

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

**FORM S-3  
REGISTRATION STATEMENT**  
*UNDER  
THE SECURITIES ACT OF 1933*

**XOMA Ltd.**

(Exact name of registrant as specified in its charter)

**Bermuda**  
(State or other jurisdiction of  
incorporation or organization)

**52-2154066**  
(I.R.S. Employer  
Identification No.)

**2910 Seventh Street  
Berkeley, California 94710  
(510) 204-7200**  
(Address, including ZIP code, and telephone number, including  
area code, of registrant's principal executive offices)

**Christopher J. Margolin, Esq.  
XOMA Ltd.  
2910 Seventh Street  
Berkeley, California 94710  
(510) 204-7292**  
(Name, address, including ZIP code, and telephone number, including  
area code, of agent for service)

*Copies to:*

**James B. Bucher, Esq.  
Shearman & Sterling LLP  
1080 Marsh Road  
Menlo Park, CA 94025  
(650) 838-3600**

**Geoffrey E. Liebmann, Esq.  
Cahill Gordon & Reindel LLP  
80 Pine Street  
New York, New York 10005  
(212) 701-3000**

**Abigail Arms, Esq.  
Shearman & Sterling LLP  
801 Pennsylvania Avenue, N.W.  
Washington, D.C. 20004  
(202) 508-8000**

**Approximate date of commencement of proposed sale to the public:** As soon as practicable after the effective date of this Registration Statement.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act of 1933, as amended (Securities Act), please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.  333-130442

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box.

#### Calculation of Registration Fee

Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price Per Unit	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
6.50% Convertible SNAPS <sub>SM</sub> due 2012	\$2,000,000	107.0% <sup>(1)</sup>	\$2,140,000.00	\$229 <sup>(1)</sup>
Common Shares, par value \$.0005 per share	1,344,358 <sup>(3)</sup>	\$1.625 <sup>(4)</sup>	450,786.38 <sup>(4)</sup>	49
Total Registration Fee				\$278

- (1) Estimated solely for purposes of calculating the registration fee in accordance with Rule 457(a) under the Securities Act.
- (2) The common shares that are being registered include 277,407 shares that would be issued if the Registrant elects, under the terms of the new notes, to make four years of interest payments on the new notes in common shares instead of cash. No additional consideration shall be received for the other 1,066,951 common shares issuable upon conversion of the new notes and therefore no registration fee is required for such shares pursuant to Rule 457(i) under the Securities Act.
- (3) Estimated in accordance with Rule 457(c) and Rule 457(d) solely for the purpose of calculating the amount of the registration fee based on the average of the high and low price of the Registrant's common shares as reported on The Nasdaq National Market on February 7, 2006.

**This Registration Statement shall become effective upon filing with the Commission in accordance with Rule 462(b) under the Securities Act of 1933.**

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### **Incorporation of Certain Information By Reference**

This Registration Statement is being filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended (the "Act"), solely to register an additional \$2,000,000 aggregate principal amount of new notes of XOMA Ltd., a Bermuda company (the "Company"). The contents of the Registration Statement on Form S-3 (No. 333-140442), filed by the Company with the Securities and Exchange Commission on December 19, 2005, as amended by Amendment No. 1 to Registration Statement on Form S-3 filed with the Commission on January 11, 2006, Amendment No. 2 to Registration Statement on Form S-3 filed with the Commission on January 11, 2006, the preliminary prospectus dated January 10, 2006 filed with the Commission on January 11, 2006 pursuant to Rule 424(a) under the Act, and Amendment No. 3 to Registration Statement on Form S-3 filed with the Commission on February 2, 2006, including the exhibits thereto and each of the documents incorporated by reference therein, are incorporated by reference into this Registration Statement.

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SIGNATURE

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Registration Statement on Form S-3 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Berkeley, State of California, on February 8, 2006.

XOMA LTD.

By /s/ J. David Boyle II  
Name: J. David Boyle II  
Title: Vice President, Finance  
and Chief Financial Officer



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**EXHIBIT INDEX**

<u>Exhibit Number</u>	<u>Document Description</u>
5.1	Opinion of Cahill Gordon & Reindel LLP
5.2	Opinion of Conyers Dill & Pearman
23.1	Consent of Independent Registered Public Accounting Firm
23.2	Consent of Cahill Gordon & Reindel LLP (included in Exhibit 5.1)
23.3	Consent of Conyers Dill & Pearman (included in Exhibit 5.2)

February 8, 2006

XOMA Ltd.  
2910 Seventh Street  
Berkeley, California 94710

Re: XOMA Ltd.

Ladies and Gentlemen:

We have acted as special U.S. counsel to XOMA Ltd., a Bermuda company (the "Company"), and this opinion is rendered in connection with the preparation and filing by the Company pursuant to Rule 462(b) under the Securities Act of 1933 (the "Act") of a Registration Statement on Form S-3 (the "Registration Statement"), for the registration of \$2,000,000 aggregate principal amount of the Company's 6.50% convertible SNAPs<sub>sm</sub> due 2012 (the "New Notes") that will be offered to the public for cash.

In connection with the opinion expressed herein, we have examined, and have relied as to matters of fact upon, (i) the form of indenture to be entered into by and between Wells Fargo Bank, National Association, as trustee (the "Trustee") and the Company (the "Indenture") governing the New Notes, and (ii) the placement agreement dated as of January 11, 2006 among Piper Jaffray & Co., Canaccord Adams Inc. and the Company (the "Placement Agreement" and, together with the Indenture, the "Transaction Documents") and originals or copies, certified or otherwise identified to our satisfaction, of such corporate records, agreements, documents and other instruments and such certificates or comparable documents or public officials and directors, officers, employees and representatives of the Company, and have made such further investigations, as we have deemed relevant and appropriate as a basis for the opinions hereinafter set forth. In such examination, we have assumed the genuineness of all signatures, the legal capacity of all natural persons, the conformity to the originals of all documents submitted to us as copies and the authenticity of all originals. We have also assumed that all agreements, documents and other instruments examined by us to which the Company is a party (including the Transaction Documents) have been or will be duly authorized, executed and delivered by the Company and each other party thereto in accordance with all laws applicable to the Company and such other party.

Based upon and subject to the foregoing, we are of the opinion that, once the New Notes have been issued, executed, authenticated and delivered in accordance with the Indenture and delivered as described in the Registration Statement for cash, and assuming the due authorization, execution and delivery of the New Notes by the Company under Bermuda law, the New Notes will constitute valid and binding obligations of the Company, enforceable in accordance with their terms, subject to applicable bankruptcy, insolvency or similar laws affecting creditors' rights generally and general principles of equity.

We are members of the Bar of the State of New York, and we express no opinion as to the laws of any jurisdiction other than the General Obligations Law of the State of New York and the federal securities laws of the United States.

This opinion is expressed as of the date hereof, and we take no responsibility to advise you of any changes subsequent to the date hereof.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement and to the reference of our firm under the caption "Legal Matters" in the prospectus incorporated by reference into the Registration Statement. Our consent to such reference does not constitute a consent under Section 7 of the Act and in consenting to such reference we have not certified any part of the Registration Statement and do not otherwise come within the categories of persons whose consent is required under Section 7 or under the rules and regulations of the Securities and Exchange Commission thereunder.

Very truly yours,

Cahill Gordon & Reindel LLP

## [CD &amp; P Letterhead]

8 February 2006

XOMA Ltd.  
2910 Seventh Street  
Berkeley, California 94710  
USA

Dear Sirs

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

We have acted as special legal counsel in Bermuda to the Company in connection with the Registration Statement on Form S-3 (the "Registration Statement", which term does not include any other instrument or agreement whether or not specifically referred to therein or attached as an exhibit or schedule thereto) filed with the U.S. Securities and Exchange Commission (the "Commission") on 8 February 2006 relating to the registration under the U.S. Securities Act of 1933, as amended (the "Securities Act"), of (i) \$2,000,000 in aggregate principal amount of the Company's 6.50% Convertible Senior Notes with Automatic Conversion Provision due 2012 (the "New Notes") to be issued for cash and (ii) an aggregate of 1,344,358 common shares par value US\$.0005 per share (the "Shares") issuable upon the conversion of the New Notes.

For the purposes of giving this opinion, we have examined facsimile copies of (i) an undated form of indenture (the "Indenture") between the Company and Wells Fargo Bank, National Association as trustee, and (ii) a placement agreement (together with the Indenture, the "Documents") dated 11 January 2006 between the Company, Piper Jaffray & Co. and Canaccord Adams Inc.

We have also reviewed the memorandum of continuance and the bye-laws of the Company, each certified by the Secretary of the Company on 30 January 2006, certified resolutions passed at meetings of the Company's directors held on 8 December 2004 and 25 October 2005, certified resolutions passed at meetings of the financing committee of the Company's board of directors held on 16 November 2005 and 8 February 2006 and certified resolutions passed at a meeting of the Company's shareholders held on 31 January 2000, (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 capacity, power and authority of each of the parties to the Documents, other than the Company, to enter into and perform its respective obligations under the Documents; (d) the due execution of the Documents by each of the parties thereto, other than the Company, and the delivery thereof by each of the parties thereto; (e) the accuracy and completeness of all factual representations made in the Documents and the other documents reviewed by us; (f) that the resolutions contained in the Resolutions remain in full force and effect and have not been rescinded or amended; (g) 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; (h) the validity and binding effect under the laws of the State of New York (the "Foreign Laws") of the Documents in accordance with their respective terms; (i) that none of the parties to the Documents has carried on or will carry on activities, other than the performance of its obligations under the Documents, which would constitute the carrying on of investment business in or from Bermuda and that none of the parties to the Documents, other than the Company, will perform its obligations under the Documents in or from Bermuda; (j) that on the date of entering into the Documents the Company is and after entering into the Documents will be able to pay its liabilities as they become due; (k) that the Existing Notes are validly issued and fully paid; (l) that the Company will have sufficient authorised capital to effect the issue of any of the Shares at the time of the conversion of any New Note; (m) that the New Notes have been duly issued and paid for in accordance with the terms of the Documents; (n) that the Company's shares will be listed on an appointed stock exchange, as defined in the Companies Act 1981, and the consent to the issue and free transfer of the Company's shares and other securities 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 Shares; and (o) that the final form of each of the Documents and the execution thereof has been approved, or will be ratified and approved, if appropriate, by the financing committee of the Company's board of directors.

We express no opinion as to the enforceability of any provision of any Document 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 purpose set out above 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 New Notes and the Shares have been duly authorised in accordance with the Company's memorandum of continuance and bye-laws.
2. When issued and delivered upon conversion of the New Notes in accordance with the terms of the Indenture and the New Notes, the Shares will be validly issued,

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fully paid and non-assessable (meaning that no further sums are required to be paid by the holders thereof in connection with the issue of such shares).

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement. In giving this consent, we do not 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**

CONSENT OF INDEPENDENT  
REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the reference to our firm under the caption "Experts" in the Registration Statement (Form S-3 No. 333-130442) declared effective on February 8, 2006, which has been incorporated by reference in this Registration Statement on Form S-3 of XOMA Ltd. for the registration of up to \$2,000,000 in aggregate principal amount of XOMA Ltd.'s 6.50% Convertible SNAP<sub>SM</sub> due 2012 and to the incorporation by reference therein of our reports dated March 11, 2005, with respect to the consolidated financial statements of XOMA Ltd., XOMA Ltd. management's assessment of the effectiveness of internal control over financial reporting, and the effectiveness of internal control over financial reporting of XOMA Ltd. included in its Annual Report (Form 10-K) for the year ended December 31, 2004, filed with the Securities and Exchange Commission.

/s/ ERNST & YOUNG LLP  
Palo Alto, California  
February 8, 2006