Form **8937**
(December 2011)
Department of the Treasury
Internal Revenue Service

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

OMB No. 1545-2224

Part I Reporting Issuer

1 Issuer's name	2 Issuer's employer identification number (EIN)
XOMA Corporation (formerly XOMA Ltd.)	52-2154066

3 Name of contact for additional information	4 Telephone No. of contact	5 Email address of contact
Fred Kurland	1-510-204-7200	kurland@xoma.com

6 Number and street (or P.O. box if mail is not delivered to street address) of contact	7 City, town, or post office, state, and Zip code of contact
2910 Seventh Street	Berkeley, CA 94710

8 Date of action	9 Classification and description
December 31, 2011	Redomestication from Bermuda to Delaware

10 CUSIP number	11 Serial number(s)	12 Ticker symbol	13 Account number(s)
G9825R206		XOMA	

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ On December 31, 2011, XOMA Ltd. moved its corporate domicile from Bermuda to Delaware and changed its name to ("XOMA Corporation") (the "Redomestication"). In the Redomestication, all outstanding common shares of the former XOMA Ltd. automatically converted by operation of law into common stock of XOMA Corporation on a one-for-one basis. The Redomestication is treated as a reorganization within the meaning of Section 368(a)(1)(F), subject to Section 367(b) of the Internal Code of 1986 as amended.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ (1) A U.S. person whose common shares of the former XOMA Ltd. had a fair market value of less than $50,000 on December 31, 2011: the Redomestication has no effect and such shareholder's basis in common stock of XOMA Corporation is the same as such shareholder's basis in the common shares of the former XOMA Ltd. (2) A U.S.person who beneficially owned 10% or more of the total combined voting power of all classes of shares of the former XOMA Ltd. on December 31, 2011 (i.e., a "U.S. shareholder"): the Redomestication has no effect on the shareholder's basis and such shareholder's basis in common stock of XOMA Corporation is the same as such shareholder's basis in the common shares of the former XOMA Ltd. (3) A U.S. person whose common shares of the former XOMA Ltd. had a fair market value of $50,000 or more on December 31, 2011 but had less than 10% of the total combined voting power of the former XOMA Ltd. on December 31, 2011: if such shareholder makes an election to include in income the "all earnings and profits amount," the Redomestication would have no effect on the shareholder's basis (see category (2) above). If, however, such shareholder fails to make the election, such shareholder's basis in the common stock of XOMA Corporation will be equal to such shareholder's basis in the common shares of the former XOMA Ltd., increased by the amount of gain (if any) recognized.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ For example, assuming a U.S. person had $60,000 basis in common shares of the former XOMA Ltd. with a fair market value of $70,000 on December 31, 2011. If such shareholder falls within category (3) as described above, such shareholder would recognize $10,000 of gain as a result of the Redomestication and such shareholder's basis in the common stock of XOMA Corporation would be $70,000 ($60,000 original basis plus $10,000 gain recognized). If such shareholder's common shares had a fair market value of $59,000 on December 31, 2011, the Redomestication would have no effect and such shareholder's basis in the common stock of XOMA Corporation would remain $60,000.

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ **Section 368(a)(1)(F), Section 358, and Section 367(b).**

18 Can any resulting loss be recognized? ▶ **No.**

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ **The Redomestication occurred on December 31, 2011. XOMA Corporation (formerly XOMA Ltd.)'s reportable tax year is the calendar year ending on December 31, 201 .**

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ▶ Christopher J. Margolin Date ▶ 1/16/12

Print your name ▶ Christopher J. Margolin Title ▶ Vice President, General Counsel & Secretary

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Ciro A. Gamboni	Ciro A Gamboni	1/13/12		P01573228

Firm's name ▶ Cahill Gordon + Reindel LLP Firm's EIN ▶ 13-5510029

Firm's address ▶ 80 Pine Street, N.Y., N.Y. 10005 Phone no. 212-701-3812

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054