BLACKROCK KELSO CAPITAL

Investor Contact:
Frank Gordon
212.810.5858

Press Contact:
Brian Beades
212.810.5596

BlackRock Kelso Capital Corporation Announces Public Offering of Common Stock

New York, October 18, 2010 - BlackRock Kelso Capital Corporation (NASDAQ:BKCC) ("BlackRock Kelso Capital" or the "Company") announced today that it plans to make a public offering of 6 million shares of its common stock. BlackRock Kelso Capital plans to also grant the underwriters an option to purchase up to an additional 900 thousand shares of common stock to cover over-allotments, if any. The offering price of the shares, subject to approval of the Company's Board of Directors, will be determined by market conditions at the time of pricing in consultation with the underwriters of the offering. The offering of the shares will be made under the Company's shelf registration st atement filed with the Securities and Exchange Commission.

The Company expects to use the net proceeds of this offering to make investments in portfolio companies, repay indebtedness owed under its credit facility, and for general corporate purposes.

Citi, BofA Merrill Lynch, Credit Suisse and UBS Investment Bank are joint bookrunning managers for the offering. BMO Capital Markets is Lead Manager and Lazard Capital Markets is co-manager. Investors are advised to carefully consider the investment objectives, risks, and charges and expenses of BlackRock Kelso Capital before investing. The prospectus contains this and other information about BlackRock Kelso Capital and should be read carefully before investing.

This press release does not constitute an offer to sell or the solicitation of an offer to buy nor will there be any sale of the shares referred to in this press release in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of such state or jurisdiction. A registration statement relating to these securities was filed and has been declared effective by the Securities and Exchange Commission.

A copy of the prospectus for the offering may be obtained from: Citi, Brooklyn Army Terminal, 140 58th Street, 8th Floor, Brooklyn, New York 11220 (telephone number: 1-800-831-9146, email: batprospectusdept@citigroup.com); BofA Merrill Lynch, 4 World Financial Center, New York, NY 10080, Attention: Prospectus Department or email dg.prospectus_requests@baml.com; Credit Suisse, Attn: Prospectus Dept., One Madison Avenue, New York, NY 10010, 1-800-221-1037; or UBS Investment Bank, Attn: Prospectus Dept., 299 Park Avenue, New York, New York 10171, Telephone: 888-827-7275 Ext. 3884.

About BlackRock Kelso Capital Corporation

BlackRock Kelso Capital Corporation is a business development company formed in early 2005 by its management team, BlackRock, Inc. and principals of Kelso & Company, to provide debt and equity capital to middle-market companies.

The Company's investment objective is to generate both current income and capital appreciation through debt and equity investments. The Company invests primarily in middle-market companies in the form of senior and junior secured and unsecured debt securities and loans, each of which may include an equity component, and by making direct preferred, common and other equity investments in such companies.

Forward-Looking Statements

Statements included herein may constitute "forward looking statements." These statements are not guarantees of future performance or results and involve a number of risks and uncertainties. Actual results may differ materially from those in the forward-looking statements as a result of a number of factors, including those described from time to time in our filings with the Securities and Exchange Commission. The Company undertakes no duty to update any forward looking statements made herein.

Available Information

BlackRock Kelso Capital Corporation's filings with the Securities and Exchange Commission, press releases, earnings releases and other financial information are available on its website.
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