

JONES JIMMIE D
Form 4
August 30, 2006

FORM 4

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

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

OMB APPROVAL

OMB
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(Print or Type Responses)

1. Name and Address of Reporting Person *
JONES JIMMIE D

(Last) (First) (Middle)

16 SOUTH PENNSYLVANIA
AVENUE

(Street)

OKLAHOMA CITY, OK 73107

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading
Symbol
LSB INDUSTRIES INC [LXU]

3. Date of Earliest Transaction
(Month/Day/Year)
08/28/2006

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

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

____ Director ____ 10% Owner
__X__ Officer (give title below) ____ Other (specify below)

Sr VP/Controller/Treasurer

6. Individual or Joint/Group Filing(Check
Applicable Line)
__X__ 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 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	08/28/2006		F		25,255	D	\$ 9.8
							23,352
Common Stock	08/28/2006		M		60,000	A	\$ 4.125
							83,352

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

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information contained in this form are not
required to respond unless the form
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(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. Amount or Number of Shares
Incentive Stock Option	\$ 4.125	08/28/2006		M	60,000	<u>(1)</u> 11/19/2006	Common Stock	60,000 <u>(1)</u>

Reporting Owners

Reporting Owner Name / Address	Relationships
JONES JIMMIE D 16 SOUTH PENNSYLVANIA AVENUE OKLAHOMA CITY, OK 73107	Director 10% Owner Officer Other Sr VP/Controller/Treasurer

Signatures

Jimmie D Jones 08/30/2006

Signature of Date
Reporting Person

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) Incentive Stock Options ("ISO") granted to Mr. Jones under the Incentive Stock Option Plans (the "Plans") of LSB Industries, Inc. (the "Company"). Each ISO allows the purchase of shares of the Company's common stock upon the exercise thereof. Each ISO is exercisable for a period of ten years from the date of grant and was fully vested on or before December 31, 2005. As of the date of this report, the total number of shares underlying the ISOs held by Mr. Jones is 80,000.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.