

**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

OMB APPROVAL	
OMB Number:	3235-0287
Estimated average burden hours per response:	0.5

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 [ LSBD ]</u>	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director 10% Owner <input checked="" type="checkbox"/> 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>12/03/2003</u>	
		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

**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	12/03/2003		M		3,000	A	\$4.875	3,000	D	
Common Stock	12/03/2003		M		2,000	A	\$2.73	5,000	D	
Common Stock	12/03/2003		S		3,000	D	\$5.9	2,000	D	
Common Stock	12/03/2003		S		2,000	D	\$5.85	0	D	
Common Stock	12/04/2003		M		8,000	A	\$1.25	8,000	D	
Common Stock	12/04/2003		M		2,000	A	\$2.73	10,000	D	
Common Stock	12/04/2003		S		2,000	D	\$5.8	8,000	D	
Common Stock	12/04/2003		S		3,000	D	\$5.85	5,000	D	
Common Stock	12/04/2003		S		5,000	D	\$5.9	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)(2)</sup>	\$4.875	12/03/2004		M			3,000	06/27/2000 <sup>(1)(2)</sup>	06/27/2006	Common Stock	3,000	\$0	0	D	
Incentive Stock Option <sup>(1)(3)</sup>	\$2.73	12/03/2004		M			2,000	11/29/2002 <sup>(1)(3)</sup>	11/29/2011	Common Stock	2,000	\$0	8,000	D	
Incentive Stock Option <sup>(1)(3)</sup>	\$2.73	12/04/2004		M			2,000	11/29/2003 <sup>(1)(3)</sup>	11/29/2011	Common Stock	2,000	\$0	6,000	D	
Incentive Stock Option <sup>(1)(4)</sup>	\$1.25	12/04/2004		M			8,000	07/08/2003 <sup>(1)(4)</sup>	07/08/2009	Common Stock	8,000	\$0	0	D	

**Explanation of Responses:**

- Incentive Stock Option ("ISO") granted by LSB Industries, Inc. (the "Issuer") to James W. Murray, III under the Issuer's Incentive Stock Option Plans. Each ISO is for a term of ten years from the date of grant. Each ISO vests at the end of year one through year four in the following amounts: 20%, 20%, 30% and 30%. Each option is fully vested at the end of year four.
- An ISO for 3,000 shares of Common Stock, exercisable at \$4.875, was granted to Mr. Murray on June 27, 1996 and Mr. Murray exercised such ISO for 3,000 underlying shares of common stock on December 3, 2003.
- An ISO for 10,000 shares of Common Stock, exercisable at \$2.73, was granted to Mr. Murray on November 29, 2001, and Mr. Murray exercised such ISO for 2,000 underlying shares of common stock on December 3, 2003, and an additional 2,000 underlying shares of common stock on December 4, 2003, leaving 6,000 total shares of Common Stock underlying these unexercised ISOs.
- An ISO for 8,000 shares of Common Stock, exercisable at \$1.25, was granted to Mr. Murray on July 8, 1999, and Mr. Murray exercised such ISO for 8,000 underlying shares of common stock on December 4, 2003.

James Wm. Murray III

12/05/2003

\*\* 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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