September 30, 2009

XOMA Announces $13.9 Million Financing

BERKELEY, Calif., Sept. 30, 2009 (GLOBE NEWSWIRE) -- XOMA Ltd. (Nasdaq:XOMA) today announced the sale of 18 million of its common shares to Azimuth Opportunity Ltd. for gross proceeds of $13.9 million, or approximately $0.77 per share, under its existing committed equity financing facility with Azimuth. The Company intends to use the net proceeds from this sale to continue development of its XOMA 052 product candidate, for other general corporate purposes and for working capital. Based on its cash reserves including the proceeds from this offering, anticipated revenues from collaborations including a XOMA 052 corporate partnership, licensing transactions and biodefense contracts, XOMA believes it has sufficient cash resources to meet its anticipated net cash needs into 2011.

"We are pleased to have significantly strengthened our financial position through this offering and the elimination of substantial debt, as announced last week," said Steven B. Engle, XOMA Chairman and Chief Executive Officer. "In addition, we recently entered into a $6 million technology collaboration with a subsidiary of Cephalon Inc. and expanded our biodefense business with a new contract for development of an antibody to influenza viruses including the H1N1 and H5N1 strains. These developments strengthen our financial position as we pursue additional collaborations including a XOMA 052 corporate partnership and other antibody technology collaborations."

The securities described above were sold by XOMA Ltd. pursuant to a registration statement previously filed and declared effective by the Securities and Exchange Commission.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of such securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state.

About XOMA

XOMA discovers, develops and manufactures therapeutic antibodies designed to treat inflammatory, autoimmune, infectious and oncological diseases. The Company's proprietary product pipeline includes XOMA 052, an anti-IL-1 beta antibody in development for Type 2 diabetes and cardiovascular disease, and XOMA 3AB, a biodefense anti-botulism antibody candidate.

The XOMA Ltd. logo is available at https://www.globenewswire.com/newsroom/prs/?pkgid=5960

Forward-looking Statements

Certain statements contained herein concerning the sufficiency of our cash resources or

product development or that otherwise relate to future periods, 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. These statements are based on assumptions that may not prove accurate. 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. Among other things, the period for which our cash resources are sufficient could be shortened if expenditures are made earlier or in larger amounts than anticipated or are unanticipated, if anticipated revenues or cost-sharing arrangements do not materialize, or if funds are not otherwise available on acceptable terms. These and other risks, including those related to inability to comply with NASDAQ's continued listing requirements, the declining and generally unstable nature of current economic conditions; the results of discovery research and preclinical testing; the timing or results of pending and future clinical trials (including the design and progress of clinical trials; safety and efficacy of the products being tested; action, inaction or delay by the FDA, European or other regulators or their advisory bodies; and analysis or interpretation by, or submission to, these entities or others of scientific data); uncertainties regarding the status of biotechnology patents; uncertainties as to the cost of protecting intellectual property; changes in the status of the existing collaborative and licensing relationships; the ability of collaborators, licensees and other third parties to meet their obligations; market demand for products; scale up and marketing capabilities; competition; international operations; share price volatility; XOMA's financing needs and opportunities; and risks associated with XOMA's status as a Bermuda company, are described in more detail in XOMA's most recent annual report on Form 10-K and in other SEC filings. Consider such risks carefully in considering XOMA's prospects.

CONTACT: XOMA
Company and Investor Contact:
Carol DeGuzman
510-204-7270
Cell: 510 717 4642
deguzman@xoma.com

Porter Novelli Life Sciences
Media Contact:
Carolyn Hawley
619-849-5375
chawley@pnlifesciences.com