

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 ⁽¹⁾ | | | 10,000 | 05/19/2005 | 05/19/2015 | Comm Share |
| Non-Qualified Share Option (right to buy) | \$ 1.7 | 08/07/2008 | D ⁽¹⁾ | | | 10,000 | 05/23/2006 | 05/23/2016 | Comm Share |
| Non-Qualified Share Option (right to buy) | \$ 2.1 | 08/07/2008 | D ⁽¹⁾ | | | 25,000 | 05/13/2008 | 05/13/2018 | Comm Share |
| Non-Qualified Share Option (right to buy) | \$ 2.71 | 08/07/2008 | D ⁽¹⁾ | | | 125,000 | 02/21/2008 | 02/21/2018 | Comm Share |
| Non-Qualified Share Option (right to buy) | \$ 3.42 | 08/07/2008 | D ⁽¹⁾ | | | 12,000 | 05/22/2007 | 05/22/2017 | Comm Share |
| Non-Qualified Share Option (right to buy) | \$ 3.84 | 08/07/2008 | D ⁽¹⁾ | | | 10,000 | 05/19/2004 | 05/19/2014 | Comm Share |
| Non-Qualified Share Option (right to buy) | \$ 4.37 | 08/07/2008 | D ⁽¹⁾ | | | 7,500 | 05/29/2002 | 05/29/2012 | Comm Share |
| Non-Qualified Share Option (right to buy) | \$ 5.7 | 08/07/2008 | D ⁽¹⁾ | | | 7,500 | 05/21/2003 | 05/21/2013 | Comm Share |
| Non-Qualified Share Option (right to buy) | \$ 12.99 | 08/07/2008 | D ⁽¹⁾ | | | 7,500 | 05/30/2011 | 05/30/2011 | Comm Share |
| Non-Qualified Share Option (right to buy) | \$ 1.41 | 08/07/2008 | A ⁽²⁾ | | 10,000 | | 05/19/2005 | 05/19/2015 | Comm Share |
| Non-Qualified Share Option (right to buy) | \$ 1.7 | 08/07/2008 | A ⁽²⁾ | | 10,000 | | 05/23/2006 | 05/23/2016 | Comm Share |
| Non-Qualified Share Option (right to buy) | \$ 2.1 | 08/07/2008 | A ⁽²⁾ | | 25,000 | | 05/13/2008 | 05/13/2018 | Comm Share |
| Non-Qualified Share Option (right to buy) | \$ 2.71 | 08/07/2008 | A ⁽²⁾ | | 125,000 | | 02/21/2008 | 02/21/2018 | Comm Share |

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