

FORM 4

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

OMB APPROVAL
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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

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

(Print or Type Responses)

1. Name and Address of Reporting Person VAN NESS W DENMAN			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)		
(Last)	(First)	(Middle)	3. Date of Earliest Transaction (Month/Day/Year) 08/07/2008					
C/O XOMA LTD., 2910 SEVENTH STREET								
(Street)			4. If Amendment, Date Original Filed (Month/Day/Year)			6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person		
BERKELEY, CA 94710								
(City)	(State)	(Zip)	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 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.

SEC 1474 (9-02)

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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 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	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares				
Non-Qualified Share Option (right to buy)	\$ 1.41	08/07/2008		D			10,000	05/19/2005	05/19/2015	Common Shares	10,000	\$ 0	0	D	
Non-Qualified Share Option (right to buy)	\$ 1.70	08/07/2008		D			10,000	05/23/2006	05/23/2016	Common Shares	10,000	\$ 0	0	D	
Non-Qualified Share Option (right to buy)	\$ 2.10	08/07/2008		D			25,000	05/13/2008	05/13/2018	Common Shares	25,000	\$ 0	0	D	
Non-Qualified Share Option (right to buy)	\$ 2.71	08/07/2008		D			125,000	02/21/2008	02/21/2018	Common Shares	125,000	\$ 0	0	D	
Non-Qualified Share Option (right to buy)	\$ 3.42	08/07/2008		D			12,000	05/22/2007	05/22/2017	Common Shares	12,000	\$ 0	0	D	
Non-Qualified Share Option (right to buy)	\$ 3.84	08/07/2008		D			10,000	05/19/2004	05/19/2014	Common Shares	10,000	\$ 0	0	D	

Non-Qualified Share Option (right to buy)	\$ 4.37	08/07/2008		D ⁽¹⁾		7,500	05/29/2002	05/29/2012	Common Shares	7,500	\$ 0	0	D	
Non-Qualified Share Option (right to buy)	\$ 5.70	08/07/2008		D ⁽¹⁾		7,500	05/21/2003	05/21/2013	Common Shares	7,500	\$ 0	0	D	
Non-Qualified Share Option (right to buy)	\$ 12.99	08/07/2008		D ⁽¹⁾		7,500	05/30/2011	05/30/2011	Common Shares	7,500	\$ 0	0	D	
Non-Qualified Share Option (right to buy)	\$ 1.41	08/07/2008		A ⁽²⁾	10,000		05/19/2005	05/19/2015	Common Shares	10,000	\$ 0	10,000	I	by Trust
Non-Qualified Share Option (right to buy)	\$ 1.70	08/07/2008		A ⁽²⁾	10,000		05/23/2006	05/23/2016	Common Shares	10,000	\$ 0	10,000	I	by Trust
Non-Qualified Share Option (right to buy)	\$ 2.10	08/07/2008		A ⁽²⁾	25,000		05/13/2008	05/13/2018	Common Shares	25,000	\$ 0	25,000	I	by Trust
Non-Qualified Share Option (right to buy)	\$ 2.71	08/07/2008		A ⁽²⁾	125,000		02/21/2008	02/21/2018	Common Shares	125,000	\$ 0	125,000	I	by Trust
Non-Qualified Share Option (right to buy)	\$ 3.42	08/07/2008		A ⁽²⁾	12,000		05/22/2007	05/22/2017	Common Shares	12,000	\$ 0	12,000	I	by Trust
Non-Qualified Share Option (right to buy)	\$ 3.84	08/07/2008		A ⁽²⁾	10,000		05/19/2004	05/19/2014	Common Shares	10,000	\$ 0	10,000	I	by Trust
Non-Qualified Share Option (right to buy)	\$ 4.37	08/07/2008		A ⁽²⁾	7,500		05/29/2002	05/29/2012	Common Shares	7,500	\$ 0	7,500	I	by Trust
Non-Qualified Share Option (right to buy)	\$ 5.70	08/07/2008		A ⁽²⁾	7,500		05/21/2003	05/21/2003	Common Shares	7,500	\$ 0	7,500	I	by Trust
Non-Qualified Share Option (right to buy)	\$ 12.99	08/07/2008		A ⁽²⁾	7,500		05/30/2001	05/31/2011	Common Shares	7,500	\$ 0	7,500	I	by Trust

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

By: Christopher J. Margolin For: W. Denman Van Ness		08/11/2008
<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) This transaction represents the disposition of the fully vested option pursuant to the transfer of said option from Mr. Van Ness to "The Van Ness 1983 Revocable Trust".

(2) This transaction represents the acquisition of the fully vested option by the "The Van Ness 1983 Revocable Trust" pursuant to the transfer of said option from Mr. Van Ness to "The Van Ness 1983 Revocable Trust".

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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