November 8, 2016

New XOMA Antibodies Unveiled at The Society for Immunotherapy of Cancer 31st Annual Meeting

- Preclinical Data from XOMA's Novel Anti-IL-2 Immuno-oncology Monoclonal Antibodies Program to be Presented at SITC
- Advancing Unique Functional Antibody Antagonists Targeting the Parathyroid Hormone Receptor 1 (PTH1R)
- Plan to Out-license IL-2 and PTH1R Programs to Fund Endocrine Efforts

BERKELEY, Calif., Nov. 08, 2016 (GLOBE NEWSWIRE) -- XOMA Corporation (Nasdaq:XOMA), a leader in the discovery and development of therapeutic antibodies, today unveiled its interleukin-2 (IL-2) monoclonal antibody program, a series of novel agents from its scientific discovery research unit, and announced the advancement of its parathyroid hormone receptor 1 (PTH1R) antibody antagonists program. These novel monoclonal antibodies are further examples of the capability of XOMA's antibody platform and its expertise in the identification of novel oncology and oncology-related candidates with potential to positively affect outcomes in cancer patients.

"With our strategic focus on advancing our endocrine programs, we continue to seek ways to support and fund these efforts through discovery and licensing of our non-endocrine assets. For our oncology antibodies, we seek partners who have a deep commitment to and expertise in oncology drug development. An example of this is the TGF-beta antibody program that we licensed to Novartis last year, which we believe is advancing rapidly to initiation of clinical studies in the near future," said John Varian, Chief Executive Officer of XOMA. "We have unique expertise in creating new antibodies to treat a variety of cancers and the side effects associated with currently marketed therapies. As with our TGF-beta antibody program, we plan to out-license our IL-2 and PTH1R antibody programs to organizations that can rapidly advance them into clinical development."

IL-2 Monoclonal Antibodies Program

Immune checkpoint inhibitors are transforming cancer treatment and revitalizing interest in immunotherapies. While efficacy has been observed in patients with advanced metastatic disease treated with checkpoint inhibitors, not all patients respond, and most responses are incomplete. Preclinical studies suggest that combining additional modalities with checkpoint inhibitors will provide opportunities to improve patient outcomes.

"IL-2 has long been recognized as an effective therapy for metastatic melanoma and renal cell carcinoma, but it has serious dose-limiting toxicities that prevent broad clinical use. We generated novel antibodies that, when given with IL-2, are intended to steer IL-2 to enhance its positive impact with less toxicity, potentially improving the therapeutic index over

standard IL-2 therapy," commented Paul Rubin, M.D., Senior Vice President, Research and Development, and Chief Medical Officer of XOMA.

A poster highlighting preclinical data from the IL-2 monoclonal antibodies program will be presented at The Society for Immunotherapy of Cancer (SITC) 31st Annual Meeting & Associated Programs. The meeting will take place November 9-13 at the Gaylord National Hotel and Convention Center in National Harbor, Maryland.

Poster Presentation Details
Title: Novel IL-2/mAb complexes mediate potent anti-tumor immunity which is augmented with anti-PD-1 mAb therapy
Poster Topic: Combinations: Immunotherapy/Immunotherapy
Abstract Number: 454
Poster Session Date: Saturday, November 12, 2016
Poster Session Time: 11:45 a.m. – 1:00 p.m. ET

The abstract can be viewed on the SITC website atwww.sitcancer.org/2016.

PTH1R Monoclonal Antibodies Program
XOMA has developed several unique functional antibody antagonists targeting PTH1R, a G-protein-coupled receptor involved in the regulation of calcium metabolism. These antibodies have shown promising efficacy in *in vivo* studies and could potentially address high unmet medical needs, including primary hyperparathyroidism (PHPT) and humoral hypercalcemia of malignancy (HHM). The Company plans to present preclinical data at a scientific conference later this year.

"Our PTH1R program began as an endocrine program, but its mechanism-of-action is potentially also beneficial to patients suffering from HHM. HHM is present in many advanced cancers and is caused by high serum calcium due to increased levels of the PTH1R ligand PTH-related peptide (PTHrP). Since current HHM treatments often fall short and many cancer patients die from 'metabolic death', XOMA's PTH1R antibodies could be very beneficial for the treatment of HHM," stated Patrick Scannon, M.D., Ph.D., Executive Vice President and Chief Scientific Officer of XOMA.

About XOMA Corporation
XOMA Corporation is a leader in the discovery and development of therapeutic antibodies. The Company's innovative product candidates result from its expertise in developing ground-breaking monoclonal antibodies, including allosteric antibodies, which have created new opportunities to potentially treat a wide range of human diseases. XOMA's scientific research has produced a portfolio of endocrine assets, each of which has the opportunity to address multiple indications. The Company's lead product candidate, XOMA 358, is an allosteric monoclonal antibody that reduces insulin receptor activity, which could have a major impact on the treatment of hyperinsulinism. The Company is conducting Phase 2 development activities for XOMA 358 in patients with congenital hyperinsulinism and in patients with hypoglycemia after bariatric surgery. For more information, visit www.xoma.com.

Forward-Looking Statements
Certain statements contained in this press release are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, including statements regarding: the future progress of XOMA's

discovery and development programs, the medical need and market demand for XOMA's immuno-oncology assets, our belief that the TGF-beta program licensed to Novartis last year is advancing rapidly to initiation of Phase 1 clinical studies, the potential for licensing our immuno-oncology assets, the possibility that combining additional modalities with checkpoint inhibitors will provide opportunities to improve patient outcomes, our belief that IL-2 directed antibodies complexed with IL-2 offer advantages over standard IL-2 therapy, our belief that our PTH1R antibodies could serve indications of high unmet medical need such as HHM and PHPT, and statements that otherwise relate to future periods. These statements are based on assumptions that may not prove accurate, and actual results could differ materially from those anticipated due to certain risks inherent in the biotechnology industry and for companies engaged in the development of new products in a regulated market. Potential risks to XOMA meeting these expectations are described in more detail in XOMA's most recent filing on Form 10-K and in other SEC filings. Consider such risks carefully when considering XOMA's prospects. Any forward-looking statement in this press release represents XOMA's views only as of the date of this press release and should not be relied upon as representing its views as of any subsequent date. XOMA disclaims any obligation to update any forward-looking statement, except as required by applicable law.

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