May 3, 2011

XOMA 3AB, a Novel Triple-Antibody Anti-Botulinum Neurotoxin Product, Enters Phase 1 Clinical Testing

BERKELEY, Calif., May 3, 2011 (GLOBE NEWSWIRE) -- XOMA Ltd. (Nasdaq:XOMA), a leader in the discovery and development of therapeutic antibodies, today announced that the National Institute of Allergy and Infectious Diseases (NIAID), part of the National Institutes of Health, has informed the Company that it is initiating a Phase 1 clinical trial for XOMA 3AB, XOMA's novel formulation of three antibodies designed to prevent and treat botulism poisoning, among the most deadly bioterror threats.

The Phase 1 trial is a double-blind, dose escalation study of a single administration of XOMA 3AB or placebo in approximately 24 healthy volunteers, to be conducted at Johns Hopkins University (Baltimore, MD) under an investigational new drug application filed by NIAID with the Food and Drug Administration. The objectives of the study are to assess safety and tolerability and determine the pharmacokinetic profile of XOMA 3AB.

"Initiation of testing of XOMA 3AB in humans is a very important milestone towards the development of this treatment against serious illness caused by the botulinum neurotoxin. We will be working closely with NIAID and other government agencies, including FDA, to further support its advancement," said Patrick J. Scannon, M.D., Ph.D., XOMA's Executive Vice President and Chief Scientific Officer. "If successful, XOMA 3AB could ultimately be a candidate for addition to the U.S. government's Strategic National Stockpile of medical countermeasures available in the event of natural or man-made public health emergencies."

The XOMA 3AB program is based on more than a decade of breakthrough biomedical research conducted in the laboratory of James Marks, M.D., Ph.D., Professor of Anesthesia at the University of California, San Francisco (UCSF), and on XOMA's extensive antibody development expertise and platform technologies. The UCSF preclinical research program was funded by the National Institutes of Health and Department of Defense and identified lead antibody candidates which when combined led to highly potent toxin neutralization at very low doses. XOMA's expertise enabled the development of the necessary techniques for ensuring the potency and stability of the three antibodies in XOMA 3AB under various conditions and the uniform pharmacokinetics of each antibody in the formulation. To date, XOMA has entered into nearly $100 million in U.S. government contracts for its botulism-related biodefense program.

Botulinum Neurotoxin

Botulism is a muscle-paralyzing disease caused by one of the most deadly known toxins, a

neurotoxin made by the bacterium Clostridium botulinum. Exposure to the botulinum neurotoxin can cause muscle paralysis that can eventually lead to death. Botulism can be acquired through consumption of contaminated foods or through infection of a wound. Due to the risk posed by the botulinum neurotoxin as a biological weapon and the severity of disease, it has been classified by the U.S. government as a Category A bioterrorism agent.

The XOMA 3AB project has been funded in whole or in part with funds from the National Institute of Allergy and Infectious Diseases, National Institutes of Health, Department of Health and Human Services under Contract No. HHSN266200600008C, Contract No. HHSN272200800028C, Contract No. HHSN266200600011C and Contract No. HHSN272200800026C.

About XOMA

XOMA is a leader in the discovery and development of novel antibody therapeutics. The company's proprietary product pipeline includes:

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XOMA 052, a potentially best-in-class antibody that binds to the inflammatory cytok

XOMA 3AB, a novel triple-antibody product candidate under development to prevent an

A preclinical pipeline with candidates in development for autoimmune, cardio-metabo
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XOMA has a premier antibody discovery and development platform that incorporates an unmatched collection of antibody phage display libraries and proprietary expression and manufacturing technologies that it uses for its own pipeline and in license and collaboration agreements with pharmaceutical and biotechnology companies. XOMA technologies have contributed to the success of marketed antibody products including LUCENTIS® for wet age-related macular degeneration and CIMZIA® for rheumatoid arthritis and Crohn's disease. XOMA's fully integrated product development infrastructure extends from preclinical science to approval and is located in Berkeley, California. For more information, please visit www.xoma.com.

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

Forward-Looking Statements

Certain statements contained herein concerning Phase 1 clinical testing and the U.S. government's Strategic National Stockpile 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, early-stage clinical trials may not be successful in achieving their goals, whether due to unforeseen safety issues or for other reasons; even if demonstrated to be safe, the product candidate being tested may not prove to be effective in later-stage clinical trials; and, even if safe and effective, the product candidate may not be added to the U.S. government's Strategic National Stockpile, whether due to medical, scientific, competitive, funding or other

reasons.

These and other risks, including the generally unstable nature of current economic and financial market 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); XOMA's ability to meet the demands of the United States government agency with which it has entered into its government contracts; competition; scale-up; manufacturing and marketing capabilities; changes in the status of existing collaborative and licensing relationships; the ability of collaborators, licensees and other third parties to meet their obligations and their discretion in decision-making; market demand for products; availability of additional licensing or collaboration opportunities; 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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