

October 14, 2016



XOMA Announces Reverse Stock Split

BERKELEY, Calif., Oct. 14, 2016 (GLOBE NEWSWIRE) -- XOMA Corporation (Nasdaq:XOMA), a leader in the discovery and development of therapeutic antibodies, today announced that, at a special meeting of the Company's stockholders held on October 14, 2016, its stockholders voted to approve a reverse stock split of the Company's issued and outstanding common stock. XOMA's Board of Directors then determined that the split would be at a ratio of 1-for-20. Upon the effectiveness of the reverse stock split, every 20 shares of XOMA common stock will be converted into 1 share of common stock. No fractional shares will be issued in connection with the reverse stock split. A stockholder who otherwise would have been entitled to receive a fractional share of stock as a result of the reverse stock split will instead receive cash in lieu of fractional shares.

The reverse stock split is intended to enable XOMA to regain compliance with the \$1.00 minimum bid price required for continued listing on the NASDAQ Global Market and help increase shareholder interest in our stock.

The reverse stock split will affect all stockholders uniformly and will not affect any stockholder's ownership percentage of XOMA's shares (except to the extent that the reverse stock split would result in some of the stockholders receiving cash in lieu of fractional shares).

Well Fargo Shareowner Services, XOMA's transfer agent, will provide instructions to stockholders regarding the process for exchanging their shares and stock certificates. Additional information regarding the reverse stock split approved by stockholders can be found in XOMA's definitive proxy statement filed with the Securities and Exchange Commission on September 12, 2016.

The Company expects the reverse stock split to become effective at 5:00 p.m. EDT on Monday, October 17, 2016. When the market opens on Tuesday, October 18, 2016, XOMA's common stock will begin trading on the NASDAQ Global Market on a split-adjusted basis.

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 five 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 recently initiated 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 including, but not limited to, statements characterizing statements related to maintaining its NASDAQ listing, regulatory approval of unapproved product candidates, the anticipated success of any clinical trial, or statements 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, 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.

XOMA Corporation

Company and investor contact:

Ashleigh Barreto
510-204-7482
barreto@xoma.com

Juliane Snowden
The Oratorium Group, LLC
jsnowden@oratoriumgroup.com

Media contact:

Julie Normart
W2O Group
415-946-1087
jnormart@w2ogroup.com



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