

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): November 13, 2009

XOMA LTD.

(Exact name of registrant as specified in its charter)

Bermuda

(State or 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) 204-7200

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:

- 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 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 3.01. Notice of Delisting or Failure to Satisfy a Continued Listing Rule or Standard.

As previously reported, XOMA Ltd. ("XOMA") received a letter from the staff of The NASDAQ Stock Market LLC (the "Staff") on November 13, 2009 indicating that the Staff has concluded that XOMA's previously-announced common share financing completed on September 30, 2009 did not comply with NASDAQ's Listing Rule 5635(d)(2) (the "Rule"). On December 8, 2009, XOMA received a Letter of Reprimand from the Staff for non-compliance with the Rule in connection with the September 30, 2009 financing. The issuance of the Letter of Reprimand completed the Staff's review of the matter referenced in the November 13, 2009 letter. XOMA's common shares will remain listed on The NASDAQ Global Market.

The Letter of Reprimand states that, although the Staff determined that XOMA failed to comply with the Rule, it was appropriate to close the matter with a Letter of Reprimand in light of the apparent inadvertent nature of the violation, XOMA's reliance on its outside advisors, XOMA's efforts to remedy the transaction and assure future compliance, and because XOMA has not demonstrated a pattern of non-compliance with NASDAQ's continued listing rules.

On December 9, XOMA issued a press release, a copy of which is attached as Exhibit 99.2.

Item 9.01. Financial Statements and Exhibits.

99.2 Press Release dated December 9, 2009, furnished herewith.

SIGNATURE

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.

Dated: December 9, 2009

XOMA LTD.

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

EXHIBIT INDEX

Number

Description

99.2

Press Release dated December 9, furnished herewith.

XOMA Announces NASDAQ Matter Resolved with Letter of Reprimand

No Change in Listing Status

Berkeley, CA, December 9, 2009 – XOMA Ltd. (NASDAQ: XOMA), a leader in the discovery and development of therapeutic antibodies, announced that it received a Letter of Reprimand from the staff of The NASDAQ Stock Market LLC on December 8, 2009 for non-compliance with NASDAQ's Listing Rule 5635(d)(2) in connection with XOMA's previously-announced common share financing completed on September 30, 2009. The issuance of this letter completed the NASDAQ staff's review of the matter which was referenced in the previously-disclosed November 13, 2009 letter to XOMA. XOMA's common shares will remain listed on The NASDAQ Global Market.

The letter states that, although the NASDAQ staff determined that the company failed to comply with the rule, it was appropriate to close the matter with a Letter of Reprimand in light of the apparent inadvertent nature of the violation, the company's reliance on its outside advisors, the company's efforts to remedy the transaction and assure future compliance, and because the company has not demonstrated a pattern of non-compliance with NASDAQ's continued listing rules.

About XOMA

XOMA discovers, develops and manufactures novel antibody therapeutics for its own proprietary pipeline as well as through license and collaborative agreements with pharmaceutical and biotechnology companies, and under its contracts with the U.S. government. The company's proprietary product pipeline includes: XOMA 052, an anti-IL-1 beta antibody in Phase 2 clinical development for Type 2 diabetes and cardiovascular disease, XOMA 3AB, an antibody candidate in pre-IND studies to neutralize the botulinum toxin, and a preclinical pipeline with candidates in development for inflammatory, autoimmune, infectious and oncologic diseases

Forward-Looking Statements

Certain statements contained herein concerning 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.

These risks, including those related to inability to comply with NASDAQ's continued listing requirements; the declining and generally unstable nature of current economic 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 relationships; the ability of collaborators and other partners to meet their obligations; XOMA's ability to meet the demands of the United States government agency with which it has entered into its government contracts; competition; market demands for products; scale-up 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 <http://www.globenewswire.com/newsroom/prs/?pkgid=5960>

SOURCE: XOMA Ltd.

XOMA

Company and Investor Contact:

Carol DeGuzman

510-204-7270

deguzman@xoma.com

Porter Novelli Life Sciences

Media Contact:

Carolyn Hawley

619-849-5375

chawley@pnlifesciences.com