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## **XOMA Initiates Clinical Trial of NEUPREX At Harvard Medical School in Allogeneic Hematopoietic Stem Cell Transplantation**

BERKELEY, Calif., Jan. 9, 2007 (PRIME NEWSWIRE) -- XOMA Ltd. (Nasdaq:XOMA) announced today that it has initiated an open label, dose escalating Phase I/II clinical trial of NEUPREX(r) (opebacan) in adults and children undergoing allogeneic hematopoietic stem cell transplantation (HSCT). The trial will be conducted by Drs. Eva Guinan and Ofer Levy of the Harvard Medical School. XOMA expects to add other sites to the study during 2007.

"Based on the recent results of a natural history study on HSCT, there is a strong rationale for testing NEUPREX(r) for its endotoxin neutralizing activities in humans as a novel approach to preventing or reducing the severity of transplant-related complications, including acute graft-versus-host disease (aGvHD)," said Dr. Levy, Principal Investigator for the natural history study at Children's Hospital, Boston and Assistant Professor at the Harvard Medical School. "This phase I/II study will establish the appropriate dosing and safety parameters in adults and children, which is the first step in evaluating the use of NEUPREX(r) in this indication."

"We are very pleased to be able to initiate our clinical evaluation of NEUPREX(r) in stem cell transplantation at one of the world's leading transplant centers," said Jack Castello, chairman of the board, president and chief executive officer of XOMA.

XOMA expects to enroll up to a total of 40 patients at all sites in the open-label, Phase I/II trial. While the focus of the trial will be the demonstration of safety and development of pharmacokinetic data, some efficacy data will also be collected. XOMA may also add other prominent medical centers in the US to the trial in the coming months.

"Understanding NEUPREX(r)'s potential role in stem cell transplantation will also be important as it may have applications in other areas. In HSCT, all patients undergo a bone marrow depleting conditioning regimen, often using radiation, to prepare for receipt of the stem cells which will replace the existent marrow. This conditioning regimen, by itself, has characteristics that resemble exposure to radiation from a nuclear explosion, potentially leading to acute radiation syndrome (ARS) in those victims. Results from this NEUPREX(r) trial could open a unique approach for the use of NEUPREX(r) in treating such victims as part of the US Government's biodefense efforts. We are exploring that possibility at various federal government agencies," added Mr. Castello.

### About Hematopoietic Stem Cell Transplantation

Allogeneic stem cell transplantation is a therapy used in the treatment of relapsed or refractory leukemia, lymphoma, myeloma, or other hematologic malignancies, and in the

treatment of hereditary blood disorders such as inherited anemia and inborn errors of metabolism and immune deficiency. Prior to receiving a transplant, each candidate for stem cell transplantation receive large doses of chemotherapy and/or radiation to destroy the patient's diseased marrow prior to receiving the transplant. This regimen unavoidably also disables the patient's immune system and gastrointestinal tract for several weeks and leaves them susceptible to many complications, including endotoxemia from bacteria released into the blood from the damaged GI tract, and infections. At the same time, patients' naturally-occurring levels of BPI (see "about NEUPREX(r)" below), which otherwise would have been available to help control endotoxemia, decrease dramatically because the conditioning regimen destroys the white blood cells that produce BPI. Recently, endotoxemia has been shown to induce or worsen a potentially life-threatening complication called acute graft-versus-host disease (aGvHD), which occurs in approximately 40% of allogeneic donor stem cell transplant patients. Research conducted at the Dana Farber Cancer Institute and at Children's Hospital, Boston provides a rationale for investigating whether NEUPREX(r) may help prevent or reduce the severity of aGvHD, as well as other infectious complications during the period when these patients are immuno-suppressed from their chemotherapy or radiation regimens.

#### About NEUPREX(r)

NEUPREX(r) is an intravenous formulation of rBPI21 (opebacan), a modified recombinant fragment of BPI (bactericidal/permeability-increasing protein). BPI is a human host-defense protein made by PMN (polymorphonuclear) leukocytes-a type of white blood cell important in the body's defenses against microbial infection. BPI was discovered in 1978 by Peter Elsbach, M.D., professor of medicine, and Jerold Weiss, Ph.D., professor of microbiology, both at New York University School of Medicine. XOMA has collaborated with NYU since 1991 to extend and apply BPI-related research to the commercial development of pharmaceutical products.

BPI kills gram-negative bacteria, enhances the activity of antibiotics, neutralizes gram-negative endotoxin (a toxic molecule within the cell walls of gram-negative bacteria that can trigger local and systemic inflammatory reactions in the human host) and inhibits angiogenesis (blood vessel growth). Scientists at XOMA developed a 21Kd recombinant version of BPI referred to as rBPI21 or opebacan, which has the similar activity as BPI. These characteristics underlie the rationale for testing opebacan in multiple infectious and inflammatory disease indications. More than 1,100 adult and pediatric patients have received NEUPREX(r) in clinical studies without any apparent safety concerns.

#### About XOMA

XOMA is a leader in the discovery, development and manufacture of therapeutic antibodies, with a therapeutic focus that includes cancer and immune diseases. XOMA has royalty interests in RAPTIVA(r) (efalizumab), a monoclonal antibody product marketed worldwide (by Genentech, Inc. and Serono, SA) to treat moderate-to-severe plaque psoriasis, and LUCENTIS(tm) (ranibizumab injection), a monoclonal antibody product marketed worldwide (by Genentech and Novartis AG) to treat neovascular (wet) age-related macular degeneration.

The company has built a premier antibody discovery and development platform that includes access to seven of the leading commercially available antibody phage display libraries and

XOMA's proprietary Human Engineering(tm) and bacterial cell expression (BCE) technologies. More than 45 companies have signed BCE licenses. XOMA's development collaborators include Lexicon Genetics, Inc., Novartis, Schering-Plough Corporation and Takeda Pharmaceutical Company Limited. With a fully integrated product development infrastructure, XOMA's product development capabilities extend from preclinical sciences to product launch. For more information, please visit the company's website at [www.xoma.com](http://www.xoma.com).

Certain statements contained herein concerning the development of NEUPREX(r) 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 those related to 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.

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