

OMB APPROVAL	
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**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP**

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

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* <u>MURRAY JAMES WILLIAM III</u>  (Last) (First) (Middle) <u>16 SOUTH PENNSYLVANIA AVENUE</u>  (Street) <u>OKLAHOMA OK 73107</u>  (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>LSB INDUSTRIES INC [ LXU ]</u>	5. Relationship of Reporting Person(s) to Issuer (Check all applicable)  Director 10% Owner X Officer (give title below) Other (specify below) <u>VP/Sr Assoc Gen Couns/Asst Sec</u>
	3. Date of Earliest Transaction (Month/Day/Year) <u>03/05/2012</u>	
4. If Amendment, Date of 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 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			
Common Stock	03/05/2012		M		1,650	A	\$9.69	1,650	D	
Common Stock	03/05/2012		S		1,650	D	\$39.6	0	D	

**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 Securities Underlying Derivative Security (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: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date						Title
Incentive Stock Option <sup>(1)</sup>	\$9.69	03/05/2012		M			1,650	(1)	10/13/2018	Common Stock	1,650	\$0	5,050	D	
Incentive Stock Option <sup>(1)</sup>	\$34.5							(1)	11/14/2021	Common Stock	5,000		5,000	D	

**Explanation of Responses:**

1. Incentive Stock Option ("ISO") granted by the Issuer to the reporting person under the Issuer's Incentive Stock Option Plans. An ISO for 10,000 shares of the Issuer's common stock exercisable at \$9.69, with an expiration date of October 13, 2018, was granted to the reporting person on October 13, 2008. An ISO for 5,000 shares of the Issuer's common stock exercisable at \$34.50, with an expiration date of November 14, 2021, was granted to the reporting person on November 14, 2011. Each ISO is for a term of ten years and vests at the end of its respective years one through six in the following amounts: 16.5%, 16.5%, 16.5%, 16.5% and 17.5%. Each ISO will be fully vested at the end of year six. As of the date of this report, the total number of shares underlying the ISOs are 10,050.

**Remarks:**

James W. Murray III                      03/05/2012

\*\* Signature of Reporting Person                      Date

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

\* 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).

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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