

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to section 13 or 15(d) of
the Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported): March 11, 2008

BLACKROCK KELSO CAPITAL CORPORATION
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

001-33559
(Commission
File Number)

20-2725151
(IRS Employer
Identification Number)

40 East 52nd Street
New York, NY 10022
(Address of principal executive offices)

(212) 810-5800
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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ITEM 8.01. OTHER EVENTS.

On March 11, 2008, the Registrant adopted amendments to its dividend reinvestment plan (the “plan”) that were approved by its board of directors to change the share price for shares offered and sold pursuant to the plan to 95% of the closing market price per common share on the dividend payment date, such shares to be newly issued or treasury common shares. The amendments are effective as of their adoption date with respect to dividends paid thereafter. A copy of the Amended and Restated Dividend Reinvestment Plan is included as Exhibit 99.1 to this Form 8-K.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS.

(d) Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
99.1	Amended and Restated Dividend Reinvestment Plan, dated as of March 11, 2008

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

BLACKROCK KELSO CAPITAL CORPORATION

Date: March 11, 2008

By: /s/ Frank D. Gordon

Name: Frank D. Gordon

Title: Chief Financial Officer

EXHIBIT INDEX

Exhibit
Number

Description

99.1

Amended and Restated Dividend Reinvestment Plan, dated as of March 11, 2008

BLACKROCK KELSO CAPITAL CORPORATION
AMENDED AND RESTATED AUTOMATIC DIVIDEND REINVESTMENT PLAN

TERMS AND CONDITIONS

Pursuant to this Automatic Dividend Reinvestment Plan (the "Plan") of BlackRock Kelso Capital Corporation (the "Company"), unless a holder (a "Shareholder") of the Company's shares of common stock, par value \$0.001 per share (the "Common Shares"), otherwise elects, all dividends and distributions on such Shareholder's Common Shares will be automatically be paid to PFPC, Inc. ("PFPC"), as agent for Shareholders in administering the Plan (the "Plan Agent"), in the form of newly issued or treasury Common Shares. Shareholders who elect not to participate in the Plan will receive all dividends and other distributions in cash paid by check mailed directly to the Shareholder of record (or, if the Common Shares are held in street or other nominee name, then to such nominee) by PFPC as the Dividend Disbursing Agent. Participants may elect not to participate in the Plan and to receive all dividends and distributions in cash by sending written instructions to PFPC, as the Dividend Disbursing Agent, at the address set forth below. Participation in the Plan is completely voluntary and may be terminated or resumed at any time without penalty by written notice if received by the Plan Agent not less than ten days prior to any dividend or distribution payment date; otherwise such termination or resumption will be effective with respect to any subsequently declared dividend or distribution.

The Plan Agent will open an account for each Shareholder under the Plan in the same name in which such Shareholder's Common Shares are registered. Whenever the Company declares a dividend or a distribution (collectively referred to as "dividends"), non-participants in the Plan will receive the dividend payable in cash and participants in the Plan will receive the dividend in newly issued or treasury Common Shares. The Common Shares will be paid to the Plan Agent for the participants' accounts. The number of newly issued or treasury Common Shares to be credited to each participant's account will be determined by dividing the dollar amount of the dividend by 95% of the market price per Common Share on the payment date.

The Plan Agent will maintain all Shareholders' accounts in the Plan and furnish written confirmation of all transactions in the accounts, including information needed by Shareholders for tax records. Common Shares in the account of each Plan participant will be held by the Plan Agent on behalf of the Plan participant.

In the case of Shareholders such as banks, brokers or nominees that hold Common Shares for others who are the beneficial owners, the Plan Agent will administer the Plan on the basis of the number of Common Shares certified from time to time by the record Shareholder and held for the account of beneficial owners who participate in the Plan.

There will be no brokerage charges with respect to Common Shares issued directly by the Company as a result of dividends or capital gains distributions payable either in Common Shares or in cash.

For the avoidance of doubt, no Common Shares will be issued under the Plan under any circumstance that may violate the Investment Company Act of 1940, as amended, or any rules issued thereunder.

VOTING

Each Shareholder proxy will include those Common Shares received pursuant to the Plan. The Plan Agent will forward all proxy solicitation materials to participants and vote proxies for Common Shares held pursuant to the Plan in accordance with the instructions of the participants.

TAXATION

The automatic reinvestment of dividends will not relieve participants of any federal, state or local income tax that may be payable (or required to be withheld) on such dividends.

AMENDMENT OF THE PLAN

The Plan may be amended or terminated by the Company. There is no direct service charge to participants in the Plan; however, the Company reserves the right to amend the Plan to include a service charge payable by the participants. Notice will be sent to Plan participants of any amendments as soon as practicable after such action by the Company.

INQUIRIES REGARDING THE PLAN

All correspondence concerning the Plan should be directed to the Plan Agent at 301 Bellevue Parkway, Wilmington, DE 19809.

APPLICABLE LAW

These terms and conditions shall be governed by the laws of the State of New York without regard to its conflicts of laws provisions.

EXECUTION

To record the adoption of the Plan as of March 11, 2008, the Company has caused this Plan to be executed in the name and on behalf of the Company by a duly authorized officer.

By and on behalf of
BLACKROCK KELSO CAPITAL CORPORATION

/s/ Michael B. Lazar

By: Michael B. Lazar

Title: Chief Operating Officer