



BLACKROCK KELSO CAPITAL

Investor Presentation

March 2011

Forward Looking Statements

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I. BlackRock Kelso Capital Overview

Market-Leading Platform

Successful Track Record of Middle Market Investing

- ✓ Dedicated team of investment professionals with long-standing relationships and a proactive direct origination focus
- ✓ Industry-leading, “hands-on” diligence approach focusing on long-term business fundamentals and capital preservation
- ✓ Active support of world-class investment partners in BlackRock, Inc. and the Kelso Principals
- ✓ Completed 115 investments in middle market companies since inception⁽¹⁾
- ✓ Declared \$7.16 per share in dividends to shareholders since inception⁽²⁾

Business Development Company Fund Structure

- ✓ Conservatively structured and highly regulated asset class (maximum one-to-one leverage allowance)
- ✓ Highly visible investment income and dividend generation
- ✓ Mark-to-market accounting requirements ensure accurate and timely valuations for investors
- ✓ Well capitalized with \$516.4 million in excess asset coverage⁽¹⁾

Investor-friendly Fee Structure

- ✓ Shareholder-friendly fee arrangement resulting from performance incentive fee subject to both a hurdle and a high water mark structure
- ✓ 50% catch-up provision favors investors – the Investment Advisor does not earn full incentive fees until investors have received a 13.3% return
- ✓ Lower costs than many finance competitors and internally managed BDCs
- ✓ Transparent payment structure

Investment Selection Criteria

Focus on Value and Cash Flow

- ✓ Premium on fundamental analysis and value from an investor's perspective
- ✓ Invest at low multiples of operating cash flow in companies profitable at the time of investment on an operating cash flow basis
- ✓ Typically do not invest in start-up companies or companies having speculative business plans

Competitive Position in Industry

- ✓ Companies that have strong market positions and are well suited to capitalize on growth opportunities
- ✓ Companies that demonstrate significant competitive advantages that aid to protect their market position and profitability

Experienced Management

- ✓ Generally require that portfolio companies have an experienced management team
- ✓ Generally require portfolio companies to have in place proper incentives to induce management to succeed and to act in concert with investor interests, which may include a significant equity stake

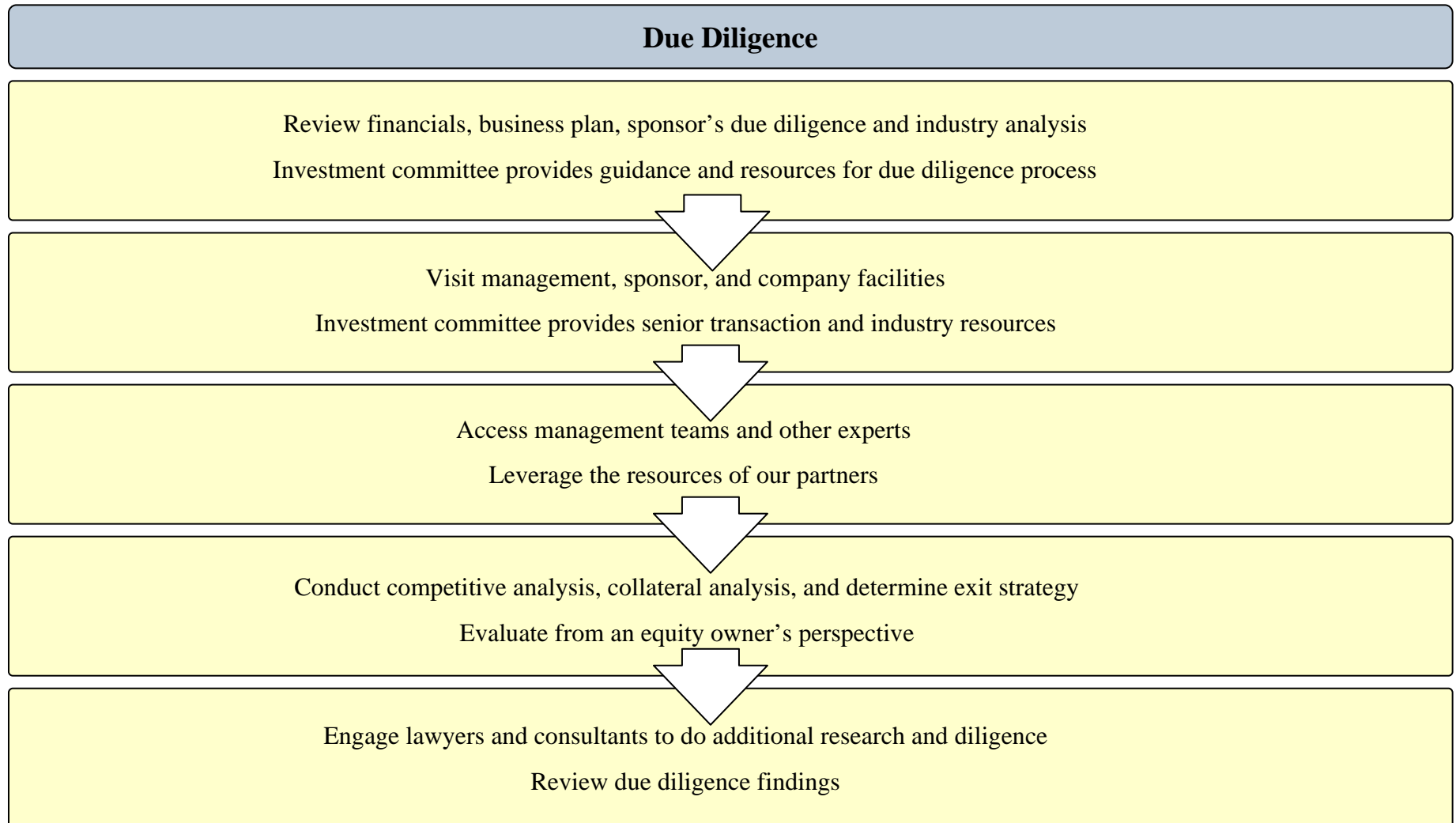
Investment Exit Strategy

- ✓ Internally generated cash flow for debt repayment
- ✓ Strategic acquisition by other industry participants
- ✓ Initial public offering of common stock or another capital market transaction
- ✓ Exit equity investments via repurchases by the company and sales pursuant to M&A

Liquidation Value of Assets

- ✓ Enterprise value focus
- ✓ Prospective liquidation value of the assets that collateralize loans
- ✓ Emphasize both tangible assets, such as accounts receivable, inventory, equipment and real estate, as well as intangible assets, such as intellectual property, customer lists, networks, and databases

Thorough Investment Process



Post approval, BlackRock Kelso Capital works to structure investments quickly and effectively

Comprehensive Portfolio Management

Detailed review and rating process

- Review financial statements and reports
- Evaluate adherence to business plan and covenants
- Compare to other industry participants

Financial performance of existing portfolio companies is evaluated by the deal team on at least a quarterly basis

- Monthly and/or quarterly financials are analyzed by the deal team
- Discussions with management are conducted to review the performance of the businesses
- In many cases, BKCC maintains observation rights or seats on the portfolio companies' boards of directors

Update memos are prepared for each portfolio company by the respective deal team at least quarterly

- Memos are reviewed at the weekly investment professionals' meeting

A separate investment rating meeting is held and attended by all transaction professionals each quarter

- Each investment is reviewed by its primary deal team and given a suggested rating level to be discussed among all transaction professionals
- At the conclusion of discussion, and subject to the approval of senior management, the chief financial officer records the internal investment ratings for review by the Board of Directors

All investments that are rated at levels other than the highest rating are reviewed on a weekly basis by the transaction professionals and management



II. Financial Summary

Financial and Portfolio Summary

Financial Highlights

Amounts shown on per share basis; share count in millions

	Full Year	Three Months Ending			
	12/31/10	12/31/10	9/30/10	6/30/10	3/31/10
Net Investment Income ⁽³⁾	\$ 0.96	\$ 0.03	\$ 0.26	\$ 0.36	\$ 0.36
Net Realized Gains (Losses) ⁽³⁾	\$ (1.44)	\$ (0.39)	\$ 0.02	\$ (0.38)	\$ (0.75)
Net Unrealized Gains (Losses) ⁽³⁾	\$ 1.63	\$ 0.39	\$ (0.03)	\$ 0.41	\$ 0.93
Net Income ⁽³⁾	\$ 1.14	\$ 0.03	\$ 0.25	\$ 0.39	\$ 0.54
Net Asset Value at End of Period ⁽⁴⁾	\$ 9.62	\$ 9.62	\$ 9.76	\$ 9.83	\$ 9.77
Dividends Declared ⁽³⁾	\$ 1.28	\$ 0.32	\$ 0.32	\$ 0.32	\$ 0.32
Basic and Diluted Weighted Average Shares Outstanding	62.7	70.9	65.5	57.5	56.6
Total Shares Outstanding at End of Period	72.6	72.6	65.5	65.4	56.6

Portfolio Summary

\$ in thousands

	12/31/10	9/30/10	6/30/10	3/31/10
Investment Portfolio at Cost ⁽⁵⁾	\$ 985,678	\$ 966,827	\$ 886,663	\$ 957,362
Investment Portfolio at Fair Value ⁽⁵⁾	\$ 880,086	\$ 833,747	\$ 753,591	\$ 803,329
Fair Value % Cost	89.3%	86.2%	85.0%	83.9%
Number of Portfolio Companies	50	51	51	55
Average Investment Size at Cost	\$ 19,714	\$ 18,957	\$ 17,386	\$ 17,407
Yield on Income Producing Capital at Cost	10.9%	10.5%	10.5%	11.6%
Yield on Senior Secured Loans at Cost	10.1%	9.4%	10.0%	10.3%
Yield on Other Debt Securities at Cost	12.1%	11.9%	11.3%	13.9%
<u>Total Investment Portfolio at Fair Value⁽⁶⁾</u>				
Senior Secured Loans & Notes	60.6%	61.1%	70.1%	66.8%
Unsecured & Subordinated Debt	26.1%	26.3%	17.4%	26.3%
Preferred & Common Equity & Warrants	13.3%	12.6%	12.5%	7.0%

Portfolio Activity

\$ in thousands

	Full Year	Three Months Ending			
	12/31/10	12/31/10	9/30/10	6/30/10	3/31/10
New Investments at Cost	\$ 405,956	\$ 84,240	\$ 177,428	\$ 127,847	\$ 16,442
Sales, Repayments, Other Exits at Cost	\$ (395,269)	\$ (41,038)	\$ (100,206)	\$ (181,349)	\$ (72,676)
Net New Investments at Cost	\$ 10,687	\$ 43,202	\$ 77,223	\$ (53,502)	\$ (56,235)
New Portfolio Company Investments	8	3	4	1	-
Portfolio Company Exits	15	4	4	5	2

Please see Notes to the Investor Presentation on page 23

Select Historical Financial Information

Financial History

\$ in thousands, except per share data

	Full Year		Three Months Ending							
	12/31/10	12/31/09	12/31/10	9/30/10	6/30/10	3/31/10	12/31/09	9/30/09	6/30/09	3/31/09
Net Investment Income Before Incentive Fees	\$ 74,959	\$ 92,871	\$ 16,968	\$ 16,811	\$ 20,421	\$ 20,759	\$ 21,803	\$ 21,782	\$ 25,535	\$ 23,751
Net Investment Income Before Incentive Fees per share ⁽³⁾	\$ 1.20	\$ 1.66	\$ 0.24	\$ 0.26	\$ 0.36	\$ 0.37	\$ 0.39	\$ 0.39	\$ 0.46	\$ 0.43
Net Investment Income	\$ 59,851	\$ 76,053	\$ 2,354	\$ 16,811	\$ 20,421	\$ 20,265	\$ 4,984	\$ 21,782	\$ 25,535	\$ 23,751
Net Investment Income per share ⁽³⁾	\$ 0.96	\$ 1.36	\$ 0.03	\$ 0.26	\$ 0.36	\$ 0.36	\$ 0.09	\$ 0.39	\$ 0.46	\$ 0.43
Net Investment Income, as adjusted ⁽⁷⁾	\$ 59,851	\$ 76,053	\$ 13,777	\$ 13,020	\$ 16,290	\$ 16,764	\$ 18,499	\$ 17,585	\$ 20,834	\$ 19,135
Adjusted Net Investment Income per share	\$ 0.96	\$ 1.36	\$ 0.19	\$ 0.20	\$ 0.28	\$ 0.30	\$ 0.33	\$ 0.31	\$ 0.37	\$ 0.35
Net Realized / Unrealized Gains (Losses)	\$ 11,699	\$ (8,813)	\$ 62	\$ (496)	\$ 1,914	\$ 10,218	\$ 11,355	\$ 9,364	\$ (1,714)	\$ (27,818)
Net Realized / Unrealized Gains (Losses) per share ⁽³⁾	\$ 0.19	\$ (0.16)	\$ 0.00	\$ (0.01)	\$ 0.03	\$ 0.18	\$ 0.20	\$ 0.17	\$ (0.03)	\$ (0.50)
Net Income	\$ 71,550	\$ 67,240	\$ 2,416	\$ 16,316	\$ 22,335	\$ 30,483	\$ 16,339	\$ 31,146	\$ 23,822	\$ (4,067)
Net Income per share ⁽³⁾	\$ 1.14	\$ 1.20	\$ 0.03	\$ 0.25	\$ 0.39	\$ 0.54	\$ 0.29	\$ 0.55	\$ 0.43	\$ (0.07)
Dividends Declared	\$ 80,456	\$ 44,821	\$ 23,222	\$ 20,964	\$ 18,157	\$ 18,112	\$ 18,072	\$ 9,015	\$ 8,903	\$ 8,831
Dividends Declared per share ⁽³⁾	\$ 1.28	\$ 0.80	\$ 0.32	\$ 0.32	\$ 0.32	\$ 0.32	\$ 0.32	\$ 0.16	\$ 0.16	\$ 0.16
Total Net Assets	\$ 698,480	\$ 539,563	\$ 698,480	\$ 639,078	\$ 642,416	\$ 552,954	\$ 539,563	\$ 540,376	\$ 514,032	\$ 495,519
Net Asset Value per share ⁽⁴⁾	\$ 9.62	\$ 9.55	\$ 9.62	\$ 9.76	\$ 9.83	\$ 9.77	\$ 9.55	\$ 9.59	\$ 9.24	\$ 9.04
Book Debt / Book Equity Ratio	0.24x	0.55x	0.24x	0.32x	0.23x	0.46x	0.55x	0.64x	0.73x	0.85x
Book Debt / Book Equity Ratio, Net of Available Cash ⁽⁸⁾	0.24x	0.54x	0.24x	0.31x	0.19x	0.45x	0.54x	0.65x	0.73x	0.85x

Please see Notes to the Investor Presentation on page 23

Select Historical Portfolio Information

Portfolio History

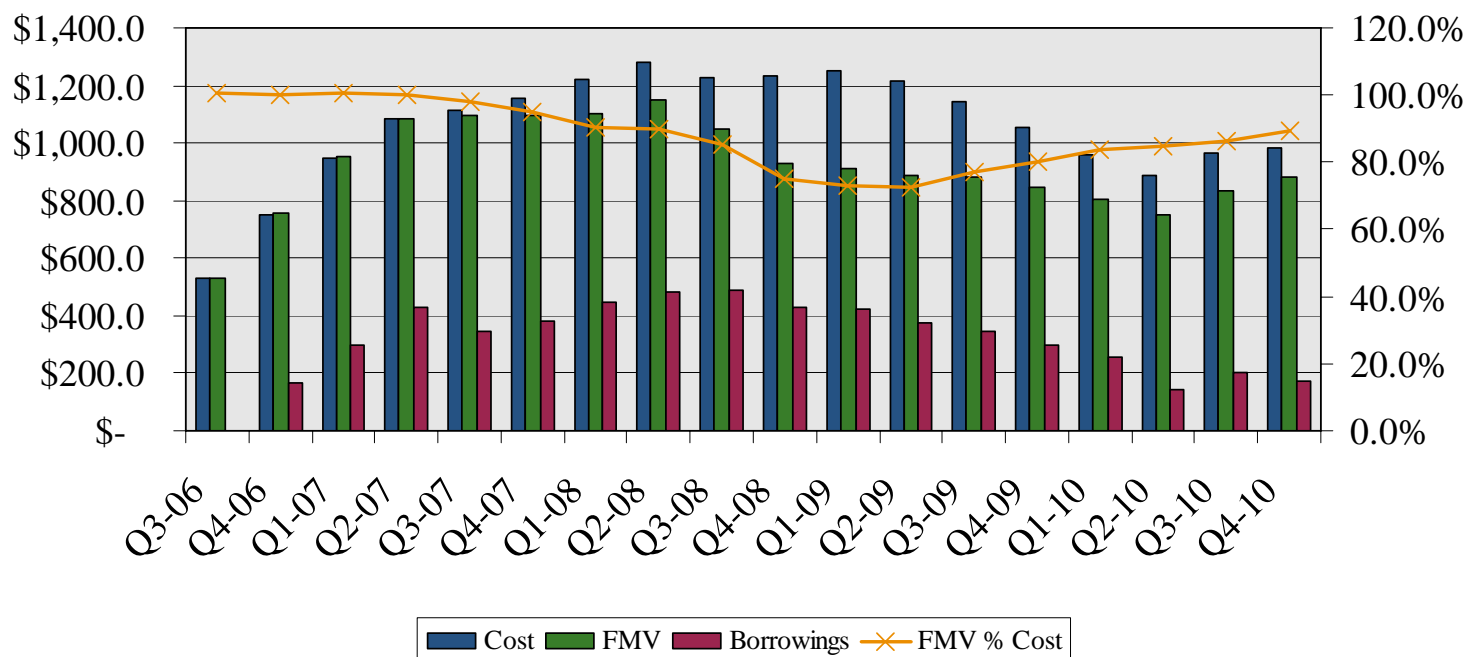
*\$ in thousands, except per share data
As of and for the Three Months Ending,*

	12/31/10	9/30/10	6/30/10	3/31/10	12/31/09	9/30/09	6/30/09	3/31/09
Investment Portfolio at Cost ⁽⁵⁾	\$ 985,678	\$ 966,827	\$ 886,663	\$ 957,362	\$ 1,054,820	\$ 1,144,893	\$ 1,216,209	\$ 1,251,187
Investment Portfolio at Fair Value ⁽⁵⁾	\$ 880,086	\$ 833,747	\$ 753,591	\$ 803,329	\$ 846,742	\$ 880,677	\$ 884,856	\$ 912,942
Fair Value % Cost	89.3%	86.2%	85.0%	83.9%	80.3%	76.9%	72.8%	73.0%
Number of Portfolio Companies	50	51	51	55	57	60	62	63
Average Investment Size at Cost	\$ 19,714	\$ 18,957	\$ 17,386	\$ 17,407	\$ 18,506	\$ 19,082	\$ 19,616	\$ 19,860
Weighted Average Yield on Invested Capital at Cost	10.9%	10.5%	10.5%	11.6%	11.2%	10.9%	10.4%	10.4%
Weighted Average Yield on Senior Secured Loans at Cost	10.1%	9.4%	10.0%	10.3%	9.4%	10.0%	9.8%	9.9%
Weighted Average Yield on Other Debt Securities at Cost	12.1%	11.9%	11.3%	13.9%	14.2%	13.2%	12.1%	12.1%
Total Investment Portfolio at Fair Value⁽⁶⁾								
Senior Secured Loans & Notes	60.6%	61.1%	70.1%	66.8%	64.8%	64.6%	65.3%	66.4%
Unsecured & Subordinated Debt	26.1%	26.3%	17.4%	26.3%	30.6%	31.1%	31.1%	30.5%
Preferred & Common Equity & Warrants	13.3%	12.6%	12.5%	7.0%	4.6%	4.2%	3.6%	3.1%
New Investments at Cost	\$ 84,240	\$ 177,428	\$ 127,847	\$ 16,442	\$ 8,585	\$ 10,983	\$ 11,916	\$ 15,274
Sales, Repayments, Other Exits at Cost	(41,038)	(100,206)	(181,349)	(72,676)	(55,976)	(28,340)	(43,188)	(720)
Net New Investments at Cost	\$ 43,202	\$ 77,223	\$ (53,502)	\$ (56,235)	\$ (47,391)	\$ (17,357)	\$ (31,272)	\$ 14,553
Number of New Portfolio Company Investments	3	4	1	-	-	-	-	-
Number of Portfolio Company Exits	4	4	5	2	3	2	1	-

Please see Notes to the Investor Presentation on page 23

Portfolio Evolution

Quarterly Cost / FMV / Borrowings^(5,9)



	Q3-06	Q4-06	Q1-07	Q2-07	Q3-07	Q4-07	Q1-08	Q2-08	Q3-08	Q4-08	Q1-09	Q2-09	Q3-09	Q4-09	Q1-10	Q2-10	Q3-10	Q4-10
Cost	\$ 527.3	\$ 752.3	\$ 949.9	\$ 1,081.9	\$ 1,115.1	\$ 1,155.4	\$ 1,222.7	\$ 1,279.8	\$ 1,229.1	\$ 1,235.8	\$ 1,251.2	\$ 1,216.2	\$ 1,144.9	\$ 1,054.8	\$ 957.4	\$ 886.7	\$ 966.8	\$ 985.7
FMV	529.5	754.2	955.0	1,081.3	1,095.7	1,098.3	1,103.5	1,149.2	1,051.1	926.8	912.9	884.9	880.7	846.7	803.3	753.6	833.7	880.1
Borrowings	-	164.0	300.0	430.8	346.4	381.3	444.9	484.0	491.0	426.0	421.5	376.0	347.5	296.0	253.5	145.0	205.5	170.0
FMV % Cost	100.4%	100.3%	100.5%	99.9%	98.3%	95.1%	90.3%	89.8%	85.5%	75.0%	73.0%	72.8%	76.9%	80.3%	83.9%	85.0%	86.2%	89.3%
Borrowings % FMV	0.0%	21.6%	31.3%	39.6%	31.5%	34.5%	40.1%	41.9%	46.4%	45.7%	45.9%	42.3%	39.3%	34.8%	31.5%	19.2%	24.4%	19.1%

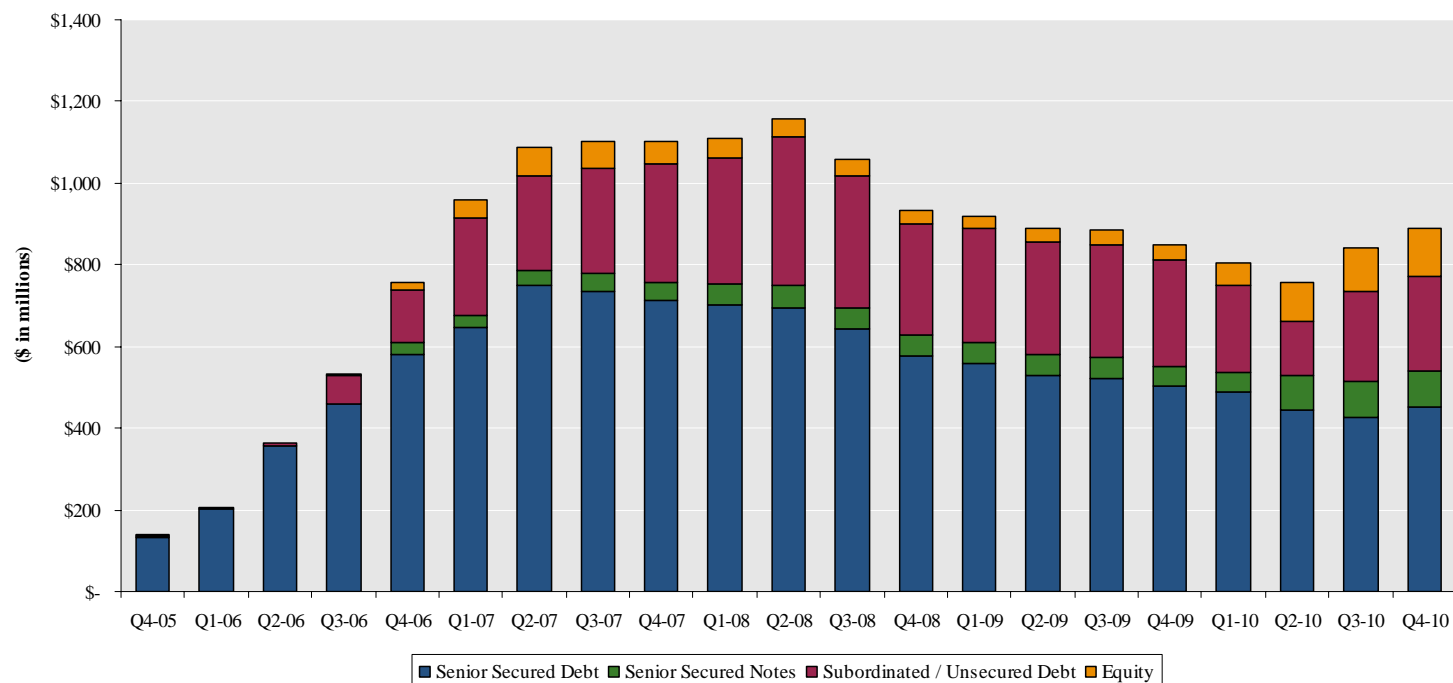
Please see Notes to the Investor Presentation on page 23

Defensive Portfolio Composition

BKCC's senior debt focus and conservative investment composition have helped its portfolio performance during the current recession

- As of December 31, 2010, senior debt comprised 60.6% of the total portfolio at fair market value

Portfolio Composition by Investment Type⁽⁶⁾

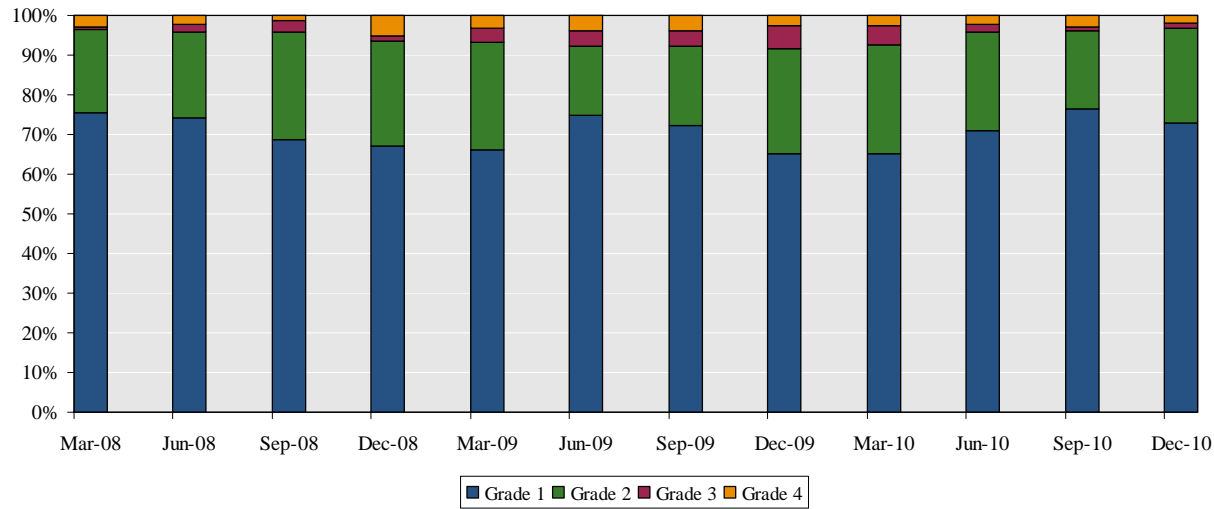


	Q4-05	Q1-06	Q2-06	Q3-06	Q4-06	Q1-07	Q2-07	Q3-07	Q4-07	Q1-08	Q2-08	Q3-08	Q4-08	Q1-09	Q2-09	Q3-09	Q4-09	Q1-10	Q2-10	Q3-10	Q4-10
Senior Debt	131.0	200.9	355.2	460.1	610.8	676.8	785.5	779.9	758.1	754.3	747.9	693.8	628.3	609.4	580.4	571.8	551.6	538.0	530.4	514.1	538.6
Sub Debt	6.7	3.6	8.9	67.4	128.3	236.9	232.5	257.5	289.1	306.9	363.9	324.0	271.7	280.1	276.6	275.7	260.2	211.6	132.0	221.0	232.1
Equity	0.1	0.1	0.4	4.1	19.1	46.1	69.3	64.0	56.6	47.8	44.0	39.3	32.1	28.4	32.4	37.5	38.9	56.4	94.5	106.0	118.7
Total	137.8	204.5	364.4	531.6	758.2	959.8	1,087.3	1,101.3	1,103.8	1,109.0	1,155.8	1,057.1	932.1	917.9	889.5	884.9	850.7	806.0	756.8	841.1	889.5
	Q4-05	Q1-06	Q2-06	Q3-06	Q4-06	Q1-07	Q2-07	Q3-07	Q4-07	Q1-08	Q2-08	Q3-08	Q4-08	Q1-09	Q2-09	Q3-09	Q4-09	Q1-10	Q2-10	Q3-10	Q4-10
% Senior Debt	95.1%	98.2%	97.5%	86.6%	80.6%	70.5%	72.2%	70.8%	68.7%	68.0%	64.7%	65.6%	67.4%	66.4%	65.3%	64.6%	64.8%	66.8%	70.1%	61.1%	60.6%
% Sub Debt	4.9%	1.8%	2.4%	12.7%	16.9%	24.7%	21.4%	23.4%	26.2%	27.7%	31.5%	30.6%	29.1%	30.5%	31.1%	31.1%	30.6%	26.3%	17.4%	26.3%	26.1%
% Equity	0.1%	0.0%	0.1%	0.8%	2.5%	4.8%	6.4%	5.8%	5.1%	4.3%	3.8%	3.7%	3.4%	3.1%	3.6%	4.2%	4.6%	7.0%	12.5%	12.6%	13.3%

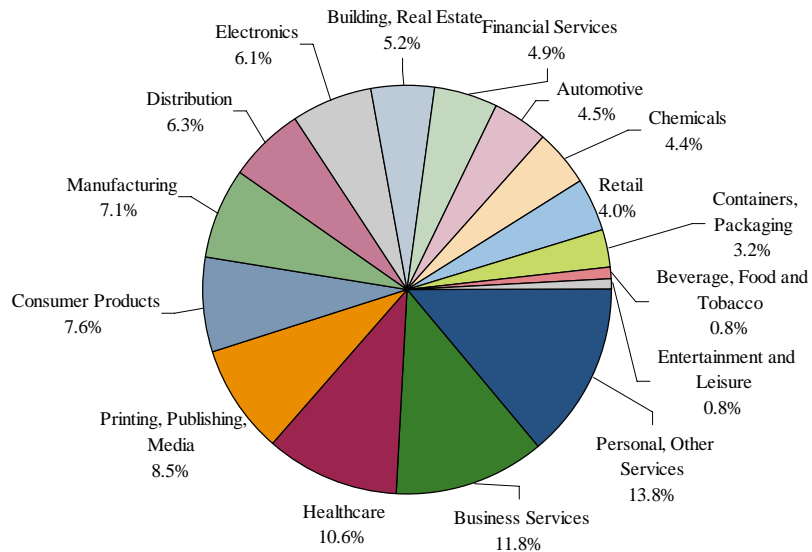
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Conservatively Positioned Portfolio

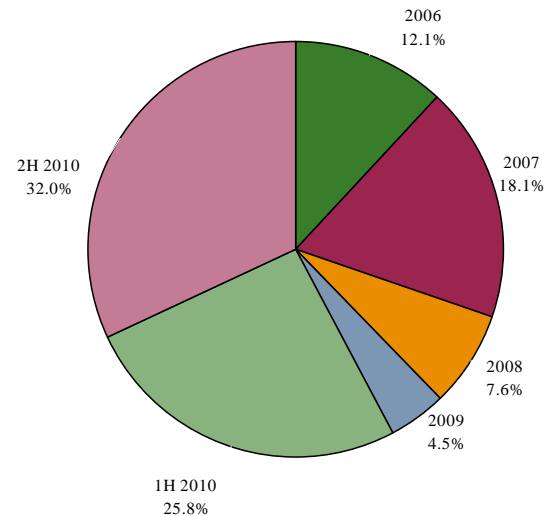
Portfolio Composition by Investment Rating at Fair Market Value⁽¹⁾



Portfolio Composition by Industry at Fair Market Value⁽¹⁾



Portfolio Composition by Vintage^(1,10)



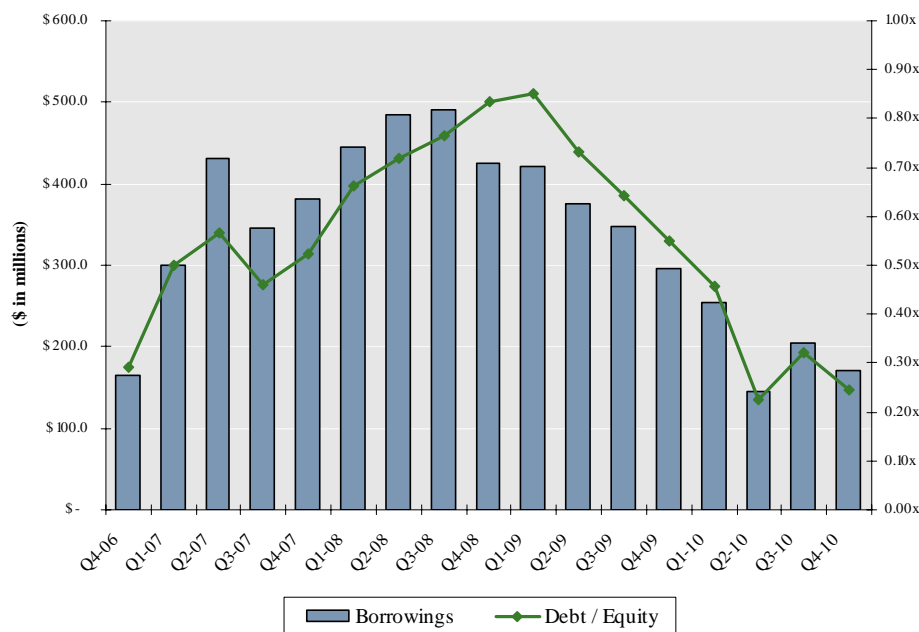
Please see Notes to the Investor Presentation on page 23

Increased Liquidity and Investment Capacity

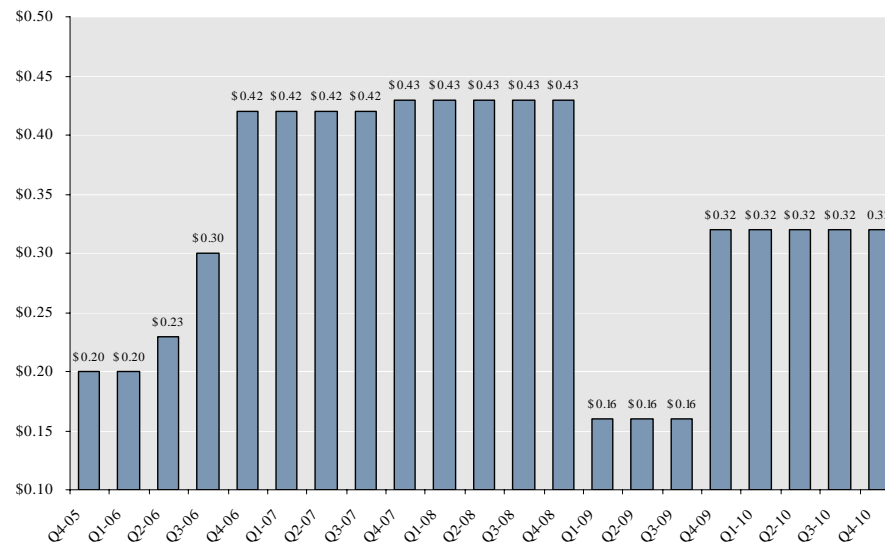
New investments have rebounded in Q4 2010, but BKCC continues to pursue a conservative strategy of capital preservation

- Conservative dividend distribution policy
- \$516.4 million in excess asset coverage (1:1 test) and \$357.7 million in borrowing base availability as of December 31, 2010

Quarterly Borrowings



Quarterly Dividends (\$ Per Share)



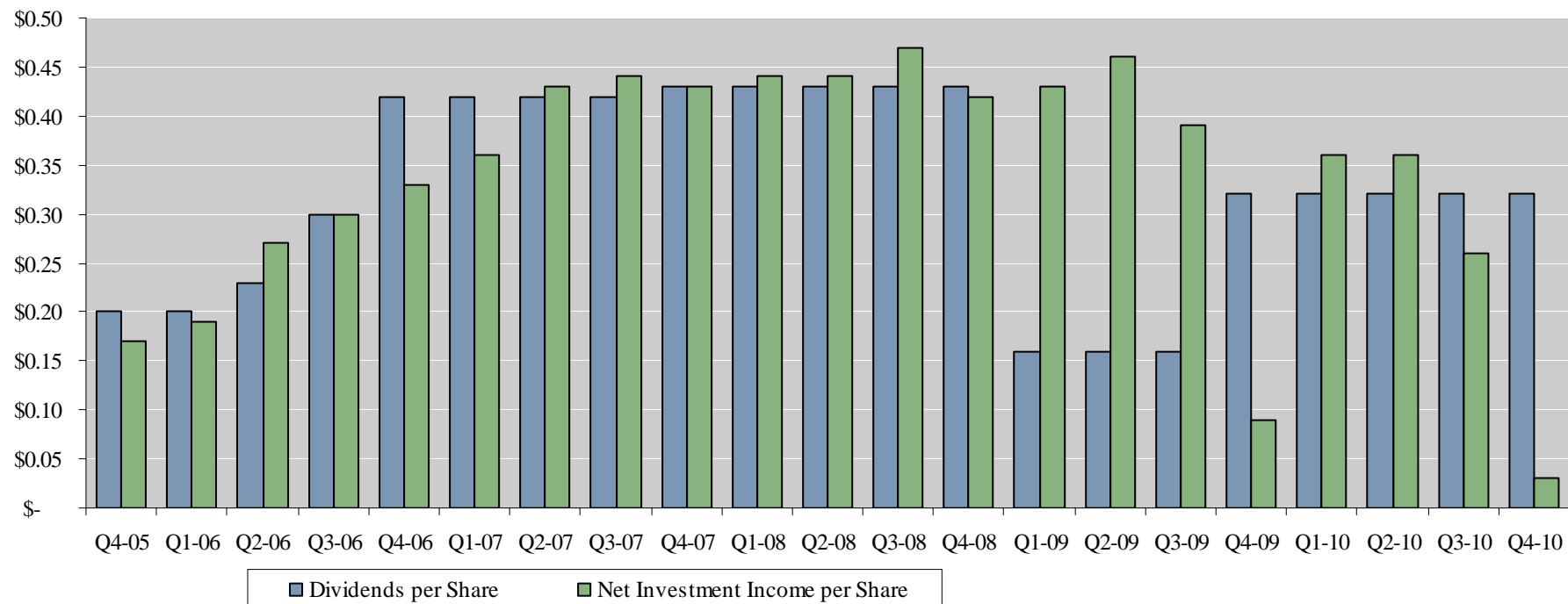
BKCC has significant capacity to take advantage of new investment opportunities in today's market

Conservative Dividend Management

BKCC resumed paying a normalized dividend in Q4 2009

- Net investment income exceeded dividends paid by \$0.56 per share in 2009 and is \$0.32 per share less than dividends paid in 2010
 - Q4 2010 net investment income and dividends paid were \$0.03 and \$0.32, respectively

Income and Dividend Performance



Excess net investment income implies a \$0.12 per share undistributed carryforward as of December 31, 2010

Portfolio Summary

For the quarters ending

	Dec-07	Mar-08	Jun-08	Sep-08	Dec-08	Mar-09	Jun-09	Sep-09	Dec-09	Mar-10	Jun-10	Sep-10	Dec-10
New Investments at Cost	\$ 76.2	\$ 94.6	\$ 80.0	\$ 8.7	\$ 13.9	\$ 15.3	\$ 11.9	\$ 11.0	\$ 8.6	\$ 16.4	\$ 127.8	\$ 177.4	\$ 84.2
Senior Secured Loans	713.2	702.9	695.4	642.3	576.0	558.2	528.1	520.1	503.2	489.8	443.4	427.6	450.3
Senior Secured Notes	44.8	51.4	52.5	51.5	52.3	51.3	52.3	51.7	48.4	48.3	86.9	86.5	88.3
Subordinated / Unsecured Debt	289.1	306.9	363.9	324.0	271.7	280.1	276.6	275.7	260.2	211.6	132.0	221.0	232.1
Equity Warrants	1.1	1.2	1.3	1.1	0.0	0.0	0.1	0.2	1.0	3.8	4.6	5.2	5.6
Preferred Equity	14.2	9.0	5.7	5.7	10.2	8.4	7.7	6.8	5.9	6.1	5.3	5.4	6.6
Common Equity	12.3	11.6	11.2	10.6	9.3	9.2	16.2	18.0	18.9	24.5	62.7	71.7	83.2
LP/LLC Interests	29.0	26.0	25.8	21.9	12.5	10.8	8.3	12.4	13.1	21.9	21.9	23.7	23.4
Total Invested Assets at FMV	\$ 1,103.8	\$ 1,109.0	\$ 1,155.8	\$ 1,057.1	\$ 932.1	\$ 917.9	\$ 889.5	\$ 884.9	\$ 850.7	\$ 806.0	\$ 756.8	\$ 841.1	\$ 889.5
Weighted Average Yield ⁽¹¹⁾	12.4%	11.3%	11.3%	11.9%	11.0%	10.4%	10.4%	10.9%	11.2%	11.6%	10.5%	10.5%	10.9%
3-Month LIBOR	4.7%	2.7%	2.8%	3.9%	1.4%	1.2%	0.6%	0.3%	0.2%	0.3%	0.5%	0.3%	0.3%
Spread	7.7%	8.6%	8.5%	8.0%	9.6%	9.2%	9.8%	10.7%	11.0%	11.3%	10.0%	10.2%	10.6%
Total Net Assets	\$ 728.2	\$ 671.1	\$ 672.2	\$ 641.2	\$ 510.3	\$ 495.5	\$ 514.0	\$ 540.4	\$ 539.6	\$ 553.0	\$ 642.4	\$ 639.1	\$ 698.5
Total Net Assets and Liabilities	\$ 1,121.8	\$ 1,125.0	\$ 1,172.4	\$ 1,142.1	\$ 966.2	\$ 935.5	\$ 908.7	\$ 905.8	\$ 879.5	\$ 838.5	\$ 812.4	\$ 917.5	\$ 915.6
Borrowings⁽⁹⁾	\$ 381.3	\$ 444.9	\$ 484.0	\$ 491.0	\$ 426.0	\$ 421.5	\$ 376.0	\$ 347.5	\$ 296.0	\$ 253.5	\$ 145.0	\$ 205.5	\$ 170.0
Investment Income	35.4	35.7	34.9	37.4	35.2	31.8	33.4	29.4	30.3	27.8	28.2	24.8	25.0
Interest Expense	5.8	5.2	4.3	4.3	4.8	1.8	1.7	1.5	1.4	1.1	1.7	1.7	1.7
Other Expenses	1.8	1.7	1.7	1.7	1.1	1.5	1.6	1.5	2.5	1.6	1.9	2.2	1.9
Management Fee	5.6	5.6	5.6	5.8	5.7	4.7	4.6	4.6	4.6	4.3	4.2	4.1	4.4
Incentive Fee	-	-	-	-	-	-	-	-	16.8	0.5	-	-	14.6
Net Investment Income	\$ 22.1	\$ 23.2	\$ 23.3	\$ 25.6	\$ 23.5	\$ 23.8	\$ 25.5	\$ 21.8	\$ 5.0	\$ 20.3	\$ 20.4	\$ 16.8	\$ 2.4
Net Investment Income per share	\$ 0.43	\$ 0.44	\$ 0.44	\$ 0.47	\$ 0.42	\$ 0.43	\$ 0.46	\$ 0.39	\$ 0.09	\$ 0.36	\$ 0.36	\$ 0.26	\$ 0.03
Net Investment Income per share as adjusted ⁽⁷⁾						\$ 0.35	\$ 0.37	\$ 0.31	\$ 0.33	\$ 0.30	\$ 0.28	\$ 0.20	\$ 0.19
Net Investment Income per share before incentive fees	\$ 0.43	\$ 0.44	\$ 0.44	\$ 0.47	\$ 0.42	\$ 0.43	\$ 0.46	\$ 0.39	\$ 0.39	\$ 0.37	\$ 0.36	\$ 0.26	\$ 0.24
Earnings per share	\$ (0.31)	\$ (0.75)	\$ 0.22	\$ (0.34)	\$ (1.88)	\$ (0.07)	\$ 0.43	\$ 0.55	\$ 0.29	\$ 0.54	\$ 0.39	\$ 0.25	\$ 0.03
Dividends per share	\$ 0.43	\$ 0.43	\$ 0.43	\$ 0.43	\$ 0.43	\$ 0.16	\$ 0.16	\$ 0.16	\$ 0.32	\$ 0.32	\$ 0.32	\$ 0.32	\$ 0.32
Net Asset Value per share	\$ 13.78	\$ 12.60	\$ 12.31	\$ 11.52	\$ 9.23	\$ 9.04	\$ 9.24	\$ 9.59	\$ 9.55	\$ 9.77	\$ 9.83	\$ 9.76	\$ 9.62

Please see Notes to the Investor Presentation on page 23



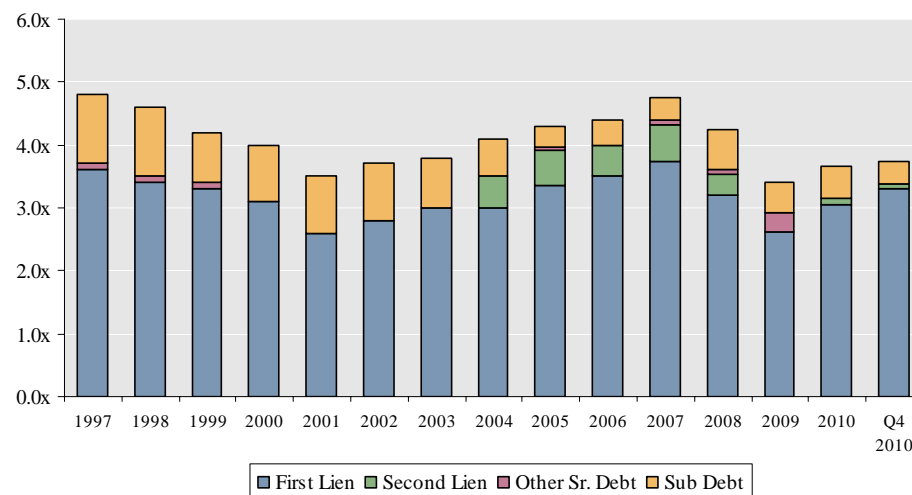
III. Current Market Environment

Improved Risk Profile for Leveraged Loan Investing

Average debt multiples for middle-market loans in 2010 remained significantly lower than previous highs during the pre-2001 and 2005-2007 time periods

- Total leverage for new transactions was 3.7x in Q4 2010 versus 4.8x in 2007 and an average of 4.1x from 2001 - 2009
- Senior lending leverage (first lien, second lien, and other senior debt) was 3.2x in 2010, versus 4.4x in 2007 and an average of 3.4x from 2001 – 2009
 - Consequently, other forms of junior secured and subordinated debt have been able to enter the capital structure at lower levels

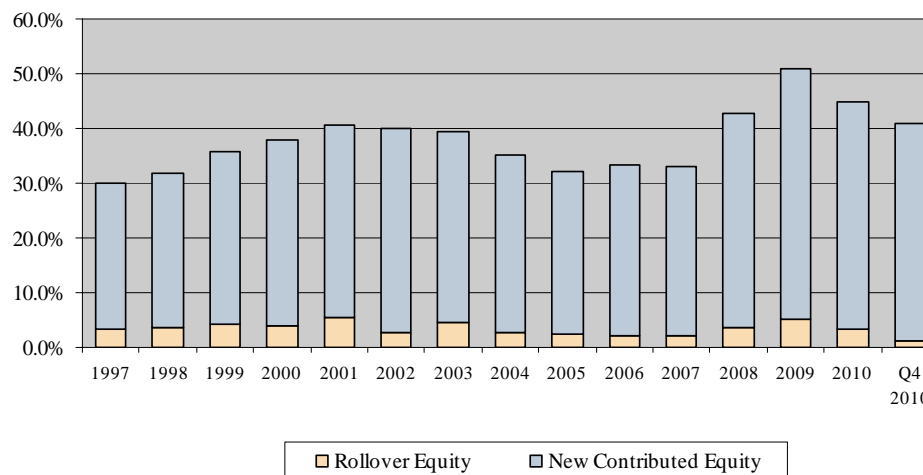
Average Debt Multiples of Middle-Market Loans



Equity contribution levels to leveraged buyouts remain above 40.0%, providing a greater capital cushion for debt investors

- Total contributed equity to new LBO transactions in Q4 2010 represented 41.0% of capital versus an average of 38.5% over the past decade
- Equity contribution levels remain approximately 8 - 9 percentage points higher than those required during the 2005-2007 period

Average Equity Contribution to Leveraged Buyouts



Source: Standard & Poor's LCD Leveraged Lending Review 4Q 2010

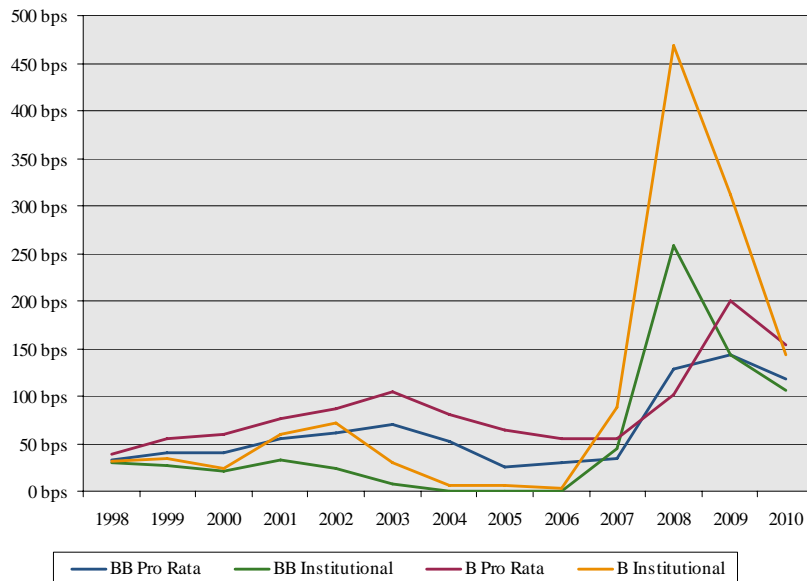
Lenders Are Being Well Compensated Despite Improved Investment Risk Profiles

Pricing on leveraged loans across the capital structure remains attractive despite the considerable improvement witnessed since March 2009

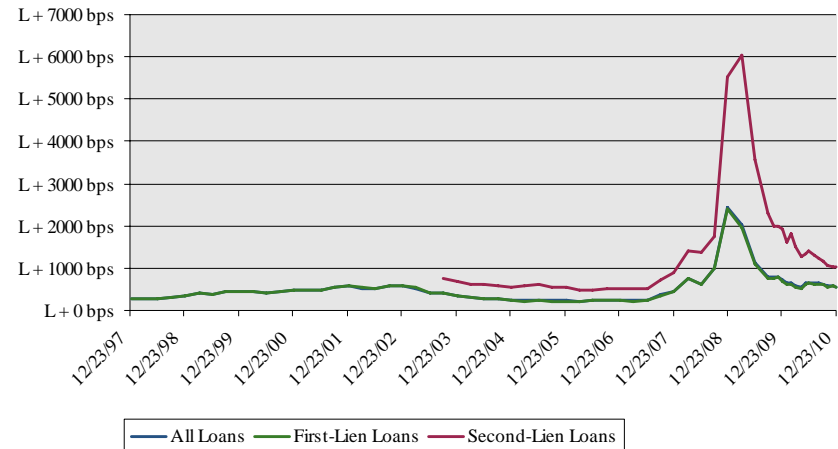
- Market decline of 2008 has redefined the levels of “appropriate risk-adjusted compensation”
- Leveraged loan spreads remain at historically elevated levels despite a significant narrowing versus the market trough in March 2009
- Secondary market spreads continue to drive higher pricing for primary issuances

Financing sources are demanding higher upfront compensation as a means of lowering risk exposure

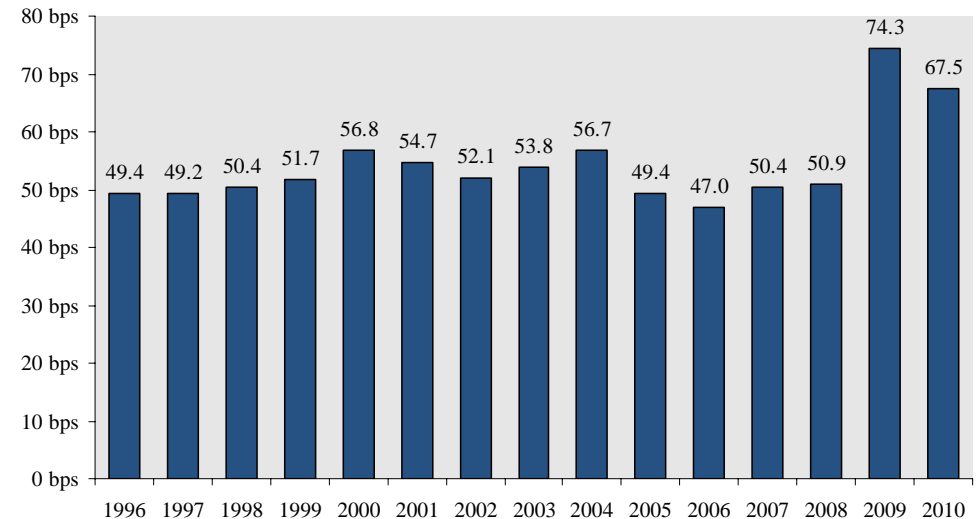
Average Upfront Fees on New Issue Leveraged Loans by Rating⁽¹²⁾



Average Discounted Spread of Leveraged Loans



Average Initial Financing Commitment Fee



Source: Standard & Poor's LCD Leveraged Lending Review 4Q 2010

Please see Notes to the Investor Presentation on page 23

Middle Market Offers Attractive Opportunities For Investors

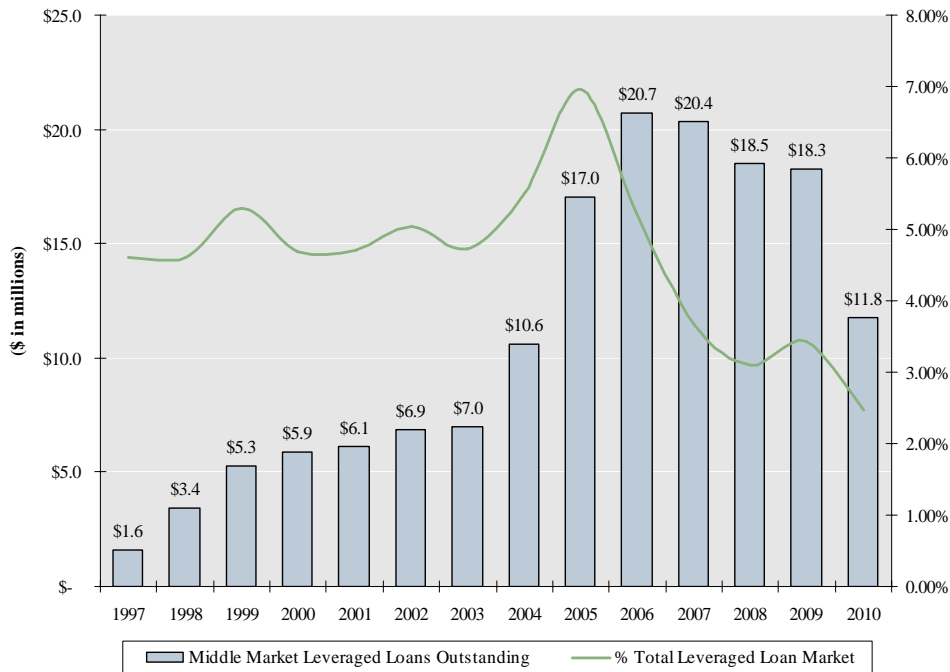
General Characteristics

- ✓ Typically \$50 million to \$1 billion in revenues
- ✓ Fundamental credit analysis comparatively more important
- ✓ If rated, rating agencies likely assign lower rating
- ✓ Middle-market investments typically include inherent structural and credit protections
- ✓ High level of acquisition activity (realization opportunities)

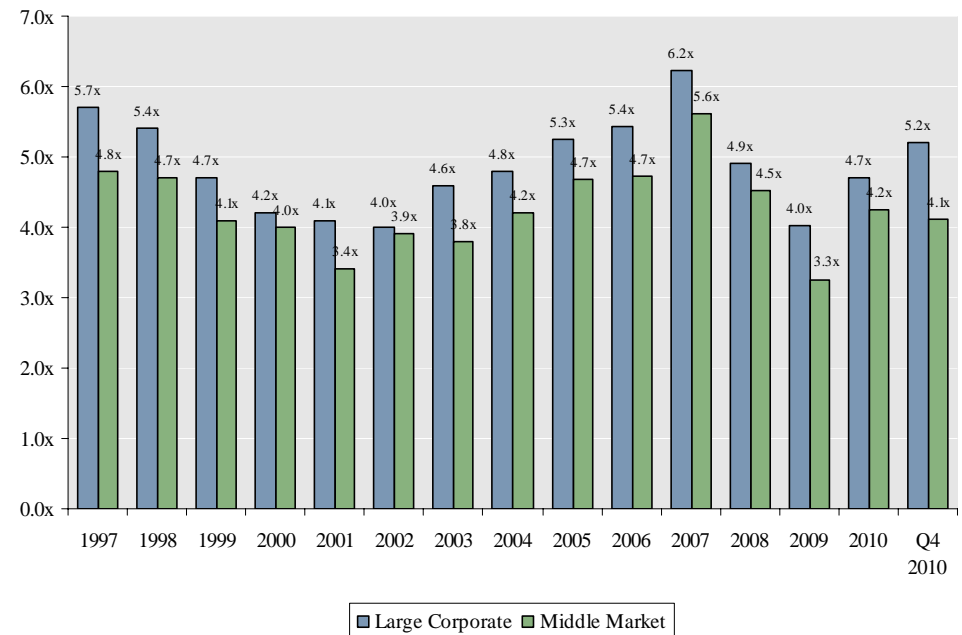
Benefits

- ✓ Attractive yields
- ✓ Conservative capital structures
- ✓ Strong recovery rates
- ✓ Smaller investor groups and active lender involvement
- ✓ Involvement of equity sponsors
- ✓ Issuer diversification

Middle Market Leveraged Loans Overview



Average Debt Multiples of LBO Loans



Source: Standard & Poor's LCD High End Middle Market Lending Review 4Q 2010



IV. Notes to the Investor Presentation

Notes to the Investor Presentation

(1) As of December 31, 2010

(2) Dividend amount includes Q1 2011 dividend of \$0.32 declared on March 1, 2011 to be paid on April 1, 2011

(3) Income statement data per share utilizes basic and diluted weighted average shares outstanding during the relevant period

(4) Balance sheet per share data utilizes total shares outstanding at end of period

(5) Calculations are net of unearned income, as represented in public filings

(6) Total investment portfolio excludes cash and cash equivalents and is gross of unearned income, as represented in public filings

(7) BKCC's "as adjusted" results are non-GAAP financial measures that reflect incentive management fees based on the formula BKCC utilizes for calculating the actual full year incentive fee, with the formula applied to quarterly results. The fourth quarter's adjusted amount was calculated by taking the actual full year net investment income and subtracting the first three quarters of adjusted net investment income, and has been provided in order to show net investment income as if the maximum quarterly incentive fees had been paid during the preceding three quarters. Please refer to BKCC's Quarterly Report on form 10-Q for the quarter ended September 30, 2010 for additional information on these non-GAAP financial measures

(8) Book debt adjusted for cash and cash equivalents, foreign currency at fair value, and payable for investments purchased

(9) Borrowings consist of credit facility payable

(10) Represents date of original investment or date of subsequent amendment if amendment resulted in a re-pricing of the original investment terms

(11) Yield on invested capital for all debt or income-producing securities on a cost basis

(12) Original issue discounts are included in upfront fees, beginning in 2001 period