

ORAMED PHARMACEUTICALS INC.

Form 424B3

July 18, 2011

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Filed Pursuant to Rule 424(b)(3)  
File Numbers 333-164288, 333- 173058, 333-175216

PROSPECTUS SUPPLEMENT NO. 1

Prospectus Supplement No. 1  
to Prospectus dated July 11, 2011

ORAMED PHARMACEUTICALS, INC.

This Prospectus Supplement No. 1 supplements our Prospectus dated July 11, 2011.

This Prospectus Supplement No. 1 contains our Quarterly Report on Form 10-Q for the quarterly period ended May 31, 2011 we filed with the Securities and Exchange Commission on July 13, 2011. This Prospectus Supplement No. 1 is not complete without, and may not be delivered or used except in connection with, the Prospectus. This Prospectus Supplement No. 1 is qualified by reference to the Prospectus except to the extent that the information in this Prospectus Supplement No. 1 updates and supersedes the information contained in the Prospectus, including any supplements or amendments thereto.

The shares that are the subject of the Prospectus have been registered to permit their resale to the public by the selling stockholders named in the Prospectus. We are not selling any shares of common stock in this offering and therefore will not receive any proceeds from this offering, except upon the exercise of warrants or options.

Pursuant to Rule 429 under the Securities Act of 1933, as amended, our Prospectus, dated July 11, 2011, filed with the Securities and Exchange Commission on July 13, 2011, as supplemented by this Prospectus Supplement No. 1, is a combined prospectus and relates to shares registered under Registration Statement Nos. 333-164288, 333- 173058 and 333-175216.

Our common stock is quoted on the OTC Bulletin Board, or the OTCBB, under the symbol "ORMP.OB". On July 14, 2011, the last reported bid price per share of our common stock as quoted on the OTCBB was \$0.32 per share.

See the "Risk Factors" section beginning on page 6 of the Prospectus and the "Risk Factors" section in our Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on July 13, 2011 for a discussion of certain risks that you should consider before investing in our securities.

NEITHER THE U.S. SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR DETERMINED IF THIS PROSPECTUS SUPPLEMENT IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The date of this Prospectus Supplement is July 18, 2011



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

FORM 10-Q

(Mark One)

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

For the quarterly period ended May 31, 2011

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number: 000-50298

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

Delaware  
(State or Other Jurisdiction of Incorporation or  
Organization)

98-0376008  
(IRS Employer Identification No.)

Hi-Tech Park 2/5 Givat Ram  
PO Box 39098  
Jerusalem, Israel  
(Address of Principal Executive Offices)

91390  
(Zip Code)

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

(Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report)

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

Yes  No

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

Yes  No

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

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

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

Yes  No

As of July 12, 2011 there were 70,104,583 shares of the issuer's Common Stock, \$.001 par value, outstanding.

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ORAMED PHARMACEUTICALS INC.

FORM 10-Q

TABLE OF CONTENTS

PART I – FINANCIAL INFORMATION	1
<u>ITEM 1 - FINANCIAL STATEMENTS</u>	1
<u>ITEM 2 - MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS</u>	17
<u>ITEM 3 – QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK</u>	31
<u>ITEM 4 - CONTROLS AND PROCEDURES</u>	31
PART II - OTHER INFORMATION	32
<u>ITEM 1 - LEGAL PROCEEDINGS</u>	32
<u>ITEM 1A – RISK FACTORS</u>	32
<u>ITEM 2 – UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS</u>	33
<u>ITEM 6 - EXHIBITS</u>	35

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PART I – FINANCIAL INFORMATION

ITEM 1 - FINANCIAL STATEMENTS

ORAMED PHARMACEUTICALS INC.  
(A development stage company)

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF MAY 31, 2011

1

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ORAMED PHARMACEUTICALS INC.  
(A development stage company)

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF MAY 31, 2011

TABLE OF CONTENTS

	Page
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS:	
<u>Balance sheets</u>	3
<u>Statements of operations</u>	4
<u>Statements of changes in stockholders' equity</u>	5
<u>Statements of cash flows</u>	6
<u>Notes to financial statements</u>	7-16

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

	May 31, 2011 Unaudited	August 31, 2010 Audited
<b>Assets</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$1,920,132	\$1,199,638
Short term bank deposits	1,795,765	100,000
Marketable securities	620,402	-
Restricted cash	16,000	16,008
Accounts receivable - other	562,162	59,175
Prepaid expenses	9,063	1,859
Related parties	7,530	7,689
Grants receivable from the Chief Scientist	-	12,438
<b>T o t a l c u r r e n t a s s e t s</b>	<b>4,931,054</b>	<b>1,396,807</b>
<b>LONG TERM DEPOSITS AND INVESTMENT</b>	<b>10,509</b>	<b>10,582</b>
<b>PROPERTY AND EQUIPMENT, net</b>	<b>22,134</b>	<b>43,499</b>
<b>T o t a l a s s e t s</b>	<b>\$4,963,697</b>	<b>\$1,450,888</b>
<b>Liabilities and stockholders' equity</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable and accrued expenses	\$312,555	\$411,330
Account payable with former shareholder	47,252	47,252
<b>T o t a l c u r r e n t l i a b i l i t i e s</b>	<b>359,807</b>	<b>458,582</b>
<b>PROVISION FOR UNCERTAIN TAX POSITIONS</b>	<b>162,034</b>	<b>162,034</b>
<b>COMMITMENTS</b>		
<b>STOCKHOLDERS' EQUITY:</b>		
Common stock of \$ 0.001 par value - authorized: 200,000,000 shares at May 31, 2011 and August 31, 2010; issued and outstanding: 70,104,583 at May 31, 2011 and 57,565,321 shares at August 31, 2010, respectively	70,104	57,565
Other accumulated comprehensive income	38,425	
Additional paid-in capital	18,107,586	13,758,761
Deficit accumulated during the development stage	(13,774,259)	(12,986,054)
<b>T o t a l s t o c k h o l d e r s ' e q u i t y</b>	<b>4,441,856</b>	<b>830,272</b>
<b>T o t a l l i a b i l i t i e s a n d s t o c k h o l d e r s ' e q u i t y</b>	<b>\$4,963,697</b>	<b>\$1,450,888</b>

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





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

	Nine months ended		Three months ended		Period from April 12, 2002 (inception) through May 31, 2011
	May 31, 2011	May 31, 2010	May 31, 2011	May 31, 2010	
	Unaudited				
RESEARCH AND DEVELOPMENT EXPENSES	\$869,166	\$871,285	\$241,350	\$355,228	\$7,561,706
IMPAIRMENT OF INVESTMENT					434,876
GENERAL AND ADMINISTRATIVE EXPENSES	971,143	944,074	350,127	450,730	6,653,566
OPERATING LOSS (INCOME)	1,840,309	1,815,359	591,477	805,958	14,650,148
FINANCIAL INCOME	(32,632 )	(15,897 )	(22,587 )	(4,981 )	(193,432 )
FINANCIAL EXPENSE	13,532	11,761	6,744	5,242	176,009
GAIN ON SALE OF INVESTMENT	(1,033,004 )		(1,033,004 )		(1,033,004 )
LOSS (INCOME) BEFORE TAXES ON INCOME	788,205	1,811,223	(457,370 )	806,219	13,599,721
TAXES ON INCOME	-	-	-	-	174,538
NET LOSS (INCOME) FOR THE PERIOD	\$788,205	\$1,811,223	\$(457,370 )	\$806,219	\$13,774,259
LOSS (INCOME) PER COMMON SHARE:					
Basic and diluted	\$0.01	\$0.03	\$(0.01 )	\$0.01	
WEIGHTED AVERAGE NUMBER OF SHARES USED IN COMPUTATION OF LOSS (INCOME) PER SHARE:					
Basic	63,278,472	57,349,130	69,049,995	57,466,907	
Diluted	63,278,472	57,349,130	72,410,339	57,466,907	

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

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

	Common Stock Shares	Common Stock \$	Additional paid-in capital	Other comprehensive income	Deficit accumulated during the development stage	Total stockholders' equity
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, 2009 (audited):						
SHARES CANCELLED	(19,800,000)	(19,800 )	19,800			-
SHARES ISSUED FOR INVESTMENT IN ISTI-NJ	1,144,410	1,144	433,732			434,876
SHARES ISSUED FOR OFFERING COSTS	1,752,941	1,753	(1,753 )			-
SHARES AND WARRANTS ISSUED FOR CASH- NET OF ISSUANCE EXPENSES	37,359,230	37,359	7,870,422			7,907,781
SHARES ISSUED FOR SERVICES	621,929	622	367,166			367,788
SHARES TO BE ISSUED FOR SERVICES RENDERED			203,699			203,699
CONTRIBUTIONS TO PAID IN CAPITAL			18,991			18,991
RECEIPTS ON ACCOUNT OF SHARES AND WARRANTS			6,061			6,061
SHARES ISSUED FOR CONVERSION OF CONVERTIBLE NOTE	550,000	550	274,450			275,000
STOCK BASED COMPENSATION RELATED TO			2,864,039			2,864,039

OPTIONS GRANTED TO EMPLOYEES AND DIRECTORS STOCK BASED COMPENSATION RELATED TO OPTIONS GRANTED TO CONSULTANTS			498,938		498,938
DISCOUNT ON CONVERTIBLE NOTE RELATED TO BENEFICIAL CONVERSION FEATURE			108,000		108,000
COMPREHENSIVE LOSS				(16 )	(16 )
IMPUTED INTEREST			15,997		15,997
NET LOSS				(10,008,662)	(10,008,662)
BALANCE AS OF AUGUST 31, 2009 (audited)	56,456,710	56,456	12,698,414	(10,008,678)	2,746,192
SHARES ISSUED FOR SERVICES RENDERED	1,108,611	1,109			