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BLACKROCK CORPORATE HIGH YIELD FUND III INC

Form N-Q

October 26, 2007

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

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED  
MANAGEMENT INVESTMENT COMPANY

Investment Company Act file number 811-08497

Name of Fund: BlackRock Corporate High Yield Fund III, Inc.

Fund Address: P.O. Box 9011  
Princeton, NJ 08543-9011

Name and address of agent for service: Robert C. Doll, Jr., Chief Executive  
Officer, BlackRock Corporate High Yield Fund III, Inc., 800 Scudders Mill  
Road, Plainsboro, NJ 08536. Mailing address: P.O. Box 9011, Princeton,  
NJ 08543-9011

Registrant's telephone number, including area code: (800) 882-0052

Date of fiscal year end: 05/31/2008

Date of reporting period: 06/01/2007 - 08/31/2007

Item 1 - Schedule of Investments

BlackRock Corporate High Yield Fund III, Inc.  
Schedule of Investments as of August 31, 2007 (Unaudited)

Industry	Face Amount	Corporate Bonds
Aerospace & Defense - 4.4%	\$ 1,947,000	Alliant Techsystems, Inc., 2.75% due 9/15/2011 (b) (i)
	560,000	Bombardier, Inc., 8% due 11/15/2014 (i)
	1,425,000	DRS Technologies, Inc., 6.875% due 11/01/2013
	975,000	Esterline Technologies Corp., 7.75% due 6/15/2013
	1,425,000	L-3 Communications Corp., 7.625% due 6/15/2012
	1,625,000	L-3 Communications Corp., 5.875% due 1/15/2015
	1,380,000	L-3 Communications Corp., 3% due 8/01/2035 (b) (i)
	1,375,000	L-3 Communications Corp. Series B, 6.375% due 10/15/2014
	470,000	TransDigm, Inc., 7.75% due 7/15/2014
	1,950,000	Vought Aircraft Industries, Inc., 8% due 7/15/2011
Airlines - 0.5%	987,345	Continental Airlines, Inc. Series 1997-4-B, 6.90% due 10/15/2014
	41,100	Continental Airlines, Inc. Series 1998-1-C, 6.541% due 10/15/2014
	419,800	Continental Airlines, Inc. Series 2001-1-C, 7.033% due 10/15/2014

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Auto Components - 0.7%	215,000	Compagnie Generale de Geophysique SA, 7.50% due 5/15/2015
	70,000	The Goodyear Tire & Rubber Co., 7.857% due 8/15/2011
	602,000	The Goodyear Tire & Rubber Co., 8.625% due 12/01/2016
	1,285,000	Lear Corp., 8.75% due 12/01/2016
Automobiles - 0.4%	785,000	Ford Capital BV, 9.50% due 6/01/2010
	700,000	Ford Motor Co., 8.90% due 1/15/2032
Beverages - 0.5%	1,500,000	Constellation Brands, Inc., 8.125% due 1/15/2012
Biotechnology - 0.4%	1,140,000	Angiotech Pharmaceuticals, Inc., 9.371% due 12/01/2016
Building Products - 1.5%	699,000	Goodman Global Holding Co., Inc., 8.36% due 6/15/2016
	1,350,000	Goodman Global Holding Co., Inc., 7.875% due 12/15/2016
	500,000	Masonite International Corp., 11% due 4/06/2015
	2,330,000	Momentive Performance Materials, Inc., 10.125% due 12/01/2016
Chemicals - 2.8%	880,000	American Pacific Corp., 9% due 2/01/2015
	525,000	Hexion U.S. Finance Corp., 9.75% due 11/15/2014
	625,000	Hexion U.S. Finance Corp., 10.058% due 11/15/2014 (d)
	820,000	Ineos Group Holdings Plc, 8.50% due 2/15/2016 (i)
	825,000	Innophos, Inc., 8.875% due 8/15/2014
	455,000	Key Plastics LLC, 11.75% due 3/15/2013 (i)
	1,700,000	MacDermid, Inc., 9.50% due 4/15/2017 (i)
	2,065,000	NOVA Chemicals Corp., 8.484% due 11/15/2013 (d)
724,000	Nalco Finance Holdings, Inc., 10.065% due 2/01/2014	
550,000	Terra Capital, Inc. Series B, 7% due 2/01/2017	
Commercial Services & Supplies - 6.2%	1,600,000	Ashtead Capital, Inc., 9% due 8/15/2016 (i)
	3,000,000	Corrections Corp. of America, 7.50% due 5/01/2011
	570,000	DI Finance Series B, 9.50% due 2/15/2013
	1,385,000	PNA Intermediate Holding Corp., 12.558% due 2/15/2013 (d) (i)
	2,845,000	Quebecor World, Inc., 9.75% due 1/15/2015 (i)
	210,000	Sally Holdings LLC, 9.25% due 11/15/2014
	1,780,000	Sally Holdings LLC, 10.50% due 11/15/2016
3,000,000	Waste Services, Inc., 9.50% due 4/15/2014	

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Industry	Face Amount	Corporate Bonds
	\$ 750,000	West Corp., 9.50% due 10/15/2014
	2,850,000	West Corp., 11% due 10/15/2016

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	1,420,000	Yankee Acquisition Corp., 9.75% due 2/15/2017
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Communications Equipment - 1.4%	1,750,000	Dycom Industries, Inc., 8.125% due 10/15/2015
	571,000	Loral Spacecom Corp., 14% due 11/15/2015 (g)
	1,915,000	Nortel Networks Ltd., 9.61% due 7/15/2011 (d) (i)
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Computers & Peripherals - 0.4%	1,250,000	Viasystems, Inc., 10.50% due 1/15/2011
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Construction Materials - 0.5%	545,000	Nortek, Inc., 8.50% due 9/01/2014
	1,000,000	Texas Industries, Inc., 7.25% due 7/15/2013
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Containers & Packaging - 5.8%	1,370,000	Berry Plastics Holding Corp., 8.875% due 9/15/2014
	1,915,000	Berry Plastics Holding Corp., 9.569% due 9/15/2014 (
	2,200,000	Graham Packing Co., Inc., 9.875% due 10/15/2014
	1,050,000	Graphic Packaging International Corp., 8.50% due 8/1
	640,000	Graphic Packaging International Corp., 9.50% due 8/1
	2,637,000	Owens-Brockway Glass Container, Inc., 8.875% due 2/1
	1,000,000	Owens-Brockway Glass Container, Inc., 8.25% due 5/15
	1,355,000	Packaging Dynamics Finance Corp., 10% due 5/01/2016
	1,200,000	Pregis Corp., 12.375% due 10/15/2013
	2,000,000	Rock-Tenn Co., 8.20% due 8/15/2011
	2,375,000	Smurfit-Stone Container Enterprises, Inc., 8% due 3/
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Distributors - 0.1%	220,000	Keystone Automotive Operations, Inc., 9.75% due 11/0
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Diversified Financial Services - 0.5%	710,000	Ford Motor Credit Co. LLC, 8.11% due 1/13/2012 (d)
	200,000	Ford Motor Credit Co. LLC, 7.80% due 6/01/2012
	600,000	General Motors Acceptance Corp., 7.25% due 3/02/2011
	250,000	General Motors Acceptance Corp., 8% due 11/01/2031
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Diversified Telecommunication Services - 1.8%	350,000	Qwest Communications International, Inc., 7.50% due 2/15/2014
	1,550,000	Qwest Corp., 8.944% due 6/15/2013 (d)
	525,000	Qwest Corp., 7.625% due 6/15/2015
	3,000,000	Windstream Corp., 8.125% due 8/01/2013
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Electric Utilities - 2.6%	1,875,000	Edison Mission Energy, 7.50% due 6/15/2013
	2,600,000	Mirant North America LLC, 7.375% due 12/31/2013
	420,000	NSG Holdings LLC, 7.75% due 12/15/2025 (i) (m)
	1,200,000	Sierra Pacific Resources, 8.625% due 3/15/2014
	2,026,828	Tenaska Alabama Partners LP, 7% due 6/30/2021 (i) (m)
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Electrical Equipment - 0.7%	380,000	Belden CDT, Inc., 7% due 3/15/2017 (i)
	1,200,000	Coleman Cable, Inc., 9.875% due 10/01/2012 (i)
	551,000	UCAR Finance, Inc., 10.25% due 2/15/2012
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Electronic Equipment & Instruments - 1.4%	1,315,000	NXP BV, 8.11% due 10/15/2013 (d)
	2,310,000	NXP BV, 9.50% due 10/15/2015
	55,000	Sanmina-SCI Corp., 6.75% due 3/01/2013
	1,135,000	Sanmina-SCI Corp., 8.125% due 3/01/2016

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Energy Equipment & Services - 1.8%	320,000	Compagnie Generale de Geophysique-Veritas, 7.75% due 12/01/2015
	720,000	North American Energy Partners, Inc., 8.75% due 12/01/2015

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Industry	Face Amount	Corporate Bonds
	\$ 2,000,000	Ocean RIG ASA, 9.36% due 4/04/2011 (d)
	2,690,000	SemGroup LP, 8.75% due 11/15/2015 (i)
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Food & Staples Retailing - 2.1%	800,000	AmeriQual Group LLC, 9.50% due 4/01/2012 (i)
	2,000,000	National Beef Packing Co. LLC, 10.50% due 8/01/2011
	1,440,000	Rite Aid Corp., 9.375% due 12/15/2015 (i)
	2,555,000	Rite Aid Corp., 7.50% due 3/01/2017
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Food Products - 1.0%	3,024,000	Del Monte Corp., 8.625% due 12/15/2012
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Gas Utilities - 0.4%	1,320,000	El Paso Performance-Linked Trust, 7.75% due 7/15/2015
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Health Care Equipment & Supplies - 0.2%	600,000	The Cooper Cos., Inc., 7.125% due 2/15/2015
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Health Care Providers & Services - 5.9%	300,000	Accellent, Inc., 10.50% due 12/01/2013
	1,195,000	Community Health Systems, Inc., 8.875% due 7/15/2015
	725,000	Omnicare, Inc., 6.75% due 12/15/2013
	800,000	Omnicare, Inc. Series OCR, 3.25% due 12/15/2035 (b)
	3,000,000	Service Corp. International, 7% due 6/15/2017
	4,215,000	Tenet Healthcare Corp., 6.50% due 6/01/2012
	2,260,000	Tenet Healthcare Corp., 9.875% due 7/01/2014
	3,000,000	US Oncology, Inc., 9% due 8/15/2012
	1,550,000	United Surgical Partners International, Inc., 8.875% due 12/15/2015
	330,000	Universal Hospital Services, Inc., 8.50% due 6/01/2015
	310,000	Universal Hospital Services, Inc., 8.759% due 6/01/2015
	2,000,000	Vanguard Health Holding Co. II, LLC, 9% due 10/01/2015
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Hotels, Restaurants & Leisure - 8.1%	185,000	American Real Estate Partners LP, 7.125% due 2/15/2015
	1,265,000	American Real Estate Partners LP, 7.125% due 2/15/2015
	1,350,000	Caesars Entertainment, Inc., 7.875% due 3/15/2010
	100,000	Caesars Entertainment, Inc., 8.125% due 5/15/2011
	785,000	French Lick Resorts & Casino LLC, 10.75% due 4/15/2015
	300,000	Galaxy Entertainment Finance Co. Ltd., 10.409% due 12/15/2015

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	12/15/2010 (d) (i)
550,000	Galaxy Entertainment Finance Co. Ltd., 9.875% due 12/15/2012 (i)
2,000,000	Great Canadian Gaming Corp., 7.25% due 2/15/2015 (i)
595,000	Greektown Holdings, LLC, 10.75% due 12/01/2013 (i)
2,395,000	Harrah's Operating Co., Inc., 5.75% due 10/01/2017
1,550,000	Inn of the Mountain Gods Resort & Casino, 12% due 11/15/2014 (i)
325,000	Landry's Restaurants, Inc. Series B, 7.50% due 12/15/2014 (i)
1,290,000	Little Traverse Bay Bands of Odawa Indians, 10.25% due 2/15/2014 (i)
2,025,000	Penn National Gaming, Inc., 6.875% due 12/01/2011
1,340,000	Pinnacle Entertainment, Inc., 7.50% due 6/15/2015 (i)
975,000	San Pasqual Casino, 8% due 9/15/2013 (i)
910,000	Shingle Springs Tribal Gaming Authority, 9.375% due 6/15/2015 (i)
1,225,000	Station Casinos, Inc., 6.50% due 2/01/2014
1,625,000	Station Casinos, Inc., 7.75% due 8/15/2016
650,000	Station Casinos, Inc., 6.625% due 3/15/2018
90,000	Travelport LLC, 9.875% due 9/01/2014
370,000	Travelport LLC, 10.246% due 9/01/2014 (d)
2,060,000	Tropicana Entertainment, LLC, 9.625% due 12/15/2014
1,800,000	Universal City Florida Holding Co. I, 10.106% due 5/15/2014 (i)

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Industry	Face Amount	Corporate Bonds
	\$ 1,200,000	Wynn Las Vegas LLC, 6.625% due 12/01/2014
Household Durables - 1.3%	1,575,000	American Greetings Corp., 7.375% due 6/01/2016
	1,365,000	Jarden Corp., 7.50% due 5/01/2017
	1,600,000	Standard-Pacific Corp., 9.25% due 4/15/2012
Household Products - 0.2%	700,000	Church & Dwight Co., Inc., 6% due 12/15/2012
IT Services - 1.4%	2,180,000	SunGard Data Systems, Inc., 9.125% due 8/15/2013
	2,105,000	SunGard Data Systems, Inc., 10.25% due 8/15/2015
Independent Power Producers & Energy Traders - 1.7%	2,100,000	The AES Corp., 8.75% due 5/15/2013 (i)
	1,625,000	NRG Energy, Inc., 7.25% due 2/01/2014
	1,475,000	NRG Energy, Inc., 7.375% due 2/01/2016
Insurance - 0.2%	680,000	USI Holdings Corp., 9.433% due 11/15/2014 (d) (i)
Internet Software & Services - 0.1%	420,000	Impress Holdings B.V., 8.485% due 9/15/2013 (d) (i)

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Leisure Equipment & Products - 0.6%	2,000,000	Quiksilver, Inc., 6.875% due 4/15/2015
Machinery - 1.3%	1,280,000	AGY Holding Corp., 11% due 11/15/2014 (i)
	555,000	Accuride Corp., 8.50% due 2/01/2015
	470,000	RBS Global, Inc., 9.50% due 8/01/2014
	1,000,000	RBS Global, Inc., 11.75% due 8/01/2016
	560,000	RBS Global, Inc., 8.875% due 9/01/2016
Marine - 1.3%	1,525,000	Navios Maritime Holdings, Inc., 9.50% due 12/15/2014
	2,325,000	Teekay Shipping Corp., 8.875% due 7/15/2011
Media - 20.1%	1,340,000	Affinion Group, Inc., 11.50% due 10/15/2015
	1,850,000	Allbritton Communications Co., 7.75% due 12/15/2012
	225,000	American Media Operations, Inc. Series B, 10.25% due 5/01/2009
	1,125,000	Barrington Broadcasting Group LLC, 10.50% due 8/15/2014 (i)
	510,000	Bonten Media Acquisition Co., 9% due 6/01/2015 (g) (i)
	350,000	CBD Media Holdings LLC, 9.25% due 7/15/2012
	2,600,000	CBD Media, Inc., 8.625% due 6/01/2011
	2,000,000	CMP Susquehanna Corp., 9.875% due 5/15/2014
	2,275,000	CSC Holdings, Inc. Series B, 7.625% due 4/01/2011
	75,000	Cablevision Systems Corp. Series B, 9.82% due 4/01/2012
	475,000	Cablevision Systems Corp. Series B, 8% due 4/15/2012
	1,600,000	Cadmus Communications Corp., 8.375% due 6/15/2014
	380,000	CanWest Media, Inc., 8% due 9/15/2012
	4,165,000	Charter Communications Holdings I, LLC, 11% due 10/01/2015
	3,715,000	Charter Communications Holdings II, LLC, 10.25% due 9/15/2010
	1,367,000	Dex Media West LLC, 9.875% due 8/15/2013
	1,975,000	Echostar DBS Corp., 7.125% due 2/01/2016
	420,000	Harland Clarke Holdings Corp., 9.50% due 5/15/2015
	350,000	Harland Clarke Holdings Corp., 10.308% due 5/15/2015
	2,010,000	Idearc, Inc., 8% due 11/15/2016
	240,000	Intelsat Bermuda Ltd., 11.409% due 6/15/2013 (d)
	680,000	Intelsat Bermuda Ltd., 8.886% due 1/15/2015 (d)
	700,000	Intelsat Bermuda Ltd., 11.25% due 6/15/2016
	1,125,000	Intelsat Corp., 9% due 6/15/2016
	2,150,000	Intelsat Subsidiary Holding Co. Ltd., 8.625% due 1/15/2016

BlackRock Corporate High Yield Fund III, Inc.  
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Industry	Face Amount	Corporate Bonds
	\$ 1,113,000	Liberty Media Corp., 0.75% due 3/30/2023 (b)
	2,425,000	Mediacom LLC, 9.50% due 1/15/2013
	280,000	Network Communications, Inc., 10.75% due 12/01/2013

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	400,000	Nexstar Finance, Inc., 7% due 1/15/2014
	3,000,000	Nielsen Finance LLC, 10% due 8/01/2014
	1,060,000	Nielsen Finance LLC, 9.919% due 8/01/2016 (a)
	2,193,000	PanAmSat Corp., 9% due 8/15/2014
	2,975,000	Paxson Communications Corp., 8.61% due 1/15/2012 (d)
	794,939	ProtoStar I Ltd., 12.50% due 10/15/2012 (b) (d) (i)
	2,000,000	Quebecor Media, Inc., 7.75% due 3/15/2016
	1,400,000	R.H. Donnelley Corp. Series A-2, 6.875% due 1/15/2016
	735,000	R.H. Donnelley Corp. Series A-3, 8.875% due 1/15/2016
	1,232,000	Rainbow National Services LLC, 10.375% due 9/01/2014
	2,475,000	Salem Communications Corp., 7.75% due 12/15/2010
	696,000	Sinclair Broadcast Group, Inc., 8% due 3/15/2012
	500,000	Sirius Satellite Radio, Inc., 9.625% due 8/01/2013
	3,970,000	TL Acquisitions, Inc., 10.50% due 1/15/2015 (i)
	1,110,000	Umbrella Acquisition, 9.75% due 3/15/2015 (g) (i)
	1,225,000	Young Broadcasting, Inc., 10% due 3/01/2011
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Metals & Mining - 5.1%	2,300,000	Aleris International, Inc., 9% due 12/15/2014 (g)
	200,000	Blaze Recycling & Metals LLC, 10.875% due 7/15/2012
	1,950,000	Chaparral Steel Co., 10% due 7/15/2013
	535,000	FMG Finance Pty Ltd., 10% due 9/01/2013 (i)
	770,000	FMG Finance Pty Ltd., 10.625% due 9/01/2016 (i)
	1,975,000	Foundation PA Coal Co., 7.25% due 8/01/2014
	1,150,000	Freeport-McMoRan Copper & Gold, Inc., 8.564% due 4/01/2015
	3,465,000	Freeport-McMoRan Copper & Gold, Inc., 8.375% due 4/01/2015
	1,018,000	Indalex Holding Corp. Series B, 11.50% due 2/01/2014
	1,975,000	Novelis, Inc., 7.25% due 2/15/2015
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Multi-Utilities - 0.6%	1,327,000	CenterPoint Energy, Inc. Series B, 3.75% due 5/15/2016
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Multiline Retail - 0.3%	125,000	Dollar General Corp., 10.625% due 7/15/2015 (i)
	875,000	Neiman Marcus Group, Inc., 9% due 10/15/2015 (g)
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Oil, Gas & Consumable Fuels - 5.1%	510,000	Berry Petroleum Co., 8.25% due 11/01/2016
	1,550,000	Chaparral Energy, Inc., 8.50% due 12/01/2015
	1,710,000	Compton Petroleum Finance Corp., 7.625% due 12/01/2016
	1,100,000	Copano Energy LLC, 8.125% due 3/01/2016
	2,472,390	Corral Finans AB, 6.86% due 4/15/2010 (g) (i)
	2,800,000	EXCO Resources, Inc., 7.25% due 1/15/2011
	2,000,000	Encore Acquisition Co., 6.25% due 4/15/2014
	1,220,000	Forest Oil Corp., 7.25% due 6/15/2019 (i)
	380,000	KCS Energy, Inc., 7.125% due 4/01/2012
	1,725,000	OPTI Canada, Inc., 8.25% due 12/15/2014 (i)
	780,000	Sabine Pass LNG LP, 7.50% due 11/30/2016
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Paper & Forest Products - 5.4%	2,000,000	Abitibi-Consolidated, Inc., 9.194% due 6/15/2011 (d)
	670,000	Abitibi-Consolidated, Inc., 6% due 6/20/2013
	195,000	Abitibi-Consolidated, Inc., 8.85% due 8/01/2030
	1,000,000	Ainsworth Lumber Co. Ltd., 8.948% due 10/01/2010 (d)
	1,975,000	Boise Cascade LLC, 8.235% due 10/15/2012 (d)
	840,000	Bowater Canada Finance Corp., 7.95% due 11/15/2011

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	\$ 2,825,000	Bowater, Inc., 8.694% due 3/15/2010 (d)
	3,200,000	Domtar, Inc., 7.125% due 8/15/2015
	1,450,000	NewPage Corp., 11.606% due 5/01/2012 (d)
	1,755,000	NewPage Corp., 12% due 5/01/2013
	885,000	Norske Skog Canada Ltd. Series D, 8.625% due 6/15/2010
	950,000	Verso Paper Holdings LLC Series B, 9.125% due 8/01/2010
	340,000	Verso Paper Holdings LLC Series B, 11.375% due 8/01/2010
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Personal Products - 0.4%	1,400,000	Chattem, Inc., 7% due 3/01/2014
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Pharmaceuticals - 0.9%	2,000,000	Elan Finance Plc, 9.558% due 11/15/2011 (d)
	930,000	PTS Acquisition Corp., 9.50% due 4/15/2015 (g) (i)
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Real Estate Investment Trusts (REITs) - 0.4%	1,175,000	FelCor Lodging LP, 8.50% due 6/01/2011
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Real Estate Management & Development - 2.6%	3,025,000	Forest City Enterprises, Inc., 7.625% due 6/01/2015
	1,510,000	Realogy Corp., 10.50% due 4/15/2014 (i)
	2,390,000	Realogy Corp., 11% due 4/15/2014 (g) (i)
	2,835,000	Realogy Corp., 12.375% due 4/15/2015 (i)
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Road & Rail - 1.7%	600,000	Avis Budget Car Rental LLC, 7.625% due 5/15/2014
	2,800,000	Avis Budget Car Rental LLC, 8.058% due 5/15/2014 (d)
	370,000	Britannia Bulk Plc, 11% due 12/01/2011
	2,125,000	St. Acquisition Corp., 12.50% due 5/15/2017 (i)
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Semiconductors & Semiconductor Equipment - 2.3%	280,000	Amkor Technology, Inc., 7.75% due 5/15/2013
	1,370,000	Amkor Technology, Inc., 9.25% due 6/01/2016
	5,010,000	Freescall Semiconductor, Inc., 9.125% due 12/15/2014
	1,215,000	Spansion, Inc., 8.746% due 6/01/2013 (d) (i)
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Software - 0.2%	637,406	BMS Holdings, Inc., 12.40% due 2/15/2012 (d) (g) (i)
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Specialty Retail - 4.9%	350,000	Asbury Automotive Group, Inc., 7.625% due 3/15/2017
	2,875,000	Autonation, Inc., 7.36% due 4/15/2013 (d)
	775,000	Autonation, Inc., 7% due 4/15/2014
	310,000	Beverages & More, Inc., 9.25% due 3/01/2012 (i)
	945,000	Buffets, Inc., 12.50% due 11/01/2014
	470,000	Claire's Stores, Inc., 9.25% due 6/01/2015 (i)
	810,000	Claire's Stores, Inc., 9.625% due 6/01/2015 (g) (i)
	650,000	Claire's Stores, Inc., 10.50% due 6/01/2017 (i)
	1,760,000	General Nutrition Centers, Inc., 10.009% due 3/15/2010



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1,420,000	General Nutrition Centers, Inc., 10.75% due 3/15/201
900,000	Group 1 Automotive, Inc., 2.25% due 6/15/2036 (b) (k)
1,700,000	Michaels Stores, Inc., 10% due 11/01/2014 (i)
2,110,000	Michaels Stores, Inc., 11.375% due 11/01/2016 (i)
530,000	Sensata Technologies BV, 8% due 5/01/2014
1,110,000	United Auto Group, Inc., 7.75% due 12/15/2016

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Textiles, Apparel & Luxury Goods - 0.7%	2,000,000	Levi Strauss & Co., 8.875% due 4/01/2016
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Trading Companies & Distributors - 0.4%	1,200,000	United Rentals North America, Inc., 7.75% due 11/15/
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Wireless Telecommunication Services - 6.4%	1,650,000	Centennial Cellular Operating Co. LLC, 10.125% due 6/15/2013
	1,370,000	Centennial Communications Corp., 11.11% due 1/01/201
	1,350,000	Cricket Communications, Inc., 9.375% due 11/01/2014
	1,750,000	Cricket Communications, Inc., 9.375% due 11/01/2014
	850,000	Digicel Group Ltd., 8.875% due 1/15/2015 (i)

BlackRock Corporate High Yield Fund III, Inc.  
 Schedule of Investments as of August 31, 2007 (Unaudited)

Industry	Face Amount	Corporate Bonds
	\$ 2,283,000	Digicel Group Ltd., 9.125% due 1/15/2015 (g) (i)
	1,200,000	Dobson Communications Corp., 9.61% due 10/15/2012 (d)
	620,000	iPCS, Inc., 7.481% due 5/01/2013 (d) (i)
	3,330,000	MetroPCS Wireless, Inc., 9.25% due 11/01/2014 (i)
	2,400,000	Nordic Telephone Co. Holdings ApS, 8.875% due 5/01/2016 (i)
	210,000	Orascom Telecom Finance SCA, 7.875% due 2/08/2014
	380,000	Orascom Telecom Finance SCA, 7.875% due 2/08/2014 (i)
	2,600,000	Rural Cellular Corp., 8.25% due 3/15/2012
		Total Corporate Bonds (Cost - \$376,294,192) - 117.7
		Floating Rate Loan Interests (1)
Chemicals - 0.8%	2,830,000	Wellman, Inc. Second Lien Term Loan, 12.106% due 2/1
Containers & Packaging - 0.2%	860,000	Berry Plastics Corp. Term Loan B, 11.97% due 6/15/20
Health Care Providers & Services - 0.4%	1,495,790	Rotech Healthcare, Inc. Term Loan B, 11.36% due 9/26
Hotels, Restaurants & Leisure - 1.0%	3,112,755	Travelport, Inc. Term Loan, 12.36% due 3/22/2012
Household Products - 0.2%	24,970	Spectrum Brands, Inc. Letter of Credit, 5.515% due 4
	505,139	Spectrum Brands, Inc. Term Loan B-1, 9.754% due 4/15

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89,891 Spectrum Brands, Inc. Term Loan B-2, 9.565% due 4/15

Machinery - 0.1%	360,925	Rexnord Corp. Payment In Kind Term Loan, 12.58% due 3/02/2013
Media - 0.1%	400,000	Affinion Group, Inc. Term Loan, 11.678% due 3/01/2013
Oil, Gas & Consumable Fuels - 0.3%	1,000,000	SandRidge Energy, Inc. Term Loan, 8.625% due 3/01/2013
Paper & Forest Products - 0.6%	1,960,000	Verso Paper Holdings LLC Term Loan B, 11.606% due 2/01/2013
Specialty Retail - 0.3%	800,000	Michaels Stores, Inc. Term Loan B, 8.125% due 10/31/2013
		Total Floating Rate Loan Interests (Cost - \$13,175,937) - 4.0%

Shares  
Held Common Stocks

Communications Equipment - 1.1%	82,907	Loral Space & Communications Ltd. (c)
Electrical Equipment - 0.3%	70,784	Medis Technologies Ltd. (c)
Paper & Forest Products - 0.1%	203,785	Western Forest Products, Inc. (c)
Semiconductors & Semiconductor Equipment - 0.8%	98,040	Cypress Semiconductor Corp. (c)
		Total Common Stocks (Cost - \$8,251,141) - 2.3%

Preferred Stocks

Communications Equipment - 0.4%	6,762	Loral Spacecom Corp. Series A, 12% (g)
Oil, Gas & Consumable Fuels - 0.8%	43 175	EXCO Resources, Inc., 7% (b) EXCO Resources, Inc., 11%
		Total Preferred Stocks (Cost - \$3,519,212) - 1.2%

Warrants (h)

Health Care Providers & Services - 0.0%	32,042	HealthSouth Corp. (expires 1/16/2014)
Paper & Forest Products - 0.0%	700	MDP Acquisitions Plc (expires 10/01/2013)

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 Wireless Telecommunication 825 American Tower Corp. (expires 8/01/2008)  
 Services - 0.2%

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 Total Warrants (Cost - \$53,675) - 0.2%

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 Beneficial  
 Interest Other Interests (e)  
 -----  
 Media - 0.0% \$ 750,000 Adelpia Escrow  
 940,601 Adelpia Recovery Trust

-----  
 Total Other Interests (Cost - \$3,075) - 0.0%

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 BlackRock Corporate High Yield Fund III, Inc.  
 Schedule of Investments as of August 31, 2007 (Unaudited)

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 Beneficial  
 Interest Short-Term Securities  
 -----  
 \$ 3,496,948 BlackRock Liquidity Series, LLC  
 Cash Sweep Series, 5.33% (f) (j)  
 -----  
 Total Short-Term Securities (Cost - \$3,496,948) - 1.  
 -----  
 Total Investments (Cost - \$404,794,180\*) - 126.5%  
 Liabilities in Excess of Other Assets - (26.5%)  
 Net Assets - 100.0%

\* The cost and unrealized appreciation (depreciation) of investments as of August 31, 2007, as computed for federal income tax purposes, were as follows:

Aggregate cost	\$ 405,197,635
	=====
Gross unrealized appreciation	\$ 5,562,201
Gross unrealized depreciation	(20,223,629)
	-----
Net unrealized depreciation	\$ (14,661,428)
	=====

- (a) Represents a step bond; the interest rate shown reflects the effective yield at the time of purchase.
- (b) Convertible security.
- (c) Non-income producing security.
- (d) Floating rate security.
- (e) Other interests represent beneficial interest in liquidation trusts and other reorganization entities and are non-income producing.

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- (f) Represents the current yield as of August 31, 2007.
- (g) Represents a pay-in-kind security which may pay interest/dividends in additional face/shares.
- (h) Warrants entitle the Fund to purchase a predetermined number of shares of common stock and are non-income producing. The purchase price and number of shares are subject to adjustment under certain conditions until the expiration date.
- (i) The security may be offered and sold to "qualified institutional buyers" under Rule 144A of the Securities Act of 1933.
- (j) Investments in companies considered to be an affiliate of the Fund, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, were as follows:

Affiliate	Net Activity	Interest Income
BlackRock Liquidity Series, LLC Cash Sweep Series	\$ 1,927,242	\$ 74,242

- (k) Represents a step bond.
- (l) Floating rate loan interests in which the Fund invests generally pay interest at rates that are periodically determined by reference to a base lending rate plus a premium. The base lending rates are generally (i) the lending rate offered by one or more major European banks, such as LIBOR (London InterBank Offered Rate), (ii) the prime rate offered by one or more major U.S. banks or (iii) the certificate of deposit rate.
- (m) Subject to principal paydowns.
- o For Fund compliance purposes, the Fund's industry classifications refer to any one or more of the industry sub-classifications used by one or more widely recognized market indexes or ratings group indexes, and/or as defined by Fund management. This definition may not apply for purposes of this report which may combine industry sub-classifications for reporting ease. Industries are shown as a percent of net assets.

BlackRock Corporate High Yield Fund III, Inc.  
 Schedule of Investments as of August 31, 2007 (Unaudited)

- o Swaps outstanding as of August 31, 2007 were as follows:

	Notional Amount	Unrealized Depreciation
Sold credit default protection on Ford Motor Co. and receive 3.80%		
Broker, JPMorgan Chase Expires March 2010	\$ 3,000,000	\$ (202,467)
Sold credit default protection on Ford Motor Co. and receive 3.80%		
Broker, UBS Warburg		

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Expires March 2010	\$ 1,000,000	(67,489)
Sold credit default protection on Ford Motor Co. and receive 5%		
Broker, Goldman Sachs & Co. Expires June 2010	\$ 4,000,000	(184,052)
-----		
Total		\$ (454,008) =====

Item 2 - Controls and Procedures

- 2(a) - The registrant's principal executive and principal financial officers or persons performing similar functions have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the "1940 Act")) are effective as of a date within 90 days of the filing of this report based on the evaluation of these controls and procedures required by Rule 30a-3(b) under the 1940 Act and Rule 13a-15(b) under the Securities and Exchange Act of 1934, as amended.
- 2(b) - There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act) that occurred during the registrant's last fiscal quarter that have materially affected, or are reasonably likely to materially affect, the registrant's internal control over financial reporting.

Item 3 - Exhibits

Certifications - Attached hereto

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BlackRock Corporate High Yield Fund III, Inc.

By: /s/ Robert C. Doll, Jr.

-----  
Robert C. Doll, Jr.,  
Chief Executive Officer (principal executive officer) of  
BlackRock Corporate High Yield Fund III, Inc.

Date: October 22, 2007

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/ Robert C. Doll, Jr.

-----  
Robert C. Doll, Jr.,  
Chief Executive Officer (principal executive officer) of  
BlackRock Corporate High Yield Fund III, Inc.

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Date: October 22, 2007

By: /s/ Donald C. Burke

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Donald C. Burke,  
Chief Financial Officer (principal financial officer) of  
BlackRock Corporate High Yield Fund III, Inc.

Date: October 22, 2007