XOMA LTD /DE/ Form 4 January 11, 2011

FORM 4

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

Check this box if no longer

subject to Section 16. Form 4 or Form 5

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

obligations may continue. See Instruction

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

2. Issuer Name and Ticker or Trading

XOMA LTD /DE/ [XOMA]

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person *

ENGLE STEVEN B

(First) (Last)

(Middle)

(Zip)

3. Date of Earliest Transaction

Symbol

(Month/Day/Year) 01/07/2011

C/O XOMA LTD., 2910 SEVENTH STREET

(Street) 4. If Amendment, Date Original

Filed(Month/Day/Year)

BERKELEY, CA 94710

(Instr. 3)

5. Relationship of Reporting Person(s) to

Issuer

(Check all applicable)

OMB

Number:

Expires:

response...

Estimated average

burden hours per

OMB APPROVAL

3235-0287

January 31,

2005

0.5

_X__ Director 10% Owner Other (specify

X_ Officer (give title below)

Chairman, CEO & President

6. Individual or Joint/Group Filing(Check

Applicable Line)

X 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

(City) (State)

1.Title of 2. Transaction Date 2A. Deemed Security

(Month/Day/Year)

Execution Date, if (Month/Day/Year)

3. 4. Securities TransactionAcquired (A) or Code Disposed of (D) (Instr. 8)

Code V Amount (D) Price

(Instr. 3, 4 and 5)

(A)

5. Amount of Securities Beneficially Owned Following Reported

Transaction(s) (Instr. 3 and 4)

6. Ownership 7. Nature of Form: Direct Indirect (D) or Indirect Beneficial Ownership (I) (Instr. 4) (Instr. 4)

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

Persons who respond to the collection of SEC 1474 information contained in this form are not (9-02)required to respond unless the form displays a currently valid OMB control number.

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

1. Title of 3. Transaction Date 3A. Deemed 4. 5. Number of (Month/Day/Year) Execution Date, if

Derivative Security

Conversion or Exercise

any

TransactionDerivative Code Securities

6. Date Exercisable and **Expiration Date** (Month/Day/Year)

7. Title and Amor Underlying Secur (Instr. 3 and 4)

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(Instr. 3)	Price of Derivative Security		(Month/Day/Year)	(Instr. 8)	Disposed of (Instr. 3, 4, 5)	of (D)				
				Code V	7 (A)	` '	Date Exercisable	Expiration Date	Title	Am Nui Sha
Incentive Share Option (right to buy)	\$ 5.83	01/07/2011		A	21,844		<u>(1)</u>	01/07/2021	Common Shares	21
Non-Qualified Share Option (right to buy)	\$ 5.83	01/07/2011		A	338,906		<u>(1)</u>	01/07/2021	Common Shares	33

Reporting Owners

Reporting Owner Name / Address	Relationships					
FB	Director	10% Owner	Officer	Other		
ENGLE STEVEN B						
C/O XOMA LTD.	X		Chairman CEO & Brasidant			
2910 SEVENTH STREET	Λ		Chairman, CEO & President			
BERKELEY, CA 94710						

Signatures

By: Christopher J. Margolin For: Steven B.
Engle
01/11/2011

**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) Incentive Stock Option exercisable in conjunction with matching Non-Qualified Stock Option as to 1/50 of options on grant date, with the remaining 1/50 vesting in monthly increments beginning 02/07/2011 and ending 01/07/2012.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.

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