONFIDENTIAL PORTION HAS BEEN SO OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND HAS BEEN FILED SEPARATELY WITH THE COMMISSION.** of the total Pre-funded Expenses and $8,020 (10%) of total Pass-through Costs will be invoiced and due upon completion of the Kick-Off Meeting. Medpace will invoice Sponsor as needed for actual Pre-funded Expenses incurred. Sponsor shall pay such invoice within twenty (20 days) of receipt. If sufficient funds are not received from Sponsor, payments to Pre-funded Vendors may be delayed.**

Medpace shall apply the initial **THE CONFIDENTIAL PORTION HAS BEEN SO OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND HAS BEEN FILED SEPARATELY WITH THE COMMISSION. Pre-funded amount paid upon completion of the Kick-Off Meeting, against the last invoice of actual-Pre-funded Expenses, and reconcile the balance. Pass-through Costs will be billed to Sponsor on a monthly basis or as incurred.**

Payment Information and General Conditions

Pass-through Costs and Pre-funded Expenses

Any sums quoted with respect to pass-through costs and pre-funded expenses are provisional, pending discussion with third parties and are not necessarily exhaustive. While Medpace will endeavor to negotiate favorable rates for pass-through costs and pre-funded expenses, final costs may be dependent upon factors that are outside the control of Medpace. Payments made to third parties are not subject to mark-up charges.

Pass-through costs may include, but are not limited to, project-specific printing, shipping, copying and binding costs, telecommunication and data costs, travel costs, including subsistence and accommodation costs in compliance with the Medpace travel policy, literature search and article retrieval costs, translation costs, central IRB fees, EC/regulatory fees, and pharmacy fees. Costs associated with, project-specific printing, copying and binding are as detailed in the table below.

Item	Cost*	Description
b/w print, 20-24 lb.	0.15	total sheets, includes all impressions, sizes, or cuts
color print, 20-24 lb.	0.20	total sheets, includes all impressions, sizes, or cuts
b/w print, 28-60 lb.	0.20	total sheets, includes all impressions, sizes, or cuts
color print, 28-60 lb.	0.25	total sheets, includes all impressions, sizes, or cuts
b/w waterproof	1.05	total sheets, includes all impressions, sizes, or cuts
color waterproof	1.10	total sheets, includes all impressions, sizes, or cuts
tabs 5-bank	3.00	
laminating pouches	0.95+	Plus cost of color or b/w print
card/cover stock	0.30	color only
folder	0.50	2-pocket, usually includes label
binder 1"	8.00	includes front cover and spine
binder 1.5"	10.00	includes front cover and spine
binder 3"	15.00	includes front cover and spine
plastic coil binding 1/4"	0.75	
plastic coil binding 3/8"	1.10	
plastic coil binding 1/2"	1.50	
plastic coil binding 1"	3.00	
CDs	0.28	per CD
CD labels	0.18	per label

*Currency is Euros for Europe, Israel, and South Africa; US dollars for remaining regions. Costs are subject to change based on fluctuations in supplier prices.

Medpace will pass-through mobile communication and data charges up to $25 per travel day. This will include a standard daily rate and other internet charges (e.g. hotel, airline)

Item	Cost	Description
Mobile communication and data standard daily rate	$10/8€*	cost per day while CRA is traveling
Other internet charges by use (receipt required)	Up to $15	

*Currency is Euros for Europe, Israel, and South Africa; US dollars for remaining regions

Pre-funded Expenses

Pre-funded expenses may include, but are not limited to, Investigator Meeting planner fees, Investigator fees, drug packaging and labeling, EDC vendor fees, and laboratory fees. Investigator fees are an estimate generated on Medpace's initial feasibility and prior experience in this therapeutic area. The investigator fee amount is subject to changes of +/- 20% of the total amount after completion of a full feasibility and final site selection. The laboratory fee amount is subject to change after finalization of the laboratory services agreement.

Additional Costs

This is a fixed-price Task Order for direct fees, based upon the project specifications and assumptions detailed herein. The project budget and the unit costs upon which it was generated is provided for cost analysis purposes.

All direct fees are fixed costs unless the underlying assumptions change, including but not limited to, protocol, trial duration, number of investigative sites, number of patients, and services provided by Medpace. All such changes shall be documented in a contract amendment. After staff are assigned, costs are incurred based upon allocation of staff capacity.

Inflation

The fees stipulated in the fee estimate include inflation for the duration of the study as specified in this Task Order. Any significant shift in timelines will require a revision to the fees.

Currency

The currency of the Task Order is Unites States Dollars (USD).

Applicable Taxes

All direct fees, pass-through costs, and pre-funded expenses are quoted excluding any applicable taxes, which include but are not limited to Value Added Tax (VAT), Harmonized Sales Tax (HST), Goods and Services Tax (GST), which may be payable to Medpace by Sponsor.

Appendix 5: Transfer of Obligations

CONFIDENTIAL

Directions: Complete a form for each clinical study where Sponsor obligations have been transferred in accordance with 21 CFR Part 312, Subpart D (Responsibilities of Sponsors). Forward the completed form to Sponsor's Regulatory Affairs Department for submission to the applicable regulatory agencies.

Drug:	ORMD-0801	Study ID:	ORINS07
Study Title:	Randomized, Double-Blind, Placebo-Controlled Study to Assess the Safety and Pharmacodynamics of Multiple Oral Bedtime Doses of ORMD-0801 (Insulin Capsules) in Adult Patients with Type 2 Diabetes Mellitus who are Inadequately Controlled with Diet and Metformin		
CRO Name:	Medpace, Inc.		
CRO Address:	5375 Medpace Way, Cincinnati, OH 45227		

Obligations Transferred to Medpace: R the Appropriate Box(es).

☐ All obligations in 21 CFR 312, Subpart D (Responsibilities of Sponsors) have been transferred to Medpace.

☒ The following obligations have been transferred to Medpace:

Sec. 312.32: IND Safety Reports

☒ Promptly review safety information.

☐ Notify all participating investigators in a written IND safety report of any AE associated with the drug that is both serious and unexpected.

☐ Notify the FDA in a written IND safety report of any AE associated with the drug that is both serious and unexpected.

Sec. 312.53: Selecting investigators and monitors

☒(a) Select qualified investigators

☐(b) Control investigational drug shipment

☒(c) Obtain information from investigators

- ☒ (1) Signed Form FDA-1572
- ☒ (2) CV or other qualification statement
- ☒ (3) Clinical protocol outline
- ☒ (4) Financial disclosure information

(d) Select qualified monitors

Sec. 312.54: Emergency research

☐ (a) Monitor the progress of all studies involving an exception from informed consent.

☐ (b) Monitor such studies to identify when an IRB determines that it can't approve the research.

Sec. 312.55: Informing investigators

☒ (a) Provide sites with the current Inv. Brochure.

☒ (b) Inform investigators of new observations on the drug, particularly with respect to AEs and safe use.

Sec. 312.56: Review of ongoing investigations

☐ (a) Monitor the progress of all IND studies.

☒ (b) Secure compliance from noncompliant investigators or discontinue drug shipments and end the investigator's participation in the study.

☒ (c)Review and evaluate the safety and efficacy results as it is obtained from the investigator.

☒ (d) Discontinue use of the investigational drug if it is determined to present an unreasonable and significant risk to subjects, notify all IRBs and investigators, and assure the return or alternate disposition of the drug from the investigators.

Sec. 312.57: Record keeping and record retention

☒ (a) Maintain adequate records showing investigational drug receipt, shipment, or other disposition.

☐ (b) Maintain complete and accurate records showing any financial interests of the investigator subject to 21 CFR 54.

☐ (c) Retain the records and reports required by the regulations for 2 years after the marketing application is approved, or if not approved, until 2 years after investigational drug shipment is discontinued and FDA has been notified.

☐ (d) Retain reserve samples of any test article and reference standard identified and used in bioequivalence or bioavailability studies.

Sec. 312.58: Inspection of sponsor's records and reports

☒ (a) Permit FDA personnel to have access to and copy and verify any records and reports related to the clinical investigation.

☐ (b) Permit DEA personnel to have access to and copy records related to the shipment, delivery, receipt and disposition of any investigational controlled substance. Assure adequate storage precautions are taken for investigational new drug substances listed in any schedule of the Controlled Substances Act.

Sec. 312.59: Disposition of unused supply of investigational drug

☐ Assure the return (or alternate disposition) of all unused supplies of the investigational drug from each discontinued/terminated investigator; maintain written records of any disposition of the investigational drug.

(a) Other

☐ Please describe any other applicable transfers below:

Exhibit 10.23

Executed Version

SECURITIES PURCHASE AGREEMENT

This Securities Purchase Agreement (this **"Agreement"**) is dated as of October 30, 2012, among Oramed Pharmaceuticals Inc., a Delaware corporation (the **"Company"**), and D.N.A Biomedical Solutions Ltd., an Israeli company (referred to herein as "**D.N.A**" or an **"Investor"**).

WHEREAS, subject to the terms and conditions set forth in this Agreement and pursuant to the Securities Act of 1933, as amended (the **"Securities Act"**) and Regulation S promulgated thereunder, the Company desires to issue and sell to the Investor, and the Investor, desires to purchase from the Company certain securities of the Company, and the Investor desires to issue and sell to the Company, and the Company, desires to purchase from the Investor certain securities of the Investor, all as more fully described in this Agreement.

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

ARTICLE I.
DEFINITIONS

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

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

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

"Closing Date" means the Trading Day when all of the conditions precedent to (A) the Investor's obligations to issue the Option to the Company and (B) the Company's obligations to deliver the Oramed Shares have been satisfied or waived.

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

"**D.N.A Ordinary Shares**" means the ordinary shares of D.N.A, no par value, and any other class of securities into which such ordinary shares may hereafter be reclassified or changed into.

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

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

"Oramed Shares" means the 2,390,057 shares of Common Stock issued or issuable to the Investor pursuant to this Agreement.

"Option" means the option to purchase 21,637,611 D.N.A Ordinary Shares in the form attached hereto as Exhibit A.

"Option Shares" means the D.N.A Ordinary Shares issuable upon exercise of the Option.

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

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

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

"Securities" means the Oramed Shares, the Option and the Option Shares.

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

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

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

ARTICLE II.
PURCHASE AND SALE

2.1 Closing. On the Closing Date, subject to the terms and conditions set forth in this Agreement, the Company shall issue and sell to the Investor, and the Investor, shall purchase from the Company, the Oramed Shares set forth opposite the Investor's name on Schedule 1. Upon satisfaction of the conditions set forth in Sections 2.2 and 2.3, the Closing shall occur at such location as the parties shall mutually agree.

2.2 Deliveries.

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

(b) On the Closing Date, the Company shall deliver to the Investor irrevocable instructions to its transfer agent authorizing the transfer agent to issue to the Investor a certificate evidencing the Oramed Shares, and to register such shares in the name of the Investor.

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

(i) the Option, in full payment for the Oramed Shares, and

(ii) A copy of the application of DNA for the approval of the TASE Board of Directors to list the Option Shares.

2.3 Closing Conditions.

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

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

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

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

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

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

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

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

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

ARTICLE III.
REPRESENTATIONS AND WARRANTIES

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

(a) Organization, Good Standing and Qualification of the Company. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. The Company has all requisite corporate power and authority to own and operate its properties and to carry on its business as now being conducted and as proposed to be conducted. The Company is duly qualified to do business as a foreign corporation and is in good standing in each jurisdiction in which failure to so qualify would materially and adversely affect the business, properties, operations, prospects or condition, financial or otherwise, of the Company. The resolutions adopted by the directors of the Company on October 29, 2012 authorizing the transactions contemplated by the Transaction Documents have not been amended or modified in any way, have not been rescinded and are in full force and effect on the date hereof.

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

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

(d) Capitalization. The authorized capital of the Company as of the date hereof consists of 200,000,000 shares of Common Stock, of which there were (i) 80,548,989 issued and outstanding as of the date hereof as fully paid and non-assessable shares; (ii) options and/or warrants to purchase 15,118,310 shares of Common Stock; and (iii) employee and directors options to purchase 7,824,000 shares of Common Stock. As of the date hereof, the Company has not issued any capital stock since its most recently filed periodic report under the Exchange Act, other than pursuant to the exercise of employee stock options under the Company's stock option plans and the issuance of shares of Common Stock to employees pursuant to the Company's employee stock purchase plan outstanding as of the date of the most recently filed periodic report under the Exchange Act. All of the outstanding shares of capital stock of the Company are validly issued, fully paid and nonassessable. No further approval or authorization of any stockholder or the Board of Directors of the Company is required for the issuance and sale of the Oramed Shares. The issuance of the Oramed Shares pursuant to the provisions of this Agreement will not violate any preemptive rights or rights of first refusal granted by the Company that will not be validly waived or complied with, and will be free of any liens or encumbrances, other than any liens or encumbrances created by or imposed upon the Investor through no action of the Company. There are no stockholders agreements, voting agreements or other similar agreements with respect to the Company's capital stock to which the Company is a party or, to the knowledge of the Company, between or among any of the Company's stockholders.

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

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

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

(h) Regulatory Matters. The clinical, pre-clinical and other trials, studies and tests conducted by or on behalf of or sponsored by the Company relating to its pharmaceutical product candidates were and, if still pending, are being conducted in all material respects in accordance with medical and scientific protocols and research procedures that the Company reasonably believes are appropriate. The descriptions of the results of such trials, studies and tests as set forth in the SEC Documents (as defined in Section 3(i) of this Agreement), provided to the Investor are accurate in all material respects and fairly present the data derived from such trials, studies and tests. All clinical trials conducted by the Company have been in compliance in all material respects with applicable laws and regulations. The Company has not received any warning letters or written correspondence from the FDA and/or any other governmental entity or agency requiring the termination, suspension or modification of any clinical, pre-clinical and other trials, studies or tests that are material to the Company. None of the clinical trials that the Company is currently conducting or sponsoring is subject to any temporary or permanent clinical hold by the FDA or any other governmental entity or agency, and the Company has no reason to believe that such clinical trials will be subject to any such action.

(i) SEC Documents; Financial Statements. For the past twelve (12) months, the Company has filed all reports, schedules, forms, statements and other documents required to be filed by it with the SEC pursuant to the reporting requirements of the Exchange Act (all of the foregoing filed prior to the date hereof and all exhibits included therein and financial statements, notes and schedules thereto and documents incorporated by reference therein being hereinafter referred to as the "**SEC Documents**"). The Company has delivered to the Investor or their respective representatives true, correct and complete copies of each of the SEC Documents not available on the Electronic Data Gathering, Analysis, and Retrieval system of the SEC that have been requested by Investor. As of their respective dates, the SEC Documents complied as to form in all material respects with the requirements of the Exchange Act and the rules and regulations of the SEC promulgated thereunder applicable to the SEC Documents, and none of the SEC Documents, at the time they were filed with the SEC, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. As of their respective dates, the financial statements of the Company included in the SEC Documents complied as to form in all material respects with applicable accounting requirements and the published rules and regulations of the SEC with respect thereto as in effect as of the time of filing. Such financial statements have been prepared in accordance with generally accepted accounting principles ("**GAAP**"), consistently applied, during the periods involved (except (i) as may be otherwise indicated in such financial statements or the notes thereto, or (ii) in the case of unaudited interim statements, to the extent they may exclude footnotes or may be condensed or summary statements) and fairly present in all material respects the financial position of the Company as of the dates thereof and the results of its operations and cash flows for the periods then ended (subject, in the case of unaudited statements, to normal year-end audit adjustments). The Company has no liabilities or obligations required to be disclosed in the SEC Documents that are not so disclosed in the SEC Documents, other than those incurred in the ordinary course of the Company's business.

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

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

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

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

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

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

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

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

(r) The Company represents that it is capable of evaluating the merits and risks of the transactions contemplated hereunder, and that it shall solely bear all such economic risks.

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

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

(u) The Company is, and will be, acquiring the Option and the Option Shares as principal for its own account for investment purposes only and not with a view to or for distributing or reselling such Option and the Option Shares or any part thereof, without prejudice, however, to the Company's right, to sell or otherwise dispose of all or any part of such Option and the Option Shares in compliance with applicable securities laws. The Company hereby acknowledges that the Option Shares are subject to a resale restriction pursuant to applicable Israeli law and regulations.

(v) The Company's wholly owned Israeli subsidiary, currently holds 8,404,667 D.N.A Ordinary Shares. The Company is aware of the Investor's obligation to file an immediate report with the Israel Securities Authority (the "**ISA**") regarding this Agreement. The Company is aware of the obligations under Israeli law of an “interested party” to promptly report to the Investor any changes in its ownership of D.N.A Ordinary Shares.

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

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

3.2 Representations and Warranties of the Investor. The Investor, hereby represents and warrants to the Company as follows:

(a) Organization, Validity and Qualification of the Investor. The Investor is a company duly organized and validly existing under the laws of the State of Israel. . The Investor has all requisite corporate power and authority to own and operate its properties and to carry on its business as now being conducted and as proposed to be conducted. The Investor is duly qualified to do business as a foreign corporation and is in good standing in each jurisdiction in which failure to so qualify would materially and adversely affect the business, properties, operations, prospects or condition, financial or otherwise, of the Investor. The resolutions adopted by the directors of the Investor on September 9, 2012 authorizing the transactions contemplated by the Transaction Documents have not been amended or modified in any way, have not been rescinded and are in full force and effect on the date hereof.

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

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

(d) Capitalization. The authorized capital of the Investor as of the date hereof consists of 1,000,000,000 ordinary shares, of which there were a total of (i) 186,112,740 ordinary shares issued and outstanding as of the date hereof as fully paid and nonassessable shares; (ii) options (including employee stock options) and/or warrants to purchase 16,111,810 ordinary shares; and (iii) 4,154,868 Series B bonds convertible into 692,478 ordinary shares. All of the outstanding shares of share capital of the Investor are validly issued, fully paid and nonassessable. The issuance of the Option and the Option Shares pursuant to the provisions of the Transaction Documents will not violate any preemptive rights or rights of first refusal granted by the Investor that will not be validly waived or complied with, and will be free of any liens or encumbrances. Other than a verbal understanding between Mr. Zeev Bronfeld and Mr. Meni Mor, each a controlling shareholder of the Investor, to act in concert with respect to the ordinary shares of the Investor held by each of them, there are no shareholders agreements, voting agreements or other similar agreements with respect to the Investor's share capital to which the Investor is a party or, to the knowledge of the Investor, between or among any of the Investor's shareholders, including the Company. No further approval or authorization of any stockholder or the Board of Directors of the Investor is required for the issuance and sale of the Option or the Option Shares.

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

(f) Compliance with Laws. Except as set forth in the letter attached hereto as **Exhibit B**, the Investor is not in violation of any statute, law, rule or regulation, or in default with respect to any judgment, writ, injunction, decree, rule or regulation of any court or governmental agency or instrumentality, except for such violations or defaults which do not materially and adversely affect the business, assets, operations, prospects or condition, financial or otherwise, of the Investor.

(g) Filings, Consents and Approvals. Except for the requisite approval of the TASE, no registration or filing with, or consent or approval of or other action by, any government agency under laws and regulations thereof as now in effect is or will be necessary for the valid execution, delivery and performance by the Investor of the Transaction Documents, and the issuance, sale and delivery of the Option and the Option Shares. The ISA has the right to comment on private placements in Israel. All reports delivered by the Investor in accordance with applicable TASE and ISA regulations were true and correct and did not contain any misleading information as such term is defined in the Israeli Securities Law, 5728-1968.

(h) Intentionally Left Blank.

(i) SEC Documents; Financial Statements. Except as set forth in the letter attached hereto as **Exhibit B**, for the past twelve (12) months, the Investor has filed all reports, schedules, forms, statements and other documents required to be filed by it with the ISA pursuant to the reporting requirements of applicable law (all of the foregoing filed prior to the date hereof and all exhibits included therein and financial statements, notes and schedules thereto and documents incorporated by reference therein being hereinafter referred to as the "**ISA Documents**"). The Investor has delivered to the Company or their respective representatives true, correct and complete copies of each of the ISA Documents not available on MAGNA that have been requested by the Company. As of their respective dates, the ISA Documents complied as to form in all material respects with the requirements of applicable law, and none of the ISA Documents, at the time they were filed with the ISA, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. Except as set forth in the letter attached hereto as **Exhibit F**, as of their respective dates, the financial statements of the Investor included in the ISA Documents complied as to form in all material respects with applicable accounting requirements and the published rules and regulations of the ISA with respect thereto as in effect as of the time of filing. Such financial statements have been prepared in accordance with GAAP, consistently applied, during the periods involved (except (i) as may be otherwise indicated in such financial statements or the notes thereto, or (ii) in the case of unaudited interim statements, to the extent they may exclude footnotes or may be condensed or summary statements) and fairly present in all material respects the financial position of the Investor as of the dates thereof and the results of its operations and cash flows for the periods then ended (subject, in the case of unaudited statements, to normal year-end audit adjustments). The Investor has no liabilities or obligations required to be disclosed in the ISA Documents that are not so disclosed in the ISA Documents, other than those incurred in the ordinary course of the Investor's business.

(j) Absence of Changes. The ordinary shares of the Investor are listed on the TASE. No order ceasing, halting or suspending trading in the ordinary shares or prohibiting the sale of the ordinary shares has been issued to and is outstanding against the Investor or its directors, officers or promoters, and, to the best of the Investor's knowledge, no investigations or proceedings for such purposes are pending or threatened. The Investor has not, received notice (written or oral) from the TASE to the effect that the Investor is not in compliance with the listing or maintenance requirements of the TASE. The Investor is not, and has no reason to believe that it will not in the foreseeable future continue to be, in compliance with all such listing and maintenance requirements. The Investor has not taken any action which would be reasonably expected to result in the delisting or suspension of quotation of the ordinary shares on or from the TASE and the Investor has complied in all material respects with the rules and regulations of eligibility on the TASE. The Investor has not taken any steps to seek protection pursuant to any bankruptcy law nor does the Investor have any knowledge or reason to believe that its creditors intend to initiate involuntary bankruptcy proceedings or any actual knowledge of any fact which would reasonably lead any creditor or creditors to do so. The Investor does not intend to incur debts beyond its ability to pay such debts as they mature (taking into account the timing and amounts of cash to be payable on or in respect of its debt). The ISA Documents set forth as of the dates thereof all outstanding secured and unsecured Investor Indebtedness of the Investor or any subsidiary, or for which the Investor or any subsidiary has commitments. For the purposes of this Agreement, "**Investor Indebtedness**" shall mean with respect to the Investor and any subsidiary (a) any liabilities for borrowed money or amounts owed (other than trade accounts payable incurred in the ordinary course of business), (b) all guaranties, endorsements and other contingent obligations in respect of Investor Indebtedness of others, whether or not the same are or should be reflected in the Investor's balance sheet (or the notes thereto), except guaranties by endorsement of negotiable instruments for deposit or collection or similar transactions in the ordinary course of business; and (c) the present value of any lease payments due under leases required to be capitalized in accordance with GAAP. Neither the Investor nor any subsidiary is in default with respect to any Investor Indebtedness.

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

(l) Offering. The offer, issue, and sale of the Option and the Option Shares contemplated hereby are exempt from the prospectus requirements of under the Israeli Securities Law, 5728-1968. Neither the Investor nor any authorized agent acting on its behalf will knowingly take any action hereafter that would cause the loss of such exemptions. The Investor has not offered or sold its ordinary shares or related derivative securities to more than 35 investors (excluding qualified institutional investors) during the past 12 months.

(m) No General Solicitation; Placement Agent's Fees. Neither the Investor, nor any of its Affiliates, nor any person acting on its or their behalf, has engaged in any form of general solicitation or general advertising in connection with the offer or sale of the Option or the Option Shares. The Investor shall be responsible for the payment of any placement agent's fees, financial advisory fees, or brokers' commissions (other than for persons engaged by any Investor or its investment advisor) relating to or arising out of the issuance of the Option and the Option Shares.

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

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

(p) Investor Status. At the time the Investor was offered the Oramed Shares, it was, and at the date hereof it is, an "accredited investor" as defined in Rule 501(a) under the Securities Act and a non-"U.S. person" within the meaning of Rule 902(k) promulgated under the Securities Act (and the Investor is not purchasing for the account or benefit of a U.S. Person). At the time of the offer and sale of the Oramed Shares, the Investor was not located in the United States. The Investor is not required to be registered as a broker-dealer under Section 15 of the Securities Exchange Act of 1934, as amended.

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

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

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

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

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

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

(w) Disclosure. All disclosure provided to the Company with regard to the representations and warranties contained in this Section 3.2 regarding the Investor, its business and the transactions contemplated hereby, furnished in writing by the Investor is true and correct in all material respects and does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, together with the disclosure in the ISA Documents, not misleading.

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

ARTICLE IV.
MISCELLANEOUS

4.1 Certificates; Resales.

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

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

> THESE SECURITIES HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL TO THE TRANSFEROR TO SUCH EFFECT, THE SUBSTANCE OF WHICH SHALL BE REASONABLY ACCEPTABLE TO THE COMPANY. THESE SECURITIES MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT SECURED BY SUCH SECURITIES.

(c) Certificates evidencing the Oramed Shares shall not contain any legend (including the legend set forth in Section 5.1(b) of this Agreement), (i) following a sale of such securities pursuant to an effective registration statement, or (ii) following any sale of such Shares pursuant to Rule 144 (assuming the transferor was not an Affiliate of the Company), or (iii) if such legend is not required under applicable requirements of the Securities Act (including judicial interpretations and pronouncements issued by the staff of the SEC). The Company may not make any notation on its records or give instructions to any transfer agent of the Company that enlarge the restrictions on transfer set forth in this Section 5.1(c) except in the case of an Investor or its permitted transferee becoming an Affiliate. Certificates for Oramed Shares subject to legend removal hereunder shall be transmitted by the transfer agent of the Company to the Investor by crediting the account of the Investor's prime broker with the Depository Trust Company System.

(d) The Option Shares are subject to a resale restriction pursuant to applicable Israeli law and regulations.

4.2 Indemnification.

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

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

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

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

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

If to the Company: Oramed Pharmaceuticals Inc.

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

With a copy to:

Goldfarb Seligman & Co., Law Offices
Electra Tower, 98 Yigal Alon Street
Tel Aviv 67891, Israel
Attn: Adam M. Klein, Adv.
Facsimile: +972-3-608-9855

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

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

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

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

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

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

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

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

4.13 Publicity. Each of the parties hereto shall coordinate with each other all publicity relating to the transactions contemplated by this Agreement, and shall not issue any press release, immediate report or other filing with the ISA relating to this Agreement or the transactions contemplated by this Agreement without first obtaining the prior consent of the other or its representative, except that neither party shall be precluded from making such filings or giving such notices as may be required by law or the rules of any stock exchange. Each of the parties hereto shall cooperate and shall use their reasonable efforts to agree on the form and substance of the report to be filed by the Investor with the ISA relating to the transactions contemplated by this Agreement.

4.14 TASE Listing. For so long the Option is outstanding or the Company holds any of the D.N.A Ordinary Shares, the Investor shall use its best efforts to maintain its listing on the TASE and shall comply with all reporting requirements under applicable law.

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

4.16 Governing Law; Venue and Waiver of Jury Trial. This Agreement is to be construed in accordance with and governed by the internal laws of the State of Delaware without giving effect to any choice of law rule that would cause the application of the laws of any jurisdiction to the rights and duties of the parties. The Company and the Investor agree that any suit, action, or proceeding arising out of or relating to this Agreement shall be brought to any court of competent jurisdiction sitting in Wilmington, Delaware and that the parties shall submit to the jurisdiction of such court. The parties irrevocably waive, to the fullest extent permitted by law, any objection the party may have to the laying of venue for any such suit, action or proceeding brought in such court. THE PARTIES ALSO EXPRESSLY WAIVE ANY RIGHT THEY HAVE OR MAY HAVE TO A JURY TRIAL OF ANY SUCH SUIT, ACTION OR PROCEEDING. If any one or more provisions of this Section 4.14 shall for any reason be held invalid or unenforceable, it is the specific intent of the parties that such provisions shall be modified to the minimum extent necessary to make it or its application valid and enforceable.

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

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, THE PARTIES HERETO HAVE CAUSED THIS SECURITIES PURCHASE AGREEMENT TO BE DULY EXECUTED BY THEIR RESPECTIVE AUTHORIZED SIGNATORIES AS OF THE DATE FIRST INDICATED ABOVE.

ORAMED PHARMACEUTICALS INC.

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

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK
SIGNATURE PAGES FOR INVESTORS FOLLOW]

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

Name of Investor: D.N.A Biomedical Solutions Ltd.

Signature of Authorized Signatory of Investor: /s/ Zeev Bronfeld /s/ Meni Mor

Name of Authorized Signatory: Zeev Bronfeld and Meni Mor

Title of Authorized Signatory: Director and Director

Email Address of Investor:_____

Social Security or Taxpayer Identification Number _____

Address for Notice of Investor:

Shimon Hatarasi 43, Tel Aviv 62492, Israel
Facsimile: [_____]

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

_____
_____
_____
_____

SCHEDULE 1

Investor	Number of Shares
D.N.A Biomedical Solutions Ltd.	2,390,057

Exhibit 21.1

SUBSIDIARY

Oramed Ltd. - Incorporated in the State of Israel

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statement on Form S-8 (No. 333-163919) of Oramed Pharmaceuticals Inc. of our report dated December 11, 2012 relating to the financial statements which appears in this Form 10-K.

/s/ Kesselman & Kesselman,

Kesselman & Kesselman
Certified Public Accountants (lsr.)
A member firm of PricewaterhouseCoopers International Limited

Tel Aviv, Israel
December 11, 2012

Exhibit 23.2

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference of our report dated December 10, 2007 relating to the inception through August 31, 2007 audited financial statements of Oramed Pharmaceuticals, Inc. which appears in this Annual Report on Form 10-K for that period in the Registration Statement on Form S-8 no. (333-164288).

/s/ MaloneBailey, LLP

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

December 11, 2012

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

NEXIA INTERNATIONAL

Registered Public Company Accounting Oversight Board • AICPA

EXHIBIT 31.1

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO RULE 13a-14(a) AND 15d-14(a)
UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED**

I, Nadav Kidron, certify that:

1. I have reviewed this Annual Report on Form 10-K of Oramed Pharmaceuticals Inc.;

2. Based on my knowledge, this 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 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 officer(s) 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 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 (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant 's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting 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.

Date: December 11, 2012

By: /s/ Nadav Kidron
Nadav Kidron
President and Chief Executive Officer

EXHIBIT 31.2

**CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO RULE 13a-14(a) AND 15d-14(a)
UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED**

I, Yifat Zommer, certify that:

1. I have reviewed this Annual Report on Form 10-K of Oramed Pharmaceuticals Inc.;

2. Based on my knowledge, this 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 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 officer(s) 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 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 (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting 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.

Date: December 11, 2012

By: /s/ Yifat Zommer
Yifat Zommer
Chief Financial Officer

EXHIBIT 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350

In connection with the annual report of Oramed Pharmaceuticals Inc., or the Company, on Form 10-K for the period ended August 31, 2012, as filed with the Securities and Exchange Commission on the date hereof, or the Report, I, Nadav Kidron, President, Chief Executive Officer and a Director of the Company, certify, pursuant to 18 U.S.C. Section 1350, that to my knowledge:

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 results of operations of the Company.

Dated: December 11, 2012

/s/ Nadav Kidron
Nadav Kidron, President and Chief Executive Officer

EXHIBIT 32.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350

In connection with the annual report of Oramed Pharmaceuticals Inc., or the Company, on Form 10-K for the period ended August 31, 2012, as filed with the Securities and Exchange Commission on the date hereof, or the Report, I, Yifat Zommer, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, that to my knowledge:

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 results of operations of the Company.

Dated: December 11, 2012

/s/ Yifat Zommer
Yifat Zommer, Chief Financial Officer