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BLACKROCK CORPORATE HIGH YIELD FUND III INC

Form N-Q

April 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 811-8497

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: (609) 282-2800

Date of fiscal year end: 05/31/2007

Date of reporting period: 12/01/06 - 02/28/07

Item 1 - Schedule of Investments

BlackRock Corporate High Yield Fund III, Inc.  
Schedule of Investments as of February 28, 2007

Industry	Face Amount	Corporate Bonds
Aerospace & Defense - 4.7%	\$ 1,947,000	Alliant Techsystems, Inc., 2.75% due 9/15/2011 (b)
	780,000	Argo-Tech Corp., 9.25% due 6/01/2011
	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
	1,375,000	L-3 Communications Corp., 6.375% due 10/15/2015
	1,380,000	L-3 Communications Corp., 3% due 8/01/2035 (b)(i)
	1,310,000	Standard Aero Holdings, Inc., 8.25% due 9/01/2014
	470,000	TransDigm, Inc., 7.75% due 7/15/2014 (i)
	1,950,000	Vought Aircraft Industries, Inc., 8% due 7/15/2011
Airlines - 0.5%	999,772	Continental Airlines, Inc. Series 1997-4-B, 6.90% due 7/02/2018
	77,084	Continental Airlines, Inc. Series 1998-1-C, 6.541%

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		due 9/15/2009
	462,404	Continental Airlines, Inc. Series 2001-1 Class C, 7.033% due 12/15/2012
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Automotive - 3.5%	605,000	Accuride Corp., 8.50% due 2/01/2015
	2,875,000	Autonation, Inc., 7.36% due 4/15/2013 (d)
	1,525,000	Autonation, Inc., 7% due 4/15/2014
	350,000	Ford Capital BV, 9.50% due 6/01/2010
	700,000	Ford Motor Company, 8.90% due 1/15/2032
	710,000	Ford Motor Credit Co., 8.11% due 1/13/2012 (d)
	600,000	General Motors Acceptance Corp., 7.25% due 3/02/2011
	70,000	The Goodyear Tire & Rubber Co., 7.857% due 8/15/2011
	925,000	The Goodyear Tire & Rubber Co., 8.625% due 12/01/2011 (i)
	470,000	Keystone Automotive Operations, Inc., 9.75% due 11/01/2013
	1,600,000	Lear Corp., 8.75% due 12/01/2016
	1,210,000	United Auto Group, Inc., 7.75% due 12/15/2016 (i)
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Broadcasting - 4.3%	1,850,000	Allbritton Communications Co., 7.75% due 12/15/2012
	1,125,000	Barrington Broadcasting Group LLC, 10.50% due 8/15/2014 (i)
	2,000,000	CMP Susquehanna Corp., 9.875% due 5/15/2014 (i)
	400,000	Nexstar Finance, Inc., 7% due 1/15/2014
	2,975,000	Paxson Communications Corp., 8.61% due 1/15/2012 (d) (i)
	2,475,000	Salem Communications Corp., 7.75% due 12/15/2010
	1,575,000	Sinclair Broadcast Group, Inc., 8% due 3/15/2012
	500,000	Sirius Satellite Radio, Inc., 9.625% due 8/01/2013
	1,225,000	Young Broadcasting, Inc., 10% due 3/01/2011
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Cable - U.S. - 7.8%	845,000	CCH I Holdings LLC, 11% due 10/01/2015
	1,800,000	CCH I LLC, 11% due 10/01/2015
	2,275,000	CSC Holdings, Inc. Series B, 7.625% due 4/01/2011
	75,000	Cablevision Systems Corp. Series B, 9.87% due 4/01/2009 (d)

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Industry	Face Amount	Corporate Bonds
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	\$ 475,000	Cablevision Systems Corp. Series B, 8% due 4/15/2012
	3,430,000	Charter Communications Holdings II LLC, 10.25% due 9/15/2010

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	1,975,000	Echostar DBS Corp., 7.125% due 2/01/2016
	240,000	Intelsat Bermuda Ltd., 11.354% due 6/15/2013 (d) (i)
	1,150,000	Intelsat Bermuda Ltd., 8.872% due 1/15/2015 (d) (i)
	2,150,000	Intelsat Subsidiary Holding Co. Ltd., 8.625% due 1/15/2015
	571,000	Loral Spacecom Corp., 14% due 11/15/2015 (g)
	2,425,000	Mediacom LLC, 9.50% due 1/15/2013
	2,193,000	PanAmSat Corp., 9% due 8/15/2014
	1,125,000	PanAmSat Corp., 9% due 6/15/2016 (i)
	2,000,000	Quebecor Media, Inc., 7.75% due 3/15/2016
	1,900,000	Rainbow National Services LLC, 10.375% due 9/01/2014 (i)
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Chemicals - 6.3%	880,000	American Pacific Corp., 9% due 2/01/2015 (i)
	1,544,000	BCP Crystal Holdings Corp., 9.625% due 6/15/2014
	825,000	Innophos, Inc., 8.875% due 8/15/2014
	455,000	Key Plastics LLC and Key Plastics Finance Corp., 11.75% due 3/15/2013 (i)
	785,000	Lyondell Chemical Co., 8.25% due 9/15/2016
	4,320,000	Millennium America, Inc., 9.25% due 6/15/2008
	2,330,000	Momentive Performance Materials, Inc., 10.125% due 12/01/2014 (g) (i)
	885,000	Momentive Performance Materials, Inc., 11.50% due 12/01/2016 (i)
	2,065,000	Nova Chemicals Corp., 8.502% due 11/15/2013 (d)
	1,200,000	Nalco Co., 7.75% due 11/15/2011
	1,200,000	Nalco Co., 8.875% due 11/15/2013
	724,000	Nalco Finance Holdings, Inc., 10.065% due 2/01/2011
	2,300,000	Omnova Solutions, Inc., 11.25% due 6/01/2010
	550,000	Terra Capital, Inc., 7% due 2/01/2017 (i)
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Consumer - Durables - 0.9%	1,350,000	Sealy Mattress Co., 8.25% due 6/15/2014
	1,400,000	Simmons Bedding Co., 7.875% due 1/15/2014
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Consumer - Non-Durables - 4.8%	3,375,000	American Greetings Corp., 7.375% due 6/01/2016
	1,400,000	Chattem, Inc., 7% due 3/01/2014
	2,325,000	Church & Dwight Co., Inc., 6% due 12/15/2012
	3,575,000	Hines Nurseries, Inc., 10.25% due 10/01/2011
	1,600,000	Levi Strauss & Co., 10.11% due 4/01/2012 (d)
	2,000,000	Levi Strauss & Co., 8.875% due 4/01/2016
	2,000,000	Quiksilver, Inc., 6.875% due 4/15/2015
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Diversified Media - 8.4%	1,045,000	Affinion Group, Inc., 11.50% due 10/15/2015
	225,000	American Media Operations, Inc. Series B, 10.25% due 5/01/2009
	350,000	CBD Media Holdings LLC, 9.25% due 7/15/2012
	2,600,000	CBD Media, Inc., 8.625% due 6/01/2011
	1,600,000	Cadmus Communications Corp., 8.375% due 6/15/2014
	380,000	CanWest Media, Inc., 8% due 9/15/2012
	1,367,000	Dex Media West LLC, 9.875% due 8/15/2013

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Industry	Face Amount	Corporate Bonds
	\$ 2,010,000	Idearc, Inc., 8% due 11/15/2016 (i)
	2,013,000	Liberty Media Corp., 0.75% due 3/30/2023 (b)
	280,000	Network Communications, Inc., 10.75% due 12/01/2013
	3,000,000	Nielsen Finance LLC, 10% due 8/01/2014 (i)
	1,060,000	Nielsen Finance LLC, 9.919% due 8/01/2016 (a) (i)
	3,328,000	Primedia, Inc., 8% due 5/15/2013
	2,845,000	Quebecor World, Inc., 9.75% due 1/15/2015 (i)
	1,400,000	RH Donnelley Corp. Series A-2, 6.875% due 1/15/2013
	1,300,000	RH Donnelley Corp. Series A-3, 8.875% due 1/15/2016
	1,800,000	Universal City Florida Holding Co. I, 10.11% due 5/01/2010 (d)
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Energy - Exploration & Production - 3.7%	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 12/01/2013
	2,000,000	Encore Acquisition Co., 6.25% due 4/15/2014
	2,800,000	Exco Resources, Inc., 7.25% due 1/15/2011
	1,500,000	OPTI Canada, Inc., 8.25% due 12/15/2014 (i)
	780,000	Sabine Pass LNG LP, 7.50% due 11/30/2016 (i)
	1,370,000	Stone Energy Corp., 8.11% due 7/15/2010 (d) (i)
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Energy - Other - 2.4%	1,100,000	Copano Energy LLC, 8.125% due 3/01/2016
	945,000	Ferrellgas Partners LP, 8.75% due 6/15/2012
	380,000	KCS Energy, Inc., 7.125% due 4/01/2012
	720,000	North American Energy Partners, Inc., 8.75% due 12/01/2011
	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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Financial - 0.5%	1,200,000	American Real Estate Partners LP, 7.125% due 2/15/2013 (i)
	440,000	NCO Group, Inc., 10.23% due 11/15/2013 (d) (i)
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Food & Tobacco - 4.1%	800,000	AmeriQual Group LLC, 9.50% due 4/01/2012 (i)
	2,400,000	Constellation Brands, Inc., 8.125% due 1/15/2012
	1,225,000	Constellation Brands, Inc., 7.25% due 9/01/2016
	3,000,000	Cott Beverages USA, Inc., 8% due 12/15/2011
	3,024,000	Del Monte Corp., 8.625% due 12/15/2012
	200,000	Landry's Restaurants, Inc. Series B, 7.50% due 12/15/2014

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2,000,000 National Beef Packing Co. LLC, 10.50% due 8/01/2011  
 505,000 Swift & Co., 12.50% due 1/01/2010

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 Gaming - 8.1%  
 3,125,000 Boyd Gaming Corp., 8.75% due 4/15/2012  
 1,350,000 Caesars Entertainment, Inc., 7.875% due 3/15/2010  
 100,000 Caesars Entertainment, Inc., 8.125% due 5/15/2011  
 300,000 Galaxy Entertainment Finance Co. Ltd., 10.354%  
 due 12/15/2010 (d) (i)  
 550,000 Galaxy Entertainment Finance Co. Ltd., 9.875%  
 due 12/15/2012 (i)  
 595,000 Greektown Holdings, 10.75% due 12/01/2013 (i)

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Industry	Face Amount	Corporate Bonds
	\$ 500,000	Harrah's Operating Co., Inc., 5.75% due 10/01/2017
	1,550,000	Inn of the Mountain Gods Resort & Casino, 12% due 11/15/2010
	1,290,000	Little Traverse Bay Bands of Odawa Indians, 10.25% due 2/15/2014 (i)
	475,000	MGM Mirage, 6.75% due 4/01/2013
	975,000	Mirage Resorts, Inc., 6.75% due 2/01/2008
	2,025,000	Penn National Gaming, Inc., 6.875% due 12/01/2011
	2,575,000	Poster Financial Group, Inc., 8.75% due 12/01/2011
	1,150,000	Resorts International Hotel and Casino, Inc., 11.5% due 3/15/2009
	975,000	San Pasqual Casino, 8% due 9/15/2013 (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
	1,400,000	Station Casinos, Inc., 6.625% due 3/15/2018
	2,210,000	Tropicana Entertainment, 9.625% due 12/15/2014 (i)
	600,000	Turning Stone Resort Casino Enterprise, 9.125% due 9/15/2014 (i)
	1,800,000	Wynn Las Vegas LLC, 6.625% due 12/01/2014
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Health Care - 6.7%	300,000	Accellent, Inc., 10.50% due 12/01/2013
	1,140,000	Angiotech Pharmaceuticals, Inc., 9.11% due 12/01/2013 (d) (i)
	600,000	The Cooper Cos., Inc., 7.125% due 2/15/2015 (i)
	2,000,000	Elan Finance Plc, 9.36% due 11/15/2011 (d)
	3,000,000	HealthSouth Corp., 11.354% due 6/15/2014 (d) (i)
	725,000	Omnicare, Inc., 6.75% due 12/15/2013
	650,000	Select Medical Corp., 7.625% due 2/01/2015
	2,260,000	Tenet Healthcare Corp., 9.875% due 7/01/2014
	825,000	Triad Hospitals, Inc., 7% due 5/15/2012
	3,000,000	US Oncology, Inc., 9% due 8/15/2012
	1,000,000	VWR International, Inc., 8% due 4/15/2014
	2,000,000	Vanguard Health Holding Co. II, LLC, 9% due 10/01/2014

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4,000,000 Ventas Realty, LP, 6.75% due 6/01/2010

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Housing - 2.8%	3,025,000	Forest City Enterprises, Inc., 7.625% due 6/01/201
	699,000	Goodman Global Holding Co., Inc., 8.36% due 6/15/2012 (d)
	1,350,000	Goodman Global Holding Co., Inc., 7.875% due 12/15/2012
	295,000	Nortek, Inc., 8.50% due 9/01/2014
	1,200,000	Ply Gem Industries, Inc., 9% due 2/15/2012
	1,600,000	Standard-Pacific Corp., 9.25% due 4/15/2012
	1,000,000	Texas Industries, Inc., 7.25% due 7/15/2013

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Information Technology - 6.3%	280,000	Amkor Technology, Inc., 7.75% due 5/15/2013
	350,000	Amkor Technology, Inc., 9.25% due 6/01/2016
	600,000	BMS Holdings, Inc., 12.40% due 2/15/2012 (d) (g) (i)
	215,000	Compagnie Generale de Geophysique SA, 7.50% due 5/15/2015
	320,000	Compagnie Generale de Geophysique-Veritas, 7.75% due 5/15/2017
	5,010,000	Freescale Semiconductor, Inc., 9.125% due 12/15/2014 (g) (i)

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Industry	Face Amount	Corporate Bonds
	\$ 490,000	Freescale Semiconductor, Inc., 9.23% due 12/15/2014 (d) (i)
	1,915,000	Nortel Networks Ltd., 9.61% due 7/15/2011 (d) (i)
	125,000	Open Solutions, Inc., 9.75% due 2/01/2015 (i)
	1,135,000	Sanmina-SCI Corp., 8.125% due 3/01/2016
	2,180,000	SunGard Data Systems, Inc., 9.125% due 8/15/2013
	1,895,000	SunGard Data Systems, Inc., 9.90% due 8/15/2013 (d)
	1,105,000	SunGard Data Systems, Inc., 10.25% due 8/15/2015
	235,000	Telcordia Technologies, Inc., 10% due 3/15/2013 (i)
	1,391,859	UGS Capital Corp. II, 10.348% due 6/01/2011 (g) (i)
	1,400,000	UGS Corp., 10% due 6/01/2012
	1,550,000	Viasystems, Inc., 10.50% due 1/15/2011

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Leisure - 1.7%	1,525,000	FelCor Lodging LP, 8.50% due 6/01/2011
	2,000,000	Great Canadian Gaming Corp., 7.25% due 2/15/2015 (d)
	1,480,000	Host Marriott LP, 6.75% due 6/01/2016
	170,000	Travelport, Inc., 9.875% due 9/01/2014 (i)
	370,000	Travelport, Inc., 9.985% due 9/01/2014 (d) (i)

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Manufacturing - 3.5%	1,280,000	AGY Holding Corp., 11% due 11/15/2014 (i)
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	2,175,000	CPI Holdco, Inc., 11.151% due 2/01/2015 (d) (i)
	1,690,000	Jarden Corp., 7.50% due 5/01/2017
	2,310,000	NXP B.V., 9.50% due 10/15/2015 (i)
	470,000	RBS Global, Inc., 9.50% due 8/01/2014 (i)
	600,000	RBS Global, Inc., 11.75% due 8/01/2016 (i)
	560,000	RBS Global, Inc., 8.875% due 9/01/2016 (i)
	2,165,000	Trimas Corp., 9.875% due 6/15/2012
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Metal - Other - 2.2%	640,000	FMG Finance Pty Ltd., 10.625% due 9/01/2016 (i)
	1,975,000	Foundation PA Coal Co., 7.25% due 8/01/2014
	2,350,000	Indalex Holding Corp., 11.50% due 2/01/2014 (i)
	1,975,000	Novelis, Inc., 7.25% due 2/15/2015
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Packaging - 3.5%	685,000	Berry Plastics Holding Corp., 8.875% due 9/15/2014
	1,915,000	Berry Plastics Holding Corp., 9.23% due 9/15/2014
	2,200,000	Graham Packing Co., Inc., 9.875% due 10/15/2014
	420,000	Impress Holdings B.V., 8.585% due 9/15/2013 (d) (i)
	2,637,000	Owens-Brockway, 8.875% due 2/15/2009
	1,000,000	Owens-Brockway, 8.25% due 5/15/2013
	1,355,000	Packaging Dynamics Finance Corp., 10% due 5/01/2016 (i)
	1,000,000	Pregis Corp., 12.375% due 10/15/2013 (i)
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Paper - 7.9%	2,000,000	Abitibi-Consolidated, Inc., 8.855% due 6/15/2011 (d)
	720,000	Abitibi-Consolidated, Inc., 6% due 6/20/2013
	1,000,000	Ainsworth Lumber Co. Ltd., 9.11% due 10/01/2010 (d)
	1,975,000	Boise Cascade LLC, 8.235% due 10/15/2012 (d)
	400,000	Bowater Canada Finance, 7.95% due 11/15/2011
	2,825,000	Bowater, Inc., 8.355% due 3/15/2010 (d)
	3,200,000	Domtar, Inc., 7.125% due 8/15/2015
	1,050,000	Graphic Packaging International Corp., 8.50% due 8/15/2011
	640,000	Graphic Packaging International Corp., 9.50% due 8/15/2013
	1,450,000	NewPage Corp., 11.61% due 5/01/2012 (d)

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Industry	Face Amount	Corporate Bonds
	\$ 1,000,000	NewPage Corp., 12% due 5/01/2013
	3,400,000	Norske Skog Canada Ltd. Series D, 8.625% due 6/15/2011
	2,000,000	Rock-Tenn Co., 8.20% due 8/15/2011
	2,600,000	Smurfit Kappa Funding Plc, 9.625% due 10/01/2012
	340,000	Smurfit-Stone Container Enterprises, Inc., 9.75% due 2/01/2011
	950,000	Verso Paper Holdings LLC, 9.125% due 8/01/2014 (i)

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	115,000	Verso Paper Holdings LLC, 11.375% due 8/01/2016 (i)
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Retail - 3.0%	310,000	Beverages & More, Inc., 9.25% due 3/01/2012 (i)
	360,000	Buffets, Inc., 12.50% due 11/01/2014
	340,000	Burlington Coat Factory Warehouse Corp., 11.125% due 4/15/2014
	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)
	1,125,000	Neiman Marcus Group, Inc., 9% due 10/15/2015 (g)
	1,050,000	Neiman Marcus Group, Inc., 10.375% due 10/15/2015
	2,500,000	Rite Aid Corp., 7.50% due 3/01/2017
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Service - 6.9%	2,000,000	Ashtead Capital, Inc., 9% due 8/15/2016 (i)
	600,000	Avis Budget Car Rental LLC, 7.625% due 5/15/2014 (i)
	2,800,000	Avis Budget Car Rental LLC, 7.86% due 5/15/2014 (d) (i)
	3,000,000	Corrections Corp. of America, 7.50% due 5/01/2011
	625,000	DI Finance Series B, 9.50% due 2/15/2013
	1,750,000	Dycom Industries, Inc., 8.125% due 10/15/2015
	1,480,000	Mac-Gray Corp., 7.625% due 8/15/2015
	1,780,000	Sally Holdings LLC, 10.50% due 11/15/2016 (i)
	140,000	Seitel Acquisition Corp., 9.75% due 2/15/2014 (i)
	3,000,000	Service Corp. International, 7% due 6/15/2017
	1,200,000	United Rentals North America, Inc., 7.75% due 11/15/2013
	3,000,000	Waste Services, Inc., 9.50% due 4/15/2014
	130,000	Yankee Acquisition Corp., 8.50% due 2/15/2015 (i)
	540,000	Yankee Acquisition Corp., 9.75% due 2/15/2017 (i)
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Steel - 0.9%	1,950,000	Chaparral Steel Co., 10% due 7/15/2013
	868,000	Ucar Finance, Inc., 10.25% due 2/15/2012
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Telecommunications - 4.9%	1,247,000	ADC Telecommunications, Inc., 1% due 6/15/2008 (b)
	750,000	ADC Telecommunications, Inc., 5.729% due 6/15/2013 (b) (d)
	2,025,000	Inmarsat Finance Plc, 7.625% due 6/30/2012
	2,900,000	LCI International, Inc., 7.25% due 6/15/2007
	2,400,000	Nordic Telephone Co. Holdings ApS, 8.875% due 5/01/2016 (i)
	780,000	ProtoStar I Ltd., 12.50% due 10/15/2012 (b) (i)
	350,000	Qwest Communications International, Inc., 7.50% due 2/15/2014
	1,550,000	Qwest Corp., 8.605% 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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Transportation - 1.8%	\$ 370,000 1,525,000 1,400,000 2,325,000	Britannia Bulk Plc, 11% due 12/01/2011 (i) Navios Maritime Holdings, Inc., 9.50% due 12/15/2014 (i) OMI Corp., 7.625% due 12/01/2013 Teekay Shipping Corp., 8.875% due 7/15/2011
Utility - 9.3%	4,458,000 2,100,000 1,327,000 540,000 2,509,000 1,875,000 1,775,000 2,600,000 1,625,000 1,475,000 390,000 3,800,000 1,200,000 925,000 2,066,549	The AES Corp., 9.375% due 9/15/2010 The AES Corp., 8.75% due 5/15/2013 (i) Centerpoint Energy, Inc. Series B, 3.75% due 5/15/2023 (b) Conexant Systems, Inc., 9.11% due 11/15/2010 (d) (i) ESI Tractebel Acquisition Corp. Series B, 7.99% due 12/30/2011 Edison Mission Energy, 7.50% due 6/15/2013 El Paso Performance-Linked Trust, 7.75% due 7/15/2011 (i) Mirant North America LLC, 7.375% due 12/31/2013 NRG Energy, Inc., 7.25% due 2/01/2014 NRG Energy, Inc., 7.375% due 2/01/2016 Nevada Power Co., 9% due 8/15/2013 Reliant Energy, Inc., 9.50% due 7/15/2013 Sierra Pacific Resources, 8.625% due 3/15/2014 Southern Natural Gas Co., 8.875% due 3/15/2010 Tenaska Alabama Partners LP, 7% due 6/30/2021 (i)
Wireless Communications - 4.9%	1,650,000 1,350,000 850,000 2,050,000 1,200,000 1,710,000 210,000 950,000 250,000 2,600,000 2,850,000	Centennial Cellular Operating Co. LLC, 10.125% due 6/15/2013 Cricket Communications, Inc., 9.375% due 11/01/2014 (i) Digicel Group Ltd., 8.875% due 1/15/2015 (i) Digicel Group Ltd., 9.125% due 1/15/2015 (g) (i) Dobson Communications Corp., 9.61% due 10/15/2012 (d) MetroPCS Wireless, Inc., 9.25% due 11/01/2014 (i) Orascom Telecom Finance SCA, 7.875% due 2/08/2014 Rogers Wireless Communications, Inc., 8.48% due 12/15/2010 (d) Rogers Wireless Communications, Inc., 8% due 12/15/2012 Rural Cellular Corp., 8.25% due 3/15/2012 West Corp., 11% due 10/15/2016 (i)
		Total Corporate Bonds (Cost - \$406,868,930) - 126.3%
		Floating Rate Loan Interests (k)

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Chemicals - 0.7%	2,830,000	Wellman, Inc. Second Lien Term Loan, 12.11% due 2/10/2010
		Total Floating Rate Loan Interests (Cost - \$2,793,209) - 0.7%
		Foreign Government Obligations
	3,000,000	Brazilian Government International Bond, 11% due 8/17/2040
		Total Foreign Government Obligations (Cost - \$3,795,457) - 1.2%

BlackRock Corporate High Yield Fund III, Inc.  
Schedule of Investments as of February 28, 2007

Industry	Shares Held	Common Stocks
Cable - U.S. - 1.1%	82,737	Loral Space & Communications Ltd. (c)
Information Technology - 0.6%	98,041	Cypress Semiconductor Corp. (c)
Manufacturing - 0.4%	70,784	Medis Technologies Ltd. (c)
Paper - 0.1%	203,785	Western Forest Products, Inc. (c)
		Total Common Stocks (Cost - \$8,246,278) - 2.2%
		Preferred Stocks
Cable - U.S. - 0.4%	6,402	Loral Spacecom Corp. Series A, 12%
		Total Preferred Stocks (Cost - \$1,265,640) - 0.4%
		Warrants (h)
Health Care - 0.0%	32,042	HealthSouth Corp. (expires 1/16/2014)
Paper - 0.0%	700	MDP Acquisitions Plc (expires 10/01/2013)
Wireless Communications - 0.2%	825	American Tower Corp. (expires 8/01/2008)
		Total Warrants (Cost - \$53,675) - 0.2%
		Beneficial Interest Other Interests (e)
Cable - U.S. - 0.0%	\$ 750,000	Adelphia C.V.U. Series ACC-4
		Total Other Interests (Cost - \$3,000) - 0.0%

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Short-Term Securities	
\$22,019,219	BlackRock Liquidity Series, LLC Cash Sweep Series, 5.33% (f) (j)
Total Short-Term Securities (Cost - \$22,019,219) - 6.6%	
Total Investments (Cost - \$445,045,408*) - 137.6%	
Liabilities in Excess of Other Assets - (37.6%)	
Net Assets - 100.0%	

\* The cost and unrealized appreciation (depreciation) of investments as of February 28, 2007, as computed for federal income tax purposes, were as follows:

Aggregate cost	\$ 445,718,929
Gross unrealized appreciation	\$ 16,002,964
Gross unrealized depreciation	(5,521,583)
Net unrealized appreciation	\$ 10,481,381

- (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.
- (f) Represents the current yield as of February 28, 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	\$ 21,862,101	\$ 386,292

BlackRock Corporate High Yield Fund III, Inc.  
Schedule of Investments as of February 28, 2007 (in U.S. dollars)

- (k) Floating rate loan interests in which the Fund invests generally pay

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interest at rates that are periodically redetermined 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.

- 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.
- o Swaps outstanding as of February 28, 2007 were as follows:

	Notional Amount	Unrealiz Appreciat (Depreciat
Sold credit default protection on General Motors Acceptance Corp. and receive 3.50%		
Broker, JPMorgan Chase Expires March 2007	\$ 800,000	\$ 1,43
Sold credit default protection on General Motors Acceptance Corp. and receive 4.50%		
Broker, Morgan Stanley Capital Services, Inc. Expires March 2007	\$ 800,000	1,89
Sold credit default protection on General Motors Corp. and receive 4.40%		
Broker, Morgan Stanley Capital Services, Inc. Expires June 2007	\$ 400,000	4,48
Sold credit default protection on General Motors Corp. and receive 8.00%		
Broker, Morgan Stanley Capital Services, Inc. Expires June 2007	\$ 400,000	8,92
Sold credit default protection on Ford Motor Company and receive 3.80%		
Broker, JPMorgan Chase Expires March 2010	\$ 3,000,000	(12,39
Sold credit default protection on Ford Motor Company and receive 3.80%		
Broker, UBS Warburg Expires March 2010	\$ 1,000,000	(4,13
Sold credit default protection on Primedia, Inc. and receive 2.45%		

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Broker,	Lehman Brothers Special Finance		
Expires	March 2012	\$ 1,000,000	5,39
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Total		\$	5,60
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Item 2 - Controls and Procedures

- 2(a) - The registrant's certifying officers have reasonably designed such disclosure controls and procedures to ensure material information relating to the registrant is made known to us by others particularly during the period in which this report is being prepared. The registrant's certifying officers have determined that the registrant's disclosure controls and procedures are effective based on our evaluation of these controls and procedures as of a date within 90 days prior to the filing date of this report.
- 2(b) - As of September 29, 2006, with the conclusion of the combination of Merrill Lynch's asset management business with BlackRock, the registrant was migrated to BlackRock's trading and compliance monitoring systems, and various personnel changes occurred. In conjunction with these business improvements, there were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under Act (17 CFR 270.30a-3(d)) that occurred during the last fiscal quarter that has materially affected, or is reasonably likely to 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  
 BlackRock Corporate High Yield Fund III, Inc.

Date: April 23, 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  
 BlackRock Corporate High Yield Fund III, Inc.

Date: April 23, 2007

By: /s/ Donald C. Burke

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Donald C. Burke  
Chief Financial Officer  
BlackRock Corporate High Yield Fund III, Inc.

Date: April 23, 2007