

October 4, 2011



XOMA Announces Proposed Domestication to Delaware

BERKELEY, Calif., Oct. 4, 2011 (GLOBE NEWSWIRE) -- XOMA Ltd. (Nasdaq:XOMA) today announced its intention to change its jurisdiction of incorporation from Bermuda to Delaware (the "Domestication"). The Company's Board of Directors believes that this change will:

- provide legal, administrative and other similar efficiencies, as well as provide a basis for further efficiencies in the event XOMA undertakes to simplify its overall corporate structure;
- reduce XOMA's exposure to the potential consequences of certain types of punitive or potentially adverse tax legislation that have been proposed from time to time;
- relocate XOMA's jurisdiction of organization to one that has a body of law more familiar to its officers, its employees, its board of directors and many of its shareholders; and
- reduce XOMA's exposure to other potentially adverse or prejudicial actions based on its being a non-US company, such as "blacklisting" of its common shares by certain pension funds or legislation restricting certain types of transactions.

Upon completion of the Domestication, all of the outstanding common shares of the Bermuda company will automatically be converted by operation of law into common stock of a Delaware corporation on a one-for-one basis. A registration statement relating to the common stock of the Delaware corporation has been filed with the Securities and Exchange Commission but has not yet become effective. These securities may not be exchanged nor may offers to exchange be accepted prior to the time the registration statement becomes effective, and this announcement does not constitute an offer of any securities for exchange or sale.

Although neither the continuance and domestication of XOMA as a Delaware corporation in accordance with Section 388 of the General Corporation Law of the State of Delaware nor the concurrent discontinuance from Bermuda under the Companies Act 1981 of Bermuda will require shareholder approval, both the domestication and the discontinuance are subject to the final approval of XOMA's Board of Directors.

About XOMA

XOMA is a leader in the discovery and development of novel antibody therapeutics.

Forward-Looking Statements

Certain statements contained herein concerning XOMA's intention to change its jurisdiction of incorporation or product development 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, XOMA's proposed change in its jurisdiction of incorporation is subject to final approval by its Board of Directors, and the expected benefits of such change may not be realized to the extent anticipated or at all.

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

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

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