

| 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 *<br><u>ADAMS MICHAEL G</u><br><br>(Last) (First) (Middle)<br><u>16 SOUTH PENNSYLVANIA AVENUE</u><br><br>(Street)<br><u>OKLAHOMA OK 73107</u><br><br>(City) (State) (Zip) | 2. Issuer Name and Ticker or Trading Symbol<br><u>LSB INDUSTRIES INC [ LXU ]</u> | 5. Relationship of Reporting Person(s) to Issuer (Check all applicable)<br><br>Director 10% Owner<br><input checked="" type="checkbox"/> Officer (give title below) Other (specify below)<br><u>VP/Corporate Controller</u> |
|   | 3. Date of Earliest Transaction (Month/Day/Year)<br><u>11/10/2008</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                    | 11/10/2008                           |  | M                              |   | 10,000  | A          | \$1.25 | 10,000  | D  |   |
| Common Stock                    | 11/10/2008                           |  | G                              | V | 10,000  | D          | \$0    | 0   | D  |   |
| Common Stock                    | 11/10/2008                           |  | G                              | V | 10,000  | A          | \$0    | 11,304  | I  | By Trust <sup>(1)</sup>                               |

**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>(2)</sup>      | \$1.25   | 11/10/2008                           |  | M                              |   |  | 10,000 | (2)  | 07/08/2009      | Common Stock  | 10,000                                     | (2)  | 0   | D  |       |
| Incentive Stock Option <sup>(2)</sup>      | \$2.73   |                                      |  |                                |   |  |        | (2)  | 11/29/2011      | Common Stock  | 10,000                                     |  | 10,000  | D  |       |

**Explanation of Responses:**

- These shares are held by the reporting person's revocable trust of which he is the settlor and trustee and possesses a pecuniary interest in the securities held by the trust. Prior to the exercise of the Incentive Stock Options described herein, the reporting person held 1,304 shares of the Issuer's common stock in his revocable trust.
- These are Incentive Stock Options ("ISO") granted by the Issuer to the reporting person. All ISOs the reporting person holds are currently exercisable. As of the date of this report, the total number of shares underlying the ISOs the reporting person holds is 10,000.

Michael G. Adams

11/11/2008

\*\* 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.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.