

XOMA LTD /DE/  
Form 4  
August 11, 2008

**FORM 4**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

OMB APPROVAL

OMB Number: 3235-0287  
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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
VAN NESS W DENMAN

(Last) (First) (Middle)

C/O XOMA LTD., 2910 SEVENTH STREET

(Street)

BERKELEY, CA 94710

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
XOMA LTD /DE/ [XOMA]

3. Date of Earliest Transaction  
(Month/Day/Year)  
08/07/2008

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director  10% Owner  
 Officer (give title below)  Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Beneficial Ownership (Instr. 4)
				(A) or (D)	Code V Amount (D) Price		

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

1. Title of Derivative Security	2. Conversion or Exercise	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any	4. Transaction Code	5. Number of Derivative Securities Acquired (A) or	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title of Underlying Security (Instr. 3)
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(Instr. 3)	Price of Derivative Security	(Month/Day/Year)	(Instr. 8) Code	V	Disposed of (D) (Instr. 3, 4, and 5)		Date Exercisable	Expiration Date	Title
					(A)	(D)			
Non-Qualified Share Option (right to buy)	\$ 1.41	08/07/2008	D <sup>(1)</sup>			10,000	05/19/2005	05/19/2015	Comm Share
Non-Qualified Share Option (right to buy)	\$ 1.7	08/07/2008	D <sup>(1)</sup>			10,000	05/23/2006	05/23/2016	Comm Share
Non-Qualified Share Option (right to buy)	\$ 2.1	08/07/2008	D <sup>(1)</sup>			25,000	05/13/2008	05/13/2018	Comm Share
Non-Qualified Share Option (right to buy)	\$ 2.71	08/07/2008	D <sup>(1)</sup>			125,000	02/21/2008	02/21/2018	Comm Share
Non-Qualified Share Option (right to buy)	\$ 3.42	08/07/2008	D <sup>(1)</sup>			12,000	05/22/2007	05/22/2017	Comm Share
Non-Qualified Share Option (right to buy)	\$ 3.84	08/07/2008	D <sup>(1)</sup>			10,000	05/19/2004	05/19/2014	Comm Share
Non-Qualified Share Option (right to buy)	\$ 4.37	08/07/2008	D <sup>(1)</sup>			7,500	05/29/2002	05/29/2012	Comm Share
Non-Qualified Share Option (right to buy)	\$ 5.7	08/07/2008	D <sup>(1)</sup>			7,500	05/21/2003	05/21/2013	Comm Share
Non-Qualified Share Option (right to buy)	\$ 12.99	08/07/2008	D <sup>(1)</sup>			7,500	05/30/2011	05/30/2011	Comm Share
Non-Qualified Share Option (right to buy)	\$ 1.41	08/07/2008	A <sup>(2)</sup>		10,000		05/19/2005	05/19/2015	Comm Share
Non-Qualified Share Option (right to buy)	\$ 1.7	08/07/2008	A <sup>(2)</sup>		10,000		05/23/2006	05/23/2016	Comm Share
Non-Qualified Share Option (right to buy)	\$ 2.1	08/07/2008	A <sup>(2)</sup>		25,000		05/13/2008	05/13/2018	Comm Share
Non-Qualified Share Option (right to buy)	\$ 2.71	08/07/2008	A <sup>(2)</sup>		125,000		02/21/2008	02/21/2018	Comm Share

Non-Qualified Share Option (right to buy)	\$ 3.42	08/07/2008	A <sup>(2)</sup>	12,000	05/22/2007	05/22/2017	Comm Share
Non-Qualified Share Option (right to buy)	\$ 3.84	08/07/2008	A <sup>(2)</sup>	10,000	05/19/2004	05/19/2014	Comm Share
Non-Qualified Share Option (right to buy)	\$ 4.37	08/07/2008	A <sup>(2)</sup>	7,500	05/29/2002	05/29/2012	Comm Share
Non-Qualified Share Option (right to buy)	\$ 5.7	08/07/2008	A <sup>(2)</sup>	7,500	05/21/2003	05/21/2003	Comm Share
Non-Qualified Share Option (right to buy)	\$ 12.99	08/07/2008	A <sup>(2)</sup>	7,500	05/30/2001	05/31/2011	Comm Share

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
VAN NESS W DENMAN C/O XOMA LTD. 2910 SEVENTH STREET BERKELEY, CA 94710	X			

## Signatures

By: Christopher J. Margolin For: W. Denman Van Ness  
08/11/2008

\_\_Signature of Reporting Person

Date

## Explanation of Responses:

\* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

- (1) This transaction represents the disposition of the fully vested option pursuant to the transfer of said option from Mr. Van Ness to "The Van Ness 1983 Revocable Trust".
- (2) This transaction represents the acquisition of the fully vested option by the "The Van Ness 1983 Revocable Trust" pursuant to the transfer of said option from Mr. Van Ness to "The Van Ness 1983 Revocable Trust".

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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