

KEY ENERGY SERVICES INC
 Form 4
 August 23, 2007

FORM 4

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

OMB APPROVAL

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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 *
 AUSTIN WILLIAM M

2. Issuer Name and Ticker or Trading Symbol
 KEY ENERGY SERVICES INC
 [KEGS]

5. Relationship of Reporting Person(s) to Issuer
 (Check all applicable)

(Last) (First) (Middle)
 1301 MCKINNEY STREET, SUITE 1800
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 08/22/2007

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
 SVP and CFO

HOUSTON, TX 77010

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

(City) (State) (Zip)

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 (D) Price | | |
| Common Stock | 08/22/2007 | | A | (1) | 41,762 \$ 0 | 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)

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| 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 Underlying Security (Instr. 3 and 4) |
|--------------------------------------------|--------------------------------------------------------|--------------------------------------|----------------------------------------------------|--------------------------------|-----------------------------------------------------------------------------------------|----------------------------------------------------------|---------------------------------------------------|
| Stock Appreciation Right | \$ 14.32 | 08/22/2007 | | A | 102,294 | 08/22/2008 ⁽²⁾ 08/22/2017 | Common Stock |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|-----------------------------------------------------------------------------|---------------|-----------|-------------|-------|
| | Director | 10% Owner | Officer | Other |
| AUSTIN WILLIAM M 1301 MCKINNEY STREET SUITE 1800 HOUSTON, TX 77010 | | | SVP and CFO | |

Signatures

By Kimberly R. Frye, Attorney in Fact for William M. Austin 08/23/2007

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).
Represents unvested award of restricted stock shares granted under Key Energy Group, Inc. 1997 Incentive Plan (the "Plan"). The
(1) restricted stock shares will vest in installments with respect to 33 1/3% of the shares on each of August 22, 2008, August 22, 2009 and August 22, 2010.
(2) The Stock Appreciation Right granted under the Plan will vest in installments with respect to 33 1/3% of the shares on each of August 22, 2008, August 22, 2009 and August 22, 2010.

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.