

KMG CHEMICALS INC
 Form 4
 October 30, 2008

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, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
 Kremling Ernest C. II

(Last) (First) (Middle)
 9555 W SAM HOUSTON
 PARKWAY S, SUITE 600
 (Street)

HOUSTON, TX 77099

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
 KMG CHEMICALS INC [KMGB]

3. Date of Earliest Transaction
 (Month/Day/Year)
 02/26/2008

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

___ Director ___ 10% Owner
 Officer (give title below) ___ Other (specify below)
 Vice President of Operations

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 ___ Form filed by More than One Reporting Person

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

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

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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	2. Conversion or Exercise	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any	4. Transaction Code	5. Number of	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)
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(Instr. 3)	Price of Derivative Security	(Month/Day/Year)	(Instr. 8)	Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Time Based Restricted Stock Agreement	\$ 0	02/26/2008			A	1			08/01/2008	08/01/2008 ⁽¹⁾	Common Stock	2,600
Time Based Restricted Stock Agreement	\$ 0	02/26/2008			A	1			08/01/2009	08/01/2009 ⁽²⁾	Common Stock	2,600
Time Based Restricted Stock Agreement	\$ 0	02/26/2008			A	1			08/01/2010	08/01/2010 ⁽³⁾	Common Stock	2,600

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Kremling Ernest C. II 9555 W SAM HOUSTON PARKWAY S SUITE 600 HOUSTON, TX 77099			Vice President of Operations	

Signatures

Roger C Jackson POA from Ernest C
Kremling II

10/30/2008

__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) Vesting is time based on 8/1/08. Vested shares are awarded, generally, within two and one-half months of vesting.

(2) Vesting is time based on 8/1/09. Vested shares are awarded, generally, within two and one-half months of vesting.

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(3) Vesting is time based on 8/1/10. Vested shares are awarded, generally, within two and one-half months of vesting.

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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