

# FORM 5

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

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| OMB APPROVAL                                   |           |
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## ANNUAL STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

- 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

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

| 1. Name and Address of Reporting Person*<br><b>ENGLE STEVEN B</b> |   |   | 2. Issuer Name and Ticker or Trading Symbol<br><b>XOMA LTD /DE/ [XOMA]</b>              |  |            | 5. Relationship of Reporting Person(s) to Issuer<br>(Check all applicable)<br><input checked="" type="checkbox"/> Director <input type="checkbox"/> 10% Owner<br><input checked="" type="checkbox"/> Officer (give title below) <input type="checkbox"/> Other (specify below)<br><b>Chairman of the Board, CEO</b> |   |   |  |
|---|---|---|---|--|------------|---|---|---|--|
| (Last) (First) (Middle)   |   |   | 3. Statement for Issuer's Fiscal Year Ended<br>(Month/Day/Year)<br><b>12/31/2007</b>    |  |            |   |   |   |  |
| C/O XOMA LTD., 2910 SEVENTH STREET                                |   |   | 4. If Amendment, Date Original Filed(Month/Day/Year)                                    |  |            | 6. Individual or Joint/Group Reporting<br>(check applicable line)<br><br><input checked="" type="checkbox"/> Form Filed by One Reporting Person<br><input type="checkbox"/> Form Filed by More than One Reporting Person  |   |   |  |
| (Street)  |   |   |   |  |            |   |   |   |  |
| BERKELEY, CA 94710  |   |   |   |  |            |   |   |   |  |
| (City) (State) (Zip)  |   |   | <b>Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned</b> |  |            |   |   |   |  |
| 1. Title of Security<br>(Instr. 3)                                | 2. Transaction Date<br>(Month/Day/Year) | 2A. Deemed Execution Date, if any<br>(Month/Day/Year) | 3. Transaction Code<br>(Instr. 8)   | 4. Securities Acquired (A) or Disposed of (D)<br>(Instr. 3, 4 and 5) |            |   | 5. Amount of Securities Beneficially Owned at end of Issuer's Fiscal Year<br>(Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I)<br>(Instr. 4) | 7. Nature of Indirect Beneficial Ownership<br>(Instr. 4) |
|   |   |   |   | Amount   | (A) or (D) | Price   |   |   |  |
| Common Shares   | 12/31/2007(1)                           |   | J   | 1,377  | A          | \$ 3.404  | 1,377   | I   | by 401(k)  |

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

## Reporting Owners

| Reporting Owner Name / Address   | Relationships |           |                            |       |
|--|---------------|-----------|----------------------------|-------|
|  | Director      | 10% Owner | Officer                    | Other |
| ENGLE STEVEN B<br>C/O XOMA LTD.<br>2910 SEVENTH STREET<br>BERKELEY, CA 94710 | X             |           | Chairman of the Board, CEO |       |

## Signatures

|  |  |            |
|--|--|------------|
| By: Christopher J. Margolin For: Steven B. Engle |  | 02/11/2008 |
| **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) All shares were acquired during the 2007 fiscal year under the XOMA Ltd. Deferred Savings Plan. All shares were acquired in a transaction exempt from Section 16(b).

Note: File three copies of this Form, one of which must be manually signed. If space provided is insufficient, *see* Instruction 6 for procedure.

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