

Kremling Ernest C. II
 Form 4
 November 07, 2011

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

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

3. Date of Earliest Transaction (Month/Day/Year)
 10/14/2011

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

HOUSTON, TX 77099
 (City) (State) (Zip)

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

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 Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
			Code	V Amount (A) or (D) Price			
Common Stock	10/14/2011		M	3,167 A \$ 0	10,967	D	
Common Stock	10/14/2011		M	838 ⁽¹⁾ D \$ 0	10,129	D	

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

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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 Security (Instr. 3 and 4)	Amount or Number of Shares
Performance Restricted Stock Agr Ser 1	\$ 0	10/14/2011		M	1	07/31/2011 ⁽²⁾ 07/31/2011 ⁽²⁾	Common Stock	3,100
Performance Based Restricted Stock Agr Ser 2	\$ 0	10/14/2011		M	1	07/31/2011 07/31/2011	Common Stock	0

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
 11/07/2011
 **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) Shares withheld by the company under cashless exercise.
- (2) Vesting of common shares is performance based over a measurement period ending 7/31/2011. Vested shares are awarded, generally, within 2.5 months after 7/31/2011.

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(3) Vesting of common shares is performance based over a measurement period ending 7/31/2011. No shares vested and award expired.

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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