

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

| OMB APPROVAL | |
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|--|--|--|---|--|---|--|--|
| 1. Name and Address of Reporting Person* BlackRock Kelso Capital Advisors LLC (Last) (First) (Middle) 40 EAST 52ND STREET (Street) NEW YORK NY 10022 (City) (State) (Zip) | | | 2. Issuer Name and Ticker or Trading Symbol BlackRock Kelso Capital CORP [BKCC] | | 5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director 10% Owner Officer (give title below) <input checked="" type="checkbox"/> Other (specify below) Investment adviser to Issuer | | |
| | | | 3. Date of Earliest Transaction (Month/Day/Year) 12/10/2008 | | | | |
| | | | 4. If Amendment, Date of Original Filed (Month/Day/Year) | | 6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person Form filed by More than One Reporting Person | | |

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | | 4. Securities Acquired (A) or Disposed Of (D) (Instr. 3, 4 and 5) | | | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---|--------------------------------------|--|--------------------------------|---|---|------------|--------|---|--|---|
| | | | Code | V | Amount | (A) or (D) | Price | | | |
| Common Stock, par value \$0.001 per share | 12/10/2008 | | P | | 175 | A | \$8.82 | 349,013.47 ⁽¹⁾⁽²⁾ | D | |
| Common Stock, par value \$0.001 per share | 12/10/2008 | | P | | 900 | A | \$8.83 | 349,913.47 ⁽¹⁾⁽²⁾ | D | |
| Common Stock, par value \$0.001 per share | 12/10/2008 | | P | | 100 | A | \$8.84 | 350,013.47 ⁽¹⁾⁽²⁾ | D | |
| Common Stock, par value \$0.001 per share | 12/10/2008 | | P | | 100 | A | \$8.86 | 350,113.47 ⁽¹⁾⁽²⁾ | D | |
| Common Stock, par value \$0.001 per share | 12/10/2008 | | P | | 1,100 | A | \$8.87 | 351,213.47 ⁽¹⁾⁽²⁾ | D | |
| Common Stock, par value \$0.001 per share | 12/10/2008 | | P | | 886 | A | \$8.88 | 352,099.47 ⁽¹⁾⁽²⁾ | D | |
| Common Stock, par value \$0.001 per share | 12/10/2008 | | P | | 700 | A | \$8.9 | 352,799.47 ⁽¹⁾⁽²⁾ | D | |
| Common Stock, par value \$0.001 per share | 12/10/2008 | | P | | 914 | A | \$8.91 | 353,713.47 ⁽¹⁾⁽²⁾ | D | |
| Common Stock, par value \$0.001 per share | 12/10/2008 | | P | | 307 | A | \$8.92 | 354,020.47 ⁽¹⁾⁽²⁾ | D | |
| Common Stock, par value \$0.001 per share | 12/10/2008 | | P | | 341 | A | \$8.93 | 354,361.47 ⁽¹⁾⁽²⁾ | D | |
| Common Stock, par value \$0.001 per share | 12/10/2008 | | P | | 1,900 | A | \$8.94 | 356,261.47 ⁽¹⁾⁽²⁾ | D | |
| Common Stock, par value \$0.001 per share | 12/10/2008 | | P | | 1,059 | A | \$8.95 | 357,320.47 ⁽¹⁾⁽²⁾ | D | |
| Common Stock, par value \$0.001 per share | 12/10/2008 | | P | | 1,300 | A | \$8.96 | 358,620.47 ⁽¹⁾⁽²⁾ | D | |
| Common Stock, par value \$0.001 per share | 12/10/2008 | | P | | 725 | A | \$8.97 | 359,345.47 ⁽¹⁾⁽²⁾ | D | |
| Common Stock, par value \$0.001 per share | 12/10/2008 | | P | | 736 | A | \$8.98 | 360,081.47 ⁽¹⁾⁽²⁾ | D | |
| Common Stock, par value \$0.001 per share | 12/10/2008 | | P | | 911 | A | \$8.99 | 360,992.47 ⁽¹⁾⁽²⁾ | D | |
| Common Stock, par value \$0.001 per share | 12/10/2008 | | P | | 10,566 | A | \$9 | 371,558.47 ⁽¹⁾⁽²⁾ | D | |
| Common Stock, par value \$0.001 per share | | | | | | | | 1,114,382.79 | I | By BlackRock Kelso Capital Holding LLC ⁽³⁾ |

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | | 7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4) | 8. Price of Derivative Security (Instr. 5) | 9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4) | 10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 11. Nature of Indirect Beneficial Ownership (Instr. 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|--|-----|---|--|--|---|--|
| | | | | Code | V | | (A) | (D) | | | | | |

Explanation of Responses:

1. Excludes 30,052.84 Restricted Shares granted by the Reporting Person to certain of its officers and employees pursuant to Restricted Stock Agreements, each dated January 2, 2007, vesting in equal installments on January 2, 2009 and 2010.
2. Excludes 102,313.28 Restricted Shares granted by the Reporting Person to certain of its officers and employees pursuant to Restricted Stock Agreements, each dated December 31, 2007, vesting in equal installments on January 2, 2009, 2010 and 2011.
3. Owned indirectly through the Reporting Person's direct ownership of interests in BlackRock Kelso Capital Intermediate Holdings LLC, which owns Common Stock of the Issuer indirectly through its ownership of interests in BlackRock Kelso Capital Holding LLC.

Frank D. Gordon, Chief
Financial Officer

12/11/2008

** Signature of Reporting Person Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

* If the form is filed by more than one reporting person, see Instruction 4 (b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

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