

**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* <u>BlackRock Kelso Capital Advisors LLC</u>  (Last) (First) (Middle) 40 EAST 52ND STREET  (Street) NEW YORK NY 10022  (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>BlackRock Kelso Capital CORP [ BKCC ]</u>	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) <u>Investment adviser to Issuer</u>
	3. Date of Earliest Transaction (Month/Day/Year) 03/15/2012	
	4. If Amendment, Date of Original Filed (Month/Day/Year)	

**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	03/15/2012		A <sup>(1)</sup>		103,682 <sup>(1)</sup>	D	\$0 <sup>(1)</sup>	30,943.82 <sup>(2)</sup>	D	

**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)	Date Exercisable	Expiration Date						Title
Restricted Stock Units	(3)	03/15/2012		J <sup>(3)</sup>		6,631 <sup>(3)</sup>		(3)	(3)	Common Stock, par value \$0.001 per share	6,631	\$0	0	D	

**Explanation of Responses:**

1. Restricted Shares granted by the Reporting Person to certain of its employees pursuant to Restricted Stock Agreements, each dated March 15, 2012. Includes 3,913 Restricted Shares granted by the Reporting Person under a Restricted Stock Agreement dated March 15, 2010 and vested March 15, 2012; and 6,631 Restricted Stock Units granted by the Reporting person under a Restricted Stock Unit Agreement dated April 1, 2011 and settled March 15, 2012.
2. Excludes 8,648 Restricted Shares granted by the Reporting Person to certain of its employees pursuant to Restricted Stock Agreements, each dated January 2, 2010; 86,271 Restricted Shares granted by the Reporting Person to certain of its officers and employees pursuant to Restricted Stock Agreements, each dated March 15, 2010; 18,206 Restricted Shares granted by the Reporting Person to certain of its employees pursuant to Restricted Stock Agreements, each dated January 2, 2011; 50,634 shares underlying Restricted Stock Units granted by the Reporting Person to certain of its employees pursuant to Restricted Stock Unit Agreements, each dated April 1, 2011; and 57,963 Restricted Shares granted by the Reporting Person to certain of its employees pursuant to Restricted Stock Agreements, each dated January 2, 2012.
3. Settlement of 6,631 Restricted Stock Units by the Reporting Person under a Restricted Stock Unit Agreement dated April 1, 2011, by delivering the underlying shares to the grantee.

Laurence D. Paredes, Secretary 03/16/2012

\*\* 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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