

**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                                 |           |
|--|-----------|
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|   |  |  |
|---|--|--|
| 1. Name and Address of Reporting Person*<br><b>MURPHY TERRY M</b><br><br>(Last) (First) (Middle)<br><b>1900 WEST LOOP SOUTH</b><br><b>SUITE 1500</b><br><br>(Street)<br><b>HOUSTON TX 77027</b><br><br>(City) (State) (Zip) | 2. Issuer Name and Ticker or Trading Symbol<br><b>QUANEX CORP [ NX ]</b> | 5. Relationship of Reporting Person(s) to Issuer<br>(Check all applicable)<br><br>Director 10% Owner<br><input checked="" type="checkbox"/> Officer (give title below) Other (specify below)<br><b>Senior VP-Finance and CFO</b> |
|   | 3. Date of Earliest Transaction (Month/Day/Year)<br><b>02/17/2006</b>    |  |
| 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                    | 02/17/2006                           |  | M                              |   | 5,000   | A          | \$12.125  | 20,918.8675   | D  |   |
| Common Stock                    | 02/17/2006                           |  | M                              |   | 5,000   | A          | \$17.3333 | 25,918.8675   | D  |   |
| Common Stock                    | 02/17/2006                           |  | M                              |   | 5,000   | A          | \$21.3333 | 30,918.8675   | D  |   |
| Common Stock                    | 02/17/2006                           |  | S                              |   | 800   | D          | \$61.55   | 30,118.8675   | D  |   |
| Common Stock                    | 02/17/2006                           |  | S                              |   | 100   | D          | \$61.6    | 30,018.8675   | D  |   |
| Common Stock                    | 02/17/2006                           |  | S                              |   | 200   | D          | \$61.65   | 29,818.8675   | D  |   |
| Common Stock                    | 02/17/2006                           |  | S                              |   | 200   | D          | \$61.71   | 29,618.8675   | D  |   |
| Common Stock                    | 02/17/2006                           |  | S                              |   | 400   | D          | \$61.72   | 29,218.8675   | D  |   |
| Common Stock                    | 02/17/2006                           |  | S                              |   | 500   | D          | \$61.75   | 28,718.8675   | D  |   |
| Common Stock                    | 02/17/2006                           |  | S                              |   | 200   | D          | \$61.77   | 28,518.8675   | D  |   |
| Common Stock                    | 02/17/2006                           |  | S                              |   | 500   | D          | \$61.8    | 28,018.8675   | D  |   |
| Common Stock                    | 02/17/2006                           |  | S                              |   | 2,200   | D          | \$61.81   | 25,818.8675   | D  |   |
| Common Stock                    | 02/17/2006                           |  | S                              |   | 400   | D          | \$61.82   | 25,418.8675   | D  |   |
| Common Stock                    | 02/17/2006                           |  | S                              |   | 700   | D          | \$61.83   | 24,718.8675   | D  |   |
| Common Stock                    | 02/17/2006                           |  | S                              |   | 800   | D          | \$61.84   | 23,918.8675   | D  |   |
| Common Stock                    | 02/17/2006                           |  | S                              |   | 600   | D          | \$61.85   | 23,318.8675   | D  |   |
| Common Stock                    | 02/17/2006                           |  | S                              |   | 200   | D          | \$61.87   | 23,118.8675   | D  |   |
| Common Stock                    | 02/17/2006                           |  | S                              |   | 100   | D          | \$61.88   | 23,018.8675   | D  |   |
| Common Stock                    | 02/17/2006                           |  | S                              |   | 7,100   | D          | \$61.9    | 15,918.8675   | 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 |
| Stock Options (Right to buy)               | \$12.125   | 02/17/2006                           |  | M <sup>(1)</sup>               |   |  | 5,000 | 10/26/2001   | 10/26/2010      | Common Stock  | 5,000                                      | \$0  | 7,500   | D  |       |

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|--|--|--------------------------------------|--|--------------------------------|---|--|-------|--|-----------------|---|----------------------------|--|--|---|--|
|  |  |                                      |  | Code                           | V | (A)  | (D)   | Date Exercisable   | Expiration Date | Title   | Amount or Number of Shares |  |  |   |  |
| Stock Options (Right to buy)               | \$17.3333  | 02/17/2006                           |  | M <sup>(1)</sup>               |   |  | 5,000 | 10/23/2002   | 10/23/2011      | Common Stock  | 5,000                      | \$0  | 7,500  | D   |  |
| Stock Options (Right to buy)               | \$21.3333  | 02/17/2006                           |  | M <sup>(1)</sup>               |   |  | 5,000 | 12/04/2003   | 12/04/2012      | Common Stock  | 5,000                      | \$0  | 12,500   | D   |  |

**Explanation of Responses:**

1. Options exercised under the Quanex Corporation 1996 Employee Stock Option Plan.

John J. Mannion, Power of Attorney

02/21/2006

\*\* 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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