

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K/A

(Amendment No. 1)

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): May 15, 2009

XOMA LTD.

(Exact name of registrant as specified in its charter)

Bermuda

(State of other jurisdiction of incorporation)

0-14710

Commission File Number)

52-2154066

(IRS Employer Identification No.)

2910 Seventh Street, Berkeley, California  
(Address of Principal Executive Offices)

94710

(Zip Code)

Registrant's telephone number, including area code:

(510) 214-7200

Not Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions(see General Instruction A.2 below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14A-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS

On May 19, 2009, XOMA Ltd. (the “Company”) filed a Form 8-K under Item 1.01 to report the entry into a definitive agreement with two institutional investors to sell 11,764,706 units, each consisting of one of the Company’s common shares and a warrant to purchase 0.50 of a common share, for gross proceeds of approximately \$10 million. The opinion of Conyers Dill & Pearman relating to such transaction is attached hereto as Exhibit 5.1 and incorporated herein by reference.

(d) Exhibits.

Exhibit Number	Description
5.1	Legal Opinion of Conyers Dill & Pearman

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

XOMA LTD.

By: /s/ Christopher J. Margolin  
Christopher J. Margolin  
Vice President, General Counsel and  
Secretary

Date: May 28, 2009

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**EXHIBIT INDEX**

**Number**

**Description**

5.1

Legal Opinion of Conyers Dill & Pearman

27 May 2009

XOMA Ltd.  
Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

DIRECT LINE: (441) 278-7974  
E-MAIL: clara.brady@conyersdillandpearman.com  
OUR REF: DWPC/mra/386567/287195corpdocs.  
YOUR REF:

Dear Sirs

**XOMA Ltd. (the "Company")**

We have acted as special legal counsel in Bermuda to the Company in connection with the sale of up to 17,647,059 common shares, par value US\$0.0005 each (the "Common Shares") pursuant to a registration statement on Form S-3 filed with the U.S. Securities and Exchange Commission (the "Commission") on 26 December 2007 (the "Shelf Registration Statement", which term does not include any other document or agreement whether or not specifically referred to therein or attached as an exhibit or schedule thereto) relating to the shelf registration under the U.S. Securities Act of 1933, as amended, (the "Securities Act") of common shares, par value US\$0.0005 each, preference shares, par value US\$0.05 each, senior debt securities, subordinated debt securities and warrants of the Company and a supplemental prospectus forming part of the Shelf Registration Statement dated and filed with the Commission on May 19, 2009 (the "Prospectus Supplement", together with the Shelf Registration Statement, the "Registration Statement").

For the purposes of giving this opinion, we have examined the following documents:

- (i) a PDF copy of the Registration Statement;
- (ii) a PDF copy of a Warrant to Purchase Common Stock dated 20 May 2009 in the name of Hudson Bay Overseas Fund Ltd., entitling the holder to purchase up to 3,764,706 common shares of the Company; and
- (iii) a PDF copy of a Warrant to Purchase Common Stock dated 20 May 2009 in the name of Hudson Bay Fund L.P., entitling the holder to purchase up to 2,117,647 common shares of the Company.

The documents listed in items (i) through (iii) above are herein sometimes collectively referred to as the "Documents" and the documents listed in items (ii) and (iii) are herein sometimes collectively referred to as the "Warrants" (which terms do not include any other instrument or agreement whether or not specifically referred to therein or attached as an exhibit or schedule thereto).

We have also reviewed the memorandum of continuance and the bye-laws of the Company (together, the "Constitutional Documents"), each certified by the Secretary of the Company on 20 May 2009, certified resolutions passed at meetings of the Company's directors held on 12 De-

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ember 2007 and 14 May 2009 and certified resolutions passed at meetings of the Company's shareholders held on 31 January 2000 and 19 May 2005, (together, the "Resolutions") and such other documents and made such enquiries as to questions of law as we have deemed necessary in order to render the opinion set forth below.

We have assumed (a) the genuineness and authenticity of all signatures and the conformity to the originals of all copies (whether or not certified) examined by us and the authenticity and completeness of the originals from which such copies were taken; (b) that where a document has been examined by us in draft form, it will be or has been executed and/or filed in the form of that draft, and where a number of drafts of a document have been examined by us all changes thereto have been marked or otherwise drawn to our attention; (c) the accuracy and completeness of all factual representations made in the Documents and the other documents reviewed by us; (d) that the resolutions contained in the Resolutions were passed at duly convened, constituted and quorate meetings and remain in full force and effect and have not been rescinded or amended; (e) that the Constitutional Documents will not be amended in any manner that would affect the opinions expressed herein, (f) that there is no provision of the law of any jurisdiction, other than Bermuda, which would have any implication in relation to the opinions expressed herein; (g) the Company will have sufficient authorised but unissued capital to effect the issue of any of the Common Shares at the time of issuance; (h) that at all material times the Company's shares will be listed on an appointed stock exchange, as defined in the Companies Act 1981, as amended, and the consent to the issue and free transfer of the Common Shares and the Warrants given by the Bermuda Monetary Authority as of 8 February 2000 will not have been revoked or amended at the time of issuance of any Common Shares; (i) that, upon issue of the Common Shares, the Company will receive consideration for the full issue price thereof which shall be equal to at least the par value thereof; (j) that the Company will comply, to the extent applicable, with the requirements of Part III of the Companies Act entitled "Prospectus and Public Offers"; (k) the capacity, power and authority of each of the parties, other than the Company, to enter into and perform its respective obligations under the Documents and any and all documents entered into by such parties in connection with the issuance of the Common Shares and the due execution and delivery thereof by each party thereto; (l) that none of the parties to the Documents and to any and all documents entered into by such parties in connection with the issuance of the Common Shares carries on business from premises in Bermuda, at which it employs staff and pays salaries and other expenses; and (m) the validity and binding effect under the laws of the State of New York (the "Foreign Laws") of the Warrants in accordance with their terms. "Non-assessability" is not a legal concept under Bermuda law, but when we describe the Common Shares herein as being "non-assessable" we mean, subject to any contrary provision in any agreement between the Company and any one of its members holding any of the Common Shares (but only with respect to such member), that no further sums are payable with respect to the issue of such shares and no member shall be bound by an alteration in the Constitutional Documents after the date upon which it became a member if and so far as the alteration requires such member to take or subscribe for additional Common Shares or in any way increases its liability to contribute to the share capital of, or otherwise pay money to, the Company.

The obligations of the Company under the Warrants (a) will be subject to the laws from time to time in effect relating to bankruptcy, insolvency, liquidation, possessory liens, rights of set off, reorganisation, amalgamation, moratorium or any other laws or legal procedures, whether of a similar nature or otherwise, generally affecting the rights of creditors; (b) will be subject to statu-

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tory limitation of the time within which proceedings may be brought; (c) will be subject to general principles of equity and, as such, specific performance and injunctive relief, being equitable remedies, may not be available; (d) may not be given effect to by a Bermuda court, whether or not it was applying the Foreign Laws, if and to the extent they constitute the payment of an amount which is in the nature of a penalty and not in the nature of liquidated damages; and (e) may not be given effect by a Bermuda court to the extent that they are to be performed in a jurisdiction outside Bermuda and such performance would be illegal under the laws of that jurisdiction. Notwithstanding any contractual submission to the jurisdiction of specific courts, a Bermuda court has inherent discretion to stay or allow proceedings in the Bermuda courts.

We express no opinion as to the enforceability of any provision of the Warrants which provides for the payment of a specified rate of interest on the amount of a judgment after the date of judgment or which purports to fetter the statutory powers of the Company. We have made no investigation of and express no opinion in relation to the laws of any jurisdiction other than Bermuda. This opinion is to be governed by and construed in accordance with the laws of Bermuda and is limited to and is given on the basis of the current law and practice in Bermuda. This opinion is issued solely for the purposes of the filing of the Registration Statement and the issuance of the Common Shares and Warrants by the Company as described in the Registration Statement and is not to be relied upon in respect of any other matter.

On the basis of and subject to the foregoing, we are of the opinion that:

1. The Company has been duly continued to Bermuda and is existing under the laws of Bermuda in good standing (meaning solely that it has not failed to make any filing with any Bermuda governmental authority, or to pay any Bermuda government fee or tax, which would make it liable to be struck off the Register of Companies and thereby cease to exist under the laws of Bermuda).
2. When issued and paid for as contemplated by the Registration Statement and the Warrants, the Common Shares will be validly issued, fully paid and non-assessable.
3. The Warrants have been duly executed and delivered by or on behalf of the Company, and constitute the valid and binding obligations of the Company in accordance with the terms thereof.

We hereby consent to the incorporation by reference of this opinion as an exhibit to the Registration Statement and to the references to our firm under the caption "Legal Matters" in the prospectus forming a part of the Registration Statement. In giving such consent, we do not hereby admit that we are experts within the meaning of Section 11 of the Securities Act or that we are in the category of persons whose consent is required under Section 7 of the Securities Act or the Rules and Regulations of the Commission promulgated thereunder.

Yours faithfully

**Conyers Dill & Pearman**