November 1, 2010

XOMA Receives $2.0 Million Payment Under Antibody Discovery Collaboration With Kaketsuken

BERKELEY, Calif., Nov. 1, 2010 (GLOBE NEWSWIRE) -- XOMA Ltd. (Nasdaq:XOMA), a leader in the discovery and development of therapeutic antibodies, today announced receipt of the final $2.0 million payment from Kaketsuken under the $8.0 million collaboration announced in November 2009. The agreement involves multiple proprietary XOMA antibody research and development technologies, including a new XOMA phage display library, and a suite of integrated information and data management systems. XOMA will be entitled to milestone payments and royalties on sales from products arising from this collaboration. The $8.0 million fee paid by Kaketsuken was recorded by XOMA as revenue in the 2009 fourth quarter.

"XOMA's antibody technology collaborations are designed to enable our partners to advance their drug discovery and optimization programs and provide an important source of revenue to the company. We look forward to additional revenue-generating antibody technology collaborations such as this successful arrangement with Kaketsuken," said XOMA Chairman and Chief Executive Officer Steven B. Engle.

About XOMA's Antibody Expertise

XOMA's extensive antibody expertise includes phage display library construction, antibody discovery, optimization, preclinical and clinical development, regulatory affairs, and cGMP manufacturing.

The company has access to multiple antibody discovery and development technologies with intellectual property, technical expertise and know-how, and integrated infrastructure to gain a unique advantage in the rapid and efficient development of therapeutic human antibodies. Phage display libraries are powerful tools to generate human recombinant antibodies with exquisite specificity and high affinity. Expertise and proprietary technologies have positioned XOMA as a unique partner to construct custom phage display libraries which are among the largest in the world. XOMA offers companies access to proprietary phage display libraries through exclusive or co-exclusive licenses or collaborations.

Utilizing expertise in therapeutic antibodies and strong intellectual property position, XOMA has established long-term alliances with leading pharmaceutical and biotechnology companies. Antibody discovery partners include world-class pharmaceutical and biotechnology companies like Novartis AG, Schering Corporation, a subsidiary of Merck & Co., Inc, and Takeda Pharmaceutical Company Limited.

About Kaketsuken

Founded in Japan in 1926 as the Chemo-Sero-Therapeutic Research Institute, Kaketsuken, a research foundation with current annual revenues of approximately US $350 million, has developed blood plasma products, vaccines and therapeutics and is developing therapeutic solutions for infectious and other diseases.

About XOMA

XOMA discovers, develops and manufactures novel antibody therapeutics for its own proprietary pipeline as well as through license and collaborative agreements with pharmaceutical and biotechnology companies and under its contracts with the U.S. government. The company's proprietary product pipeline includes:

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XOMA 052, an anti-IL-1 beta antibody, is in Phase 2 clinical development for Type 2

XOMA 3AB, an antibody candidate in pre-IND studies to neutralize the botulinum toxi

A preclinical pipeline focused on product candidates for autoimmune, inflammatory a
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In addition to its proprietary pipeline, XOMA develops products with premier pharmaceutical companies including Novartis AG, Schering Corporation, a subsidiary of Merck & Co., Inc. and Takeda Pharmaceutical Company Limited.

XOMA's technologies have contributed to the success of marketed antibody products, including LUCENTIS(R) (ranibizumab injection) for wet age-related macular degeneration and CIMZIA(R) (certolizumab pegol) for rheumatoid arthritis and Crohn's disease.

The company has a premier antibody discovery and development platform that incorporates an unmatched collection of antibody phage display libraries and proprietary Human Engineering(tm), affinity maturation, Bacterial Cell Expression (BCE) and manufacturing technologies. BCE is a key breakthrough biotechnology for the discovery and manufacturing of antibodies and other proteins. As a result, 60 pharmaceutical and biotechnology companies have signed BCE licenses, and several licensed product candidates are in clinical development.

XOMA has a fully integrated product development infrastructure, extending from pre-clinical science to approval, and a team of about 225 employees at its Berkeley, California location. For more information, please visit http://www.xoma.com.

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

Forward-Looking Statements

Certain statements contained herein concerning product development and capabilities of XOMA's technologies 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.

These risks, including the generally unstable nature of current economic and financial market conditions; the results of discovery research and pre-clinical 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); availability of additional collaborative and licensing opportunities; changes in the status of existing collaborative and licensing relationships; the ability of collaborators, licensees and other third parties to meet their obligations; XOMA's ability to meet the demands of the United States government agency with which it has entered into its government contracts; competition; market demand for products; scale-up and marketing capabilities; international operations; share price volatility; XOMA's financing needs and opportunities; uncertainties regarding the status of biotechnology patents; uncertainties as to the costs of protecting intellectual property; and risks associated with XOMA's status as a Bermuda company, 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.

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