

FORM 5

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

OMB APPROVAL	
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ANNUAL STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

- Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).
- Form 3 Holdings Reported
- Form 4 Transactions Reported

1. Name and Address of Reporting Person* VAN NESS W DENMAN <small>(Last) (First) (Middle)</small> C/O XOMA LTD., 2910 SEVENTH STREET <small>(Street)</small> BERKELEY, CA 94710 <small>(City) (State) (Zip)</small>	2. Issuer Name and Ticker or Trading Symbol XOMA LTD /DE/ [XOMA]	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director <input type="checkbox"/> 10% Owner <input type="checkbox"/> Officer (give title below) <input type="checkbox"/> Other (specify below)
3. Statement for Issuer's Fiscal Year Ended (Month/Day/Year) 12/31/2008		6. Individual or Joint/Group Reporting (check applicable line) <input checked="" type="checkbox"/> Form Filed by One Reporting Person <input type="checkbox"/> Form Filed by More than One Reporting Person
4. If Amendment, Date Original Filed (Month/Day/Year)		

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 at end of Issuer's Fiscal Year (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
				Amount	(A) or (D)	Price			
Common Shares	12/11/2008		S5(1)	680 (2)	D	\$ 0.9226	0	I	by Company
Common Shares							300	I	by IRA (3)
Common Shares							150	I	by Spouse (4)
Common Shares							49,481	I	by Trust

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

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

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Beneficially Owned at End of Issuer's Fiscal Year (Instr. 4)	10. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
						Date Exercisable	Expiration Date	Title	Amount or Number of Shares				
					(A) (D)								

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

/s/ Christopher J. Margolin for: W. Denman Van Ness		02/06/2009
**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 Form 5 is being filed late due to an inadvertant error associated with the initial filing of the form, which was rejected due to a technical error.

(2) Mr. Van Ness inherited a 15.11% interest in the Denman Estate Company in 2004 which at that time held 4,500 common shares of XOMA Ltd., Mr. Van Ness' portion of which represented approximately 680 shares. Mr. Van Ness' interest in the Denman Estate Company has increased to 16.901% due to a reduction in the outstanding shares of the Denman Estate Company. On December 16, 2008, the Denman Estate Company sold all of its 4,500 common shares of XOMA Ltd., Mr. Van Ness' portion of which represented approximately 760 shares.

(3) Owned directly through W. D. Van Ness IRA.

(4) Held indirectly through the C. Van Ness IRA.

Note: File three copies of this Form, one of which must be manually signed. If space provided 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.