

# FORM 4

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

| OMB APPROVAL                                   |           |
|--|-----------|
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## 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).

(Print or Type Responses)

|  |  |   |  |   |  |
|--|--|---|--|---|--|
| 1. Name and Address of Reporting Person*<br><b>BOYLE J DAVID II</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>Director _____ 10% Owner _____<br><input checked="" type="checkbox"/> Officer (give title below) _____ Other (specify below) _____<br><b>VP, Finance, and CFO</b> |  |
| (Last) (First) (Middle)<br><b>C/O XOMA LTD., 2910 SEVENTH STREET</b> |  | 3. Date of Earliest Transaction (Month/Day/Year)<br><b>10/31/2007</b>                   |  |   |  |
| (Street)<br><b>BERKELEY, CA 94710</b>                                |  | 4. If Amendment, Date Original Filed(Month/Day/Year)<br><b>11/02/2007</b>               |  | 6. Individual or Joint/Group Filing (Check Applicable Line)<br><input checked="" type="checkbox"/> Form filed by One Reporting Person<br><input type="checkbox"/> Form filed by More than One Reporting Person                                  |  |
| (City) (State) (Zip)   |  | <b>Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned</b> |  |   |  |

| 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 Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|------------|-------|---|--|---|
|                                 |                                      |  | Code                           | V | Amount  | (A) or (D) | Price |   |  |   |

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number. SEC 1474 (9-02)

**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 Following Reported Transaction(s) (Instr. 4) | 10. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 4) | 11. Nature of Indirect Beneficial Ownership (Instr. 4) |
|--|--|--------------------------------------|--|--------------------------------|---|---|--|-----------------|---|----------------------------|--|--|--|--|
|  |  |                                      |  | Code                           | V |   | Date Exercisable   | Expiration Date | Title   | Amount or Number of Shares |  |  |  |  |
| Incentive Share Option (right to buy)      | \$ 3.67  | 10/31/2007 <sup>(1)</sup>            |  | A                              |   | 54,884  | <sup>(2)</sup>   | 10/31/2017      | Common Shares   | 54,884                     | \$ 0                                       | 54,884   | D  |  |
| Non-Qualified Share Option (right to buy)  | \$ 3.67  | 10/31/2007 <sup>(1)</sup>            |  | A                              |   | 595,116   | <sup>(2)</sup>   | 10/31/2017      | Common Shares   | 595,116                    | \$ 0                                       | 595,116  | D  |  |

## Reporting Owners

| Reporting Owner Name / Address   | Relationships |           |                      |       |
|--|---------------|-----------|----------------------|-------|
|  | Director      | 10% Owner | Officer              | Other |
| BOYLE J DAVID II<br>C/O XOMA LTD.<br>2910 SEVENTH STREET<br>BERKELEY, CA 94710 |               |           | VP, Finance, and CFO |       |

## Signatures

|  |  |                     |
|--|--|---------------------|
| By: Christopher J. Margolin For: J. David Boyle II |  | 05/14/2008          |
| <small>**Signature of Reporting Person</small>     |  | <small>Date</small> |

## 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) Grant of option was subject to shareholder approval of an increase in shares issuable under the option plan. Increase was approved at Annual Meeting of Shareholders held 05-13-2008.

(2) Exercisable as to (a) 25% of the option shares upon the first anniversary of the date of grant, and (b) the remaining 75% of the option shares in thirty-six (36) equal and consecutive monthly installments beginning one year and one month after the date of grant.

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

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