



BLACKROCK KELSO CAPITAL

Investor Presentation

August 2012

Important Notice / Forward Looking Statements

These materials and any presentation of which they form a part are neither an offer to sell, nor a solicitation of an offer to purchase, any securities of BlackRock Kelso Capital Corporation (“BKCC,” the “Company,” or “BlackRock Kelso Capital”). The summary descriptions and other information included herein, and any other materials provided to you by the Company or its representatives, are intended only for informational purposes and convenient reference. The information contained herein is not intended to provide, and should not be relied upon for, accounting, legal or tax advice or investment recommendations.

Recipients may not reproduce these materials or transmit them to third parties. These materials are not intended for distribution to or use by any person or entity in any jurisdiction or country where such distribution or use would be contrary to applicable law or regulations.

This presentation contains “forward looking statements” within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, that are subject to risks and uncertainties. Actual outcomes and results could differ materially from those suggested by this presentation due to the impact of many factors beyond the control of the Company, including those listed in the "Risk Factors" section of our filings with the Securities and Exchange Commission (“SEC”). Any such forward-looking statements are made pursuant to the safe harbor provisions available under applicable securities laws and BlackRock Kelso Capital Corporation assumes no obligation to update or revise any such forward-looking statements.

Certain information discussed in this presentation was derived from third party sources and has not been independently verified and, accordingly, the Company makes no representation or warranty in respect of this information.

The following slides contain summaries of certain financial and statistical information about the Company. The information contained in this presentation is summary information that is intended to be considered in the context of our SEC filings and other public announcements that we may make, by press release or otherwise, from time to time. In addition, information related to past performance, while helpful as an evaluative tool, is not necessarily indicative of future results, the achievement of which cannot be assured. You should not view the past performance of the Company, or information about the market, as indicative of the Company’s future results.

I.	BlackRock Kelso Capital Overview	3
II.	Financial Summary	8
III.	Current Market Environment	17
IV.	Notes to the Investor Presentation	21



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
- ✓ Vast majority of investments the result of directly negotiated transactions
- ✓ Completed 132 investments in middle market companies since inception⁽¹⁾
- ✓ Gross investments to date of over \$2.7 billion⁽¹⁾
- ✓ Declared \$8.72 per share in dividends to shareholders since inception⁽²⁾
- ✓ Active management of existing portfolio
- ✓ Support of world-class investment partners in BlackRock, Inc. and the Kelso Principals

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 \$251.4 million in excess asset coverage^(1,11)

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

Due Diligence

Review financials, business plan, due diligence materials and industry analysis
Investment committee provides guidance and resources for due diligence process

Visit management, sponsor, and company facilities
Investment committee provides senior transaction and industry resources

Access management teams and other experts
Leverage the resources of our partners

Conduct competitive analysis, collateral analysis, and determine exit strategy
Evaluate from an equity owner's perspective

Engage lawyers and consultants to do additional research and diligence
Review due diligence findings

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

<i>Amounts shown on per share basis; share count in millions</i>	12/31/10	3/31/11	6/30/11	9/30/11	12/31/11	3/31/12	6/30/12
Net Investment Income ⁽³⁾	\$ 0.03	\$ 0.20	\$ 0.35	\$ 0.29	\$ 0.15	\$ 0.26	\$ 0.30
Net Realized Gains (Losses) ⁽³⁾	\$ (0.39)	\$ (0.59)	\$ (0.01)	\$ 0.02	\$ (0.10)	\$ (0.00)	\$ (1.03)
Net Unrealized Gains (Losses) ⁽³⁾	\$ 0.39	\$ 0.63	\$ 0.19	\$ (0.13)	\$ 0.04	\$ 0.02	\$ 1.01
Net Income ⁽³⁾	\$ 0.03	\$ 0.25	\$ 0.53	\$ 0.18	\$ 0.10	\$ 0.28	\$ 0.29
Net Asset Value at End of Period ⁽⁴⁾	\$ 9.62	\$ 9.56	\$ 9.83	\$ 9.75	\$ 9.58	\$ 9.59	\$ 9.61
Dividends Declared ⁽³⁾	\$ 0.32	\$ 0.32	\$ 0.26	\$ 0.26	\$ 0.26	\$ 0.26	\$ 0.26
Basic and Diluted Weighted Average Shares Outstanding	70.9	72.8	73.0	73.1	73.2	73.4	73.6
Total Shares Outstanding at End of Period	72.6	72.8	73.0	73.0	73.2	73.4	73.6

Portfolio Summary

<i>\$ in thousands</i>	12/31/10	3/31/11	6/30/11	9/30/11	12/31/11	3/31/12	6/30/12
Investment Portfolio at Cost ⁽⁵⁾	\$ 985,678	\$ 980,490	\$ 993,646	\$ 1,048,672	\$ 1,097,871	\$ 1,142,955	\$ 1,138,439
Investment Portfolio at Fair Value	\$ 880,086	\$ 921,188	\$ 947,656	\$ 992,262	\$ 1,048,952	\$ 1,095,390	\$ 1,165,543
Fair Value % Cost	89.3%	94.0%	95.4%	94.6%	95.5%	95.8%	102.4%
Number of Portfolio Companies	50	52	55	54	54	55	53
Average Investment Size at Cost	\$ 19,714	\$ 18,856	\$ 18,066	\$ 19,420	\$ 20,331	\$ 20,781	\$ 21,480
Yield on Income Producing Capital at Cost	10.9%	11.4%	11.5%	11.9%	11.9%	11.6%	12.4%
Yield on Senior Secured Loans at Cost	10.1%	10.8%	11.1%	11.7%	12.0%	11.5%	11.7%
Yield on Other Debt Securities at Cost	12.1%	12.2%	11.9%	12.1%	11.4%	11.9%	13.8%
Total Investment Portfolio at Fair Value⁽⁶⁾							
Senior Secured Loans & Notes	60.6%	62.2%	68.1%	71.2%	73.4%	72.6%	70.7%
Unsecured & Subordinated Debt	25.9%	25.0%	19.4%	17.2%	16.0%	16.3%	18.6%
Preferred & Common Equity & Warrants	13.5%	12.8%	12.5%	11.5%	10.6%	11.1%	10.7%

Portfolio Activity

<i>\$ in thousands</i>	Three Months Ending						
	12/31/10	3/31/11	6/30/11	9/30/11	12/31/11	3/31/12	6/30/12
New Investments at Cost	\$ 84,240	\$ 39,551	\$ 81,575	\$ 139,402	\$ 141,002	\$ 73,446	\$ 148,243
Sales, Repayments, Other Exits at Cost	(41,038)	(4,047)	(71,375)	(87,592)	(86,126)	(40,739)	(80,497)
Net New Investments at Cost	\$ 43,202	\$ 35,505	\$ 10,200	\$ 51,810	\$ 54,875	\$ 32,707	\$ 67,745
New Portfolio Company Investments	3	2	4	3	3	2	2
Portfolio Company Exits	4	-	1	4	3	1	4

Please see Notes to the Investor Presentation on page 22

Select Historical Financial Information

Financial History

	Three Months Ending										Full Year		
	12/31/09	3/31/10	6/30/10	9/30/10	12/31/10	3/31/11	6/30/11	9/30/11	12/31/11	3/31/12	6/30/12	12/31/11	12/31/10
<i>\$ in thousands, except per share data</i>													
Net Investment Income Before Incentive Fees	\$ 21,803	\$ 20,759	\$ 20,421	\$ 16,811	\$ 16,968	\$ 14,877	\$ 25,739	\$ 20,965	\$ 23,176	\$ 21,238	\$ 22,383	\$ 84,757	\$ 74,959
Net Investment Income Before Incentive Fees per share ⁽³⁾	\$ 0.39	\$ 0.37	\$ 0.36	\$ 0.26	\$ 0.24	\$ 0.20	\$ 0.35	\$ 0.29	\$ 0.32	\$ 0.29	\$ 0.30	\$ 1.16	\$ 1.20
Net Investment Income	\$ 4,984	\$ 20,265	\$ 20,421	\$ 16,811	\$ 2,354	\$ 14,877	\$ 25,739	\$ 20,965	\$ 11,298	\$ 19,024	\$ 22,383	\$ 72,879	\$ 59,851
Net Investment Income per share ⁽³⁾	\$ 0.09	\$ 0.36	\$ 0.36	\$ 0.26	\$ 0.03	\$ 0.20	\$ 0.35	\$ 0.29	\$ 0.15	\$ 0.26	\$ 0.30	\$ 1.00	\$ 0.96
Net Investment Income, as adjusted ⁽⁷⁾	\$ 17,783	\$ 16,764	\$ 16,290	\$ 13,020	\$ 15,205	\$ 14,606	\$ 20,897	\$ 18,008	\$ 19,697	\$ 18,649	\$ 18,560	\$ 73,208	\$ 61,278
Adjusted Net Investment Income per share	\$ 0.31	\$ 0.30	\$ 0.28	\$ 0.20	\$ 0.21	\$ 0.20	\$ 0.29	\$ 0.25	\$ 0.27	\$ 0.25	\$ 0.25	\$ 1.00	\$ 0.98
Net Realized / Unrealized Gains (Losses)	\$ 11,355	\$ 10,218	\$ 1,914	\$ (496)	\$ 62	\$ 3,138	\$ 13,179	\$ (8,027)	\$ (4,249)	\$ 1,274	\$ (1,401)	\$ 4,042	\$ 11,699
Net Realized / Unrealized Gains (Losses) per share ⁽³⁾	\$ 0.20	\$ 0.18	\$ 0.03	\$ (0.01)	\$ 0.00	\$ 0.04	\$ 0.18	\$ (0.11)	\$ (0.06)	\$ 0.02	\$ (0.02)	\$ 0.06	\$ 0.19
Net Income	\$ 16,339	\$ 30,483	\$ 22,335	\$ 16,316	\$ 2,416	\$ 18,015	\$ 38,918	\$ 12,937	\$ 7,050	\$ 20,298	\$ 20,982	\$ 76,921	\$ 71,550
Net Income per share ⁽³⁾	\$ 0.29	\$ 0.54	\$ 0.39	\$ 0.25	\$ 0.03	\$ 0.25	\$ 0.53	\$ 0.18	\$ 0.10	\$ 0.28	\$ 0.29	\$ 1.05	\$ 1.14
Dividends Declared	\$ 18,072	\$ 18,112	\$ 18,157	\$ 20,964	\$ 23,222	\$ 23,354	\$ 18,983	\$ 18,984	\$ 19,041	\$ 19,090	\$ 19,125	\$ 80,362	\$ 80,456
Dividends Declared per share ⁽³⁾	\$ 0.32	\$ 0.32	\$ 0.32	\$ 0.32	\$ 0.32	\$ 0.32	\$ 0.26	\$ 0.26	\$ 0.26	\$ 0.26	\$ 0.26	\$ 1.10	\$ 1.28
Total Net Assets	\$ 539,563	\$ 552,954	\$ 642,416	\$ 639,078	\$ 698,480	\$ 695,433	\$ 717,617	\$ 711,784	\$ 701,009	\$ 703,952	\$ 707,059	\$ 701,009	\$ 698,480
Net Asset Value per share ⁽⁴⁾	\$ 9.55	\$ 9.77	\$ 9.83	\$ 9.76	\$ 9.62	\$ 9.56	\$ 9.83	\$ 9.75	\$ 9.58	\$ 9.59	\$ 9.61	\$ 9.58	\$ 9.62
Book Debt / Book Equity Ratio	0.55x	0.46x	0.23x	0.32x	0.24x	0.40x	0.38x	0.45x	0.49x	0.54x	0.64x	0.49x	0.24x
Book Debt / Book Equity Ratio, Net of Available Cash ⁽⁸⁾	0.54x	0.45x	0.19x	0.24x	0.24x	0.32x	0.32x	0.40x	0.48x	0.53x	0.62x	0.48x	0.24x

Please see Notes to the Investor Presentation on page 22

Select Historical Portfolio Information

Portfolio History

\$ in thousands, except per share data

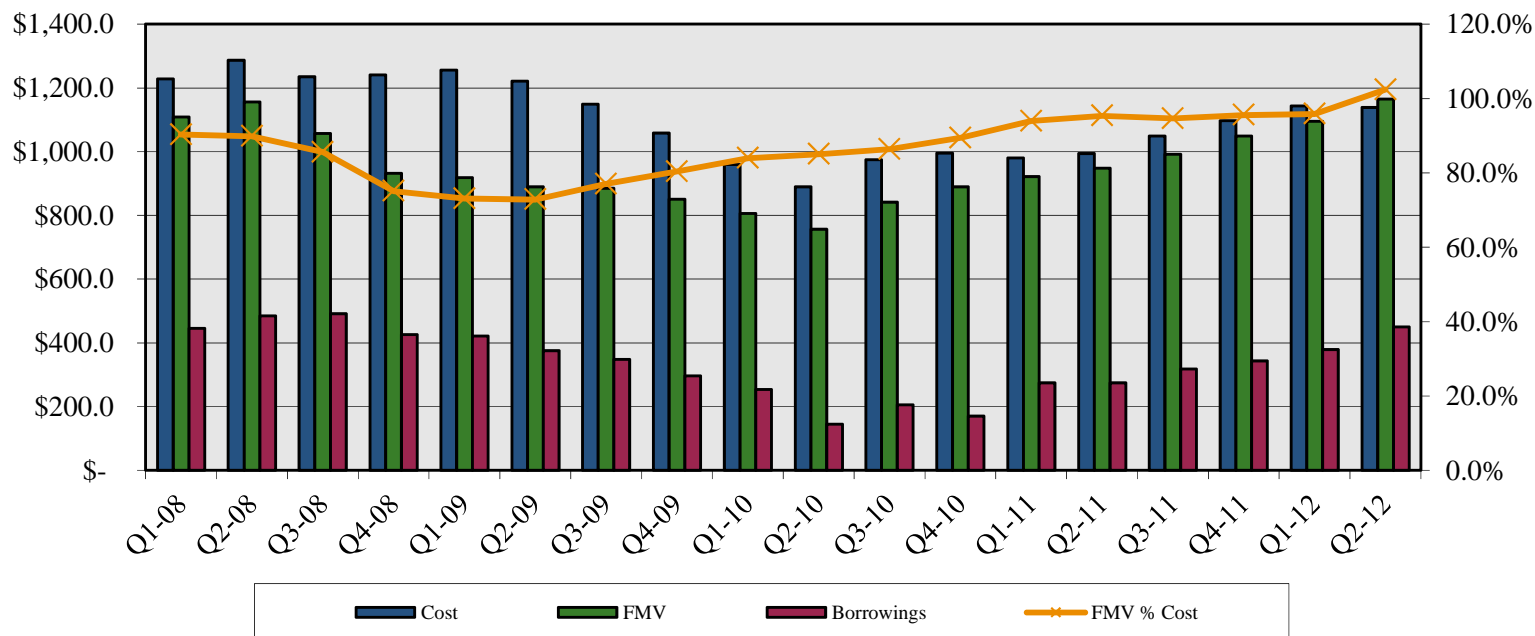
As of and for the Three Months Ending,

	12/31/09	3/31/10	6/30/10	9/30/10	12/31/10	3/31/11	6/30/11	9/30/11	12/31/11	3/31/12	6/30/12
Investment Portfolio at Cost ⁽⁵⁾	\$ 1,054,820	\$ 957,362	\$ 886,663	\$ 966,827	\$ 985,678	\$ 980,490	\$ 993,646	\$ 1,048,672	\$ 1,097,871	\$ 1,142,955	\$ 1,138,439
Investment Portfolio at Fair Value ⁽⁵⁾	\$ 846,742	\$ 803,329	\$ 753,591	\$ 833,747	\$ 880,086	\$ 921,188	\$ 947,656	\$ 992,262	\$ 1,048,952	\$ 1,095,390	\$ 1,165,543
Fair Value % Cost	80.3%	83.9%	85.0%	86.2%	89.3%	94.0%	95.4%	94.6%	95.5%	95.8%	102.4%
Number of Portfolio Companies	57	55	51	51	50	52	55	54	54	55	53
Average Investment Size at Cost	\$ 18,506	\$ 17,407	\$ 17,386	\$ 18,957	\$ 19,714	\$ 18,856	\$ 18,066	\$ 19,420	\$ 20,331	\$ 20,781	\$ 21,480
Weighted Average Yield on Invested Capital at Cost	11.2%	11.6%	10.5%	10.5%	10.9%	11.4%	11.5%	11.9%	11.9%	11.6%	12.4%
Weighted Average Yield on Senior Secured Loans at Cost	9.4%	10.3%	10.0%	9.4%	10.1%	10.8%	11.1%	11.7%	12.0%	11.5%	11.7%
Weighted Average Yield on Other Debt Securities at Cost	14.2%	13.9%	11.3%	11.9%	12.1%	12.2%	11.9%	12.1%	11.4%	11.9%	13.8%
Total Investment Portfolio at Fair Value⁽⁶⁾											
Senior Secured Loans & Notes	64.8%	66.8%	70.1%	61.1%	60.6%	62.2%	68.1%	71.2%	73.4%	72.6%	70.7%
Unsecured & Subordinated Debt	30.6%	26.3%	17.4%	26.3%	25.9%	25.0%	19.4%	17.2%	16.0%	16.3%	18.6%
Preferred & Common Equity & Warrants	4.6%	7.0%	12.5%	12.6%	13.5%	12.8%	12.5%	11.5%	10.6%	11.1%	10.7%
New Investments at Cost	\$ 8,585	\$ 16,442	\$ 127,847	\$ 177,428	\$ 84,240	\$ 39,551	\$ 81,575	\$ 139,402	\$ 141,002	\$ 73,446	\$ 148,243
Sales, Repayments, Other Exits at Cost	(55,976)	(72,676)	(181,349)	(100,206)	(41,038)	(4,047)	(71,375)	(87,592)	(86,126)	(40,739)	(80,497)
Net New Investments at Cost	\$ (47,391)	\$ (56,235)	\$ (53,502)	\$ 77,223	\$ 43,202	\$ 35,505	\$ 10,200	\$ 51,810	\$ 54,875	\$ 32,707	\$ 67,745
Number of New Portfolio Company Investments	-	-	1	4	3	2	4	3	3	2	2
Number of Portfolio Company Exits	3	2	5	4	4	-	1	4	3	1	4

Please see Notes to the Investor Presentation on page 22

Portfolio Evolution

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



	Q1-08	Q2-08	Q3-08	Q4-08	Q1-09	Q2-09	Q3-09	Q4-09	Q1-10	Q2-10	Q3-10	Q4-10	Q1-11	Q2-11	Q3-11	Q4-11	Q1-12	Q2-12
Cost	\$ 1,228.1	\$ 1,286.4	\$ 1,235.1	\$ 1,241.1	\$ 1,256.2	\$ 1,220.8	\$ 1,149.2	\$ 1,058.7	\$ 960.0	\$ 889.8	\$ 974.1	\$ 995.1	\$ 980.5	\$ 993.6	\$ 1,048.7	\$ 1,097.9	\$ 1,143.0	\$ 1,138.4
FMV	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	921.2	947.7	992.3	1,049.0	1,095.4	1,165.5
Borrowings	444.9	484.0	491.0	426.0	421.5	376.0	347.5	296.0	253.5	145.0	205.5	170.0	275.0	275.0	317.5	343.0	378.9	449.9
FMV % Cost	90.3%	89.8%	85.6%	75.1%	73.1%	72.9%	77.0%	80.3%	84.0%	85.0%	86.3%	89.4%	94.0%	95.4%	94.6%	95.5%	95.8%	102.4%
Borrowings % FMV	40.1%	41.9%	46.4%	45.7%	45.9%	42.3%	39.3%	34.8%	31.5%	19.2%	24.4%	19.1%	29.9%	29.0%	32.0%	32.7%	34.6%	38.6%
NAV/Share	\$ 12.60	\$ 12.31	\$ 11.52	\$ 9.23	\$ 9.04	\$ 9.24	\$ 9.59	\$ 9.55	\$ 9.77	\$ 9.83	\$ 9.76	\$ 9.62	\$ 9.56	\$ 9.83	\$ 9.75	\$ 9.58	\$ 9.59	\$ 9.61
Share Price	\$ 11.94	\$ 9.46	\$ 11.53	\$ 9.86	\$ 4.19	\$ 6.23	\$ 7.42	\$ 8.52	\$ 9.96	\$ 9.87	\$ 11.50	\$ 11.06	\$ 10.12	\$ 8.97	\$ 7.30	\$ 8.16	\$ 9.82	\$ 9.76
% of NAV/share	94.8%	76.8%	100.1%	106.8%	46.3%	67.4%	77.4%	89.2%	101.9%	100.4%	117.8%	115.0%	105.9%	91.3%	74.9%	85.2%	102.4%	101.6%

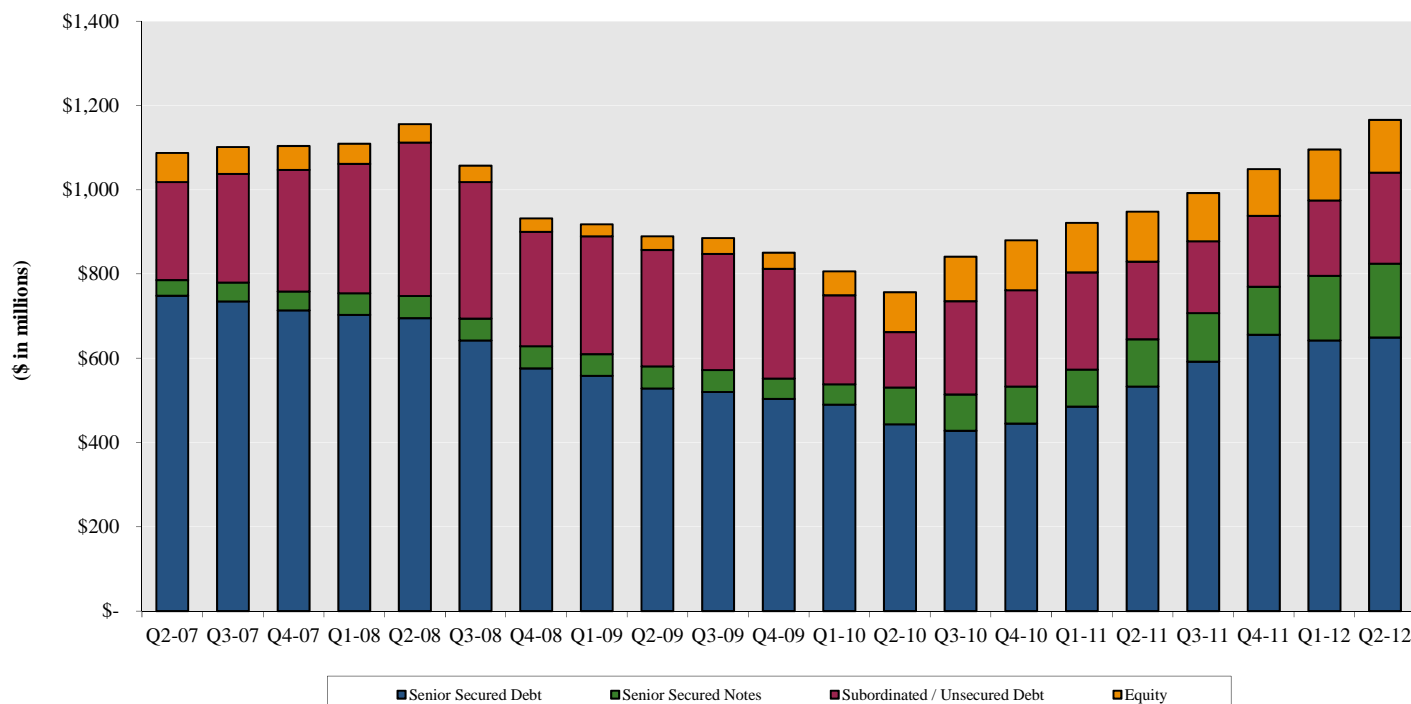
Please see Notes to the Investor Presentation on page 22

Defensive Portfolio Composition

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

- As of June 30, 2012, senior debt comprised 70.7% of the total portfolio at fair market value

Portfolio Composition by Investment Type⁽⁶⁾

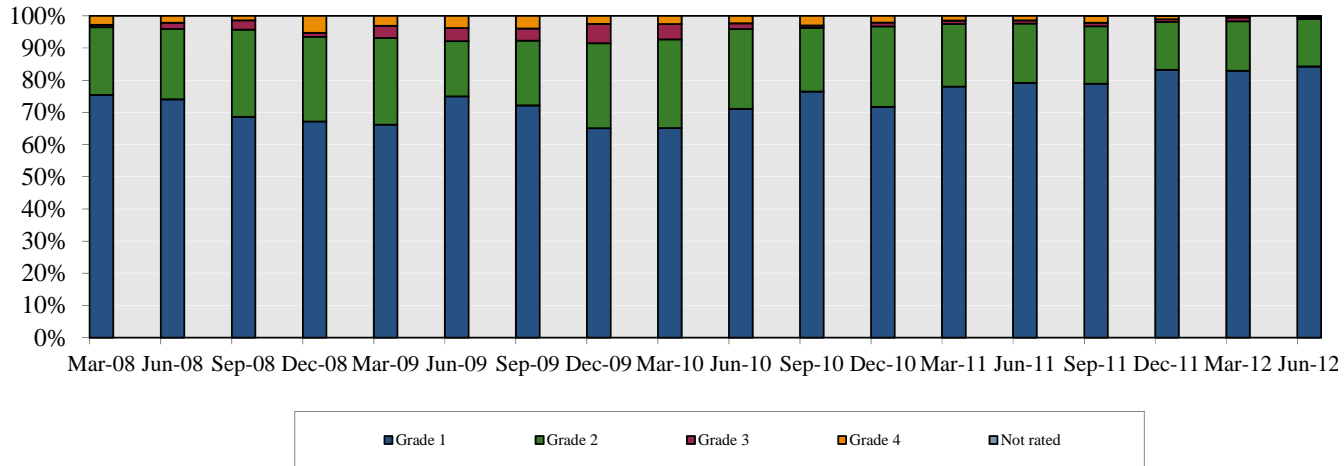


<i>\$ in millions</i>	Q2-07	Q3-07	Q4-07	Q1-08	Q2-08	Q3-08	Q4-08	Q1-09	Q2-09	Q3-09	Q4-09	Q1-10	Q2-10	Q3-10	Q4-10	Q1-11	Q2-11	Q3-11	Q4-11	Q1-12	Q2-12
Senior Secured Debt	\$ 748.1	\$ 734.9	\$ 713.2	\$ 702.9	\$ 695.4	\$ 642.3	\$ 576.0	\$ 558.2	\$ 528.1	\$ 520.1	\$ 503.2	\$ 489.8	\$ 443.4	\$ 427.6	\$ 444.8	\$ 485.2	\$ 532.6	\$ 592.1	\$ 655.6	\$ 642.2	\$ 649.4
Senior Secured Notes	37.4	45.0	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	88.1	112.6	114.6	113.9	153.3	174.8
Subordinated / Unsecured Debt	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	228.3	230.4	184.1	171.1	168.0	178.8	216.4
Equity	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	117.5	118.4	114.5	111.4	121.1	125.0
Total⁽⁵⁾	\$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	\$ 880.1	\$ 921.2	\$ 947.7	\$ 992.3	\$1,049.0	\$1,095.4	\$1,165.5
	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	Q1-11	Q2-11	Q3-11	Q4-11	Q1-12	Q2-12
% Senior Debt	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%	62.2%	68.1%	71.2%	73.4%	72.6%	70.7%
% Sub Debt	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%	25.9%	25.0%	19.4%	17.2%	16.0%	16.3%	18.6%
% Equity	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%	13.5%	12.8%	12.5%	11.5%	10.6%	11.1%	10.7%

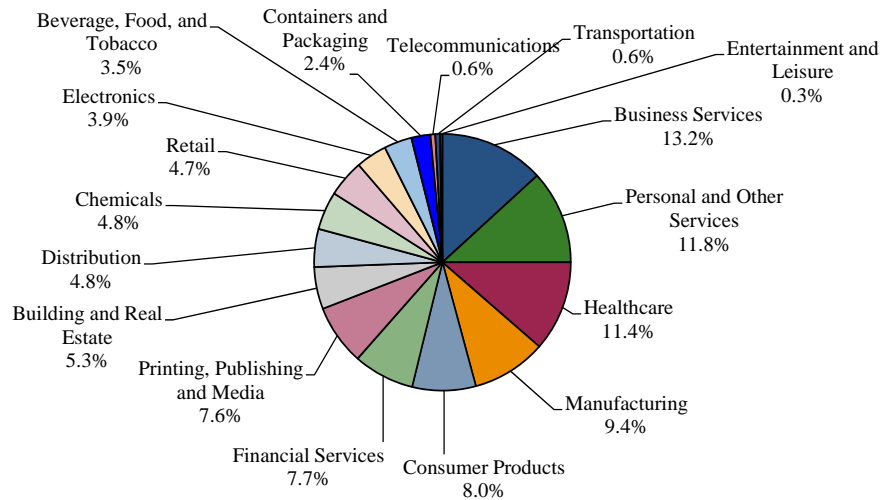
Please see Notes to the Investor Presentation on page 22

Conservatively Positioned Portfolio

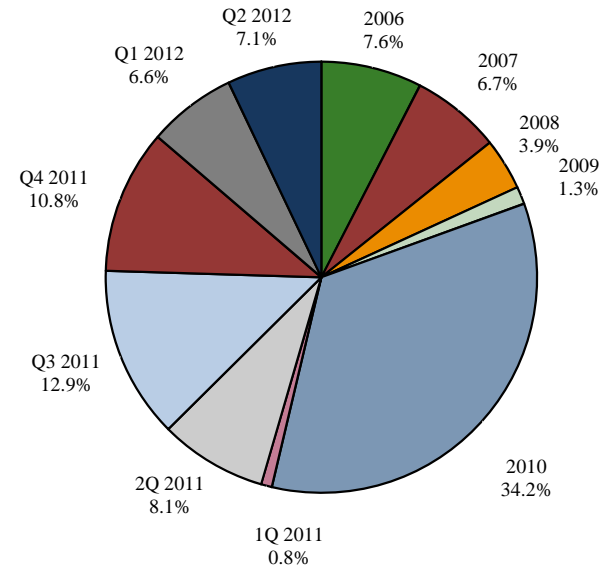
Portfolio Composition by Investment Rating at Fair Market Value⁽¹⁾



Portfolio Composition by Industry at Fair Market Value⁽¹⁾



Portfolio Composition by Vintage^(1,10)



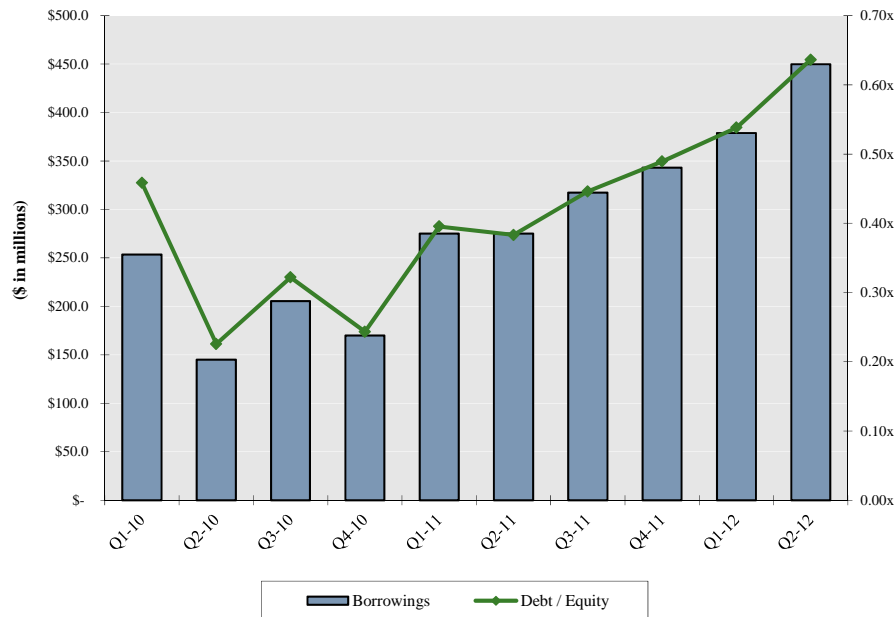
Please see Notes to the Investor Presentation on page 22

Increased Liquidity and Investment Capacity

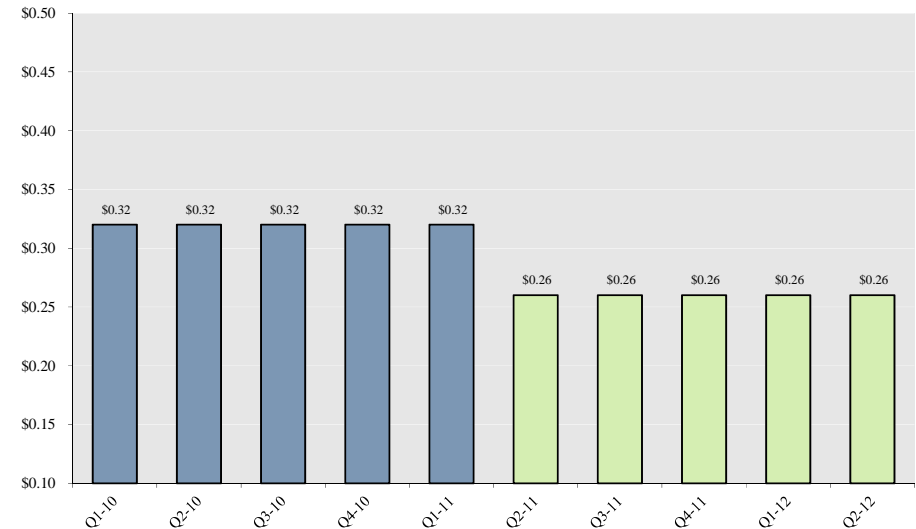
BKCC continues to pursue a conservative strategy of capital preservation

- Conservative dividend distribution policy
- \$251.4 million in excess asset coverage (1:1 test) and subject to compliance with applicable covenants and borrowing base limitations, the amount currently available under the Company's credit facility was \$100.1 million as of June 30, 2012⁽¹¹⁾

Quarterly Borrowings



Quarterly Dividends (\$ Per Share)



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

Portfolio Summary

\$ in millions

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	Mar-11	Jun-11	Sep-11	Dec-11	Mar-12	Jun-12
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	\$ 39.6	\$ 81.5	\$ 139.4	\$ 141.0	\$ 73.4	\$ 148.2
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	485.2	532.6	592.1	655.6	642.2	649.4
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	88.1	112.6	114.6	113.9	153.3	174.8
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	230.4	184.1	171.1	168.0	178.8	216.4
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	4.6	4.5	5.0	6.3	8.3	9.7
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	6.2	6.1	7.7	-	-	-
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	81.1	78.2	71.5	66.0	71.8	70.9
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	25.6	29.5	30.2	39.2	41.0	44.4
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	\$ 921.2	\$ 947.6	\$ 992.3	\$ 1,049.0	\$ 1,095.4	\$ 1,165.5
Weighted Average Yield ⁽¹²⁾	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%	11.4%	11.5%	11.9%	11.9%	11.6%	12.4%
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%	0.3%	0.2%	0.4%	0.6%	0.5%	0.5%
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%	11.1%	11.3%	11.5%	11.3%	11.1%	12.0%
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	\$ 695.4	\$ 717.6	\$ 711.8	\$ 701.0	\$ 704.0	\$ 707.1
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	1,009.4	1,032.5	1,060.5	1,091.2	1,127.9	1,202.3
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	275.0	275.0	317.5	343.0	378.9	449.9
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	\$ 25.2	\$ 37.1	\$ 33.2	\$ 36.0	\$ 33.2	\$ 35.5
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	3.6	4.1	4.2	4.7	4.7	5.0
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	2.1	2.2	2.4	3.0	2.9	1.9	2.5
Management Fee	5.6	5.6	5.6	5.8	5.7	4.7	4.6	4.6	4.6	4.3	4.2	4.0	4.4	4.5	5.0	5.1	5.3	5.4	5.5
Incentive Fee	-	-	-	-	-	-	-	-	16.8	0.5	-	-	14.6	-	-	-	11.9	2.2	-
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	\$ 14.9	\$ 25.7	\$ 21.0	\$ 11.3	\$ 19.0	\$ 22.4
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	\$ 0.20	\$ 0.35	\$ 0.29	\$ 0.15	\$ 0.26	\$ 0.30
Net Investment Income per share as adjusted ⁽⁷⁾	\$ 0.36				\$ 0.34	\$ 0.35	\$ 0.37	\$ 0.31	\$ 0.31	\$ 16.76	\$ 0.28	\$ 0.20	\$ 0.21	\$ 0.20	\$ 0.29	\$ 0.25	\$ 0.27	\$ 0.25	\$ 0.25
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	\$ 0.20	\$ 0.35	\$ 0.29	\$ 0.32	\$ 0.29	\$ 0.30
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	\$ 0.25	\$ 0.53	\$ 0.18	\$ 0.10	\$ 0.28	\$ 0.29
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	\$ 0.32	\$ 0.26	\$ 0.26	\$ 0.26	\$ 0.26	\$ 0.26
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	\$ 9.56	\$ 9.83	\$ 9.75	\$ 9.58	\$ 9.59	\$ 9.61

Please see Notes to the Investor Presentation on page 22



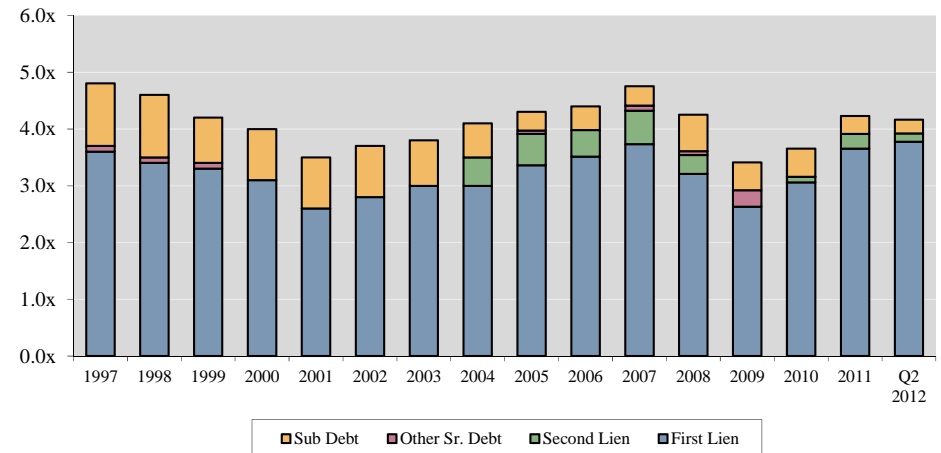
III. Current Market Environment

Leveraged Loan Investing Continues to Strengthen

Average debt multiples for middle-market loans have rebounded since 2009 but still remain lower than highs seen during the pre-1999 and 2005-2007 time periods

- Total leverage for new transactions was 4.2x in Q2 2012, an increase from the 3.4x average in 2009 and flat with the 4.2x average in 2011 but below the 4.8x average in 2007
- Senior lending leverage (first lien, second lien, and other senior debt) was 3.9x in Q2 2012, versus 4.4x in 2007, 3.4x from 2001 – 2009 and 3.9x in 2011

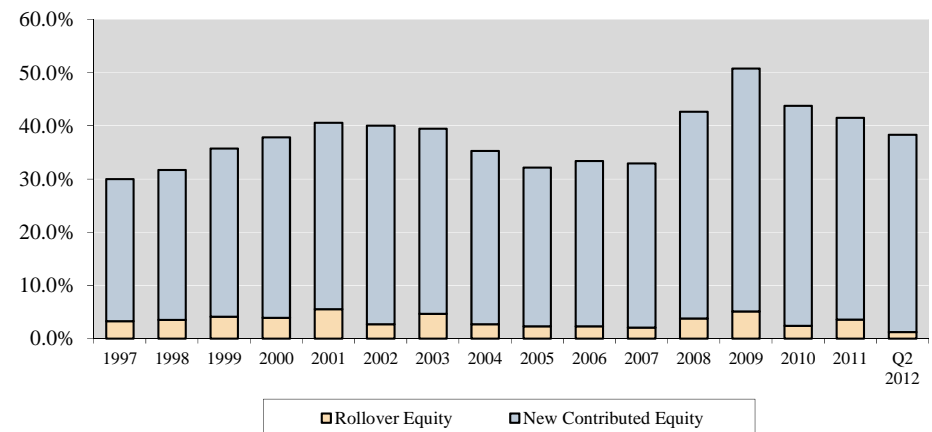
Average Debt Multiples of Middle-Market Loans



Equity contribution levels to leveraged buyouts were above historical averages in Q2 2012

- Total contributed equity to new LBO transactions in Q2 2012 represented 38.3% of capital
 - Total contributed equity to LBO transactions peaked in 2009 at 50.8% of capital
- Equity contribution levels in Q2 2012 were approximately 5.5% higher than those required during the 2005-2007 period

Average Equity Contribution to Leveraged Buyouts

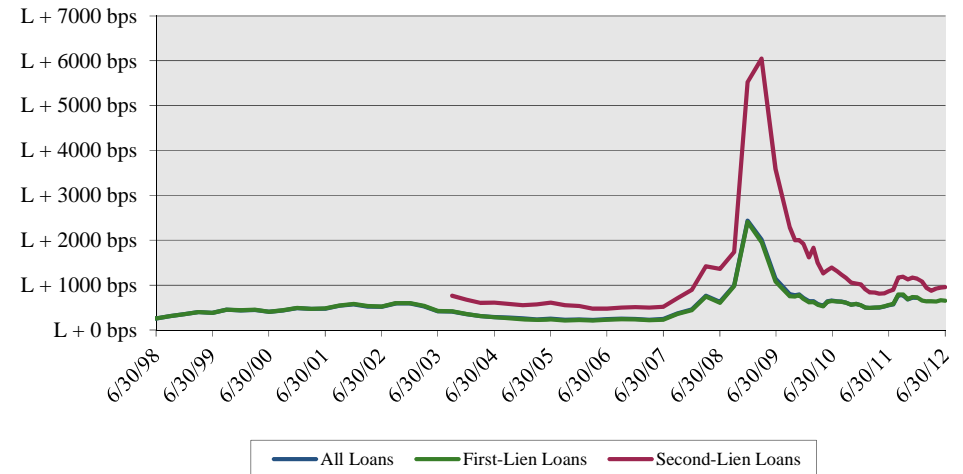


Pricing on Leveraged Loans Has Stabilized

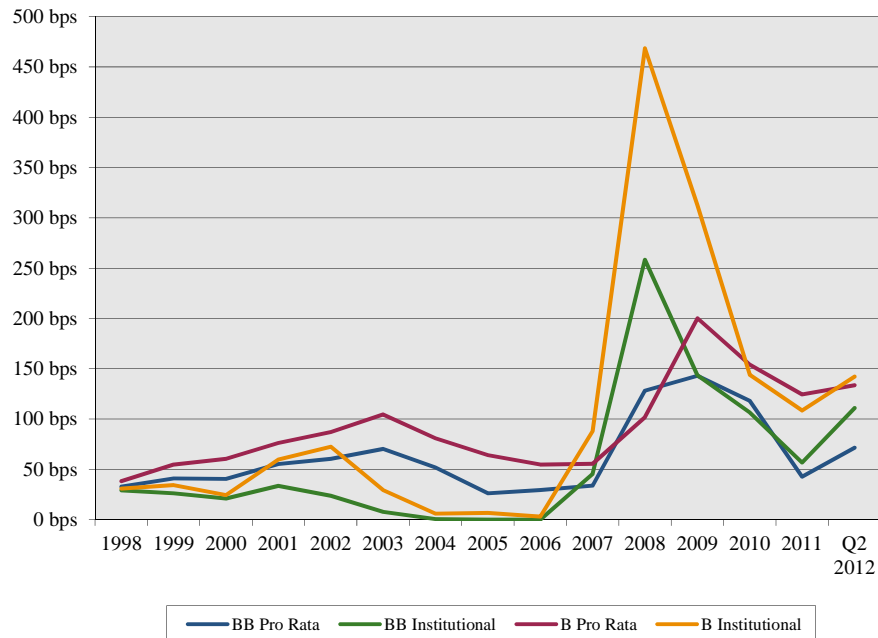
Pricing on leveraged loans across the capital structure has narrowed since March 2009, but remains higher than historical levels

- Leveraged loan spreads and average upfront fees have settled at levels greater than their 2005 – 2007 averages
- Current pricing remains robust at a level above 1.5x the 1997 – 2007 average
 - Institutional loan spreads for smaller companies, in particular, are over 1.7x their 1997 – 2007 average

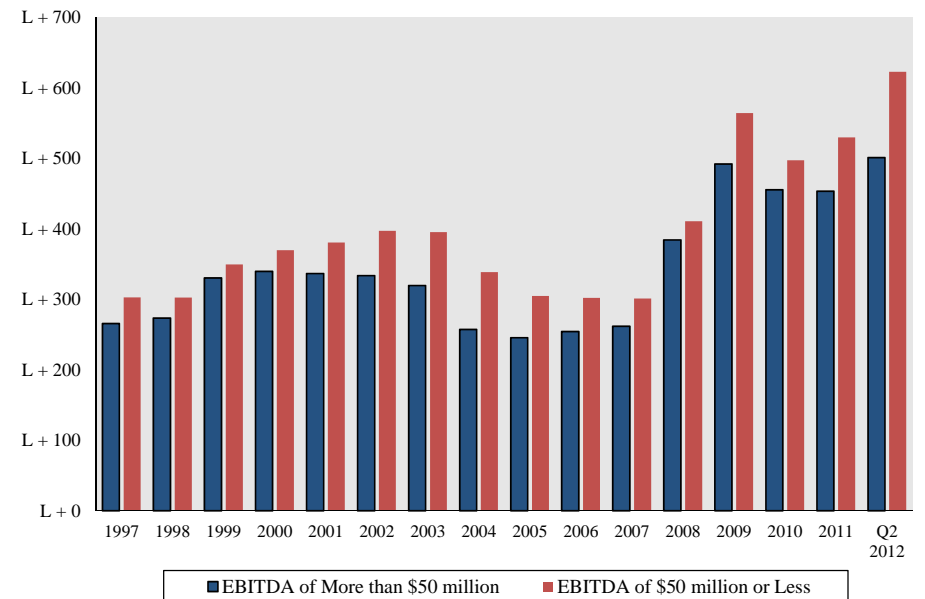
Average Discounted Spread of Leveraged Loans



Average Upfront Fees on New Issue Leveraged Loans by Rating ⁽¹³⁾



Institutional Loan Spreads



Source: Standard & Poor's LCD Leveraged Lending Review Q2 2012

Please see Notes to the Investor Presentation on page 22

The Middle Market Offers More Attractive Opportunities for Investors

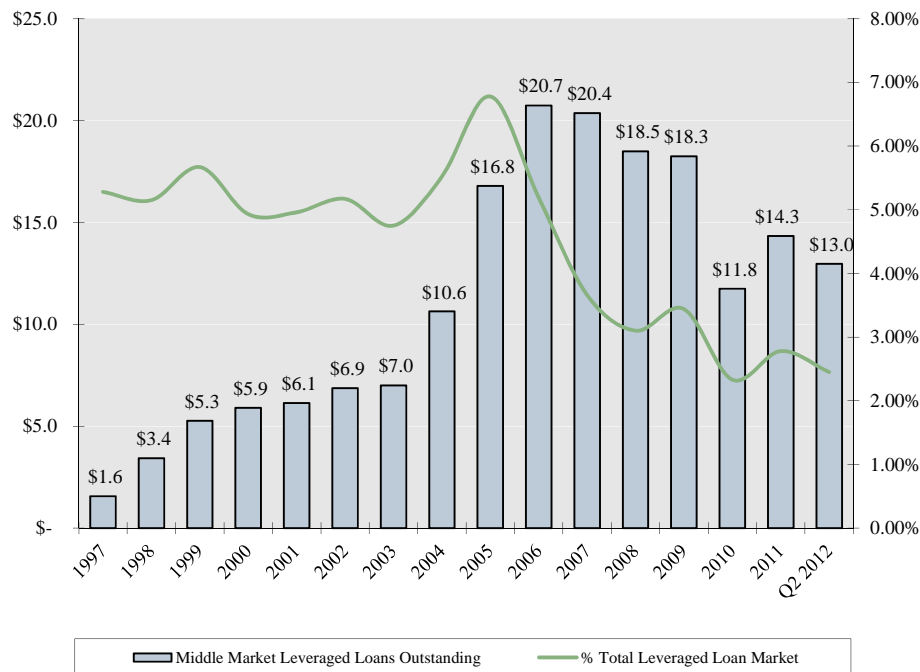
General Characteristics

- ✓ 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)

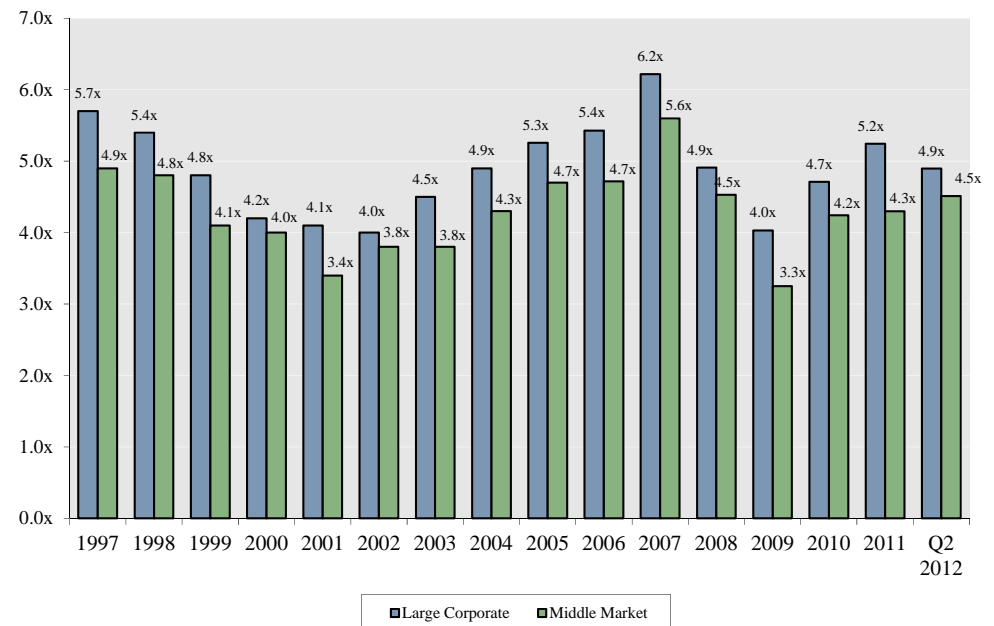
Benefits

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

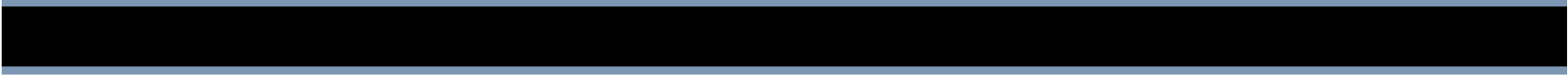
Middle Market Leveraged Loans Overview



Average Debt Multiples of LBO Loans



Source: Standard & Poor's LCD High End Middle Market Lending Review Q2 2012



IV. Notes to the Investor Presentation

Notes to the Investor Presentation

(1) As of June 30, 2012

(2) Dividend amount includes Q3 2012 dividend of \$0.26 declared on August 1, 2012 to be paid on October 3, 2012

(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 for periods prior to Q1 2011 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 for periods prior to Q1 2011

(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 quarter's adjusted amount was calculated on a stand alone quarterly basis, and has been provided in order to show net investment income as if the quarterly incentive fees had been calculated on a quarterly basis. Please refer to BKCC's Quarterly Report on form 10-Q for the quarter ended June 30, 2012 for additional information on these non-GAAP financial measures

(8) Book debt adjusted for cash and cash equivalents

(9) Borrowings consists of debt, as listed in public filings

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

(11) Asset coverage ratio was 255% as of June 30, 2012

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

(13) Original issue discounts are included in upfront fees, beginning in 2011

Note: Schedules may diverge from public financials due to rounding