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XOMA Secures Federal Contract to Expand Its Next-Generation Human Botulism Antitoxin Portfolio

BERKELEY, Calif., Oct. 3, 2011 (GLOBE NEWSWIRE) -- XOMA Ltd. (Nasdaq:XOMA), a leader in the discovery and development of therapeutic antibodies, has been awarded a new contract for up to $28 million over five years to develop broad-spectrum antitoxins for the treatment of human botulism poisoning. The botulinum toxin, which causes botulism poisoning, is one of the most toxic poisons and is classified as a Class A, the highest level, bio-terror threat by the U.S. government. To date, XOMA has entered into four contracts totaling up to approximately $120 million with the National Institute of Allergy and Infectious Diseases (NIAID), part of the National Institutes of Health (NIH), to advance biodefense-related product development.

"The success of our prior NIAID contracts for anti-botulism antibody products to Types A, B, and E toxins demonstrates the utility of XOMA's antibody development platform for biodefense applications," said Patrick J. Scannon, M.D., Ph.D., XOMA's Executive Vice President and Chief Scientific Officer. "It provides a strong foundation for this new contract which will expand our efforts to include Type C and Type D antitoxins."

"There is a critical need for new treatments for botulism poisoning which offer both broad subtype coverage and more convenient administration, especially in emergency settings," Dr. Scannon continued. "The goal of our anti-botulism program is to develop, with funding from NIAID, safer and more effective therapeutics suitable for strategic federal stockpiling."

The first product candidate developed by XOMA through NIAID contracts, XOMA 3AB, is an antibody co-mixture for Type A botulism poisoning. It is currently in a Phase 1 clinical trial sponsored by NIAID. XOMA also has product candidates for Type B and Type E botulism poisoning that are earlier in development.

XOMA's botulism antitoxin programs are based on more than a decade of breakthrough biomedical research conducted in the laboratory of James D. Marks, M.D., Ph.D., Professor of Anesthesia at the University of California, San Francisco (UCSF) and on XOMA's extensive technical expertise and platform technologies in the antibody field. The UCSF research demonstrated for the first time that multiple whole antibodies can achieve maximum effectiveness against botulinum toxins at very low doses.

About Botulism

Botulism is a muscle-paralyzing disease caused by one of the most potent 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.

About XOMA

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

- XOMA 052, a humanized antibody that binds to the inflammatory cytokine interleukin-1 beta, or IL-1 beta. XOMA plans to enter XOMA 052 into Phase 3 clinical development in Behcet's uveitis, an orphan indication. Les Laboratoires Servier is XOMA's development and commercialization partner for XOMA 052.
- Antibodies against botulinum toxins, led by XOMA 3AB, a novel combination of three antibodies to prevent and treat botulism poisoning caused by exposure to botulinum neurotoxin Type A, among the most deadly bioterror threats. XOMA 3AB is in a Phase 1 clinical trial sponsored by the National Institute of Allergy and Infectious Diseases (NIAID) of the National Institutes of Health (NIH). Development of these antibodies has been funded in whole or in part with funds from NIAID, NIH, Department of Health and Human Services under Contract No. HHSN266200500004C, Contract No. HHSN266200600008C, Contract No. HHSN272200800028C, Contract No. HHSN266200600011C Contract No. HHSN272200800026C, and Contract # HHHSN272201100031C.
- A preclinical pipeline with candidates in development for autoimmune, cardio-metabolic, inflammatory and oncological diseases. Among these are two new classes of fully human monoclonal antibodies that activate (XMetA) or sensitize (XMetS) the insulin receptor in vivo, which represent distinct new therapeutic approaches to the treatment of patients with diabetes.

XOMA has a premier antibody discovery and development platform that incorporates an unmatched collection of antibody phage display libraries and proprietary optimization and expression and manufacturing technologies that it uses for its own pipeline and in collaborations with pharmaceutical and biotechnology companies. 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 https://www.globenewswire.com/newsroom/prs/?pkgid=5960

Forward-Looking Statements

Certain statements contained herein concerning government contracts, product development and/or strategic goals 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, our

actual revenues under our new contract may be lower than expected if we are unable to satisfy NIAID of our progress in development of these product candidates or if NIAID has insufficient funds with which to continue funding the development of these product candidates or due to unanticipated research, development, regulatory, safety, manufacturing, quality or other issues; and our product candidates may not received the U.S. Food and Drug Administration approval or Emergency Use Authorization required to be considered for inclusion in the Strategic National Stockpile, and even if safe and effective the product candidates may not be added to the Strategic National Stockpile 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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CONTACT: XOMA Ltd.
Company and Investor Contact:
Carol DeGuzman
510-204-7270
deguzman@xoma.com

Canale Communications
Media Contact:
Carolyn Hawley
619-849-5375
carolyn@canalecomm.com

Source: XOMA Ltd.