As filed with the Securities and Exchange Commission on January 9, 2007

Securities Act Registration No. 333-136923

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form N-2

☐ **REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933**
☑ **PRE-EFFECTIVE AMENDMENT NO. 2**
☐ **POST-EFFECTIVE AMENDMENT NO.**

Tortoise Capital Resources Corporation

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Approximate Date of Proposed Public Offering: As soon as practicable after the effective date of this Registration Statement.

If any of the securities being registered on this form will be offered on a delayed or continuous basis in reliance on Rule 415 under the Securities Act of 1933, other than securities offered in connection with a dividend reinvestment plan, check the following box. ☐

It is proposed that this filing will become effective (check appropriate box):

☐ when declared effective pursuant to Section 8(c).

CALCULATION OF REGISTRATION FEE UNDER THE SECURITIES ACT OF 1933

Title of Securities Being Registered	Proposed Maximum Aggregate Offering Price(1)	Amount of Registration Fee(2)
Common Stock	$115,000,000	$12,305

(1) Estimated solely for the purpose of calculating the registration fee.

(2) $8,025 Previously paid.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such dates as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

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The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to Completion
Preliminary Prospectus dated January 9, 2007

PROSPECTUS

Shares

Tortoise Capital Resources Corporation

Common Stock

We are a non-diversified closed-end management investment company focused on the U.S. energy infrastructure sector. We invest primarily in privately-held and micro-cap public energy companies operating in the midstream and downstream segments, and to a lesser extent the upstream segment. Our goal is to provide our stockholders with a high level of total return, with an emphasis on dividends and dividend growth. We invest primarily in the equity securities of companies that we expect to pay us distributions on a current basis and provide us distribution growth. Since our inception, we have made investments totalling $72.1 million in six portfolio companies. We will elect to be regulated as a business development company under the Investment Company Act of 1940.

We are externally managed by Tortoise Capital Advisors, L.L.C., a registered investment advisor specializing in the energy infrastructure sector that had approximately $2.2 billion of assets under management on January 1, 2007, including the assets of three publicly traded closed-end management investment companies.

We expect the public offering price of our common shares to be between $ and $ per share. Our common shares have been approved for listing on the New York Stock Exchange under the symbol "TTO." Currently, no public market exists for our common shares.

Investing in our common shares involves risks, including the risk of leverage, that are described in the "Risk Factors" section of this prospectus beginning on page 18.

Prior to this offering, there has been no public market for our common shares. Shares of closed-end investment companies have in the past frequently traded at a discount to their net asset value. If our common shares trade at a discount to net asset value, it may increase the risk of loss for purchasers in this offering. Purchasers in this offering will experience immediate dilution. See "Dilution."

	Per Share	Total(2)
Public offering price	$	$
Sales load	$	$
Proceeds, before expenses, to us(1)	$	$

(1) Before deducting expenses payable by us related to this offering, estimated at $600,000

(2) The underwriters may also purchase up to an additional common shares from us at the public offering price, less the sales load, within 30 days from the date of this prospectus to cover overallotments. If the underwriters exercise this option in full, the total public offering price will be $ million, the total sales load paid by us will be $, and total proceeds, before expenses, to us will be $.

Please read this prospectus before investing, and keep it for future reference. The prospectus contains important information about us that a prospective investor should know before investing in our common shares.

After the completion of this offering, we will be required to file annual, quarterly and current reports, proxy statements and other information about us with the Securities and Exchange Commission. This information will be available free of charge by contacting us at 10801 Mastin Boulevard, Suite 222, Overland Park, Kansas 66210 or by telephone at 1-866-362-9331 or on our website at www.tortoiseadvisors.com/tcrc.cfm. The Securities and Exchange Commission also maintains a website at www.sec.gov that contains such information.

Neither the Securities and Exchange Commission nor any state securities commission have approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The underwriters expect that our common shares will be ready for delivery to purchasers on or about , 2007.

Merrill Lynch & Co.

Stifel Nicolaus **Wachovia Securities**

Oppenheimer & Co.

The date of this prospectus is , 2007.

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You should rely only on the information contained in this prospectus. We have not, and the underwriters have not, authorized any other person to provide you with different information or to make any representations not contained in this prospectus. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information contained in this prospectus is accurate only as of the date on the front cover of this prospectus. Our business, financial condition, results of operations and prospects may have changed since that date. We will update the information in this prospectus to reflect any material changes occurring prior to the completion of this offering.

PROSPECTUS SUMMARY

This summary may not contain all of the information that you may want to consider. You should read carefully the information set forth under "Risk Factors" and other information included in this prospectus. The following summary is qualified by the more detailed information and financial statements appearing elsewhere in this prospectus. Except where the context suggests otherwise, the terms "we," "us," "our," "the Company" and "Tortoise Capital" refer to Tortoise Capital Resources Corporation and its subsidiaries; "Tortoise Capital Advisors" and "the Advisor" refers to Tortoise Capital Advisors, L.L.C.

The Company

We invest primarily in privately-held and micro-cap public energy companies focused on the midstream and downstream segments, and to a lesser extent the upstream segment. We believe companies in the energy infrastructure sector generally produce stable cash flows as a result of their fee-based revenues and limited direct commodity price risk. Our goal is to provide our stockholders with a high level of total return, with an emphasis on dividends and dividend growth. We invest primarily in the equity securities of companies that we expect to pay us distributions on a current basis and provide us distribution growth.

Companies in the midstream segment of the energy infrastructure sector engage in the business of transporting, processing or storing natural gas, natural gas liquids, coal, crude oil, refined petroleum products and renewable energy resources. Companies in the downstream segment of the energy infrastructure sector engage in distributing or marketing such commodities and companies in the upstream segment of the energy infrastructure sector engage in exploring, developing, managing or producing such commodities. Under normal conditions, we intend to invest at least 90% of our total assets (including assets obtained through leverage) in companies in the energy infrastructure sector. Companies in the energy infrastructure sector include (i) companies that derive a majority of their revenues from activities within the midstream, downstream and upstream segments of the energy infrastructure sector, and (ii) companies that derive a majority of their revenues from providing products or services to such companies. Our investments are expected to range between $5.0 million and $20.0 million per investment, although investment sizes may be smaller or larger than this targeted range.

We raised approximately $46.3 million of gross proceeds ($42.5 million of net proceeds) in a private placement of 3,066,667 common shares and 766,643 warrants completed in January 2006. On December 13, 2006, we entered into a $15.0 million secured revolving credit facility with U.S. Bank N.A. ("U.S. Bank") pursuant to which we have borrowed approximately $11.4 million for investment purposes as of January 1, 2007. We raised an additional $18.4 million of net proceeds for investment purposes in December 2006 in a bridge financing in which we issued shares of Series A redeemable preferred stock and warrants to purchase common shares.

As of January 1, 2007, we have invested a total of $72.1 million in six portfolio companies in the U.S. energy infrastructure sector. Of the $72.1 million, we have invested $67.6 million in the midstream and downstream segments of the U.S. energy infrastructure sector and $4.5 million in the upstream segment of the U.S. energy infrastructure sector.

The following table summarizes our investments in portfolio companies as of January 1, 2007. Except for Eagle Rock Energy Partners, L.P., all of our investment securities were purchased directly from the portfolio company and none of our portfolio securities are publicly traded.

Company (Segment)	Principal Business	Funded Investment	Expected Current Yield
Eagle Rock Energy Partners, L.P. (Midstream)			%(1)
	Parent holding company of Eagle Rock Pipeline, L.P., a gatherer and processor of natural gas in north and east Texas	$8.6 million in unregistered LP Interests	
		$3.5 million in registered LP Interests	8.07.6%(1)
High Sierra Energy, LP (Midstream)		$14.8 million in LP Interests	%(1)
	Diversified midstream operations primarily in Colorado, Wyoming and Florida	$0.2 million in GP Option(2)	9.9n/a
Quest Midstream Partners, LP (Midstream)	Operator of natural gas gathering pipeline network	$17.5 million in LP Interests	9.2%(1)
Millennium Midstream Partners, LP (Midstream)	Gatherer and processor of natural gas in Texas, Louisiana and offshore Gulf of Mexico	$17.5 million in LP Interests and Incentive Distribution Rights	8.5%(1)
Mowood, LLC (Downstream)	Natural gas distribution in central Missouri with Department of Defense contract through 2014	$1.0 million in LLC Units	%(3)
		$4.5 million in unsecured subordinated debt	10.012.0%
Legacy Reserves LP (Upstream)	Oil and natural gas exploitation and development in the Permian Basin	$4.5 million in LP Interests	9.6%(1)
	Total Investments	$72.1 million	

(1) The expected current yield has been calculated by annualizing the most recent or anticipated recurring distribution and dividing by the amount invested in the underlying security. Actual distributions to us are based on each company's available cash flow. Distributions may be above or below the expected current yield and are subject to change.

(2) In addition to our purchase of LP Interests, we also obtained an option to buy 3% of the general partner of High Sierra Energy, LP, High Sierra Energy GP, LLC. The option may be exercised anytime prior to May 2, 2007.

(3) Represents an equity distribution on our invested capital. We expect that, pending cash availability, such equity distributions will recur on an annual basis at or above such yield.

As of January 1, 2007 we have entered into a term sheet with a prospective new portfolio company for a $15.0 million equity investment (of which we expect to identify one or more other investors to invest up to $7.0 million) in the downstream segment of the energy infrastructure sector. In addition, our Advisor's investment committee has approved an additional $0.5 million equity investment and an additional $2.5 million debt investment in Mowood, LLC. We currently expect to fund these investments using our credit facility and the proceeds of this offering. The consummation of each investment will depend upon satisfactory completion of our due diligence investigation of the prospective portfolio company, our confirmation and acceptance of

the investment terms, structure and financial covenants, the execution and delivery of final binding agreements in a form mutually satisfactory to the parties, the absence of any material adverse change and the receipt of any necessary consents. At this time, the final forms of our investments remain subject to additional negotiations with these companies.

We are an externally managed, non-diversified closed-end management investment company that intends to elect to be regulated as a business development company (a "BDC") under the Investment Company Act of 1940 (the "1940 Act"). As a BDC, we will be subject to numerous regulations and restrictions.

Our Advisor

We are managed by Tortoise Capital Advisors, a registered investment advisor specializing in the energy infrastructure sector that had approximately $2.2 billion of assets under management on January 1, 2007, including the assets of three publicly traded closed-end management investment companies focused on the energy infrastructure sector. Our Advisor's aggregate managed capital is among the largest of investment advisors managing closed-end management investment companies focused on the energy infrastructure sector. Our Advisor created the first publicly traded closed-end management investment company focused primarily on investing in master limited partnerships ("MLPs") in the energy infrastructure sector, Tortoise Energy Infrastructure Corporation ("TYG"). Our Advisor also manages Tortoise Energy Capital Corporation ("TYY"), a publicly traded closed-end management investment company focused primarily on investing in MLPs and their affiliates in the energy infrastructure sector, and Tortoise North American Energy Corporation ("TYN"), a publicly traded closed-end management investment company focused primarily on energy infrastructure investments in public companies in the United States and in Canada. Our Advisor has no prior experience managing a BDC, which will be subject to different regulations than the other closed-end management investment companies managed by our Advisor.

Our Advisor has 20 full time employees. Four of our Advisor's senior investment professionals are responsible for the origination, negotiation, structuring and managing of our investments. These four senior investment professionals have almost 70 years of combined experience in energy, leveraged finance and private equity investing. Each of our Advisor's investment decisions will be reviewed and approved by its investment committee, which also acts as the investment committee for TYG, TYY and TYN. TYG, TYY and TYN generally target investments in publicly traded companies with market capitalizations in excess of $300 million. We generally target investments in companies that are privately-held, have market capitalizations of less than $300 million and are earlier in their stage of development. If TYG, TYY or TYN were ever to target investment opportunities similar to ours, our Advisor intends to allocate investment opportunities in a fair and equitable manner consistent with our investment objective and strategies and in accordance with written allocation policies and procedures of our Advisor, so that we will not be disadvantaged in relation to any other client. See "Risk Factors — Risks Related to Our Operations."

Our Advisor has retained Kenmont Investments Management, L.P. ("Kenmont") as a sub-advisor. Kenmont is a Houston, Texas based registered investment advisor with experience investing in privately-held and public companies in the U.S. energy and power sectors. Kenmont provides additional contacts to us and enhances our number and range of potential investment opportunities. The principals of Kenmont have collectively created and managed private equity portfolios in excess of $1.5 billion and have over 50 years of experience working for investment banks, commercial banks, accounting firms, operating companies and money management firms. Kenmont has no prior experience managing a BDC. Our Advisor compensates Kenmont for the services it provides to us. Our Advisor also indemnifies and holds us harmless from any obligation to pay or reimburse Kenmont for any fees or expenses incurred by Kenmont in providing such services to us. An affiliate of Kenmont is expected to own approximately % of the Company's outstanding common shares upon completion of this offering and warrants to purchase an additional 247,166 of our common shares. In addition, an affiliate of Kenmont owns $8.05 million, or 536,666 shares, of our Series A redeemable preferred stock. We intend to redeem all of our outstanding preferred stock with the proceeds of this offering.

U.S. Energy Infrastructure Sector Focus

We pursue our investment objective by investing principally in a portfolio of privately-held and micro-cap public companies in the energy infrastructure sector. We focus our investments in the midstream and downstream segments, but may also have limited investments in the upstream segment, of the energy infrastructure sector. We also intend to allocate our investments among asset types and geographic regions within the United States.

We believe that the midstream and downstream segments of the energy infrastructure sector will provide attractive investment opportunities as a result of the following factors:

- *Strong Supply and Demand Fundamentals.* The U.S. is the largest consumer of crude oil and natural gas products, the third largest producer of crude oil and the second largest producer of natural gas products in the world. The United States Department of Energy's Energy Information Administration, or EIA, projects that domestic natural gas and refined petroleum products consumption will increase annually by 0.8% and 1.1%, respectively, through 2030.
- *Substantial Capital Requirements.* We believe, based on industry sources, that approximately $20 billion of capital was invested by the midstream segment of the U.S. energy infrastructure sector during 2006 and that additional capital expenditures will occur in the future. We also believe that existing downstream infrastructure will require new capital investment to maintain an aging asset base, as well as to upgrade the asset base to respond to the evolution of supply and environmental regulations.
- *Substantial Asset Ownership Realignment.* We believe that in the midstream and downstream segments of the U.S. energy infrastructure sector, the acquisition and divestiture market has averaged approximately $40 billion of annual transactions between 2001 and 2006 and that such activity, particularly in the midstream segment, will continue. We also believe that the substantial number of domestic companies in the downstream segment of the U.S. energy infrastructure sector provides for attractive consolidation opportunities.
- *Renewable Energy Resources Opportunities.* We believe that the demand for project financing relating to renewable energy resources is expected to be significant and will provide investment opportunities consistent with our investment objective.

Although not part of our core focus, we believe the upstream segment of the energy infrastructure sector will benefit from strong long-term demand fundamentals and will provide attractive investment opportunities as a result of the following factors:

- *Substantial Asset Ownership Realignment.* We believe that in the upstream segment of the U.S. energy infrastructure sector, the property acquisition and divestiture market has averaged approximately $38 billion of annual transactions between 2001 and 2006 and that the level of activity will remain consistent with historical levels for the foreseeable future.
- *Substantial Number of Small and Middle Market Companies.* We believe that there are more than 900 private domestic exploration and production businesses and more than 140 publicly-listed domestic exploration and production companies.
- *Increasing Importance of MLP Market for Upstream Energy Companies.* We believe that there will continue to be an increasing number of MLPs operating in the upstream segment of the energy infrastructure sector. We believe that attractive investment opportunities exist in those upstream MLPs whose cash distributions allow them to reserve funds to be used for the replacement of depleted assets. We also believe that the ratio of subordinated units to common units in a typical MLP structure helps mitigate the commodity exposure of upstream MLPs for their common unit investors.

Market Opportunity

We believe the environment for investing in privately-held and micro-cap public companies in the energy infrastructure sector is attractive for the following reasons:

- *Increased Demand Among Small and Middle Market Private Companies for Capital.* We believe many private and micro-cap public companies have faced increased difficulty accessing the capital markets due to a continuing preference by investors for issuances in larger companies with more liquid securities. Such difficulties have been magnified in asset-focused and capital intensive industries such as the energy infrastructure sector. We believe that the U.S. energy infrastructure sector's high level of projected capital expenditures and continuing acquisition and divestiture activity will provide us with numerous attractive investment opportunities.
- *Investment Activity of Private Equity Capital Sponsors.* We believe there is a large pool of uninvested private equity capital available for private and micro-cap public companies, including those involved in the U.S. energy infrastructure sector. Given the anticipated positive long-term supply and demand dynamics of the energy industry and the current and expected public market valuations for companies involved in certain sectors of the energy industry, private equity capital has been increasingly attracted to the U.S. energy infrastructure sector. In particular, we believe that the public market valuations of many MLPs will cause private equity firms to invest and aggregate smaller U.S. energy infrastructure assets. We also expect those private equity firms to combine their capital with equity or mezzanine debt investors such as ourselves.
- *Finance Market for Small and Middle Market Energy Companies is Underserved by Many Capital Providers.* We believe that many lenders have, in recent years, de-emphasized their service and product offerings to small and middle market energy companies in favor of lending to large corporate clients and managing capital markets transactions. We believe, in addition, that many capital providers lack the necessary technical expertise to evaluate the quality of the underlying assets of small and middle market private companies and micro-cap public companies in the energy infrastructure sector and lack a network of relationships with such companies.
- *Attractive Companies with Limited Access to Other Capital.* We believe there are, and will continue to be, attractive companies that will benefit from private equity investments prior to a public offering of their equity, whether as an MLP or otherwise. We also believe that there are a number of companies in the midstream and downstream segments of the U.S. energy infrastructure sector with the same stable cash flow characteristics as those being acquired by MLPs or funded by private equity capital in anticipation of contribution to an MLP. We believe that many such companies are not being acquired by MLPs or attracting private equity capital because they do not produce income that qualifies for inclusion in an MLP pursuant to the applicable U.S. Federal income tax laws, are perceived by such investors as too small, or are in areas of the midstream energy infrastructure segment in which most MLPs do not have specific expertise. We believe that these companies represent attractive investment candidates for us.

Competitive Advantages

We believe that we are well positioned to meet the financing needs of companies within the U.S. energy infrastructure sector for the following reasons:

- *Existing Investment Platform and Focus on the Energy Infrastructure Sector.* We believe that our Advisor's current investment platform provides us with significant advantages in sourcing, evaluating, executing and managing investments. Our Advisor specializes in the energy infrastructure sector and had approximately $2.2 billion of assets under management on January 1, 2007, including the assets of three publicly traded closed-end management investment companies focused on the energy infrastructure sector. Our Advisor created the first publicly traded closed-end management company focused primarily on investing in MLPs involved in the energy infrastructure sector, and its aggregate managed capital is among the

largest of those closed-end management company advisors focused on the energy infrastructure sector.

- *Experienced Management Team.* The members of our Advisor's investment committee have an average of over 20 years of financial investment experience. Our Advisor's four senior investment professionals are responsible for the negotiation, structuring and managing of our investments and have almost 70 years of combined experience in energy, leveraged finance and private equity investing. We believe that the members of our Advisor's investment committee and the Advisor's senior investment professionals have developed strong reputations in the capital markets, particularly in the energy infrastructure sector, that we believe affords us a competitive advantage in identifying and investing in energy infrastructure companies.
- *Disciplined Investment Philosophy.* In making its investment decisions, our Advisor intends to continue the disciplined investment approach that it has used since its founding. That investment approach emphasizes current income with the potential for enhanced returns through dividend growth, capital appreciation, low volatility and minimization of downside risk. Our Advisor's investment process involves an assessment of the overall attractiveness of the specific subsector of the energy infrastructure sector in which a company is involved; the prospective portfolio company's specific competitive position within that subsector; potential commodity price, supply and demand and regulatory concerns; the stability and potential growth of the prospective portfolio company's cash flows; the prospective portfolio company's management track record and incentive structure and our Advisor's ability to structure an attractive investment.
- *Flexible Transaction Structuring.* We are not subject to many of the regulatory limitations that govern traditional lending institutions such as commercial banks. As a result, we can be flexible in structuring investments and selecting the types of securities in which we invest. Our Advisor's senior investment professionals have substantial experience in structuring investments that balance the needs of energy infrastructure companies with appropriate risk control.
- *Extended Investment Horizon.* Unlike private equity and venture capital funds, we are not subject to standard periodic capital return requirements. These provisions often force private equity and venture capital funds to seek returns on their investments through mergers, public equity offerings or other liquidity events more quickly than may otherwise be desirable, potentially resulting in both a lower overall return to investors and an adverse impact on their portfolio companies. We believe our flexibility to make investments with a long-term view and without the capital return requirements of traditional private investment funds enhances our ability to generate attractive returns on invested capital.

Targeted Investment Characteristics

We anticipate that our targeted investments will have the following characteristics:

- *Long-Life Assets with Stable Cash Flows and Limited Commodity Price Sensitivity.* We anticipate that most of our investments will be made in companies with assets having the potential to generate stable cash flows over long periods of time. We intend to invest a portion of our assets in companies that own and operate assets with long useful lives and that generate cash flows by providing critical services primarily to the producers or end-users of energy. We expect to limit the direct exposure to energy commodity price risk in our portfolio. We intend to target companies that have a majority of their cash flows generated by contractual obligations.
- *Experienced Management Teams with Energy Infrastructure Focus.* We target investments in companies with management teams that have a track record of success and that often have substantial knowledge and focus in particular segments of the energy infrastructure sector or with certain types of assets. We expect that our management team's extensive experience and network of business relationships in the energy infrastructure sector will allow us to identify and attract portfolio company management teams that meet these criteria.

- *Fixed Asset-Intensive Investments.* We anticipate that most of our investments will be made in companies with a relatively significant base of fixed assets that we believe will provide for reduced downside risk compared to making investments in companies with lower relative fixed asset levels. As fixed asset-intensive companies typically have less variable cost requirements, we expect they will generate attractive cash flow growth even with limited demand-driven or supply-driven growth.
- *Limited Technological Risk.* We do not intend to target investment opportunities involving the application of new technologies or significant geological, drilling or development risk.
- *Exit Opportunities.* We focus our investments on prospective portfolio companies that we believe will generate a steady stream of cash flow to generate returns on our investments as well as allow such companies to reinvest in their respective businesses. We expect that such internally generated cash flow will lead to distributions or the repayment of the principal of our investments in portfolio companies and will be a key means by which we monetize our investments over time. In addition, we seek to invest in companies whose business models and expected future cash flows offer attractive exit possibilities. These companies include candidates for strategic acquisition by other industry participants and companies that may repay, or provide liquidity for, our investments through an initial public offering of common stock or other capital markets transactions. We believe our Advisor's investment experience will help us identify such companies.

Corporate Information

Our offices are located at 10801 Mastin Boulevard, Suite 222, Overland Park, Kansas 66210, our telephone number is (913) 981-1020 and our website is www.tortoiseadvisors.com/tcrc.cfm. Information posted to our website should not be considered part of this prospectus.

THE OFFERING

Common shares offered by us	of our common shares, excluding of our common shares issuable pursuant to the overallotment option granted to the underwriters.
Common shares outstanding after this offering	of our common shares, excluding of our common shares issuable pursuant to the overallotment option granted to the underwriters and 957,130 shares issuable pursuant to outstanding warrants. See ‘‘Description of Capital Stock.”
NYSE symbol	“TTO”
Use of proceeds	We intend to use approximately $18.9 million of the net proceeds of this offering to redeem the preferred stock issued in our bridge financing, $11.4 million of the net proceeds of this offering to repay the outstanding balance of our credit facility, and the remainder of the net proceeds of this offering to fund investments in prospective portfolio companies in accordance with our investment objective and strategies described in this prospectus and for general corporate purposes. We expect to invest the proceeds of this offering within six to nine months; however, it could take a longer time to invest substantially all of the net proceeds, depending on the availability of appropriate investment opportunities and market conditions. Pending such investments, we expect to invest the net proceeds primarily in cash, cash equivalents, U.S. government securities and other high-quality debt investments that mature in one year or less from the date of investment and will pay our Advisor a fee pursuant to our investment advisory agreement. See ‘‘Use of Proceeds” and “Advisor — Investment Advisory Agreement.”
Regulatory status	We will elect to be regulated as a BDC under the 1940 Act, and have, since the completion of our private placement in January 2006, been making investments as if we were a BDC. See “Election to Be Regulated as a Business Development Company.”
Distributions	We intend, subject to adjustment at the discretion of our board of directors, each quarter to pay out substantially all of the amounts we receive as recurring cash or paid-in-kind distributions on equity securities we own and interest payments on debt securities we own, less current or anticipated operating expenses, current income taxes on our income and our leverage costs. We anticipate making, for our first fiscal quarter this year, a distribution of up to $0.10 per common share to our current stockholders immediately following the completion of this offering. We anticipate that the following distribution, our next quarterly distribution following this offering, will be paid on or about May 31, 2007. See “Distributions” and “Management’s Discussion and Analysis of Financial Condition and Results of Operation — Determining Distributions to Stockholders.”
Taxation	Unlike most investment companies, we have not elected, and do not intend to elect, to be treated as a regulated investment company (“RIC”) under the Internal Revenue Code of 1986, as amended (the “Code”). Therefore, we are, and intend to continue to be, obligated to pay federal and applicable state corporate income taxes on our taxable income. As a result of not electing to be treated as a RIC, we are not subject to the Code’s diversification rules limiting the assets in which a RIC can invest. In addition, we are not subject to the Code’s restrictions on the types of income that a RIC can recognize without adversely affecting its election to be treated as a RIC, allowing us the ability to

	invest in operating entities treated as partnerships under the Code, which we believe provide attractive investment opportunities. Finally, unlike RICs, we are not effectively required by the Code to distribute substantially all of our income and capital gains. Distributions on the common shares will be treated first as taxable dividend income to the extent of our current or accumulated earnings and profits, then as a tax free return of capital to the extent of a stockholder's tax basis in the common shares, and last as capital gain. We anticipate that the distributed cash from our portfolio investments in entities treated as partnerships for tax purposes will exceed our share of taxable income from those portfolio investments. Thus, we anticipate that only a portion of distributions we make on the common shares will be treated as taxable dividend income to our stockholders. If you are an individual citizen or resident of the United States or a United States estate or trust for U.S. federal income tax purposes and meet certain holding period and other applicable requirements, the portion of such distributions treated as taxable dividend income will be "qualified dividend income" currently subject to a maximum 15% U.S. federal income tax rate. See "Certain U.S. Federal Income Tax Considerations — Taxation of U.S. Stockholders."
Investment advisor	Tortoise Capital Advisors, a Delaware limited liability company and registered investment advisor, serves as our investment advisor. See "Portfolio Management," "Management" and "Advisor."
Fees	Pursuant to our investment advisory agreement, we pay our Advisor a fee consisting of two components — a base management fee and an incentive fee. The base management fee commenced on December 8, 2005, is paid quarterly in arrears, and is equal to 0.375% (1.5% annualized) of our average monthly Managed Assets (our total assets, including any assets purchased with any borrowed funds, minus accrued liabilities other than (1) deferred taxes and (2) debt entered into for the purpose of leverage). The incentive fee consists of two parts. The first part, the investment income fee, is calculated and payable quarterly in arrears and will equal 15% of the excess, if any, of our net investment income for the quarter over a quarterly hurdle rate equal to 2% (8% annualized) of our average monthly net assets. No investment income fee was paid or earned prior to December 8, 2006. The second part of the incentive fee, the capital gains fee, will be determined and payable in arrears as of the end of each fiscal year (or upon termination of the investment advisory agreement, as of the termination date), and will equal (i) 15% of (a) our net realized capital gains on a cumulative basis for the periods from December 8, 2005 to December 31, 2006, and January 1, 2007 to November 30, 2007, and thereafter during each fiscal year, less (b) any unrealized capital depreciation at the end of such fiscal year, less (ii) the aggregate amount of all capital gains fees paid to our Advisor in prior years. Our Advisor will use at least 25% of any capital gains fees received from us at any time on or prior to December 8, 2007 to purchase our common shares in the open market. There can be no assurance that our Advisor will earn any capital gains fee and, as a result, there can be no assurance that our Advisor will make any such purchases. See "Advisor — Investment Advisory Agreement," which also contains a discussion of our expenses.

Sub-advisor	Kenmont Investment Management, L.P. serves as our sub-advisor. Kenmont is a Houston, Texas based registered investment advisor with experience investing in privately-held and public companies in the U.S. energy and power sectors. Pursuant to the sub-advisory agreement between Kenmont and our Advisor, our Advisor pays Kenmont a portion of the fee it receives from us. See "Advisor — Sub-Advisor Arrangement."
Leverage	We have and may borrow funds to make investments, and we have and may grant a security interest in our assets in connection with such borrowings, including any borrowings by any of our subsidiaries. We use this practice, which is known as "leverage," to attempt to increase returns to our stockholders. However, leverage involves significant risks and the costs of any leverage transactions will be borne by our stockholders. See "Risk Factors." With certain limited exceptions, we are only allowed to borrow amounts such that our asset coverage, as defined in the 1940 Act, equals at least 200% after such borrowing. The amount of leverage that we may employ will depend on our assessment of market conditions and other factors at the time of any proposed borrowing. On December 13, 2006, we entered into a $15.0 million secured revolving credit facility with U.S. Bank pursuant to which we have borrowed approximately $11.4 million for investment purposes as of January 1, 2007. We intend to repay all outstanding indebtedness under the credit facility immediately following the receipt of the proceeds of this offering. We raised an additional $18.4 million of net proceeds for investment purposes in December 2006 in a bridge financing in which we issued 1,233,333 shares of Series A redeemable preferred stock and 185,006 warrants to purchase common shares. We intend to redeem the preferred stock immediately following the receipt of the proceeds of this offering. See "Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources" and "Management's Discussion and Analysis of Financial Conditions and Result of Operations — Borrowings" and "Management's Discussion and Analysis of Financial Condition and Results of Operations — Senior Securities."
Dividend reinvestment plan	We intend to have a dividend reinvestment plan for our stockholders that will be effective after completion of this offering. Our plan will be an "opt out" dividend reinvestment plan. As a result, if we declare a distribution after the plan is effective, stockholders' cash distributions will be automatically reinvested in additional common shares, unless they specifically "opt out" of the dividend reinvestment plan so as to receive cash distributions. Stockholders who receive distributions in the form of common shares will generally be subject to the same federal, state and local tax consequences as stockholders who elect to receive their distributions in cash. See "Dividend Reinvestment Plan" and "Certain U.S. Federal Income Tax Considerations — Taxation of U.S. Stockholders."
Trading at a discount	Shares of closed-end investment companies frequently trade at a discount to their net asset value. The possibility that our shares may trade at a discount to our net asset value is separate and distinct from the risk that our net asset value per share may decline. Our net asset value immediately following this offering will reflect reductions resulting from the sales load (underwriting discount) and the amount

	of the offering expenses paid. This risk may have a greater effect on investors expecting to sell their shares soon after completion of this offering. We generally may not issue additional common shares at a price below our net asset value (net of any sales load (underwriting discount)) without first obtaining approval of our stockholders and board of directors. Our stockholders granted us the authority to sell our common shares below net asset value, subject to certain conditions. This authority extends through our 2008 annual meeting, currently expected to occur in April 2008. We cannot predict whether our shares will trade above, at, or below net asset value.
Anti-takeover provisions	Our board of directors is divided into three classes of directors serving staggered three-year terms. This structure is intended to provide us with a greater likelihood of continuity of management, which may be necessary for us to realize the full value of our investments. A staggered board of directors also may deter hostile takeovers or proxy contests, as may certain provisions of Maryland law, our Charter or Bylaws or other measures adopted by us. These provisions or measures also may limit the ability of our stockholders to sell their shares at a premium over then-current market prices by discouraging a third party from seeking to obtain control of us. See “Certain Provisions of Our Charter and Bylaws and the Maryland General Corporation Law.”
Risk factors	Investing in our common shares involves certain risks relating to our structure and our investment objective that you should consider before deciding whether to invest in our common shares. In addition, we expect that our portfolio will consist primarily of securities issued by privately-held energy infrastructure companies. These investments may involve a high degree of business and financial risk, and they are generally illiquid. Our portfolio companies typically will require additional outside capital beyond our investment in order to succeed. A large number of entities compete for the same kind of investment opportunities as we seek. We borrow funds to make our investments in portfolio companies. As a result, we are and will be exposed to the risks of leverage, which may be considered a speculative investment technique. Borrowings magnify the potential for gain and loss on amounts invested and, therefore increase the risks associated with investing in our common shares. Also, we are subject to certain risks associated with valuing our portfolio, changing interest rates, accessing additional capital, fluctuating quarterly results and operating in a regulated environment. See “Risk Factors” for a discussion of factors you should carefully consider before deciding whether to invest in our common shares.
Available information	We have filed with the Securities and Exchange Commission, or SEC, a registration statement on Form N-2, including any amendments thereto and related exhibits, under the Securities Act of 1933, which we refer to as the Securities Act, with respect to our common shares offered by this prospectus. The registration statement contains additional information about us and our common shares being offered by this prospectus. After completion of this offering, our common shares will be registered under the Securities Exchange Act of 1934, which we refer to as the Exchange Act, and we will be required to file reports, proxy statements and other information with the SEC. This information will be available at the SEC’s public reference room at 100 F Street,

N.E., Washington, D.C. 20549. You may obtain information about the operation of the SEC's public reference room by calling the SEC at 1-800-SEC-0330. In addition, the SEC maintains an Internet website, at http://www.sec.gov, that contains reports, proxy and information statements, and other information regarding issuers, including us, that file documents electronically with the SEC.

FEES AND EXPENSES

The following table is intended to assist you in understanding the various costs and expenses that an investor in this offering will bear directly or indirectly. **We caution you that the percentages in the table below indicating annual expenses are estimates and may vary**.

Stockholder transaction expenses (as a percentage of offering price):	
Sales load	7.0%(1)
Offering expenses	%(2)
Dividend reinvestment plan expenses	0.0%(3)
Total stockholder transaction expenses paid	%
Annual expenses following this offering (as a percentage of net assets attributable to common shares) (4):	
Management fee payable under investment advisory agreement	%(5)
Incentive fees payable under investment advisory agreement	0.0%(6)
Interest payments on borrowed funds	%(7)
Other expenses	%(8)
Total annual expenses	%

Example

The following example demonstrates the projected dollar amount of total cumulative expenses that would be incurred over various periods with respect to a hypothetical investment in our common shares. These amounts are based upon payment of an assumed 7.0% sales load (the sales load paid with respect to our common shares sold in this offering) and our payment of annual operating expenses at the levels set forth in the table above.

	1 Year	3 Years	5 Years	10 Years
You would pay the following expenses on a $1,000 investment, assuming a 5% annual return	$	$	$	$

The example and the expenses in the tables above should not be considered a representation of our future expenses, and actual expenses may be greater or less than those shown. Moreover, while the example assumes, as required by the applicable rules of the SEC, a 5% annual return, our performance will vary and may result in a return greater or less than 5%. A 5% annual return will not require payment of an incentive fee to our Advisor based on Net Investment Income and may not require payment of an incentive fee based on capital gains. Accordingly, no incentive fee is included in this example. See "Advisor — Examples of Quarterly Incentive Fee Calculation" for additional information concerning incentive fee calculations. In addition, while the example assumes reinvestment of all distributions at net asset value, participants in our dividend reinvestment plan may receive common shares valued at the market price in effect at that time. This price may be at, above or below net asset value. See "Dividend Reinvestment Plan" for additional information regarding our dividend reinvestment plan.

(1) The sales load (underwriting discount) for shares sold in this offering, which is a one-time fee paid to the underwriters, is the only sales load (underwriting discount) paid in this offering.

(2) The percentage reflects estimated offering expenses of approximately $600,000 and is based on the shares offered in this offering (based on the mid-point of the range on the front cover of this prospectus and excluding shares issuable pursuant to the overallotment option granted to the underwriters).

(3) The expenses associated with the administration of our dividend reinvestment plan are included in "Other expenses." The participants in our dividend reinvestment plan will pay a pro rata share of brokerage

commissions incurred with respect to open market purchases, if any, made by the Plan Agent under the Plan. For more details about the plan, see "Dividend Reinvestment Plan."

(4) "Net assets attributable to common shares" equals net assets (i.e., total assets less total liabilities and the aggregate liquidation preference of any outstanding shares of preferred stock) of $ million at , 2006, plus the anticipated net proceeds from this offering and the leverage assumptions reflected in footnote (7) below.

(5) Although our management fee is 1.5% (annualized) of our average monthly Managed Assets, the table above reflects expenses as a percentage of net assets. Managed Assets means total assets (including any assets purchased with any borrowed funds) minus accrued liabilities other than (1) deferred taxes and (2) debt entered into for the purpose of leverage. Net assets is Managed Assets minus deferred taxes, debt entered into for the purposes of leverage and the aggregate liquidation preference of outstanding preferred shares. See "Advisor — Investment Advisory Agreement — Management Fee."

(6) We pay our Advisor a fee consisting of two components — a base management fee and an incentive fee. The base management fee is paid quarterly in arrears and is equal to 0.375% (1.5% annualized) of our average monthly Managed Assets for such quarter. The incentive fee consists of two parts. The first part, the investment income fee, is calculated and payable quarterly in arrears and will equal 15% of the excess, if any, of our Net Investment Income for the fiscal quarter over a quarterly hurdle rate equal to 2% (8% annualized) of our average monthly Net Assets for the quarter. For purposes of calculating the investment income fee, "Net Investment Income" means interest income (including accrued interest that we have not yet received in cash), dividend and distribution income from equity investments (but excluding that portion of cash distributions that are treated as return of capital), and any other income (including any fees such as commitment, origination, syndication, structuring, diligence, monitoring, and consulting fees or other fees that we receive from portfolio companies) accrued during the fiscal quarter, minus our operating expenses for the quarter (including the base management fee, expenses payable by us, any interest expense, any accrued income taxes related to Net Investment Income and dividends paid on issued and outstanding preferred stock, if any, but excluding the incentive fees payable to our Advisor). No investment income fee was paid or earned prior to December 8, 2006. The second part of the incentive fee, the capital gains fee, will be determined and payable in arrears as of the end of each fiscal year (or upon termination of the investment advisory agreement, as of the termination date), and will equal (i) 15% of (a) our net realized capital gains, excluding the impact of current and deferred income taxes, on a cumulative basis for the periods from December 8, 2005 to December 31, 2006, and January 1, 2007 to November 30, 2007, and thereafter during each fiscal year, less (b) any unrealized capital depreciation, excluding the impact of deferred income taxes, at the end of such calendar year, less (ii) the aggregate amount of all capital gains fees paid to our Advisor in prior years. Upon completion of this offering, our Advisor will use at least 25% of any capital gains fee, if any, received on or prior to December 8, 2007 to purchase our common shares in the open market. There can be no assurance that our Advisor will earn any capital gains fee and, as a result, there can be no assurance that our Advisor will make any such purchases. We may have capital gains and interest income that could result in the payment of an incentive fee to our Advisor in the first year after completion of this offering. However, as we cannot predict whether we will meet the necessary performance targets, we have assumed a base incentive fee of 0% in this table.

(7) We intend to borrow funds to make investments to the extent we determine that additional capital would allow us to take advantage of additional investment opportunities or if the market for debt financing presents attractively priced debt financing opportunities, and, in either case, if our board of directors determines that leveraging our portfolio would be in our best interests and the best interests of our stockholders. On December 13, 2006, we entered into a $15.0 million secured revolving credit facility with U.S. Bank pursuant to which we have borrowed approximately $11.4 million for investment purposes as of January 1, 2007. In December 2006, we also sold $18.5 million of our Series A redeemable preferred stock which accrues interest at a specified rate. As we intend to redeem all our outstanding Series A redeemable preferred stock with the proceeds of this offering, such amounts have not been included in the table. We also intend to repay all outstanding indebtedness under the credit facility immediately following the receipt of the proceeds of this offering. The table above assumes we borrow for investment purposes an amount equal to 25.0% of our total assets (including such borrowed funds) and that the annual interest rate on the amount borrowed is 7.5%. The table presented above estimates what our annual expenses would be, stated as a percentage of our net assets attributable to our common shares. The table presented below, unlike the table presented above, assumes we do not use any form of leverage and, as a result, our estimated total annual expenses would be as follows:

Management fee	1.5%
Incentive fees payable under our Investment Advisory Agreement	0.0%
Other expenses	___%
Total annual expenses	___%

(8) “Other expenses” includes our estimated overhead expenses, including payments to our transfer agent, our administrative agent and legal and accounting expenses and excludes income tax expense. The holders of our common shares indirectly bear the cost associated with such other expenses.

SELECTED FINANCIAL DATA

The selected financial data set forth below should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Senior Securities" and the financial statements and related notes included in this prospectus. Financial information presented below for the fiscal quarters ended February 28, 2006, May 31, 2006 and August 31, 2006, have been derived from our unaudited financial statements. The historical data is not necessarily indicative of results to be expected for any future period.

	Period from December 8, 2005 to November 30, 2006(1)	Fiscal Quarter Ended			
		February 28, 2006(2)	May 31, 2006	August 31, 2006	November 30, 2006
Statement of operations data:					
Investment income	$	$ 403,505	$ 347,496	$ 448,124	$
Advisory fees		136,796	169,367	163,364	
All other expenses		97,925	81,930	87,010	
Total operating expenses	$	$ 234,721	$ 251,297	$ 250,374	$
Current and deferred tax expense		61,100	34,855	163,679	
Unrealized gain on investments before deferred tax expense		—	—	297,054	
Increase in net assets resulting from operations	$	$ 107,684	$61,344	$ 331,125	$

	As of			
	February 28, 2006(2)	May 31, 2006	August 31, 2006	November 30, 2006
Statement of assets and liabilities data:				
Cash and cash equivalents	$42,845,831	$ 25,758,402	$ 20,649,152	$
Investments	0	16,999,991	22,549,991	
Other assets	160,044	124,730	233,569	
Total assets	$43,005,875	$ 42,883,123	$ 43,432,712	$
Total liabilities	494,720	271,608	922,476	
Total net assets	$42,511,155	$ 42,611,515	$ 42,510,236	$
Net asset value per share	$13.76	$13.80	$ 13.76	$

(1) We were incorporated on September 8, 2005, but did not commence operations until December 8, 2005.

(2) We did not commence operations until December 8, 2005. As a result, the fiscal quarter ended February 28, 2006 was not a full fiscal quarter.

FORWARD-LOOKING STATEMENTS

The matters discussed in this prospectus, as well as in future oral and written statements by our management, that are forward-looking statements are based on current management expectations that involve substantial risks and uncertainties that could cause actual results to differ materially from the results expressed in, or implied by, these forward-looking statements. Forward-looking statements relate to future events or our future financial performance. We generally identify forward-looking statements by terminology such as "may," "will," "should," "expects," "plans," "anticipates," "could," "intends," "target," "projects," "contemplates," "believes," "estimates," "predicts," "potential," or "continue" or the negative of these terms or other similar words. Important assumptions include our ability to originate new investments, achieve certain levels of return, the availability of additional capital, and the ability to maintain certain debt to asset ratios. In light of these and other uncertainties, the inclusion of a projection or forward-looking statement in this prospectus should not be regarded as a representation by us that our plans or objectives will be achieved. The forward-looking statements contained in this prospectus include statements as to:

- our future operating results;
- our business prospects and the prospects of our existing and prospective portfolio companies;
- the impact of investments that we expect to make;
- our informal relationships with third parties;
- the dependence of our future success on the general economy and the domestic energy infrastructure sector;
- the ability of our portfolio companies to achieve their objectives;
- our ability to make investments consistent with our investment objective, including with respect to the size, nature and terms of our investments;
- our expected financings;
- our regulatory structure;
- our ability to operate as a business development company;
- the adequacy of our cash resources and working capital and our anticipated use of proceeds;
- the timing of cash flows, if any, from the operations of our portfolio companies;
- our ability to cause a subsidiary to become a licensed Small Business Investment Company; and
- the size or growth prospects of the energy infrastructure sector or any category thereof.

For a discussion of factors that could cause our actual results to differ from forward-looking statements contained in this prospectus, please see the discussion under "Risk Factors." You should not place undue reliance on these forward-looking statements. The forward-looking statements made in this prospectus relate only to events as of the date on which the statements are made. We undertake no obligation to update any forward-looking statement to reflect events or circumstances occurring after the date of this prospectus. The forward-looking statements contained in this prospectus and any accompanying prospectus supplement are excluded from the safe harbor protection provided by Section 27A of the Securities Act of 1933.

RISK FACTORS

An investment in our common shares should not constitute a complete investment program for any investor and involves a high degree of risk. Due to the uncertainty in our investments, there can be no assurance that we will achieve our investment objective. You should carefully consider the risks described below before making an investment decision.

Risks Related to Our Operations

We are a new company with limited operating history.

We were incorporated in Maryland on September 8, 2005. We are subject to all of the business risks and uncertainties associated with any new business, including the risk that we will not achieve our investment objective and that the value of an investment in our common shares could decline substantially.

Our Advisor has a limited operating history and will serve as investment advisor to other funds, which may create conflicts of interest not in the best interest of us or our stockholders.

Our Advisor was formed in October 2002 to provide portfolio management services to institutional and high-net worth investors seeking professional management of their energy infrastructure investments. Our Advisor has been managing investments in portfolios of MLPs and other issuers in the energy infrastructure sector since that time, including management of the investments of TYG since February 7, 2004, TYY since May 31, 2005 and TYN since October 31, 2005. From time to time the Advisor may pursue areas of investments in which the Advisor has more limited experience.

We, TYG, TYY and TYN have the same investment advisor, rely on some of the same personnel and will use the same investment committee. Our Advisor's services under the investment advisory agreement are not exclusive, and it is free to furnish the same or similar services to other entities, including businesses that may directly or indirectly compete with us so long as its services to us are not impaired by the provision of such services to others. In addition, the publicly traded funds and private accounts managed by our Advisor may make investments similar to investments that we may pursue, although these entities generally target investments in publicly traded companies with market capitalizations in excess of $300 million, while we generally target investments in companies that are privately-held, have market capitalizations of less than $300 million and are earlier in their stage of development. This may change in the future, however. Accordingly, our Advisor and the members of its investment committee may have obligations to other investors, the fulfillment of which might not be in the best interests of us or our stockholders, and it is possible that our Advisor might allocate investment opportunities to other entities, and thus might divert attractive investment opportunities away from us. However, our Advisor intends to allocate investment opportunities in a fair and equitable manner consistent with our investment objectives and strategies, and in accordance with written allocation policies and procedures of our Advisor, so that we will not be disadvantaged in relation to any other client.

In addition, three of the five members of our investment committee are affiliates of, but not employees of, our Advisor, and each has other significant responsibilities with Fountain Capital Management, L.L.C. ("Fountain Capital"), which conducts businesses and activities of its own in which our Advisor has no economic interest. If these separate activities become significantly greater or have greater profit potential than our Advisor's activities, there could be material competition for the efforts of these members of the investment committee.

We are dependent upon our Advisor's key personnel for our future success.

We depend on the diligence, expertise and business relationships of the senior management of our Advisor. The Advisor's senior investment professionals and senior management will evaluate, negotiate, structure, close and monitor our investments. Our future success will depend on the continued service of the senior management team of our Advisor. The departure of one or more senior investment professionals of our Advisor, and particularly Terry Matlack, Abel Mojica III, Ed Russell or David Schulte could have a material

adverse effect on our ability to achieve our investment objective and on the value of our common shares and warrants. We will rely on certain employees of the Advisor, especially Messrs. Matlack and Schulte, who will be devoting significant amounts of their time to non-Company related activities of the Advisor. To the extent Mssrs. Matlack or Schulte and other employees of the Advisor who are not committed exclusively to us are unable to, or do not, devote sufficient amounts of their time and energy to our affairs, our performance may suffer.

The incentive fee payable to our Advisor may create conflicting incentives.

The incentive fee payable by us to our Advisor may create an incentive for our Advisor to make investments on our behalf that are riskier or more speculative than would be the case in the absence of such a compensation arrangement. Because a portion of the incentive fee payable to our Advisor is calculated as a percentage of the amount of our net investment income that exceeds a hurdle rate, our Advisor may imprudently use leverage to increase the return on our investments. Under some circumstances, the use of leverage may increase the likelihood of default, which would disfavor the holders of our common shares. In addition, our Advisor will receive an incentive fee based, in part, upon net realized capital gains on our investments. Unlike the portion of the incentive fee based on net investment income, there is no hurdle rate applicable to the portion of the incentive fee based on net capital gains. As a result, our Advisor may have an incentive to pursue investments that are likely to result in capital gains as compared to income producing securities. Such a practice could result in our investing in more speculative or long term securities than would otherwise be the case, which could result in higher investment losses, particularly during economic downturns or longer return cycles.

We may be required to pay an incentive fee even in a fiscal quarter in which we have incurred a loss. For example, if we have pre-incentive fee net investment income above the hurdle rate and realized capital losses, we will be required to pay the investment income portion of the incentive fee.

The investment income portion of the incentive fee payable by us will be computed and paid on income that may include interest that has been accrued but not yet received in cash, and the collection of which is uncertain or deferred. If a portfolio company defaults on a loan that is structured to provide accrued interest, it is possible that accrued interest previously used in the calculation of the investment income portion of the incentive fee will become uncollectible. Our Advisor will not be required to reimburse us for any such incentive fee payments.

Our Advisor has no experience in managing a BDC.

Our Advisor has no experience in establishing, managing or serving as investment advisor to a BDC. Additionally, the time required to maintain a BDC could distract our Advisor from its other duties. See “Regulation.”

If we distribute substantially all of our income to our stockholders, we will continue to need additional capital to finance our growth. If additional funds are unavailable or not available on favorable terms, our ability to grow and execute our business plan will be impaired.

Our business will require a substantial amount of capital in addition to the proceeds of this offering if we distribute substantially all of our income to our stockholders and we are to grow. We have entered into a $15.0 million secured revolving credit facility and intend to use a portion of the proceeds of this offering to repay the outstanding balance of that credit facility. The credit facility will not be available to us for future borrowings for a period of 120 days following the completion of this offering unless the lender waives the terms of the credit facility. We may acquire additional capital from the issuance of securities senior to our common shares, including additional borrowings or other indebtedness or the issuance of additional securities. We may also acquire additional capital through the issuance of additional equity. However, we may not be able to raise additional capital in the future on favorable terms or at all. Our credit facility contains a covenant precluding us from incurring additional debt. We may issue debt securities, other instruments of indebtedness or preferred stock, and we intend to borrow money from banks or other financial institutions, which we refer

to collectively as "senior securities," up to the maximum amount permitted by the 1940 Act. The 1940 Act permits us to issue senior securities in amounts such that our asset coverage, as defined in the 1940 Act, equals at least 200% after each issuance of senior securities. Our ability to pay distributions or issue additional senior securities is restricted if our asset coverage ratio is not at least 200%, or put another way, the value of our assets (less all liabilities and indebtedness not represented by senior securities) must be at least twice that of any outstanding senior securities (plus the aggregate involuntary liquidation preference of any preferred stock). If the value of our assets declines, we may be unable to satisfy this test. If that happens, we may be required to liquidate a portion of our investments and repay a portion of our indebtedness at a time when such sales may be disadvantageous. As a result of issuing senior securities, we will also be exposed to typical risks associated with leverage, including increased risk of loss. If we issue preferred securities which will rank "senior" to our common shares in our capital structure, the holders of such preferred securities may have separate voting rights and other rights, preferences or privileges more favorable than those of our common shares, and the issuance of such preferred securities could have the effect of delaying, deferring or preventing a transaction or a change of control that might involve a premium price for securityholders or otherwise be in our best interest.

To the extent our ability to issue debt or other senior securities is constrained, we will depend on issuances of additional common shares to finance our operations. As a BDC, we generally will not be able to issue additional common shares at a price below net asset value (net of any sales load (underwriting discount)) without first obtaining required approvals of our stockholders and our independent directors which could constrain our ability to issue additional equity. Our stockholders granted us the authority to sell our common shares below net asset value, subject to certain conditions. This authority extends through our 2008 annual meeting, currently expected to occur in April 2008. If we raise additional funds by issuing more of our common shares or senior securities convertible into, or exchangeable for, our common shares, the percentage ownership of our stockholders at that time would decrease, and you may experience dilution.

As a BDC, we will be subject to limitations on our ability to engage in certain transactions with affiliates.

As a BDC, we will be prohibited under the 1940 Act from knowingly participating in certain transactions with our affiliates without the prior approval of our independent directors or the SEC. Any person that owns, directly or indirectly, 5% or more of our outstanding voting securities is our affiliate for purposes of the 1940 Act and we are generally prohibited from buying or selling any security from or to such affiliate, absent the prior approval of our independent directors. The 1940 Act also prohibits "joint" transactions with an affiliate, which could include investments in the same portfolio company (whether at the same or different times), without prior approval of our independent directors. If a person acquires more than 25% of our voting securities, we will be prohibited from buying or selling any security from or to such person, or entering into joint transactions with such person, absent the prior approval of the SEC. Our Advisor and TYG have previously applied to the SEC for exemptive relief to permit TYG, TYY, TYN and other clients of our Advisor, including us, to co-invest in negotiated private placements of securities. Unless and until such an exemptive order is obtained, we will not co-invest with affiliates in negotiated private placement transactions.

If our investments are deemed not to be qualifying assets, we could lose our status as a BDC or be precluded from investing according to our current business plan.

As a BDC, we must not acquire any assets other than "qualifying assets" unless, at the time of and after giving effect to such acquisition, at least 70% of our total assets are qualifying assets. If our investments are deemed not to be qualifying assets, our status as a BDC may be jeopardized or we may be precluded from investing in the manner described in this prospectus, either of which would have a material adverse effect on our business, financial condition and results of operations. We also may be required to dispose of investments, which could have a material adverse effect on us and our stockholders, because even if we were successful in finding a buyer, we may have difficulty in finding a buyer to purchase such investments on favorable terms or in a sufficient time frame.

We may choose to invest a portion of our portfolio in investments that may be considered highly speculative and that could negatively impact our ability to pay distributions and cause you to lose part of your investment.

The 1940 Act permits a BDC to invest up to 30% of its assets in investments that do not meet the test for "qualifying assets." Such investments may be made by us with the expectation of achieving a higher rate of return or increased cash flow with a portion of our portfolio and may fall outside of our targeted investment criteria. These investments may be made even though they may expose us to greater risks than our other investments and may consequently expose our portfolio to more significant losses than may arise from our other investments. We may invest up to 30% of our total assets in assets that are non qualifying assets in among other things, high yield bonds, bridge loans, distressed debt, commercial loans, private equity, securities of public companies or secondary market purchases of securities of target portfolio companies. Such investments could impact negatively our ability to pay you distributions and cause you to lose part of your investment.

Our debt increases the risk of investing in us.

On December 13, 2006, we entered into a $15.0 million secured revolving credit facility with U.S. Bank pursuant to which we have borrowed approximately $11.4 million as of January 1, 2007. Our credit facility currently precludes us from incurring additional debt and we may face liquidity constraints as a result. We may in the future incur incremental debt to increase our ability to make investments. Lenders from whom we may borrow money or holders of our debt securities will have fixed dollar claims on our assets that are superior to the claims of our stockholders, and we have and may grant a security interest in our assets in connection with our debt. In the case of a liquidation event, those lenders or note holders would receive proceeds before our stockholders. In addition, debt, also known as leverage, magnify the potential for gain or loss on amounts invested and, therefore, increase the risks associated with investing in our securities. Leverage is generally considered a speculative investment technique and the costs of any leverage transactions will be borne by our stockholders. In addition, because the base management fee we pay to our Advisor is based on Managed Assets (which includes any assets purchased with borrowed funds), our Advisor may imprudently borrow funds in an attempt to increase our managed assets and in conflict with our or our stockholders' best interests. If the value of our assets increases, then leveraging would cause the net asset value attributable to our common shares to increase more than it otherwise would have had we not leveraged. Conversely, if the value of our assets decreases, leveraging would cause the net asset value attributable to our common shares to decline more than it otherwise would have had we not leveraged. Similarly, any increase in our revenue in excess of interest expense on our borrowed funds would cause our net income to increase more than it would without the leverage. Any decrease in our revenue would cause our net income to decline more than it would have had we not borrowed funds and could negatively affect our ability to make distributions on our common shares. Our ability to service any debt that we incur will depend largely on our financial performance and the performance of our portfolio companies and will be subject to prevailing economic conditions and competitive pressures.

Illustration. The following table illustrates the effect of leverage on returns from an investment in our common shares assuming various annual returns, net of expenses. The calculations in the table below are hypothetical and actual returns may be higher or lower than those appearing in the table below.

	Assumed Return on our Portfolio (net of expenses)				
	-10%	**-5%**	**0%**	**5%**	**10%**
Corresponding return to stockholder(1)	(16.4)%	(10.4)%	(4.3)%	1.8%	7.8%

(1) Assumes $179,468,797 million in total assets, $44,867,199 million in debt outstanding, $134,601,598 million in stockholders' equity and an average cost of funds of 7.0%. Actual interest payments may be different.

We operate in a highly competitive market for investment opportunities.

We compete with public and private funds, commercial and investment banks and commercial financing companies to make the types of investments that we plan to make in the U.S. energy infrastructure sector. Many of our competitors are substantially larger and have considerably greater financial, technical and marketing resources than us. For example, some competitors may have a lower cost of funds and access to funding sources that are not available to us. In addition, some of our competitors may have higher risk tolerances or different risk assessments, allowing them to consider a wider variety of investments and establish more relationships than us. Furthermore, many of our competitors are not subject to the regulatory restrictions that the 1940 Act would impose on us as a result of our election to be regulated as a BDC.

We may not be able to invest the proceeds of this offering as quickly as expected in the energy infrastructure sector, and our interim investments will generate lower rates of return.

We anticipate that it may take six to nine months to invest substantially all of the net proceeds of this offering in securities meeting our investment objective. Pending investment, we expect the proceeds of this offering will be invested in cash, cash equivalents, U.S. government securities and other high quality debt instruments that mature within one year or less from the date of investment. As our temporary investments may generate lower projected returns than our core investment strategy, we may experience lower returns during this period and may not be able to pay distributions during this period comparable to the distributions that we may be able to pay when the net proceeds of this offering are fully invested in securities meeting our investment objective. See "Use of Proceeds."

We may allocate the net proceeds from this offering in ways with which you may not agree.

We will have significant flexibility in investing the net proceeds of this offering and may use the net proceeds from this offering in ways with which investors may not agree or for purposes other than those contemplated at the time of this offering or that are not consistent with our targeted investment characteristics.

We have not identified specific investments in which to invest all of the proceeds of this offering.

As of the date of this prospectus, we have not entered into definitive agreements for any specific investments in which to invest the net proceeds of this offering; however, we intend to use the proceeds of this offering to redeem the preferred stock issued in our bridge financing and to repay the outstanding balance of our credit facility. As a result, you will not be able to evaluate the manner in which we invest or the economic merits of investments we make with the net proceeds of this offering prior to your purchase of common shares in this offering.

Our quarterly results may fluctuate.

We could experience fluctuations in our quarterly operating results due to a number of factors, including the return on our equity investments, the interest rates payable on our debt investments, the default rates on such investments, the level of our expenses, variations in and the timing of the recognition of realized and unrealized gains or losses, the degree to which we encounter competition in our markets and general economic conditions. As a result of these factors, results for any period should not be relied upon as being indicative of performance in future periods.

Our portfolio may be concentrated in a limited number of portfolio companies.

We currently have investments in a limited number of portfolio companies. One or two of our portfolio companies may constitute a significant percentage of our total portfolio. An inherent risk associated with this investment concentration is that we may be adversely affected if one or two of our investments perform poorly or if we need to write down the value of any one investment. Financial difficulty on the part of any single portfolio company will expose us to a greater risk of loss than would be the case if we were a "diversified" company holding numerous investments.

Our anticipated investments in privately-held companies present certain challenges, including the lack of available information about these companies and a greater inability to liquidate our investments in an advantageous manner.

We primarily make investments in privately-held companies. Generally, little public information will exist about these companies, and we will be required to rely on the ability of our Advisor to obtain adequate information to evaluate the potential risks and returns involved in investing in these companies. If our Advisor is unable to obtain all material information about these companies, including with respect to operational, regulatory, environmental, litigation and managerial risks, our Advisor may not make a fully-informed investment decision, and we may lose some or all of the money invested in these companies. In addition, our Advisor may inappropriately value the prospects of an investment, causing us to overpay for such investment and fail to receive an expected or projected return on its investment. Substantially all of these securities will be subject to legal and other restrictions on resale or will otherwise be less liquid than publicly traded securities. The illiquidity of these investments may make it difficult for us to sell such investments at advantageous times and prices or in a timely manner. In addition, if we are required to liquidate all or a portion of our portfolio quickly, we may realize significantly less than the value at which we previously have recorded our investments. We also may face other restrictions on our ability to liquidate an investment in a portfolio company to the extent that we or one of our affiliates have material non-public information regarding such portfolio company.

Most of our portfolio investments are and will continue to be recorded at fair value as determined in good faith by our board of directors. As a result, there is and will continue to be uncertainty as to the value of our portfolio investments.

Most of our investments are and will be in the form of securities or loans that are not publicly traded. The fair value of these investments may not be readily determinable. We will value these investments quarterly at fair value as determined in good faith by our board of directors. Our board of directors has retained Duff & Phelps, LLC, an independent valuation firm, to provide valuation assistance to the board of directors, if they so request, in connection with assessing whether the fair value determinations made by the investment committee of our Advisor are unreasonable. The types of factors that may be considered in fair value pricing of an investment include the nature and realizable value of any collateral, the portfolio company's earnings and ability to make payments, the markets in which the portfolio company does business, comparison to publicly traded companies, discounted cash flow and other relevant factors. Because such valuations are inherently uncertain, our determinations of fair value may differ materially from the values that would have been used if a ready market for these securities existed. As a result, we may not be able to dispose of our holdings at a price equal to or greater than the determined fair value, which could have a negative impact our net asset value.

Our equity investments may decline in value.

The equity securities in which we invest may not appreciate or may decline in value. We may thus not be able to realize gains from our equity securities, and any gains that we do realize on the disposition of any equity securities may not be sufficient to offset any other losses we experience. As a result, the equity securities in which we invest may decline in value, which may negatively impact our ability to pay distributions and cause you to lose all or part of your investment.

Unrealized decreases in the value of debt investments in our portfolio may impact the value of our common shares and may reduce our income for distribution.

As a BDC, we will be required to carry our investments at market value or, if no market value is ascertainable, at the fair value as determined in good faith by our board of directors. Decreases in the market values or fair values of our debt investments will be recorded as unrealized depreciation. Any unrealized depreciation in our investment portfolio could be an indication of a portfolio company's inability to meet its obligations to us with respect to the loans whose market values or fair values decreased. This could result in

realized losses in the future and ultimately in reductions of our income available for distribution in future periods.

When we are a minority equity or a debt investor investor in a portfolio company, we may not be in a position to control that portfolio company.

When we make minority equity investments or invest in debt, we will be subject to the risk that a portfolio company may make business decisions with which we may disagree, and that the stockholders and management of such company may take risks or otherwise act in ways that do not serve our interests. As a result, a portfolio company may make decisions that could decrease the value of our investments.

Our portfolio companies may incur debt that ranks equally with, or senior to, our investments in such companies.

Portfolio companies in which we intend to invest usually will have, or may be permitted to incur, debt that ranks senior to, or equally with, our investments, including debt investments. As a result, payments on such securities may have to be made before we receive any payments on our investments. For example, these debt instruments may provide that the holders are entitled to receive payment of interest or principal on or before the dates on which we are entitled to receive payments with respect to our investments. These debt instruments will usually prohibit the portfolio companies from paying interest on or repaying our investments in the event and during the continuance of a default under such debt. In the event of insolvency, liquidation, dissolution, reorganization or bankruptcy of a portfolio company, holders of debt instruments ranking senior to our investment in that portfolio company would typically be entitled to receive payment in full before we receive any distribution in respect of our investment. After repaying its senior creditors, a portfolio company may not have any remaining assets to use to repay its obligation to us or provide a full or even partial return of capital on an equity investment made by us. In the case of debt ranking equally with our investments, we would have to share on an equal basis any distributions with other creditors holding such debt in the event of an insolvency, liquidation, dissolution, reorganization or bankruptcy of the relevant portfolio company.

If our investments do not meet our performance expectations, you may not receive distributions.

We intend to make distributions on a quarterly basis to our stockholders out of assets legally available for distribution. We may not be able to achieve operating results that will allow us to make distributions at a specific level or to increase the amount of these distributions from time to time. In addition, due to the asset coverage test applicable to us as a BDC, we may be limited in our ability to make distributions. See "Regulation." Also, restrictions and provisions in any future credit facilities and debt securities may limit our ability to make distributions. We cannot assure you that you will receive distributions at a particular level or at all.

The lack of liquidity in our investments may adversely affect our business, and if we need to sell any of our investments, we may not be able to do so at a favorable price. As a result, we may suffer losses.

We generally expect to invest in the equity of companies whose securities are not publicly traded, and whose securities will be subject to legal and other restrictions on resale or will otherwise be less liquid than publicly-traded securities. We also expect to invest in debt securities with terms of five to ten years and hold such investments until maturity. The illiquidity of these investments may make it difficult for us to sell these investments when desired. In addition, if we are required to liquidate all or a portion of our portfolio quickly, we may realize significantly less than the value at which we had previously recorded these investments. As a result, we do not expect to achieve liquidity in our investments in the near-term. However, to maintain our status as a BDC, we may have to dispose of investments if we do not satisfy one or more of the applicable criteria under the regulatory framework. Our investments are usually subject to contractual or legal restrictions on resale or are otherwise illiquid because there is usually no established trading market for such investments. The illiquidity of most of our investments may make it difficult for us to dispose of them at a favorable price, and, as a result, we may suffer losses.

We will be exposed to risks associated with changes in interest rates.

Equity securities may be particularly sensitive to rising interest rates, which generally increase borrowing costs and the cost of capital and may reduce the ability of portfolio companies in which we own equity securities to both execute acquisitions or expansion projects in a cost-effective manner or provide us liquidity by completing an initial public offering or completing a sale. Fluctuations in interest rates will also impact any debt investments we make. Changes in interest rates may also negatively impact the costs of our outstanding borrowings, if any.

We may not have the funds to make additional investments in our portfolio companies.

After our initial investment in a portfolio company, we may be called upon from time to time to provide additional funds to such company or have the opportunity to increase our investment through the exercise of a warrant to purchase common stock. There is no assurance that we will make, or will have sufficient funds to make, follow-on investments. Any decisions not to make a follow-on investment or any inability on our part to make such an investment may have a negative impact on a portfolio company in need of such an investment, may result in a missed opportunity for us to increase our participation in a successful operation or may reduce the expected yield on the investment.

If a wholly-owned subsidiary of ours becomes licensed by the U.S. Small Business Administration, we, and that subsidiary, will be subject to SBA regulations.

We are currently seeking qualification as a small business investment company ("SBIC") for a to-be-formed wholly-owned subsidiary which will be regulated by the U.S. Small Business Administration ("SBA"). To the extent we or one of our subsidiaries receives such qualification, we will become subject to SBA regulations that may constrain our activities or the activities of one of our subsidiaries. We may need to make allowances in our investment activity or the investment activity of our subsidiaries to comply with SBA regulations. Failure to comply with the SBA regulations could result in the loss of the SBIC license and the resulting inability to participate in the SBA-sponsored debenture program. The SBA also imposes a limit on the maximum amount that may be borrowed by any single SBIC. The SBA prohibits, without prior SBA approval, a "change of control" of a SBIC or transfers that would result in any person (or a group of persons acting in concert) owning 10% or more of a class of capital stock of a licensed SBIC.

Changes in laws or regulations or in the interpretations of laws or regulations could significantly affect our operations and cost of doing business.

We are subject to federal, state and local laws and regulations and are subject to judicial and administrative decisions that affect our operations, including loan originations, maximum interest rates, fees and other charges, disclosures to portfolio companies, the terms of secured transactions, collection and foreclosure procedures and other trade practices. If these laws, regulations or decisions change, we may have to incur significant expenses in order to comply, or we may have to restrict our operations. In addition, if we do not comply with applicable laws, regulations and decisions, or fail to obtain licenses that may become necessary for the conduct of our business, we may be subject to civil fines and criminal penalties, any of which could have a material adverse effect upon our business, results of operations or financial condition.

Our internal controls over financial reporting may not be adequate, and our independent auditors may not be able to certify as to their adequacy, which could have a significant and adverse effect on our business and reputation.

We are evaluating our internal controls over financial reporting. We plan to design enhanced processes and controls to address any issues that might be identified. As a result, we expect to incur significant additional expenses in the near term, which will negatively impact our financial performance and our ability to make distributions. This process also will result in a diversion of management's time and attention. We cannot be certain as to the timing of completion of our evaluation, testing and remediation actions or the impact of the same on our operations and may not be able to ensure that the process is effective or that the internal

controls are or will be effective in a timely manner. Beginning with our annual report for our fiscal year ended November 30, 2008, our management will be required to report on our internal controls over financial reporting pursuant to Section 404 of the Sarbanes-Oxley Act of 2002 and rules and regulations of the SEC thereunder. We will be required to review on an annual basis our internal controls over financial reporting, and to disclose on a quarterly basis changes that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting. There can be no assurance that we will successfully identify and resolve all issues required to be disclosed prior to becoming a public company or that our quarterly reviews will not identify additional material weaknesses.

Risks Related to an Investment in the U.S. Energy Infrastructure Sector

Our portfolio is and will continue to be concentrated in the energy infrastructure sector, which will subject us to more risks than if we were broadly diversified.

We invest primarily in privately-held and micro-cap public energy companies. Because we are specifically focused on the energy infrastructure sector, investments in our common shares may present more risks than if we were broadly diversified over numerous sectors of the economy. Therefore, a downturn in the U.S. energy infrastructure sector would have a larger impact on us than on an investment company that does not concentrate in one sector of the economy. The energy infrastructure sector can be significantly affected by the supply of and demand for specific products and services; the supply and demand for crude oil, natural gas, and other energy commodities; the price of crude oil, natural gas, and other energy commodities; exploration, production and other capital expenditures; government regulation; world and regional events and economic conditions. At times, the performance of securities of companies in the energy infrastructure sector may lag the performance of securities of companies in other sectors or the broader market as a whole.

The portfolio companies in which we invest are subject to variations in the supply and demand of various energy commodities.

A decrease in the production of natural gas, natural gas liquids, crude oil, coal, refined petroleum products or other energy commodities, or a decrease in the volume of such commodities available for transportation, mining, processing, storage or distribution, may adversely impact the financial performance of companies in the energy infrastructure sector. Production declines and volume decreases could be caused by various factors, including catastrophic events affecting production, depletion of resources, labor difficulties, political events, OPEC actions, environmental proceedings, increased regulations, equipment failures and unexpected maintenance problems, failure to obtain necessary permits, unscheduled outages, unanticipated expenses, inability to successfully carry out new construction or acquisitions, import supply disruption, increased competition from alternative energy sources or related commodity prices. Alternatively, a sustained decline in demand for such commodities could also adversely affect the financial performance of companies in the energy infrastructure sector. Factors that could lead to a decline in demand include economic recession or other adverse economic conditions, higher fuel taxes or governmental regulations, increases in fuel economy, consumer shifts to the use of alternative fuel sources, changes in commodity prices or weather.

Many companies in the energy infrastructure sector are subject to the risk that they, or their customers, will be unable to replace depleted reserves of energy commodities.

Many companies in the energy infrastructure sector are either engaged in the production of natural gas, natural gas liquids, crude oil, refined petroleum products or coal, or are engaged in transporting, storing, distributing and processing these items on behalf of producers. To maintain or grow their revenues, many customers of these companies need to maintain or expand their reserves through exploration of new sources of supply, through the development of existing sources, through acquisitions, or through long-term contracts to acquire reserves. The financial performance of companies in the energy infrastructure sector may be adversely affected if the companies to whom they provide service are unable to cost-effectively acquire additional reserves sufficient to replace the natural decline.

Our portfolio companies are and will be subject to extensive regulation because of their participation in the energy infrastructure sector.

Companies in the energy infrastructure sector are subject to significant federal, state and local government regulation in virtually every aspect of their operations, including how facilities are constructed, maintained and operated, environmental and safety controls, and the prices they may charge for the products and services they provide. Various governmental authorities have the power to enforce compliance with these regulations and the permits issued under them, and violators are subject to administrative, civil and criminal penalties, including civil fines, injunctions or both. Stricter laws, regulations or enforcement policies could be enacted in the future that likely would increase compliance costs and may adversely affect the financial performance of companies in the energy infrastructure sector and the value of our investments in those companies.

Our portfolio companies are and will be subject to the risk of fluctuations in commodity prices.

The operations and financial performance of companies in the energy infrastructure sector may be directly affected by energy commodity prices, especially those companies in the energy infrastructure sector owning the underlying energy commodity. Commodity prices fluctuate for several reasons, including changes in market and economic conditions, the impact of weather on demand or supply, levels of domestic production and imported commodities, energy conservation, domestic and foreign governmental regulation and taxation and the availability of local, intrastate and interstate transportation systems. Volatility of commodity prices, which may lead to a reduction in production or supply, may also negatively impact the performance of companies in the energy infrastructure sector that are solely involved in the transportation, processing, storing, distribution or marketing of commodities. Volatility of commodity prices may also make it more difficult for companies in the energy infrastructure sector to raise capital to the extent the market perceives that their performance may be tied directly or indirectly to commodity prices. Historically, energy commodity prices have been cyclical and exhibited significant volatility.

Our portfolio companies are and will be subject to the risk of extreme weather patterns.

Extreme weather patterns, such as hurricane Ivan in 2004 and hurricanes Katrina and Rita in 2005, could result in significant volatility in the supply of energy and power. This volatility may create fluctuations in commodity prices and earnings of companies in the energy infrastructure sector. Moreover, any extreme weather patterns, such as hurricanes Katrina and Rita, could adversely impact the assets and valuation of our portfolio companies.

Acts of terrorism may adversely affect us.

The value of our common shares and our investments could be significantly and negatively impacted as a result of terrorist activities, such as the terrorist attacks on the World Trade Center on September 11, 2001; war, such as the war in Iraq and its aftermath; and other geopolitical events, including upheaval in the Middle East or other energy producing regions. The U.S. government has issued warnings that energy assets, specifically those related to pipeline infrastructure, production facilities and transmission and distribution facilities, might be specific targets of terrorist activity. Such events have led, and in the future may lead, to short-term market volatility and may have long-term effects on the U.S. economy and markets. Such events may also adversely affect our business and financial condition.

Risks Related to this Offering

The price of our common shares may be volatile and may decrease substantially.

The trading price of our common shares following this offering may fluctuate substantially. The price of the common shares that will prevail in the market after this offering may be higher or lower than the price you pay and the liquidity of our common shares may be limited, in each case depending on many factors,

some of which are beyond our control and may not be directly related to our operating performance. These factors include the following:

- changes in the value of our portfolio of investments;
- price and volume fluctuations in the overall stock market from time to time;
- significant volatility in the market price and trading volume of securities of BDCs or other financial services companies;
- our dependence on the domestic energy infrastructure sector;
- our inability to deploy or invest our capital;
- fluctuations in interest rates;
- increases in the taxable portion of distributions we receive on our equity investments;
- any shortfall in revenue or net income or any increase in losses from levels expected by investors or securities analysts;
- operating performance of companies comparable to us;
- changes in regulatory policies with respect to BDCs;
- our ability to borrow money or obtain additional capital;
- losing BDC status;
- actual or anticipated changes in our earnings or fluctuations in our operating results or changes in the expectations of securities analysts;
- general economic conditions and trends; or
- departures of key personnel.

Investing in our common shares may involve an above average degree of risk.

The investments we make may result in a higher amount of risk, volatility or loss of principal than alternative investment options. Our investments in portfolio companies may be highly speculative and aggressive, and therefore, an investment in our common shares may not be suitable for investors with lower risk tolerance.

Prior to this offering, there has been no public market for our common shares, and we cannot assure you that the market price of our common shares will not decline following the offering.

Before this offering, there was no public trading market for our common shares, and we cannot assure you that one will develop or be sustained after this offering. We cannot predict the prices at which our common shares will trade. The initial public offering price for our common shares will be determined through our negotiations with the underwriters and may not bear any relationship to the market price at which it will trade after this offering or to any other established criteria of our value. Shares of companies offered in an initial public offering often trade at a discount to the initial offering price due to sales load (underwriting discount) and related offering expenses. In addition, shares of closed-end investment companies have in the past frequently traded at discounts to their net asset values and our stock may also be discounted in the market. This characteristic of closed-end investment companies is separate and distinct from the risk that our net asset value per share may decline. We cannot predict whether our common shares will trade above, at or below our net asset value. The risk of loss associated with this characteristic of closed-end investment companies may be greater for investors expecting to sell common shares purchased in this offering soon after the offering. In addition, if our common shares trade below their net asset value, we will generally not be able to issue additional common shares at their market price without first obtaining the approval of our stockholder and our independent directors to such issuance.

Provisions of the Maryland General Corporation Law and our charter and bylaws could deter takeover attempts and have an adverse impact on the price of our common shares.

The Maryland General Corporation Law and our charter and bylaws contain provisions that may have the effect of discouraging, delaying or making difficult a change in control of our company or the removal of our incumbent directors. We will be covered by the Business Combination Act of the Maryland General Corporation Law to the extent that such statute is not superseded by applicable requirements of the 1940 Act. However, our board of directors has adopted a resolution exempting us from the Business Combination Act any business combination between us and any person to the extent that such business combination receives the prior approval of our board, including a majority of our directors who are not interested persons as defined in the 1940 Act.

Under our charter, our board of directors is divided into three classes serving staggered terms, which will make it more difficult for a hostile bidder to acquire control of us. In addition, our board of directors may, without stockholder action, authorize the issuance of shares of stock in one or more classes or series, including preferred stock. See "Description of Capital Stock." Subject to compliance with the 1940 Act, our board of directors may, without stockholder action, amend our charter to increase the number of shares of stock of any class or series that we have authority to issue. The existence of these provisions, among others, may have a negative impact on the price of our common shares and may discourage third party bids for ownership of our company. These provisions may prevent any premiums being offered to you for shares of our common shares.

If a substantial number of our common shares becomes available for sale and are sold in a short period of time, the market price of our common shares could decline.

If our stockholders sell substantial amounts of our common shares in the public market following this offering, the market price of our common shares could decrease. Upon completion of this offering we will have common shares outstanding. Of these shares, the shares sold in this offering will be freely tradeable. We and our executive officers and directors will be subject to agreements with the underwriters that restrict our and their ability to transfer our stock for a period of 180 days from the date of this prospectus. The 180-day restricted period will be automatically extended if (1) during the last 17 days of the 180-day restricted period the Company issues an earning release to material news or a material event relating to the Company occurs or (2) prior to the expiration of the 180-day restricted period, the Company announces that it will release earnings results or becomes aware that material news or a material event will occur during the 16-day period beginning on the last day of the 180-day restricted period, in which case the restrictions described above will continue to apply until the expiration of the 18-day period beginning on the issuance of the earnings release or the occurrence of the material news or material event. Our other current stockholders, other than holders of warrants exerciseable into 185,006 of our common shares, will be subject to agreements that restrict their ability to transfer our stock for a period of 90 days from the date of this offering, subject to limited exceptions. See "Shares Eligible for Future Resale" and "Underwriting." After the lock-up agreements expire, an aggregate of additional common shares will be eligible for sale in the public market in accordance with Rule 144 under the Securities Act. See "Shares Eligible for Future Sale."

If you purchase our common shares in this offering, you will experience immediate dilution.

If you purchase our common shares in this offering, you will experience immediate dilution of $ per share because the price that you pay will be greater than the pro forma net asset value per share of the shares you acquire. This dilution is in large part due to the expenses incurred by us in connection with the consummation of this offering and the fact that our earlier investors paid, on average, less than the initial public offering price per share when they purchased their shares.

There will be dilution of the value of our common shares when the warrants are exercised or if we issue common shares below our net asset value.

As a result of our private placement completed in January 2006 and our bridge financing completed in December 2006, warrants were issued permitting the holders thereof to acquire 957,130 of our common shares upon payment of the exercise price. The warrants we have issued represent the right to purchase, in the aggregate, % of our common shares upon completion of this offering. These warrants will become exercisable upon the completion of this offering of our common shares. The issuance of additional common shares upon the exercise of the warrants, if the warrants are exercised at a time when the exercise price is less than the net asset value per share of our common shares, will have a dilutive effect on the value of our common shares sold in this offering. In addition, if we sell our common shares below net asset value, our net asset value will decrease immediately following such issuance. Our stockholders granted us authority to sell our common shares below net asset value, subject to certain conditions. This authority extends through our 2008 annual meeting, currently expected to occur in April 2008.

ELECTION TO BE REGULATED AS A BUSINESS DEVELOPMENT COMPANY

We will elect to be regulated as a BDC under the 1940 Act and have, since the completion of our private placement in January 2006, been investing as if we were a BDC. There can be no assurance that we will be successful in maintaining our status as a BDC.

Our intended election to be regulated as a BDC will require certain actions and effect a number of changes to our activities and policies.

Investment Reporting

In accordance with the requirements of Article 6 of Regulation S-X, we will report all of our investments, including loans, at market value or, for investments that do not have a readily available market value, their "fair value" as determined in good faith by our board of directors. Subsequent changes in these values will be reported through our statement of operations under the caption of "unrealized appreciation (depreciation) on investments." See "Determination of Net Asset Value."

Distributions Policy

We intend, subject to adjustment in the discretion of our board of directors, to pay out substantially all of the amounts we receive as cash or paid-in-kind distributions on equity securities we own and interest payments on debt securities we own, less current or anticipated operating expenses, current income taxes on our income and our leverage costs. On August 4, 2006, our board of directors declared a $0.05 per common share special distribution and a $0.09 per common share quarterly distribution. Both distributions were paid to stockholders on September 1, 2006. On November 30, 2006, our board of directors declared and paid a $0.20 per common share quarterly distribution. We anticipate making, for our first fiscal quarter this year, a distribution of up to $0.10 per common share to our current stockholders immediately following the completion of this offering. We anticipate that our next quarterly distribution following this offering will be paid on or about May 31, 2007.

See "Dividends" and "Management's Discussion and Analysis of Financial Condition and Results of Operation — Determining Dividends Distributed to Stockholders."

Warrants

Our outstanding warrants are exercisable upon the completion of this offering, subject to a lock-up period with respect to common shares received upon exercise of warrants of 90 calendar days immediately following this offering. Each warrant will entitle the holder thereof to purchase one common share at the exercise price per common share of the greater of (i) $15.00 per common share or (ii) the net asset value of our common shares on the date of our election to become a BDC. All warrants will expire on the day before the sixth anniversary of this offering. No fractional warrant shares will be issued upon exercise of the warrants. We will pay to the holder of the warrant at the time of exercise an amount in cash equal to the current market value of any such fractional warrant shares. Our stockholders ratified the warrants issued in connection with our bridge financing and granted us the authority to issue additional warrants to purchase common shares, subject to certain conditions, at a special meeting held on January 4, 2007.

Exemptive Relief

Our Advisor and TYG have applied to the SEC for exemptive relief to permit TYG, TYY, TYN, us and our and their respective affiliates to take certain actions that otherwise would be prohibited by the 1940 Act. Unless and until we obtain an exemptive order, we will not co-invest with our affiliates in negotiated private placement transactions. We cannot guarantee that the requested relief will be granted by the SEC. Unless and until we obtain an exemptive order, our Advisor will not co-invest its proprietary accounts or other clients' assets in negotiated private transactions in which we invest. Until we receive exemptive relief, our Advisor will observe a policy for allocating opportunities among its clients that takes into account the amount of each client's available cash and its investment objectives. As a result of one or more of these situations, we may not be able to invest as much as we otherwise would in certain investments or may not be able to liquidate a position as quickly.

USE OF PROCEEDS

The net proceeds of this offering (assuming the mid-point of the range on the front cover of this prospectus) will be approximately $ after deducting the sales load (underwriting discount) and estimated offering expenses of $ paid by us. We will use approximately $18.9 million of the net proceeds to redeem the preferred stock issued in our bridge financing, as required by its terms, $ million of the net proceeds to repay the outstanding balance of our $15.0 million secured revolving credit facility with U.S. Bank, and the remainder of the net proceeds to make investments in accordance with our investment objective and to pay our operating expenses. The funds we borrow under the credit facility accrue interest at a rate equal to 1.75% plus the one month LIBOR quoted by the Bank from Telerate Page 3750, which interest rate was as of January , 2007. The credit facility expires on December 12, 2007. We anticipate that substantially all of the net proceeds of this offering will be used, as described above, within six to nine months; however, it could take a longer time to invest substantially all of the net proceeds. We have not allocated any portion of the net proceeds of this offering to any particular investment.

Pending investment, we expect the net proceeds of this offering will initially be invested in cash, cash equivalents, U.S. government securities and other high-quality debt investments that mature in one year or less from the date of investment.

DISTRIBUTIONS

On August 4, 2006, our board of directors declared a $0.05 per common share special distribution and a $0.09 per common share quarterly distribution. The special distribution was declared for the period from our inception through our second fiscal quarter and the quarterly distribution was declared for our third fiscal quarter. Both distributions were paid to stockholders on September 1, 2006. On November 30, 2006, our board of directors declared and paid a $0.20 per common share quarterly distribution. We anticipate making, for our first fiscal quarter this year, a distribution of up to $0.10 per common share to our current stockholders immediately following the completion of this offering. We anticipate that the following distribution, our next quarterly distribution following this offering, will be paid on or about May 31, 2007.

We intend, subject to adjustment in the discretion of our board of directors, to pay out substantially all of the amounts we receive as recurring cash or paid-in-kind distributions on equity securities we own and interest payments on debt securities we own, less current or anticipated operating expenses, current income taxes on our income and our leverage costs.

We intend to have an "opt out" dividend reinvestment plan following the completion of this offering. As a result, after the plan is effective, unless a stockholder opts out, distributions will be reinvested in our common shares pursuant to our dividend reinvestment plan. See "Certain U.S. Federal Income Tax Considerations" and "Dividend Reinvestment Plan."

As a BDC, we will be prohibited from paying distributions if doing so would cause us to fail to maintain the asset coverage ratios stipulated by the 1940 Act. Distributions also may be limited by the terms of any of our borrowings. It is our objective to invest our assets and structure our borrowings so as to permit stable and consistently growing distributions. However, there can be no assurances that we will achieve that objective or that our results will permit the payment of any cash distributions. For a more detailed discussion, see "Regulation." See also "Certain U.S. Federal Income Tax Considerations."

CAPITALIZATION

The following table sets forth (i) our actual capitalization as of November 30, 2006, (ii) our capitalization as adjusted to reflect our investments in Qwest Midstream Partners, LP and Millenium Midstream Partners, LP, $11.4 million outstanding under our $15.0 million secured revolving credit facility and the issuance of our Series A redeemable preferred stock, and (iii) our capitalization as further adjusted to reflect the effects of the sale of our common shares in this offering at an assumed public offering price of $ per share, after deducting the sales load (underwriting discounts) and offering expenses payable by us. You should read this table together with "Use of Proceeds" and our statement of assets and liabilities included elsewhere in this prospectus.

	Actual November 30, 2006	As adjusted	As further adjusted
Short-term investments	$ —	$ —	$ —
Investments	—	35,000,000(2)	
Short-Term Debt:			
Secured line of credit facility; $15,000,000 available	—	11,400,000(3)	
Preferred Shares			
Preferred shares, $0.001 par value, 10,000,000 shares authorized; 0 shares issued and outstanding actual; 1,233,333 issued and outstanding as adjusted; 0 shares issued and outstanding as further adjusted	—	18,499,995(4)	
Net Assets Applicable to Common Stockholders Consist of			
Warrants, no par value, 5,000,000 authorized; 772,124 issued and outstanding actual; 957,130 issued and outstanding as adjusted; 957,130 issued and outstanding as further adjusted	$ —		$ —
Common Stock, $0.001 par value, 100,000,000 shares authorized; 3,088,596 shares issued and outstanding actual; 3,088,596 shares issued and outstanding as adjusted; shares issued and outstanding as further adjusted(1)	—		—
Additional paid-in capital	—		—
Accumulated realized loss, net of income tax benefit	—		—
Net unrealized gain on investments, net of deferred tax expense	—		—
Net assets applicable to common stockholders	$ —	$ —	$ —

(1) Excludes common shares that may be issued pursuant to underwriter's overallotment option and that are issuable upon the exercise of outstanding warrants.

(2) Represents a $17,500,000 investment in Quest Midstream Partners, LP and a $17,500,000 investment in Millennium Midstream Partners, LP., each valued at its purchase price.

(3) Represents approximate amount outstanding as of January 1, 2007.

(4) Represents issuance of 1,233,333 Series A redeemable preferred shares in our bridge financing completed in December 2006.

DILUTION

Our net asset value as of November 30, 2006 was approximately $ million, or $ per common share. Net asset value per share represents the amount of our total assets minus our total liabilities, divided by the 3,088,596 common shares that were outstanding on November 30, 2006, excluding the effect of any warrants.

After giving effect to the sale of common shares in this offering at an assumed initial public offering price of $ per share (the midpoint of the range on the front cover of this preliminary prospectus) and after deducting the sales load (underwriting discount) and estimated offering expenses payable by us, our net asset value as of November 30, 2006 would have been approximately $ million, or $ per share. This represents an immediate increase in net asset value of $ per share to our existing stockholders and an immediate dilution of $ per share to new investors who purchase common shares in the offering at the assumed initial public offering price. The following table shows this immediate per share dilution:

Assumed initial public offering price per common share		$
Net asset value per common share as of November 30, 2006, before giving effect to this offering	$	
Increase in net asset value per common share attributable to new investors in this offering	$	
Net asset value per common share after this offering		$
Dilution per common share to new investors		$

The following table summarizes, as of November 30, 2006, the number of common shares purchased from us, the total consideration paid to us and the average price per share paid by existing stockholders and to be paid by new investors purchasing common shares in this offering, at an assumed initial public offering price of $ per share and before deducting the sales load and estimated offering expenses payable by us. This table does not assume the exercise of any outstanding warrants or the exercise of the underwriters' overallotment option.

	Common Shares Purchased		Total Consideration		Average Price Per Share
	Number	Percent	Amount	Percent	
Existing stockholders	3,088,596	%	$ 46,305,915	%	$ 14.99
New investors					$
Total		%	$	%	

To the extent the underwriters' overallotment option is exercised, or any outstanding warrants are exercised, there will be further reduction in the percentage of our common shares held by new investors.

The following table summarizes, as of November 30, 2006, the same information set forth in the table above, except, that the table below assumes the exercise of all outstanding warrants at the price of $ per share and the full exercise of the underwriters' overallotment option.

	Common Shares Purchased		Total Consideration		Average Price Per Share
	Number	Percent	Amount	Percent	
Existing stockholders	3,088,596	%	$ 46,305,915	%	$ 14.99
New investors					$
Total		%	$	%	

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with our financial statements and related notes and other financial information appearing elsewhere in this prospectus. In addition to historical information, the following discussion and other parts of this prospectus contain forward-looking information that involves risks and uncertainties. Our actual results could differ materially from those anticipated by such forward-looking information due to the factors discussed under "Risk Factors," "Forward-Looking Statements" and elsewhere in this prospectus.

Overview

We invest primarily in privately-held and micro-cap public energy companies focused on the midstream and downstream segments, and to a lesser extent the upstream segment. We believe companies in the energy infrastructure sector generally produce stable cash flows as a result of their fee-based revenues and have limited direct commodity price risk. Our goal is to provide our stockholders with a high level of total return, with an emphasis on dividends and dividend growth. We invest primarily in the equity securities of companies that we expect to pay us distributions on a current basis and provide us distribution growth.

We will elect to be regulated as a BDC under the 1940 Act. As a BDC, we will be subject to numerous regulations and restrictions. Unlike most investment companies, we are, and intend to continue to be, taxed as a general business corporation under the Code. See "Certain U.S. Federal Income Tax Considerations — Federal Income Taxation of the Company."

Critical Accounting Policies

The financial statements included in this prospectus are based on the selection and application of critical accounting policies, which require management to make significant estimates and assumptions. Critical accounting policies are those that are both important to the presentation of our financial condition and results of operations and require management's most difficult, complex or subjective judgments. While our critical accounting policies are discussed below, Note 2 in the notes to our financial statements included in this prospectus provides more detailed disclosure of all of our significant accounting policies.

Valuation of Portfolio Investments

We intend to invest primarily in illiquid securities that generally will be subject to restrictions on resale, will have no established trading market and will be valued on a quarterly basis. Fair value is intended to be the amount for which an investment could be exchanged in an orderly disposition over a reasonable period of time between willing parties other than in a forced liquidation or sale. Because of the inherent uncertainty of valuation, the fair values of such investments, which will be determined in accordance with procedures approved by our board of directors, may differ materially from the values that would have been used had a ready market existed for the investments. See "Determination of Net Asset Value."

Interest and Fee Income Recognition

Interest income will be recorded on an accrual basis to the extent that such amounts are expected to be collected. When investing in instruments with an original issue discount or payment-in-kind interest, we will accrue interest income during the life of the investment, even though we will not necessarily be receiving cash as the interest is accrued. Commitment and facility fees generally will be recognized as income over the life of the underlying loan, whereas due diligence, structuring, transaction service, consulting and management service fees for services rendered to portfolio companies generally will be recognized as income when services are rendered.

Security Transactions and Investment Income Recognition

Security transactions will be accounted for on the date the securities are purchased or sold (trade date). Realized gains and losses will be reported on an identified cost basis. Distributions received from our investments in limited partnerships generally are comprised of ordinary income, capital gains and return of capital from the limited partnerships. We record investment income and return of capital based on estimates made at the time such distributions are received. Such estimates are based on information available from each limited partnership and/or other industry sources. These estimates may subsequently be revised based on information received from the limited partnerships after their tax reporting periods are concluded, as the actual character of these distributions are not known until after our fiscal year-end.

Federal and State Income Taxation

We, as a corporation, are obligated to pay federal and state income tax on our taxable income. Our tax expense or benefit will be included in the Statement of Operations based on the component of income or gains (losses) to which such expense or benefit relates. Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

Portfolio and Investment Activity

We were formed as a Maryland corporation on September 8, 2005, commenced business operations December 8, 2005, completed a private placement of common shares and warrants on January 9, 2006 and completed a private placement of our Series A redeemable preferred stock and warrants in December 2006. As of January 1, 2007, our investment portfolio totaled $72.1 million, including equity investments in five portfolio companies representing approximately $67.6 million and a subordinated debt investment in one portfolio company representing $4.5 million.

In addition, as of January 1, 2007, we have entered into a term sheet with a prospective new portfolio company for a $15.0 million equity investment (of which we expect to identify one or more other investors to invest up to $7.0 million) in the midstream segment of the energy infrastructure sector. In addition, our Advisor's investment committee has approved an additional $0.5 million equity investment and an additional $2.5 million debt investment in Mowood, LLC. These investments are subject to finalization of our due diligence and approval process, as well as negotiation of definitive agreements with each prospective portfolio company and, as a result, may not result in completed investments. See "Portfolio Companies."

Our investments are expected to range between $5.0 million and $20.0 million per investment, although investment sizes may be smaller or larger than this targeted range. We currently expect our debt investments generally to have a term of five to ten years and to bear interest at either a fixed or floating rate.

Results of Operations

Distributions Received from Investments

We generate revenues in the form of interest payable on the debt investments that we hold, and in the form of capital gains and distributions on distribution-paying equity securities, warrants, options, or other equity interests that we have acquired in our portfolio companies. We currently intend to structure our debt investments to provide for quarterly interest payments. In addition to the cash yields received on our loans, in some instances, our loans may also include any of the following: end of term payments, exit fees, balloon payment fees or prepayment fees, any of which may be required to be included in our taxable income prior to receipt. In some cases we may structure debt investments to provide that interest is not payable in cash, or not entirely in cash, but is instead payable in securities of the issuer or is added to the principal of the debt. The amortization of principal on our debt investments may be deferred until maturity. We intend to acquire equity securities that pay cash distributions on a recurring or customized basis. We also expect to generate revenue in

the form of commitment, origination, structuring or diligence fees, fees for providing managerial assistance and possibly consulting fees.

After our formation on September 8, 2005, we completed our initial financing through a private placement of common shares and warrants on January 9, 2006. As a result, there is no period with which to compare our results of operations for the period from September 8, 2005 through November 30, 2005 or the fiscal quarters ended February 28, 2006, May 31, 2006 and August 31, 2006 or the fiscal year ended November 30, 2006.

Total distributions earned from our investments for the period from commencement of our operations through August 31, 2006 were $1,496,179. Of this amount, $1,014,086 was received from short term investments and $482,093 was received as interest income and gross distributions from portfolio company investments. We expect to generate additional investment income as we invest the net proceeds of this offering in U.S. energy infrastructure companies.

Expenses

As an externally managed investment company, our operating expenses consist primarily of the advisory fee, other administrative operating expenses and income taxes. Expenses during the period from December 8, 2005 through August 31, 2006 totaled $736,392. This amount consisted mainly of advisory fees of $469,527, professional fees of $145,298, director's fees of $56,672 and other general and administrative expenses. The current and deferred tax expense during the period from December 8, 2005 through August 31, 2006 totaled $259,634.

Determining Distributions to Stockholders

Our portfolio generates cash flow to us in the form of interest, distributions, and gain, loss and return of capital. When our board of directors determines the amount of any distribution we expect to pay our stockholders, it will review amounts generated by our investments, less our total expenses. The total amounts generated by our investments consists of both total income and return of capital, as we expect to invest in some entities generating distributions to us that include a return of capital component for accounting and tax purposes on our books. The total income received from our investments includes the amount received by us as cash distributions from equity investments, paid-in-kind distributions, and dividend and interest payments. Our total expenses includes current or anticipated operating expenses, and total leverage costs, if any.

On August 4, 2006, our board of directors declared a $0.05 per common share special distribution and a $0.09 per common share quarterly distribution. The special distribution was declared for the period from our inception through our second fiscal quarter and the quarterly distribution was declared for our third fiscal quarter. Both distributions were paid to stockholders on September 1, 2006. On November 30, 2006, our board of directors declared and paid a $0.20 per common share quarterly distribution. We anticipate making, for our first full fiscal quarter this year, a distribution of up to $0.10 per common share to our current stockholders immediately following the completion of this offering. We anticipate that the following distribution, our next quarterly distribution following this offering, will be paid on or about May 31, 2007. Our board of directors will review the distribution rate quarterly, and may adjust the quarterly distribution throughout the year. See "Distributions."

Taxation of our Distributions

We have invested, and intend to invest, primarily in partnerships and limited liability companies treated as partnerships for tax purposes, which generally have larger distributions of cash than the taxable income which they generate. Accordingly, we anticipate that the distributions we receive typically will include a return of capital component for accounting and tax purposes. Distributions declared and paid by us in any year generally will differ from our taxable income for that year, as such distributions may include the distribution of current year taxable income and returns of capital.

Unlike most investment companies, we have not elected, and do not intend to elect, to be treated as a RIC under the Code. Therefore, we are, and intend to continue to be, obligated to pay federal and applicable state corporate income taxes on our taxable income. On the other hand, we are not subject to the Code's diversification rules limiting the assets in which a RIC can invest. In addition, we are not subject to the Code's restrictions on the types of income that a RIC can recognize without adversely affecting its election to be treated as a RIC, allowing us the ability to invest in operating entities treated as partnerships for tax purposes, which we believe provide attractive investment opportunities. Finally, unlike a RIC, we are not effectively required by the Code to distribute substantially all of our income and capital gains. See "Certain U.S. Federal Income Tax Considerations." Unless a stockholder elects otherwise, following completion of this offering, our distributions will be reinvested in additional common shares through our dividend reinvestment plan. See "Dividend Reinvestment Plan."

We believe that reinvesting gains inside our company will enable us to grow our distributions to our stockholders, which will offer them an opportunity for an attractive total return. We may, in the future, make actual distributions to our stockholders of some or all of such net long-term capital gains. See "Certain U.S. Federal Income Tax Considerations."

Liquidity and Capital Resources

At the completion of our private placement in January 2006, we were capitalized with approximately $46.3 million of gross proceeds ($42.5 million of net proceeds) from the sale of 3,088,596 units. Each unit consisted of four of our common shares and one warrant to purchase one common share. On December 13, 2006, we entered into a $15.0 million secured revolving credit facility with U.S. Bank pursuant to which we have borrowed approximately $11.4 million for investment purposes as of January 1, 2007. We raised an additional $18.4 million of net proceeds for investment purposes in December 2006 in a bridge financing in which we issued 1,233,333 shares of Series A redeemable preferred stock and warrants to purchase 185,006 of our common shares.

We must redeem the preferred stock upon completion of this offering. The price at which each share of preferred stock is to be redeemed is equal to the original issue price ($15.00) plus (i) all accrued and unpaid dividends, and (ii) a redemption premium equal to 2% of the original issue price.

As of January 1, 2007, we have invested a total of $72.1 million in six portfolio companies. In addition, as of January 1, 2007, we have entered into a term sheet with a prospective new portfolio company for a $15.0 million equity investment (of which we expect to identify one or more other investors to invest up to $7.0 million) in the midstream segment of the energy infrastructure sector. Our Advisor's investment committee has also approved an additional $0.5 million equity investment and an additional $2.5 million debt investment in Mowood, LLC.

We expect to raise additional capital to support our future growth through future equity offerings, issuances of senior securities or future borrowings, to the extent permitted by the 1940 Act and our current credit facility. We generally may not issue additional common shares at a price below our net asset value (net of any sales load (underwriting discount)) without first obtaining approval of our stockholders and board of directors. Our stockholders granted us the authority to sell our common shares below net asset value, subject to certain conditions. This authority extends through our 2008 annual meeting, currently expected to occur in April 2008. We are restricted in our ability to incur additional debt by the terms of our credit facility.

Borrowings

On December 13, 2006, we entered into a $15.0 million secured revolving credit facility with U.S. Bank pursuant to which we have borrowed approximately $11.4 million for investment purposes as of January 1, 2007. Our obligation to repay U.S. Bank for any amounts borrowed under the credit facility is secured by a lien on all of our assets. We intend to repay all outstanding indebtedness under the credit facility immediately following the receipt of the proceeds of this offering, as required pursuant to the terms of the credit facility. For 120 days following such repayment, U.S. Bank is not obligated to allow us to draw on the credit facility. The funds we borrow under the credit facility accrue interest at a rate equal to 1.75% plus the

one month LIBOR quoted by the Bank from Telerate Page 3750, which interest rate was 5.32% as of January 2, 2007. The credit facility expires on December 12, 2007 and contains a covenant precluding us from incurring additional debt.

In the future we may fund additional investments through borrowings from banks or other lenders, issuing debt securities, or by creating a wholly-owned subsidiary that issues debentures to the SBA through an SBA program. On March 31, 2006, an application to be licensed by the SBA as a SBIC under Section 301(c) of the Small Business Investment Company Act of 1958 was filed on behalf of our to-be-formed wholly-owned subsidiary. If we are able to obtain financing under such program, we will be subject to regulation and oversight by the SBA, including requirements that we maintain certain minimum financial ratios, that our subsidiary invest in portfolio companies that do not exceed certain average net income or net worth guidelines established by the SBA, and other covenants imposed by the SBA. There can be no assurances that we will be able to incur debt on terms acceptable to us, obtain a SBIC license or be able to participate in the SBA-sponsored debenture program. See "Risk Factors — If a wholly-owned subsidiary of ours becomes licensed by the SBA, we, and that subsidiary, will be subject to SBA regulations."

Contractual Obligations

We have entered into an investment advisory agreement with our Advisor pursuant to which our Advisor has agreed to: (i) serve as our investment advisor in exchange for the consideration set forth therein; (ii) furnish us with the facilities and administrative services necessary to conduct our day-to-day operations and to provide on our behalf managerial assistance to certain of our portfolio companies; and (iii) grant us a non-exclusive royalty-free license to use the "Tortoise" name and other intellectual property. See "Advisor — Investment Advisory Agreement."

Payments under the investment advisory agreement in future periods will consist of: (i) a base management fee based on a percentage of the value of our Managed Assets, and (ii) an incentive fee, based on our investment income and our net capital gains. Our Advisor waived the portion of the incentive fee based on investment income until December 8, 2006. Our Advisor, and not us, pays the compensation and allocable routine overhead expenses of all investment professionals of its staff. Pursuant to the investment advisory agreement, we also pay our Advisor an amount equal to our allocable portion of overhead and certain other expenses incurred by our Advisor in performing its obligations under the investment advisory agreement. No payments are due with respect to the license granted to us under the investment advisory agreement. See "Advisor — Investment Advisory Agreement — Management Fees."

The investment advisory agreement may be terminated: (i) by us without penalty upon not more than 60 days written notice to the Advisor, or (ii) by the Advisor without penalty upon not less than 60 days written notice to us.

Our Advisor has also entered into a sub-advisory agreement with Kenmont. Kenmont is an investment advisor with experience investing in privately-held and public companies in the U.S. energy and power sectors. Kenmont provides additional contacts and enhances the number and range of potential investment opportunities in which we have the opportunity to invest. Kenmont Special Opportunities Master Fund LP purchased 666,666 of our common shares and 166,666 of our warrants in our private placement completed in January 2006 and purchased $8.05 million, or 536,666 shares, of our Series A redeemable preferred stock and 80,500 of our warrants to purchase common shares in our bridge financing completed in December 2006. Pursuant to the sub-advisory agreement with Kenmont, Kenmont (i) assists in identifying potential investment opportunities, subject to the right of Kenmont to first show investment opportunities that it identifies to other funds or accounts for which Kenmont is the primary advisor, (ii) assists, as requested by our Advisor but subject to a limit of 20 hours per month, in the analysis of investment opportunities, and (iii) if requested by our Advisor, will assist in hiring an additional investment professional for the Advisor who will be located in Houston, Texas and for whom Kenmont will make office space available. Kenmont does not make any investment decisions on our behalf, but will recommend potential investments to, and assist in the investment analysis undertaken by, our Advisor. Our Advisor compensates Kenmont for the services it provides to us. Our Advisor indemnifies and holds us harmless from any obligation to pay or reimburse Kenmont for any fees or expenses

incurred by Kenmont in providing such services to us. Kenmont will be indemnified by the Advisor for certain claims related to the services it provides and obligations assumed under the sub-advisory agreement. In addition to any termination rights we may have under the 1940 Act, the sub-advisory agreement between the Advisor and Kenmont may be terminated by our Advisor in limited circumstances.

We have also entered into an administration agreement with our Advisor pursuant to which our Advisor will act as our administrator and perform (or oversee or arrange for the performance of) the administrative services necessary for our operation, including, without limitation, providing us with equipment, clerical, book-keeping and record-keeping services. For these services we pay our Advisor a fee equal to 0.07% of our aggregate average daily managed assets up to and including $150 million, 0.06% of our aggregate average daily managed assets on the next $100 million, 0.05% of our aggregate average daily managed assets on the next $250 million and 0.02% on the balance of our aggregate average daily managed assets. This administration agreement was unanimously approved by our board of directors, including our independent directors, on November 13, 2006.

The following table summarizes our significant contractual payment obligations as of January 1, 2007.

		Payments Due by Year					
($ in millions)	Total	2007	2008	2009	2010	2011	After 2011
Secured revolving credit facility(1)	11.4	11.4					
Series A redeemable preferred stock(2)	18.9	18.9					
Total contractual obligations	30.3	30.3					

(1) At January 1, 2007, the outstanding balance under the credit facility was $11.4 million. The credit facility expires on December 12, 2007.

(2) We must redeem the preferred stock upon the completion of this offering.

Other than the investment advisory agreement and the administration agreement with our Advisor, we do not have any off-balance sheet arrangement that has or is reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures, or capital resources.

Quantitative and Qualitative Disclosure About Market Risk

Our business activities contain elements of market risk. We consider changes in interest rates and the effect such changes can have on the valuations of distribution-paying equity securities and fixed rate debt securities to be our principal market risk. We consider the management of risk essential to conducting our businesses. Accordingly, our risk management systems and procedures are designed to identify and analyze our risks, to set appropriate policies and limits and to continually monitor these risks and limits by means of reliable administrative and information systems and other policies and programs. Our investment income is affected by changes in various interest rates, including LIBOR and prime rates.

SENIOR SECURITIES

The following table sets forth information about our outstanding senior securities as of January 1, 2007, based on our total assets as of November 30, 2006 plus the value of the investments made since that time, at cost. The " — " indicates information which is not required to be disclosed for certain types of senior securities.

Title of Securities	Total Amount Outstanding Exclusive of Treasury Securities	Asset Coverage per Unit(1)	Involuntary Liquidation Preference per Unit(2)	Average Market Value per Unit(3)
Series A Redeemable Preferred Stock(4)	$ 18,500,000	$ 36.07	$ 15 (5)	n/a
Secured Revolving Credit Facility(6)	$ 11,400,000	$ 6,307	$ —	n/a

(1) The asset coverage ratio for a class of senior securities representing indebtedness is calculated as our total assets, less all liabilities and indebtedness not represented by senior securities, divided by senior securities representing indebtedness. This asset coverage ratio is multiplied by $1,000 to determine the Asset Coverage per Unit. The asset coverage ratio for a class of senior securities that is preferred stock is calculated as our total assets, less all liabilities and indebtedness not represented by senior securities, divided by senior securities representing indebtedness, plus the involuntary liquidation preference of the preferred stock (see footnotes 2 and 5). The Asset Coverage per Unit for preferred stock is expressed in terms of dollar amounts per share and is calculated by multiplying the coverage ratio by the $15 per share liquidation preference.

(2) The amount to which such class of senior security would be entitled upon the involuntary liquidation of the issuer in preference to any security junior to it.

(3) Not applicable, as senior securities are not registered for public trading.

(4) In December 2006 we issued 1,233,333.12 shares of Series A redeemable preferred stock in a bridge financing. We intend to redeem the outstanding preferred stock immediately following the receipt of the proceeds of this offering.

(5) In the event of our liquidation, either voluntary or involuntary, the holders of Series A redeemable preferred stock are entitled to receive, prior and in preference to any distribution of any of our assets to the holders of common shares or any other class or series of our capital stock by reason of their ownership thereof, an amount per share equal to $15.00, plus all accrued and unpaid cumulative dividends thereon to the date of liquidation.

(6) On December 13, 2006, we entered into a $15.0 million secured revolving credit facility with U.S. Bank. We intend to repay all outstanding indebtedness under the credit facility immediately following the receipt of the proceeds of this offering.

THE COMPANY

We invest primarily in privately-held and micro-cap public energy companies focused on the midstream and downstream segments, and to a lesser extent the upstream segment. We believe companies in the energy infrastructure generally produce stable cash flows as a result of their fee-based revenue and limited direct commodity price risk. Our goal is to provide our stockholders with a high level of total return, with an emphasis on dividends and dividend growth. We invest primarily in the equity securities of companies that we expect to pay us distributions on a current basis and provide us distribution growth. Under normal conditions, we intend to invest at least 90% of our total assets (including assets obtained through leverage) in companies in the energy infrastructure sector. Companies in the energy infrastructure sector include (i) companies that derive a majority of their revenues from activities within the midstream, downstream and upstream segments of the energy infrastructure sector, and (ii) companies that derive a majority of their revenues from providing products or services to such companies.

Companies in the midstream segment of the energy infrastructure sector engage in the business of transporting, processing or storing natural gas, natural gas liquids, coal, crude oil, refined petroleum products and renewable energy resources. Companies in the downstream segment of the energy infrastructure sector engage in distributing or marketing such commodities and companies in the upstream segment of the energy infrastructure sector engage in exploring, developing, managing, or producing such commodities. Our investments are expected to range between $5.0 million and $20.0 million per investment, although investment sizes may be smaller or larger than this targeted range.

We raised approximately $46.3 million of gross proceeds ($42.5 million of net proceeds) in a private placement of 3,066,667 common shares and 766,643 warrants completed in January 2006. On December 13, 2006, we entered into a $15.0 million secured revolving credit facility with U.S. Bank pursuant to which we have borrowed approximately $11.4 million for investment purposes as of January 1, 2007. We raised an additional $18.4 million of net proceeds for investment purposes in December 2006 in a bridge financing in which we issued 1,233,333 shares of Series A redeemable preferred stock and warrants to purchase 185,006 of our common shares. As of January 1, 2007, we have invested a total of $72.1 million in six companies in the U.S. energy infrastructure sector. Of the $72.1 million, we have invested $67.6 million in the midstream and downstream segments of the U.S. energy infrastructure sector and $4.5 million in the upstream segment of the U.S. energy infrastructure sector.

The following table summarizes our investments in portfolio companies as of January 1, 2007. Except for Eagle Rock Energy Partners, L.P., all of our investment securities were purchased directly from the portfolio company and none of our portfolio securities are publicly traded.

Company (Segment)	Principal Business	Funded Investment	Expected Current Yield
Eagle Rock Energy Partners, L.P. (Midstream)			%(2)
	Parent holding company of Eagle Rock Pipeline, L.P., a gatherer and processor of natural gas in north and east Texas	$8.6 million in unregistered LP Interests(1)	
		$3.5 million in registered LP Interests(1)	8.07.6%(2)
High Sierra Energy, LP Midstream)			%(2)
		$14.8 million in LP Interests	
	Diversified midstream operations primarily in Colorado, Wyoming and Florida	$0.2 million in GP option(3)	9.9n/a
Quest Midstream Partners, LP (Midstream)	Operator of natural gas gathering pipeline network	$17.5 million in LP Interests	9.2%(2)
Millennium Midstream Partners, LP (Midstream)	Gatherer and processor of natural gas in Texas, Louisiana and offshore Gulf of Mexico	$17.5 million in LP Interests and incentive distribution rights	8.5%(2)
Mowood, LLC (Downstream)		$1.0 million in LLC Units	%(4)
	Natural gas distribution with in central Missouri Department of Defense contract through 2014	$4.5 million in unsecured subordinated debt	10.012.0%
Legacy Reserves LP (Upstream)	Oil and natural gas exploitation and development in the Permian Basin	$4.5 million in LP Interests	9.6%(2)
	Total Investments	$72.1 million	

(1) On March 27, 2006 we purchased $12.5 million in LP Interests in Eagle Rock Pipeline, L.P. (“Eagle Rock Pipeline”). In connection with the initial public offering on October 24, 2006 of Eagle Rock Energy Partners, L.P. (“Eagle Rock Energy”), the parent of Eagle Rock Pipeline, 100% of our LP Interests in Eagle Rock Pipeline were converted into 498,847 unregistered common units representing LP Interests in Eagle Rock Energy. At the time of the initial public offering of Eagle Rock Energy, we also received a distribution of approximately $3.4 million in cash on our LP Interest in Eagle Rock Pipeline and purchased, for approximately $3.5 million, 185,000 freely tradable common units of Eagle Rock Energy. On November 21, 2006, the underwriters of Eagle Rock Energy’s initial public offering partially exercised their option to purchase additional common units. Eagle Rock Energy used a portion of the proceeds of that sale to redeem 24,776 of our unregistered common units, resulting in a distribution to us of approximately $0.5 million.

(2) The expected current yield has been calculated by annualizing the most recent or anticipated recurring distribution and dividing by the amount invested in the underlying security. Actual distributions to us are based on each company’s available cash flow. Distributions may be above or below the expected current yield.

(3) In addition to our purchase of LP Interests, we also obtained an option to buy 3% of the general partner of High Sierra Energy, LP, High Sierra Energy GP, LLC. The option may be exercised anytime prior to May 2, 2007.

(4) Represents an equity distribution on our invested capital. We expect that, subject to cash availability, such equity distributions will recur on an annual basis at or above such yield.

As of January 1, 2007, we have entered into a term sheet with a prospective new portfolio company for a $15.0 million equity investment (of which we expect to identify one or more other investors to invest up to $7.0 million) in the midstream segment of the energy infrastructure sector. In addition, our Advisor's investment committee has approved an additional $0.5 million equity investment and an additional $2.5 million debt investment in Mowood, LLC. We currently expect to fund these investments from our credit facility and the proceeds of this offering. The consummation of each investment will depend upon satisfactory completion of our due diligence investigation of the prospective portfolio company, our confirmation and acceptance of the investment terms, structure and financial covenants, the execution and delivery of final binding agreements in a form mutually satisfactory to the parties, the absence of any material adverse change and the receipt of any necessary consents. At this time, the final forms of our investments remain subject to additional negotiations with these companies.

We are an externally managed, non-diversified closed end investment company that intends to elect to be regulated as a BDC under the 1940 Act. Following our intended election to be regulated as a BDC, we will be subject to numerous regulations and restrictions.

Our Advisor

We are managed by Tortoise Capital Advisors, a registered investment advisor specializing in the energy infrastructure sector that had approximately $2.2 billion of assets under management on January 1, 2007, including the assets of three publicly traded closed-end management investment companies focused on the energy infrastructure sector. Our Advisor's aggregate managed capital is among the largest of investment advisors managing closed-end management companies focused on the energy infrastructure sector. Our Advisor created TYG, the first publicly traded closed-end management company focused primarily on investing in MLPs in the energy infrastructure sector. Our Advisor also manages TYY, a publicly traded closed-end management company focused primarily on investing in MLPs and their affiliates in the energy infrastructure sector, and TYN, a publicly traded closed-end management company focused primarily on energy infrastructure investments in public companies in the United States and in Canada. Our Advisor has no prior experience managing a BDC, which will be subject to different regulations than the other closed-end management investment companies managed by our Advisor. The members of our Advisor's investment committee have an average of 20 years of financial investment experience.

Our Advisor is controlled by Kansas City Equity Partners, L.L. ("KCEP") and Fountain Capital.

Our Advisor has 20 full time employees. Four of our Advisor's senior investment professionals are responsible for the origination, negotiation, structuring and managing of our investments. These four senior investment professionals have almost 70 years of combined experience in energy, leveraged finance and private equity investing. Each of our Advisor's investment decisions will be reviewed and approved by its investment committee, which also acts as the investment committee for TYG, TYY and TYN. TYG, TTY and TYN generally target investments in publicly traded companies with market capitalizations in excess of $300 million. We generally target investments in companies that are privately-held, have market capitalizations of less than $100 million and are earlier in their state of development. If TYG, TYY or TYN were ever to target investment opportunities similar to ours, our Advisor intends to allocate investment opportunities in a fair and equitable manner consistent with our investment objective and strategies and in accordance with written allocation policies of our Advisor, so that we will not be disadvantaged in relation to any other client. See "Risk Factors — Risks related to our Operations."

Our Advisor has retained Kenmont as a sub-advisor. Kenmont is a Houston, Texas-based registered investment advisor with experience investing in privately-held and public companies in the U.S. energy and power sectors. Kenmont provides additional contacts to us and enhances our number and range of potential investment opportunities. The principals of Kenmont have collectively created and managed private equity portfolios in excess of $1.5 billion and have over 50 years of experience working for investment banks, commercial banks, accounting firms, operating companies and money management firms. Kenmont has no prior experience managing a BDC. Our Advisor compensates Kenmont for the services it provides to us. Our Advisor also indemnifies and holds us harmless from any obligation to pay or reimburse Kenmont for any fees

or expenses incurred by Kenmont in providing such services to us. An affiliate of Kenmont is expected to own approximately % of the Company's outstanding common shares upon completion of this offering and warrants to purchase an additional 247,166 common shares. In addition, an affiliate of Kenmont owns $8.05 million, or 536,666 shares, of our Series A redeemable preferred stock. We intend to redeem all of our outstanding preferred stock with the proceeds of this offering. See "Advisor — Sub-Advisor Arrangement."

U.S. Energy Infrastructure Sector Focus

We pursue our investment objective by investing principally in a portfolio of privately-held and micro-cap public companies in the U.S. energy infrastructure sector. The energy infrastructure sector can be broadly categorized as follows:

- *Midstream* — the gathering, processing, storing and transmission of energy resources and their byproducts in a form that is usable by wholesale power generation, utility, petrochemical, industrial and gasoline customers, including pipelines, gas processing plants, liquefied natural gas facilities and other energy infrastructure.
- *Downstream* — the refining, marketing and distribution of refined energy sources, such as customer-ready natural gas, natural gas liquids, propane and gasoline, to end-user customers, and customers engaged in the generation, transmission and distribution of power and electricity.
- *Upstream* — the development and extraction of energy resources, including natural gas, crude oil and coal from onshore and offshore geological reservoirs as well as from renewable sources, including agricultural, thermal, solar, wind and biomass.

We focus our investments in the midstream and downstream segments, and to a lesser extent the upstream segment, of the U.S. energy infrastructure sector. We also intend to allocate our investments among asset types and geographic regions within the U.S. energy infrastructure sector.

We believe that the midstream segment of the U.S. energy infrastructure sector will provide attractive investment opportunities as a result of the following factors:

- *Strong Supply and Demand Fundamentals.* The U.S. is the largest consumer of crude oil and natural gas products, the third largest producer of crude oil and the second largest producer of natural gas products in the world. The United States Department of Energy's Energy Information Administration, or EIA, annually projects that domestic natural gas and refined petroleum products consumption will increase by 0.8% and 1.1%, respectively, through 2030. The midstream energy infrastructure segment provides the critical link between the suppliers of crude oil, natural gas, refined products and other forms of energy, whether domestically-sourced or imported, and the end-user. Midstream energy infrastructure companies are typically asset-intensive, with minimal variable cost requirements, providing operating leverage that allows them to generate attractive cash flow growth even with limited demand-driven or supply-driven growth.
- *Substantial Capital Requirements.* We believe, based on industry sources, that approximately $20 billion of capital was invested in the midstream segment of the U.S. energy infrastructure sector during 2006. We believe that additional capital expenditures in the U.S. energy infrastructure sector will result from the signing of the Energy Policy Act of 2005 on August 8, 2005, which incorporates a number of incentives for additional investments in the energy infrastructure sector including business investment tax credits and accelerated tax depreciation.
- *Substantial Asset Ownership Realignment.* We believe that in the midstream and downstream segments of the U.S. energy infrastructure sector, the acquisition and divestiture market has averaged approximately $40 billion of annual transactions between 2001 and 2006. We believe that such activity, particularly in the midstream segment, will continue as: larger integrated companies with high cost structures continue to divest energy infrastructure assets to smaller, more entrepreneurial companies; MLPs continue to pursue acquisitions to drive distribution

growth; and private equity firms seek to aggregate midstream U.S. energy infrastructure assets for contribution to existing or newly-formed MLPs or other public or private entities.

We believe the downstream segment of the U.S. energy infrastructure sector also will provide attractive investment opportunities as a result of the following factors:

- *Strong Demand Fundamentals.* We believe that long-term projected growth in demand for the natural gas and refined petroleum products delivered to end-users by the downstream segment of the U.S. energy infrastructure sector, combined with the 1.5% annual growth in domestic power consumption projected by the EIA through 2030, will result in continued capital expenditures and investment opportunities in the downstream segment of the U.S. energy infrastructure sector.
- *Requirements to Develop New Downstream Infrastructure.* With the trend towards increased heavy crude supply, high "light-heavy" crude oil pricing differentials and the impact of recent domestic capital-intensive environmental mandates, we believe that existing downstream infrastructure will require new capital investment to maintain an aging asset base as well as to upgrade the asset base to respond to the evolution of supply and environmental regulations.
- *Substantial Number of Downstream Companies.* There are numerous domestic companies in the downstream segment of the U.S. energy infrastructure sector. For example, it is estimated by industry sources that over 8,000 retail propane companies operate in the U.S., and the EIA reports there are 114 domestic natural gas local distribution companies. We believe the substantial number of domestic companies in the downstream segment of the U.S. energy infrastructure sector provides consolidation opportunities, particularly among propane distributors.
- *Renewable Energy Resources Opportunities.* The increasing domestic demand for energy, recently passed energy legislation and the rising cost of carbon-based energy supplies have all encouraged a renewed and growing interest in renewable energy resources. We believe that downstream renewable energy resource assets will be brought on-line, particularly for producing and processing ethanol. The demand for related project financing is expected to be significant and we believe will provide investment opportunities consistent with our investment objective.

Although not part of our core focus, we believe the upstream segment of the U.S. energy infrastructure sector will benefit from strong long-term demand fundamentals and will provide attractive investment opportunities as a result of the following factors:

- *Substantial Asset Ownership Realignment.* We believe that in the upstream segment of the U.S. energy infrastructure sector, the property acquisition and divestiture market has averaged $38 billion of annual transactions between 2001 and 2006. During such period, of those transactions for which values have been reported, more than 78% have a value of less than $100 million. We believe this activity has been largely independent of commodity price fluctuations, and instead, has been driven by a combination of strategic business decisions and the desire to efficiently deploy capital. We believe that the fundamental factors that drive the upstream segment of the U.S. energy infrastructure sector acquisition and divestiture market will cause the level of activity to remain consistent with historical levels for the foreseeable future.
- *Substantial Number of Small and Middle Market Companies.* We believe that there are more than 900 private domestic exploration and production businesses and more than 140 publicly-listed domestic exploration and production companies. Small and middle market exploration and production companies play an important role in the upstream segment of the U.S. energy infrastructure sector, with a significant share of all domestic natural gas production and crude oil and natural gas drilling activity.
- *Increasing Importance of MLP Market for Upstream Energy Companies.* We believe that there will continue to be an increasing number of MLPs operating in the upstream segment of the

energy infrastructure sector. We believe that attractive investment opportunities exist in those upstream MLPs whose cash distributions allow them to reserve funds to be used for the replacement of depleted assets. We also believe that the ratio of subordinated units to common units in a typical MLP structure helps mitigate the commodity exposure of the upstream MLPs for their common unit investors.

Market Opportunity

We believe the environment for investing in privately-held and micro-cap public companies in the energy infrastructure sector is attractive for the following reasons:

- *Increased Demand Among Small and Middle Market Private Companies for Capital.* We believe many private and micro-cap public companies have faced increased difficulty accessing the capital markets due to a continuing preference by investors for issuances in larger companies with more liquid securities. Such difficulties have been magnified in asset-focused and capital intensive industries such as the U.S. energy infrastructure sector. We believe that the energy infrastructure sector's high level of projected capital expenditures and continuing acquisition and divestiture activity will provide us with numerous attractive investment opportunities.
- *Investment Activity Private Equity Capital Sponsors.* We believe there is a large pool of uninvested private equity capital available for private and micro-cap public companies, including those involved in the energy infrastructure sector. Given the anticipated positive long-term supply and demand dynamics of the energy industry and the current and expected public market valuations for companies involved in certain sectors of the energy industry, private equity capital has been increasingly attracted to the energy infrastructure sector. In particular, we believe that the public market valuations of many MLPs will cause private equity firms to invest in and aggregate smaller energy infrastructure assets. We also expect those private equity firms to combine their capital with equity or mezzanine debt investors sources such as ourselves.
- *Finance Market for Small and Middle Market Energy Companies is Underserved by Many Capital Providers.* We believe that many lenders have, in recent years, de-emphasized their service and product offerings to small and middle market energy companies in favor of lending to large corporate clients and managing capital markets transactions. We believe, in addition, that many capital providers lack the necessary technical expertise to evaluate the quality of the underlying assets of small and middle market private companies and micro-cap public companies in the energy infrastructure sector and lack a network of relationships with such companies.
- *Attractive Companies with Limited Access to Other Capital.* We believe there are, and will continue to be, attractive companies that will benefit from private equity investments prior to a public offering of their equity, whether as an MLP or otherwise. We also believe that there are a number of companies in the midstream and downstream segments of the U.S. energy infrastructure sector with the same stable cash flow characteristics as those being acquired by MLPs or funded by private equity capital in anticipation of contribution to an MLP. We believe that many such companies are not being acquired by MLPs or attracting private equity capital because they do not produce income that qualifies for inclusion in an MLP pursuant to the applicable U.S. Federal income tax laws, are perceived by such investors as too small, or are in areas of the midstream energy infrastructure segment in which most MLPs do not have specific expertise. We believe that these companies represent attractive investment candidates for us.

Competitive Advantages

We believe that we are well positioned to meet the financing needs of the U.S. energy infrastructure sector for the following reasons:

- *Existing Investment Platform with Experience and Focus on the Energy Infrastructure Sector.* We believe that our Advisor's current investment platform provides us with significant

advantages in sourcing, evaluating, executing and managing investments. On January 1, 2007, our Advisor managed investments of approximately $2.2 billion in the energy infrastructure sector, including the assets of three publicly traded closed-end management investment companies focused on the energy infrastructure sector. Our Advisor created the first publicly traded closed-end management investment company focused primarily on investing in MLPs involved in the energy infrastructure sector, and its aggregate managed capital is among the largest of those closed-end management investment company advisors focused on the energy infrastructure sector.

- *Experienced Management Team.* The members of our Advisor's investment committee have an average of over 20 years of financial investment experience. Our Advisor's four senior investment professionals are responsible for the negotiation, structuring and managing of our investments and have almost 70 years of combined experience in energy, leveraged finance and private equity investing. We believe that as a result of this extensive experience, the members of our Advisor's investment committee and the Advisor's senior investment professionals have developed strong reputations in the capital markets, particularly in the energy infrastructure sector, that we believe affords us a competitive advantage in identifying and investing in energy infrastructure companies.

- *Disciplined Investment Philosophy.* In making its investment decisions, our Advisor intends to continue the disciplined investment approach that it has utilized since its founding. That investment approach emphasizes significant current income with the potential for enhanced returns through dividend growth, capital appreciation, low volatility and minimization of downside risk. Our Advisor's investment process involves an assessment of the overall attractiveness of the specific subsector of the energy infrastructure segment in which a company is involved; the prospective portfolio company's specific competitive position within that subsector; potential commodity price, supply and demand and regulatory concerns; the stability and potential growth of the prospective portfolio company's cash flows; the prospective portfolio company's management track record and incentive structure and our Advisor's ability to structure an attractive investment.

- *Flexible Transaction Structuring.* We are not subject to many of the regulatory limitations that govern traditional lending institutions such as commercial banks. As a result, we can be flexible in structuring investments and selecting the types of securities in which we invest. Our Advisor's senior investment professionals have substantial experience in structuring investments that balance the needs of energy infrastructure companies with appropriate risk control.

- *Extended Investment Horizon.* Unlike private equity and venture capital funds, we are not subject to standard periodic capital return requirements. These provisions often force private equity and venture capital funds to seek returns on their investments through mergers, public equity offerings or other liquidity events more quickly than may otherwise be desirable, potentially resulting in both a lower overall return to investors and an adverse impact on their portfolio companies. We believe our flexibility to make investments with a long-term view and without the capital return requirements of traditional private investment funds enhances our ability to generate attractive returns on invested capital.

Targeted Investment Characteristics

We anticipate that our targeted investments will have the following characteristics:

- *Long-Life Assets with Stable Cash Flows and Limited Commodity Price Sensitivity.* We anticipate that most of our investments will be made in companies with assets having the potential to generate stable cash flows over long periods of time. We intend to invest a portion of our assets in companies that own and operate assets with long useful lives and that generate cash flows by providing critical services primarily to the producers or end-users of energy. We

expect to limit the direct exposure to commodity price risk in our portfolio. We intend to target companies that have a majority of their cash flows generated by contractual obligations.

- *Experienced Management Teams with Energy Infrastructure Focus.* We intend to make investments in companies with management teams that have a track record of success and who often have substantial knowledge and focus in particular segments of the energy infrastructure sector or with certain types of assets. We expect that our management team's extensive experience and network of business relationships in the energy infrastructure sector will allow us to identify and attract portfolio company management teams that meet these criteria.
- *Fixed Asset-Intensive.* We anticipate that most of our investments will be made in companies with a relatively significant base of fixed assets that we believe will provide for reduced downside risk compared to making investments in companies with lower relative fixed asset levels. As fixed asset-intensive companies typically have less variable cost requirements, we expect they will generate attractive cash flow growth even with limited demand-driven or supply-driven growth.
- *Limited Technological Risk.* We do not intend to target investment opportunities involving the application of new technologies or significant geological, drilling or development risk.
- *Exit Opportunities.* We focus our investments on prospective portfolio companies that we believe will generate a steady stream of cash flow to generate returns on our investments, as well as allow such companies to reinvest in their respective businesses. We expect that such internally generated cash flow will lead to distributions or the repayment of the principal of our investments in portfolio companies and will be a key means by which we monetize our investments over time. In addition, we seek to invest in companies whose business models and expected future cash flows offer attractive exit possibilities. These companies include candidates for strategic acquisition by other industry participants and companies that may repay, or provide liquidity for, our investments through an initial public offering of common MLP units, common stock or other capital markets transactions. We believe our Advisor's investment experience will help us identify such companies.

Investment Overview

Our portfolio primarily is, and we expect it to continue to be, comprised of equity and debt securities acquired through individual investments of approximately $5.0 million to $20.0 million in privately-held and micro-cap public companies in the U.S. energy infrastructure sector. It is anticipated that any publicly traded companies in which we invest will have a market capitalization of less than $100 million.

Investment Selection

Our Advisor uses an investment selection process modeled after the investment selection process utilized by our Advisor in connection with the publicly traded closed-end funds it manages, TYG, TYY and TYN. Four of our Advisor's senior investment professionals, Messrs. Matlack, Mojica, Russell and Schulte, will be responsible for the negotiation, structuring and managing of our investments, and will operate under the oversight of our Advisor's investment committee.

Target Portfolio Company Characteristics

We have identified several quantitative, qualitative and relative value criteria that we believe are important in identifying and investing in prospective portfolio companies. While these criteria provide general guidelines for our investment decisions, we caution you that not all of these criteria may be met by each prospective portfolio company in which we choose to invest. Generally, we intend to utilize our access to information generated by our Advisor's investment professionals to identify prospective portfolio companies and to structure investments efficiently and effectively.

Midstream and Downstream Segment Focus

We focus on prospective companies in the midstream and downstream segments, and to a lesser extent the upstream segment, of the U.S. energy infrastructure sector.

Qualified Management Team

We generally require that our portfolio companies have an experienced management team with a verifiable track record in the relevant product or service industry. We will seek companies with management teams having strong technical, financial, managerial and operational capabilities, established appropriate governance policies, and proper incentives to induce management to succeed and act in concert with our interests as investors, including having meaningful equity investments.

Current Yield Plus Growth Potential

We focus on prospective portfolio companies with a distinct value orientation in which we can invest at relatively low multiples of operating cash flow, that generate a current cash return at the time of investment and that possess good prospects for growth. Typically, we would not expect to invest in start-up companies or companies having speculative business plans.

Distributions Received from Investments

We generate revenues in the form of capital gains and distributions on dividend-paying equity securities, warrants, options, or other equity interests that we have acquired in our portfolio companies and in the form of interest payable on the debt investments that we hold. We intend to acquire equity securities that pay cash distributions on a recurring or customized basis. We currently intend to structure our debt investments to provide for quarterly or other periodic interest payments. In addition to the cash yields received on our investments, in some instances, our investments may also include any of the following: end of term payments, exit fees, balloon payment fees or prepayment fees, any of which may be required to be included in income prior to receipt. In some cases we may structure debt investments to provide that interest is not payable in cash, or not entirely in cash, but is instead payable in securities of the issuer or is added to the principal of the debt. The amortization of principal on our debt investments may be deferred until maturity. We also expect to generate revenue in the form of commitment, origination, structuring, or diligence fees, fees for providing managerial assistance, and possibly consulting fees.

Strong Competitive Position

We focus on prospective portfolio companies that have developed strong market positions within their respective markets and that are well positioned to capitalize on growth opportunities. We seek to invest in companies that demonstrate competitive advantages that should help to protect their market position and profitability.

Sensitivity Analyses

We generally perform sensitivity analyses to determine the effects of changes in market conditions on any proposed investment. These sensitivity analyses may include, among other things, simulations of changes in energy commodity prices, changes in interest rates, changes in economic activity and other events that would affect the performance of our investment. In general, we will not commit to any proposed investment that will not provide at least a minimum return under any of these analyses and, in particular, the sensitivity analysis relating to changes in energy commodity prices.

Investment Process and Due Diligence

In conducting due diligence, our Advisor uses available public information and information obtained from its relationships with former and current management teams, vendors and suppliers to prospective portfolio companies, investment bankers, consultants and other advisors. Although our Advisor uses research

provided by third parties when available, primary emphasis is placed on proprietary analysis and valuation models conducted and maintained by our Advisor's in-house investment professionals.

The due diligence process followed by our Advisor's investment professionals is highly detailed and structured. Our Advisor exercises discipline with respect to company valuation and institutes appropriate structural protections in our investment agreements. After our Advisor's investment professionals undertake initial due diligence of a prospective portfolio company, our Advisor's investment committee will approve the initiation of more extensive due diligence by our Advisor's investment professionals. At the conclusion of the diligence process, our Advisor's investment committee is informed of critical findings and conclusions. The due diligence process typically includes:

- review of historical and prospective financial information;
- review and analysis of financial models and projections;
- for many midstream and upstream investments, review of third party engineering reserve reports and internal engineering reviews;
- on-site visits;
- legal reviews of the status of the potential portfolio company's title to any assets serving as collateral and liens on such assets;
- environmental diligence and assessments;
- interviews with management, employees, customers and vendors of the prospective portfolio company;
- research relating to the prospective portfolio company's industry, regulatory environment, products and services and competitors;
- review of financial, accounting and operating systems;
- review of relevant corporate, partnership and other loan documents; and
- research relating to the prospective portfolio company's management and contingent liabilities, including background and reference checks using our Advisor's industry contact base and commercial data bases and other investigative sources.

Additional due diligence with respect to any investment may be conducted on our behalf by our legal counsel and accountants, as well as by other outside advisors and consultants, as appropriate.

Upon the conclusion of the due diligence process, our Advisor's investment professionals present a detailed investment proposal to our Advisor's investment committee. The Advisor's four senior investment professionals have over 70 years of combined experience in energy, leveraged finance and private equity investing. The members of our Advisor's investment committee have an average of over 20 years of financial investment experience. All decisions to invest in a portfolio company must be approved by the unanimous decision of our Advisor's investment committee.

Investment Structure and Types of Investments

Once our Advisor's investment committee has determined that a prospective portfolio company is suitable for investment, we work with the management of that company and its other capital providers, including other senior and junior debt and equity capital providers, if any, to structure an investment. We negotiate among these parties to agree on how our investment is expected to perform relative to the other capital in the portfolio company's capital structure. We may invest up to 30% of our total assets in assets that are non qualifying assets in among other things, high yield bonds, bridge loans, distressed debt, commercial loans, private equity, securities of public companies or secondary market purchases of securities of target portfolio companies.

The types of securities in which we may invest include, but are not limited to, the following:

Equity Investments

We expect our equity investments will likely consist of common or preferred equity (generally limited partner interests and limited liability company interests) that is expected to pay distributions on a current basis. Preferred equity generally has a preference over common equity as to distributions on liquidation and distributions. In general, we expect that our equity investments will not be control-oriented investments and we may acquire equity securities as part of a group of private equity investors in which we are not the lead investor. In many cases, we also may obtain registration rights in connection with these equity interests, which may include demand and "piggyback" registration rights.

In addition to limited partner interests and limited liability company interests, we may also purchase common and preferred stock, convertible securities, warrants and depository receipts of companies that are organized as corporations, limited partnerships or limited liability companies.

Debt Investments

Our debt investments may be secured or unsecured. In general, our debt investments will not be control-oriented investments and we may acquire debt securities as a part of a group of investors in which we are not the lead investor. We anticipate structuring a significant amount of our debt investments as mezzanine loans. Mezzanine loans typically are unsecured, and usually rank subordinate in priority of payment to senior debt, such as senior bank debt, but senior to common and preferred equity, in a borrowers' capital structure. We expect to invest in a range of debt investments generally having a term of five to ten years and bearing interest at either a fixed or floating rate. These loans typically will have interest-only payments in the early years, with amortization of principal deferred to the later years of the term of the loan.

In addition to bearing fixed or variable rates of interest, mezzanine loans also may provide an opportunity to participate in the capital appreciation of a borrower through an equity interest. We expect this equity interest will typically be in the form of a warrant. Due to the relatively higher risk profile and often less restrictive covenants, as compared to senior loans, mezzanine loans generally earn a higher return than senior loans. The warrants associated with mezzanine loans are typically detachable, which allows lenders to receive repayment of principal while retaining their equity interest in the borrower. In some cases, we anticipate that mezzanine loans may be collateralized by a subordinated lien on some or all of the assets of the borrower.

In some cases, our debt investments may provide for a portion of the interest payable to be payment-in-kind interest. To the extent interest is payment-in-kind, it will likely be payable through the increase of the principal amount of the loan by the amount of interest due on the then-outstanding aggregate principal amount of such loan.

We tailor the terms of our debt investments to the facts and circumstances of the transaction and the prospective portfolio company, negotiating a structure that aims to protect our rights and manage risk while creating incentives for the portfolio company to achieve its business plan and improve its profitability. For example, in addition to seeking a position senior to common and preferred equity in the capital structure of our portfolio companies, we will seek, where appropriate, to limit the downside potential of our debt investments by:

- requiring a total return on our investments (including both interest and potential equity appreciation) that compensates us for our credit risk;
- incorporating "put" rights and call protection into the investment structure; and
- negotiating covenants in connection with our investments that afford portfolio companies as much flexibility in managing their businesses as possible, consistent with preservation of our capital. Such restrictions may include affirmative and negative covenants, default penalties, lien

protection, change of control provisions and board rights, including either observation or participation rights.

As described above, our debt investments may include equity features, such as warrants or options to buy a minority interest in the portfolio company. Warrants we receive in connection with an investment in debt may require only a nominal cost to exercise, and thus, as a portfolio company appreciates in value, we may achieve additional investment return from this equity interest. We may structure the warrants to provide provisions protecting our rights as a minority-interest holder, as well as puts, or rights to sell such securities back to the portfolio company, upon the occurrence of specified events. In certain cases, we also may obtain registration rights in connection with these equity interests, which may include demand and "piggyback" registration rights.

Investments

We believe that our Advisor's expertise in investing in small and middle market companies in the midstream and downstream segments of the U.S. energy infrastructure sector, and our Advisor's experience as an investment advisor in the energy infrastructure sector, positions our Advisor to identify and capitalize on desirable investment opportunities. In addition, we believe that our Advisor's regular contact with companies in the energy infrastructure sector, investment bankers engaged in financing and merger and acquisition advisory work, and other professionals providing services to growth companies in the energy infrastructure sector, will contribute to the number of quality investment opportunities that we can evaluate.

We have invested approximately $72.1 million in six portfolio companies in the energy infrastructure sector through the acquisition of limited liability company units, limited partnership interests, incentive distribution rights, an option to purchase a general partner interest and a debenture. For a more detailed description of these investments, see "Portfolio Companies."

Ongoing Relationships with Portfolio Companies

Monitoring

The investment professionals of our Advisor monitor each portfolio company to determine progress relative to meeting the company's business plan and to assess the appropriate strategic and tactical courses of action for the company. This monitoring may be accomplished by attendance at board of directors meetings, the review of periodic operating reports and financial reports, an analysis of relevant reserve information and capital expenditure plans, and periodic consultations with engineers, geologists, and other experts. The performance of each portfolio company is also periodically compared to performance of similarly sized companies with comparable assets and businesses to assess performance relative to peers. Our Advisor's monitoring activities are expected to provide it with the necessary access to monitor compliance with existing covenants, to enhance its ability to make qualified valuation decisions, and to assist its evaluation of the nature of the risks involved in each individual investment. In addition, these monitoring activities should permit our Advisor to diagnose and manage the common risk factors held by our total portfolio, such as sector concentration, exposure to a single financial sponsor, or sensitivity to a particular geography.

As part of the monitoring process, our Advisor continually assesses the risk profile of each of our investments and rates them on a scale of 1 to 3 based on the following categories:

(1) The portfolio company is performing at or above expectations and the trends and risk factors are generally favorable to neutral.

(2) The portfolio company is performing below expectations and the investment's risk has increased materially since origination. The portfolio company is generally out of compliance with various covenants; however, payments are generally not more than 120 days past due.

(3) The portfolio company is performing materially below expectations and the investment risk has substantially increased since origination. Most or all of the covenants are out of

compliance and payments are substantially delinquent. Investment is not expected to provide a full repayment of the amount invested.

As of the date of this prospectus, all of our portfolio companies have a rating of (1).

Managerial Assistance

The investment professionals of our Advisor make available, and will provide upon request, significant managerial assistance to our portfolio companies. This assistance may involve, among other things, monitoring the operations of our portfolio companies, participating in board and management meetings, consulting with and advising the management teams of our portfolio companies, assisting in the formulation of their strategic plans, and providing other operational, organizational and financial consultation. Involvement with each portfolio company will vary based on a number of factors.

Valuation Process

We value our portfolio in accordance with U.S. generally accepted accounting principles and will rely on multiple valuation techniques, reviewed on a quarterly basis by our board of directors. As most of our investments are not expected to have market quotations, our board of directors will undertake a multi-step valuation process each quarter, as described below:

- *Investment Team Valuation.* Each portfolio company or investment will initially be valued by the investment professionals of the Advisor responsible for the portfolio investment. As a part of this process, materials will be prepared containing their supporting analysis.
- *Investment Committee Valuation.* The investment committee of our Advisor will review the investment team valuation report and determine valuations to be considered by the board of directors.
- *Independent Valuation Firm Activity.* Our board of directors has retained an independent valuation firm, Duff & Phelps, LLC, to review, as requested from time to time by the independent directors, the valuation report provided by our Advisor's investment committee and to provide valuation assistance in reviewing if the valuations are unreasonable.
- *Final Valuation Determination.* Our board of directors will consider the investment committee valuations, including supporting documentation, and analysis of Duff & Phelps, LLC, if applicable, and determine the fair value of each investment in our portfolio in good faith.

Competition

We compete with public and private funds, commercial and investment banks and commercial financing companies to make the types of investments that we plan to make in the U.S. energy infrastructure sector. Many of our competitors are substantially larger and have considerably greater financial, technical and marketing resources than us. For example, some competitors may have a lower cost of funds and access to funding sources that are not available to us. In addition, some of our competitors may have higher risk tolerances or different risk assessments, allowing them to consider a wider variety of investments and establish more relationships than us. Furthermore, many of our competitors are not subject to the regulatory restrictions that the 1940 Act would impose on us as a result of our election to be regulated as a BDC. These competitive conditions may adversely affect our ability to make investments in the energy infrastructure sector and could adversely affect our distributions to stockholders.

Brokerage Allocation and Other Practices

Since we will generally acquire and dispose of our investments in privately negotiated transactions, we infrequently will use brokers in the normal course of our business. Subject to policies established by our board of directors, we do not expect to execute transactions through any particular broker or dealer, but will seek to obtain the best net results for us, taking into account such factors as price (including the applicable

brokerage commission or dealer spread), size of order, difficulty of execution and operational facilities of the firm and the firm's risk and skill in positioning blocks of securities. While we will generally seek reasonably competitive trade execution costs, we will not necessarily pay the lowest spread or commission available. Subject to applicable legal requirements, we may select a broker based partly on brokerage or research services provided to us. In return for such services, we may pay a higher commission than other brokers would charge if it determines in good faith that such commission is reasonable in relation to the services provided.

Proxy Voting Policies

We, along with our Advisor have adopted proxy voting policies and procedures ("Proxy Policy"), that we believe are reasonably designed to ensure that proxies are voted in our best interests and the best interests of our stockholders. Subject to its oversight, the board of directors has delegated responsibility for implementing the Proxy Policy to our Advisor.

In the event requests for proxies are received with respect to the voting of equity securities, on routine matters, such as election of directors or approval of auditors, the proxies usually will be voted with management unless our Advisor determines it has a conflict or our Advisor determines there are other reasons not to vote with management. On non-routine matters, such as amendments to governing instruments, proposals relating to compensation and stock option and equity compensation plans, corporate governance proposals and stockholder proposals, our Advisor will vote, or abstain from voting if deemed appropriate, on a case by case basis in a manner it believes to be in the best economic interest of our stockholders. In the event requests for proxies are received with respect to debt securities, our Advisor will vote on a case by case basis in a manner it believes to be in the best economic interest of our stockholders.

Our Chief Executive Officer is responsible for monitoring our actions and ensuring that (i) proxies are received and forwarded to the appropriate decision makers, and (ii) proxies are voted in a timely manner upon receipt of voting instructions. We are not responsible for voting proxies we do not receive, but will make reasonable efforts to obtain missing proxies. Our Chief Executive Officer will implement procedures to identify and monitor potential conflicts of interest that could affect the proxy voting process, including (i) significant client relationships, (ii) other potential material business relationships, and (iii) material personal and family relationships. All decisions regarding proxy voting will be determined by our Advisor's investment committee and will be executed by our Chief Executive Officer. Every effort will be made to consult with the portfolio manager and/or analyst covering the security. We may determine not to vote a particular proxy, if the costs and burdens exceed the benefits of voting (e.g., when securities are subject to loan or to share blocking restrictions).

If a request for proxy presents a conflict of interest between our stockholders on one hand, and our Advisor, the principal underwriters, or any affiliated persons of ours, on the other hand, our management may (i) disclose the potential conflict to the board of directors and obtain consent, or (ii) establish an ethical wall or other informational barrier between the persons involved in the conflict and the persons making the voting decisions.

Staffing

We do not currently have or expect to have any employees. Services necessary for our business will be provided by individuals who are employees of our Advisor, pursuant to the terms of the investment advisory agreement. Each of our executive officers described under "Management" is an employee of our Advisor or Fountain Capital.

Properties

Our office is located at 10801 Mastin Boulevard, Suite 222, Overland Park, Kansas 66210.

Legal Proceedings

Neither we nor our Advisor are currently subject to any material legal proceedings.

PORTFOLIO COMPANIES

As of January 1, 2007, we had invested a total of $72.1 million in six portfolio companies in the U.S. energy infrastructure sector. The following table sets forth a brief description of each portfolio company and a description of the investment we have made in each such company. We may on occasion hold seats on the board of directors of a portfolio company and endeavor to obtain board observation rights with respect to our portfolio companies. For additional information regarding our portfolio companies see our Schedule of Investments included in this prospectus

Name of Portfolio Company (Segment)	Nature of its Principal Business	Title of Securities Held by Us	Percentage of Class Held	Funded Investment
Eagle Rock Energy Partners, L.P. (Midstream)		Unregistered LP Interests(1)	*	$8.6 million
	Parent holding company of Eagle Rock Pipeline, L.P., a gatherer and processor of natural gas	Registered LP Interests(1)	*	$3.5 million
High Sierra Energy, LP (Midstream)		LP Interests	11.1%	$14.8 million
	Diversified midstream operations primarily in Colorado, Wyoming and Florida	GP Option(2)	n/a	$0.2 million
Quest Midstream Partners, LP (Midstream)	Operator of natural gas gathering pipeline network	LP Interests	9.5%	$17.5 million
Millennium Midstream Partners, LP (Midstream)		LP Interests	14.3%	$17.5 million
	Gatherer and processor of natural gas in Texas, Louisiana and offshore Gulf of Mexico	Incentive Distribution Rights	7.8%	
Mowood, LLC(3) (Downstream)		LLC Units	100%	$1.0 million
	Natural gas distribution in central Missouri	Subordinated Debt	100%	$4.5 million
Legacy Reserves LP (Upstream)	Oil and natural gas exploitation and development	LP Interests	1.4%	$4.5 million
	Total Investments			$72.1 million

* Less than 1%

(1) On March 27, 2006 we purchased $12.5 million in LP Interests in Eagle Rock Pipeline, L.P. (“Eagle Rock Pipeline”). In connection with the initial public offering on October 24, 2006 of Eagle Rock Energy Partners, L.P. (“Eagle Rock Energy”), the parent of Eagle Rock Pipeline, 100% of our LP Interests in Eagle Rock Pipeline were converted into 498,847 unregistered common units representing LP Interests in Eagle Rock Energy. We have shelf and piggyback registration rights for these unregistered common units. At the time of the initial public offering of Eagle Rock Energy, we also received a distribution of approximately $3.4 million in cash on our LP Interest in Eagle Rock Pipeline and purchased, for approximately $3.5 million, 185,000 freely tradable common units of Eagle Rock Energy. On November 21, 2006, the underwriters of Eagle Rock Energy’s initial public offering partially exercised their option to purchase additional common

units. Eagle Rock Energy used a portion of the proceeds of that sale to redeem 24,776 of our unregistered common units, resulting in a distribution to us of approximately $0.5 million.

(2) In addition to our purchase of LP Interests, we also obtained an option to buy 3% of the general partner of High Sierra Energy, LP, High Sierra Energy GP, LLC. The option may be exercised anytime prior to May 2, 2007.

(3) We currently have the right to appoint both members of the Management Committee of Mowood.

Portfolio Company Descriptions

Eagle Rock Energy Partners, L.P. ("Eagle Rock Energy")

Eagle Rock Energy was formed by a management team with significant midstream operating experience in companies such as Enbridge Inc. and Dynegy Inc. and funded by their equity sponsor, Natural Gas Partners, LLC. The company conducts its operations through Eagle Rock Pipeline, L.P. ("Eagle Rock Pipeline"), which identifies, purchases and improves under-performing gathering and processing assets. We purchased $12.5 million of LP Interests in Eagle Rock Pipeline on March 27, 2006. On October 25, 2006, Eagle Rock Energy undertook an initial public offering of its common units representing limited partner interests ("Common Units"). In connection with that initial public offering, our LP Interests in Eagle Rock Pipeline were converted into 498,847 unregistered Common Units of Eagle Rock Energy We have shelf and piggyback registration rights for these unregistered Common Units. In connection with the initial public offering of Eagle Rock Energy, we also received a distribution of approximately $3.4 million in cash on our LP Interests and purchased, for approximately $3.5 million, 185,000 freely tradable Common Units of Eagle Rock Energy. On November 21, 2006, the underwriters of Eagle Rock Energy's initial public offering partially exercised their option to purchase additional Common Units. Eagle Rock Energy used a portion of the proceeds of that sale to redeem 24,776 of our unregistered Common Units, resulting in a distribution to us of approximately $0.5 million. Eagle Rock Energy's principal office is located at 14950 Heathrow Forest Pkwy., Suite 111, Houston, TX 77032.

High Sierra Energy, LP ("High Sierra")

High Sierra is a holding company with diversified midstream energy assets focused on the processing, transportation and marketing of hydrocarbons. The management team of High Sierra includes former executives and founders of midstream private and public companies focused on acquiring attractive assets at reasonable multiples. To date, the company's purchased assets include a natural gas liquids logistics and transportation business in Colorado, natural gas gathering and processing operations in Louisiana, a natural gas storage facility in Mississippi, an ethanol terminal in Nevada, crude and natural gas liquids trucking businesses in Kansas and Colorado, a well water processing facility in Wyoming and two asphalt processing, packaging and distribution terminals in Florida. The company has raised in excess of $100 million in equity. On November 2, 2006, we invested $14.8 million in LP Units of High Sierra and $0.2 million in an option to purchase a 3% general partner interest in High Sierra Energy GP, LLC, the general partner of High Sierra. High Sierra's principal offices are located at 3773 Cherry Creek Drive North, Suite 655, Denver, CO 80209.

Quest Midstream Partners, LP ("Quest")

Quest was formed by the spin-off of Quest Resource Corporation's midstream coal bed methane natural gas gathering assets. Quest Resource Corporation is an independent publicly traded energy company with an emphasis on the acquisition, production, exploration and development of coal bed methane in southeastern Kansas and northeastern Oklahoma. Quest operates a natural gas gathering pipeline network of approximately 1,500 miles which primarily services Quest Resource Corporation. We purchased $17.5 million of LP Interests in Quest on December 22, 2006. Quest's principal office is located at 9520 North May Street Suite 300 Oklahoma City, Oklahoma 73120.

Millennium Midstream Partners, LP ("Millennium")

Millennium is a natural gas gathering and processing company with assets in Texas, Louisiana, and offshore in the Gulf of Mexico. Millennium's gathering business consists of over 500 miles of pipelines and its processing business consists of interests in six plants. On December 28, 2006, we purchased LP Interests and incentive distribution rights in Millennium for $17.5 million. Millennium's principal office is located at 10077 Grogans Mill Rd., Suite 200, The Woodlands, TX 77380.

Mowood, LLC ("Mowood")

We purchased 100% ownership in Mowood, a holding company whose sole asset is a wholly-owned operating company, Omega Pipeline, LLC ("Omega"). Omega is a natural gas local distribution company located on Fort Leonard Wood in southwest Missouri. Omega is in the second year of a ten-year contract with the Department of Defense pursuant to which it provides natural gas to Fort Leonard Wood. We invested $1.0 million in LLC units and purchased a $4.5 million subordinated debenture on June 1, 2006. Mowood's principal office is located at P.O. Box 2861, Ordinance Street, Building 2570, Fort Leonard Wood, MO 65473.

Legacy Reserves LP ("Legacy")

Legacy has purchased, and expects to continue to purchase, mature properties in the Permian Basin in Western Texas that generate stable volumes of oil and natural gas with low rates of decline. Legacy focuses on the exploitation of proved developed reserves, instead of the more risky exploration of undeveloped reserves and has hedged over 60% of production volumes expected over the next five years. We purchased $4.5 million of LP Interests in Legacy on March 6, 2006. Legacy's principal office is located at 303 West Wall, Suite 1500, Midland, TX 79701. Legacy has filed a registration statement with the SEC for an initial public offering of its LP Interests.

PORTFOLIO MANAGEMENT

Our board of directors provides the overall supervision and review of our affairs. Management of our portfolio is the responsibility of our Advisor's investment committee. Our Advisor's investment committee is composed of five senior investment professionals, all of whom are managers of our Advisor. Our Advisor has four senior investment professionals who are responsible for the negotiation, structuring and managing of our investments. Those senior investment professionals are Messrs. Matlack, Mojica, Russell and Schulte, of whom Messrs. Mojica and Russell are exclusively dedicated to our activities. The Advisor's four senior investment professionals have almost 70 years of combined experience in energy, leveraged finance and private equity investing. For biographical information about our Advisor's investment professionals, see "Advisor."

Investment Committee

Management of our portfolio will be the responsibility of our Advisor's investment committee. Our Advisor's investment committee is comprised of its five Managing Directors: H. Kevin Birzer, Zachary A. Hamel, Kenneth P. Malvey, Terry C. Matlack and David J. Schulte. All decisions to invest in a portfolio company must be approved by the unanimous decision of our Advisor's investment committee and any one member of our Advisor's investment committee can require our Advisor to sell a security. Biographical information about each member of our Advisor's investment committee is set forth under "Management — Directors and Officers," below. Information regarding the amount of our securities owned by each member of our Advisor's investment committee is set forth under the heading "Control Persons and Principal Stockholders."

The following table provides information about the other accounts managed on a day-to-day basis by each member of our Advisor's investment committee as of August 31, 2006:

Name of Manager	Number of Accounts	Total Assets of Accounts	Number of Accounts Paying a Performance Fee	Total Assets of Accounts Paying a Performance Fee
H. Kevin Birzer				
Registered investment companies	3	$ 1,658,879,925	0	
Other pooled investment vehicles	4	$ 183,338,193	0	
Other accounts	173	$ 1,907,811,657	0	
Zachary A. Hamel				
Registered investment companies	3	$ 1,658,879,925	0	
Other pooled investment vehicles	4	$ 183,338,193	0	
Other accounts	173	$ 1,907,811,657	0	
Kenneth P. Malvey				
Registered investment companies	3	$ 1,658,879,925	0	
Other pooled investment vehicles	4	$ 183,338,193	0	
Other accounts	173	$ 1,907,811,657	0	
Terry C. Matlack				
Registered investment companies	3	$ 1,658,879,925	0	
Other pooled investment vehicles	1	$ 27,000,000	1	$ 27,000,000
Other accounts	152	$ 181,810,314	0	
David J. Schulte				
Registered investment companies	3	$ 1,658,879,925	0	
Other pooled investment vehicles	1	$ 27,000,000	1	$ 27,000,000
Other accounts	152	$ 161,810,314	0	

None of Messrs. Birzer, Hamel, Malvey, Matlack or Schulte receives any direct compensation from the Company or any other of the managed accounts reflected in the table above. All such accounts are managed by the Advisor, Fountain Capital or KCEP. Messrs. Schulte and Matlack are full-time employees of the Advisor and receive a fixed salary for the services they provide. Fountain Capital is paid a fixed monthly fee, subject to adjustment, for the services of Messrs. Birzer, Hamel or Malvey. Each of Messrs. Birzer, Hamel, Malvey, Matlack and Schulte own an equity interest in either KCEP or Fountain Capital, the two entities that control the Advisor, and each thus benefits from increases in the net income of the Advisor, KCEP or Fountain Capital.

MANAGEMENT

Directors and Officers

Our business and affairs are managed under the direction of our board of directors. Accordingly, our board of directors provides broad supervision over our affairs, including supervision of the duties performed by our Advisor. Certain employees of our Advisor are responsible for our day-to-day operations. The names, ages and addresses of our directors and officers and specified employees of our Advisor, together with their principal occupations and other affiliations during the past five years, are set forth below. Each director and officer will hold office for the term to which he is elected and until his successor is duly elected and qualifies, or until he resigns or is removed in the manner provided by law. Unless otherwise indicated, the address of each director and officer is 10801 Mastin Boulevard, Suite 222, Overland Park, Kansas 66210. Our board of directors consists of a majority of directors who are not "interested persons" (as defined in the 1940 Act) of our Advisor or its affiliates. The directors who are "interested persons" (as defined in the 1940 Act) are referred to as "Interested Directors." Under our Charter, the board is divided into three classes. Each class of directors will hold office for a three year term. However, the initial members of the three classes have initial terms of one, two and three years, respectively. At each annual meeting of our stockholders, the successors to the class of directors whose terms expire at such meeting will be elected to hold office for a term expiring at the annual meeting of stockholders held in the third year following the year of their election and until their successors are duly elected and qualify.

The directors and officers of the Company and their principal occupations and other affiliations during the past five years are set forth below. Each director and officer will hold office until his successor is duly elected and qualified, or until he resigns or is removed in the manner provided by law. The address of each director and officer is 10801 Mastin Boulevard, Suite 222, Overland Park, Kansas 66210.

Name and Age	Position(s) Held with Company, Term of Office and Length of Time Served	Principal Occupation During Past Five Years	Number of Portfolios in Fund Complex Overseen by Director(1)	Other Board Positions Held by Director
Independent Directors				
Conrad S. Ciccotello, 46	Class III Director since 2005	Tenured Associate Professor of Risk Management and Insurance, Robinson College of Business, Georgia State University (faculty member since 1999); Director of Graduate Personal Financial Planning Programs; Editor, "Financial Services Review," (an academic journal dedicated to the study of individual financial management); formerly, faculty member, Pennsylvania State University.	4	None

Name and Age	Position(s) Held with Company, Term of Office and Length of Time Served	Principal Occupation During Past Five Years	Number of Portfolios in Fund Complex Overseen by Director(1)	Other Board Positions Held by Director
Independent Directors (continued)				
John R. Graham, 61	Class II Director since 2005	Executive-in-Residence and Professor of Finance, College of Business Administration, Kansas State University (has served as a professor or adjunct professor since 1970); Chairman of the Board, President and CEO, Graham Capital Management, Inc., primarily a real estate development and investment company and a venture capital company; Owner of Graham Ventures, a business services and venture capital firm; formerly, CEO, Kansas Farm Bureau Financial Services, including seven affiliated insurance or financial service companies (1979-2000).	4	Erie Indemnity Company; Erie Family Life Insurance Company; Kansas State Bank
Charles E. Heath, 64	Class I Director since 2005	Retired in 1999. Formerly, Chief Investment Officer, GE Capital's Employers Reinsurance Corporation (1989-1999). Chartered Financial Analyst ("CFA") since 1974.	4	None
Interested Directors and Officers(2)				
H. Kevin Birzer, 47	Class II Director and Chairman of the Board since 2005	Managing Director of the Advisor since 2002; Partner, Fountain Capital (1990-present); Vice President, Corporate Finance Department, Drexel Burnham Lambert (1986-1989); formerly, Vice President, F. Martin Koenig & Co., an investment management firm (1983-1986).	4	None
Terry C. Matlack, 50	Class I Director and Chief Financial Officer since 2005	Managing Director of the Advisor since 2002; Managing Director, KCEP (2001-present); formerly, President, GreenStreet Capital, a private investment firm (1998-2001).	4	None
David J. Schulte, 45	President and Chief Executive Officer since 2005	Managing Director of the Advisor since 2002; Managing Director, KCEP (1993-present); CFA since 1992.	N/A	None

Name and Age	Position(s) Held with Company, Term of Office and Length of Time Served	Principal Occupation During Past Five Years	Number of Portfolios in Fund Complex Overseen by Director(1)	Other Board Positions Held by Director
Interested Directors and Officers (2) (continued)				
Zachary A. Hamel, 41	Senior Vice President and Secretary since 2005	Managing Director of the Advisor since 2002; Partner with Fountain Capital (1997-present).	N/A	None
Kenneth P. Malvey, 41	Senior Vice President and Treasurer since November 2005	Managing Director of the Advisor since 2002; Partner, Fountain Capital Management (2002-present); formerly, Investment Risk Manager and member of the Global Office of Investments, GE Capital's Employers Reinsurance Corporation (1996-2002).	N/A	None

(1) This number includes TYG, TYY, TYN and us. Our Advisor also serves as the investment advisor to TYG, TYY and TYN.

(2) As a result of their respective positions held with the Advisor or is affiliates, these individuals are considered "interested persons" within the meaning of the 1940 Act.

Audit Committee

Our board of directors has a standing Audit Committee that consists of three directors of the Company who are not "interested persons" (within the meaning of the 1940 Act) ("Independent Directors"). The Audit Committee's function is to select independent registered public accounting firm to conduct the annual audit of our financial statements, review with the independent registered public accounting firm the outline, scope and results of this annual audit and review the performance and approval of all fees charged by the independent registered public accounting firm for audit, audit-related and other professional services. In addition, the Audit Committee meets with the independent registered public accounting firm and representatives of management to review accounting activities and areas of financial reporting and control. For purposes of the Sarbanes-Oxley Act, the Audit Committee has at least one member who is deemed to be a financial expert. The Audit Committee operates under a written charter approved by the Board of Directors. The Audit Committee meets periodically, as necessary and held one meeting during fiscal 2006. The Audit Committee members are Mr. Ciccotello (Chairman), Mr. Graham, and Mr. Heath.

Nominating, Corporate Governance and Compensation Committee

We have a Nominating, Corporate Governance and Compensation Committee (the "Committee") that consists exclusively of three Independent Directors. The Committee's function is: (1) to identify individuals qualified to become Board members, consistent with criteria approved by the Board, and to recommend to the Board the director nominees for the next annual meeting of stockholders and to fill any vacancies; (2) to monitor the structure and membership of Board committees; (3) to recommend to the Board director nominees for each committee; (4) review issues and developments related to corporate governance issues and develop and recommend to the Board corporate governance guidelines and procedures; (5) evaluate and make recommendations to the Board regarding director compensation; and (6) oversee the evaluation of the Board and management. The Committee will consider stockholder recommendations for nominees for membership to the Board so long as such recommendations are made in accordance with our Bylaws. The members of the Committee are Conrad S. Cicotello, John R. Graham (Chairman) and Charles E. Heath. The Committee meets periodically as necessary and did not meet during fiscal 2006.

Compensation Table

Our directors and officers who are interested persons receive no salary or fees from us. Each Independent Director receives from us an annual retainer of $8,000 and a fee of $2,000 (and reimbursement for related expenses) for each meeting of the Board or Audit Committee he or she attends in person (or $1,000 for each Board or Audit Committee meeting attended telephonically, or for each Audit Committee meeting attended in person that is held on the same day as a Board meeting). Independent Directors also receive $1,000 for each other committee meeting attended in person or telephonically (other than Audit Committee meetings). The Chairman of the Audit Committee receives an additional annual retainer of $4,000.

The table below sets forth the compensation paid to our board of directors during fiscal 2006. We do not compensate our officers. No director or officer is entitled to receive pension or retirement benefits from us and no director received any compensation from us other than in cash.

Director Compensation

Name and Position with the Company	Fees Earned or Paid in Cash	Total
Independent Directors		
Conrad S. Ciccotello	$ 25,030	$ 25,030
John R. Graham	$ 22,030	$ 22,030
Charles E. Heath	$ 21,030	$ 21,030
Interested Directors		
H. Kevin Birzer	$0	$0
Terry C. Matlack	$0	$0

ADVISOR

Tortoise Capital Advisors, a registered investment advisor, will serve as our investment advisor. Our Advisor was formed in October 2002 and has been managing investments in portfolios of MLPs in the energy infrastructure sector since that time. Our Advisor also manages the investments of TYG, TYY and TYN. TYG is a non-diversified, closed-end management investment company that was created to invest principally in MLPs in the energy infrastructure sector. TYY is a non-diversified, closed-end management investment company that was created to invest primarily in MLPs and their affiliates in the energy infrastructure sector. TYN is a non-diversified, closed-end management investment company that was created to invest primarily in energy infrastructure investments in public companies in the United States and Canada. As of January 1, 2007, our Advisor had client assets under management of approximately $2.2 billion.

Company Name	Ticker/Private	Inception Date	Targeted Investments	Total Assets ($ in millions)
Tortoise Capital Resources Corp.	NYSE: TTO	Dec. 2005	Privately-Held and Micro-Cap U.S. Energy Infrastructure	$ 73.0
Tortoise Energy Infrastructure Corp.	NYSE: TYG	Feb. 2004	U.S. Energy Infrastructure, Primarily in MLPs	$ 997.5
Tortoise Energy Capital Corp.	NYSE: TYY	May 2005	U.S. Energy Infrastructure, Primarily in MLPs	$ 744.2
Tortoise North America Energy Corp.	NYSE: TYN	Oct. 2005	Canadian and U.S. Energy Infrastructure, Diversified	$ 168.3
Separately Managed Accounts and Private Partnerships	Private	Nov. 2002	U.S. Energy Infrastructure	$ 192.2

Our Advisor is controlled equally by KCEP and Fountain Capital.

- KCEP was formed in 1993 and until recently, managed KCEP Ventures II, L.P. (“KCEP II”), a private equity fund with committed capital of $55 million invested in a variety of companies in diverse industries, including a private financing for a propane retail and wholesale company, Inergy, L.P. KCEP II wound up its operations in late 2006, has no remaining portfolio investments and has distributed proceeds to its partners. KCEP Ventures I, L.P. (“KCEP I”), a start-up and early-stage venture capital fund launched in 1994 and previously managed by KCEP, also recently completed the process of winding down. As a part of that process, KCEP I entered into a consensual order of receivership, which was necessary to allow KCEP I to distribute its remaining $1.3 million of assets to creditors and the SBA. The consensual order acknowledged a capital impairment condition and the resulting nonperformance by KCEP I of its agreement with the SBA, both of which were violations of the provisions requiring repayment of capital under the Small Business Investment Act of 1958 and the regulations thereunder. We do not currently expect the consensual order or the performance of KCEP I to prevent the wholly-owned subsidiary we may create from becoming licensed by the SBA as a SBIC or prevent its participation in the SBA-sponsored debenture program.
- Fountain Capital was formed in 1990 and focuses primarily on providing investment advisory services to institutional investors with respect to below investment grade debt. Fountain Capital had approximately $1.7 billion of client assets under management as of August 31, 2006, of which approximately $246 million was invested in 21 energy companies.
- Our Advisor was formed by KCEP and Fountain Capital to provide portfolio management services in the energy infrastructure sector in advance of an investment of client funds in

Markwest Energy Partners, L.P., a micro-cap public natural gas processing and pipeline company in the midstream segment of the energy infrastructure sector.

Our Advisor currently has four senior investment professionals who are responsible for the origination, negotiation, structuring and managing of our investments. Two of those senior investment professionals are Messrs. Matlack and Schulte, who are also Managing Directors of KCEP. The other two senior investment professionals are Messrs. Mojica and Russell, both of whom are dedicated to our activities. The Advisor's four senior investment professionals have over 70 years of combined experience in energy, leveraged finance and private equity investing. Their biographical information is set forth below.

- *Terry Matlack* — Mr. Matlack was a founder of, and is a Managing Director of, our Advisor. Since 2001, Mr. Matlack has been a Managing Director of KCEP. Prior to joining KCEP, Mr. Matlack was President of GreenStreet Capital and its affiliates, which invested primarily in the telecommunications service industry. Prior to 1995, he was Executive Vice President and a member of the board of directors of W. K. Communications, Inc., a cable television acquisition company, and Chief Operating Officer of W. K. Cellular, a rural cellular service area operator. Mr. Matlack also serves on the board of directors of Kansas Venture Capital, an SBIC.
- *Abel Mojica III* — Prior to joining our Advisor in 2005 and since 1999, Mr. Mojica was a Principal of KCEP. While at KCEP, Mr. Mojica, together with Mr. Schulte, led KCEP's investment in the private company predecessor to Inergy, L.P., from an early stage of development through its initial public offering and was also involved in the structuring of an investment in MarkWest Energy Partners, L.P. Mr. Mojica has been in the private equity and finance industry since 1996. Mr. Mojica represented the interests of KCEP by serving on the boards of directors of three portfolio companies. Prior to joining KCEP in 1999, Mr. Mojica worked in investment banking at First Chicago Capital Markets (now J.P. Morgan Chase) and in commercial banking at Citicorp (now Citigroup).
- *Edward Russell* — Prior to joining our Advisor in March of 2006, Mr. Russell was a Managing Director in the investment banking department of Stifel, Nicolaus & Company, Inc. ("Stifel Nicolaus") since 1999. While a Managing Director at Stifel Nicolaus, Mr. Russell was responsible for all of the energy and power transactions, including all of the debt and equity transactions for the three closed-end public funds managed by our Advisor, starting with the first public equity offering in February of 2004. Prior to joining Stifel Nicolaus, Mr. Russell worked in commercial banking for over 10 years as a lender with Magna Group and South Side National Bank.
- *David J. Schulte* — Mr. Schulte was a founder of, and is a Managing Director of, our Advisor. Since 1994, Mr. Schulte has been a Managing Director of KCEP. While a partner at KCEP, Mr. Schulte led private financings for two growth MLPs in the energy infrastructure sector, Inergy, L.P., where he served as a director, and MarkWest Energy Partners, L.P., where he was a board observer. Prior to joining KCEP, Mr. Schulte had over five years of experience completing acquisition and public equity financings as an investment banker at the predecessor of Oppenheimer & Co., Inc. Mr. Schulte also serves on the investment committee of Diamond State Ventures, an SBIC. Mr. Schulte is a past President of the Midwest Region of SBICs and a former director of the National Association of SBICs.

Our Advisor has 20 full time employees, but also relies to a significant degree on the officers, employees, and resources of Fountain Capital. Three of the five members of the investment committee of our Advisor are affiliates of, but not employees of, our Advisor, and each has other significant responsibilities with Fountain Capital, which conducts businesses and activities of its own in which our Advisor has no economic interest. If these separate activities are significantly greater than our Advisor's activities, there could be material competition for the efforts of key personnel.

Each of our Advisor's investment decisions will be reviewed and approved for us by its investment committee, which also acts as the investment committee for TYG, TYY and TYN. Our Advisor's investment

committee is comprised of its five Managing Directors: H. Kevin Birzer, Zachary A. Hamel, Kenneth P. Malvey, Terry C. Matlack and David J. Schulte. Messrs. Birzer, Hamel and Malvey are each Partners/Senior Analysts with Fountain Capital. The members of our Advisor's investment committee have an average of over 20 years of financial investment experience.

Conflicts of Interests

Our senior professionals have a conflict of interest in allocating potentially more favorable investment opportunities to us and other funds and clients that pay our Advisor an incentive or performance fee. Performance and incentive fees also create the incentive to allocate potentially riskier, but potentially better performing, investments to us in an effort to increase the incentive fee. Our Advisor may also have an incentive to make investments by one fund, having the effect of increasing the value of a security in the same issuer held by another fund, which in turn may result in an incentive fee being paid to our Advisor by that other fund. Our Advisor may also have an incentive to allocate potentially more favorable investments to us because pursuant to the Administration Agreement between us and our Advisor, we pay our Advisor a fee based on our average daily Managed Assets. However, senior professionals of our Advisor manage potential conflicts of interest by allocating investment opportunities in a fair and equitable manner consistent with our investment objectives and strategies, and in accordance with written allocation policies and procedures of our Advisor so that we will not be disadvantaged in relation to any other client.

Investment Advisory Agreement

Management Services

Pursuant to an investment advisory agreement, our Advisor will be subject to the overall supervision and review of our board of directors, provide us with investment research, advice and supervision and will furnish us continuously with an investment program, consistent with our investment objective and policies. Our Advisor also will determine from time to time what securities we shall purchase, and what securities shall be held or sold, what portions of our assets shall be held uninvested as cash, short duration high yield securities or in other liquid assets, will maintain books and records with respect to all of our transactions, and will report to our board of directors on our investments and performance.

Our Advisor's services to us under the investment advisory agreement will not be exclusive, and our Advisor is free to furnish the same or similar services to other entities, including businesses which may directly or indirectly compete with us, so long as our Advisor's services to us are not impaired by the provision of such services to others. Under the investment advisory agreement and to the extent permitted by the 1940 Act, our Advisor will also provide on our behalf significant managerial assistance to portfolio companies to which we are required to provide such assistance under the 1940 Act and who require such assistance from us.

Administration Services

Pursuant to the investment advisory agreement, our Advisor also furnishes us with office facilities and clerical and administrative services necessary for our operation (other than services provided by our custodian, accounting agent, administrator, dividend and interest paying agent and other service providers). Our Advisor is authorized to cause us to enter into agreements with third parties to provide such services. To the extent we request, our Advisor will (i) oversee the performance and payment of the fees of our service providers and make such reports and recommendations to the board of directors concerning such matters as the parties deem desirable, (ii) respond to inquiries and otherwise assist such service providers in the preparation and filing of regulatory reports, proxy statements, and stockholder communications, and the preparation of materials and reports for the board of directors; (iii) establish and oversee the implementation of borrowing facilities or other forms of leverage authorized by the board of directors and (iv) supervise any other aspect of our administration as may be agreed upon by us and our Advisor. We have agreed, pursuant to the investment advisory agreement, to reimburse our Advisor or its affiliate for all out-of-pocket expenses incurred in providing the foregoing services.

Management Fee

Pursuant to the investment advisory agreement, we will pay our Advisor a fee consisting of two components — a base management fee and an incentive fee in return for the management and administration services described above. For a discussion regarding the basis for our board of director's approval of the investment advisory agreement, see "Advisor — Board Approval of Investment Advisory Agreement." This discussion will also be available in our annual report to stockholders.

The base management fee is 0.375% (1.5% annualized) of our average monthly Managed Assets, calculated and paid quarterly in arrears within 30 days of the end of each fiscal quarter. The term "Managed Assets" as used in the calculation of the management fee means our total assets (including any assets purchased with any borrowed funds) minus accrued liabilities other than (1) deferred taxes and (2) debt entered into for the purpose of leverage. The base management fee for any partial quarter will be appropriately prorated.

The incentive fee consists of two parts. The first part, the investment income fee, is calculated and payable quarterly in arrears and will equal 15% of the excess, if any, of our Net Investment Income for the quarter over a quarterly hurdle rate equal to 2% (8% annualized) of our average monthly Net Assets for the quarter (defined as Managed Assets minus deferred taxes, debt entered into for the purposes of leverage and the aggregate liquidation preference of outstanding preferred shares). For purposes of calculating the investment income fee, "Net Investment Income" shall mean interest income (including accrued interest that we have not yet received in cash), dividend and distribution income from equity investments (but excluding that portion of cash distributions that are treated as return of capital), and any other income (including any fees such as commitment, origination, syndication, structuring, diligence, monitoring, and consulting fees or other fees that we receive from portfolio companies) accrued during the fiscal quarter, minus our operating expenses for the quarter (including the base management fee, expenses payable by us, any interest expense, any accrued income taxes related to Net Investment Income and dividends paid on issued and outstanding preferred stock, if any, but excluding the incentive fees payable to our Advisor). Accordingly, we may pay an incentive fee based partly on accrued interest, the collection of which is uncertain or deferred. Net Investment Income also includes, in the case of investments with a deferred interest or income feature (such as original issue discount, debt or equity instruments with a payment-in-kind feature, and zero coupon securities), accrued income that we have not yet received in cash. Net Investment Income does not include any realized capital gains, realized capital losses, or unrealized capital appreciation or depreciation. The investment income fee is payable within thirty days of the end of each fiscal quarter but no investment income fee was paid or earned prior to December 8, 2006. The investment income fee for any partial quarter will be appropriately prorated.

The second part of the incentive fee payable to our Advisor, the capital gains fee, is calculated and payable in arrears as of the end of each fiscal year (or upon termination of the investment advisory agreement, as of the termination date), and equals: (i) 15% of (a) our net realized capital gains, excluding the impact of current and deferred income taxes (realized capital gains less realized capital losses), on a cumulative basis from the commencement of our operations on December 8, 2005 to the end of each fiscal year, less (b) any unrealized capital depreciation, excluding the impact of deferred income taxes, at the end of such fiscal year, less (ii) the aggregate amount of all capital gains fees paid to our Advisor in prior fiscal years. The calculation of the capital gains fee will include any capital gains that result from the cash distributions that are treated as a return of capital. In that regard, any such return of capital will be treated as a decrease in our cost basis of an investment for purposes of calculating the capital gains fee. Realized capital gains on a security will be calculated as the excess of the net amount realized from the sale or other disposition of such security over the adjusted cost basis for that security. Realized capital losses on a security will be calculated as the amount by which the net amount realized from the sale or other disposition of such security is less than the adjusted cost basis of such security. Unrealized capital depreciation on a security will be calculated as the amount by which our adjusted cost basis of such security exceeds the fair value of such security at the end of a fiscal year. Our Advisor will use at least 25% of any capital gains fees received from us at any time on or prior to December 8, 2007 to purchase our common shares. There can be no assurance that our Advisor will earn any capital gains fee and, as a result, there can be no assurance that our Advisor will make any such purchases. We will determine all fiscal year-end valuations in accordance with generally accepted accounting principles, the 1940

Act, and our policies and procedures to the extent consistent therewith. In the event the investment advisory agreement is terminated, the capital gains fee calculation will be undertaken as of, and any resulting capital gains fee will be paid within fifteen days of, the date of termination.

The payment of the investment income fee portion of the incentive compensation on a quarterly basis may lead our Advisor to accelerate or defer interest payable by our portfolio companies in a manner that could result in fluctuations in the timing and amount of distributions.

The following examples are intended to assist in an understanding of the two components of the incentive fee. These examples are not intended as an indication of our expected performance.

Examples of Quarterly Incentive Fee Calculation

Example 1: Income Related Portion of Incentive Fee[1]:

Assumptions

- The following calculations only apply from December 8, 2006, as our Advisor is not entitled to any income-related portion of the incentive fee in any earlier period
- Hurdle rate[2] = 2.00%
- Management fee[3] = 0.375%
- Other expenses (legal, accounting, custodian, transfer agent, etc.)[4] = 0.20%

Alternative 1

Additional Assumptions

- Investment income (including interest, dividends, fees, etc.) = 1.25%
- Pre-incentive fee net investment income (investment income — (management fee + other expenses)) = 0.675%

Pre-incentive fee net investment income does not exceed hurdle rate, therefore there is no incentive fee.

Alternative 2

Additional Assumptions

- Investment income (including interest, dividends, fees, etc.) = 3.50%
- Pre-incentive fee net investment income (investment income — (management fee + other expenses)) = 2.925%

(1) The hypothetical amount of pre-incentive fee net investment income shown is based on a percentage of our net assets.
(2) Represents 8.0% annualized hurdle rate.
(3) Represents 1.5% annualized management fee. For the purposes of this example, we have assumed that we have not incurred any indebtedness and that we maintain no cash or cash equivalents.
(4) Excludes organizational, offering expenses and income tax.

Pre-incentive fee net investment income exceeds hurdle rate, therefore there is an incentive fee.

Incentive Fee	=	15% x (pre-incentive fee net investment income — 2.00%)
	=	15% x (2.925% — 2.00%)
	=	15% x 0.925%
	=	0.13875%

Example 2: Capital Gains Portion of Incentive Fee:

Alternative 1

Assumptions

- *Year 1:* $20 million investment made and November 30 fair market value ("FMV") of investment determined to be $20 million
- *Year 2:* November 30 FMV of investment determined to be $22 million
- *Year 3:* November 30 FMV of investment determined to be $17 million
- *Year 4:* Investment sold for $21 million

The impact, if any, on the capital gains portion of the incentive fee would be:

- *Year 1:* No impact
- *Year 2:* No impact
- *Year 3:* Reduce base amount on which the capital gains portion of the incentive fee is calculated by $3 million
- *Year 4:* Increase base amount on which the capital gains portion of the incentive fee is calculated by $4 million (less the amount, if any, of the unrealized capital depreciation from Year 3 that did not actually reduce the capital gains portion of the incentive fee that would otherwise have been payable to our Advisor in Year 3)

Alternative 2

Assumptions

- *Year 1:* $20 million investment made and November 30 FMV of investment determined to be $20 million
- *Year 2:* November 30 FMV of investment determined to be $17 million
- *Year 3:* November 30 FMV of investment determined to be $17 million
- *Year 4:* November 30 FMV of investment determined to be $21 million
- *Year 5:* November 30 FMV of investment determined to be $18 million
- *Year 6:* Investment sold for $15 million

The impact, if any, on the capital gains portion of the incentive fee would be:

- *Year 1:* No impact
- *Year 2:* Reduce base amount on which the second part of the incentive fee is calculated by $3 million
- *Year 3:* No impact
- *Year 4:* No impact
- *Year 5:* No impact

- *Year 6:* Reduce base amount on which the second part of the incentive fee is calculated by $2 million (plus the amount, if any, of the unrealized capital depreciation from Year 2 that did not actually reduce the second part of the incentive fee that would otherwise have been payable to our Advisor in prior years)

Alternative 3

Assumptions

- *Year 1:* $20 million investment made in company A ("Investment A"), and $20 million investment made in company B ("Investment B") and November 30 FMV of each investment determined to be $20 million
- *Year 2:* November 30 FMV of Investment A is determined to be $21 million, and Investment B is sold for $18 million
- *Year 3:* Investment A is sold for $23 million

The impact, if any, on the capital gains portion of the incentive fee would be:

- *Year 1:* No impact
- *Year 2:* Reduce base amount on which the capital gains portion of the incentive fee is calculated by $2 million (realized capital loss on Investment B)
- *Year 3:* Increase base amount on which the capital gains portion of the incentive fee is calculated by $3 million (realized capital gain on Investment A)

Alternative 4

Assumptions

- *Year 1:* $20 million investment made in company A ("Investment A"), and $20 million investment made in company B ("Investment B") and November 30 FMV of each investment determined to be $20 million
- *Year 2:* November 30 FMV of Investment A is determined to be $21 million and FMV of Investment B is determined to be $17 million
- *Year 3:* November 30 FMV of Investment A is determined to be $18 million and FMV of Investment B is determined to be $18 million
- *Year 4:* November 30 FMV of Investment A is determined to be $19 million and FMV of Investment B is determined to be $21 million
- *Year 5:* Investment A is sold for $17 million and Investment B is sold for $23 million

The impact, if any, on the capital gains portion of the incentive fee would be:

- *Year 1:* No impact
- *Year 2:* Reduce base amount on which the capital gains portion of the incentive fee is calculated by $3 million (unrealized capital depreciation on Investment B)
- *Year 3:* Reduce base amount on which the capital gains portion of the incentive fee is calculated by $2 million (unrealized capital depreciation on Investment A)
- *Year 4:* No impact
- *Year 5:* Increase base amount on which the second part of the incentive fee is calculated by $5 million ($6 million of realized capital gain on Investment B partially offset by $1 million of realized capital loss on Investment A) (less the amount, if any, of the unrealized capital depreciation on Investment A from Year 3 and the unrealized capital depreciation on

Investment B from Year 2 that did not actually reduce the capital gains portion of incentive fees that would otherwise have been payable to our Advisor in prior years)

Payment of Our Expenses

We will bear all expenses not specifically assumed by our Advisor and incurred in our operations, we have borne the expenses related to the private placement of our common shares, preferred shares and warrants and we will bear the expenses related to this offering. The compensation and allocable routine overhead expenses of all investment professionals of our Advisor and its staff, when and to the extent engaged in providing us investment advisory services, is provided and paid for by our Advisor and not us. The compensation and expenses borne by us include, but are not limited to, the following:

- other than as provided in the paragraph above, expenses of maintaining and continuing our existence and related overhead, including, to the extent such services are provided by personnel of our Advisor or its affiliates, office space and facilities and personnel compensation, training and benefits,
- commissions, spreads, fees and other expenses connected with the acquisition, holding and disposition of securities and other investments including placement and similar fees in connection with direct placements entered into on our behalf,
- auditing, accounting and legal expenses (including costs associated with the implementation of our Sarbanes-Oxley internal controls and procedures over financial reporting),
- taxes and interest,
- governmental fees,
- expenses of listing our shares with a stock exchange, and expenses of issue, sale, repurchase and redemption (if any) of our interests, including expenses of conducting tender offers for the purpose of repurchasing our securities,
- expenses of registering and qualifying us and our securities under federal and state securities laws and of preparing and filing registration statements and amendments for such purposes,
- expenses of communicating with stockholders, including website expenses and the expenses of preparing, printing and mailing press releases, reports and other notices to stockholders and of meetings of stockholders and proxy solicitations therefor,
- expenses of reports to governmental officers and commissions,
- insurance expenses,
- association membership dues,
- fees, expenses and disbursements of custodians and subcustodians for all services to us (including without limitation safekeeping of funds, securities and other investments, keeping of books, accounts and records, and determination of net asset values),
- fees, expenses and disbursements of transfer agents, dividend and interest paying agents, stockholder servicing agents, registrars and administrator for all services to us,
- compensation and expenses of our directors who are not members of our Advisor’s organization,
- pricing, valuation and other consulting or analytical services employed in considering and valuing our actual or prospective investments,
- all expenses incurred in leveraging of our assets through a line of credit or other indebtedness or issuing and maintaining preferred shares,

- all expenses incurred in connection with our organization and any offering of our common shares, including our private placement and this offering, and
- such non-recurring items as may arise, including expenses incurred in litigation, proceedings and claims and our obligation to indemnify our directors, officers and stockholders with respect thereto.

Duration and Termination

The investment advisory agreement was most recently approved by our board of directors on November 13, 2006 and by our stockholders at a special meeting held on December 21, 2006. Unless terminated earlier as described below, it will continue in effect for a period of one year from its effective date of January 1, 2007. It will remain in effect from year to year thereafter if approved annually by our board of directors or by the affirmative vote of the holders of a majority of our outstanding voting securities, and, in either case, upon approval by a majority of our directors who are not interested persons or parties to the investment advisory agreement. The investment advisory agreement will automatically terminate in the event of its assignment. The investment advisory agreement may be terminated by us without penalty upon not more than 60 days' written notice to our Advisor. The investment advisory agreement may also be terminated by our Advisor without penalty upon not less than 60 days' written notice to us.

Liability of Advisor

The investment advisory agreement provides that our Advisor will not be liable to us in any way for any default, failure or defect in any of the securities comprising our portfolio if it has satisfied the duties and the standard of care, diligence and skill set forth in the investment advisory agreement. However, our Advisor will be liable to us for any loss, damage, claim, cost, charge, expense or liability resulting from our Advisor's willful misconduct, bad faith or gross negligence or disregard by our Advisor of its duties or standard of care, diligence and skill set forth in the investment advisory agreement or a material breach or default of our Advisor's obligations under that agreement.

Board Approval of the Investment Advisory Agreement

Our board of directors, including a majority of the independent directors, most recently reviewed and approved the investment advisory agreement on November 13, 2006. In addition, the investment advisory agreement was most recently approved by our stockholders at a special meeting held on December 21, 2006.

In considering the approval of the investment advisory agreement, our board of directors evaluated information provided by our Advisor and their legal counsel and considered various factors, including the following:

- *Services.* Our board of directors reviewed the nature, extent and quality of the investment advisory and administrative services previously provided and proposed to be provided to us by our Advisor and found them sufficient to encompass the range of services necessary for our operation.
- *Comparison of Management Fee to Other Firms.* Our board of directors reviewed and considered to the extent publicly available, the management fee arrangements of companies with similar business models, including business development companies.
- *Experience of Management Team and Personnel.* Our board of directors considered the extensive experience of the members of our Advisor's investment committee with respect to the specific types of investments we propose to make, and their past experience with similar kinds of investments. Our board of directors discussed numerous aspects of the investment strategy with members of our Advisor's investment committee and also considered the potential flow of investment opportunities resulting from the numerous relationships of our Advisor's investment committee and investment professionals within the investment community.

- *Provisions of Investment Advisory Agreement.* Our board of directors considered the extent to which the provisions of the investment advisory agreement (other than the fee structure which is discussed above) were comparable to the investment advisory agreements and administration agreements of companies with similar business models, including, peer group business development companies, and concluded that its terms were satisfactory and in line with market norms. In addition, our board of directors concluded that the services to be provided under the investment advisory agreement were reasonably necessary for our operations, the services to be provided were at least equal to the nature and quality of those provided by others, and the payment terms were fair and reasonable in light of usual and customary charges.
- *Payment of Expenses.* Our board of directors considered the manner in which our Advisor would be reimbursed for its expenses at cost and the other expenses for which it would be reimbursed under the investment advisory agreement. The board of directors discussed how this structure was comparable to that of companies with similar business models, including existing business development companies.

Based on the information reviewed and the discussions among the members of our board of directors, our board of directors, including all of our independent directors, approved the investment advisory agreement and concluded that the management fee rates were reasonable in relation to the services to be provided.

License Agreement

Pursuant to the investment advisory agreement, our Advisor has consented to our use on a non-exclusive, royalty-free basis, of the name "Tortoise" in our name. We will have the right to use the "Tortoise" name so long as our Advisor or one of its approved affiliates remains our investment advisor. Other than with respect to this limited right, we will have no legal right to the "Tortoise" name. This right will remain in effect for so long as the investment advisory agreement with our Advisor is in effect and will automatically terminate if the investment advisory agreement were to terminate for any reason, including upon its assignment.

Sub-Advisor Arrangement

The investment advisory agreement authorizes our Advisor to delegate any or all of its rights, duties and obligations to one or more sub-advisors upon receipt of approval of such sub-advisor by our board of directors and stockholders (unless such approval is not required by the relevant statutes, rules, regulations, interpretations, orders, or similar relief). Our Advisor has entered into a sub-advisory agreement with Kenmont pursuant to which our Advisor has agreed to pay Kenmont (i) 10% of the base management fee our Advisor receives from us once our total assets (including any assets purchased with borrowed funds) initially exceed $75 million, and (ii) 20% of any incentive fee our Advisor receives from us.

Kenmont is a Houston, Texas based registered investment advisor with experience investing in privately-held and public companies in the U.S. energy and power sectors. Kenmont provides additional contacts and enhances the number and range of potential investment opportunities in which we have the opportunity to invest. Kenmont Special Opportunities Master Fund LP purchased 666,666 of our common shares and 166,666 of our warrants in the initial closing of our offering of common shares and warrants on December 8, 2005 and purchased 536,666, or $8.05 million, of our Series A redeemable preferred stock and 80,500 of our warrants to purchase common shares in our bridge financing completed in December 2006. Pursuant to the sub-advisory agreement with Kenmont, Kenmont (i) assists in identifying potential investment opportunities, subject to the right of Kenmont to first show investment opportunities that it identifies to other funds or accounts for which Kenmont is the primary advisor, (ii) assists, as requested but subject to a limit of 20 hours per month, in the analysis of investment opportunities as requested by our Advisor, and (iii) if requested by our Advisor, assists in hiring an additional investment professional for the Advisor who will be located in Houston, Texas and for whom Kenmont will make office space available. Kenmont will not make any investment decisions on our behalf, but will recommend potential investments to, and assist in the investment analysis undertaken by, our Advisor. Our Advisor compensates Kenmont for the services it provides to us. Our Advisor indemnifies and holds us harmless from any obligation to pay or reimburse Kenmont for

any fees or expenses incurred by Kenmont in providing such services to us. Kenmont will be indemnified by us for certain claims related to the services it provides. In addition to any termination rights we may have under the 1940 Act, the sub-advisory agreement between the Advisor and Kenmont may be terminated by our Advisor in limited circumstances.

Kenmont is a Texas limited partnership that serves as investment advisor to pooled investment vehicles and managed accounts. The principals of Kenmont have collectively created and managed private equity portfolios in excess of $1.5 billion and have over 50 years of experience working for investment banks, commercial banks, accounting firms, operating companies and money management firms.

The sub-advisory agreement was most recently reviewed and approved by our board of directors, including a majority of the independent directors, on November 13, 2006, and was most recently approved by our stockholders at a special meeting held on December 21, 2006. In considering the approval of the sub-advisory agreement, our board of directors evaluated information provided by our Advisor and their legal counsel and considered various factors, including the following:

- *Services.* Our board of directors reviewed the nature, extent and quality of the investment advisory services proposed to be provided to our Advisor by Kenmont and found them to be consistent with the services provided to us by our Advisor.
- *Experience of Management Team and Personnel.* Our board of directors considered the extensive experience of Kenmont with respect to the specific types of investments we propose to make and concluded that Kenmont would provide valuable assistance to our Advisor in providing potential investment opportunities to us.
- *Provisions of Sub-Advisory Agreement.* Our board of directors considered the extent to which the provisions of the sub-advisory agreement could potentially expose us to liability and concluded that its terms adequately protected us from such risk.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

We have entered into the investment advisory agreement with our Advisor, an entity in which certain of our officers and directors have ownership and financial interests. Our Advisor's services under the investment advisory agreement will not be exclusive, and it is free to furnish the same or similar services to other entities, including businesses that may directly or indirectly compete with us so long as its services to us are not impaired by the provision of such services to others. In addition, the publicly traded funds and private accounts managed by our Advisor may make investments similar to investments that we may pursue. We currently are not generally targeting similar investment opportunities as other entities advised by our Advisor, which generally target investments in publicly traded companies with market capitalizations in excess of $300 million, because we generally target investments in companies that are privately-held, have market capitalizations of less than $100 million and are earlier in their stage of development. This may change in the future, however. It is thus possible that our Advisor might allocate investment opportunities to other entities, and thus might divert attractive investment opportunities away from us. However, our Advisor intends to allocate investment opportunities in a fair and equitable manner consistent with our investment objectives and strategies, so that we will not be disadvantaged in relation to any other client. We have also entered into an Administration Agreement with our Advisor pursuant to which our Advisor will act as our administrator and perform (or oversee or arrange for the performance of) the administrative services necessary for our operation, including without limitation providing us with equipment, clerical, book keeping and record keeping services. For these services we pay our Advisor a fee equal to equal to 0.07% of our aggregate average daily Managed Assets up to and including $150 million, 0.06% of our aggregate average daily Managed Assets on the next $100 million, 0.05% of our aggregate average daily Managed Assets on the next $250 million and 0.02% on the balance of our aggregate average daily Managed Assets. The administration agreement was reviewed and approved by our board of directors, including our independent directors, on November 13, 2006.

Our independent directors will review any investment decisions that may present potential conflicts of interest among our Advisor and its affiliates and us in accordance with specific procedures and policies adopted by our board of directors. Our board of directors, including our independent directors, have retained Duff & Phelps, LLC, an independent valuation firm, to provide valuation assistance to the board, if they so request, in connection with assessing whether the fair value determinations made by the investment committee of our Advisor are unreasonable. At the time of their retention, our board of directors was aware that both Duff & Phelps, LLC and Atlantic Asset Management LLC ("Atlantic") were minority investments of Lovell Minnick Partners LLC. Atlantic is a minority owner of Fountain Capital and holds a non-voting Class B economic interest in our Advisor.

Pursuant to the investment advisory agreement, our Advisor has consented to our use on a non-exclusive, royalty-free basis, of the name "Tortoise" in our name. We will have the right to use the "Tortoise" name so long as our Advisor or one of its approved affiliates remains our investment advisor. Other than with respect to this limited right, we will have no legal right to the "Tortoise" name. This right will remain in effect for so long as the investment advisory agreement with our Advisor is in effect and will automatically terminate if the investment advisory agreement were to terminate for any reason, including upon its assignment.

Our Advisor has entered into a sub-advisory agreement with Kenmont. Kenmont is a registered investment advisor with experience investing in privately-held and public companies in the U.S. energy and power sectors. Kenmont provides additional contacts and enhances the number and range of potential investment opportunities in which we have the opportunity to invest. Our Advisor compensates Kenmont for the services it provides to us. Our Advisor also indemnifies and holds us harmless from any obligation to pay or reimburse Kenmont for any fees or expenses incurred by Kenmont in providing such services to us. Kenmont will be indemnified by the Advisor for certain claims related to the services it provides and obligations assumed under the sub-advisory agreement. Kenmont Special Opportunities Master Fund LP, an affiliate of Kenmont, purchased 666,666 of our common shares and 166,666 of our warrants in the initial closing of our offering of common shares and warrants on December 8, 2005 and purchased 536,666, or $8.05 million, of our Series A redeemable preferred stock and 80,500 of our warrants to purchase common shares in our bridge financing completed in December 2006.

CONTROL PERSONS AND PRINCIPAL STOCKHOLDERS

The following table sets forth certain beneficial ownership information with respect to our common shares for those persons who directly or indirectly own, control or hold with the power to vote, 5% or more of our common shares prior to this offering and all our officers and directors and the managing directors of our Advisor, as a group. One of the beneficial owners of more than 5% of our common shares is Kenmont Special Opportunities Master Fund LP, an affiliate of our sub-advisor Kenmont. Except as otherwise noted, the address for all stockholders in the table below is c/o Tortoise Capital Advisors, 10801 Mastin Boulevard, Suite 222, Overland Park, Kansas 66210.

Name	Common Shares Owned	Warrants Owned	Percentage of Common Shares Outstanding Before Offering(1)	Percentage of Common Shares Outstanding After Offering(2)
Beneficial Owners of more than 5%				
Kenmont Special Opportunities Master Fund, L.P.(3)	666,666	247,166	27.4%	%
Rockbay Capital Management, L.P.(4)	466,666	116,666	18.2%	%
Delta Onshore, LP(5)	182,466	45,616	7.3%	%
Directors and Executive Officers:				
Interested Directors				
H. Kevin Birzer(6)	5,300	1,325	*	*
Terry Matlack(7)	2,467	616	*	*
Independent Directors				
Conrad S. Ciccotello(8)	1,000	250	*	*
John R. Graham(9)	4,000	1,000	*	*
Charles E. Heath(10)	3,000	750	*	*
Executive Officers				
David J. Schulte	4,517	1,128	*	*
Zachary A. Hamel	1,667	416	*	*
Kenneth P. Malvey	1,392	347	*	*
Directors and Executive Officers as a Group (8 persons)	23,343	5,832	*	*

* Indicates less than 1%.

(1) Based on 3,088,596 common shares outstanding. Each person's percentage includes all warrants owned, which warrants become exercisable upon the completion of this offering.

(2) Based on common shares outstanding. Each person's percentage includes all warrants owned, which warrants become exercisable upon the completion of this offering.

(3) The address of Kenmont Special Opportunities Master Fund, L.P. is 711 Louisiana, Suite 1750, Houston, TX 77002. Kenmont Special Opportunities Master Fund, L.P. also owns 536,666.66 shares of our Series A redeemable preferred stock.

(4) Rockbay Capital Management, L.P. is the investment manager for Rockbay Capital Institutional Fund, LLC, Rockbay Capital Offshore Fund, Ltd. and Rockbay Capital Fund, LLC. Rockbay Capital Management, L.P. shares voting and dispositive power with these entities with respect to these securities and, as a result, beneficially owns these securities. The address of Rockbay Capital Management, L.P. is 600 Fifth Avenue, 24th Floor, New York, NY 10020. Rockbay Capital Management, L.P. is controlled by Atul Khanna and Jonathan Baron.

(5) The address of Delta Onshore, LP is 900 Third Avenue, 5th Floor, New York, NY 10022.

(6) Of the total number of shares and warrants shown, Mr. Birzer holds 3,600 shares and 900 warrants jointly with his wife, Michele Birzer.

(7) These shares and warrants are held of record by the Matlack Living Trust dtd 12/30/2004, Terry Matlack, Trustee.

(8) Mr. Ciccotello holds these shares and warrants jointly with his wife, Elizabeth Ciccotello.

(9) These shares and warrants are held of record by the John R. Graham Trust U/A dtd 1/3/92, John R. Graham, Trustee.

(10) These shares are held of record by the Charles E. Heath Trust No. 1 dtd U/A 2/1/92, Charles E. Heath and Kathleen M. Heath, Trustees.

The following table sets forth the dollar range of equity securities beneficially owned by each of our directors as of August 31, 2006. None of our directors owns any shares of our Series A redeemable preferred stock.

Name of Director	Aggregate Dollar Range of Company Securities Beneficially Owned by Director(1)	Aggregate Dollar Range of Equity Securities in All Registered Investment Companies Overseen by Director in Family of Investment Companies(2)
Independent Directors		
Conrad S. Ciccotello	$ 10,001 — $50,000	Over $100,000
John R. Graham	$ 50,001 — $100,000	Over $100,000
Charles E. Heath	$ 10,001 — $50,000	Over $100,000
Interested Directors		
H. Kevin Birzer	$ 50,001 — $100,000	Over $100,000
Terry C. Matlack	$ 10,001 — $50,000	Over $100,000

(1) The value of the securities is determined by reference to the net asset value of our common shares on August 31, 2006 ($13.76 per common share), and includes the net value of all warrants to purchase common shares held by each director.

(2) Includes TYG, TYY and TYN and us. Amounts based on the calculation for us referenced in footnote (1) above and the closing price of the common shares of TYG, TYY and TYN on the NYSE on August 31, 2006.

The following table sets forth the dollar range of equity securities of the Company beneficially owned by each member of our Advisor's investment committee as of August 31, 2006. The value of the securities is determined by reference to the net asset value of our common shares on August 31, 2006 ($13.76 per common share), and includes the net value of all warrants to purchase common shares held by members of our Advisor's investment committee. None of the members of our Advisor's investment committee owns any shares of our Series A redeemable preferred stock.

Name	Aggregate Dollar Range of Company Securities Beneficially Owned by Manager
H. Kevin Birzer	$ 50,001 — $100,000
Zachary A. Hamel	$ 10,001 — $50,000
Kenneth P. Malvey	$ 10,001 — $50,000
Terry C. Matlack	$ 10,001 — $50,000
David J. Schulte	$ 50,001 — $100,000

DIVIDEND REINVESTMENT PLAN

If a stockholder's shares are registered directly with us or with a brokerage firm that participates in our Automatic Dividend Reinvestment Plan ("Plan") through the facilities of DTC and such stockholder's account is coded dividend reinvestment by such brokerage firm, all distributions are automatically reinvested for stockholders by the Plan Agent, Computershare Trust Company, Inc., in additional common shares (unless a stockholder is ineligible or elects otherwise). If a stockholder's shares are registered with a brokerage firm that participates in the Plan through the facilities of DTC, but such stockholder's account is not coded dividend reinvestment by such brokerage firm or if a stockholder's shares are registered with a brokerage firm that does not participate in the Plan through the facilities of DTC, a stockholder will need to ask their investment executive to determine what arrangements can be made to set up their account to participate in the Plan. In either case, until such arrangements are made, a stockholder will receive distributions in cash.

Stockholders who elect not to participate in the Plan will receive all distributions payable in cash paid by check mailed directly to the stockholder of record (or, if the shares are held in street or other nominee name, then to such nominee) by Computershare Trust Company, Inc., as dividend paying agent. Participation in the Plan is completely voluntary and may be terminated or resumed at any time without penalty by giving notice in writing to, or by calling, the Plan Agent; such termination will be effective with respect to a particular distribution if notice is received prior to the record date for the next dividend.

Whenever we declare a distribution payable either in common shares or in cash, non-participants in the Plan will receive cash, and participants in the Plan will receive the equivalent in common shares. The shares are acquired by the Plan Agent for the participant's account, depending upon the circumstances described below, either (i) through receipt of additional common shares from us or (ii) by purchase of outstanding common shares on the open market ("open-market purchases") on the NYSE or elsewhere. If, on the payment date, the net asset value per share of the common shares is equal to or less than the market price per common share plus estimated brokerage commissions (such condition being referred to herein as "market premium"), the Plan Agent will receive additional common shares from the Company for each participant's account. The number of additional common shares to be credited to the participant's account will be determined by dividing the dollar amount of the dividend or distribution by the greater of (i) the net asset value per common share on the payment date, or (ii) 95% of the market price per common share on the payment date.

If, on the payment date, the net asset value per common share exceeds the market price plus estimated brokerage commissions (such condition being referred to herein as "market discount"), the Plan Agent has until 30 days after the payment date ("last purchase date") to invest the distribution amount in shares acquired in open-market purchases. It is contemplated that we will declare and pay quarterly distributions. Therefore, the period during which open-market purchases can be made will exist only for 30 days from the payment date on the distribution. The weighted average price (including brokerage commissions) of all common shares purchased by the Plan Agent as Plan Agent will be the price per common share allocable to each participant. If, before the Plan Agent has completed its open-market purchases, the market price of a common share plus estimated brokerage commissions exceeds the net asset value per share, the average per share purchase price paid by the Plan Agent may exceed the net asset value of our common shares, resulting in the acquisition of fewer common shares than if the distribution had been paid in additional common shares issued by us on the payment date. Because of the foregoing difficulty with respect to open-market purchases, the Plan provides that if the Plan Agent is unable to invest the full dividend amount in open-market purchases during the purchase period or if the market discount shifts to a market premium during the purchase period, the Plan Agent will cease making open-market purchases and will invest the uninvested portion of the distribution amount in Additional common shares at the close of business on the last purchase date.

The Plan Agent maintains all stockholders' accounts in the Plan and furnishes written confirmation of each acquisition made for the participant's account as soon as practicable, but in no event later than 60 days after the date thereof. Shares in the account of each Plan participant will be held by the Plan Agent in non-certificated form in the Plan Agent's name or that of its nominee, and each stockholder's proxy will include

those shares purchased or received pursuant to the Plan. The Plan Agent will forward all proxy solicitation materials to participants and vote proxies for shares held pursuant to the Plan first in accordance with the instructions of the participants then with respect to any proxies not returned by such participant, in the same proportion as the Plan Agent votes the proxies returned by the participants.

There will be no brokerage charges with respect to shares issued directly by us as a result of distributions payable either in shares or in cash. However, each participant will pay a pro rata share of brokerage commissions incurred with respect to the Plan Agent's open-market purchases in connection with the reinvestment of distributions. If a participant elects to have the Plan Agent sell part or all of his or her common shares and remit the proceeds, such participant will be charged his or her pro rata share of brokerage commissions on the shares sold plus a $15.00 transaction fee. The automatic reinvestment of distributions will not relieve participants of any federal, state or local income tax that may be payable (or required to be withheld) on such distributions. See "Certain U.S. Federal Income Tax Considerations."

Stockholders participating in the Plan may receive benefits not available to stockholders not participating in the Plan. If the market price plus commissions of our common shares is higher than the net asset value, participants in the Plan will receive common shares at less than they could otherwise purchase such shares and will have shares with a cash value greater than the value of any cash distribution they would have received on their shares. If the market price plus commissions is below the net asset value, participants will receive distributions of common shares with a net asset value greater than the value of any cash distribution they would have received on their shares. However, there may be insufficient shares available in the market to make distributions in shares at prices below the net asset value. Also, because we do not redeem our common shares, the price on resale may be more or less than the net asset value. See "Certain U.S. Federal Income Tax Considerations" for a discussion of tax consequences of the Plan.

Experience under the Plan may indicate that changes are desirable. Accordingly, we reserve the right to amend or terminate the Plan if in the judgment of the Board of Directors such a change is warranted. The Plan may be terminated by the Plan Agent or us upon notice in writing mailed to each participant at least 60 days prior to the effective date of the termination. Upon any termination, the Plan Agent will cause a certificate or certificates to be issued for the full shares held by each participant under the Plan and cash adjustment for any fraction of a common share at the then current market value of the common shares to be delivered to him or her. If preferred, a participant may request the sale of all of the common shares held by the Plan Agent in his or her Plan account in order to terminate participation in the Plan. If such participant elects in advance of such termination to have the Plan Agent sell part or all of his or her shares, the Plan Agent is authorized to deduct from the proceeds a $15.00 fee plus the brokerage commissions incurred for the transaction. If a participant has terminated his or her participation in the Plan but continues to have common shares registered in his or her name, he or she may re-enroll in the Plan at any time by notifying the Plan Agent in writing at the address below. The terms and conditions of the Plan may be amended by the Plan Agent or us at any time, except when necessary or appropriate to comply with applicable law or the rules or policies of the SEC or any other regulatory authority, only by mailing to each participant appropriate written notice at least 30 days prior to the effective date thereof. The amendment shall be deemed to be accepted by each participant unless, prior to the effective date thereof, the Plan Agent receives notice of the termination of the participant's account under the Plan. Any such amendment may include an appointment by the Plan Agent of a successor Plan Agent, subject to the prior written approval of the successor Plan Agent by us.

All correspondence concerning the Plan should be directed to Computershare Trust Company, Inc. at 250 Royal Street, MS 3B, Canton, Massachusetts 02021 or 1-800-727-0254.

DETERMINATION OF NET ASSET VALUE

We will determine our net asset value per common share on a quarterly basis. For purposes of determining the net asset value of our common shares, we will calculate the net asset value, which will equal the value of our total assets (the value of the securities we hold plus cash or other assets, including interest accrued but not yet received) less all of our liabilities, including but not limited to (i) accrued and unpaid interest on any outstanding indebtedness, (ii) the aggregate principal amount of any outstanding indebtedness, (iii) any distributions payable on our common shares, and (iv) current and deferred taxes. Our net asset value per common share will equal our net asset value divided by the number of outstanding common shares.

We will use the 1940 Act's definition of value in calculating the value of our total assets. The 1940 Act defines value as (i) the market price for those securities for which a market quotation is readily available and (ii) for all other securities and assets, fair value as determined in good faith by our board of directors.

Valuation Methodology — Public Finance

Our process for determining the market price of an investment will be as follows. For equity securities, we will first use readily available market quotations and will obtain direct written broker-dealer quotations if a security is not traded on an exchange or quotations are not available from an approved pricing service. For fixed income securities, we will use readily available market quotations based upon the last updated sale price or market value from a pricing service or by obtaining a direct written broker-dealer quotation from a dealer who has made a market in the security. If no sales are reported on any exchange or OTC market, we will use the calculated mean based on bid and asked prices obtained from the primary exchange or OTC market. Other assets will be valued at market value pursuant to written valuation procedures.

Valuation Methodology — Private Finance

Because we expect to invest principally in private companies, there generally will not be a readily available market price for these investments. Therefore, we will value substantially all of our investments at fair value in good faith. There is no single standard for determining fair value in good faith. As a result, determining fair value requires that judgment be applied to the specific facts and circumstances of each investment while employing a consistently applied valuation process for the types of investments we make. Unlike banks, we are not permitted to provide a general reserve for anticipated loan losses. Instead, we will specifically value each individual investment on a quarterly basis. We will record unrealized depreciation on investments when we believe that an investment has become impaired, including where collection of a loan or realization of an equity security is doubtful, or when our estimate of the enterprise value of an investment does not currently support the cost of our debt or equity investment. We will record unrealized appreciation if we believe that the underlying company has appreciated in value and, therefore, our equity security also has appreciated in value. Changes in fair value are recorded in our statement of operations as net change in unrealized appreciation or depreciation.

We expect our investments to include many terms governing interest rate, repayment terms, prepayment penalties, financial covenants, operating covenants, ownership parameters, dilution parameters, liquidation preferences, voting rights, and put or call rights. Our investments are generally subject to restrictions on resale and generally have no established trading market. Because of the type of investments that we make and the nature of our business, our valuation process requires an analysis of various factors. Our fair value methodology includes the examination of, among other things, the underlying investment performance, financial condition, and market changing events that impact valuation.

Our process for determining the fair value of a security of a private investment will begin with determining the enterprise value of the company that issued the security. The fair value of our investment will be based on the enterprise value at which a company could be sold in an orderly disposition over a reasonable period of time between willing parties other than in a forced or liquidation sale.

There is no one methodology to determine enterprise value and, in fact, for any one company, enterprise value may best be expressed as a range of fair values, from which we will derive a single estimate of enterprise value. To determine the enterprise value of a company, we will analyze its historical and projected financial results. We will generally require companies in which we invest to provide us with annual audited, and quarterly and monthly unaudited, financial statements, as well as annual projections for the upcoming fiscal year. We expect to value companies on discounted cash flow analysis and multiples of EBITDA, cash flow, net income, revenues or, in some instances, book value. We expect to use financial measures such as EBITDA or EBITDAM (Earnings Before Interest, Taxes, Depreciation, Amortization and, in some instances, management fees) in order to assess a portfolio company's financial performance and to value a portfolio company. EBITDA and EBITDAM are not intended to represent cash flow from operations as defined by U.S. generally accepted accounting principles and such information should not be considered as an alternative to net income, cash flow from operations, or any other measure of performance prescribed by U.S. generally accepted accounting principles. When using EBITDA to determine enterprise value, we may adjust EBITDA for non-recurring items. Such adjustments are intended to normalize EBITDA to reflect a portfolio company's earning power. Adjustments to EBITDA may include acquisition, recapitalization, or restructuring related items or one-time non-recurring income or expense items.

In determining a multiple to use for valuation purposes, we will look to private merger and acquisition statistics, discounted public trading multiples or industry practice. In estimating a reasonable multiple, we will consider not only the fact that the portfolio company may be a private company relative to a peer group of public companies, but we also will consider the size and scope of the company and its specific strengths and weaknesses. If a company is distressed, a liquidation analysis may provide the best indication of enterprise value.

If the portfolio company has an adequate enterprise value to support the repayment of our debt, the fair value of our loan or debt security normally corresponds to cost unless the portfolio company's condition or other factors lead to a determination of fair value at a different amount. When we receive nominal cost warrants or free equity securities ("nominal cost equity"), we will allocate our cost basis in our investment between debt securities and nominal cost equity at the time of origination. At that time, the original issue discount basis of the nominal cost equity is recorded by increasing the cost basis in the equity and decreasing the cost basis in the related debt securities. The fair value of equity interests in portfolio companies is determined based on various factors, including the enterprise value remaining for equity holders after the repayment of our debt and other preference capital, and other pertinent factors such as recent offers to purchase a company, recent transactions involving the purchase or sale of the equity securities of the company, or other liquidation events. The determined equity values are generally discounted when we have a minority position, are subject to restrictions on resale, have specific concerns about the receptivity of the capital markets to a specific company at a certain time, or other comparable factors exist.

- *Investment Team Valuation.* Each portfolio company or investment will initially be valued by the investment professionals of the Advisor responsible for the portfolio investment. As a part of this process, materials will be prepared containing their supporting analysis.
- *Investment Committee Valuation.* The investment committee of our Advisor will review the investment team valuation report and determine valuations to be considered by the board of directors.
- *Independent Valuation Firm Activity.* Our board of directors has retained an independent valuation firm, Duff & Phelps, LLC, to review, as requested from time to time by the independent directors, the valuation report provided by our Advisor's investment committee and to provide valuation assistance in reviewing if the valuations are unreasonable.
- *Final Valuation Determination.* Our board of directors will consider the investment committee valuations, including supporting documentation, and analysis of Duff & Phelps, LLC, if applicable, and determine the fair value of each investment in our portfolio in good faith.

There will typically be no readily available market value for our investments. Because of the inherent uncertainty in determining the fair value of investments that do not have a readily available market value, the fair value of our investments determined in good faith by our board of directors may be materially different from the values that would have been used had a ready market existed for the investments.

We expect to invest in one or more taxable subsidiaries formed by us to make and hold certain investments in accordance with our investment objective. We will value our investment in such a subsidiary based on the net asset value of the subsidiary. The net asset value of the subsidiary will be computed by subtracting from the value of all of the subsidiary's assets all of its liabilities, including but not limited to taxes. The subsidiary's portfolio securities will be valued in accordance with the same valuation procedures applied to our portfolio companies.

Determination of fair value involves subjective judgments and estimates not susceptible to substantiation by auditing procedures. Accordingly, under current auditing standards, the notes to our financial statements will refer to the uncertainty with respect to the possible effect of such valuations, and any change in such valuations, on our financial statements.

Determinations in Connection with Offerings

In connection with each offering of our common shares, our board of directors (or a committee thereof) is required to make the determination that we are not selling our common shares at a price below the then current net asset value of our common shares at the time at which the sale is made. Our board of directors considers the following factors, among others, in making such determination:

- the net asset value of our common shares disclosed in the most recent periodic report we filed with the SEC;
- our management's assessment of whether any material change in the net asset value of our common shares has occurred (including through the realization of gains on the sale of our portfolio securities) from the period beginning on the date of the most recently disclosed net asset value of our common shares to the period ending two days prior to the date of the sale of our common shares; and
- the magnitude of the difference between the net asset value of our common shares disclosed in the most recent periodic report we filed with the SEC and our management's assessment of any material change in the net asset value of our common shares since the date of the most recently disclosed net asset value of our common shares, and the offering price of our common shares in the proposed offering.

Importantly, this determination does not require that we calculate the net asset value of our common shares in connection with each offering of common shares, but instead it involves the determination by our board of directors (or a committee thereof) that we are not selling common shares at a price below the then current net asset value of our common shares at the time at which the sale is made.

Our stockholders granted us the right to sell our common shares below net asset value at a special meeting held on December 21, 2006. This authority extends through our 2008 annual meeting, currently expected to occur in April 2008. We may seek the authority to sell our common shares below net asset value in the future. To the extent we issue shares below the then current net asset value of our common shares, the price per share will be the fair market value as determined by the board of directors. In addition, we will only sell common shares below our then current net asset value if all of the following conditions are met:

- the per share offering price, before deduction of underwriting fees, commissions and offering expenses, will not be less than the net asset value per common share, as determined at any time within two business days of pricing of the common shares to be sold in the offering;
- immediately following the offering, after deducting offering expenses and underwriting fees and commissions, the net asset value per common share, as determined at any time within two business days of pricing of the common shares to be sold, would not have been diluted by greater than a

total of 4% of the net asset value per share of all outstanding common shares. We will not be subject to a maximum number of shares that can be sold or a defined minimum sales price per share in any offering so long as the aggregate number of shares offered and the price at which such shares are sold together would not result in dilution of the net asset value per common share in excess of the 4% limitation; and

- a majority of our independent directors makes a determination, based on information and a recommendation from our Advisor, that they reasonably expect that the investment(s) to be made with the net proceeds of such issuance will lead to long-term distribution growth.

These processes and procedures are part of our compliance policies and procedures. Records will be made contemporaneously with all determinations described in this section and these records will be maintained with other records we are required to maintain under the 1940 Act.

CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following discussion is a general summary of the material U.S. federal income tax considerations that are applicable to us and to an investment in our common shares. This summary does not purport to be a complete description of the income tax considerations applicable to such an investment. For example, the following discussion does not describe income tax consequences that are assumed to be generally known by a U.S. stockholder (as defined below) or certain considerations that may be relevant to certain types of U.S. stockholders subject to special treatment under U.S. federal income tax laws, including tax-exempt organizations, insurance companies, dealers in securities, pension plans and trusts and financial institutions. This summary assumes that you hold our common shares as capital assets (within the meaning of the Code). The discussion is based upon the Code, Treasury regulations, and administrative and judicial interpretations, each as of the date of this prospectus and all of which are subject to change, possibly retroactively, which could affect the continuing validity of this discussion. We have not and will not seek any ruling from the Internal Revenue Service (the "Service") regarding any of the tax considerations discussed herein. Except as discussed below, this summary does not discuss any aspects of U.S. estate or gift tax or foreign, state or local tax. It does not discuss the special treatment under U.S. federal income tax laws that could result if we invested in tax-exempt securities or certain other investment assets.

A "U.S. stockholder" generally is a beneficial owner of our common shares that is, for U.S. federal income tax purposes, any one of the following:

- a citizen or resident of the United States;
- a corporation, partnership or other entity created in or organized under the laws of the United States or any political subdivision thereof;
- an estate, the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust subject to the supervision of a court within the United States and the control of a United States person.

A "Non-U.S. stockholder" is a beneficial owner of our common shares that is not a U.S. stockholder.

If a partnership (including an entity or arrangement treated as a partnership for U.S. federal income tax purposes) holds our common shares, the tax treatment of a partner in the partnership will generally depend upon the status of the partner and the activities of the partnership. A prospective stockholder that is a partnership holding our common shares or a partner of such a partnership should consult his, her or its own tax advisor with respect to the purchase, ownership and disposition of our common shares.

Tax matters are very complicated and the tax consequences to a U.S. stockholder or a Non-U.S. stockholder of an investment in our common shares will depend on the facts of his, her or its particular situation. We encourage investors to consult their own tax advisors regarding the specific consequences of such an investment, including tax reporting requirements, the applicability of federal, state, local and foreign tax laws and the effect of any possible changes in the tax laws.

Federal Income Taxation of the Company

We have been formed as a corporation under Maryland law. We currently are, have been, and intend to continue to be, treated as a general business corporation for U.S. federal income tax purposes. Thus, we are, and intend to continue to be, obligated to pay federal and applicable state income tax on our taxable income. We intend to invest our assets primarily in entities treated as partnerships for U.S. federal income tax purposes. As a partner in a partnership, we will have to report our allocable share of the partnership's taxable income in computing our taxable income. Based upon our review of the historic results of the type of entity in which we intend to invest, we expect that the cash distributions received by us with respect to our investments in partnerships will exceed the taxable income allocated to us from such investments. There is no assurance that our expectation regarding distributions from the partnerships exceeding allocated taxable income from the partnerships will be realized. If this expectation is not realized, there will be greater taxes paid by us and less cash available to distribute to our stockholders. In addition, we will take into account in computing our taxable

income amounts of gain or loss recognized by us on the disposition of our investments. Currently, the maximum marginal regular federal income tax rate for a corporation is 35%. We may be subject to a 20% federal alternative minimum tax on our federal alternative minimum taxable income to the extent that our alternative minimum tax exceeds our regular federal income tax.

We do not intend to elect to be treated as a RIC under the Code. The Code generally provides that a RIC does not pay an entity level income tax, provided that it distributes all or substantially all of its income. The RIC taxation rules currently do not, and are not intended in the future to, have any application to us or to our stockholders.

Taxation of U.S. Stockholders

A distribution by us on your common shares will be treated as a taxable dividend to you to the extent of your share of our current or accumulated earnings and profits. If the distribution exceeds your share of our earnings and profits, the distribution will be treated as a return of capital to the extent of your basis in our common shares, and then as capital gain. You will receive a Form 1099 from us and will recognize dividend income only to the extent of your share of our current or accumulated earnings and profits.

Generally, our earnings and profits are computed based upon taxable income, with certain specified adjustments. As explained above, we anticipate that the distributed cash from our portfolio investments in entities treated as partnerships for tax purposes will exceed our share of taxable income from those portfolio investments. Thus, we anticipate that only a portion of distributions we make on the common shares will be treated as dividend income to our stockholders.

The federal income tax law generally provides that qualifying dividend income paid to non-corporate U.S. stockholders is subject to federal income tax at the rate applicable to long-term capital gains, which is generally a maximum rate of 15%. The portion of our distributions on our common shares treated as dividends for federal income tax purposes will be treated as qualifying dividends for federal income tax purposes provided that you satisfy certain holding period and other applicable requirements. This rate of tax on dividends is currently scheduled to increase back to ordinary income rates after December 31, 2010. If we are taxed as a general business corporation, a corporate U.S. stockholder generally will be eligible for the dividends-received deduction generally allowed U.S. corporations in respect of dividends received from U.S. corporations provided that the corporate U.S. stockholder satisfies certain holding period and other applicable requirements.

If a U.S. stockholder participates in our automatic dividend reinvestment plan, such U.S. stockholder will be taxed upon the amount of distributions as if such amount had been received by the participating U.S. stockholder and the U.S. stockholder reinvested such amount in additional common shares.

Upon a sale or exchange of our common shares, a U.S. stockholder will recognize a taxable gain or loss depending upon his, her or its basis in our common shares. Such gain or loss will be treated as long-term capital gain or loss if our common shares have been held for more than one year. Subject to limited exceptions, capital losses cannot be used to offset ordinary income. In the case of a non-corporate U.S. stockholder, long-term capital gain generally is subject to a maximum tax rate of 15%, which maximum tax rate is currently scheduled to increase to 20% for dispositions occurring during taxable years beginning on or after January 1, 2011.

We may be required to withhold U.S. federal income tax (“backup withholding”) at a 28%-rate from all taxable distributions to any non-corporate U.S. stockholder (i) who fails to furnish a correct taxpayer identification number or a certificate that such stockholder is exempt from backup withholding, or (ii) with respect to whom the Service has notified us that such stockholder has failed to properly report certain interest and dividend income to the Service and to respond to notices to that effect. An individual’s taxpayer identification number is his or her social security number. Any amount withheld under backup withholding is allowed as a credit against the U.S. stockholder’s U.S. federal income tax liability, provided that proper information is timely provided to the Service.

Taxation of Non-U.S. Stockholders

Whether an investment in the shares is appropriate for a Non-U.S. stockholder will depend on that person's particular circumstances. An investment in the shares by a Non-U.S. stockholder may have adverse tax consequences. Non-U.S. stockholders should consult their tax advisors before investing in our common shares.

In general, dividend distributions paid by us to a Non-U.S. stockholder are subject to withholding of U.S. federal income tax at a rate of 30% (or lower applicable treaty rate). If the distributions are effectively connected with a U.S. trade or business of the Non-U.S. stockholder (and, if required by an applicable income tax treaty, are attributable to a permanent establishment maintained by the Non-U.S. stockholder in the United States), we will not be required to withhold federal income tax if the Non-U.S. stockholder complies with applicable certification and disclosure requirements, although the distributions will be subject to federal income tax at the rates applicable to U.S. stockholders. Any such effectively connected dividends may, under certain circumstances, be subject to an additional "branch profits tax" at a 30% rate or such lower rate as may be specified by an applicable income tax treaty. (Special certification requirements apply to a Non-U.S. stockholder that is a foreign partnership or a foreign trust, and such entities are urged to consult their own tax advisors.)

A Non-U.S. stockholder generally will not be taxed on any gain recognized on a disposition of our common stock unless:

• the gain is effectively connected with the Non-U.S. stockholder's conduct of a trade or business in the United States and, if required by an applicable income tax treaty, is attributable to a permanent establishment maintained by the Non-U.S. stockholder in the United States; in these cases, the gain will be taxed on a net income basis at the regular graduated rates and in the manner applicable to U.S. stockholders (unless an applicable income tax treaty provides otherwise) and, under certain circumstances, the "branch profits tax" described above may also apply;

• the Non-U.S. stockholder is an individual who holds our common stock as a capital asset, is present in the United States for more then 182 days in the taxable year of the disposition and meets other requirements (in which case, except as otherwise provided by an applicable income tax treaty, the gain, which may be offset by U.S. source capital losses, generally will be subject to a flat 30% U.S. federal income tax, even though the Non-U.S. stockholder is not considered a resident alien under the Code); or

• we are or have been a "U.S. real property holding corporation" for U.S. federal income tax purposes at any time during the shorter of the five-year period ending on the date of disposition or the period that the Non-U.S. stockholder held our common stock.

Generally, a corporation is a "U.S. real property holding corporation" if the fair market value of its "U.S. real property interests" equals or exceeds 50% of the sum of the fair market value of its worldwide real property interests plus its other assets used or held for use in a trade or business. For this purpose, we generally will be treated as owning our proportionate share of the assets of a partnership in which we own an equity interest. The determination of whether we are a U.S. real property holding corporation at any given time will depend on the mix of our assets and their fair market values at such time, which is difficult to predict, and it is possible that we will be a U.S. real property holding corporation. However, the tax relating to stock in a U.S. real property holding corporation generally will not apply to a Non-U.S. stockholder whose holdings, direct and indirect, at all times during the applicable period, constituted 5% or less of our common shares (a "Non-5% holder"), provided that our common shares were regularly traded on an established securities market at any time during the calendar year of the disposition. Our common shares have been approved for listing on the NYSE. Although not free from doubt, our common shares should be considered to be regularly traded on an established securities market for any calendar quarter during which they are regularly quoted on the NYSE by brokers or dealers that hold themselves out to buy or sell our common shares at the quoted price. If our common shares were not considered to be regularly traded on the NYSE at any time during the applicable calendar year, then a Non-5% holder would be taxed for U.S. federal income tax purposes on any gain realized on the disposition of our common shares on a net income basis as if the gain

were effectively connected with the conduct of a U.S. trade or business by the Non-5% holder during the taxable year and, in such case, the person acquiring our common shares from a Non-5% holder generally would have to withhold 10% of the amount of the proceeds of the disposition. Such withholding may be reduced or eliminated pursuant to a withholding certificate issued by the Service in accordance with applicable U.S. Treasury regulations. We urge all Non-U.S. stockholders to consult their own tax advisors regarding the application of these rules to them.

A Non-U.S. stockholder who is a non-resident alien individual, and who is otherwise subject to withholding of federal income tax, may be subject to information reporting and backup withholding of federal income tax on dividends unless the Non-U.S. stockholder provides us or the dividend paying agent with an IRS Form W-8BEN (or an acceptable substitute or successor form) or otherwise meets documentary evidence requirements for establishing that it is a Non-U.S. stockholder or otherwise establishes an exemption from backup withholding.

Our common shares that are owned or treated as owned by an individual who is not a U.S. citizen or resident of the United States (as specially defined for U.S. federal estate tax purposes) at the time of death will be included in the individual's gross estate for U.S. federal estate tax purposes, unless an applicable estate tax or other treaty provides otherwise and, therefore, may be subject to U.S. federal estate tax.

Non-U.S. persons should consult their own tax advisors with respect to the United States federal income tax and withholding tax, and state, local and foreign tax consequences of an investment in the shares.

REGULATION

We intend to elect to be regulated as a BDC under the 1940 Act. We cannot provide any assurances as to when we will become a BDC. Upon our election to be regulated as a BDC, we will be subject to the regulations and restrictions described below.

A BDC is a unique kind of investment company that primarily focuses on investing in or lending to private companies and providing managerial assistance to them. A BDC generally provides stockholders with the ability to retain the liquidity of a publicly traded security, while sharing in the possible benefits of investing in privately-held or thinly traded public and privately-owned companies. The 1940 Act contains prohibitions and restrictions relating to transactions between business development companies and their directors and officers and principal underwriters and certain other related persons, and the 1940 Act requires that a majority of the directors be persons other than "interested persons" as defined under the 1940 Act.

Qualifying Assets

Under the 1940 Act, we may not acquire any asset other than assets of the type listed in Section 55(a) of the 1940 Act, or "qualifying assets," unless at the time the acquisition is made qualifying assets represent at least 70% of our total assets. The principal categories of qualifying assets relevant to our proposed businesses are the following:

- Securities purchased in transactions not involving any public offering from the issuer of the securities, which issuer (subject to certain limited exceptions) is an eligible portfolio company, or from any person who is, or has been during the preceding 13 months, an affiliated person of an eligible portfolio company. An "eligible portfolio company" is currently defined in the 1940 Act as any issuer that:
  - is organized under the laws of, and has its principal place of business in, the United States; and
  - is not an investment company (other than a SBIC wholly owned by the BDC) or a company that would be an investment company but for certain exceptions under the 1940 Act; and
  - satisfies any of the following:
    - does not have any class of securities with respect to which a broker or dealer may extend margin credit;
    - is controlled by a BDC or a group of companies including a BDC, and the BDC has an affiliated person who is a director of the eligible portfolio company; or
    - is a small and solvent company having total assets of not more than $4 million and capital and surplus of not less than $2 million; or
    - does not have any class of securities listed on a national securities exchange.
- Securities of any eligible portfolio company that we control.
- Securities purchased in a private transaction from a U.S. issuer that is not an investment company and is in bankruptcy and subject to reorganization.
- Securities of an eligible portfolio company purchased from any person in a private transaction if there is no ready market for such securities and we already own 60% of the outstanding equity of the eligible portfolio company.
- Securities received in exchange for, or distributed on or with respect to, securities described above, or pursuant to the exercise of warrants or rights relating to such securities.
- Cash, cash equivalents, U.S. government securities or high-quality debt securities maturing in one year or less from the time of investment.

- Securities purchased in transactions not involving any public offering from an issuer, or from any person who is an officer or employee of the issuer, if (A) the issuer (i) is organized under the laws of, and has its principal place of business in, the United States, (ii) is not an investment company (other than a SBIC wholly owned by the BDC) or a company that would not be an investment company bur for certain exceptions under the 1940 Act), and (iii) is not an eligible portfolio company because it has a class of securities listed on a national securities exchange, and (B) at the time of such purchase we own at least (i) 50% of the greatest number of equity securities of such issuer and securities convertible into or exchangeable for such securities and 50% of the greatest amount of debt securities of such issuer held by us any point in time during the period when such issuer was an eligible portfolio company, and (ii) we are one of the 20 largest holders of record of such issuers outstanding voting securities.

We may invest up to 30% of our total assets in assets that are non-qualifying assets and are not subject to the limitations referenced above. These investments may include, among other things, investments in high yield bonds, bridge loans, distressed debt, commercial loans, private equity, securities of public companies or secondary market purchases of otherwise qualifying assets. If the value of non-qualifying assets should at any time exceed 30% of our total assets, we will be precluded from acquiring any additional non-qualifying assets until such time as the value of our qualifying assets again equals at least 70% of our total assets. We expect that all but one of our investments will be qualifying assets at the time we elect to be regulated as a BDC and that qualifying assets will represent more than 70% of our total assets. See “Risk Factors — If our investments are deemed not to be qualifying assets, we could lose our status as a BDC or be precluded from investing according to our current business plan.”

Significant Managerial Assistance

A BDC must be organized and have its principal place of business in the United States and must be operated for the purpose of making investments in the types of securities described above. However, in order to count portfolio securities as qualifying assets for the purpose of the 70% test, a BDC must either control the issuer of the securities or must offer to make available to the issuer of the securities (other than small and solvent companies described above) significant managerial assistance. Making available significant managerial assistance means, among other things, any arrangement whereby a BDC, through its directors, officers or employees, offers to provide, and, if accepted, does so provide, significant guidance and counsel concerning the management, operations or business objectives and policies of a portfolio company through monitoring or portfolio company operations, selective participation in board and management meetings, consulting with and advising a portfolio company’s officers, or other organizational or financial guidance. Although not required to do so at this time, we anticipate offering to provide significant managerial assistance to each of our portfolio companies. In addition, although we are not currently doing so, we may in the future charge for providing managerial assistance.

Temporary Investments

Pending investments in other types of qualifying assets, as described above, a BDC’s investments may consist of cash, cash equivalents, U.S. government securities or high quality debt securities maturing in one year or less from the time of investment. There is no other percentage restriction on the proportion of our assets that may be so invested.

Determination of Net Asset Value

The net asset value per share of our outstanding common stock will be determined quarterly, as soon as practicable after, and as of the end of, each calendar quarter. The net asset value per common share will be equal to the value of our total assets minus liabilities and any preferred securities outstanding divided by the total number of common shares outstanding at the date as of which such determination is made. Fair value will be determined in good faith by our board of directors pursuant to a valuation policy. See “Determination of Net Asset Value.”

Senior Securities; Coverage Ratio

We are permitted, only under specified conditions, to issue multiple classes of indebtedness and one class of security senior to our common securities if our asset coverage, as defined in the 1940 Act, is at least equal to 200% immediately after each such issuance. In addition, while any senior securities remain outstanding, we must make provisions to prohibit any distribution to our stockholders or the repurchase of such securities unless we meet the applicable asset coverage ratios at the time of the distribution or repurchase. For a discussion of the risks associated with the resulting leverage, see "Risk Factors — Risks Related to Our Operations."

Derivative Securities

The 1940 Act limits the amount of derivative securities that we may issue and the terms of such securities. Apart from our 957,130 warrants issued as part of our private placement and bridge financing, we do not have, and do not anticipate having, outstanding derivative securities relating to our common shares.

Code of Ethics

We are required to maintain a code of ethics pursuant to Rule 17j-1 under the 1940 Act that establishes procedures for personal investments and restricts certain personal securities transactions. Personnel subject to the code of ethics may invest in securities for their personal investment accounts, including securities that may be purchased or held by us, so long as such investments are made in accordance with the code of ethics.

Privacy Principles

We are committed to maintaining the privacy of our stockholders and safeguarding their non-public personal information. The following information is provided to help you understand what personal information we collect, how we protect that information and why, in certain cases, we may share information with select other parties.

Generally, we do not receive any non-public personal information relating to our stockholders, although certain non-public personal information of our stockholders may become available to us. We do not disclose any non-public personal information about our stockholders or former stockholders to anyone, except as required by law or as is necessary in order to service stockholder accounts (for example, to a transfer agent).

We restrict access to non-public personal information about our stockholders to employees of our Advisor with a legitimate business need for the information. We maintain physical, electronic and procedural safeguards designed to protect the non-public personal information of our stockholders.

Affiliate Transactions

Under the 1940 Act, we and our affiliates may be precluded from co-investing in private placements of securities. Our Advisor and TYG have applied to the SEC for exemptive relief to permit TYG, TYY, TYN, us and our and their respective affiliates to make such investments. Unless and until we obtain an exemptive order, we will not co-invest with our affiliates in negotiated private placement transactions. We cannot guarantee that the requested relief will be granted by the SEC. Unless and until we obtain an exemptive order, our Advisor will not co-invest its proprietary accounts or other clients' assets in negotiated private transactions in which we invest. Until we receive exemptive relief, our Advisor will observe a policy for allocating opportunities among its clients that takes into account the amount of each client's available cash and its investment objectives. As a result of one or more of these situations, we may not be able to invest as much as we otherwise would in certain investments or may not be able to liquidate a position as quickly.

Compliance Policies and Procedures

We have written policies and procedures reasonably designed to prevent violation of the federal securities laws, and are required to review these compliance policies and procedures annually for adequacy and effective implementation and to designate a Chief Compliance Officer to be responsible for administering the policies and procedures.

Securities Exchange Act Compliance

Following this offering we will be subject to the reporting and disclosure requirements of the Securities Exchange Act of 1934 (the "Exchange Act"), including the filing of quarterly, annual and current reports, proxy statements and other required items. In addition, beginning with our annual report for our fiscal year ended November 30, 2008, we will be subject to the provisions of the Sarbanes-Oxley Act of 2002, requiring reports on Section 404 internal controls over financial reporting.

Sarbanes-Oxley Act of 2002

The Sarbanes-Oxley Act of 2002 imposes a wide variety of new regulatory requirements on publicly-held companies and their insiders. For example:

- pursuant to Rule 13a-14 of the 1934 Act, our Chief Executive Officer and Chief Financial Officer must certify the accuracy of the financial statements contained in our periodic reports;
- pursuant to Item 307 of Regulation S-K, our periodic reports must disclose our conclusions about the effectiveness of our disclosure controls and procedures;
- pursuant to Rule 13a-15 of the 1934 Act, our management must prepare a report regarding its assessment of our internal control over financial reporting, which must be audited by our independent registered public accounting firm; and
- pursuant to Item 308 of Regulation S-K and Rule 13a-15 of the 1934 Act, our periodic reports must disclose whether there were significant changes in our internal controls or in other factors that could significantly affect these controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

The Sarbanes-Oxley Act requires us to review our current policies and procedures to determine whether we comply with the Sarbanes-Oxley Act and the regulations promulgated thereunder. We will continue to monitor our compliance with all regulations that are adopted under the Sarbanes-Oxley Act and will take actions necessary to ensure that we are in compliance therewith.

Withdrawal

Following our intended election to be regulated as a BDC, we may not change the nature of our business so as to cease to be, or withdraw our election as, a BDC unless authorized by vote of a "majority of the outstanding voting securities," as defined in the 1940 Act. The 1940 Act defines "a majority of the outstanding voting securities" as the lesser of (i) 67% or more of the voting securities present at such meeting if the holders of more than 50% of our outstanding voting securities are present or represented by proxy, or (ii) 50% of our voting securities.

Other

Following our intended election to be regulated as a BDC, we will be periodically examined by the SEC for compliance with the 1940 Act.

We maintain a bond issued by a reputable fidelity insurance company to protect us against larceny and embezzlement. We will not protect any director or officer against any liability to our stockholders arising from willful misfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of such person's office.

Small Business Administration Regulations

We have filed an application to have a to-be-formed wholly owned subsidiary be licensed by the SBA as a SBIC under Section 301(c) of the Small Business Investment Act of 1958. The SBA regulations currently limit the amount that is available to borrow by any SBIC controlled by our Advisor to $124.4 million.

SBICs are designed to stimulate the flow of private equity capital to eligible small businesses. Under present regulations, eligible small businesses include businesses that have a tangible net worth not exceeding $18 million and have average annual fully taxed net income not exceeding $6 million for the two most recent fiscal years. In addition, a SBIC must devote 20% of its investment activity to "smaller" concerns as defined by the SBA. A smaller concern is one that has a tangible net worth not exceeding $6 million and has average annual fully taxed net income not exceeding $2 million for the two most recent fiscal years. SBA regulations also provide alternative size standard criteria to determine eligibility, which depend on the industry in which the business is engaged and are based on such factors as the number of employees and gross sales. According to SBA regulations, SBICs may make long-term loans to small businesses, invest in the equity securities of such businesses and provide them with consulting and advisory services. Through our to-be-formed wholly-owned subsidiary, we anticipate providing long-term loans to qualifying small businesses and make related equity investments.

If our to-be-formed subsidiary receives a SBIC license, it will be periodically examined and audited by the SBA's staff to determine its compliance with SBIC regulations. In addition, it will be subject to any other regulations and restrictions applicable to a SBIC. The SBA prohibits, without prior SBA approval, a "change of control" of a SBIC or transfers that would result in any person (or a group of persons acting in concert) owning 10% or more of a class of capital stock of a licensed SBIC.

Although we cannot provide any assurance that we will receive any exemptive relief, we expect to request that the SEC allow us to exclude any indebtedness issued to the SBA by a to-be-formed wholly-owned subsidiary for which we are seeking qualification as a SBIC, from the 200% asset coverage requirements applicable to us as a BDC.

DESCRIPTION OF CAPITAL STOCK

We are authorized to issue up to 100,000,000 shares of common stock, $.001 par value per share, and up to 10,000,000 shares of preferred stock, $.001 par value per share. We currently have 3,088,596 of our common shares, warrants to purchase 957,130 of our common shares, and 1,233,333 shares of Series A redeemable preferred stock issued and outstanding. Our board of directors may, without any action by our stockholders, amend our Charter from time to time to increase or decrease the aggregate number of shares of stock or the number of shares of stock of any class or series that we have authority to issue. Additionally, our Charter authorizes our board of directors, without any action by our stockholders, to classify and reclassify any unissued common shares and preferred shares into other classes or series of stock from time to time by setting or changing the preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends and other distributions, qualifications and terms or conditions of redemption for each class or series. Although there is no present intention of doing so, we could issue a class or series of stock that could delay, defer or prevent a transaction or a change in control that might otherwise be in our stockholders' best interests. Under Maryland law, our stockholders generally are not liable for our debts or obligations.

The following table provides information about our outstanding capital stock as the date of this prospectus:

Title of Class	Amount Authorized	Amount Held by the Company or for its Account	Amount Outstanding
Common Stock	100,000,000	0	3,088,596
Preferred Stock	10,000,000		
Series A Redeemable Preferred	1,333,334	0	1,233,333

Common Shares

All common shares offered by this prospectus will be duly authorized, fully paid and nonassessable. Our stockholders are entitled to receive dividends if and when authorized by our board of directors and declared by us out of assets legally available for the payment of dividends. Our stockholders are also entitled to share ratably in the assets legally available for distribution to our stockholders in the event of liquidation, dissolution or winding up, after payment of or adequate provision for all known debts and liabilities. These rights are subject to the preferential rights of any other class or series of our capital stock.

In the event that we have preferred shares outstanding, and so long as we remain subject to the 1940 Act, holders of our common shares will not be entitled to receive any net income of or other distributions from us unless all accumulated dividends on preferred shares have been paid and the asset coverage (as defined in the 1940 Act) with respect to preferred shares and any outstanding debt is at least 200% after giving effect to such distributions.

Each outstanding common share entitles the holder to one vote on all matters submitted to a vote of our stockholders, including the election of directors. The presence of the holders of shares of our stock entitled to cast a majority of the votes entitled to be cast shall constitute a quorum at a meeting of our stockholders. Our Charter provides that, except as otherwise provided in our Bylaws, each director shall be elected by the affirmative vote of the holders of a majority of the shares of stock outstanding and entitled to vote thereon. Our Bylaws provide that each director shall be elected by a plurality of all the votes cast at a meeting of stockholders duly called and at which a quorum is present. There is no cumulative voting in the election of directors. Consequently, at each annual meeting of our stockholders, the holders of a majority of the outstanding shares of capital stock entitled to vote will be able to elect all of the successors of the class of directors whose terms expire at that meeting. Pursuant to our Charter and Bylaws, our board of directors may amend the Bylaws to alter the vote required to elect directors.

Holders of our common shares have no preference, conversion, exchange, sinking fund, redemption or appraisal rights and have no preemptive rights to subscribe for any of our securities. All of our common shares will have equal dividend, liquidation and other rights.

If we offer additional common shares, the offering will require approval of our board of directors and, so long as we remain subject to the 1940 Act, the offering will be subject to the requirement that shares may not be sold at a price below the then-current net asset value, exclusive of underwriting discounts and commissions, except in limited circumstances, including in connection with an offering to our existing stockholders.

Preferred Shares

We issued 1,233,333 shares of Series A redeemable preferred stock in the bridge financing we completed in December 2006. So long as we remain subject to the 1940 Act, we will be subject to restrictions that currently limit the aggregate liquidation preference of all outstanding preferred stock to 50% of the value of our total assets less our liabilities and indebtedness and permit us to issue only one class of security senior to our common shares.

The holders of the preferred stock shall have the right to one vote for each share of preferred stock held and with respect to such vote, shall have full voting rights and powers equal to the voting rights and powers of the holders of our common shares. So long as we remain subject to the 1940 Act, the holders of the preferred stock, voting separately as a single class, will have the right to elect at least two directors at all times. The remaining directors will be elected by holders of common shares and preferred stock, voting together as a single class. In addition, the holders of the preferred stock will have the right to elect a majority of the directors at any time accumulated dividends on the preferred stock have not been paid for at least two years. The 1940 Act also requires that, in addition to any approval by stockholders that might otherwise be required, the approval of the holders of a majority of the preferred stock, voting separately as a class, will be required to adopt any plan of reorganization that would adversely affect the preferred stock. See “Certain Provisions of Our Charter and Bylaws and the Maryland General Corporation Law.” As a result of these voting

rights, our ability to take any such actions may be impeded while the preferred stock is outstanding. We intend to redeem the preferred stock immediately following the receipt of the proceeds of this offering.

The affirmative vote of the holders of a majority of the outstanding preferred stock, voting as a separate class, will be required to amend, alter or repeal any of the preferences, rights or powers of holders of the preferred stock so as to affect materially and adversely such preferences, rights or powers. The class vote of holders of preferred stock described above will in each case be in addition to any other vote required to authorize the action in question.

The terms of the preferred stock, provide that the holders of the preferred stock are entitled to receive cumulative cash dividends, when and as declared by the board of directors and to the extent that funds are legally available for distribution, at the rate of 10% per annum of their original issue price ($15.00) on each outstanding share of preferred stock (as adjusted for any stock dividends, combinations, splits, recapitalizations and the like with respect to such shares). The payment rights of the preferred stock are in preference to the holders of our common shares and any other class or series of our capital stock. If the preferred stock is not redeemed in full prior to September 26, 2007, no dividends may thereafter be paid to the holders of our common shares until the preferred stock is redeemed in full.

In the event of our liquidation, dissolution or winding up, either voluntarily or involuntarily, the holders of the preferred stock are entitled to receive, prior and in preference to any distribution of any of our assets to the holders of our common shares or any other class or series of our capital stock by reason of their ownership thereof, an amount per share equal to their original issue price, subject to adjustment, plus all accrued and unpaid cumulative dividends thereon to the date of liquidation.

We may redeem some or all of the outstanding preferred stock at any time funds are legally available for such redemption. We must redeem the preferred stock upon completion of this offering. The price at which each share of preferred stock is to be redeemed is equal to the original issue price ($15.00) plus (i) all accrued and unpaid dividends, and (ii) a redemption premium equal to 2% of the original issue price.

Following the redemption of the preferred stock, we may, but are not required to, issue additional preferred shares. The terms of the additional preferred shares, if issued, are expected to provide that (i) they are redeemable in whole or in part at the original purchase price per share plus accrued dividends per share, (ii) we may tender for or repurchase the preferred shares and (iii) we may subsequently resell any shares so tendered for or repurchased by us. Any redemption or purchase of our preferred shares will reduce the leverage applicable to our common shares, while any resale of our shares will increase that leverage.

If our board of directors determines to proceed with such an additional offering of preferred shares following the redemption of our outstanding preferred stock, the terms of our preferred shares may be the same as, or different from, the terms described above, subject to applicable law and our Charter. Our board of directors, without the approval of the holders of our common shares, may authorize an offering of preferred shares or may determine not to authorize such an offering, and may fix the terms of our preferred shares to be offered.

The information contained under this heading is subject to the provisions contained in our Charter, Articles Supplementary, Bylaws, the 1940 Act and the laws of the State of Maryland.

Warrants

We have 957,130 warrants issued and outstanding. Each warrant entitles the holder thereof to purchase one common share at the exercise price per common share of the greater of (i) $15.00 per common share or (ii) the net asset value of our common shares on the date of our intended election to be regulated as a BDC. Warrants are exercisable upon the completion of this offering, subject to a lock-up period with respect to common shares received upon exercise of warrants of 90 calendar days immediately following this offering. All warrants expire on the day before the sixth anniversary of this offering. No fractional warrant shares will be issued upon exercise of the warrants. We will pay to the holder of the warrant at the time of exercise an amount in cash equal to the current market value of any such fractional warrant shares.

The warrants are afforded standard anti-dilution protection. As a part of that protection, the number of common shares issuable upon exercise of the warrants (or any shares of stock or other securities at the time issuable upon exercise of such warrants) and the warrant exercise price shall be appropriately adjusted to reflect any and all stock dividends (other than cash dividends), stock splits, combinations of shares, reclassifications, recapitalizations or other similar events affecting the number of outstanding common shares (or such other stock or securities) so as to cause the holder thereafter exercising warrants to receive the number of common shares or other capital stock such holder would have received if such warrant had been exercised immediately prior to such event.

If we make an extraordinary dividend on the outstanding common shares, each holder will be entitled to receive the extraordinary dividend made on the outstanding common shares the holder would have received if such warrant had been exercised immediately prior to such extraordinary dividend.

In addition, if the common shares issuable upon the exercise of the warrants shall be changed into the same or different number of shares of any class or classes of common shares, whether by capital reorganization, reclassification or otherwise (other than a reorganization, merger, consolidation or sale of assets), then, in and as a condition to the effectiveness of each such event, the holder of a warrant has the right thereafter to exercise such warrant for the kind and amount of common shares and other securities and property receivable upon such reorganization, reclassification or other change by the holder of the number of common shares for which such warrant might have been exercised immediately prior to such reorganization, reclassification or change.

In the case of a dividend or distribution paid pursuant to a plan of consolidation or merger by us with another person (other than a merger or consolidation in which we are the continuing person and the common shares are not exchanged for securities, property or assets issued, delivered or paid by another person), or in case of any lease, sale or conveyance to another person (other than a wholly-owned subsidiary) of all or substantially all of our property or assets, warrants shall thereafter (until the end of the exercise period) evidence the right to receive, upon exercise, in lieu of common shares, deliverable upon such exercise immediately prior to such consolidation, merger, lease, sale or conveyance, the kind and amount of shares and/or other securities and/or property and assets and/or cash that a holder would have been entitled to receive upon such consolidation, merger, lease, sale or conveyance had the holder exercised its warrants immediately prior to such consolidation, merger, lease, sale or conveyance, provided that to the extent a stockholder would have had an opportunity to elect the form of consideration, any holder not exercising its warrants shall be entitled to the same consideration that a holder of such common shares failing to make any such election would have been entitled to receive upon such transaction.

Our warrants are separate instruments from our common shares and are permitted to be transferred independently from our common shares, subject to certain transfer restrictions. The warrants have no voting rights and the common shares underlying the unexercised warrants will have no voting rights until such common shares are received upon exercise of warrants. Our stockholders ratified the warrants issued in connection with our bridge financing and granted us the authority to issue additional warrants to purchase common shares, subject to certain conditions, at a special meeting held on January 4, 2007.

CERTAIN PROVISIONS OF OUR CHARTER AND BYLAWS AND THE MARYLAND GENERAL CORPORATION LAW

The following description of certain provisions of our Charter and Bylaws is only a summary. For a complete description, please refer to our Charter and Bylaws, a copy of which are obtainable upon request.

Our Charter and Bylaws include provisions that could delay, defer or prevent other entities or persons from acquiring control of us, causing us to engage in certain transactions or modifying our structure. These provisions, all of which are summarized below, may be regarded as “anti-takeover” provisions. Such provisions could limit the ability of stockholders to sell their shares at a premium over the then-current market prices by discouraging a third party from seeking to obtain control of us. In addition to these provisions, we are incorporated in Maryland and therefore expect to be subject to the Maryland Control Share Acquisition Act and the Maryland General Corporation Law. Also, certain provisions of the 1940 Act may serve to discourage a third party from seeking to obtain control of us.

Number and Classification of our Board of Directors; Election of Directors

Our Charter and Bylaws provide that the number of directors may be established only by our board of directors pursuant to the Bylaws, but may not be less than one. Our Bylaws provide that the number of directors may not be greater than nine. Pursuant to our Charter, our board of directors is divided into three classes: Class I, Class II and Class III. The term of each class of directors expires in a different successive year. Upon the expiration of their term, directors of each class are elected to serve for three-year terms and until their successors are duly elected and qualify. Each year, only one class of directors is elected by the stockholders. The classification of our board of directors should help to assure the continuity and stability of our strategies and policies as determined by our board of directors.

Our classified board provision could have the effect of making the replacement of incumbent directors more time-consuming and difficult. At least two annual meetings of our stockholders, instead of one, will generally be required to effect a change in a majority of our board of directors. Thus, the classification of our board of directors could increase the likelihood that incumbent directors will retain their positions and may delay, defer or prevent a change in control of the board of directors, even though a change in control might be in the best interests of our stockholders.

Vacancies on Board of Directors; Removal of Directors

Our Charter provides that we have elected to be subject to the provision of Subtitle 8 of Title 3 of the Maryland General Corporation Law regarding the filling of vacancies on the board of directors. Accordingly, except as may be provided by the board of directors in setting the terms of any class or series of preferred shares, any and all vacancies on the board of directors may be filled only by the affirmative vote of a majority of the remaining directors in office, even if the remaining directors do not constitute a quorum, and any director elected to fill a vacancy shall serve for the remainder of the full term of the directorship in which the vacancy occurred and until a successor is elected and qualifies, subject to any applicable requirements of the 1940 Act.

The Charter provides that, subject to the rights of holders of one or more classes of our preferred stock, a director may be removed only for cause and only by the affirmative vote of at least two-thirds of the votes entitled to be cast in the election of our directors. This provision, when coupled with the provisions in our Charter and Bylaws regarding the filling of vacancies on the board of directors, precludes our stockholders from removing incumbent directors, except for cause and by a substantial affirmative vote, and filling the vacancies created by the removal with nominees of our stockholders.

Approval of Extraordinary Corporate Action; Amendment of Charter and Bylaws

Under Maryland law, a Maryland corporation generally cannot dissolve, amend its charter, merge, sell all or substantially all of its assets, engage in a share exchange or engage in similar transactions outside the ordinary course of business, unless approved by the affirmative vote of stockholders entitled to cast at least two-thirds of the votes entitled to be cast on the matter. However, a Maryland corporation may provide in its charter for approval of these matters by a lesser percentage, but not less than a majority of all of the votes entitled to be cast on the matter. Our Charter generally provides for approval of Charter amendments and extraordinary transactions by the stockholders entitled to cast at least a majority of the votes entitled to be cast on the matter.

Our Charter and Bylaws provide that the board of directors will have the exclusive power to make, alter, amend or repeal any provision of our Bylaws.

Advance Notice of Director Nominations and New Business

Our Bylaws provide that with respect to an annual meeting of our stockholders, nominations of persons for election to our board of directors and the proposal of business to be considered by our stockholders may be made only (i) pursuant to our notice of the meeting, (ii) by or at the direction of our board of directors or (iii) by a stockholder who is entitled to vote at the meeting and who has complied with the advance notice procedures of the Bylaws. With respect to special meetings of our stockholders, only the business specified in our notice of the meeting may be brought before the meeting. Nominations of persons for election to our

board of directors at a special meeting may be made only (i) pursuant to our notice of the meeting, (ii) by or at the direction of our board of directors, or (iii) by a stockholder who is entitled to vote at the meeting and who has complied with the advance notice provisions of our Bylaws, provided that our board of directors has determined that directors will be elected at the meeting.

Limitation of Liability of Directors and Officers; Indemnification and Advance of Expenses

Maryland law permits a Maryland corporation to include in its charter a provision limiting the liability of its directors and officers to the corporation and its stockholders for money damages except for liability resulting from (i) actual receipt of an improper benefit or profit in money, property or services or (ii) active and deliberate dishonesty established by a final judgment as being material to the cause of action. Our Charter contains such a provision which eliminates directors' and officers' liability to the maximum extent permitted by Maryland law, subject to the requirements of the 1940 Act.

Our Charter authorizes us, and our Bylaws obligate us, to the maximum extent permitted by Maryland law and subject to the requirements of the 1940 Act, to indemnify any present or former director or officer or any individual who, while a director or officer and at our request, serves or has served another corporation, real estate investment trust, partnership, joint venture, trust, employee benefit plan or other enterprise as a director, officer, partner or trustee and who is made, or threatened to be made, a party to the proceeding by reason of his or her service in any such capacity from and against any claim or liability to which that person may become subject or which that person may incur by reason of his or her service in any such capacity and to pay or reimburse their reasonable expenses in advance of final disposition of a proceeding. Our obligation to indemnify any director, officer or other individual, however, is limited by the 1940 Act and Investment Company Act Release No. 11330, which, among other things, prohibit us from indemnifying any director, officer or other individual from any liability resulting directly from the willful misconduct, bad faith, gross negligence in the performance of duties or reckless disregard of applicable obligations and duties of the directors, officers or other individuals and require us to set forth reasonable and fair means for determining whether indemnification shall be made.

Maryland law requires a corporation (unless its charter provides otherwise, which our Charter does not) to indemnify a director or officer who has been successful in the defense of any proceeding to which he or she is made, or threatened to be made, a party by reason of his or her service in that capacity. Maryland law permits a corporation to indemnify its present and former directors and officers, among others, against judgments, penalties, fines, settlements and reasonable expenses actually incurred by them in connection with any proceeding to which they may be made, or threatened to be made, a party by reason of their service in those or other capacities unless it is established that (i) the act or omission of the director or officer was material to the matter giving rise to the proceeding and (1) was committed in bad faith or (2) was the result of active and deliberate dishonesty, (ii) the director or officer actually received an improper personal benefit in money, property or services or (iii) in the case of any criminal proceeding, the director or officer had reasonable cause to believe that the act or omission was unlawful. However, under Maryland law, a Maryland corporation may not indemnify for an adverse judgment in a suit by or in the right of the corporation or for a judgment of liability on the basis that a personal benefit was improperly received, unless in either case a court orders indemnification, and then only for expenses. In addition, Maryland law permits a corporation to advance reasonable expenses to a director or officer upon the corporation's receipt of (i) a written affirmation by the director or officer of his or her good faith belief that he or she has met the standard of conduct necessary for indemnification by the corporation and (ii) a written undertaking by him or her or on his or her behalf to repay the amount paid or reimbursed by the corporation if it is ultimately determined that the standard of conduct was not met.

These provisions do not limit or eliminate our rights or the rights of any of our stockholders to seek nonmonetary relief such as an injunction or rescission in the event any of our directors or officers breaches his or her duties. These provisions will not alter the liability of our directors or officers under federal securities laws.

Control Share Acquisitions

Following this offering we will be covered by the Maryland Control Share Acquisition Act (the "Control Share Act"), which provides that control shares of a Maryland corporation acquired in a control share acquisition have no voting rights except to the extent approved by a vote of two-thirds of the votes entitled to be cast on the matter. Shares owned by the acquiror, and by officers or by directors who are employees of the corporation are excluded from shares entitled to vote on the matter. Control shares are voting shares of stock which, if aggregated with all other shares of stock owned by the acquiror or in respect of which the acquiror is able to exercise or direct the exercise of voting power (except solely by virtue of a revocable proxy), would entitle the acquiror to exercise voting power in electing directors within one of the following ranges of voting power:

- one-tenth or more but less than one-third;
- one-third or more but less than a majority; or
- a majority or more of all voting power.

The requisite stockholder approval must be obtained each time an acquiror crosses one of the thresholds of voting power set forth above. Control shares do not include shares the acquiring person is then entitled to vote as a result of having previously obtained stockholder approval. A control share acquisition means the acquisition of control shares, subject to certain exceptions.

A person who has made or proposes to make a control share acquisition may compel the board of directors of the corporation to call a special meeting of stockholders to be held within 50 days of demand to consider the voting rights of the shares. The right to compel the calling of a special meeting is subject to the satisfaction of certain conditions, including an undertaking to pay the expenses of the meeting. If no request for a meeting is made, the corporation may present the question at any stockholders meeting.

If voting rights are not approved at the meeting or if the acquiring person does not deliver an acquiring person statement as required by the statute, then the corporation may repurchase for fair value any or all of the control shares, except those for which voting rights have previously been approved. The right to repurchase control shares is subject to certain conditions and limitations. Fair value is determined, without regard to the absence of voting rights for the control shares, as of the date of the last control share acquisition by the acquiror or of any meeting of stockholders at which the voting rights of the shares are considered and not approved. If voting rights for control shares are approved at a stockholders meeting and the acquiror becomes entitled to vote a majority of the shares entitled to vote, all other stockholders may exercise appraisal rights. The fair value of the shares as determined for purposes of appraisal rights may not be less than the highest price per share paid by the acquiror in the control share acquisition.

The Control Share Act does not apply (i) to shares acquired in a merger, consolidation or share exchange if we are a party to the transaction or (ii) to acquisitions approved or exempted by our Charter or Bylaws.

Our Bylaws contain a provision exempting from the Control Share Act any and all acquisitions by any person of our shares of stock. There can be no assurance that such provision will not be otherwise amended or eliminated at any time in the future. However, we will amend our Bylaws to be subject to the Control Share Act only if our board of directors determines that it would be in our best interests and if the staff of the SEC does not object to our determination that our being subject to the Control Share Act does not conflict with the 1940 Act.

Business Combinations

Following this offering we will be covered by the Maryland Business Combination Act (the "Business Combination Act"), which provides that "business combinations" between a Maryland corporation and an interested stockholder or an affiliate of an interested stockholder are prohibited for five years after the most recent date on which the interested stockholder becomes an interested stockholder. These business

combinations include a merger, consolidation, share exchange or, in circumstances specified in the statute, an asset transfer or issuance or reclassification of equity securities. An interested stockholder is defined as:

- any person who beneficially owns 10% or more of the voting power of the corporation's shares; or
- an affiliate or associate of the corporation who, at any time within the two-year period prior to the date in question, was the beneficial owner of 10% or more of the voting power of the then outstanding voting stock of the corporation.

A person is not an interested stockholder under this statute if the board of directors approved in advance the transaction by which such stockholder otherwise would have become an interested stockholder. However, in approving a transaction, the board of directors may provide that its approval is subject to compliance, at or after the time of approval, with any terms and conditions determined by the board.

After the five-year prohibition, any business combination between the Maryland corporation and an interested stockholder generally must be recommended by the board of directors of the corporation and approved by the affirmative vote of at least:

- 80% of the votes entitled to be cast by holders of outstanding shares of voting stock of the corporation; and
- two-thirds of the votes entitled to be cast by holders of voting stock of the corporation other than shares held by the interested stockholder with whom or with whose affiliate the business combination is to be effected or held by an affiliate or associate of the interested stockholder.

These super-majority vote requirements do not apply if the corporation's common stockholders receive a minimum price, as defined under Maryland law, for their shares in the form of cash or other consideration in the same form as previously paid by the interested stockholder for its shares.

The statute permits various exemptions from its provisions, including business combinations that are exempted by the board of directors before the time that the interested stockholder becomes an interested stockholder. Our board of directors has adopted a resolution exempting any business combination between us and any other person from the provisions of the Business Combination Act, provided that the business combination is first approved by our board of directors, including a majority of the directors who are not interested persons as defined in the 1940 Act. This resolution, however, may be altered or repealed in whole or in part at any time. If this resolution is repealed, or our board of directors does not otherwise approve a business combination, the statute may discourage others from trying to acquire control of us and increase the difficulty of consummating any offer.

SHARES ELIGIBLE FOR FUTURE SALE

Prior to the completion of this offering, there has been no public market for our common shares. Future sales of a substantial amount of our common shares in the public market, or the perception that such sales may occur, could adversely affect the market price of our common shares and could impair our future ability to raise capital through the sale of our equity securities.

Upon the completion of this offering, as a result of the issuance of common shares, we will have common shares outstanding, of which 3,088,596 shares will be "restricted" securities under the meaning of Rule 144 promulgated under the Securities Act and may not be sold in the absence of registration under the Securities Act unless an exemption from registration is available, including exemptions contained in Rule 144. However, we have agreed, and are permitted pursuant to the terms of the lock-up agreements described below, to file a registration statement covering all of our common shares outstanding prior to this offering and all of the common shares underlying the warrants issued in our January 2006 private placement on or prior to June 8, 2007. We have also committed to enter into a registration rights agreement covering all of the common shares underlying the warrants issued in our December 2006 bridge financing on or prior to June 8, 2007. See "Shares Eligible for Future Sale — Registration Rights."

In general, under Rule 144, if one year has elapsed since the date of acquisition of restricted securities from us or any of our affiliates, the holder of such restricted securities can sell such securities; provided that the number of securities sold by such person within any three-month period cannot exceed the greater of:

- 1% of the total number of securities then outstanding, or
- the average weekly trading volume of our securities during the four calendar weeks preceding the date on which notice of the sale is filed with the SEC.

Sales under Rule 144 also are subject to certain manner of sale provisions, notice requirements and the availability of current public information about us. If two years have elapsed since the date of acquisition of restricted securities from us or any of our affiliates and the holder is not one of our affiliates at any time during the three months preceding the proposed sale, such person can sell such securities in the public market under Rule 144(k) without regard to the volume limitations, manner of sale provisions, public information requirements or notice requirements. No assurance can be given as to (1) the likelihood that an active market for our common shares will develop, (2) the liquidity of any such market, (3) the ability of our stockholders to sell our securities or (4) the prices that stockholders may obtain for any of our securities. No prediction can be made as to the effect, if any, that future sales of securities, or the availability of securities for future sale, will have on the market price prevailing from time to time. Sales of substantial amounts of our securities, or the perception that such sales could occur, may affect adversely prevailing market prices of our common shares. See "Risk Factors — Risks Related to this Offering."

Lock-Up Agreements

Our directors and executive officers and each member of our Advisor's senior investment professionals have agreed with the underwriters not to sell any common shares they own for a period of 180 days from the date of this offering, subject to extension in certain circumstances. This agreement, referred to as a "lock-up agreement," may be waived by Merrill Lynch as representative of the underwriters. In addition, our current stockholders (other than warrant holders who purchased warrants in our December 2006 private placement) have separately agreed not to sell any common shares for a period of 90 days from the date of this offering. The lock-up agreements provide that these persons will not offer, sell, contract to sell, pledge (other than to us), hedge or otherwise dispose of our common shares or any securities convertible into or exchangeable for our common shares, owned by them for a period specified in the agreement without the prior written consent of our underwriters. The filing of the registration statements described above pursuant to the registration rights agreements will be an exception to our lock-up agreement, although certain stockholders whose shares are registered in the registration statement may still be subject to lock-up agreements.

Registration Rights

We have entered into registration rights agreements with each of the current holders of our common shares. The registration rights agreements provide, among other things, that, after we consummate this offering, we will use our best efforts to file with the SEC on or prior to June 8, 2007, a shelf registration statement to cover resales of our common shares held by our current stockholders, including our common shares into which the warrants are exercisable, and to use our best efforts to keep such registration statement effective until all securities covered thereby have been sold pursuant to such registration statement, the date on which the securities covered thereby are no longer held by the parties thereto or the date on which such securities are no longer required to be registered.

We have agreed to use commercially reasonable efforts to enter into a registration rights agreement with the holders of our Series A redeemable preferred stock that relates exclusively to the warrants received at the time of the purchase of the preferred stock. The registration rights will be similar to those granted to the current holders of our common shares; provided, however, that such rights will be subordinate to the piggyback registration rights of the current holders of our common shares. Pursuant to the registration rights agreement, we will be required to register the common shares underlying the warrants held by the holders of our preferred stock on or prior to June 8, 2007.

UNDERWRITING

We intend to offer the common shares through the underwriters named below. Merrill Lynch, Pierce, Fenner & Smith Incorporated, Stifel, Nicolaus & Company, Incorporated and Wachovia Capital Markets, LLC are acting as representatives of the underwriters. Subject to the terms and conditions described in a purchase agreement among us and the underwriters, we have agreed to sell to the underwriters, and the underwriters severally have agreed to purchase from us, the number of common shares listed opposite their names below.

Underwriter	Number of Shares
Merrill Lynch, Pierce, Fenner & Smith Incorporated	
Stifel, Nicolaus & Company, Incorporated	
Wachovia Capital Markets, LLC	
Oppenheimer & Co. Inc.	
Total	

The underwriters have agreed that they must purchase all of the common shares sold under the purchase agreement if they purchase any of them. However, the underwriters are not required to take or pay for the shares covered by the underwriters' overallotment option described below. If an underwriter defaults, the purchase agreement provides that the purchase commitments of the nondefaulting underwriters may be increased or the purchase agreement may be terminated.

We have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act, or to contribute to payments the underwriters may be required to make in respect of those liabilities.

The underwriters are offering the common shares, subject to prior sale, when, as and if issued to and accepted by them, subject to approval of legal matters by their counsel, including the validity of the common shares, and other conditions contained in the purchase agreement, such as the receipt by the underwriters of officer's certificates and legal opinions. The underwriters reserve the right to withdraw, cancel or modify offers to the public and to reject orders in whole or in part.

Commissions and Discounts

The representatives have advised us that the underwriters propose initially to offer the common shares to the public at the public offering price on the cover page of this prospectus and to dealers at that price less a concession not in excess of $ per share. The underwriters may allow, and the dealers may reallow, a discount not in excess of $ per share to other dealers. After the public offering, the public offering price, concession and discount may be changed.

The following table shows the per share and total underwriting discounts and commissions we will pay to the underwriters assuming both no exercise and full exercise of the underwriters' overallotment option to purchase up to an additional shares.

	Per Share	Without Option	With Option
Public offering price	$	$	$
Sales load (underwriting discount)	$	$	$
Proceeds, before expenses, to us	$	$	$

We estimate that the total expenses of the offering payable by us, not including sales load (underwriting discount) and commissions, will be approximately $600,000.

Overallotment Option

We have granted an option to the underwriters to purchase up to additional common shares at the public offering price less the underwriting discount. The underwriters may exercise this option for 30 days

from the date of this prospectus solely to cover any overallotments. If the underwriters exercise this option, each will be obligated, subject to conditions contained in the purchase agreement, to purchase a number of additional common shares proportionate to that underwriter's initial amount reflected in the above table.

No Sales of Similar Securities

We, our executive officers and directors, our Advisor and our Advisor's senior investment professionals have agreed, with exceptions, not to sell or transfer any common shares for 180 days after the date of this prospectus without first obtaining the written consent of Merrill Lynch. Specifically, we and these other individuals and entities have agreed not to directly or indirectly:

- offer, pledge, sell or contract to sell any common shares;
- sell any option or contract to purchase any common shares;
- purchase any option or contract to sell any common shares;
- grant any option, right or warrant for the sale of any common shares other than pursuant to our contractual requirements under our existing registration rights agreements;
- lend or otherwise dispose of or transfer any common shares;
- request or demand that we file a registration statement related to the common shares; or
- enter into any swap or other agreement that transfers, in whole or in part, the economic consequence of ownership of any common shares whether any such swap or transaction is to be settled by delivery of shares or other securities, in cash or otherwise.

The 180-day restricted period will be automatically extended if (1) during the last 17 days of the 180-day restricted period the Company issues an earning release to material news or a material event relating to the Company occurs or (2) prior to the expiration of the 180-day restricted period, the Company announces that it will release earnings results or becomes aware that material news or a material event will occur during the 16-day period beginning on the last day of the 180-day restricted period, in which case the restrictions described above will continue to apply until the expiration of the 18-day period beginning on the issuance of the earnings release or the occurrence of the material news or material event.

This lockup provision applies to common shares and to securities convertible into or exchangeable or exercisable for or repayable with common shares. It also applies to common shares owned now or acquired later by the person executing the agreement or for which the person executing the agreement later acquires the power of disposition.

New York Stock Exchange Listing

Our common shares have been approved for listing on the New York Stock Exchange under the symbol "TTO." In order to meet the requirements for listing on that exchange, the underwriters have undertaken to sell a minimum number of shares to a minimum number of beneficial owners as required by that exchange.

Price Stabilization and Short Positions

Until the distribution of the common shares is completed, SEC rules may limit underwriters and selling group members from bidding for and purchasing our common shares. However, the representatives may engage in transactions that stabilize the price of the common shares, such as bids or purchases to peg, fix or maintain that price.

If the underwriters create a short position in our common shares in connection with the offering, i.e., if they sell more common shares than are listed on the cover of this prospectus, the representatives may reduce that short position by purchasing common shares in the open market. The representatives may also elect to reduce any short position by exercising all of part of the overallotment option described above. Purchases of

the common shares to stabilize price or to reduce a short position may cause the price of our common shares to be higher than it might be in the absence of such purchases.

Neither we nor any of the underwriters makes any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of our common shares. In addition, neither we nor any of the representatives makes any representation that the representatives will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

Electronic Distribution

Merrill Lynch will be facilitating electronic distribution for this offering to certain of its Internet subscription customers. Merrill Lynch intends to allocate a limited number of shares for sale to its online brokerage customers. An electronic prospectus is available on a web site maintained by Merrill Lynch. Other than the prospectus in electronic format, the information on the Merrill Lynch website is not part of this prospectus.

Other Relationships

Certain of the underwriters and their affiliates have provided in the past and may provide from time to time in the future in the ordinary course of their business, certain commercial banking, financial advisory, investment banking and other services to our Advisor, Tortoise Capital or our portfolio companies for which they will be entitled to receive separate fees. In particular, the underwriters or their affiliates may execute transactions with Tortoise Capital or on behalf of Tortoise Capital or any of our portfolio companies.

The underwriters or their respective affiliates may also trade in our securities, securities of our portfolio companies or other financial instruments related thereto for their own accounts or for the account of others and may extend loans or financing directly or through derivative transactions to Tortoise Capital or any of our portfolio companies.

We may purchase securities of third parties from some of the underwriters or their respective affiliates after the offering. However, we have not entered into any agreement or arrangement regarding the acquisition of any such securities, and we may not purchase any such securities. We would only purchase any such securities if — among other things — we identified securities that satisfied our investment needs and completed our due diligence review of such securities.

After the date of this prospectus, the underwriters and their affiliates may from time to time obtain information regarding specific portfolio companies or us that may not be available to the general public. Any such information is obtained by these underwriters and their respective affiliates in the ordinary course of their business and not in connection with the offering of our common shares. In addition, after the offering period for the sale of our common shares, the underwriters or their affiliates may develop analyses or opinions related to Tortoise Capital or our portfolio companies and buy or sell interests in one or more of our portfolio companies on behalf of their proprietary or client accounts and may engage in competitive activities. There is no obligation on behalf of these parties to disclose their respective analyses, opinions or purchase and sale activities regarding any portfolio company or regarding Tortoise Capital to our stockholders.

The principal business address of Merrill Lynch, Pierce, Fenner & Smith Incorporated is 4 World Financial Center, New York, New York 10080.

The principal business address of Stifel, Nicolaus & Company, Incorporated is 501 North Broadway, St. Louis, Missouri 63102.

The principal business address of Wachovia Capital Markets, LLC is 301 South College Street, Charlotte, North Carolina 28288.

The principal business address of Oppenheimer & Co. Inc., is 25 Broad Street, New York, New York 10004.

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Ernst & Young LLP, 1200 Main Street, Kansas City, Missouri 64105, serves as our independent registered public accounting firm. Ernst & Young LLP will provide audit and audit-related services, tax return preparation and assistance and consultation in connection with review of our filings with the SEC.

ADMINISTRATOR, CUSTODIAN, TRANSFER AND DIVIDEND PAYING AGENT AND REGISTRAR

Pursuant to an Administration Agreement between us and our Advisor, we have engaged our Advisor to perform (or oversee or arrange for the performance of) the administrative services necessary for our operation, including without limitation providing us with equipment, clerical, book keeping and record keeping services. For these services we pay our Advisor a fee equal to equal to 0.07% of our aggregate average daily Managed Assets up to and including $150 million, 0.06% of our aggregate average daily Managed Assets on the next $100 million, 0.05% of our aggregate average daily Managed Assets on the next $250 million and 0.02% on the balance of our aggregate average daily Managed Assets. The address of the administrator is 10801 Mastin Boulevard, Suite 222 Overland Park, Kansas 66210. Our securities and other assets are held under a custody agreement with U.S. Bank National Association, 1555 North Rivercenter Drive, Suite 302, Milwaukee, WI 53212. The transfer agent and registrar for our common shares is Computershare Investor Services, LLC, 250 Royal Street, MS 3B, Canton, MA 02021. Computershare Trust Company, Inc., 250 Royal Street, MS 3B, Canton, MA 02021, serves as our dividend paying agent and Plan Agent for our Dividend Reinvestment Plan.

LEGAL MATTERS

Certain legal matters in connection with the securities offered hereby will be passed upon for us by Blackwell Sanders Peper Martin LLP, Kansas City, Missouri and Sutherland Asbill & Brennan LLP, Washington, D.C. Certain legal matters in connection with the offering will be passed upon for the underwriters by Fried, Frank, Harris, Shriver & Jacobson LLP, New York, New York. Certain matters of Maryland law will be passed upon by Venable LLP.

AVAILABLE INFORMATION

We have filed with the SEC a registration statement on Form N-2, together with all amendments and related exhibits, under the Securities Act, with respect to our common shares offered by this prospectus. The registration statement contains additional information about us and our common shares being offered by this prospectus.

Upon completion of this offering, we will file with or submit to the SEC annual, quarterly and current periodic reports, proxy statements and other information meeting the informational requirements of the Securities Exchange Act. You may inspect and copy these reports, proxy statements and other information, as well as the registration statement of which this prospectus forms a part and the related exhibits and schedules, at the Public Reference Room of the SEC at 100 F. Street, N.E., Washington, D.C. 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC maintains an Internet website that contains reports, proxy and information statements and other information filed electronically by us with the SEC which are available on the SEC's Internet website at http://www.sec.gov. Copies of these reports, proxy and information statements and other information may be obtained, after paying a duplicating fee, by electronic request at the following E-mail address: publicinfo@sec.gov, or by writing the SEC's Public Reference Section, Washington, D.C. 20549-0102.

INDEX TO FINANCIAL STATEMENTS

REPORT OF INDEPENDENT AUDITORS

The Shareholders and Board of Directors
Tortoise Capital Resources Corporation

We have audited the accompanying statement of assets and liabilities of Tortoise Capital Resources Corporation (referred to herein as "the Company") as of September 21, 2005, and the related statement of operations for the period from September 8, 2005 (date of incorporation) through September 21, 2005. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Company's internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company at September 21, 2005, and the results of its operations for the period from September 8, 2005 through September 21, 2005, in conformity with accounting principles generally accepted in the United States.

/s/ Ernst & Young LLP

Kansas City, Missouri
September 22, 2005

TORTOISE CAPITAL RESOURCES CORPORATION

STATEMENT OF ASSETS AND LIABILITIES
September 21, 2005

Assets:	
Cash	$ 305,910
Deferred offering costs	224.487
Total assets	$ 530.397
Liabilities:	
Accrued offering costs	$ 224,487
Payable to Advisor for organizational costs	4,944
Payable for organization costs	13,500
Payable to transfer agent	612
Total liabilities	243.543
Preferred Shares:	
Preferred shares, $.001 par value; 100,000,000 shares authorized, none outstanding	—
Net Assets Applicable to Common Stockholders	**$ 286.854**
Components of Net Assets Applicable to Common Stockholders:	
Common Shares, $.001 par value; 100,000,000 shares authorized, 21,929 shares outstanding	$ 22
Additional paid-in capital	305,888
Accumulated net investment loss	(19,056)
Total	**$ 286.854**
Net Asset Value Per Common Share Outstanding ($286,854 divided by 21,929 common shares outstanding)	**$ 13.08**

The accompanying notes are an integral part of the financial statements.

TORTOISE CAPITAL RESOURCES CORPORATION

STATEMENT OF OPERATIONS
Period from September 8, 2005 (date of incorporation) through September 21, 2005

Investment income	$ —
Expenses:	
Organization costs	18,444
Transfer agent fees	612
Total expenses	**19,056**
Net investment loss before taxes	**(19,056)**
Income taxes	—
Net investment loss	**$ (19,056)**

The accompanying notes are an integral part of the financial statements.

TORTOISE CAPITAL RESOURCES CORPORATION

NOTES TO FINANCIAL STATEMENTS
September 21, 2005

I. Organization

Tortoise Capital Resources Corporation (the "Company"), organized as a Maryland corporation on September 8, 2005, was created to invest primarily in privately held and micro-cap public companies in the U.S. energy infrastructure sector. The Company has had no operations other than the sale of 21,929 shares to the aggregate Subscribers for $305,910. The Company plans to complete an initial offering in October 2005, and then elect to be regulated as a business development company ("BDC") under the 1940 Act and to be treated as a regulated investment company ("RIC") under the Internal Revenue Code of 1986, as amended (the "Code"), as of January 1, 2006. Until such time as these elections are made, the Company will be taxed as a general business corporation under the Code. There can be no assurance that the Company will be successful in obtaining or retaining a BDC or a RIC status.

2. Significant Accounting Policies

The following is a listing of the significant accounting policies that the Company will implement upon the commencement of its operations:

A. *Use of Estimates* — The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

B. *Investment Valuation* — The Company intends to invest in illiquid securities including debt and equity securities of primarily privately-held companies. The investments generally will be subject to restrictions on resale, will have no established trading market and will be valued at fair value, on a quarterly basis. The Company intends to engage an independent valuation firm from time to time to assist in determining the fair value of these investments. Fair value is intended to be the amount for which an investment could be exchanged in an orderly disposition over a reasonable period of time between willing parties other than in a forced liquidation or sale. Because of the inherent uncertainty of valuation, the fair values of such investments, which will be determined in accordance with procedures approved by the Company's board of directors, may differ materially from the values that would have been used had a ready market existed for the investments.

For equity and equity-related securities that are listed on a securities exchange, the Company will value those securities at the closing price on that exchange on the valuation date.

The Company's board of directors may consider other methods of accounting to value investments as appropriate in conformity with accounting principles generally accepted in the United States.

C. *Interest and Fee Income* — Interest income will be recorded on the accrual basis to the extent that such amounts are expected to be collected. When investing in instruments with an original issue discount or payment-in-kind interest, the Company will accrue interest income during the life of the investment, even though the Company will not necessarily be receiving cash as the interest is accrued. Fee income will include fees, if any, for due diligence, structuring, commitment and facility fees, and fees, if any, for transaction services, consulting services and management services rendered to portfolio companies and other third parties. Commitment and facility fees generally will be recognized as income over the life of the underlying loan, whereas due diligence, structuring, transaction service, consulting and management service fees generally will be recognized as income when services are rendered.

D. *Security Transactions* — Security transactions will be accounted for on the date the securities are purchased or sold (trade date). Realized gains and losses will be reported on an identified cost basis.

NOTES TO FINANCIAL STATEMENTS — (Continued)

E. *Dividends to Shareholders* — The Company intends to distribute quarterly dividends to its stockholders out of assets legally available for distribution. The amount of quarterly dividends will be determined by the board of directors. Distributions to stockholders are recorded on the ex-dividend date. The character of distributions made during the year from net investment income or net realized gains may differ from their ultimate characterization for federal income tax purposes.

Following the intended RIC election, the Company intends to distribute to its stockholders with respect to each taxable year at least 90% of ordinary income and realized net short-term capital gains in excess of realized net long-term capital losses, if any, reduced by deductible expenses.

F. *Federal Income Taxation* — Initially, the Company will be treated as a general business corporation for U.S. federal income tax purposes. Thus, the Company will compute and pay federal income tax on its taxable income without regard to the rules applicable to RICs. Currently, the maximum marginal regular federal income tax rate for a corporation is 35%. The Company may be subject to a 20% federal alternative minimum tax on its federal alternative minimum taxable income to the extent that its alternative minimum tax exceeds its regular federal income tax.

The Company's tax expense or benefit will be included in the Statement of Operations based on the component of income or gains (losses) to which such expense or benefit relates. Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

Although the Company was formed as a general business corporation, it intends, as soon as possible following the completion of its initial offering, to elect to be regulated as a BDC under the 1940 Act and an election to be treated as a RIC as of January 1, 2006.

If the Company qualifies as a RIC and satisfies the annual distribution requirement, then it will not be subject to U.S. federal and state income tax on the portion of its investment company taxable income and net capital gain (i.e., net long-term capital gains in excess of net short-term capital losses) it distributes to its stockholders, other than any built-in gain recognized within 10 years after the effective date of its RIC election. It will be subject to U.S. federal income tax at the regular corporate rate on any income or capital gain not distributed (or deemed distributed) to its stockholders. The Company will be subject to a 4% nondeductible U.S. federal excise tax on certain undistributed income unless the Company makes sufficient distributions to satisfy the excise tax avoidance requirement.

G. Organization Expenses and Offering Costs — The Company is responsible for paying all organization and offering expenses. Offering costs paid by the Company will be charged as a reduction of paid-in capital at the completion of the Company's initial offering. Organization costs are expensed as incurred, and are reported in the accompanying statement of operations.

H. *Indemnifications* — Under the Company's organizational documents, its officers and directors are indemnified against certain liabilities arising out of the performance of their duties to the Company. In addition, in the normal course of business, the Company may enter into contracts that provide general indemnification to other parties. The Company's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Company that have not yet occurred, and may not occur. However, the Company has not had prior claims or losses pursuant to these contracts and expects the risk of loss to be remote.

3. Concentration of Risk

The Company's investment objective is to provide stockholders with current income and capital appreciation. The Company anticipates focusing investments on unsecured, subordinated debt securities and equity securities within the U.S. energy infrastructure sector that will generally be expected to pay interest or dividends on a current basis. The Company intends to seek to obtain enhanced returns through warrants or

other equity conversion features within certain subordinated debt securities in which the Company intends to invest. The Company may, for defensive purposes, temporarily invest all or a significant portion of its assets in investment grade securities, short-term debt securities and cash or cash equivalents. To the extent the Company uses this strategy, it may not achieve its investment objectives.

4. Agreements

The Company has entered into an Investment Advisory Agreement with Tortoise Capital Advisors, LLC (the "Advisor"). Under the terms of the agreement, the Advisor will be paid a fee consisting of two components-a base management fee and an incentive fee.

The base management fee will be a quarterly fee of .375% (1.5% annualized) of the Company's average monthly total assets (including any assets attributable to leverage) minus the sum of accrued liabilities other than deferred income taxes, debt entered into for purposes of leverage and the aggregate liquidation preference of outstanding preferred shares ("Managed Assets"), if any, in exchange for the investment advisory services provided. Managed Assets are paid quarterly in arrears within fifteen days of the end of each calendar quarter. The base management fee for any partial quarter will be appropriately prorated.

The incentive fee consists of two parts. The first part, the investment income fee, is calculated and payable quarterly in arrears and will equal 15% of the excess, if any, of the Company's Net Investment Income for the quarter over a quarterly hurdle rate equal to 2% (8% annualized) of the Company's net assets at the end of such quarter. For purposes of calculating the investment income fee, "Net Investment Income" shall mean interest income, dividend income, and any other income accrued during the calendar quarter, minus operating expenses for the quarter (including the base management fee, dividends on outstanding preferred stock, if any, but excluding the incentive fees payable to the Advisor). Accordingly, the Company may pay an incentive fee based partly on accrued interest, the collection of which is uncertain or deferred. Net Investment Income also includes, in the case of investments with a deferred interest feature (such as original issue discount, debt instruments with payment-in-kind interest, and zero coupon securities), accrued income that the Company has not yet received in cash. Net Investment Income does not include any realized capital gains, realized capital losses, or unrealized capital appreciation or depreciation. The investment income fee is payable within fifteen days of the end of each fiscal quarter, with the first management fee first accruing from the first anniversary of the day the Company receives proceeds from its initial private offering. The investment income fee for any partial quarter will be appropriately prorated.

The second part of the incentive fee payable to the Advisor, the capital gains fee, is calculated and payable in arrears as of the end of each fiscal year (or upon termination of the investment advisory agreement, as of the termination date), and will equal: (i) 15% of (a) the Company's net realized capital gains (realized capital gains less realized capital losses) on a cumulative basis from the closing of the initial private offering to the end of each calendar year, less (b) any unrealized capital depreciation at the end of such calendar year, less (ii) the aggregate amount of all capital gains fees paid to the Advisor in prior fiscal years. Realized capital gains on a security will be calculated as the excess of the net amount realized from the sale or other disposition of such security over the original cost for that security. Realized capital losses on a security will be calculated as the amount by which the net amount realized from the sale or other disposition of such security is less than the original cost of such security. Unrealized capital depreciation on a security will be calculated as the amount by which the original cost of such security exceeds the fair value of such security at the end of a fiscal year. If the Company's common stock becomes listed on any national securities exchange or automated dealer quotation system, then the Advisor will use at least 25% of any capital gains fee received on or prior to the second anniversary of the day it receives the proceeds from the initial private offering to purchase its common stock in the open market. In the event the investment advisory agreement is terminated, the capital gains fee calculation will be undertaken as of, and any resulting capital gains fee will be paid within fifteen days of the date of termination.

As of September 21,2005, the Company owes the Advisor $4,944 for costs incurred in connection with the Company's organizational costs. This amount is payable to the Advisor upon the closing of the initial offering.

Computershare Investor Services, LLC will serve as the Company's transfer agent, dividend paying agent, and agent for the automatic dividend reinvestment plan.

U.S. Bank N.A. will serve as the Company's custodian. The Company will pay the custodian a monthly fee computed at an annual rate of 0.015% on the first $200 million of the Company's Managed Assets and 0.01% on the balance of the Company's Managed Assets, subject to a minimum annual fee of $4,800.

5. Income Taxes

As of September 21, 2005, the Company has recorded a deferred income tax asset and related tax benefit in the amount of approximately $7,432 related to organization costs incurred by the Company, which are expensed as incurred for financial reporting purposes, and amortizable over 180 months for income tax purposes. However, the Company has recorded an equal and offsetting valuation allowance against its deferred income tax asset and related tax expense, since the Company has not developed a history of taxable income, based on available evidence.

TORTOISE CAPITAL RESOURCES CORPORATION

SCHEDULE OF INVESTMENTS

	August 31, 2006	
	Shares	Value
	(Unaudited)	
Limited Partnerships — 42.4%(1)		
Natural Gas Gathering/Processing — 29.4%(1)		
Eagle Rock Pipeline, L.P.(3)	693,674	$ 12,500,006
Natural Gas and Oil Exploitation — 10.6%(1)		
Legacy Reserves, L.P.(3)	264,705	4,499,985
	Equity Interest	
Local Distribution Company — 2.4%(1)		
Mowood, LLC(3)(4)	100%	1,000,000
Total Limited Partnerships (Cost $17,702,937)		17,999,991
	Principal Amount	
Promissory Note — 10.7%(1)		
Mowood, LLC, 12.00%, Due 7/1/2016 (Cost $4,550,000)(3)(4)	$ 4,550,000	4,550,000
	Shares	
Short-Term Investments — 48.6%(1)		
First American Prime Obligations Money Market Fund —		
Class Z, 5.29% (Cost $20,649,152)(2)	20,649,152	20,649,152
Total Investments — 101.7%(1) — (Cost $42,902,089)		43,199,143
Other Assets and Liabilities — (1.7%)(1)		(688,907)
Total Net Assets Applicable to Common Stockholders — 100.0%(1)		$ 42,510,236

(1) Calculated as a percentage of net assets applicable to common stockholders.

(2) Rate indicated is the 7-day effective yield.

(3) Fair valued securities have a total market value of $22,549.991, which represents 53.0% of net assets applicable to common stockholders. These securities are deemed to be restricted; see Note 6 to the Financial Statements for further disclosure.

(4) Affiliated company; more than 5% of the portfolio company's outstanding voting securities owned. See Note 7 to the Financial Statements for further disclosure.

See Accompanying Notes to the Financial Statements.

TORTOISE CAPITAL RESOURCES CORPORATION

STATEMENT OF ASSETS & LIABILITIES

	August 31, 2006 (Unaudited)
Assets	
Investments at value (cost $42,902,089)	
Non-affiliate investments (cost $37,352,089)	$ 37,649,143
Affiliated investments (cost $5,550,000)	5,550,000
Total investments	43,199,143
Interest and dividend receivable	135,414
Prepaid expenses and other assets	98,155
Total assets	43,432,712
Liabilities	
Payable to Adviser	108,987
Dividend payable on common shares	432,403
Current tax liability	155,687
Deferred tax liability	103,947
Accrued expenses and other liabilities	121,452
Total liabilities	922,476
Net assets applicable to common stockholders	$ 42,510,236
Net Assets Applicable to Common Stockholders Consist of	
Warrants, no par value; 772,124 issued and outstanding (5,000,000 authorized)	$ —
Capital stock, $0.001 par value; 3,088,596 shares issued and outstanding (100,000,000 shares authorized)	3,089
Additional paid-in capital	42,325,944
Accumulated net investment income	—
Net unrealized gain on investments, net of deferred tax expense	181,203
Net assets applicable to common stockholders	$ 42,510,236
Net Asset Value per common share outstanding (net assets applicable to common shares, divided by common shares outstanding)	$ 13.76

See Accompanying Notes to the Financial Statements.

TORTOISE CAPITAL RESOURCES CORPORATION

STATEMENT OF OPERATIONS

	Period from December 8, 2005(1) through August 31, 2006 (Unaudited)
Investment Income	
Distributions received from securities of unaffiliated issuers	$ 350,993
Less return of capital on distributions	(297,054)
Distribution income from securities of unaffiliated issuers	53,939
Dividends from money market mutual funds	1,014,086
Interest income from affiliated issuers	131,100
Total Investment Income	1,199,125
Expenses	
Advisory fees	469,527
Professional fees	145,298
Directors' fees	56,672
Reports to stockholders	15,810
Fund accounting fees	19,008
Stock transfer agent fees	13,689
Custodian fees and expenses	5,053
Other expenses	11,335
Total Expenses	736,392
Net Investment Income, before income taxes	462,733
Current tax expense	(155,687)
Deferred tax benefit	11,904
Total Tax Expense	(143,783)
Net Investment Income	318,950
Unrealized Gain on Investments	
Net unrealized appreciation of unaffiliated investments	297,054
Deferred tax expense	(115,851)
Net Unrealized Gain on Investments	181,203
Net Increase in Net Assets Applicable to Common Stockholders Resulting from Operations	$ 500,153

(1) Commencement of Operations.

See Accompanying Notes to the Financial Statements.

TORTOISE CAPITAL RESOURCES CORPORATION

STATEMENT OF CHANGES IN NET ASSETS

	Period from December 8, 2005(1) through August 31, 2006 (Unaudited)
Operations	
Net investment income	$ 318,950
Net unrealized appreciation of investments	181,203
Net increase in net assets applicable to common stockholders resulting from operations	500,153
Dividends and Distributions to Common Stockholders	
Net investment income	(224,893)
Return of capital	(207,511)
Total dividends and distributions to common stockholders	(432,404)
Capital Share Transactions	
Proceeds from initial offering of 3,066,667 common shares	46,000,005
Underwriting discounts and offering expenses associated with the issuance of common shares	(3,769,372)
Net increase in net assets, applicable to common stockholders, from capital share transactions	42,230,633
Total increase in net assets applicable to common stockholders	42,298,382
Net Assets	
Beginning of period	211,854
End of period	$ 42,510,236
Accumulated net investment income, at end of period	$ —

(1) Commencement of Operations.

See Accompanying Notes to the Financial Statements.

TORTOISE CAPITAL RESOURCES CORPORATION

STATEMENT OF CASH FLOWS

	Period from December 8, 2005(1) through August 31, 2006 (Unaudited)
Cash Flows From Operating Activities	
Distributions received from limited partnerships	$ 350,993
Interest and dividend income received	1,009,772
Purchases of long-term investments	(23,549,991)
Proceeds from sales of long-term investments	1,000,000
Purchases of short-term investments, net	(20,649,152)
Operating expenses paid	(698,165)
Net cash used in operating activities	(42,536,543)
Cash Flows from Financing Activities	
Issuance of common stock	46,000,005
Common stock issuance costs	(3,769,372)
Net cash provided by financing activities	42,230,633
Net decrease in cash	(305,910)
Cash — beginning of period	305,910
Cash — end of period	$ —
Reconciliation of net increase in net assets applicable to common stockholders resulting from operations to net cash used in operating activities	
Net increase in net assets applicable to common stockholders resulting from operations	$ 500,153
Adjustments to reconcile net increase in net assets applicable to common stockholders resulting from operations to net cash used in operating activities	
Purchases of long-term investments	(23,549,991)
Return of capital on distributions received	297,054
Proceeds from sales of long-term investments	1,000,000
Net purchases of short-term investments	(20,649,152)
Deferred income tax expense	103,947
Net unrealized appreciation on investments	(297,054)
Changes in operating assets and liabilities	
Increase in interest and dividend receivable	(135,414)
Increase in prepaid expenses and other assets	(98,156)
Increase in payable to Adviser	108,987
Increase in current tax liability	155,687
Increase in accrued expenses and other liabilities	27,396
Total adjustments	(43,036,696)
Net cash used in operating activities	$ (42,536,543)

(1) Commencement of Operations.

See Accompanying Notes to the Financial Statements

TORTOISE CAPITAL RESOURCES CORPORATION

FINANCIAL HIGHLIGHTS

	Period from December 8, 2005(1) through August 31, 2006 (Unaudited)
Per Common Share Data(2)	
Net Asset Value, beginning of period	$ —
Initial offering price	15.00
Underwriting discounts and offering costs on initial offering	(1.22)
Income from Investment Operations:	
Net investment income	0.07
Net unrealized gain on investments	0.05
Total increase from investment operations	0.12
Less Dividends to Common Stockholders:	
Net investment income	(0.07)
Return of capital	(0.07)
Total dividends to common stockholders	(0.14)
Net Asset Value, end of period	$ 13.76
Total Investment Return(3)	(7.33)%
Supplemental Data and Ratios	
Net assets applicable to common stockholders, end of period (000's)	$ 42,510
Ratio of expenses (including current and deferred income tax expense) to average net assets:(4)(5)	3.24%
Ratio of expenses (excluding current and deferred income tax expense) to average net assets:(4)(5)	2.39%
Ratio of net investment income to average net assets before current and deferred income tax expense:(4)(5)	1.50%
Ratio of net investment income to average net assets after current and deferred income tax expense:(4)(5)	0.65%
Portfolio turnover rate(4)	6.38%

(1) Commencement of Operations.

(2) Information presented relates to a share of common stock outstanding for the entire period.

(3) Not annualized for periods less than a year. Total investment return is calculated assuming a purchase of common stock at the initial offering price and a sale at net asset value, end of period. The calculation also includes dividends to stockholders.

(4) Annualized for periods less than one full year.

(5) For the period ended August 31,2006, the Company accrued $155,687 in current income tax expense, and $103,947 in net deferred income tax expense.

See Accompanying Notes to the Financial Statements.

TORTOISE CAPITAL RESOURCES CORPORATION

NOTES TO FINANCIAL STATEMENTS (Unaudited)
August 31, 2006

1. Organization

Tortoise Capital Resources Corp. (the "Company"), organized as a Maryland corporation on September 8, 2005, was created to invest primarily in privately held and micro-cap public companies in the US. energy infrastructure sector. The Company plans to elect to be regulated as a business development company ("BDC") under the Investment Company Act of 1940, as amended (the "1940 Act"), and may elect to be treated as a regulated investment company ("RIC") under the Internal Revenue Code of 1986, as amended (the "Code"). Until such time as these elections are made, the Company will be taxed as a general business corporation under the Code.

2. Significant Accounting Policies

A. *Use of Estimates* — The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, recognition of distribution income and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

B. *Investment Valuation* — The Company intends to invest primarily in illiquid securities including debt and equity securities of privately-held companies. The investments generally will be subject to restrictions on resale, will have no established trading market and will be fair valued, on a quarterly basis. Fair value is intended to be the amount for which an investment could be exchanged in an orderly disposition over a reasonable period of time between willing parties other than in a forced liquidation or sale. Because of the inherent uncertainty of valuation, the fair values of such investments, which will be determined in accordance with procedures approved by the Company's Board of Directors, may differ materially from the values that would have been used had a ready market existed for the investments.

The process for determining the fair value of a security of a private investment begins with determining the enterprise value of the company that issued the security. The fair value of the investment will be based on the enterprise value at which a company could be sold in an orderly disposition over a reasonable period of time between willing parties. There is no one methodology to determine enterprise value and for any one company, enterprise value may best be expressed as a range of fair values, from which a single estimate of enterprise value will be derived.

If the portfolio company has an adequate enterprise value to support the repayment of the Company's debt, the fair value of the Company's loan or debt security will normally correspond to cost unless the portfolio company's condition or other factors lead to a determination of fair value at a different amount. When receiving warrants or free equity securities ("nominal cost equity"), the Company will allocate the cost basis in the investment between debt securities and nominal cost equity at the time of origination. The fair value of equity interests in portfolio companies is determined based on various factors, including the enterprise value remaining for equity holders after repayment of debt and other preference capital, and other pertinent factors such as recent offers to purchase a company, recent transactions involving the purchase or sale of equity securities, or other liquidation events. The determined equity values are generally discounted when holding a minority position, when restrictions on resale are present, when there are specific concerns about the receptivity of the capital markets to a specific company at a certain time, or when other factors are present.

The equity investments in Eagle Rock Pipeline, L.P., Legacy Reserves, L.P., and Mowood, LLC are carried at fair value as of August 31, 2006, and based on the processes described above, the determined fair value is equal to the Company's original cost of the investment. The debt investment in Mowood, LLC is also carried at fair value as of August 31, 2006, and the determined fair value is equal to the Company's cost of the investment.

TORTOISE CAPITAL RESOURCES CORPORATION

NOTES TO FINANCIAL STATEMENTS (Unaudited) — (Continued)

For equity and equity-related securities that are listed on a securities exchange, the Company will value those securities at the closing price on that exchange on the valuation date.

The Company's Board of Directors may consider other methods of valuing investments as appropriate and in conformity with accounting principles generally accepted in the United States. The Company may engage an independent valuation firm from time to time to assist in determining the fair value of investments.

C. *Interest and Fee Income* — Interest income will be recorded on the accrual basis to the extent that such amounts are expected to be collected. When investing in instruments with an original issue discount or payment-in-kind interest, the Company will accrue interest income during the life of the investment, even though the Company will not necessarily be receiving cash as the interest is accrued. Fee income will include fees, if any, for due diligence, structuring, commitment and facility fees, transaction services, consulting services and management services rendered to portfolio companies and other third parties. Commitment and facility fees generally will be recognized as income over the life of the underlying loan, whereas due diligence, structuring, transaction service, consulting and management service fees generally will be recognized as income when services are rendered. As of August 31, 2006, the Company has not received any fee income.

D. *Security Transactions and Investment Income* — Security transactions will be accounted for on the date the securities are purchased or sold (trade date). Realized gains and losses will be reported on an identified cost basis. Distributions received from the Company's investments in limited partnerships generally are comprised of ordinary income, capital gains and return of capital from the limited partnerships. The Company records investment income and return of capital based on estimates made at the time such distributions are received. Such estimates are based on information available from each limited partnership and/or other industry sources. These estimates may subsequently be revised based on information received from the limited partnerships after their tax reporting periods are concluded, as the actual character of these distributions are not known until after the fiscal year-end of the Company.

E. *Dividends to Stockholders* — The amount of any quarterly dividends will be determined by the Board of Directors. Distributions to stockholders are recorded on the ex-dividend date. The character of distributions made during the year from net investment income or net realized gains may differ from their ultimate characterization for federal income tax purposes.

F. *Federal and State Income Taxation* — Initially, the Company will be treated as a general business corporation for U.S. federal and state income tax purposes. Thus, the Company will compute and pay federal and state income tax on its taxable income without regard to the rules applicable to RICs. Currently, the maximum marginal regular federal income tax rate for a corporation is 35 percent. The Company may he subject to a 20 percent federal alternative minimum tax on its federal alternative minimum taxable income to the extent that its alternative minimum tax exceeds its regular federal income tax.

The Company's tax expense or benefit will be included in the Statement of Operations based on the component of income or gains (losses) to which such tax expense or benefit relates. Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. To the extent the Company has a net deferred tax asset, a valuation allowance is recognized if, based on the weight of available evidence, it is more likely than not that some portion or all of the deferred income tax asset will not he realized. Future realization of deferred income tax assets ultimately depends on the existence of sufficient taxable income of the appropriate character in either the carry back or carry forward period under the tax law.

Although the Company was formed as a general business corporation, it intends to elect to be regulated as a BDC under the 1940 Act and may elect to be treated as a RIC under the Internal Revenue Code of 1986, as amended.

If the Company qualifies as a RIC and satisfies the annual distribution requirement, then it will not be subject to U.S. federal and state income tax on the portion of its investment company taxable income and net capital gain (i.e., net long-term capital gains in excess of net short-term capital losses) it distributes to its stockholders, other than any built-in gain recognized within 10 years after the effective date of its RIC election. It will be subject to U.S. federal income tax at the regular corporate rate on any income or capital gain not distributed (or deemed distributed) to its stockholders. The Company will be subject to a 4 percent nondeductible U.S. federal excise tax on certain undistributed income unless the Company makes sufficient distributions to satisfy the excise tax avoidance requirement.

G. *Organization Expenses and Offering Costs* — The Company is responsible for paying all organization and offering expenses. Offering costs paid by the Company were charged as a reduction of paid-in capital at the completion of the Company's initial offering, and amounted to $549,372 (excluding initial purchasers' discount and placement fees). Organizational costs were expensed as incurred, and in total amounted to $88,906.

H. *Indemnifications* — Under the Company's organizational documents, its officers and directors are indemnified against certain liabilities arising out of the performance of their duties to the Company. In addition, in the normal course of business, the Company may enter into contracts that provide general indemnification to other parties. The Company's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Company that have not yet occurred, and may not occur.

I. *FIN 48 Disclosure* — On July 13, 2006, the Financial Accounting Standards Board (FASB) issued Interpretation No. 48, "Accounting for Uncertainty in Income Taxes" (FIN 48). FIN 48 provides guidance for how uncertain tax positions should be recognized, measured, presented and disclosed in the financial statements. FIN 48 requires the evaluation of tax positions taken or expected to be taken in the course of preparing the company's tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. Adoption of FIN 48 is required for fiscal years beginning after December 15, 2006 and is to be applied to all open years as of the effective date. FIN 48 is effective for us beginning December 1, 2007. At this time, management is evaluating the implications of FIN 48 and its impact in the financial statements has not yet been determined.

3. Concentration of Risk

The Company's investment objective is to provide stockholders with current income and capital appreciation. The Company anticipates focusing investments on unsecured, privately issued subordinated debt and equity securities within the U.S. energy infrastructure sector that will generally be expected to pay interest or dividends on a current basis. The Company intends to seek to obtain enhanced returns through warrants or other equity conversion features within certain subordinated debt securities in which the Company intends to invest. The Company may, for defensive purposes, temporarily invest all or a significant portion of its assets in investment grade securities, short-term debt securities and cash or cash equivalents. To the extent the Company uses this strategy it may not achieve its investment objectives.

4. Agreements

The Company has entered into an Investment Advisory Agreement with Tortoise Capital Advisors, LLC (the "Adviser"). Under the terms of the agreement, the Adviser will be paid a fee consisting of two components: a base management fee and an incentive fee.

The base management fee will be a quarterly fee of 0.375 percent (1.5 percent annualized) of the Company's Managed Assets at the end of each quarter. "Managed Assets" means the total assets of the Company (including any assets purchased with or attributable to any borrowed funds). The base management

fee will be calculated and paid quarterly in arrears within 15 days of the end of each calendar quarter. The Company's Managed Assets shall be computed in accordance with any applicable policies and determinations of the Board of Directors. The base management fee for any partial quarter will be appropriately prorated.

The incentive fee consists of two parts. The first part, the investment income fee, is equal to 15 percent of the excess, if any, of the Company's Net Investment Income for the quarter over a quarterly hurdle rate equal to 2 percent (8 percent annualized), and multiplied, in either case, by the Company's Net Assets at the end of the quarter. "Net Assets" means the Managed Assets less indebtedness of the Company. "Net Investment Income" means interest income, dividend income and any other income (including any fees such as commitment, origination, syndication, structuring, diligence, monitoring and consulting fees or other fees that the Company is entitled to receive from portfolio companies) accrued during the calendar quarter, minus the Company's operating expenses accrued for such quarter (including the Base Management Fee, any interest expense, any tax expense, and dividends paid on issued and outstanding preferred stock, if any, but excluding the Incentive Fee payable hereunder). Net Investment Income also includes, in the case of investments with a deferred interest feature (such as original issue discount, debt instruments with payment-in-kind interest, and zero coupon securities), accrued income that the Company has not yet received in cash. Net Investment Income does not include any realized capital gains, realized capital losses, or unrealized capital appreciation or depreciation. The Investment Income Fee shall be calculated and payable quarterly in arrears within fifteen (15) days of the end of each calendar quarter, with the fee accruing from the first anniversary of the day the Company receives the proceeds from its initial offering of common shares (the "Commencement of Operations"). The Investment Income Fee calculation shall be adjusted appropriately on the basis of the number of calendar days in the first quarter the fee accrues or the calendar quarter during which the Agreement is in effect in the event of termination of the Agreement during any calendar quarter.

The second part of the fee, the capital gains fee, is equal to (a) 15 percent of (i) the Company's net realized capital gains (realized capital gains less realized capital losses) on a cumulative basis from the Commencement of Operations to the end of each calendar year, less (ii) any unrealized capital depreciation at the end of such calendar year, less (b) the aggregate amount of all capital gains fees paid to the Advisor in prior fiscal years. Except as set forth below, the capital gains fee shall be calculated and payable annually within fifteen (15) days of the end of each calendar year. For the purposes of this section, realized capital gains on a security will be calculated as the amount by which the net amount realized from the sale or other disposition of such security exceeds the original cost of such security. Unrealized capital depreciation on a security will be calculated as the amount by which the Company's original cost of such security exceeds the fair value of such security at the end of a fiscal year. Unrealized capital appreciation is not included in the capital gains fee calculation. All fiscal year-end valuations will be determined by the Company in accordance with accounting principles generally accepted in the United States, the 1940 Act (even if such valuation is made prior to the date on which the Company has elected to be regulated as a business development company), and the policies and procedures of the Company to the extent consistent therewith.

If the Company's common stock becomes listed on any national securities exchange or automated dealer quotation system, then the Adviser will use at least 25 percent of any capital gains fee received on or prior to the second anniversary of the day it receives the proceeds from the initial private offering to purchase such common stock in the open market. In the event the investment advisory agreement is terminated, the capital gains fee calculation will be undertaken as of the date of termination. The Adviser may, from time to time, waive or defer all or any part of the base management fee or the incentive fee.

The Adviser has entered into a sub-advisory agreement with Kenmont Investments Management, L.P. ("Kenmont"), an investment adviser with experience investing in privately held and public companies in the U.S. energy and power sectors. Kenmont will not make any investment decisions on the Company's behalf, but will recommend potential investments to, and assist in the investment analysis undertaken by, the Adviser.

TORTOISE CAPITAL RESOURCES CORPORATION

NOTES TO FINANCIAL STATEMENTS (Unaudited) — (Continued)

Kenmont Special Opportunities Fund, L.P., an affiliated entity of Kenmont, is an interested owner in the Company and owns approximately 22 percent of the Company's outstanding shares.

The Company has engaged U.S. Bancorp Fund Services, LLC to serve as the Company's fund accounting services provider. The Company pays the provider a monthly fee computed at an annual rate of $24,000 on the first $50 million of the Company's Managed Assets, 0.0125 percent on the next $200 million of Managed Assets and 0.0075 percent on the balance of the Company's Managed Assets.

Computershare Investor Services, LLC serves as the Company's transfer agent, dividend paying agent, and will serve as agent for the automatic dividend reinvestment plan following the initial public offering of the Company's common shares.

U.S. Bank, N.A. serves as the Company's custodian. The Company pays the custodian a monthly fee computed at an annual rate of 0.015 percent on the first $200 million of the Company's Managed Assets and 0.01 percent on the balance of the Company's Managed Assets, subject to a minimum annual fee of $4,800.

5. Income Taxes

Deferred income taxes reflect the net tax effect of temporary differences between the carrying amount of assets and liabilities for financial reporting and tax purposes. Components of the Company's deferred tax assets and liabilities as of August 31, 2006, are as follows:

Deferred tax asset:	
Organization costs	$ 32,940
Deferred tax liabilities:	
Net unrealized gains on investment securities	115,851
Basis reduction of investment in MLPs	21,036
	136,887
Total net deferred tax liability	$ 103,947

For the period from December 8, 2005 to August 31, 2006, the components of income tax expense include current federal and state taxes (net of federal benefit) of $139,720 and $15,968, and deferred federal and state income taxes (net of federal benefit) of $93,286 and $10,661, respectively.

Total income taxes differ from the amount computed by applying the federal statutory income tax rate of 35 percent to net investment income and unrealized gains on investments before taxes, as follows:

Application of statutory income tax rate	$ 265,926
State income taxes, net of federal taxes	30,391
Change in deferred tax valuation allowance	(36,683)
Total	$ 259,634

The valuation allowance previously recorded was reversed during the current period ended August 31, 2006, because the Company believes more likely than not, that there is an ability to utilize its deferred tax asset.

6. Restricted Securities

Certain of the Company's investments are restricted and are valued as determined in accordance with procedures established by the Board of Directors and more fully described in Note 2. The table below shows the number of units held or principal amount, the acquisition dates, acquisition costs, value per unit of such securities and percent of net assets applicable to common stockholders.

TORTOISE CAPITAL RESOURCES CORPORATION

NOTES TO FINANCIAL STATEMENTS (Unaudited) — (Continued)

Investment Security		Equity Interest, Units or Principal Amount	Acquisition Dates	Acquisition Cost	Value Per Unit	Percent of Net Assets
Mowood, LLC	Equity Interest	100%	6/5/06	$ 1,000,000	N/A	2.3%
Mowood, LLC	Promissory Note	$ 4,550,000	6/5/06	4,550,000	N/A	10.7
Eagle Rock Pipeline, L.P.	Common Units	693,674	3/27/06	12,500,006	$ 18.02	29.4
Legacy Reserves, L.P.	Common Units	264,705	3/14/06	4,499,985	17.00	10.6
				$ 22,549,991		53.0%

7. Investments in Affiliates

The aggregate market value of all securities of affiliates held by the Company as of August 31, 2006, amounted to $5,550,000 representing 13.1 percent of net assets applicable to common stockholders.

	Mowood LLC- Promissory Note	Mowood, LLC- Equity Interest	Total
December 8, 2005			
Balance			
Shares/Principal Amount	—	—	—
Cost	—	—	—
Gross Additions			
Shares/Principal Amount	$ 5,550,000	—	$ 5,550,000
Cost	$ 5,550,000	$ 1,000,000	$ 6,550,000
Gross Deductions			
Shares/Principal Amount	$ 1,000,000	—	$ 1,000,000
Cost	$ 1,000,000	—	$ 1,000,000
August 31, 2006			
Balance			
Shares/Principal Amount	$ 4,550,000	—	$ 4,550,000
Cost	$ 4,550,000	$ 1,000,000	$ 5,550,000
Realized Gain	—	—	—
Investment Income	$ 131,100	—	$ 131,000

8. Investment Transactions

For the period ended August 31, 2006, the Company purchased (at cost) and sold securities (at proceeds) in the amount of $23,549,991 and $1,000,000 (excluding short-term debt securities), respectively.

9. Common Stock

The Company has 100,000,000 shares authorized and 3,088,596 shares outstanding at August 31, 2006. For every four common shares purchased in the initial offering, one warrant was issued. At August 31, 2006, there were 772,124 warrants issued and outstanding. Warrants will be exercisable on the earlier of the Company's initial public offering of common shares or 18 months from the date of the initial offering, subject in each case to a lock-up period with respect to common shares. If the warrants become exercisable prior to the BDC election, the exercise price per share of each warrant will be $15.00. If the warrants become exercisable after the BDC election, each warrant will entitle the holder thereof to purchase one common share

TORTOISE CAPITAL RESOURCES CORPORATION

NOTES TO FINANCIAL STATEMENTS (Unaudited) — (Continued)

at the exercise price per common share of the greater of (i) $15.00 per common share or (ii) the net asset value of the common shares on the date of the BDC election. Warrants are issued as separate instruments from common shares and are permitted to be transferred independently from the common shares. Until the BDC election, the warrants will be subject to significant restrictions on resale and transfer in addition to those traditionally associated with securities sold pursuant to Rule 144A, Regulation D and other exemptions from registration under the Securities Act. The warrants have no voting rights and the common shares underlying the unexercised warrants will have no voting rights until such common shares are received upon exercise of the warrants. All warrants will expire on the earlier of (i) the day before the sixth anniversary of the Company's initial public offering of common shares or (ii) ten years from the date of the Company's initial offering.

Through and including , 2007 (the 25th day after the date of this prospectus), all dealers effecting transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the dealers' obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

Shares

Tortoise Capital Resources Corporation

Common Stock

PROSPECTUS

Merrill Lynch & Co.

Stifel Nicolaus

Wachovia Securities

Oppenheimer & Co.

, 2007

Part C — Other Information

Item 25. ***Financial Statements and Exhibits***

1. Financial Statements:

The Registrant's unaudited financial statements dated August 31, 2006 and notes thereto are filed herein.

2. Exhibits:

Exhibit No.	Description of Document
a.1.	Articles of Incorporation*
a.2.	Articles Supplementary***
b.	Bylaws*
c.	Inapplicable
d.	Form of Stock Certificate***
e.	Dividend Reinvestment Plan***
f.	Inapplicable
g.1.	Investment Advisory Agreement with Tortoise Capital Advisors, L.L.C. dated January 1, 2007***
g.2.	Sub-Advisory Agreement with Kenmont Investments Management, L.P. dated January 1, 2007***
h.	Form of Underwriting Agreement(1)
i.	Inapplicable
j.	Custody Agreement with U.S. Bank National Association dated September 13, 2005*
k.1.	Stock Transfer Agency Agreement with Computershare Investor Services, LLC dated September 13, 2005*
k.2.	Administration Agreement with Tortoise Capital Advisors, L.L.C. dated November 14, 2006***
k.3.	Warrant Agreement with Computershare Investor Services, LLC as Warrant Agent dated December 8, 2005*
k.4.	Registration Rights Agreements with Merrill Lynch & Co; Merrill Lynch, Pierce, Fenner & Smith Incorporated, and Stifel, Nicolaus & Company, Incorporated dated January 9, 2006*
k.5.	Credit Agreement with U.S. Bank N.A. dated December 13, 2006***
k.6.	Purchase Agreement dated December 22, 2006***
k.7.	Purchase Agreement dated December 22, 2006***
k.8.	Form of Warrant dated December 2006***
k.9.	Registration Rights Agreement(1)
l.	Opinion of Venable LLP(1)
m.	Inapplicable
n.	Consent of Independent Registered Public Accounting Firm***
o.	Inapplicable
p.1.	Form of Investment Representation, Transfer and Market Stand-Off Agreement*
p.2.	Form of Subscription Agreement*
q.	Inapplicable
r.1.	Code of Ethics of the Company***
r.2.	Code of Ethics of the Tortoise Capital Advisors, L.L.C.*

* Incorporated by reference to the Registrant's Registration Statement on Form N-2, filed August 28, 2006 (File No. 333-136923).

** Incorporated by reference to Pre-Effective Amendment No. 1 to the Registrant's Registration Statement on Form N-2, filed November 9, 2006 (File No. 333-136923).

*** Filed herewith.

(1) To be filed by amendment.

Item 26. ***Marketing Arrangements***

Reference is made to the underwriting agreement as Exhibit h.1. hereto.

Item 27. ***Other Expenses and Distribution***

The following table sets forth the estimated expenses to be incurred in connection with the offering described in this Registration Statement:

NASD filing fee	$	12,000
Securities and Exchange Commission fees	$	12,305
New York Stock Exchange listing fee	$	8,700
Directors' fees and expenses	$	6,000
Accounting fees and expenses	$	62,250
Legal fees and expenses	$	230,000
Printing expenses	$	157,000
Transfer Agent's fees	$	2,500
Miscellaneous	$	109,245
Total	$	600,000

* To be filed by amendment

Item 28. ***Persons Controlled by or Under Common Control***

The Company owns 100% of the ownership interests of Mowood, LLC, a Delaware limited liability company whose sole asset is a wholly-owned operating company, Omega Pipeline, LLC, also a Delaware limited liability company.

Item 29. ***Number of Holders of Securities***

As of December 31, 2006, the number of record holders of each class of securities of the Registrant was:

Title of Class	Number of Record Holders
Common Stock ($0.001 par value)	100
Series A redeemable preferred stock ($0.001 par value)	43

Item 30. ***Indemnification***

Maryland law permits a Maryland corporation to include in its charter a provision limiting the liability of its directors and officers to the corporation and its stockholders for money damages except for liability resulting from (a) actual receipt of an improper benefit or profit in money, property or services or (b) active and deliberate dishonesty which is established by a final judgment as being material to the cause of action. The Charter contains such a provision which eliminates directors' and officers' liability to the maximum extent permitted by Maryland law and the 1940 Act.

The Charter authorizes the Company, to the maximum extent permitted by Maryland law and the 1940 Act, to obligate itself to indemnify any present or former director or officer or any individual who, while a director or officer of the Company and at the request of the Company, serves or has served another

corporation, real estate investment trust, partnership, joint venture, trust, employee benefit plan or other enterprise as a director, officer, partner or trustee, from and against any claim or liability to which that person may become subject or which that person may incur by reason of his or her status as a present or former director or officer of the Company or as a present or former director, officer, partner or trustee of another corporation, real estate investment trust, partnership, joint venture, trust, employee benefit plan or other enterprise, and to pay or reimburse his or her reasonable expenses in advance of final disposition of a proceeding. The Bylaws obligate the Company, to the maximum extent permitted by Maryland law and the 1940 Act, to indemnify any present or former director or officer or any individual who, while a director of the Company and at the request of the Company, serves or has served another corporation, real estate investment trust, partnership, joint venture, trust, employee benefit plan or other enterprise as a director, officer, partner or trustee and who is made, or threatened to be made, a party to the proceeding by reason of his or her service in that capacity from and against any claim or liability to which that person may become subject or which that person may incur by reason of his or her status as a present or former director or officer of the Company and to pay or reimburse his or her reasonable expenses in advance of final disposition of a proceeding. The Charter and Bylaws also permit the Company to indemnify and advance expenses to any person who served a predecessor of the Company in any of the capacities described above and any employee or agent of the Company or a predecessor of the Company.

Maryland law requires a corporation (unless its charter provides otherwise, which the Company's Charter does not) to indemnify a director or officer who has been successful in the defense of any proceeding to which he is made, or threatened to be made, a party by reason of his service in that capacity. Maryland law permits a corporation to indemnify its present and former directors and officers, among others, against judgments, penalties, fines, settlements and reasonable expenses actually incurred by them in connection with any proceeding to which they may be made, or threatened to be made, a party by reason of their service in those or other capacities unless it is established that (a) the act or omission of the director or officer was material to the matter giving rise to the proceeding and (1) was committed in bad faith or (2) was the result of active and deliberate dishonesty, (b) the director or officer actually received an improper personal benefit in money, property or services or (c) in the case of any criminal proceeding, the director or officer had reasonable cause to believe that the act or omission was unlawful. However, under Maryland law, a Maryland corporation may not indemnify for an adverse judgment in a suit by or in the right of the corporation or for a judgment of liability on the basis that personal benefit was improperly received, unless in either case a court orders indemnification and then only for expenses. In addition, Maryland law permits a corporation to advance reasonable expenses to a director or officer upon the corporation's receipt of (a) a written affirmation by the director or officer of his good faith belief that he has met the standard of conduct necessary for indemnification by the corporation and (b) a written undertaking by him or on his behalf to repay the amount paid or reimbursed by the corporation if it is ultimately determined that the standard of conduct was not met.

Item 31. ***Business and Other Connections of Investment Advisor***

The information in the Statement of Additional Information under the caption "Management — Directors and Officers" is hereby incorporated by reference.

Item 32. ***Location of Accounts and Records***

All such accounts, books, and other documents are maintained at the offices of the Registrant, at the offices of the Registrant's investment adviser, Tortoise Capital Advisors, L.L.C., 10801 Mastin Boulevard, Suite 222, Overland Park, Kansas 66210, at the offices of the custodian, U.S. Bank National Association, 615 E. Michigan Street, Milwaukee, WI 53202, at the offices of the transfer agent, Computershare Investor Services, LLC, 250 Royall Street MS 3B, Canton, MA 02021 or at the offices of the administrator Tortoise Capital Advisors, L.L.C., 10801 Mastin Boulevard, Suite 222, Overland Park, Kansas 66210.

Item 33. ***Management Services***

Not applicable.

Item 34. ***Undertakings***

1. The Registrant undertakes to suspend the offering of the common shares until the Prospectus is amended if (1) subsequent to the effective date of its registration statement, the net asset value declines more than ten percent from its net asset value as of the effective date of the registration statement or (2) the net asset value increases to an amount greater than its net proceeds as state in the Prospectus.

2. Not applicable.

3. Not applicable.

4. Not applicable.

5. The Registrant is filing this Registration Statement pursuant to Rule 430A under the 1933 Act and undertakes that: (a) for the purposes of determining any liability under the 1933 Act, the information omitted from the form of Prospectus filed as part of a registration statement in reliance upon Rule 430A and contained in the form of Prospectus filed by the Registrant under Rule 497(h) under the 1933 Act shall be deemed to be part of the Registration Statement as of the time it was declared effective; (b) for the purpose of determining any liability under the 1933 Act, each post-effective amendment that contains a form of Prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of the securities at that time shall be deemed to be the initial bona fide offering thereof.

6. Not applicable.

7. Insofar as indemnification for liability arising under the Securities Act of 1933, as amended (the "Act") may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in this City of Overland Park and State of Kansas on the 8th day of January, 2007.

Tortoise Capital Resources Corporation

By: /s/ David J. Schulte
David J. Schulte,
President & CEO

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the date indicated.

Name	Title	Date
/s/ Terry C. Matlack Terry C. Matlack	Chief Financial Officer and Director (Principal Financial and Accounting Officer)	January 8, 2007
/s/ David J. Schulte David J. Schulte	Chief Executive Officer (Principal Executive Officer)	January 8, 2007
/s/ Conrad S. Ciccotello* Conrad S. Ciccotello	Director	January 8, 2007
/s/ John R. Graham* John R. Graham	Director	January 8, 2007
/s/ Charles E. Heath* Charles E. Heath	Director	January 8, 2007
/s/ H. Kevin Birzer* H. Kevin Birzer	Director	January 8, 2007

*By David J. Schulte pursuant to power of attorney filed on August 28, 2006 with the Registrant's Registration Statement on Form N-2 (File No. 333-136923).

Exhibit Index

Exhibit No.	Description of Document
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a.2.	Articles Supplementary***
b.	Bylaws*
c.	Inapplicable
d.	Form of Stock Certificate***
e.	Dividend Reinvestment Plan***
f.	Inapplicable
g.1.	Investment Advisory Agreement with Tortoise Capital Advisors, L.L.C. dated January 1, 2007***
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*** Filed herewith.

(1) To be filed by amendment.

TORTOISE CAPITAL RESOURCES CORPORATION

ARTICLES SUPPLEMENTARY

SERIES A REDEEMABLE PREFERRED STOCK

Tortoise Capital Resources Corporation, a Maryland corporation (the "Corporation"), hereby certifies to the State Department of Assessments and Taxation of Maryland that;

FIRST: Under a power contained in Article VI of the charter of the Corporation (the "Charter"), the Board of Directors by duly adopted resolutions classified and designated 1,333,333 shares of authorized but unissued preferred stock, $0.001 par value per share (the "Preferred Stock"), of the Corporation as shares of Series A Redeemable Preferred Stock, with the following preferences, rights, voting powers, restrictions, limitations as to dividends and other distributions, qualifications and terms and conditions of redemption, which, upon any restatement of the Charter, shall become part of Article VI of the Charter, with any necessary or appropriate renumbering or relettering of the sections or subsections hereof.

SERIES A REDEEMABLE PREFERRED STOCK

1. Classification and Designation. 1,333,333 shares of Preferred Stock are classified and designated as Series A Redeemable Preferred Stock (the "Series A Redeemable Preferred Stock").

2. Dividend Rights.

(a) Payments. Holders of Series A Redeemable Preferred Stock shall be entitled to receive in each fiscal year from and after the date of issuance of the first share of Series A Redeemable Preferred Stock (as to the Series A Redeemable Preferred Stock, the "Original Issue Date"), cumulative cash dividends when and as authorized by the Board of Directors and declared by the Corporation and to the extent that funds are legally available therefor at the rate of 10% per annum of the applicable Original Issue Price (as defined below) on each outstanding share of Series A Redeemable Preferred Stock (as adjusted for any stock dividends, combinations, splits, recapitalizations and the like with respect to such shares) payable on the first business day following the end of each fiscal quarter of the Corporation. In the event that any shares of the Series A Redeemable Preferred Stock are not outstanding for a full fiscal quarter, the dividends payable for such quarter shall be prorated based on the actual number of days such shares were outstanding in a presumed 90-day quarter. The "Original Issue Price" of the Series A Redeemable Preferred Stock initially shall be $15.00 per share, subject to adjustment as hereinafter provided. Any dividends on the Series A Redeemable Preferred Stock, to the extent not declared and paid as aforesaid shall accrue until declared and paid to the holders of the Series A Redeemable Preferred Stock as specified in these terms of the Series A Preferred Stock.

(b) Priority. The dividend payment rights of the Series A Redeemable Preferred Stock shall be in preference to the holders of the Corporation's common stock, $0.001 par value per share (the "Common Stock"), and any other class or series of stock of the Corporation. Further, if the Series A Redeemable Preferred is not redeemed in full prior to September 26, 2007, no dividend may be paid to the holders of Common Stock and any dividends thereafter to be paid to the holders of the Common Stock shall be paid to the holders of Series A Redeemable Preferred as part of the redemption until the Series A Redeemable Preferred is redeemed in full. Furthermore, in addition to the protective provisions set forth in Section 5, the Corporation may not declare any dividend (except a dividend payable in Common Stock of the Corporation) or any other distribution (as such term is used in Section 18(a)(2)(B) of the Investment Company Act of 1940 (the "1940 Act")) upon the Common Stock, or purchase any Common Stock, unless in every such case the Series A Redeemable Preferred has, at the time of the declaration of any such dividend, distribution or purchase, an asset coverage of at least two hundred percent (200%) after deducting the amount of such dividend, distribution, or purchase price, as the case may be.

3. Liquidation.

(a) Preference. In the event of any liquidation, dissolution or winding up of the Corporation, either voluntary or involuntary, the holders of Series A Redeemable Preferred Stock shall be entitled to receive, prior and in preference to any distribution of any of the assets of the Corporation to the holders of Common Stock or any other class or series of stock of the Corporation by reason of their ownership thereof, an amount per share equal to the applicable Original Issue Price, subject to adjustment as hereinafter provided, plus all accrued and unpaid cumulative dividends thereon to the date of liquidation. If, upon the occurrence of such event, the assets and funds thus distributed among the holders of the Series A Redeemable Preferred Stock shall be insufficient to permit the payment to such holders of the full aforesaid preferential amounts, then the entire assets and funds of the Corporation legally available for distribution shall be distributed ratably among the holders of the Series A Redeemable Preferred Stock in proportion to the amount each such holder is otherwise entitled to receive. In determining whether a distribution (other than upon voluntary or involuntary liquidation), by dividend, redemption or otherwise, is permitted under the Maryland General Corporation Law (the "MGCL"), amounts that would be needed, if the Corporation were to be dissolved at the time of distribution, to satisfy the liquidation preference of the Series A Redeemable Preferred Stock will not be added to the Corporation's total liabilities.

(b) Certain Transactions.

(i) Deemed Liquidation. For purposes of this Section 3, a liquidation, dissolution or winding up of the Corporation shall be deemed to occur (unless otherwise approved at a meeting or by written consent by the holders of a majority of the then outstanding shares of the Series A Redeemable Preferred Stock) if the Corporation shall (A) sell, convey, or otherwise dispose of all or substantially all of its property or business, (B) merge into or consolidate

with any other corporation (other than a wholly-owned subsidiary corporation) or undergo a recapitalization within the meaning of Section 368(a)(1)(E) of the Internal Revenue Code or (C) effect any other transaction or series of related transactions in which, with respect to the foregoing clause (B) or clause (C), the outstanding voting stock of the Corporation immediately prior to the transaction ceases to represent a majority of the outstanding voting stock immediately following the transaction; provided, however, that, subject to the protective provisions set forth in Section 5, this 3(b)(i) shall not apply to an encumbrance of all or substantially all of the Corporation's property or business solely in connection with a debt financing.

(ii) Valuation of Consideration. In the event of a deemed liquidation as described in Section 3(b)(i) of these terms of the Series A Redeemable Preferred Stock, if the consideration received by the Corporation is other than cash, its value will be deemed its fair market value as determined in good faith by the Board of Directors of the Corporation. Any securities distributed to holders of the Series A Redeemable Preferred Stock in satisfaction of their liquidation preference shall be valued as follows:

(A) Securities not subject to investment letter or other similar restrictions on free marketability:

(1) If traded on a securities exchange or The Nasdaq Stock Market, the value shall be deemed to be the average of the closing prices of the securities on such exchange over the thirty-day period ending three days prior to the closing;

(2) If actively traded over-the-counter, the value shall be deemed to be the average of the closing bid or sale prices (whichever is applicable) over the thirty-day period ending three days prior to the closing; and

(3) If there is no active public market, the value shall be the fair market value thereof, as mutually determined in good faith by the holder of a majority of the Series A Redeemable Preferred (or, alternatively, a representative approved at a meeting or by written consent by the holders of a majority of the then outstanding shares of the Series A Redeemable Preferred Stock) and the Board of Directors of the Corporation.

(B) The method of valuation of securities subject to investment letter or other restrictions on free marketability (other than restrictions arising solely by virtue of a shareholder's status as an affiliate or former affiliate) shall be to make an appropriate discount from the market value determined as in Section 3(b)(ii)(A) of these terms of the Series A Redeemable Preferred Stock to reflect the approximate fair

market value thereof, as determined in good faith by the Board of Directors of the Corporation.

If the consideration received is other than cash or securities, its value will be deemed its fair market value as mutually determined in good faith by the holder of a majority of the Series A Redeemable Preferred (or, alternatively, a representative approved at a meeting or by written consent by the holders of a majority of the then outstanding shares of the Series A Redeemable Preferred Stock) and the Board of Directors of the Corporation.

(iii) Notice of Transaction. The Corporation shall give each holder of record of the Series A Redeemable Preferred Stock written notice of such impending transaction not later than 20 days prior to the stockholders' meeting called to approve such transaction, or 20 days prior to the closing of such transaction, whichever is earlier, and shall also notify such holders in writing of the final approval of such transaction. The first of such notices shall describe the material terms and conditions of the impending transaction and the provisions of this Section 3, and the Corporation shall thereafter give such holders prompt notice of any material changes. The transaction shall in no event take place sooner than 10 days after the Corporation has given the first notice provided for herein or sooner than 10 days after the Corporation has given notice of any material changes provided for herein; provided, however, that such periods may be shortened upon the written consent of the holders of Series A Redeemable Preferred Stock that are entitled to such notice rights and that represent at least a majority of the voting power of all then outstanding shares of the Series A Redeemable Preferred Stock.

(iv) Effect of Noncompliance. In the event the requirements of this Section 3(b) are not complied with, the Corporation shall forthwith either cause the closing of the transaction to be postponed until such requirements have been complied with, or cancel such transaction, in which event the rights, preferences and privileges of the holders of the Series A Redeemable Preferred Stock shall revert to and be the same as such rights, preferences and privileges existing immediately prior to the date of the first notice referred to in Section 3(b)(iii) of these terms of the Series A Redeemable Preferred Stock.

4. Voting Rights. The holder of each share of Series A Redeemable Preferred Stock shall have the right to one vote for each such share of stock held and such holder shall have full voting rights and powers equal to the voting rights and powers of the holders of Common Stock. The Holders of the Series A Redeemable Preferred Stock shall be entitled, notwithstanding any provision hereof, to notice of any shareholders' meeting in accordance with the Bylaws of the Corporation and shall be entitled to vote together as a single class, together with holders of Common Stock, on any question upon which holders of Common Stock have the right to vote. In addition, the holders of the Series A Redeemable Preferred Stock shall be entitled, voting separately as a class: (i) to elect at least two directors of the Corporation at all times, and (ii) to elect a majority of the directors of the Corporation if, at any time, dividends on the Series A Redeemable

Preferred Stock shall be unpaid in an amount equal two full years' dividends on such securities, and, thereafter, to continue to be so represented until all dividends in arrears shall have been paid or otherwise provided for. Further, the Series A Redeemable Preferred Stock, voting as a separate class, shall have the right to approve by a vote of a majority of the then outstanding Series A Redeemable Preferred Stock, any plan of reorganization adversely affecting the Series A Redeemable Preferred Stock or of any action requiring a vote of security holders as provided in Section 13(a) of the 1940 Act.

5. Protective Provisions. So long as any share of the Series A Redeemable Preferred remains outstanding:

(a) the Corporation will not incur additional debt or grant any liens other than to secure bank lines of credit, and those secured credit facilities will not exceed 25% of the total assets of the Corporation.

(b) at all times after June 30, 2007, the entire net proceeds of any additional debt assumed, and the entire net proceeds of any additional equity raised, by the Corporation shall be used to redeem the Preferred Stock.

(c) The Corporation shall not, without first obtaining the approval (by vote or written consent, as provided by law) of the holders of at least a majority of the then outstanding shares of the Series A Redeemable Preferred Stock, which approval or consent shall not unreasonably be withheld:

(i) amend the Charter or Bylaws of the Corporation to change the preferences, rights, privileges, or powers of, or the restrictions provided for the benefit of, the Series A Redeemable Preferred;

(ii) increase the authorized number of shares of Series A Redeemable Preferred;

(iii) authorize or issue shares of any class or series of stock having any preference as to dividends, liquidation preferences, or voting rights, superior to any such preference or priority of the Series A Redeemable Preferred, or having any rights in addition to those granted to the Series A Redeemable Preferred;

(iv) reclassify any shares of stock of the Corporation into shares having any preference or priority as to dividends, liquidation preferences, or voting rights, superior to any such preference or priority of the Series A Redeemable Preferred, or having any rights in addition to those granted to the Series A Redeemable Preferred;

(v) repurchase, acquire, or retire any shares of Common Stock other than pursuant to the terms of any agreement approved by the Board of Directors of the Corporation between the Corporation and any stockholder, employee, director, officer, consultant or vendor; or

(vi) the Corporation shall not engage in (i) any acquisition of the Corporation by merger, consolidation or otherwise, or (ii) any sale of all or substantially all of the assets of the Corporation, or (iii) any action which (x) alters or changes the rights, preferences or privileges of the Series A Redeemable Preferred materially and adversely, or (y) creates any new class or series of shares having preference over the Series A Redeemable Preferred.

6. Status of Redeemed Stock. In the event that any shares of Series A Preferred are redeemed or otherwise acquired by the Corporation, the shares of Series A Redeemable Preferred Stock so redeemed or otherwise acquired shall be returned to the status of authorized but unissued Preferred Stock, without further designation as to class or series.

7. Redemption.

(a) Redemption at Option of the Corporation. At any time and from time to time after the Original Issue Date, the Corporation may redeem some or all of the outstanding shares of the Series A Redeemable Preferred Stock out of funds legally available therefor, in accordance with the provisions contained in this Section 7. If less than all of the shares can be so redeemed, then the shares shall be redeemed on a pro rata basis, in proportion to the aggregate Redemption Price (as defined below) that each holder of Series A Redeemable Preferred Stock is otherwise entitled to receive.

(b) Mandatory Redemption by the Corporation. The Series A Redeemable Preferred shall be redeemed by the Corporation on the earlier to occur of the following: (i) completion by the Corporation of an initial public offering of its Common Stock in an amount providing net proceeds to the Corporation at least equal to the amount required for the complete redemption of all then outstanding Series A Redeemable Preferred (the "Initial Public Offering"), or (ii) September 26, 2007.

(c) Redemption Price. The price at which each share of Series A Redeemable Preferred shall be redeemed (the "Redemption Price") shall be the applicable Original Issue Price plus (i) all accrued and unpaid dividends and (ii) a redemption premium equal to 2% (the "Redemption Premium") of the Original Issue Price, subject to adjustment as provided below. In the event the warrants to purchase the Corporation's Common Stock issued to holders of the Series A Redeemable Preferred pursuant to that certain Purchase Agreement among the Corporation, Tortoise Capital Advisors LLC and certain purchasers dated as of December 22, 2006 are not authorized by the holders of the Corporation's Common Stock prior to the Initial Public Offering, the Redemption Premium shall increase by an additional five percent (5%) of the Original Issue Price and such warrants shall be cancelled pursuant to the terms thereof. In addition, the Redemption Premium shall increase by one percent (1%) of the Original Issue Price for each ninety (90) days that the Series A Redeemable Preferred is outstanding.

(d) Redemption Process. The Corporation shall give to the holders of the outstanding Series A Redeemable Preferred at least three (3) business days

notice of its intention to redeem any Series A Redeemable Preferred Stock in the event of mandatory redemption and at least ten (10) business days notice in the event of optional redemption. Holders of shares of the Series A Redeemable Preferred Stock so notified will be required to present and surrender the certificate or certificates representing such shares to be redeemed on the designated redemption date to the Corporation at the principal executive offices of the Corporation or such other location as the Corporation may designate. The Corporation shall pay the applicable Redemption Price to, or to the order of, the person whose name appears on such certificate or certificates so surrendered within two business days after the certificates of such holder are surrendered. If the number of shares represented by the certificate or certificates surrendered shall exceed the number of shares to be redeemed, the Corporation shall also issue and deliver a certificate or certificates representing the unredeemed balance of such shares to the person entitled thereto.

(e) Effect of Redemption. If the Corporation pays for any shares in accordance with this Section 7, such shares shall then, and only then, no longer be deemed to be outstanding, and then, and only then, shall the rights of the holders of those shares as shareholders of the Corporation cease. Pending such payment, a holder shall continue to have all the rights of a holder of such shares.

(f) Insufficient Funds. For purposes of any mandatory redemption under Section 7(b), if the funds of the Corporation legally available for redemption of shares of Series A Redeemable Preferred Stock on a redemption date are insufficient to redeem the total number of shares of Series A Redeemable Preferred Stock submitted for redemption, those funds which are legally available will be used to redeem the maximum possible number of whole shares ratably among the holders of such shares. The shares of Series A Redeemable Preferred Stock not redeemed shall remain outstanding and entitled to all rights and preferences provided herein. At any time thereafter when additional funds of the Corporation are legally available for the redemption of such shares of Series A Redeemable Preferred Stock, such funds will be used, at the end of the next succeeding fiscal quarter, to redeem the balance of such shares, or such portion thereof for which funds are then legally available.

(g) Adjustment to Original Issue Price. In the event the Corporation at any time or from time to time after issuance of the Series A Redeemable Preferred Stock effects a split or subdivision of the outstanding shares of the Series A Redeemable Preferred Stock without payment of any consideration by such holder of the Series A Redeemable Preferred Stock, the Original Issue Price shall be appropriately adjusted so that the aggregate Redemption Price of all Series A Redeemable Stock then outstanding is not changed as a result of such split or subdivision.

8. Charter and Bylaws; No other Rights. The rights of all holders of the Series A Redeemable Preferred Stock and the terms of the Series A Redeemable Preferred Stock are subject to the Charter and Bylaws of the Corporation and the Purchase Agreement dated December 22, 2006. The holders of the Series A Redeemable Preferred Stock shall not have any other preferences, rights, voting powers, restrictions, limitations as to dividends and other distributions, qualifications and terms and conditions

of redemption other than those expressly set forth therein and in these terms of the Series A Redeemable Preferred Stock.

SECOND: The shares of Series A Redeemable Preferred Stock have been classified and designated by the Board of Directors under the authority contained in the Charter.

THIRD: These Articles Supplementary have been approved by the Board of Directors in the manner and by the vote required by law.

FOURTH: The undersigned President of the Corporation acknowledges these Articles Supplementary to be the corporate act of the Corporation and, as to all matters or facts required to be verified under oath, the undersigned President acknowledges that, to the best of his knowledge, information and belief, these matters and facts are true in all material respects and that this statement is made under the penalties for perjury.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Corporation has caused these Articles Supplementary to be signed in its name and on its behalf by its President and attested to by its Secretary on this ___day of December, 2006.

ATTEST:

Zachary H. Hamel
Secretary

TORTOISE CAPITAL RESOURCES CORPORATION

David J. Schulte
President

Exhibit d

SPECIMEN

CERTIFICATE NUMBER NUMBER OF SHARES

TORTOISE CAPITAL RESOURCES CORPORATION

Organized Under the Laws of the State of Maryland
Common Stock
$.001 Par Value Per Share

This certifies that — is the owner of fully paid and non-assessable shares of Common Stock, $.001 par value per share, of Tortoise Capital Resources Corporation (the "Company") transferable only on the books of the Company by the holder thereof in person or by duly authorized Attorney upon surrender of this Certificate properly endorsed. This Certificate is not valid unless countersigned by the transfer agent and registrar.

IN WITNESS WHEREOF, the Company has caused this Certificate to be signed by its duly authorized officers and its Seal to be hereunto affixed this ___day of ___A.D. 200___.

_____ TORTOISE CAPITAL RESOURCES CORPORATION

As Transfer Agent and Registrar [Seal]

By:

By: _____ [Seal]

_____

Authorized Signature President

_____

Secretary

FOR VALUE RECEIVED, _____ hereby sells, assigns and transfers unto _____ shares of Common Stock, represented by this Certificate, and does hereby irrevocably constitute and appoint _____ Attorney to transfer said shares on the books of the within named Company with full power of substitution in the premises.

Dated: _____
In presence of

_____ _____

The Company will furnish to any stockholder on request and without charge a full statement of the designation and any preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends, qualifications and terms and conditions of redemption of the stock of each class which the Company is authorized to issue and, if the Company is authorized to issue any preferred or special class in series, of the differences in the relative rights and preferences between the shares of each series to the extent they have been set and the authority of the Board of Directors to set the relative rights and preferences of subsequent series. Any such request should be addressed to the Secretary of the Company.

TORTOISE CAPITAL RESOURCES CORPORATION

TERMS AND CONDITIONS OF THE DIVIDEND REINVESTMENT PLAN

Registered holders ("Common Shareholders") of common shares (the "Common Shares") of Tortoise Energy Capital Corporation (the "Company") whose Common Shares are registered with us or with a brokerage firm that participates in our Dividend Reinvestment Plan (the "Plan") and has coded such holder's account dividend reinvestment will automatically be enrolled (the "Participants") in the Plan and are advised as follows:

1. THE PLAN AGENT. Computershare Trust Company, Inc. (the "Agent") will act as agent for each Participant. The Agent will open an account for each Participant under the Plan in the same name in which his or her outstanding Common Shares are registered.

2. CASH OPTION. Pursuant to the Company's Plan, unless a holder of Common Shares otherwise elects, all dividend and capital gains distributions will be automatically reinvested by the Agent in additional Common Shares of the Company. Common Shareholders who elect not to participate in the Plan will receive all distributions in cash paid by check mailed directly to the shareholder of record (or, if the shares are held in street or other nominee name then to such nominee) by the Agent, as dividend paying agent. Such participants may elect not to participate in the Plan and to receive all distributions of dividends and capital gains in cash by sending written instructions to the Agent, as dividend paying agent, at the address set forth below. Please note that the Plan administrator may use an affiliated broker for trading activity, relative to the Plan on behalf of Plan participants.

3. MARKET PREMIUM ISSUANCES. If on the payment date for a Distribution, the net asset value per Common Share is equal to or less than the market price per Common Share plus estimated brokerage commissions, the Agent shall receive newly issued Common Shares ("Additional Common Shares") from the Company for each Participant's account. The number of Additional Common Shares to be credited shall be determined by dividing the dollar amount of the Distribution by the greater of (i) the net asset value per Common Share on the payment date, or (ii) 95% of the market price per Common Share on the payment date.

4. MARKET DISCOUNT PURCHASES. If the net asset value per Common Share exceeds the market price plus estimated brokerage commissions on the payment date for a Distribution, the Agent (or a broker-dealer selected by the Agent) shall endeavor to apply the amount of such Distribution on each Participant's Common Shares to purchase Common Shares on the open market. In the event of a market discount on the payment date, the Agent will have until the last business day before the next date on which the shares trade on an "ex-dividend" basis or in no event more than 90 days after the dividend payment date (the "last purchase date") to invest the dividend amount in shares acquired in open-market purchases. It is contemplated that the Company will pay quarterly income dividends. Therefore, the period during which open-market

purchases can be made will exist only from the payment date of each dividend through the date before the next "ex-dividend" date. The weighted average price (including brokerage commissions) of all Common Shares purchased by the Agent as Agent will be the price per Common Share allocable to each Participant. If, before the Agent has completed its purchases, the market price plus estimated brokerage commissions exceeds the net asset value of the Common Shares as of the payment date, the purchase price paid by Agent may exceed the net asset value of the Common Shares, resulting in the acquisition of fewer Common Shares than if such Distribution had been paid in Additional Common Shares. Because of the foregoing difficulty with respect to open-market purchases, the Plan provides that if the Plan Agent is unable to invest the full dividend amount in open-market purchases during the purchase period or if the market discount shifts to a market premium during the purchase period, the Plan Agent may cease making open-market purchases and may invest the uninvested portion of the dividend amount in newly issued Common Shares at the net asset value per Common Share at the close of business on the last purchase date. Participants should note that they will not be able to instruct the Agent to purchase Common Shares at a specific time or at a specific price. Open-market purchases may be made on any securities exchange where Common Shares are traded, in the over-the-counter market or in negotiated transactions, and may be on such terms as to price, delivery and otherwise as the Agent shall determine. Each Participant's uninvested funds held by the Agent will not bear interest. The Agent shall have no liability in connection with any inability to purchase Common Shares within the time provided, or with the timing of any purchases effected. The Agent shall have no responsibility for the value of Common Shares acquired. The Agent may commingle Participants' funds to be used for open-market purchases of Company shares and the price per share allocable to each Participant in connection with such purchases shall be the average price (including brokerage commissions and other related costs) of all Company shares purchased by Agent.

5. VALUATION. The market price of Common Shares on a particular date shall be the last sales price on the securities exchange where the Common Shares are listed on that date (the "Exchange"), or, if there is no sale on such Exchange on that date, then the mean between the closing bid and asked quotations on such Exchange on such date will be used. The net asset value per Common Share on a particular date shall be the amount calculated on that date (or if not calculated on such date, the amount most recently calculated) by or on behalf of the Company in accordance with the then current Valuation Procedures approved by the Company's Board of Directors.

6. TAXATION. The automatic reinvestment of Distributions does not relieve Participants of any federal, state or local taxes which may be payable (or required to be withheld on Distributions). Participants will receive tax information annually for their personal records and to help them prepare their federal income tax return. For further information as to tax consequences of participation in the Plan, Participants should consult with their own tax advisors.

7. LIABILITY OF AGENT. The Agent shall at all times act in good faith and agree to use its best efforts within reasonable limits to ensure the accuracy of all services performed under this Agreement and to comply with applicable law, but assumes

no responsibility and shall not be liable for loss or damage due to errors unless such error is caused by the Agent's negligence, bad faith, or willful misconduct or that of its employees.

8. RECORDKEEPING. The Agent may hold each Participant's Common Shares acquired pursuant to the Plan together with the Common Shares of other Common Shareholders of the Company acquired pursuant to the Plan in non-certificated form in the Agent's name or that of the Agent's nominee. Each Participant will be sent a confirmation by the Agent of each acquisition made for his or her account as soon as practicable, but in no event later than 60 days, after the date thereof. Upon a Participant's request, the Agent will deliver to the Participant, without charge, a certificate or certificates for the full Common Shares. Although each Participant may from time to time have an undivided fractional interest in a Common Share of the Company, no certificates for a fractional share will be issued. Similarly, Participants may request to sell a portion of the Common Shares held by the Agent in their Plan accounts by calling the Agent, writing to the Agent, or completing and returning the transaction form attached to each Plan statement. The Agent will sell such Common Shares through a broker-dealer selected by the Agent within 5 business days of receipt of the request. The sale price will equal the weighted average price of all Common Shares sold through the Plan on the day of the sale, less brokerage commissions. Participants should note that the Agent is unable to accept instructions to sell on a specific date or at a specific price. Any share dividends or split shares distributed by the Company on Common Shares held by the Agent for Participants will be credited to their accounts. In the event that the Company makes available to its Common Shareholders rights to purchase additional Common Shares, the Common Shares held for each Participant under the Plan will be added to other Common Shares held by the Participant in calculating the number of rights to be issued to each Participant.

9. PROXY MATERIALS. The Agent will forward to each Participant any proxy solicitation material. The Agent will vote any Common Shares held for a Participant first in accordance with the instructions set forth on proxies returned by such Participant to the Company, and then with respect to any proxies not returned by such Participant to the Company, in the same proportion as the Agent votes the proxies returned by the Participants to the Company.

10. FEES. The Agent's service fee for handling Distributions will be paid by the Company. Each Participant will be charged his or her pro rata share of brokerage commissions on all open-market purchases. If a Participant elects to have the Agent sell part or all of his or her Common Shares and remit the proceeds, such Participant will be charged his or her pro rata share of brokerage commissions on the shares sold, plus a $15 transaction fee.

11. TERMINATION IN THE PLAN. Each registered Participant may terminate his or her account under the Plan by notifying the Agent in writing at 250 Royal Street, MS 3B, Canton, MA 02021, or by calling the Agent at 1-800-727-0254, or using the website: www.computershare.com. Such termination will be effective with respect to a particular Distribution if the Participant's notice is received by the Agent

prior to such Distribution record date. The Plan may be terminated by the Agent or the Company upon notice in writing mailed to each Participant at least 60 days prior to the effective date of the termination. Upon any termination, the Agent will cause a certificate or certificates to be issued for the full shares held for each Participant under the Plan and cash adjustment for any fraction of a Common Share at the then current market value of the Common Shares to be delivered to him. If preferred, a Participant may request the sale of all of the Common Shares held by the Agent in his or her Plan account in order to terminate participation in the Plan. If any Participant elects in advance of such termination to have Agent sell part or all of his shares, Agent is authorized to deduct from the proceeds a $15 fee plus the brokerage commissions incurred for the transaction. If a Participant has terminated his or her participation in the Plan but continues to have Common Shares registered in his or her name, he or she may re-enroll in the Plan at any time by notifying the Agent in writing at the address above.

12. AMENDMENT OF THE PLAN. These terms and conditions may be amended by the Agent or the Company at any time but, except when necessary or appropriate to comply with applicable law or the rules or policies of the Securities and Exchange Commission or any other regulatory authority, only by mailing to each Participant appropriate written notice at least 30 days prior to the effective date thereof. The amendment shall be deemed to be accepted by each Participant unless, prior to the effective date thereof, the Agent receives notice of the termination of the Participant's account under the Plan. Any such amendment may include an appointment by the Agent of a successor Agent, subject to the prior written approval of the successor Agent by the Company.

13. APPLICABLE LAW. These terms and conditions shall be governed by the laws of the State of Delaware.

INVESTMENT ADVISORY AGREEMENT

AGREEMENT made as of this 1st day of January, 2007 by and between Tortoise Capital Resources Corporation, a Maryland corporation having its principal place of business in Overland Park, Kansas (the "Company"), and Tortoise Capital Advisors, L.L.C., a Delaware limited liability company having its principal place of business in Overland Park, Kansas (the "Advisor").

WHEREAS, the Company is a newly organized, non-diversified management investment company that is not at this time registered under the Investment Company Act of 1940, as amended (the "1940 Act");

WHEREAS, the Advisor is registered under the Investment Advisers Act of 1940, as amended (the "Advisers Act"), as an investment advisor and engages in the business of acting as an investment advisor;

WHEREAS, the Company and the Advisor desire to enter into an agreement to provide for investment advisory services to the Company upon the terms and conditions hereinafter set forth; and

NOW THEREFORE, in consideration of the mutual covenants herein contained and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

1. Appointment of Advisor.

The Company appoints the Advisor to act as manager and investment advisor to the Company for the period and on the terms herein set forth. The Advisor accepts such appointment and agrees to render the services herein set forth, for the compensation herein provided.

2. Duties of the Advisor.

Subject to the overall supervision and review of the Board of Directors of the Company ("Board"), the Advisor will regularly provide the Company with investment research, advice and supervision and will furnish continuously an investment program for the Company, consistent with the investment objective and policies of the Company. The Advisor will provide, on behalf of the Company, any managerial assistance requested by the portfolio companies of the Company. The Advisor will determine from time to time what securities shall be purchased for the Company, what securities shall be held or sold by the Company and what portion of the Company's assets shall be held uninvested as cash or in other liquid assets, subject always to the provisions of the Company's Articles of Incorporation, Bylaws, Confidential Offering Memorandum for the initial private offering of its common shares (the "Memorandum"), and any subsequent registration statement of the Company under the 1940 Act and under the Securities Act of 1933 (the "1933 Act") covering the Company's shares, as filed with the Securities and Exchange Commission (the "Commission"), as any of the same may be amended from time to time, and to the investment objectives of the Company, as each of the same shall be from time to time in effect, and subject, further, to such policies and instructions as the Board may from time to time establish. To carry out such determinations, the Advisor will exercise full discretion and act for the Company in the same manner and with the same

force and effect as the Company itself might or could do with respect to purchases, sales or other transactions, as well as with respect to all other things necessary or incidental to the furtherance or conduct of such purchases, sales or other transactions. Without limiting the generality of the foregoing, the Advisor shall, during the term and subject to the provisions of this Agreement, (i) determine the composition of the portfolio of the Company, the nature and timing of the changes therein and the manner of implementing such changes; (ii) identify, evaluate and negotiate the structure of the investments made by the Company; (iii) perform due diligence on prospective portfolio companies; (iv) close and monitor the Company's investments; (v) provide the Company with such other investment advisory, research and related services as the Company may, from time to time, reasonably require for the investment of its funds.

3. Administrative Duties of the Advisor.

The Advisor agrees to furnish office facilities and clerical and administrative services necessary to the operation of the Company (other than services provided by the Company's custodian, accounting agent, administrator, dividend and interest paying agent and other service providers). The Advisor is authorized to conduct relations with custodians, depositaries, underwriters, brokers, dealers, placement agents, banks, insurers, accountants, attorneys, pricing agents, and other persons as may be deemed necessary or desirable. To the extent requested by the Company, the Advisor shall (i) oversee the performance of, and payment of the fees to, the Company's service providers, and make such reports and recommendations to the Company's Board of Directors (the "Board") concerning such matters as the parties deem desirable; (ii) respond to inquiries and otherwise assist such service providers in the preparation and filing of regulatory reports, proxy statements, shareholder communications and the preparation of Board materials and reports; (iii) establish and oversee the implementation of borrowing facilities or other forms of leverage authorized by the Board; and (iv) supervise any other aspect of the Company's administration as may be agreed upon by the Company and the Advisor. The Company shall reimburse the Advisor or its affiliate for all out-of-pocket expenses incurred in providing the services set forth in this Section 3.

4. Delegation of Responsibilities.

The Advisor is authorized to delegate any or all of its rights, duties and obligations under this Agreement to one or more sub-advisors, and may enter into agreements with sub-advisors, and may replace any such sub-advisors from time to time in its discretion, in accordance with the 1940 Act, the Advisers Act, and rules and regulations thereunder, as such statutes, rules and regulations are amended from time to time or are interpreted from time to time by the staff of the Commission, and if applicable, exemptive orders or similar relief granted by the Commission, and upon receipt of approval of such sub-advisors by the Board and by shareholders (unless any such approval is not required by such statutes, rules, regulations, interpretations, orders or similar relief). The Company hereby acknowledges that the Advisor has retained Kenmont Investments Management, L.P. ("Kenmont") to provide certain services for the benefit of the Company. The Advisor shall compensate Kenmont for the services so provided. The Advisor hereby indemnifies and agrees to hold harmless the Company from any obligation to pay Kenmont or any other sub-advisor or reimburse Kenmont or any other sub-advisor for any fees or expenses incurred by such party in providing services to or for the benefit of the Company. The Company hereby agrees to indemnify and hold harmless Kenmont or any other sub-advisor for any claim against any such person based on

information provided in the Offering Memorandum of the Company dated September 13, 2005, the Supplement to such Offering Memorandum dated November 21, 2005, or the Closing Supplement to such Offering Memorandum dated December 1, 2005 (collectively, the "Disclosure") other than any claim resulting from information provided by such indemnified party for inclusion in the Disclosure.

5. Independent Contractors.

The Advisor and any sub-advisors shall for all purposes herein be deemed to be independent contractors and shall, unless otherwise expressly provided or authorized, have no authority to act for or represent the Company in any way or otherwise be deemed to be an agent of the Company.

6. Compliance with Applicable Requirements.

In carrying out its obligations under this Agreement, the Advisor shall at all times conform to:

a. all applicable provisions of the 1940 Act and the Advisers Act and any applicable rules and regulations adopted thereunder;

b. the provisions of the Memorandum or any subsequent registration statement of the Company, as the same may be amended from time to time under the 1933 Act, including without limitation, the investment objectives set forth therein;

c. the provisions of the Company's Articles of Incorporation, as the same may be amended from time to time;

d. the provisions of the Bylaws of the Company, as the same may be amended from time to time

e. all policies, procedures and directives adopted by the Board; and

f. any other applicable provisions of state, federal or foreign law.

7. Policies and Procedures.

The Advisor has adopted and implemented written policies and procedures reasonably designed to prevent violation of the Federal Securities laws by the Advisor. The Advisor shall provide the Company, at such times as the Company shall reasonably request, with a copy of such policies and procedures and a report of such policies and procedures; such report shall be of sufficient scope and in sufficient detail as may reasonably be required to comply with Rule 38a-1 under the 1940 Act and to provide reasonable assurance that any material inadequacies would be disclosed by such examination, and, if there are no such inadequacies, the reports shall so state.

8. Brokerage.

The Advisor is responsible for decisions to buy and sell securities for the Company, broker-dealer selection, and negotiation of brokerage commission rates. The Advisor's primary consideration in effecting a security transaction will be to obtain the best execution. In selecting a broker-dealer to execute a particular transaction, the Advisor will take the following into consideration: the best net

price available; the reliability, integrity and financial condition of the broker-dealer; the size of and the difficulty in executing the order; and the value of the expected contribution of the broker-dealer to the investment performance of the Company on a continuing basis. Accordingly, the price to the Company in any transaction may be less favorable than that available from another broker-dealer if the difference is reasonably justified by other aspects of the execution services offered.

Subject to such policies as the Board may from time to time determine, the Advisor shall not be deemed to have acted unlawfully, or to have breached any duty created by this Agreement or otherwise, solely by reason of its having caused the Company to pay a broker or dealer that provides brokerage and research services to the Advisor an amount of commission for effecting a Company investment transaction in excess of the amount of commission another broker or dealer would have charged for effecting that transaction, if the Advisor determines in good faith that such amount of commission was reasonable in relation to the value of the brokerage and research services provided by such broker or dealer, viewed in terms of either that particular transaction or the Advisor's overall responsibilities with respect to the Company and to other clients of the Advisor as to which the Advisor exercises investment discretion. The Advisor is further authorized to allocate the orders placed by it on behalf of the Company to such brokers and dealers who also provide research or statistical material or other services to the Company, the Advisor or to any sub-advisor. Such allocation shall be in such amounts and proportions as the Advisor shall determine and the Advisor will report on said allocations regularly to the Board indicating the brokers to whom such allocations have been made and the basis therefore.

9. Books and Records.

The Advisor will maintain complete and accurate records in respect of all transactions relating to the Company's portfolio. The Advisor will keep or will cause to be kept records in respect of all such portfolio transactions executed on behalf of the Company. To the extent permitted by applicable law, the Advisor shall provide access to its books and records relating to the Company as the Company may reasonably request. The Advisor shall have access at all reasonable times to books and records maintained for the Company to the extent necessary for the Advisor to comply with all applicable securities or other laws to which it is subject, and further provided that the Company shall produce copies of such records and books whenever reasonably required to do so by the Advisor for the purpose of legal proceedings or dealings with any governmental or regulatory authorities or for its internal compliance procedures.

10. Compensation.

For the services, payments and facilities to be furnished hereunder by the Advisor, the Advisor shall receive from the Company the following compensation:

a. Base Management Fee. The Advisor shall receive quarterly a base management fee (the "Base Management Fee") equal to .375% (1.50% annualized) of the Company's average monthly Managed Assets for such quarter. "Managed Assets" means the total assets of the Company (including any assets purchased with or attributable to any borrowed funds) minus accrued liabilities other than (1) deferred taxes and (2) debt entered into for the purpose of leverage. Accrued liabilities are expenses incurred in the normal course of the Company's

operations. The Base Management Fee shall be calculated quarterly and paid quarterly in arrears within thirty (30) days of the end of each fiscal quarter. The Company's Managed Assets shall be computed in accordance with any applicable policies and determinations of the Board of Directors. In case of the initiation or termination of the Agreement during any fiscal quarter, the Base Management Fee for that quarter shall be reduced proportionately on the basis of the number of calendar days during which the Agreement is in effect, and the fee shall be computed upon the basis of the average Managed Assets for the business days the Agreement is in effect for that fiscal quarter.

b. Incentive Fee. The Advisor shall receive an incentive fee (the "Incentive Fee"). The Incentive Fee shall consist of two parts, as follows:

(i) Investment Income Fee. The Advisor shall receive an investment income fee (the "Investment Income Fee") equal to 15% of the excess, if any, of the Company's Net Investment Income for the fiscal quarter over a quarterly hurdle rate equal to 2% (8% annualized), multiplied, in either case, by the Company's average monthly Net Assets for the quarter. "Net Assets" means the Managed Assets less deferred taxes, debt entered into for the purposes of leverage and the aggregate liquidation preference of outstanding preferred shares. "Net Investment Income" means interest income (including accrued interest that we have not yet received in cash), dividend and distribution income from equity investments (but excluding that portion of cash distributions that are treated as a return of capital), and any other income (including any fees such as commitment, origination, syndication, structuring, diligence, monitoring, and consulting fees or other fees that the Company is entitled to receive from portfolio companies) accrued during the fiscal quarter, minus the Company's operating expenses for such quarter (including the Base Management Fee, expenses payable pursuant to Section 11 below, any interest expense, any accrued income taxes related to net investment income, and dividends paid on issued and outstanding preferred stock, if any, but excluding the Incentive Fee payable hereunder). Net Investment Income also includes, in the case of investments with a deferred interest or income feature (such as original issue discount, debt or equity instruments with a payment-in-kind feature, and zero coupon securities), accrued income that the Company has not yet received in cash. Net Investment Income does not include any realized capital gains, realized capital losses, or unrealized capital appreciation or depreciation. The Investment Income Fee shall be calculated and payable quarterly in arrears within thirty (30) days of the end of each fiscal quarter, with the fee first accruing from the first anniversary of the day the Company receives the proceeds from its initial offering of common shares (the "Commencement of Operations"). The Investment Income Fee calculation shall be adjusted appropriately on the basis of the number of calendar days in the first fiscal quarter the fee accrues or the fiscal quarter during which the Agreement is in effect in the event of termination of the Agreement during any fiscal quarter.

(ii) Capital Gains Fee. The Advisor shall receive a capital gains fee (the "Capital Gains Fee") equal to: (A) 15% of (i) the Company's net realized capital gains (realized capital gains less realized capital losses) on a cumulative basis from the

Commencement of Operations to the end of each fiscal year, less (ii) any unrealized capital depreciation at the end of such fiscal year, less (B) the aggregate amount of all Capital Gains Fees paid to the Advisor in prior fiscal years. The calculation of the Capital Gains Fee will include any capital gains that result from the cash distributions that are treated as a return of capital. In that regard, any such return of capital will be treated as a decrease in our cost basis of an investment for purposes of calculating the Capital Gains Fee. Except as set forth in the last sentence of this paragraph, the Capital Gains Fee shall be calculated and payable annually within thirty (30) days of the end of each fiscal year. For the purposes of this paragraph, realized capital gains on a security will be calculated as the excess of the net amount realized from the sale or other disposition of such security over the adjusted cost basis for the security. Realized capital losses on a security will be calculated as the amount by which the net amount realized from the sale or other disposition of such security is less than the adjusted cost basis of such security. Unrealized capital depreciation on a security will be calculated as the amount by which the Company's adjusted cost basis of such security exceeds the fair value of such security at the end of a fiscal year. All fiscal year-end valuations will be determined by the Company in accordance with generally accepted accounting principles, the 1940 Act (even if such valuation is made prior to the date on which the Company has elected to be regulated as a business development company), and the policies and procedures of the Company to the extent consistent therewith. If the Company's shares of common stock become listed on any national securities exchange or automated dealer quotation system, then the Advisor shall use at least 25% of any Capital Gains Fee received on or prior to the second anniversary of the Commencement of Operations to purchase the Company's common stock in the open market. In the event this Agreement is terminated, the Capital Gains Fee calculation shall be undertaken as of, and any resulting Capital Gains Fee shall be paid within thirty (30) days of, the date of termination.

The Advisor may, from time to time, waive or defer all or any part of the compensation described in this Section 10. The parties do hereby expressly authorize and instruct the Company's administrator, or its successors, to calculate the fee payable hereunder and to remit all payments specified herein to the Advisor.

11. Expenses of the Advisor.

The compensation and allocable routine overhead expenses of all investment professionals of the Advisor and its staff, when and to the extent engaged in providing investment advisory services required to be provided by the Advisor under Section 2 hereof, will be provided and paid for by the Advisor and not by the Company. It is understood that the Company will pay all expenses other than those expressly stated to be payable by the Advisor hereunder, which expenses payable by the Company shall include, without limitation the following:

(i) other than as set forth in the first sentence of this Section 10 above, expenses of maintaining the Company and continuing its existence and related overhead, including, to the extent such services are provided by personnel of the Advisor or its affiliates, office space and facilities and personnel compensation, training and benefits,

(ii) commissions, spreads, fees and other expenses connected with the acquisition, holding and disposition of securities and other investments including placement and similar fees in connection with direct placements entered into on behalf of the Company,

(iii) auditing, accounting and legal expenses,

(iv) taxes and interest,

(v) governmental fees,

(vi) expenses of listing shares of the Company with a stock exchange, and expenses of issue, sale, repurchase and redemption (if any) of interests in the Company, including expenses of conducting tender offers for the purpose of repurchasing Company securities,

(vii) expenses of registering and qualifying the Company and its securities under federal and state securities laws and of preparing and filing registration statements and amendments for such purposes,

(viii) expenses of communicating with shareholders, including website expenses and the expenses of preparing, printing, and mailing press releases, reports and other notices to shareholders and of meetings of shareholders and proxy solicitations therefor,

(ix) expenses of reports to governmental officers and commissions,

(x) insurance expenses,

(xi) association membership dues,

(xii) fees, expenses and disbursements of custodians and subcustodians for all services to the Company (including without limitation safekeeping of funds, securities and other investments, keeping of books, accounts and records, and determination of net asset values),

(xiii) fees, expenses and disbursements of transfer agents, dividend and interest paying agents, shareholder servicing agents and registrars for all services to the Company,

(xiv) compensation and expenses of directors of the Company who are not members of the Advisor's organization,

(xv) pricing, valuation, and other consulting or analytical services employed in considering and valuing the actual or prospective investments of the Company,

(xvi) all expenses incurred in leveraging of the Company's assets through a line of credit or other indebtedness or issuing and maintaining preferred shares,

(xvii) all expenses incurred in connection with the organization of the Company and any offering of common shares, and

(xviii) such non-recurring items as may arise, including expenses incurred in litigation, proceedings and claims and the obligation of the Company to indemnify its directors, officers and shareholders with respect thereto.

12. Covenants of the Advisor.

The Advisor covenants that it is registered as an investment adviser under the Investment Advisers Act of 1940. The Advisor agrees that its activities will at all times be in compliance in all material respects with all applicable federal and state laws governing its operations and investments.

13. Non-Exclusivity.

The Company understands that the persons employed by the Advisor to assist in the performance of the Advisor's duties under this Agreement may not devote their full time to such service and nothing contained in this Agreement shall be deemed to limit or restrict the right of the Advisor or any affiliate of the Advisor to engage in and devote time and attention to other businesses or to render services of whatever kind or nature, so long as the Advisor's services to the Company are not impaired by the provision of such services to others. The Company further understands and agrees that managers of the Advisor may serve as officers or directors of the Company, and that officers or directors of the Company may serve as managers of the Advisor to the extent permitted by law; and that the managers of the Advisor are not prohibited from engaging in any other business activity or from rendering services to any other person, or from serving as partners, officers or directors of any other firm or company, including other investment advisory companies.

14. Consent to the Use of Name.

The Advisor hereby consents to the royalty free use by the Company of the name "Tortoise" as part of the Company's name and consents to the royalty free use of the related "Tortoise" logo; provided, however, that such consents shall be conditioned upon the employment of the Advisor or one of its approved affiliates as the investment advisor of the Company. The name "Tortoise" and the related "Tortoise" logo or any variation thereof may be used from time to time in other connections and for other purposes by the advisor and its affiliates and other investment companies that have obtained consent to the use of the name "Tortoise". The Advisor shall have the right to require the Company to cease using the name "Tortoise" as part of the Company's name and the related "Tortoise" logo if the Company ceases, for any reason, to employ the Advisor or one of its approved affiliates as the Company's investment advisor. Future names adopted by the Company for itself, insofar as such names include identifying words requiring the consent of the Advisor, shall be the property of the Advisor and shall be subject to the same terms and conditions.

15. Effective Date, Term and Approval.

This Agreement shall become effective with respect to the Company, as of January 1, 2007, or such later date as shareholder approval of this agreement is obtained. This Agreement shall continue

in force and effect through December 31, 2007, and may be continued from year to year thereafter, provided that the continuation of the Agreement is specifically approved at least annually:

a. (i) by the Board or (ii) by the vote of "a majority of the outstanding voting securities" of the Company (as defined in Section 2(a)(42) of the 1940 Act); and

b. by the affirmative vote of a majority of the directors who are not parties to this Agreement or "interested persons" (as defined in the 1940 Act) of a party to this Agreement (other than as directors of the Company), by votes cast in person at a meeting specifically called for such purpose.

16. Termination.

This Agreement may be terminated by the Company at any time, without the payment of any penalty by the Company, by vote of the Board or by vote of a majority of the outstanding voting securities of the Company, on no more than sixty (60) days' written notice to the Advisor. This Agreement may be terminated by the Advisor at any time, without the payment of any penalty by the Advisor, on no less than sixty (60) days' written notice to the Company. The notice provided for herein may be waived by the party entitled to receipt thereof. This Agreement shall automatically terminate in the event of its assignment, the term "assignment" for purposes of this paragraph having the meaning defined in Section 2(a)(4) of the 1940 Act. Upon termination pursuant to this Section 14, the Advisor, at the Company's request, must deliver all copies of books and records maintained in accordance with this Agreement and applicable law.

17. Amendment.

No amendment of this Agreement shall be effective unless it is in writing and signed by the party against which enforcement of the amendment is sought. No amendment to Section 10 or Section 11 of this Agreement shall be effective unless it is approved by the vote of a majority of the outstanding voting securities of the Company.

18. Liability of Advisor.

The Advisor will not be liable in any way for any default, failure or defect in any of the securities comprising the Company's portfolio if it has satisfied the duties and the standard of care, diligence and skill set forth in this Agreement. However, the Advisor shall be liable to the Company for any loss, damage, claim, cost, charge, expense or liability resulting from the Advisor's willful misconduct, bad faith or gross negligence or disregard by the Advisor of the Advisor's duties or standard of care, diligence and skill set forth in this Agreement or a material breach or default of the Advisor's obligations under this Agreement.

19. Third Party Beneficiaries

The Company acknowledges and agrees that Fountain and Kenmont are permitted third party beneficiaries of Sections 4 and 10 hereof for the limited purposes of: (i) enforcing the indemnification offered to each by the Company in Section 4 and (ii) enforcing, on behalf of the Advisor, the payment obligations owed to the Advisor pursuant to Section 10.

20. Notices.

Any notices under this Agreement shall be in writing, addressed and delivered, telecopied or mailed postage paid, to the other party entitled to receipt thereof at such address as such party may designate for the receipt of such notice. Until further notice to the other party, it is agreed that the address of the Company and that of the Advisor shall be 10801 Mastin Boulevard, Suite 222, Overland Park, Kansas 66210.

21. Questions of Interpretation.

Any question of interpretation of any term or provision of this Agreement having a counterpart in or otherwise derived from a term or provision of the 1940 Act or the Advisers Act shall be resolved by reference to such term or provision of the 1940 Act or the Advisers Act and to interpretations thereof, if any, by the United States courts or in the absence of any controlling decision of any such court, by rules, regulations or orders of the Commission issued pursuant to said Acts. In addition, where the effect of a requirement of the 1940 Act or the Advisers Act reflected in any provision of the Agreement is revised by rule, regulation or order of the Commission, such provision shall be deemed to incorporate the effect of such rule, regulation or order. Subject to the foregoing, this Agreement shall be governed by and construed in accordance with the laws (without reference to conflicts of law provisions) of the State of Delaware.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in duplicate by their respective duly authorized officers on the day and year first written above.

TORTOISE CAPITAL RESOURCES CORPORATION

By: _____
Name: David J. Schulte
Title: Chief Executive Officer and President

TORTOISE CAPITAL ADVISORS, L.L.C.

By: _____
Name: Terry Matlack
Title: Managing Director

SUB-ADVISORY AGREEMENT

This Sub-Advisory Agreement (the "Agreement") is dated as of January 1, 2007 (the "Effective Date") and is entered into by and between Tortoise Capital Advisors, LLC, a Delaware limited liability company ("Tortoise"), and Kenmont Investments Management, L.P., a Texas limited partnership (the "Manager").

1. Appointment of Manager. Tortoise and the Manager agree that the Manager will provide investment management services (the "Designated Services") to Tortoise for the benefit of Tortoise Capital Resources Corporation ("the Company"), an entity for which Tortoise provides investment management and other services pursuant to an Investment Advisory Agreement (the "Client Agreement"). The parties acknowledge the offering of common shares to be undertaken by the Company, as reflected in a prospectus on Form N-2 initially filed with the Securities and Exchange Commission on August 28, 2006 (the "Disclosure").

2. Designated Services. The Manager shall provide the following Designated Services to Tortoise for the benefit of the Company: (i) subject to the understanding that the Manager will first show all investment opportunities identified by it to Kenmont Special Opportunities Master Fund, L.P. and/or any other funds or accounts managed by the Manager, the Manager shall actively search for and assist Tortoise in identifying potential investment opportunities for the Company; (ii) assist Tortoise, as reasonably requested, in the analysis of investment opportunities for the Company; provided, that, in no event will the Manager be required to provide more than 20 hours of service per month to Tortoise under this clause (ii); and (iii) if requested by Tortoise, assist Tortoise in hiring an additional investment professional who will be employed by Tortoise but will be provided office space in the Houston, Texas office of the Manager. In the event an additional investment professional is hired as contemplated in the foregoing sentence, Tortoise shall be responsible for the compensation and benefits of such person and shall pay to the Manager an agreed upon allocation for rent and other overhead office expenses attributable to the presence of such investment professional in the office of the Manager. Tortoise and the Manager further agree, in the event such investment professional is hired, to adopt procedures intended to ensure the confidentiality of information relating to the Company and to protect from disclosure to Tortoise any confidential information of the other clients, funds, accounts or other business activities of the Manager. The Manager will not have the right or responsibility to make investment decisions on behalf of the Company. Tortoise acknowledges and agrees that the Manager is primarily engaged in the business of providing investment advice to clients for which it serves as the primary investment advisor and the Manager's services hereunder will be subject to such primary engagement.

3. Possession of Assets. The Manager shall not at any time be the custodian of, and shall have no access to, either funds or securities of the Company. The Manager will not have the authority to place orders for the execution of transactions involving the assets of the Company through any brokers, dealers, or banks. The Manager shall have no authority to commit the Company to any contract, liability, or other obligation.

4. Management Fee and Expenses. During the term of this Agreement, Tortoise shall pay to the Manager, for services rendered under this Agreement, an amount equal to ten percent (10%) of the base management fee paid quarterly to Tortoise by the Company pursuant to the Client Agreement; provided, however, that no such fee shall be payable by Tortoise to the Manager until the "Total Assets" initially exceed $75,000,000 as of the end of that particular fiscal quarter. The term "Total Assets" means the total assets of the Company (including any assets purchased with any borrowed funds). The management fee for each fiscal quarter shall be calculated and paid in arrears within thirty days of the end of each fiscal quarter. In case of the initiation or termination of this Agreement during

any fiscal quarter, the management fee for that quarter shall be reduced proportionately on the basis of the number of calendar days during which this Agreement is in effect. In addition to payment of any management fee, the Manager shall be reimbursed on a quarterly basis for all out-of-pocket expenses reasonably incurred by the Manager in providing the Designated Services. The Manager shall submit to Tortoise an itemized list within fifteen days after the end of each fiscal quarter reflecting the items as to which the Manager anticipates reimbursement. Unless any request for reimbursement is disputed by Tortoise in good faith, Tortoise shall reimburse the Manager for all such itemized expenses within fifteen days after the receipt by Tortoise of the list of such expenses. In the event of a dispute, the parties shall negotiate in good faith to resolve such dispute promptly.

5. Incentive Fee. The Client Agreements entitles Tortoise to receive an incentive fee that consists of two parts. To the extent Tortoise receives an incentive fee payment for either component of the incentive fee calculation at any time during the term of this Agreement, the Manager shall be entitled to receive twenty percent (20%) of the amount received by Tortoise from the Company. Such fee shall be paid to Manager within fifteen (15) days after the receipt by Tortoise of the incentive fee payment from the Company. In case of the termination of this Agreement during any period in which an incentive fee payment is received from the Company by Tortoise, the incentive fee owed to the Manager for that period shall be reduced proportionately on the basis of the number of calendar days during which this Agreement is in effect. Tortoise agrees that it will not waive or reduce any fees payable by the Company as described in Section 4 and this Section 5 without the consent of the Manager.

6. Representations and Warranties.

   (a) Each of the Manager and Tortoise represents and warrants to the other that:

      (i) This Agreement constitutes a valid and binding obligation of such party enforceable against such party in accordance with its terms.

      (ii) Such party is a registered investment adviser under the Investment Advisers Act of 1940.

      (iii) This Agreement does not conflict with or result in a violation of default under any material agreement to which such party is subject.

   (b) The Manager represents and warrants to Tortoise that:

      (i) the Manager has delivered to Tortoise a copy of Part II of the Manager's Form ADV, as amended, which is current as of the date of this Agreement.

      (ii) the Manager has reviewed the Disclosure and warrants and represents that the information set forth therein concerning the Manager is accurate and discloses all material information about the Manager and such disclosure does not omit any material information about the Manager as it relates to the Company or the Designated Services.

   (c) Tortoise represents and warrants to the Manager that:

      (i) Tortoise has delivered to the Company a copy of Part II of the Manager's Form ADV, as amended, as provided to Tortoise by the Manager.

      (ii) Tortoise has delivered to the Manager a copy of the Client Agreement.

7. Agreements with Clients. The Manager acknowledges that Tortoise has entered into the Client Agreement, a copy of which was received and reviewed by the Manager. In performing its services hereunder, the Manager agrees, subject to the limitations set forth herein, to be bound by, and comply with, all of the terms, conditions and provisions of the Client Agreement that are binding on Tortoise and that could relate in any way to the Designated Services.

8. Indemnification. Each party hereto (the "Indemnifying Party") shall defend, indemnify and hold harmless the other party hereto and such party's members, managers, affiliates, employees, agents, successors and assigns (collectively, the "Indemnitees") from and against any and all claims, suits, actions, losses, liabilities, damages, costs and expenses (including , but not limited to, costs of investigation and reasonable attorneys' fees) (collectively "claims") incurred by any of the Indemnitees based upon, arising out of, attributable to or resulting from (i) the Indemnifying Party's gross negligence, malfeasance or violation of applicable law in the performance of its services hereunder, (ii) the Indemnifying Party's failure to comply with any term, condition or provision of the Client Agreement (in the case of the Manager, to the extent the terms of the Client Agreement are applicable to the Manager pursuant to Section 7 above), (iii) in the case of Tortoise, claims based on information about Tortoise provided in the Disclosure, or (iv) in the case of the Manager, information provided by the Manager which is included in the Disclosure. In the event information is not available for any claim under this Section 8, the parties will contribute to such claim based on the relative fault and benefit of the parties. The provisions of this Section 8 and the party's obligations hereunder shall survive the termination of the term of this Agreement.

9. Release. The Manager acknowledges and agrees that all obligations owed to it hereunder are obligations of Tortoise, and the Manager hereby releases and forever discharges the Company from any and all liabilities, claims, charges, and expenses arising hereunder; provided, however, that this release shall not limit or in any way impair the rights expressly accorded the Manager in the Client Agreement.

10. Term of Agreement; Termination. This Agreement shall continue in effect for one year from the Effective Date and shall be continued from year to year thereafter, to the extent Tortoise continues to serve as the advisor to the Company. This Agreement may be terminated by Tortoise or the Manager in the event the Manager discontinues the provision of the Designated Services. Finally, and to the extent required by the Investment Company Act of 1940, as amended (the "1940 Act"), the continuation of this Agreement after the initial term is contingent on this Agreement being specifically approved at least annually by (i) the Board of Directors of the Company, or the vote of "a majority of the outstanding voting securities" of the Company (as defined in Section 2(a)(42) of the 1940 Act), and (ii) the affirmative vote of a majority of the directors of the Company who are not parties to this Agreement or "interested persons" (as defined in the 1940 Act) of a party to this Agreement (other than as directors of the Company), by votes cast in person at a meeting specifically called for such purpose. To the extent required by the 1940 Act, this Agreement may also be terminated at any time, without the payment of any penalty, by the Board of Directors of the Company or by vote of a majority of the outstanding voting securities of the Company on not more than 60 days' written notice to the Manager. This Agreement shall automatically terminate in the event of its assignment, the term "assignment" for purposes of this paragraph having the meaning defined in Section 2(a)(4) of the 1940 Act. In the event this Agreement is terminated other than as a result of the Manager discontinuing the provision of the Designated Services described in clauses (i) or (ii) of Section 2, but Tortoise provides investment advisory services to the Company, the Manager will continue to be paid by Tortoise pursuant to Sections 4 and 5 as if this Agreement had not been terminated.

11. Miscellaneous.

(a) Any notice required or permitted to be given under this Agreement must be in writing and shall be effective when delivered personally (or by facsimile transmission), to the parties at their respective address set forth below:

If to Tortoise:
Tortoise Capital Advisors, LLC
10801 Mastin Blvd.
Suite 220
Overland Park, KS 66210
Fax No.: (913) 981-1021
Attention: Terry Matlack

If to the Manager:
Kenmont Investments Management, L.P.
711 Louisiana Street
Suite 1750
Houston, TX 77002
Fax No.: (713) 223-0930
Attention: Donald R. Kendall, Jr.
John T. Harkrider

or to such other address as either party may designate by delivery of notice as set for the above.

(b) This Agreement may not be amended or changed except by an instrument in writing executed by each of the parties to this Agreement and, to the extent required by law, approved by: (i) the affirmative vote of a majority of the directors of the Company who are not parties to this Agreement or "interested persons" of a party to this Agreement (other than as directors of the Company), by votes cast in person at a meeting specifically called for such purpose, and (ii) a majority of outstanding voting securities of the Company, if required by the 1940 Act. It shall be construed in accordance with, and any dispute arising in connection herewith shall be governed by, the laws of the State of Delaware.

(c) This Agreement may be executed in any number of counterparts, each of which when taken together shall constitute an original.

(d) The Company is a third party beneficiary of this Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their representatives thereunto duly authorized.

TORTOISE CAPITAL ADVISORS, LLC

By: _____

KENMO NT INVESTMENTS MANAGEMENT, L.P.

By: _____

Exhibit k.2

ADMINISTRATION AGREEMENT

This Administration Agreement (this ***"Agreement"***) is made as of November 14, 2006 by and between Tortoise Capital Resources Corporation, a Maryland corporation (hereinafter referred to as the ***"Corporation"***), and Tortoise Capital Advisors, L.L.C., a Delaware limited liability company (hereinafter referred to as the **"**Administrator**"**).

PREAMBLE

The Corporation is an externally managed, non-diversified closed-end management investment company that intends to elect to be regulated as a business development company under the Investment Company Act of 1940 (hereinafter referred to as the ***"Investment Company Act"***). The Corporation desires to retain the Administrator to provide administrative services to the Corporation in the manner and on the terms hereinafter set forth. The Administrator is also the Corporation's investment adviser pursuant to an Investment Advisory Agreement. The Administrator is willing to provide administrative services to the Corporation on the terms and conditions hereafter set forth.

AGREEMENT

Now, Therefore, in consideration of the premises and the covenants hereinafter contained and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the Corporation and the Administrator hereby agree as set forth below:

1. Duties of the Administrator.

(a) Employment of Administrator. The Corporation hereby employs the Administrator to act as administrator of the Corporation, and to furnish, or arrange for others to furnish, the administrative services, personnel and facilities described below, subject to review by and the overall control of the Board of Directors of the Corporation, for the period and on the terms and conditions set forth in this Agreement. The Administrator hereby accepts such employment and agrees during such period to render, or arrange for the rendering of, such services and to assume the obligations herein set forth. The Administrator and such others shall for all purposes herein be deemed to be independent contractors and shall, unless otherwise expressly provided or authorized herein or in a separate written agreement, have no authority to act for or represent the Corporation in any way or otherwise be deemed agents of the Corporation.

(b) Services. The Administrator shall perform (or oversee, or arrange for, the performance of) the administrative services necessary for the operation of the Corporation. Without limiting the generality of the foregoing, the Administrator shall provide the Corporation with equipment, clerical, bookkeeping and record keeping services at such facilities and such other services as the Administrator, subject to review by the Board of Directors of the Corporation, shall from time to time determine to be necessary or useful to perform its obligations under this Agreement. The Administrator shall also, on behalf of the Corporation, conduct relations with custodians, depositories, transfer agents, dividend disbursing agents, stockholder servicing agents, accountants, attorneys, underwriters, brokers and dealers, corporate fiduciaries, insurers, banks and such other persons in any such other capacity deemed to be necessary or desirable. The Administrator shall make reports to the Corporation's Board of Directors of its performance of obligations hereunder and furnish advice and recommendations with respect to such other aspects of the business and affairs of the Corporation as it shall determine to be desirable; provided that

nothing herein shall be construed to require the Administrator to, and the Administrator shall not, in its capacity as Administrator, provide any advice or recommendation relating to the securities and other assets that the Corporation should purchase, retain or sell or any other investment advisory services to the Corporation. The Administrator shall be responsible for the financial and other records that the Corporation is required to maintain and shall prepare reports to stockholders, and reports and other materials filed with the Securities and Exchange Commission (the ***"SEC"***). In addition, the Administrator will assist the Corporation in determining and publishing the Corporation's net asset value, overseeing the preparation and filing of the Corporation's tax returns, and the printing and dissemination of reports to stockholders of the Corporation, and generally overseeing the payment of the Corporation's expenses and the performance of administrative and professional services rendered to the Corporation by others.

(c) The Administrator is hereby authorized to enter into one or more sub-administration agreements with other service providers (each a***"Sub-Administrator"***) pursuant to which the Administrator may obtain the services of the service providers in fulfilling its responsibilities hereunder. Any such sub-administration agreements shall be in accordance with the requirements of the Investment Company Act and other applicable federal and state law and shall contain a provision requiring the Sub-Administrator to comply with Sections 2 and 3 below as if it were the Administrator.

2. Records.

The Administrator agrees to maintain and keep all books, accounts and other records of the Corporation that relate to activities performed by the administrator hereunder and, if required by the Investment Company Act, will maintain and keep such books, accounts and records in accordance with that Act. In compliance with the requirements of Rule 31a-3 under the Investment Company Act, the Administrator agrees that all records which it maintains for the Corporation shall at all times remain the property of the Corporation, shall be readily accessible during normal business hours, and shall be promptly surrendered upon the termination of the Agreement or otherwise on written request. The Administrator further agrees that all records which it maintains for the Corporation pursuant to Rule 31a-1 under the Investment Company Act will be preserved for the periods prescribed by Rule 31a-2 under the Investment Company Act unless any such records are earlier surrendered as provided above. Records shall be surrendered in usable machine-readable form. The Administrator shall have the right to retain copies of such records subject to observance of its confidentiality obligations under this Agreement.

3. Policies and Procedures.

The Administrator has adopted and implemented written policies and procedures reasonably designed to prevent violation of the Federal Securities laws by the Administrator. The Administrator shall provide the Corporation, at such times as the Corporation shall reasonably request, with a copy of such policies and procedures and a report of such policies and procedures; such report shall be of sufficient scope and in sufficient detail, as may reasonably be required to comply with Rule 38a-1 under the Investment Company Act and to provide reasonable assurance that any material inadequacies would be disclosed by such examination, and, if there are no such inadequacies, the report shall so state.

4. Confidentiality.

The parties hereto agree that each shall treat confidentially all information provided by each party to the other regarding its business and operations. All confidential information provided by a party hereto, including nonpublic personal information pursuant to Regulation S-P of the Securities and Exchange Commission ("***SEC***"), shall be used by any other party hereto solely for the purpose of rendering services pursuant to this Agreement and, except as may be required in carrying out this Agreement, shall not be disclosed to any third party, without the prior consent of such providing party. The foregoing shall not be applicable to any information that is publicly available when provided or thereafter becomes publicly available other than through a breach of this Agreement, or that is required to be disclosed by any regulatory authority, any authority or legal counsel of the parties hereto, by judicial or administrative process or otherwise by applicable law or regulation.

5. Compensation.

In full consideration of the provision of the services of the Administrator, the Corporation shall pay to the Administrator compensation at the annual rate specified in Schedule A to this Agreement until this Agreement is terminated in accordance with item 8. Such compensation shall be calculated and accrued daily, and paid to the Administrator quarterly.

The Corporation will bear all costs and expenses that are incurred in its operation and transactions that are not specifically assumed by the Corporation's investment adviser (the ***"Adviser"***), pursuant to that certain Investment Advisory Agreement, dated as of September 1, 2005 by and between the Corporation and the Adviser. Costs and expenses to be borne by the Corporation include, but are not limited to, those relating to: organization and offering; calculating the Corporation's net asset value (including the cost and expenses of any independent valuation firm); expenses incurred by the Adviser payable to third parties, including agents, consultants or other advisors (such as independent valuation firms, accountants and legal counsel), in monitoring financial and legal affairs for the Corporation and in monitoring the Corporation's investments and performing due diligence on its prospective portfolio companies; interest payable on debt, if any, incurred to finance the Corporation's investments; offerings of the Corporation's common stock and other securities; investment advisory and management fees; administration fees, if any, payable under this Agreement; fees payable to third parties, including agents, consultants or other advisors, relating to, or associated with, evaluating and making investments; transfer agent and custodial fees; federal and state registration fees; all costs of registration and listing the Corporation's shares on any securities exchange; federal, state and local taxes; independent directors' fees and expenses; costs of preparing and filing reports or other documents required by the SEC; costs of any reports, proxy statements or other notices to stockholders, including printing costs; the Corporation's fidelity bond, directors and officers/errors and omissions liability insurance, and any other insurance premiums; direct costs and expenses of administration, including printing, mailing, long distance telephone, copying, secretarial and other staff, independent auditors and outside legal costs; and all other expenses incurred by the Corporation or the Administrator in connection with administering the Corporation's business. Notwithstanding the foregoing, the Administrator will compensate any Sub-Administrator engaged pursuant to Section 1(c) of this Agreement for services obtained from such Sub-Administrator to fulfill the Administrator's responsibilities hereunder. The Administrator hereby indemnifies and agrees to hold harmless the Corporation from any

obligation to pay or reimburse any such Sub-Administrator for any fees of such Sub-Administrator in providing services to or for the benefit of the Company.

6. Limitation of Liability of the Administrator: Indemnification.

The Administrator, in its capacity as such (and its officers, managers, partners, agents, employees, controlling persons, members, and any other person or entity affiliated with the Administrator), shall not be liable to the Corporation for any action taken or omitted to be taken by the Administrator in connection with the performance of any of its duties or obligations under this Agreement or otherwise as administrator for the Corporation, and the Corporation shall indemnify, defend and protect the Administrator (and its officers, managers, partners, agents, employees, controlling persons, members, and any other person or entity affiliated with the Administrator, each of whom shall be deemed a third party beneficiary hereof) (collectively, the ***"Indemnified Parties"***) and hold them harmless from and against all damages, liabilities, costs and expenses (including reasonable attorneys' fees and amounts reasonably paid in settlement) incurred by the Indemnified Parties in or by reason of any pending, threatened or completed action, suit, investigation or other proceeding (including an action or suit by or in the right of the Corporation or its security holders) arising out of or otherwise based upon the performance of any of the Administrator's duties or obligations under this Agreement or otherwise as administrator for the Corporation. Notwithstanding the preceding sentence of this Paragraph 6 to the contrary, nothing contained herein shall protect or be deemed to protect the Indemnified Parties against or entitle or be deemed to entitle the Indemnified Parties to indemnification in respect of, any liability to the Corporation or its security holders to which the Indemnified Parties would otherwise be subject by reason of willful misfeasance, bad faith or gross negligence in the performance of the Administrator's duties or by reason of the reckless disregard of the Administrator's duties and obligations under this Agreement (to the extent applicable, as the same shall be determined in accordance with the Investment Company Act and any interpretations or guidance by the SEC or its staff thereunder).

7. Activities of the Administrator.

The services of the Administrator to the Corporation are not to be deemed to be exclusive, and the Administrator and each affiliate is free to render services to others. It is understood that directors, officers, employees and stockholders of the Corporation are or may become interested in the Administrator and its affiliates, as directors, officers, members, managers, employees, partners, stockholders or otherwise, and that the Administrator and directors, officers, members, managers, employees, partners and stockholders of the Administrator or its affiliates are or may become similarly interested in the Corporation as stockholders or otherwise.

8. Duration and Termination of this Agreement.

This Agreement shall become effective as of the date hereof, and shall remain in force with respect to the Corporation through December 31, 2007, and thereafter continue from year to year, but only so long as such continuance is specifically approved at least annually by (i) the Board of Directors of the Corporation and (ii) a majority of those Directors who are not parties to this Agreement or "interested persons" (as defined in the Investment Company Act) of any such party. This Agreement may be terminated at any time, without the payment of any penalty, by vote of the Directors of the Corporation, or by the Administrator, upon 60 days' written notice to the other party. This Agreement may not be assigned by a party without the consent of the other party.

9. Amendments of this Agreement.

This Agreement may be amended pursuant to a written instrument by mutual consent of the parties.

10. Governing Law.

This Agreement shall be construed in accordance with laws of the State of Delaware and the applicable provisions of the Investment Company Act, if any. To the extent that the applicable laws of the State of Delaware, or any of the provisions herein, conflict with the applicable provisions of the Investment Company Act, if any, the latter shall control.

11. Entire Agreement.

This Agreement contains the entire agreement of the parties and supersedes all prior agreements, understandings and arrangements with respect to the subject matter hereof.

12. Notices.

Any notice under this Agreement shall be given in writing, addressed and delivered or mailed, postage prepaid, to the other party at its principal office.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

In Witness Whereof, the parties hereto have executed and delivered this Agreement as of the date first above written.

Tortoise Capital Resources Corporation

By: _____

David J. Schulte
President and Chief Executive Officer

Tortoise Capital Advisors, L.L.C.

By: _____

Terry Matlack, Manager

SCHEDULE A
TO THE ADMINISTRATION AGREEMENT
DATED AS OF NOVEMBER 14, 2006
BETWEEN
TORTOISE CAPITAL RESOURCES CORPORATION
AND
TORTOISE CAPITAL ADVISORS, L.L.C.

Fees: Pursuant to item 5, Corporation shall pay the Administrator the following fees, at the annual rate set forth below calculated based upon the aggregate average daily managed assets of the Corporation: 0.07% of aggregate average daily managed assets up to and including $150 million; and

0.06% of aggregate average daily managed on the next $100 million; and

0.05% of aggregate average daily managed assets on the next $250 million; and

0.02% on the balance.

[END OF SCHEDULE A]

Exhibit k.5

CREDIT AGREEMENT

dated as of December 13, 2006

between

TORTOISE CAPITAL RESOURCES CORPORATION

and

U.S. BANK N.A.

$15,000,000 Revolving Credit Facility

CREDIT AGREEMENT

This Credit Agreement is made as of December 13, 2006, by and between TORTOISE CAPITAL RESOURCES CORPORATION, a Maryland corporation (the "Borrower"), with its chief executive office located at 10801 Mastin, Suite 222, Overland Park, Kansas 66210, and U.S. BANK N.A., a national banking association (the "Bank"),with an office located at 9900 West 87th Street, Overland Park, Kansas 66212.

The parties agree as follows:

Section 1
General Definitions

1.1 Definitions. When used in this Agreement, the following terms have the following meanings:

"1940 Act" means the Investment Company Act of 1940, and the rules and regulations promulgated thereunder, as the same may be amended from time to time.

"Affiliate" means a Person (1) which owns or otherwise has an interest in five percent or more of any equity interest of the Borrower, (2) five percent or more of the equity interests of which the Borrower (or any shareholder or other equity holder, director, officer, employee or subsidiary of the Borrower or any combination thereof) owns or otherwise has an interest in, or (3) which, directly or through one or more intermediaries, is controlled by, controls, or is under common control with the Borrower. For purposes of subpart (3) above, "control" means the ability, directly or indirectly, to affect the management or policies of a Person by virtue of an ownership interest, by right of contract or any other means.

"Agreement" means this Credit Agreement, as amended, renewed, restated, replaced or otherwise modified from time to time.

"Business Day" means a day on which the Bank is open for business to the general public other than a Saturday or Sunday.

"Closing Date" means the date of this Agreement, as set forth in the introductory paragraph of this Agreement.

"Collateral" means all property with respect to which a Lien has been granted to or for the benefit of the Bank pursuant to the Security Agreement or any of the other Credit Documents or which otherwise secures the payment or performance of any Obligation.

"Control Agreement" means the Securities Account Control Agreement or similar control agreement to be executed by the Borrower, the Securities Intermediary and the Bank on or about the Closing Date and by which the Securities Intermediary shall acknowledge that it will comply with entitlement orders originated by the Bank without further consent by the Borrower, as the same may be amended, renewed, replaced, restated, consolidated or otherwise modified from time to time.

"Credit Documents" means this Agreement, the Note, the Security Agreement, the Control Agreement and any other agreements or documents with or in favor of the Bank existing on or after the Closing Date evidencing, securing, guaranteeing or otherwise relating to any of the transactions described in or contemplated by this Agreement, and any amendments, renewals, restatements, replacements, consolidations or other modifications of any of the foregoing from time to time.

"Debt" means any of the following: (1) indebtedness or liability for borrowed money; (2) obligations evidenced by bonds, debentures, notes or other similar instruments; (3) obligations for the deferred purchase price of property or services, or arising out of non-compete or non-solicitation agreements entered into in connection with asset or equity acquisitions; (4) obligations as lessee under capital leases; (5) current liabilities in respect of unfunded vested benefits under Plans covered by ERISA; (6) obligations under letters of credit or acceptance facilities; (7) all guarantees, endorsements (other than for collection or deposit in the ordinary course of business) and other contingent obligations to purchase, to provide funds for payment, to supply funds to invest in any Person, or otherwise to assure a creditor against loss; and (8) obligations secured by a Lien, whether or not the obligations have been assumed.

"Default" means an event or condition the occurrence of which would, with the lapse of time or the giving of notice or both, become an Event of Default.

"Default Rate" has the meaning provided in Section 3.1 of this Agreement.

"Environmental Laws" means all federal, state, local and other applicable statutes, ordinances, rules, regulations, judicial orders or decrees, common law theories of liability, governmental or quasi-governmental directives or notices or other laws or matters existing on or after the Closing Date relating in any respect to occupational safety, health or environmental protection.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time, and all rules and regulations from time to time promulgated thereunder.

"Event of Default" has the meaning provided in Section 7.1 of this Agreement.

"GAAP" means generally accepted accounting principles in effect from time to time in the United States of America.

"Hazardous Substance" means any hazardous, toxic, dangerous or otherwise environmentally unsound substance, waste or other material, in whatever form, as defined or described in, or contemplated by, any Environmental Law and any other hazardous, toxic, dangerous or otherwise environmentally unsound substance, waste or other material in whatever form, or any other substance, waste or other material regulated by any Environmental Law.

"Initial Funding Period" has the meaning provided in Section 2.2(a)(1) of this Agreement.

"Lien" means any mortgage, deed of trust, pledge, security interest, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), or preference, priority, or other security agreement or preferential arrangement, charge or encumbrance of any kind or nature whatsoever, including, without limitation, any conditional sale or other title retention agreement, any financing lease having substantially the same economic effect as any of the foregoing, or the filing of any financing statement under the Uniform Commercial Code or comparable law of any jurisdiction to evidence any of the foregoing.

"Loans" means all Revolving Credit Loans. The term "Loan" may refer to all Revolving Credit Loans then outstanding or, as the context so requires, any particular Revolving Credit Loan then outstanding under this Agreement.

"Material Adverse Effect" means (1) a material adverse effect on the assets, liabilities, business, prospects, operations, income or condition, financial or otherwise, of the Borrower, (2) a material impairment of the ability of the Borrower to pay, perform or observe its obligations under the Credit Documents, or (3) a material impairment of the enforceability or availability of the rights or remedies stated to be available to the Bank under the Credit Documents.

"Note" means the Revolving Credit Note.

"Obligations" means all Loans and all other advances, debts, liabilities, obligations, covenants and duties owing, arising, due or payable from the Borrower to the Bank of any kind or nature, existing or future, whether or not evidenced by any note, letter of credit, guaranty or other instrument, whether arising under this Agreement or any of the other Credit Documents or otherwise and whether direct or indirect (including, without limitation, those acquired by assignment), absolute or contingent, primary or secondary, due or to become due, existing on or after the Closing Date and however acquired, and all amendments, renewals, restatements, replacements or other modifications of the foregoing from time to time. The term includes, without limitation, all principal, interest, fees, expenses and any other sums chargeable to the Borrower under any of the Credit Documents.

"Permitted Debt" means any of the following: (1) accrued expenses and trade account payables incurred in the ordinary course of the Borrower's business; and (2) Debt to the Bank.

"Permitted Liens" means any of the following: (1) Liens for taxes, assessments or governmental charges not delinquent or being contested in good faith and by appropriate proceedings and for which adequate reserves in accordance with GAAP are maintained on the Borrower's books; (2) Liens arising out of deposits in connection with workers' compensation, unemployment insurance, old age pensions or other social security or retirement benefits legislation; (3) deposits or pledges to secure bids, tenders, contracts (other than contracts for the payment of money), leases, statutory obligations, surety and appeal bonds, and other obligations of like nature arising in the ordinary course of the Borrower's business; (4) Liens imposed by law, such as mechanics', workers', materialmen's, carriers' or other like Liens (excluding, however, any Lien in favor of a landlord) arising in the ordinary course of the Borrower's business which secure the payment of obligations which are not past due or which are being diligently contested in good faith by appropriate proceedings and for which adequate reserves in accordance with GAAP are maintained on the Borrower's books; (5) rights of way, zoning restrictions, easements and similar encumbrances affecting the Borrower's real property which do not materially interfere with the use of such property; and (6) Liens in favor of the Bank.

"Person" means an individual, corporation, limited liability company, partnership, trust, governmental entity or any other entity, organization or group whatsoever.

"Plan" means an employee benefit plan (as defined in Section 3(3) of ERISA) maintained for employees of the Borrower on or after the Closing Date.

"Principal Reduction Payment Date" has the meaning provided in Section 3.2(a)(2) of this Agreement.

"Post-IPO Funding Period" has the meaning provided in Section 2.2(a)(3) of this Agreement.

"Resting Period" has the meaning provided in Section 2.2(a)(2) of this Agreement.

"Revolving Credit Loan" has the meaning provided in Section 2.2(a) of this Agreement.

"Revolving Credit Note" has the meaning provided in Section 2.2(c) of this Agreement.

"Securities Account" means securities account number 19-9236 held at the Securities Intermediary.

"Securities Account Value" means, at any date, the value of all financial assets in the Securities Account as customarily determined by the Securities Intermediary and as reflected in the account

statement for the Securities Account (or as would be reflected if an account statement for the Securities Account were to be issued by the Securities Intermediary as of such date).

"Securities Intermediary" means U.S. Bank N.A.

"Security Agreement" means the Security Agreement to be executed by the Borrower on or about the Closing Date in favor of the Bank and by which the Borrower shall grant to the Bank, as security for the Obligations, a security interest in all of the Borrower's presently owned or hereafter acquired assets, including without limitation, all of the Borrower's investment assets, investment property, and all instruments, accounts and general intangibles, as the same may be amended, renewed, replaced, restated, consolidated or otherwise modified from time to time.

"Termination Date" means December 12, 2007.

"UCC" means the Uniform Commercial Code as in effect in the State of Kansas from time to time.

1.2 Accounting and Other Terms.

(a) General. All accounting terms not specifically defined herein shall be construed in accordance with GAAP. Unless the context clearly requires otherwise, all references to "dollars" or "$" are to United States dollars. This Agreement and the other Credit Documents shall be construed without regard to any presumption or rule requiring construction against the party causing any such document or any portion thereof to be drafted. The Section and other headings in this Agreement and any index at the beginning of this Agreement are for convenience of reference only and shall not limit or otherwise affect any of the terms of this Agreement. Similarly, any page footers or headers or similar word processing, document or page identification numbers in this Agreement or any index or exhibit are for convenience of reference only and shall not limit or otherwise affect any of the terms of this Agreement, nor shall there be any requirement that any such footers or other numbers be consistent from page to page. Unless the context clearly requires otherwise, any reference to a Section of this Agreement refers to all Sections and Subsections thereunder. Any pronoun used herein shall be deemed to cover all genders. Defined terms used in this Agreement may be set forth in Section 1.1 or other Sections of this Agreement, and all such definitions defined in the singular shall have a corresponding meaning when used in the plural and vice versa.

(b) Changes in GAAP. If at any time any change in GAAP would affect the computation of any financial ratio or requirement set forth in any Credit Document, and either the Borrower or the Bank shall so request, the Bank and the Borrower shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP; *provided, however,* that, until so amended, (1) such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein, and (2) the Borrower shall provide to the Bank financial statements and other documents required under this Agreement or as reasonably requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP.

Section 2
Credit Facility

2.1 Total Credit Facility. The Bank agrees, subject to the terms and conditions of this Agreement, to make a total credit facility of up to $15,000,000 available to the Borrower upon its request therefor, as provided in this Section 2.

2.2 Revolving Credit Loans.

(a) General. The Bank agrees, subject to the terms and conditions of this Agreement, to make revolving credit loans ("Revolving Credit Loans") to the Borrower from time to time in the following amounts:

(1) during the period of time (the "Initial Funding Period") from the Closing Date up to the Principal Reduction Payment Date (as such term is defined in Section 3.2(a)(2), below), the Bank agrees, subject to the terms and conditions of this Agreement, to make Revolving Credit Loans to the Borrower from time to time up to a maximum principal amount at any time outstanding equal to $15,000,000;

(2) during the period of time (the "Resting Period") from the Principal Reduction Payment Date through and including the date that is one hundred twenty (120) days following the Principal Reduction Payment Date, the Bank shall have no obligation whatsoever to make Revolving Credit Loans to the Borrower; and

(3) during the period of time (the "Post-IPO Funding Period") from the end of the Resting Period through and including the day before the Termination Date, the Bank agrees, subject to the terms and conditions of this Agreement, to make Revolving Credit Loans to the Borrower from time to time up to a maximum principal amount at any time outstanding equal to $15,000,000.

Notwithstanding the above, in no event shall the Bank be obligated to make any Revolving Credit Loan if (1) after giving effect to such Revolving Credit Loan, the outstanding principal balance of the Obligations would exceed 25% of the Securities Account Value, or (2) any Default or Event of Default exists or would result from the making of such Revolving Credit Loan. Subject to the terms and conditions of this Agreement, the Borrower may borrow, repay and re-borrow under the Revolving Credit Loan facility.

(b) Initial Funding Period Advance Amounts. During the Initial Funding Period, each advance shall be in the minimum principal amount of $500,000 and if in excess of $500,000, in integral multiples of $100,000 in excess thereof (or if less, the then available amount of principal available for advancement under the Loan).

(c) Revolving Credit Note. All Revolving Credit Loans shall be evidenced by, and shall be payable in accordance with the terms and conditions of, a promissory note substantially in the form of Exhibit A hereto (as amended, renewed, restated, replaced, consolidated or otherwise modified from time to time, the "Revolving Credit Note").

Section 3
Finance Charges, Repayment And Other Terms

3.1 Interest Rate.

(a) General. Interest on each advance hereunder shall accrue at an annual rate equal to 1.75% plus the one-month LIBOR rate quoted by the Bank from Telerate Page 3750 or any successor thereto, which shall be that one-month LIBOR rate in effect two New York Banking Days prior to the beginning of each calendar month, adjusted for any reserve requirement and any subsequent costs arising from a change in government regulation, such rate to be reset at the beginning of each succeeding month.

The term "New York Banking Day" means any day (other than a Saturday or Sunday) on which commercial banks are open for business in New York, New York. If the initial advance under this Agreement during the Initial Funding Period or the initial advance under this Agreement during the Post-IPO Funding Period occurs other than on the first day of the month, the initial one-month LIBOR rate shall be that one-month LIBOR rate in effect two New York Banking Days prior to the date of such initial advance, which rate plus the percentage described above shall be in effect for the remaining days of the month of such initial advance; such one-month LIBOR rate to be reset at the beginning of each succeeding month. The Bank's internal records of applicable interest rates shall be determinative in the absence of manifest error. Notwithstanding the above, if it becomes illegal or commercially impracticable for the Bank to make or maintain a loan based on the LIBOR rate or if such rate becomes unavailable or cannot be readily ascertained by the Bank, the Bank shall give notice of any such impairment to the Borrower, and for the duration of such impairment interest shall accrue on the Libor Loans at a rate designated by the Bank which shall be based on the rate of interest announced publicly by the Bank from time to time as its prime rate or other designation in replacement of the prime rate announced publicly by the Bank and which rate shall be comparable to the interest rate on the Loans immediately prior to the period of impairment.

(b) Default Rate. Upon or after the occurrence and during the continuation of any Event of Default, the principal amount of each Loan shall bear interest at a rate per annum equal to three percent (3.0%) above the interest rate that would otherwise apply under Section 3.1(a) above (the "Default Rate").

(c) Late Fee. In addition to interest payable at the Default Rate or any other amounts payable under this Agreement or the other Credit Documents, the Borrower shall pay to the Bank a late fee in an amount equal to five percent (5%) of the amount of each payment due under this Agreement which is not received by the Bank within five (5) days after its due date.

(d) Non-Usage Fee. The Borrower shall pay on the first day of each fiscal quarter, for the immediately preceding fiscal quarter, an unused line fee at a rate per annum equal to 0.375% for such preceding fiscal quarter of the difference between (a) the Bank's total credit facility commitment set forth in Section 2.1 above, and (b) the average outstanding principal balance at the end of each day for such preceding fiscal quarter. Notwithstanding the above, the unused line fee shall not accrue during the 120-day Resting Period.

(e) Computation of Interest. Interest on the outstanding principal balance of all Loans and all other Obligations with respect to which interest accrues pursuant to the terms of this Agreement shall be calculated on a daily basis, computed on the basis of a 360-day year for the actual number of days elapsed (or, if the Bank so elects, on the basis of twelve 30-day months for the actual number of days elapsed).

(f) Usury. In no contingency or event whatsoever shall the aggregate of all amounts deemed interest hereunder or under the Note and charged or collected pursuant to the terms of this Agreement or any other Credit Documents exceed the highest rate permissible under any law which a court of competent jurisdiction shall, in a final determination, deem applicable thereto. If such a court determines that the Bank has charged or received interest hereunder or under the other Credit Documents in excess of the highest applicable rate, the Bank shall apply such excess to any other Obligations then due and payable, whether principal, interest, fees or otherwise, and shall refund the remainder of such excess interest, if any, to the Borrower, and such rate shall automatically be reduced to the maximum rate permitted by such law.

3.2 Payments of Principal, Interest and Costs. Except as otherwise provided in this Agreement, the Borrower agrees to pay the Obligations as follows:

(a) Revolving Credit Loan.

(1) Interest. Accrued interest on the outstanding principal balance of the Revolving Credit Loan is payable on the earlier to occur of (A) the first day of each month (beginning January 1, 2007), or (B) the Termination Date.

(2) Initial Funding Period Principal. Borrower shall pay the outstanding principal balance in full of all Revolving Credit Loans advanced during the Initial Funding Period on a date which is no later than thirty (30) days following completion of Borrower's initial public offering, the actual date of such payment being referred to herein as the "Principal Reduction Payment Date."

(3) Post-IPO Funding Period Principal. The outstanding principal balance of all Revolving Credit Loans advanced during the Post-IPO Funding Period is payable on the Termination Date.

(b) Other Obligations. Costs, fees and expenses and any other Obligations payable by the Borrower pursuant to this Agreement or the other Credit Documents shall be payable as and when provided in this Agreement or the other Credit Documents, as the case may be, or, if no specific provision for payment is made, on demand.

3.3 Voluntary Prepayments. The Borrower has the right, without penalty or premium, to prepay the Loan, in whole or in part, at any time and from time to time after the Closing Date.

3.4 Mandatory Prepayments.

(a) Loan to Value. If, at any time, the outstanding principal balance of the Loan exceeds 25% of the Securities Account Value, the Borrower shall immediately prepay the Loan in an amount sufficient to reduce the aggregate unpaid principal balance of the Loan by an amount equal to such excess.

(b) Legal Requirement. If at any time the Borrower or the Bank, as the case may be, is required by applicable law to prepay or to cause to be prepaid all or any portion of the Loan or to pledge or to cause to be pledged any additional collateral in connection with the Loan, the Borrower shall immediately prepay the Loan in an amount sufficient to satisfy such legal requirement. For purposes of the preceding sentence, "applicable law" and "legal requirement" shall include, without limitation, any legal requirement or restriction imposed by virtue of the 1940 Act.

3.5 Method of Payment. Payments due the Bank under this Agreement and the other Credit Documents shall be made in immediately available funds to the Bank at its office described in the introductory paragraph of this Agreement unless the Bank gives notice to the contrary. Payments so received at or before 1:00 p.m. Kansas City time on any Business Day shall be deemed to have been received by the Bank on that Business Day. Payments received after 1:00 p.m. Kansas City time on any Business Day shall be deemed to have been received on the next Business Day, and interest, if payable in respect of such payment, shall accrue thereon until such next Business Day.

3.6 Use of Proceeds. The Revolving Credit Loans shall be used solely for purposes of: (1) purchasing additional Collateral in the form of security entitlements, provided that immediately upon such acquisition the Bank has a perfected first priority security interest in such additional Collateral as security for the Obligations, with such security interest being perfected by "control" within the meaning of UCC §8-106(d)(2), pursuant to the Security Agreement and the Control Agreement; (2) the Borrower's general

working capital and other general corporate needs; and (3) paying costs and expenses incurred in connection with the closing of the transactions contemplated by this Agreement.

3.7 Notice and Manner of Borrowing. The Borrower shall give the Bank notice of its intention to borrow under any Revolving Credit Loan at least one Business Day before the Business Day such Loan is to be disbursed to the Borrower, and shall specify: (1) the proposed funding date of such Loan; (2) the amount of such Loan; (3) the then current total fair market value of the financial assets in the Securities Account and any and all other assets of the Borrower, and (4) a written certification executed by an authorized officer of the Borrower stating that Borrower is in compliance with all applicable leverage regulations of the 1940 Act. All notices given under this Section by the Borrower shall be irrevocable and shall be given not later than 11:00 a.m. Kansas City time on the day which is not less than the number of Business Days specified above for such notice. For purposes of this Section, the Borrower agrees that the Bank may rely and act upon any request for a Loan from any individual who the Bank, absent gross negligence or willful misconduct, believes to be a representative of the Borrower.

3.8 Capital Adequacy. If the Bank determines that the adoption of any law, rule or regulation regarding capital adequacy, or any change therein or in the interpretation or application thereof or compliance by the Bank with any request or directive regarding capital adequacy (whether or not having the force of law) from any central bank or governmental authority, does or shall have the effect of reducing the rate of return on the Bank's capital as a consequence of its obligations hereunder to a level below that which the Bank could have achieved but for such adoption, change or compliance (taking into consideration the Bank's policies with respect to capital adequacy) by an amount deemed by the Bank, in its sole discretion, to be material, then from time to time, after submission by the Bank to the Borrower of a written demand therefor, the Borrower shall pay to the Bank such additional amount or amounts as will compensate the Bank for such reduction. A certificate of the Bank claiming entitlement to payment as set forth in this Section shall be conclusive in the absence of manifest error. Such certificate shall set forth the nature of the occurrence giving rise to such payment, the additional amount or amounts to be paid to the Bank, and the method by which such amounts were determined. In determining such amount, the Bank may use any reasonable averaging and attribution method.

3.9 Application of Payments and Collections. The Borrower irrevocably waives the right to direct the application of any and all payments and collections at any time or times after the Closing Date received by the Bank from or on behalf of the Borrower, and the Borrower agrees that the Bank has the continuing exclusive right to apply and reapply any and all such payments and collections received at any time or times after the Closing Date by the Bank or its agent against the Obligations, in such manner as the Bank may deem advisable, notwithstanding any entry by the Bank upon any of its books and records.

3.10 Periodic Statement. The Bank may account to the Borrower with a periodic statement of loan balances, charges and payments made or received pursuant to this Agreement, and any such statement rendered by the Bank shall be deemed final, binding and conclusive upon the Borrower unless the Bank is notified by the Borrower in writing to the contrary within 45 days after the date such statement is made available to the Borrower. Any such notice by the Borrower shall only be deemed an objection to those items specifically objected to in such notice.

Section 4
Lending Conditions

4.1 Credit Documents. Notwithstanding anything herein or in the other Credit Documents to the contrary, the Bank shall not be obligated to make the initial Loan under this Agreement to the Borrower until the Bank has received the following documents, duly executed and delivered by all parties thereto, and otherwise satisfactory in form and content to the Bank:

(a) Credit Agreement. This Agreement;

(b) Note. The Revolving Credit Note;

(c) Security Agreement. The Security Agreement;

(d) UCC Financing Statements. Acknowledgment copies of filed UCC-1 financing statements from the Borrower, as debtor, to the Bank, as secured party, covering the Collateral, from such jurisdictions as the Bank deems necessary or desirable to perfect its security interest in the Collateral;

(e) Control Agreement. The Control Agreement;

(f) Loan Disbursement Instructions. If requested by the Bank, written instructions from the Borrower to the Bank directing the disbursement of the proceeds of the initial Loan made pursuant to this Agreement;

(g) Opinion of Borrower's Counsel. The favorable written opinion to the Bank of Blackwell Sanders Peper Martin LLP, counsel to the Borrower, regarding the Borrower, the Credit Documents and the transactions contemplated by this Agreement and the other Credit Documents;

(h) Certificate of Borrower's Secretary. A certificate executed by the Borrower's secretary whereby such secretary affirms that, among other things, attached to such certificate is (1) a copy of the Borrower's board resolutions authorizing the borrowing of monies, the granting of Liens and all other matters set forth in or contemplated by the Credit Documents, (2) a copy of the Borrower's by-laws in effect on the Closing Date, (3) a copy of the Borrower's articles or certificate of incorporation and all amendments thereto, and (4) a certificate of good standing for the Borrower, dated on or not more than 10 days prior to the Closing Date, from the Secretary or State of the state of incorporation of the Borrower and from the Secretary of State of Kansas; and

(i) Other Items. Such other agreements, documents and assurances as the Bank may reasonably request in connection with the transactions described in or contemplated by the Credit Documents.

If the Bank, in its sole and absolute discretion, elects to make a Loan notwithstanding the Borrower's failure to comply with all of the terms of this Section, then the Bank shall not be deemed to have waived the Borrower's compliance therewith, nor to have waived any of the Bank's other rights under this Agreement; and in any event the Bank, if it so elects, may declare an immediate Event of Default if the Borrower fails to furnish to the Bank on demand any of the Credit Documents described in this Section or otherwise fails to comply with any condition precedent set forth in any Credit Document, in each case irrespective of whether such failure occurs on or after the Closing Date or the making of such Loan.

4.2 Additional Conditions Precedent to Initial Loan. The Bank's obligation to make the initial Loan under this Agreement shall also be subject to the satisfaction, in the Bank's sole judgment, of each of the following conditions precedent:

(a) Since the date of the financial statements submitted by the Borrower to the Bank immediately prior to the Closing Date, there shall not have occurred any act or event which could reasonably be expected to have a Material Adverse Effect;

(b) No action, proceeding, investigation, regulation or legislation shall have been instituted, threatened or proposed before any court, governmental agency or

legislative body to enjoin, restrain or prohibit, or to obtain damages in respect of, or which is related to or arises out of this Agreement or the other Credit Documents or the consummation of the transactions contemplated hereby or thereby or which, in the Bank's reasonable determination, would make it inadvisable to consummate the transactions contemplated by this Agreement or the other Credit Documents; and

(c) The Borrower shall have paid all legal fees and other closing or like costs and expenses of the Bank which the Borrower is obligated to pay hereunder.

4.3 Conditions Precedent to All Loans. The obligation of the Bank to make each Loan under this Agreement (including, without limitation, the initial Loan) shall be subject to the further conditions precedent that, on the date of each such Loan:

(a) The following statements shall be true: (1) the representations and warranties of the Borrower contained in this Agreement and the other Credit Documents are correct on and as of the date of such Loan as though made on and as of such date, and (2) there exists no Default or Event of Default as of such date, nor would any Default or Event of Default result from the making of the Loan requested by the Borrower;

(b) The Borrower shall have signed and sent to the Bank, if the Bank so requests, a request for advance, setting forth in writing the amount of the Loan requested and the other information required pursuant to this Agreement; *provided, however*, that the foregoing condition precedent shall not prevent the Bank, if it so elects in its sole discretion, from making a Loan pursuant to the Borrower's non-written request therefor; and

(c) The Bank shall have received such other approvals, opinions or documents as it may reasonably request.

The Borrower agrees that the making of a request by the Borrower for a Revolving Credit Loan, whether in writing, by telephone or otherwise, shall constitute a certification by the Borrower that all representations and warranties of the Borrower in the Credit Documents are true as of the date thereof and that all required conditions to the making of the Revolving Credit Loan have been met.

Section 5
Representations And Warranties

5.1 Representations, Warranties and Covenants of the Borrower. The Borrower represents, and warrants to the Bank as follows:

(a) Organization and Existence. The Borrower (1) is a corporation duly incorporated, validly existing and in good standing under the laws of the state of its incorporation as reflected in the introductory paragraph of this Agreement, (2) is in good standing in all other jurisdictions in which it is required to be qualified to do business as a foreign corporation, and (3) has obtained all licenses and permits and has filed all registrations necessary to the operation of its business; except where the failure to so qualify or to obtain such licenses or permits could not reasonably be expected to have a Material Adverse Effect.

(b) Authorization by the Borrower. The execution, delivery and performance by the Borrower of the Credit Documents (1) are within the Borrower's corporate powers, (2) have been duly authorized by all necessary corporate or similar action, (3) do not contravene the Borrower's articles or

certificate of incorporation or by-laws, or any law or contractual restriction binding on or affecting the Borrower or its properties, and (4) do not result in or require the creation of any Lien upon any of the Collateral other than a Lien in favor of the Bank.

(c) Approval of Governmental Bodies. No authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for the due execution, delivery and performance by the Borrower of the Credit Documents or the exercise by the Bank of its rights thereunder, including, without limitation, the sale or other disposition of any of the Collateral to any Person.

(d) Enforceability of Obligations. The Credit Documents are the legal, valid and binding obligations of the Borrower enforceable against the Borrower in accordance with their respective terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium, or similar laws affecting the enforceability of creditors' rights generally and subject to the discretion of courts in applying equitable remedies.

(e) Financial Statements. All financial statements of the Borrower which have been furnished to the Bank fairly present the financial condition of the Borrower, as of the dates reflected on the financial statements, and fairly present the results of its operations for the period covered thereby, all in accordance with GAAP, except for the omission of footnotes in interim financial statements and subject to normal year-end adjustments. As of the Closing Date, there has been no material adverse change in the financial condition or results from operations of the Borrower since the dates of the most recent financial statements of the Borrower submitted to the Bank.

(f) Litigation. There is no pending or threatened action or proceeding affecting the Borrower or any of its properties before any court, governmental agency or arbitrator which, if determined adversely to the Borrower, could reasonably be expected to have a Material Adverse Effect.

(g) Existing Debt. The Borrower has no Debt other than Permitted Debt.

(h) Taxes. The Borrower has filed all required federal, state, local and other tax returns and has paid, or made adequate provision for the payment of, any taxes due pursuant thereto or pursuant to any assessment received by the Borrower except such taxes, if any, as are being contested in good faith and as to which adequate reserves have been provided.

(i) Stock and Records; Existing Subsidiary. All outstanding capital stock of the Borrower was and is properly issued, and all books and records of the Borrower, including but not limited to its minute books, by-laws and books of account, are accurate and complete in all material respects. The Borrower is not obligated on or after the Closing Date to redeem or otherwise acquire, or pay any dividends or make any other distributions in respect of, any of its stock. As of the date of this Agreement, the Borrower has only one subsidiary. Borrower's subsidiary is named "Mowood, LLC" and which is a natural gas local distribution company whose sole asset is a pipeline located in Fort Leonard Wood Army Base in Southwest Missouri.

(j) Hazardous Materials. The Borrower has complied with all Environmental Laws and all of its facilities, leaseholds, assets and other property comply with all Environmental Laws, except where such failure to comply could not reasonably be expected to have a Material Adverse Effect. There are no outstanding or threatened citations, notices or orders of non-compliance issued to the Borrower or relating to its facilities, leaseholds, assets or other property. The Borrower has been issued all licenses, certificates, permits or other authorizations required under any Environmental Law or by any federal, state or local governmental or quasi-governmental entity, except where the failure to obtain such license, certificate, permit or other authorization could not reasonably be expected to have a Material Adverse Effect.

(k) Negative Pledges. The Borrower is not a party to or bound by any indenture, contract or other instrument or agreement which prohibits the creation, incurrence or sufferance to exist of any Lien upon any of the Collateral.

(l) Title to Property; Liens. The Borrower has good and marketable title to all property purported to be owned by it, and the Bank has a perfected first priority Lien on all investment assets of the Borrower (including, without limitation, all investment property), instruments, accounts and general intangibles) subject to no Liens except for Permitted Liens.

(m) Insolvency. After the execution and delivery of the Credit Documents and the disbursement of the initial Loan hereunder, the Borrower will not be insolvent within the meaning of the United States Bankruptcy Code or unable to pay its debts as they mature.

(n) Survival of Representations. All representations and warranties made in this Section 5 shall survive the execution and delivery of the Credit Documents and the making of the Loans.

Section 6
Covenants

6.1 Affirmative Covenants. So long as any Obligations remain unpaid or the Bank has any commitment to extend credit to or for the benefit of the Borrower, the Borrower covenants to the Bank as follows:

(a) Compliance with Laws. The Borrower shall comply with all applicable laws, rules, regulations and orders affecting the Borrower or its properties, including, without limitation, all Environmental Laws, except where such failure to comply could not reasonably be expected to have a Material Adverse Effect. Without limiting the foregoing, the Borrower shall remain in material compliance, at all times, with the 1940 Act, including but not limited to, all leverage regulations specified in the 1940 Act.

(b) Reporting Requirements. The Borrower shall furnish to the Bank such information respecting the condition or operations, financial or otherwise, of the Borrower as the Bank may reasonably request from time to time.

(c) Preservation of Business and Corporate Existence. The Borrower shall: (1) carry on and conduct its principal business substantially as it is now being conducted; (2) maintain in good standing its existence and its right to transact business in those states in which it is required by applicable law to be qualified to do business; and (3) maintain all licenses, permits and registrations necessary to the conduct of its business; except where the failure to so maintain its right to transact business or to maintain such licenses, permits or registrations could not reasonably be expected to have a Material Adverse Effect.

(d) Payment of Taxes. The Borrower shall pay and discharge, before they become delinquent, all taxes, assessments and other governmental charges imposed upon it, its properties, or any part thereof, or upon the income or profits therefrom and all claims for labor, materials or supplies which if unpaid might be or become a Lien or charge upon any of its property, except such items as it is in good faith appropriately contesting and as to which adequate reserves have been provided to the Bank's satisfaction.

(e) Employee Plans. The Borrower shall: (1) notify the Bank promptly of the establishment of any Plan, except that prior to the establishment of any "welfare plan" (as defined in Section 3(1) of ERISA) covering any employee of the Borrower for any period after such employee's termination of employment other than such period required by the Consolidated Omnibus Budget

Reconciliation Act of 1986 or "defined benefit plan" (as defined in Section 3(35) of ERISA), it will obtain the Bank's prior written approval of such establishment; (2) at all times make prompt payments or contributions to meet the minimum funding standards of Section 412 of the Internal Revenue Code of 1986, as amended, with respect to each Plan; (3) promptly after the filing thereof, furnish to the Bank a copy of any report required to be filed pursuant to Section 103 of ERISA in connection with each Plan for each Plan year, including but not limited to the Schedule B attached thereto, if applicable; (4) notify the Bank promptly of any "reportable event" (as defined in ERISA) or any circumstances arising in connection with any Plan which might constitute grounds for the termination thereof by the Pension Benefit Guaranty Corporation or for the appointment by the appropriate United States District Court of a trustee to administer the Plan, the initiation of any audit or inquiry by the Internal Revenue Service or the Department of Labor of any Plan or transaction(s) involving or related to any Plan, or any "prohibited transaction" as defined in Section 406 of ERISA or Section 4975(c) of the Internal Revenue Code of 1986, as amended; (5) notify the Bank prior to any action that could result in the assertion of liability under Subtitle E of Title IV of ERISA caused by the complete or partial withdrawal from any multiemployer plan or to terminate any defined benefit plan sponsored by the Borrower; and (6) promptly furnish such additional information concerning any Plan as the Bank may from time to time request.

(f) Notice of Default. The Borrower shall give prompt written notice to the Bank of the occurrence of any Default or Event of Default under any of the Credit Documents. Similarly, the Borrower shall give prompt written notice to the Bank of any failure to pay, perform or observe or any other default by the Borrower under any other existing or future agreement by which the Borrower is bound if such default could reasonably be expected to have a Material Adverse Effect.

(g) Books and Records; Inspection; Bank Audits. The Borrower shall: (1) maintain complete and accurate books and financial records in accordance with GAAP (except that interim financial statements need not contain footnotes and may be subject to normal year-end audit adjustments); (2) during normal working hours permit the Bank and Persons designated by the Bank to visit and inspect its properties, to inspect its books and financial records (including its journals, orders, receipts and correspondence which relates to its accounts receivable), and to discuss its affairs, finances and accounts receivable and operations with its directors, officers, employees and agents and its independent public accountants; and (3) permit the Bank and Persons designated by the Bank to perform reviews of such books and financial records when and as requested by the Bank.

(h) Bank May Perform Obligations; Further Assurances. After and during the continuation of an Event of Default, the Borrower shall permit the Bank, if the Bank so elects in its sole discretion, to pay or perform any of the Borrower's Obligations hereunder or under the other Credit Documents and to reimburse the Bank, on demand, or, if the Bank so elects, by the Bank making a Revolving Credit Loan on the Borrower's behalf and disbursing the same to the appropriate Persons, for all amounts expended by or on behalf of the Bank in connection therewith and all costs and expenses incurred by or on behalf of the Bank in connection therewith. The Borrower further agrees to execute, deliver or perform, or cause to be executed, delivered or performed, all such documents, agreements or acts, as the case may be, as the Bank may reasonably request from time to time to create, perfect, continue or otherwise assure the Bank with respect to any Lien created or purported to be created by any of the Credit Documents or to otherwise create, evidence or assure the Bank's rights and remedies under, or as contemplated by, the Credit Documents or at law or in equity.

(i) Securities Account. The Borrower shall deliver to the Bank, promptly after its receipt thereof, a copy of the monthly account statement for the Securities Account. The Borrower further agrees that the Bank shall have the right, should it so elect, to monitor the Securities Account from time to time on a "real time" or other electronic basis, and to that end the Borrower hereby irrevocably authorizes and instructs the Securities Intermediary to take such steps as may be necessary to allow the Bank to so monitor the Securities Account. The foregoing right to monitor the Securities Account shall give the Bank the right to monitor all aspects of the Securities Account, including, without limitation, the

right to monitor all financial assets held therein and all trading activity relating thereto. The Borrower agrees to indemnify and hold the Securities Intermediary harmless from and against any losses, damages or expenses the Securities Intermediary may incur as a result of the Securities Intermediary permitting the Bank to monitor the Securities Account as provided in this Section, except for any such losses, damages or expenses that arise out of the Securities Intermediary's gross negligence or willful misconduct. The Securities Intermediary shall be a third-party beneficiary of this Section.

(j) Daily Securities Account Information. In the event that the Bank is not the custodian of the Securities Account and the financial assets held therein, the Borrower shall before the end of each Business Day directly provide the Bank such information as the Bank may request to allow monitoring of the Securities Account, including the financial assets held therein and all trading activity relating thereto, on a daily basis. The Bank shall have the right, should it so elect to monitor the Securities Account from time to time on a "real time" or other electronic basis, and to that end, the Borrower, if so requested by the Bank, will take appropriate action to authorize and instruct the custodian of the Securities Account to take such steps as necessary to allow the Bank to so monitor the Securities Account, not less frequently than at the end of each Business Day.

6.2 Negative Covenants. So long as any Obligations remain unpaid or the Bank has any commitment to extend credit to or for the benefit of the Borrower, the Borrower covenants to the Bank as follows:

(a) Liens. The Borrower shall not create or suffer to exist any Lien on or with respect to any of its properties, whether the Borrower owns or has an interest in such property on the Closing Date or at any time thereafter, except for Permitted Liens.

(b) Debt. Without the Bank's prior written consent, the Borrower shall not create or suffer to exist any Debt except for Permitted Debt.

(c) Structure; Disposition of Assets. The Borrower shall not merge or consolidate with or otherwise acquire, or be acquired by, any other Person; *provided, however,* that the foregoing prohibition on acquisitions by the Borrower shall not prohibit the Borrower from acquiring investment property in the ordinary course of its business provided that such investment property is promptly credited to the Securities Account. The Borrower shall not sell, lease or otherwise transfer any property, except for the disposition of obsolete equipment and except as otherwise permitted under the Security Agreement and the Control Agreement with respect to the Collateral.

(d) Subsidiaries; New Business. Without the Bank's prior written consent, the Borrower shall not create any subsidiary, or render any services or otherwise enter into any business which is not substantially similar to that existing on the Closing Date.

(e) Conflicting Agreements. The Borrower shall not enter into any agreement any term or condition of which conflicts with any provision of this Agreement or the other Credit Documents.

(f) Changes in Accounting Principles; Fiscal Year. The Borrower shall not make any change in its principles or methods of accounting as currently in effect, except such changes as are required by GAAP, nor shall the Borrower, without first obtaining the Bank's written consent, change its fiscal year.

(g) Transactions With Affiliates. Other than the advisor relationship existing on the Closing Date with Tortoise Capital Advisors, LLC, the Borrower shall not enter into or be a party to any transaction or arrangement, including without limitation, the purchase, sale or exchange of property of any kind or the rendering of any service, with any Affiliate, except in the ordinary course of and pursuant to the reasonable requirements of the Borrower's business and upon fair and reasonable terms

substantially as favorable to the Borrower as those which would be obtained in a comparable arms-length transaction with a non-Affiliate.

Section 7
Default

7.1 Events of Default. Each of the following events shall constitute an Event of Default hereunder:

(a) General. The Borrower fails to pay, perform or observe any Obligation or any other term, covenant or other provision in any Credit Document in accordance with the terms thereof and, if such default is curable, the Borrower fails to cure such default within five days after written notice from the Bank specifying in reasonable detail the nature of such default is received by the Borrower; *provided, however,* that the Borrower shall not have any cure rights under this Subsection (a) if the outstanding principal balance of the Loans exceeds 80% of the Securities Account Value at any time after the Closing Date; or

(b) Other Bank Default. Any "Event of Default" (as such term is defined in any other Credit Document to which the Borrower is a party) occurs; or

(c) Misrepresentation. Any representation or warranty made or furnished by the Borrower in connection with this Agreement or the other Credit Documents proves to be incorrect, incomplete or misleading in any material respect when made, or any such representation or warranty becomes incorrect, incomplete or misleading in any material respect and the Borrower fails to give the Bank prompt written notice thereof; or

(d) Cross-Default. The Borrower fails to pay any Debt (other than a monetary Obligation due the Bank under the Credit Documents, as contemplated by Subsection (a) above) or to perform or observe any other obligation or term in respect of such Debt, and, as a result of any such failure, the holder of such Debt accelerates or is entitled to accelerate the maturity thereof or requires or is entitle to require the Borrower or some other Person to purchase or otherwise acquire such Debt; or

(e) Insolvency. The Borrower ceases to be solvent or suffers the appointment of a receiver, trustee, custodian or similar fiduciary or makes an assignment for the benefit of creditors; or any petition for an order for relief is filed by or against the Borrower under the federal Bankruptcy Code or any similar state insolvency statute (except, in the case of a petition filed against the Borrower, if such proceeding is dismissed within 60 days after the petition is filed, unless prior thereto an order for relief is entered under the federal Bankruptcy Code); or the Borrower makes any offer of settlement, extension or composition to their respective unsecured creditors generally; or

(f) Contest Credit Documents. The Borrower challenges or contests in any action, suit or proceeding the validity or enforceability of any of the Credit Documents, the legality or enforceability of any of the Obligations or the validity, perfection or priority of any Lien granted or purported to be granted to the Bank; or

(g) Judgments. One or more judgments, decrees or orders for the payment of money in excess of $100,000 in the aggregate during any 12-month period is rendered against the Borrower; or

(h) Lien. The Bank shall cease to have a duly perfected first priority security interest in the Collateral subject to no Liens except for Permitted Liens.

7.2 Obligation to Lend; Acceleration. After the occurrence and during the continuation of any Default, the Bank may declare the obligation of the Bank to make Loans or to otherwise extend credit hereunder to be terminated, whereupon the same shall forthwith terminate. After the occurrence and during the continuation of any Event of Default, the Bank may declare the Note, all interest thereon, and all other Obligations to be forthwith due and payable, whereupon the Note, all such interest thereon and all such other Obligations shall become and be forthwith due and payable, without presentment, protest or further notice or demand of any kind, all of which are waived by the Borrower. If, notwithstanding the foregoing, after the occurrence and during the continuation of any Default or Event of Default, as the case may be, the Bank elects (any such election to be in the Bank's sole and absolute discretion) to make one or more advances under this Agreement or to not accelerate all or any of the Obligations, any such election shall not preclude the Bank from electing thereafter (in its sole and absolute discretion) to not make advances or to accelerate all or any of the Obligations, as the case may be.

7.3 Remedies. Upon or after the occurrence and during the continuation of any Event of Default, the Bank has and may exercise from time to time the following rights and remedies:

(a) All of the rights and remedies of a secured party under the UCC or under other applicable law, and all other legal and equitable rights to which the Bank may be entitled, all of which rights and remedies shall be cumulative, and none of which shall be exclusive, and all of which shall be in addition to any other rights or remedies contained in this Agreement or any of the other Credit Documents.

(b) The right to take immediate possession of the Collateral, and (1) to require the Borrower to assemble the Collateral, at the Borrower's expense, and make it available to the Bank at a place designated by the Bank which is reasonably convenient to both parties, and (2) to enter upon and use any premises in which the Borrower has an ownership, leasehold or other interest, or wherever any of the Collateral shall be located, and to store, remove, abandon, sell, dispose of or otherwise use all or any part of the Collateral on such premises without the payment of rent or any other fees by the Bank to the Borrower or any other Person for the use of such premises or such Collateral.

(c) The right to sell or otherwise dispose of all or any Collateral at public or private sale or sales, with such notice as may be required by law, in lots or in bulk, for cash or on credit, all as the Bank, in its sole discretion, may deem advisable. The Borrower agrees that not less than 10 days prior written notice to the Borrower of any public or private sale or other disposition of such Collateral shall be reasonable notice thereof, and such sale shall be at such locations as the Bank may designate in such notice. The Bank has the right to conduct such sales on the Borrower's premises, without charge therefor, and such sales may be adjourned from time to time in accordance with applicable law. The Bank has the right to sell, lease or otherwise dispose of such Collateral, or any part thereof, for cash, credit or any combination thereof, and the Bank may purchase all or any part of such Collateral at public or, if permitted by law, private sale and, in lieu of actual payment of such purchase price, may set-off or credit the amount of such price against the Obligations.

(d) The proceeds realized from the sale of any Collateral may be applied, after the Bank is in receipt of good funds, as followsfirst, to the reasonable costs, expenses and attorneys' fees and expenses incurred by the Bank for collection and for acquisition, completion, protection, removal, storage, sale and delivery of the Collateral; second, to any fees or expenses due the Bank under the Credit

Documents; third, to interest due upon any of the Obligations; and fourth, to the principal of the Obligations; or in such other manner as the Bank may elect in its sole discretion. If any deficiency shall arise, the Borrower shall remain liable to the Bank therefor. Any surplus remaining after payment in full of the Obligations may be returned to the Borrower or to whomever may be legally entitled thereto.

7.4 Right of Set-off. Upon or after the occurrence and during the continuation of any Event of Default, the Bank is authorized at any time and from time to time, without notice to the Borrower (any such notice being waived by the Borrower), to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by the Bank to or for the credit or the account of the Borrower against any and all of the Obligations irrespective of whether or not the Bank has made any demand under this Agreement or the other Credit Documents and although such Obligations may be unmatured. The rights of the Bank under this Section are in addition to other rights and remedies (including, without limitation, other rights of setoff) which the Bank may have.

Section 8
Miscellaneous

8.1 Notices. Except as otherwise provided herein, all notices, requests and demands to or upon a party to this Agreement to be effective shall be in writing and shall be deemed validly given upon receipt thereof, whether by personal delivery, U.S. mail, fax, other electronic transmission or otherwise, in each case addressed as follows:

If to the Bank:

U.S. Bank N.A.
9900 West 87th Street
Overland Park, Kansas 66212
Attn.: Ms. Colleen Hayes
Fax No.: 913-652-5111

with a copy (which shall not constitute notice) to:

Shook, Hardy & Bacon L.L.P.
2555 Grand Blvd.
Kansas City, Missouri 64108
Attn.: Sandy Hawley, Esq.
Fax No.: 816-421-5547

If to the Borrower:

Tortoise Capital Resources Corporation
10801 Mastin Boulevard, Suite 222
Overland Park, Kansas 66210
Attn.: Terry Matlack
Fax No.: 913-981-1021

with a copy (which shall not constitute notice) to:

Blackwell Sanders Peper Martin LLP
4801 Main Street
Suite 1000
Kansas City, Missouri 64112
Attn.: Scott H. Thompson, Esq.
Fax No.: 816-983-8080

or to such other address or telecopy number as each party may designate for itself by like notice given in accordance with this Section.

8.2 Power of Attorney. The Borrower irrevocably designates, makes, constitutes and appoints the Bank, and all Persons designated by the Bank, as the Borrower's true and lawful attorney and agent-in-fact (such power of attorney and agency being coupled with an interest and therefore irrevocable until the Obligations have been indefeasibly paid in full and the Bank has no duty to extend credit to or for the benefit of the Borrower), and the Bank, and any Persons designated by the Bank, may, at any time except as otherwise provided below, and without notice to or the consent of the Borrower and in either the Borrower's or the Bank's name, but at the cost and expense of the Borrower, (1) pay and perform any Obligation to be paid or performed under any of the Credit Documents, (2) endorse the Borrower's name on any checks, notes, acceptances, drafts, money orders or any other evidence of payment or proceeds of the Collateral which come into the possession of the Bank or under the Bank's control, and (3) at any time an Event of Default exists, (a) to the extent the Collateral may be realized upon by collection, demand payment of all such Collateral from the obligors thereunder, enforce payment of such Collateral by legal proceedings or otherwise, and generally exercise all of the Borrower's rights and remedies with respect to such Collateral, (b) settle, adjust, compromise, discharge or release any Collateral or any legal proceedings brought to collect any of the Collateral, (c) sell or otherwise transfer any Collateral upon such terms, for such amounts and at such time or times as the Bank deems advisable, (d) take control, in any manner, of any item of payment or proceeds relating to any Collateral, (e) prepare, file and sign the Borrower's name to a proof of claim in bankruptcy or similar document against any Collateral obligor or to any notice of Lien, assignment or satisfaction of Lien or similar document in connection with any of the Collateral, (f) endorse the name of the Borrower upon any of the items of payment or proceeds relating to any Collateral and deposit the same to the account of the Bank on account of the Obligations, (g) endorse the name of the Borrower upon any document of transfer or other document or agreement relating to any Collateral, (h) use the information recorded on or contained in any data processing equipment and computer hardware and software relating to any Collateral and to which the Borrower has access, and (i) do all other acts and things necessary, in the Bank's determination, to fulfill the Borrower's obligations under this Agreement.

8.3 Indemnity. The Borrower agrees to indemnify, defend and hold harmless the Bank and each shareholder, director, officer, employee, agent, attorney and other representative of or contractor for the Bank from and against any and all damages, settlement amounts, expenses (including, without limitation, attorney's fees and court costs), other losses, claims or other assertions of liability of any nature whatsoever incurred by or on behalf of or asserted against, as the case may be, any one or more of such indemnified parties at any time arising in whole or in part out of the Borrower's failure to observe, perform or discharge any of the Borrower's duties under any of the Credit Documents or any misrepresentation made by or on behalf of the Borrower under any of the Credit Documents. Without limiting the generality of the foregoing, this indemnity shall extend to any claims asserted against the Bank or such other indemnitees by any Person under any Environmental Laws or similar laws by reason of the Borrower's or any other Person's failure to comply with laws applicable to Hazardous Substances. The Borrower further agrees to indemnify, defend and hold harmless the Bank and each shareholder, director, officer, employee, agent, attorney and other representative of or contractor for the Bank from and against any and all damages, settlement amounts, expenses (including, without limitation, attorneys'

fees and court costs), other losses, claims or other assertions of liability of any nature whatsoever incurred by or on behalf of or asserted against, as the case may be, any one or more of such indemnified parties at any time in connection with any one or more indemnified parties' actions or inactions relating in any respect to the Credit Agreement, any of the other Credit Documents or any of the transactions described in or contemplated by any of the foregoing, except to the extent such losses arise out of such indemnified party's gross negligence or willful misconduct. All indemnities given by the Borrower to the Bank under the Credit Documents, including, without limitation, the indemnities set forth in this Section, shall survive the repayment of the Loans and the termination of this Agreement.

8.4 Entire Agreement; Modification of Agreement; Sale of Interest. This Agreement and the other Credit Documents, together with all other instruments, agreements and certificates executed by the parties in connection therewith or with reference thereto, embodies the entire agreement between the parties hereto and thereto with respect to the subject matter hereof and thereof and supersedes all prior agreements, understandings and inducements, whether express or implied, oral or written. This Agreement may not be modified, altered or amended, except by an agreement in writing signed by the Borrower and the Bank. The Borrower may not directly or indirectly sell, assign or transfer any interest in or rights under this Agreement or any of the other Credit Documents. The Borrower consents to the Bank's participation, sale, assignment, transfer or other disposition, at any time or times on or after the Closing Date, of this Agreement and any of the other Credit Documents, or of any portion hereof or thereof, including, without limitation, the Bank's rights, title, interests, remedies, powers and duties hereunder or thereunder; *provided, however,* that, unless an Event of Default is then in effect or the Termination Date has occurred, the Bank shall not have the right to sell this Agreement or any of the other Credit Documents without first obtaining the Borrower's prior written consent thereto.

8.5 Reimbursement of Expenses. If, at any time or times prior or subsequent to the Closing Date, regardless of whether an Event of Default then exists or any of the transactions contemplated hereunder are concluded, the Bank employs counsel for advice or other representation, or incurs reasonable legal and/or appraisers', liquidators', investment bankers' expenses and/or other costs or out-of-pocket expenses in connection with: (a) the negotiation and preparation of this Agreement and any of the other Credit Documents, any amendment or other modification of this Agreement or any of the other Credit Documents; (b) any litigation, contest, dispute, suit, proceeding or action (whether instituted by the Bank, the Borrower or any other Person) in any way relating to the Collateral, this Agreement, any of the other Credit Documents or the Borrower's affairs; (c) any attempt to enforce any rights of the Bank against the Borrower or any other Person which may be obligated to the Bank by virtue of this Agreement or any of the other Credit Documents, including, without limitation, any account debtors, irrespective of whether litigation is commenced in pursuance of such rights; and/or (d) any attempt to inspect, verify, protect, preserve, restore, collect, sell, manufacture, liquidate or otherwise dispose of or realize upon the Collateral (all of which are hereinafter collectively referred to as the "Expenses"); then, in any and each such event, such Expenses shall be payable on demand by the Borrower to the Bank, and shall be additional Obligations and be secured by the Collateral and may be funded, if the Bank so elects, by the Bank making a Revolving Credit Loan or other loan under this Agreement on the Borrower's behalf and paying the same to the Persons to whom such Expenses are payable. Additionally, if any taxes (excluding taxes imposed upon or measured by the income of the Bank) shall be payable on account of the execution or delivery of this Agreement or the other Credit Documents, or the execution, delivery, issuance or recording of any of the Credit Documents, or the creation of any of the Obligations hereunder, by reason of any federal, state or local statute or other law existing on or after the Closing Date, the Borrower will pay all such taxes, including, but not limited to, any interest and penalties thereon, and will indemnify and hold the Bank harmless from and against all liabilities in connection therewith.

8.6 Indulgences Not Waivers. The Bank's failure, at any time or times on or after the Closing Date, to require strict performance by the Borrower of any provision of this Agreement or the other Credit Documents shall not waive, affect or diminish any right of the Bank thereafter to demand strict compliance and performance therewith. Any suspension or waiver by the Bank of a Default or an

Event of Default by the Borrower under this Agreement or any of the other Credit Documents shall not suspend, waive or affect any other Default or Event of Default by the Borrower under this Agreement or any of the other Credit Documents, whether the same is prior or subsequent thereto and whether of the same or of a different type. None of the undertakings, agreements, warranties, covenants and representations of the Borrower contained in this Agreement or any of the other Credit Documents and no Default or Event of Default by the Borrower under this Agreement or any of the other Credit Documents shall be deemed to have been suspended or waived by the Bank, unless such suspension or waiver is by an instrument in writing specifying such suspension or waiver and is signed by a duly authorized representative of the Bank and directed and delivered to the Borrower.

8.7 Severability. Wherever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

8.8 Successors and Assigns. This Agreement and the other Credit Documents, shall be binding upon and inure to the benefit of the successors and assigns of the Borrower and the Bank. This provision, however, shall not be deemed to modify Section 8.4 hereof.

8.9 General Waivers by Borrower. Except as otherwise expressly provided for in this Agreement, the Borrower waives: (a) presentment, protest, demand for payment, notice of dishonor demand and protest and notice of presentment, default, notice of nonpayment, maturity, release, compromise, settlement, extension or renewal of any or all commercial paper, accounts receivable, contract rights, documents, instruments, chattel paper and guaranties at any time held by the Bank on which the Borrower may in any way be liable and ratifies and confirms whatever the Bank may do in this regard; (b) notice prior to taking possession or control of the Collateral or any bond or security which might be required by any court prior to allowing the Bank to exercise any of the Bank's remedies, including the issuance of an immediate writ of possession; (c) the benefit of all valuation, appraisement and exemption laws; and (d) any and all other notices, demands and consents in connection with the delivery, acceptance, performance, default or enforcement of this Agreement or any of the other Credit Documents and/or any of the Bank's rights in respect of the Collateral. Subject to the following sentence, the Borrower also waives any right of setoff or similar right the Borrower may at any time have against the Bank as a defense to the payment or performance of the Borrower's Obligations. If the Borrower now or hereafter has any claim against the Bank giving rise to any such right of setoff or similar right, the Borrower agrees not to assert such claim as a defense or right of setoff with respect to the Borrower's Obligations under the Credit Documents or otherwise, and to instead assert any such claim, if the Borrower so elects to assert such claim, in a separate proceeding against the Bank and not as a part of any proceeding or as a defense to any claim initiated by the Bank to enforce any of the Bank's rights under any of the Credit Documents.

8.10 Execution in Counterparts; Facsimile Signatures. This Agreement and the other Credit Documents may be executed in any number of counterparts and by different parties thereto, each of which when so executed and delivered shall be deemed to be an original and all of which counterparts taken together shall constitute but one and the same instrument. A signature of a party to any of the Credit Documents sent by facsimile or other electronic transmission shall be deemed to constitute an original and fully effective signature of such party.

8.11 USA Patriot Act Notice. The Bank notifies the Borrower that, pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001) (the "Act"), it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow the Bank to identify the Borrower in accordance with the Act. The Borrower agrees to provide such

information and take such other action as the Bank may request from time to time to enable the Bank to comply with the provisions of the Act with respect to the transactions described in the Credit Documents.

8.12 Governing Law; Consent to Forum. This Agreement shall be governed by the laws of the State of Kansas without giving effect to any choice of law rules thereof. As part of the consideration for new value this day received, the Borrower consents to the jurisdiction of any state court located in Johnson County, Kansas or any federal court located in Wyandotte County, Kansas (collectively, the "Chosen Forum"), and waives personal service of any and all process upon it and consents that all such service of process be made by certified or registered mail directed to the Borrower at the address stated in Section 8.1 hereof and service so made shall be deemed to be completed upon delivery thereto. The Borrower waives any objection to jurisdiction and venue of any action instituted against it as provided herein and agrees not to assert any defense based on lack of jurisdiction or venue. The Borrower further agrees not to assert against the Bank (except by way of a defense or counterclaim in a proceeding initiated by the Bank) any claim or other assertion of liability relating to any of the Credit Documents, the Obligations, the Collateral or the Bank's actions or inactions in respect of any of the foregoing in any jurisdiction other than the Chosen Forum. Nothing in this Agreement shall affect the Bank's right to bring any action or proceeding relating to this Agreement or the other Credit Documents against the Borrower or its properties in courts of other jurisdictions.

8.13 Waiver of Jury Trial; Limitation on Damages. To the fullest extent permitted by law, and as separately bargained-for consideration to the Bank, the Borrower waives any right to trial by jury (which the Bank also waives) in any action, suit, proceeding or counterclaim of any kind arising out of or otherwise relating to any of the Credit Documents, the Obligations, the Collateral or the Bank's actions or inactions in respect of any of the foregoing. To the fullest extent permitted by law, and as separately bargained-for consideration to the Bank, the Borrower also waives any right it may have at any time to claim or recover in any litigation or other dispute involving the Bank, whether the underlying claim or dispute sounds in contract, tort or otherwise, any special, exemplary, punitive or consequential damages or any damages other than, or in addition to, actual damages. The Borrower acknowledges that the Bank is relying upon and would not enter into the transactions described in the Credit Documents on the terms and conditions set forth therein but for the Borrower's waivers and agreements under this Section.

[remainder of page intentionally left blank]

8.14 K.S.A. §16-118 Required Notice. This statement is provided pursuant to K.S.A. §16-118: "THIS CREDIT AGREEMENT IS A FINAL EXPRESSION OF THE CREDIT AGREEMENT BETWEEN THE CREDITOR AND THE DEBTOR AND SUCH WRITTEN CREDIT AGREEMENT MAY NOT BE CONTRADICTED BY EVIDENCE OF ANY PRIOR ORAL CREDIT AGREEMENT OR OF A CONTEMPORANEOUS ORAL CREDIT AGREEMENT BETWEEN THE CREDITOR AND DEBTOR." THE FOLLOWING SPACE CONTAINS ANY NON-STANDARD TERMS, INCLUDING THE REDUCTION TO WRITING OF ANY PREVIOUS ORAL CREDIT AGREEMENT:

NONE.

The creditor and debtor, by their respective initials or signatures below, confirm that no unwritten credit agreement exists between the parties:

Creditor: _____

Debtor: _____

[signature page(s) to follow]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed and delivered by their duly authorized representatives as of the date first above written.

TORTOISE CAPITAL RESOURCES CORPORATION

By: _____
Name:
Title:

By: _____
Name:
Title:

U.S. BANK N.A.

By: _____
Colleen S. Hayes
Commercial Loan Officer

Exhibit A

REVOLVING CREDIT NOTE

$15,000,000 December 13, 2006

For value received, the undersigned, TORTOISE CAPITAL RESOURCES CORPORATION, a Maryland corporation (the "Borrower"), promises to pay to the order of U.S. BANK N.A., a national banking association (the "Bank"; which term shall include any subsequent holder hereof), in lawful money of the United States of America, without setoff, deduction or counterclaim, the principal sum of Fifteen Million and 00/100 Dollars ($15,000,000.00) or, if different, the principal amount outstanding under Section 2.2 of the Credit Agreement referred to below.

This Revolving Credit Note (the "Note") is the Revolving Credit Note referred to in, is issued pursuant to, and is subject to the terms and conditions of, the Credit Agreement, dated as of or on or about December 13, 2006, between the Borrower and the Bank, as the same may be amended, renewed, restated, replaced, consolidated or otherwise modified from time to time (the "Credit Agreement"). To the extent of any direct conflict between the terms and conditions of this Note and the terms and conditions of the Credit Agreement, the terms and conditions of the Credit Agreement shall prevail and govern. Capitalized terms used and not defined in this Note have the meanings given to them in the Credit Agreement.

Interest shall accrue on the outstanding principal balance of this Note as provided in the Credit Agreement. Principal, interest and all other amounts, if any, payable in respect of this of this Note shall be payable as provided in the Credit Agreement. The Borrower's right, if any, to prepay this Note is subject to the terms and conditions of the Credit Agreement.

The termination of the Credit Agreement or the occurrence of an Event of Default shall entitle the Bank, at its option, to declare the then outstanding principal balance hereof, all accrued interest thereon, and all other amounts, if any, payable in respect of this Note to be, and the same shall thereupon become, immediately due and payable without notice to or demand on the Borrower, all of which the Borrower waives.

Time is of the essence of this Note. To the fullest extent permitted by applicable law, the Borrower, for itself and its successors and assigns, waives presentment, demand, protest, notice of dishonor, and any and all other notices, demands and consents in connection with the delivery, acceptance, performance, default or enforcement of this Note, and consents to any extensions of time, renewals, releases of any parties to or guarantors of this Note, waivers and any other modifications that may be granted or consented to by the Bank from time to time in respect of the time of payment or any other provision of this Note.

This Note shall be governed by the laws of the State of Kansas, without regard to any choice of law rule thereof which gives effect to the laws of any other jurisdiction.

[signature page to follow]

IN WITNESS WHEREOF, the Borrower has executed and delivered this Note as of the date first above written.

TORTOISE CAPITAL RESOURCES CORPORATION

By: _____
Name:
Title:

By: _____
Name:
Title:

Exhibit k.6

TORTOISE CAPITAL RESOURCES CORPORATION
(a Maryland corporation)
766,666.66 Preferred Shares
115,000 Warrants

PURCHASE AGREEMENT

Dated: December 22, 2006

PURCHASE AGREEMENT
TORTOISE CAPITAL RESOURCES CORPORATION
(a Maryland corporation)
766,666.66 Preferred Shares
(Par Value $.001 Per Share)
115,000 Warrants

THIS PURCHASE AGREEMENT (the "Agreement") is made and entered into as of 9:00 a.m. on December 22, 2006 by and among Tortoise Capital Resources Corporation, a Maryland corporation (the "Company"), Tortoise Capital Advisors, LLC, a Delaware limited liability company (the "Adviser"), and each of the undersigned prospective purchasers (individually, a "Purchaser" and collectively, the "Purchasers").

WHEREAS, the Company proposes, subject to the terms and conditions stated herein, to issue and sell in a private placement 766,666.66 shares of preferred stock, par value $.001 per share (the "Preferred Shares"), and 115,000 warrants (the "Warrants") of the Company to certain accredited investors as defined in Rule 501(a)(3), (4), (5), (6), (7) or (8) (the "Purchasers") under the Securities Act of 1933, as amended (the "1933 Act"), in reliance upon exemption from registration pursuant to Section 4(2) of the 1933 Act, by means of and on the terms and in the manner set forth herein.

WHEREAS, the 766,666.66 Preferred Shares and the 115,000 Warrants to be sold by the Company to Purchasers hereunder are being sold in units in which each Preferred Share is being sold for $15.00 per share, and for each ten (10) Preferred Shares purchased by any Purchaser, such Purchaser shall receive one and one-half (1.5) Warrants (each such unit of ten (10) Preferred Shares and 1.5 Warrants is hereinafter referred to as a "Unit" and all Preferred Shares and Warrants sold hereunder are hereinafter called the "Securities").

WHEREAS, Purchasers acknowledge that they, and any subsequent purchasers ("Subsequent Purchasers"), that acquire Securities may only resell or otherwise transfer such Securities if such Securities are hereafter registered under the 1933 Act or if an exemption from the registration requirements of the 1933 Act is available (including any exemption afforded by the rules and regulations promulgated under the 1933 Act by the Securities and Exchange Commission (the "Commission")). In addition, the Purchasers acknowledge they are only permitted to transfer the Securities to persons who are "qualified purchasers" within the meaning of Section 3(c)(7) of the Investment Company Act of 1940 (the "1940 Act") and the rules promulgated thereunder and the Subsequent Purchasers will only be permitted to transfer the Securities to persons who are "qualified purchasers."

WHEREAS, the Company has entered into an Investment Advisory Agreement (the "Investment Advisory Agreement") with the Adviser, which is subject to the Investment Advisers Act of 1940, as amended, and the rules and regulations thereunder (collectively, the "Advisers Act").

SECTION 1. Representations and Warranties.

(a) Representations and Warranties by the Company. The Company and the Adviser, jointly and severally, represent and warrant to each Purchaser as of the date hereof and as of the Closing Time referred to in Section 2(b) hereof, as follows (the Company and the Adviser are entering into a separate Purchase Agreement dated of even date herewith, and the representations and warranties made herein are made without giving effect to that agreement):

(i) Information. The Company has made available to each Purchaser: (i) a copy of the Pre-Effective Amendment No. 1 on Form N-2 filed with the Commission by the Company on November 9, 2006, relating to the anticipated offering of shares of common stock (the "Common Stock") of the Company; (ii) additional information about investments made by the Company since the date of that filing; (iii) information about one or more investments expected to be made by the Company; (iv) the Company's Schedule of Investments as of November 30, 2006; (v) the Articles Supplementary for the Series A Redeemable Preferred Stock (the "Articles Supplementary"), in the form attached hereto as Exhibit A, reflecting the rights of the Preferred Shares; (vi) the proxy statements and third quarter shareholder report sent to Company shareholders; (vii) a pro forma capitalization table reflecting the transaction contemplated herein; and (viii) the form of Warrant (collectively, the "Disclosure Material"). The Disclosure Material does not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(ii) Independent Accountants. The accountants for the Company are (A) independent public accountants as required by the 1933 Act and the 1933 Act Regulations, (B) in compliance with the applicable requirements relating to the qualification of accountants under Rule 2-01 under Regulation S-X and (C) a registered public accounting firm as defined by the Public Company Accounting Oversight Board ("PCAOB"), whose registration has not been suspended or revoked and who has not requested such registration to be withdrawn.

(iii) Financial Statements. The unaudited financial statements published by the Company and made available to the Purchasers, together with the related notes, present fairly the financial position of the Company as of the date indicated, and the audited financial statements of the Company have been prepared in conformity with generally accepted accounting principles in the United States ("GAAP") applied on a consistent basis throughout the periods involved.

(iv) Good Standing of the Company. The Company has been duly organized and is validly existing as a corporation in good standing under the laws of the State of Maryland and has corporate power and authority to own, lease and operate its properties and to conduct its business and to enter into and perform its obligations under this Agreement, the Investment Advisory Agreement and the Warrants; and the Company is duly qualified as a foreign corporation to transact business and is in good standing in each other jurisdiction in which such qualification is required, whether by reason of the ownership or leasing of property or the conduct of business, except where the failure so

to qualify or to be in good standing would not be reasonably likely to result in a material adverse change in the condition, financial or otherwise, or in the business affairs or business prospects of the Company or its Subsidiary, whether or not arising in the ordinary course of business (a "Material Adverse Effect").

(v) Subsidiaries. The Company has one subsidiary, Mowood, LLC (the "Subsidiary"). The Company owns all of the equity interests in the Subsidiary. The Subsidiary has been duly organized and is validly existing as a limited liability company in good standing under the laws of the State of Delaware and has power and authority to own, lease and operate its properties and to conduct its business; and the Subsidiary is duly qualified as a foreign corporation to transact business and is in good standing in each other jurisdiction in which such qualification is required, whether by reason of the ownership or leasing of property or the conduct of business, except where the failure so to qualify or to be in good standing would not be reasonably likely to result in a Material Adverse Effect.

(vi) Capitalization. The Company is authorized to issue 100 million shares of its Common Stock, of which 3,066,667 shares are currently issued and outstanding. The Company is authorized to issue 10 million shares of Preferred Stock, of which no such shares are currently issued and outstanding. In addition, the Company has previously issued 772,124 warrants to purchase shares of Common Stock. The shares of issued and outstanding capital stock of the Company have been duly authorized and validly issued and are fully paid and non-assessable; none of the outstanding shares of capital stock of the Company was issued in violation of preemptive or other similar rights of any securityholder of the Company. Except as contemplated herein or set forth above, as of the date of this Agreement and as of the Closing Time, there are no outstanding options, warrants, scrip, rights to subscribe to, or calls of any character whatsoever relating to, or securities or rights convertible into or exercisable or exchangeable for, any shares of capital stock of the Company or its Subsidiary, or arrangements by which the Company or its Subsidiary is or may become bound to issue additional shares of capital stock of the Company or its Subsidiary (whether pursuant to anti-dilution, "reset" or other similar provisions).

(vii) Authorization of Agreements. This Agreement, the Articles Supplementary, the Warrants, and the Investment Advisory Agreement have each been duly authorized, executed and delivered by the Company. This Agreement, the Articles Supplementary, and the Investment Advisory Agreement are, and when issued the Warrants will be, valid and binding obligations of the Company, enforceable against the Company in accordance with their terms, except (i) enforceability may be limited by applicable bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or similar laws affecting creditors' and contracting parties' rights generally and (ii) enforceability may be limited by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(viii) Authorization and Description of Securities. The Securities have been duly authorized for issuance and sale by the Company to the Purchasers pursuant to this Agreement and, when issued and delivered by the Company pursuant to this Agreement

against payment of the consideration set forth herein, will be validly issued and fully paid and non-assessable and free and clear of any liens imposed by or through the Company; the Preferred Shares and the Warrants conform to the rights set forth in the instruments defining the same; no holder of the Securities will be subject to personal liability by reason of being such a holder; and the issuance of the Securities is not subject to the preemptive or other similar rights of any securityholder of the Company.

(ix) Absence of Defaults and Conflicts. The Company is not in violation of its articles or by-laws or in default (and no event has occurred which, with notice or lapse of time or both, would constitute a default) in the performance or observance of any obligation, agreement, covenant or condition contained in any contract, indenture, mortgage, deed of trust, loan or credit agreement, note, lease or other agreement or instrument to which the Company is a party or by which it may be bound, or to which any of the property or assets of the Company is subject (collectively, "Agreements and Instruments") except for such defaults that would not be reasonably likely to result in a Material Adverse Effect; and the execution, delivery and performance of this Agreement, the Articles Supplementary, the Warrants and the Investment Advisory Agreement, and the consummation of the transactions contemplated herein and therein (including the issuance and sale of the Securities) and compliance by the Company with its obligations hereunder and thereunder have been duly authorized by all necessary corporate action and do not and will not, whether with or without the giving of notice or passage of time or both, conflict with or constitute a breach of, or default under, or result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of the Company pursuant to, the Agreements and Instruments, nor will such action result in any violation of the provisions of the articles or by-laws of the Company, any applicable law, statute, rule, regulation, judgment, order, writ or decree of any government, government instrumentality or court, domestic or foreign, having jurisdiction over the Company or any of its assets, properties or operations.

(x) Absence of Proceedings. There is no action, suit, proceeding, inquiry or investigation before or brought by any court or governmental agency or body, domestic or foreign, now pending, or, to the knowledge of the Company, threatened, against the Company or its Subsidiary, or that is reasonably likely to materially and adversely affect the properties or assets of the Company or its Subsidiary or the consummation of the transactions contemplated in this Agreement, the Articles Supplementary, the Warrants, and the Investment Advisory Agreement, or the performance by the Company of its obligations hereunder or thereunder. Neither the Company nor its Subsidiary is a party to or subject to the provisions of, any order, writ, injunction, judgment or decree of any court or government agency or instrumentality that has had or would reasonably be expected to have a Material Adverse Effect.

(xi) Absence of Further Requirements. No filing with, or authorization, approval, consent, license, order, registration, qualification or decree of, any court or governmental authority or agency is necessary or required for the performance by the Company of its obligations hereunder, in connection with the offering, issuance or sale of the Securities hereunder or the consummation of the transactions contemplated by this Agreement, except such as have been already obtained.

(xii) Possession of Licenses and Permits. The Company possesses such permits, licenses, approvals, consents and other authorizations (collectively, "Governmental Licenses") issued by the appropriate federal, state, local or foreign regulatory agencies or bodies necessary to conduct the business now operated by it or proposed to be operated by it immediately following the offering of the Securities, except where the failure so to possess is not reasonably likely to, singly or in the aggregate, result in a Material Adverse Effect; the Company is in compliance with the terms and conditions of all such Governmental Licenses, except where the failure so to comply is not reasonably likely to, singly or in the aggregate, result in a Material Adverse Effect; all of the Governmental Licenses are valid and in full force and effect, except when the invalidity of such Governmental Licenses or the failure of such Governmental Licenses to be in full force and effect is not reasonably likely to, singly or in the aggregate, result in a Material Adverse Effect; and the Company has not received any notice of proceedings relating to the revocation or modification of any such Governmental Licenses which, singly or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would result in a Material Adverse Effect.

(xiii) Employees and Executives. The Company is not aware that (A) any executive, key employee or significant group of employees of the Company or its Subsidiary plans to terminate employment with the Company or its Subsidiary or (B) any such executive or key employee is subject to any noncompete, nondisclosure, confidentiality, employment, consulting or similar arrangement that would be violated by the present or proposed business activities of the Company, its Subsidiary or the Adviser.

(xiv) No General Solicitation. None of the Company or its respective affiliates or any person acting on its or any of their behalf (i) has engaged or will engage, in connection with the offering or sale of the Securities, in any form of general solicitation or general advertising within the meaning of Rule 502(c) under the 1933 Act, (ii) has, directly or indirectly, made any offers or sales of the Securities or solicited any offers to buy the Securities, under any circumstances that would require registration of the Securities under the 1933 Act or (iii) has issued any shares of Common Stock or shares of any series of Preferred Stock or other securities or instruments convertible into, exchangeable for or otherwise entitling the holder thereof to acquire shares of Common Stock which would be integrated with the sale of the Securities to the Purchasers, nor will the Company, its Subsidiary or any affiliates take any action or steps that would require registration of the contemplated sale of the Securities under the 1933 Act or cause the offering of the Securities to be so integrated with other offerings.

(xv) No 1933 Act Registration Required. (A) Subject to compliance by the Purchasers with the representations and warranties set forth in Section 2 and the procedures set forth in Section 5 hereof, it is not necessary in connection with the offer, sale and delivery of the Securities by the Company to the Purchasers in the manner contemplated by this Agreement to register the Securities under the 1933 Act.

(xvi) No 1940 Act Registration Required. Subject to compliance by the Purchasers with the representations and warranties set forth in Section 2 and the procedures set forth in Section 5 hereof, it is not necessary in connection with the offer,

sale and delivery of the Securities to the Purchasers in the manner contemplated by this Agreement and the Offering Memorandum to register the Company under the 1940 Act.

(xvii) Accounting Controls. The Company has established and maintains a system of internal accounting controls sufficient to provide reasonable assurances that (A) transactions will be executed in accordance with management's authorization; (B) transactions will be recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain accountability for assets; (C) access to assets will be permitted only in accordance with management's authorization; (D) the recorded accountability for assets will be compared with the existing assets at reasonable intervals and appropriate action will be taken with respect to any differences; (E) material information relating to the Company will be promptly made known to the officers responsible for establishing and maintaining the system of internal accounting controls; and (F) any significant deficiencies or weaknesses in the design or operation of internal accounting controls that could adversely affect the Company's ability to record, process, summarize and report financial data, and any fraud whether or not material that involves management or other employees who have a significant role in internal controls, will be adequately and promptly disclosed to the Company's independent auditors and the audit committee of the Company's board of directors.

(xviii) No Extension of Credit. The Company has not, directly or indirectly, extended credit, arranged to extend credit, or renewed any extension of credit, in the form of a personal loan, to or for any director or executive officer of the Company, or to or for any family member or affiliate of any director or executive officer of the Company.

(xix) Financial Condition; Taxes.

(a) The Company's financial condition is, in all material respects, as described in the Disclosure Material, except for changes in the ordinary course of business and normal year-end adjustments that are not, in the aggregate, materially adverse to the consolidated business or financial condition of the Company and its Subsidiary taken as a whole. Except as otherwise described in the Disclosure Material, there has been no (i) material adverse change to the Company's business, operations, properties, financial condition, prospects or results of operations since the date of the Company's most recent financial statements contained in the Disclosure Material or (ii) change by the Company in its accounting principles, policies and methods except as required by changes in GAAP.

(b) Each of the Company and the Subsidiary has prepared in good faith and duly and timely filed all tax returns required to be filed by it and such returns are complete and accurate in all material respects and the Company and its Subsidiary have paid all taxes required to have been paid by them, except for taxes which they reasonably dispute in good faith or the failure of which to pay has not had or would not reasonably be expected to have a Material Adverse Effect.

(xx) Fees. The Company is not obligated to pay any compensation or other fee, cost or related expenditure to any underwriter, broker, agent or other representative in connection with the transactions contemplated hereby. The Company will indemnify and hold harmless the Purchasers from and against any claim by any person or entity alleging that any Purchaser is obligated to pay any such compensation, fee, cost or related expenditure in connection with the transactions contemplated hereby.

(xxi) Disclosure. There is no fact known to the Company which has had a Material Adverse Effect, and there is no fact known to the Company that could reasonably be expected to have a Material Adverse Effect, except as may have been disclosed in writing to the Purchasers or as set forth in the Disclosure Material.

(xxii) Insurance. The Company maintains insurance for itself and its Subsidiary in such amounts and covering such losses and risks as is reasonably prudent and customary in the businesses in which the Company and its Subsidiary are engaged. No notice of cancellation has been received for any of such policies and the Company is in compliance with all of the terms and conditions thereof. The Company has no reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business without a significant increase in cost.

(xxi) Transfer Taxes. No stock transfer or other taxes (other than income taxes) are required to be paid in connection with the issuance and sale of any of the Securities, other than such taxes for which the Company has established appropriate reserves and intends to pay in full.

(xxii) Absence of Undisclosed Liabilities. As of the date hereof, the Company does not have any material liabilities (absolute, contingent, accrued or otherwise) in respect of the business other than: (a) liabilities reflected in the financial statements made available to the Purchasers; (b) liabilities incurred since the date of the financial statements in the ordinary course of business; (c) obligations of continued performance under contracts and other commitments and arrangements entered into in the ordinary course of the business; and (d) liabilities under this Agreement. As of the Closing Time, the Company has in place a credit facility with a single lender permitting it to borrow up to $15 million, of which approximately $12 million has been borrowed.

(b) Representations and Warranties of the Adviser. The Adviser represents to each Purchaser as of the date hereof and, as of the Closing Time referred in Section 2(b) hereof, as follows (the Company and the Adviser are entering into a separate Purchase Agreement dated of even date herewith, and the representations and warranties made herein are made without giving effect to that agreement):

(i) Good Standing. The Adviser has been duly organized and is validly existing as a limited liability company in good standing under the laws of the State of Delaware, and has limited liability company power and authority to own, lease and operate its properties and to conduct its business and to enter into and perform its

obligations under this Agreement; the Adviser also has limited liability company power and authority to execute and deliver and perform its obligations under the Investment Advisory Agreement; the Adviser is duly qualified to transact business as a foreign entity and is in good standing in each other jurisdiction in which such qualification is required, whether by reason of ownership or leasing of its property or the conduct of business, except where the failure to qualify or be in good standing would not be reasonably likely to result in a material adverse change in the condition, financial or otherwise, or in the business affairs, business prospects or regulatory status of the Adviser, whether or not arising in the ordinary course of business, or that would otherwise prevent the Adviser from carrying out its obligations under the Investment Advisory Agreement (and "Advisor's Material Adverse Effect").

(ii) Registration Under Advisers Act. The Adviser is duly registered with the Commission as an investment adviser under the Advisers Act and is not prohibited by the Advisers Act, the 1940 Act or the applicable published rules and regulations thereunder from acting under the Investment Advisory Agreement for the Company. There does not exist any proceeding or, to the Adviser's knowledge, any facts or circumstances the existence of which could lead to any proceeding which might adversely affect the registration of the Adviser with the Commission.

(iii) Absence of Proceedings. There is no action, suit, proceeding, inquiry or investigation before or brought by any court or governmental agency or body, domestic or foreign, now pending, or, to the knowledge of the Adviser, threatened, against or affecting the Adviser that might result in a Material Adverse Effect or an Adviser's Material Adverse Effect, or which might materially and adversely affect the properties or assets of the Company or the consummation of the transactions contemplated in this Agreement or the performance by the Adviser of its obligations hereunder.

(iv) Absence of Defaults and Conflicts. The Adviser is not in violation of its limited liability company operating agreement or in default in the performance or observance of any obligation, agreement, covenant or condition contained in any contract, indenture, mortgage, deed of trust, loan or credit agreement, note, lease or other agreement or instrument to which the Adviser is a party or by which it may be bound, or to which any of the property or assets of the Adviser is subject (collectively, the "Adviser Agreements and Instruments"), or in violation of any law, statute, rule, regulation, judgment, order or decree except for such violations or defaults that would not be reasonably likely to result in a Material Adverse Effect or an Adviser's Material Adverse Effect; and the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated herein (including the issuance and sale of the Securities and the use of the proceeds from the sale of the Securities) and compliance by the Adviser with its obligations hereunder and under the Investment Advisory Agreement have been duly authorized by all necessary corporate action and do not and will not, whether with or without the giving of notice or passage of time or both, conflict with or constitute a breach of, or default or Adviser Repayment Event (as defined below) under, or result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of the Adviser pursuant to, the Adviser Agreements and Instruments, nor will such action result in any violation of the provisions of the limited liability

company operating agreement of the Adviser, or any applicable law, statute, rule, regulation, judgment, order, writ or decree of any government, government instrumentality or court, domestic or foreign, having jurisdiction over the Adviser or any of its assets, properties or operations. As used herein, an "Adviser Repayment Event" means any event or condition which gives the holder of any note, debenture or other evidence of indebtedness (or any person acting on such holder's behalf) the right to require the repurchase, redemption or repayment of all or a portion of such indebtedness by the Adviser.

(v) Authorization of Agreements. This Agreement and the Investment Advisory Agreement have been duly authorized, executed and delivered by the Adviser. This Agreement and the Investment Advisory Agreement are valid and binding obligations of the Adviser, enforceable against it in accordance with its terms, except (i) enforceability may be limited by applicable bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or similar laws affecting creditors' and contracting parties' rights generally and (ii) enforceability may be limited by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(vi) Absence of Further Requirements. No filing with, or authorization, approval, consent, license, order, registration, qualification or decree of, any court or governmental authority or agency is necessary or required for the performance by the Adviser of its obligations hereunder, in connection with the offering, issuance or sale of the Securities hereunder or the consummation of the transactions contemplated by this Agreement, except such as have already been made or obtained.

(vii) Financial Resources. The Adviser has the financial resources available to it necessary for the performance of its services and obligations as contemplated under this Agreement and the Investment Advisory Agreement.

(viii) Possession of Licenses and Permits. The Adviser possesses such Governmental Licenses issued by the appropriate federal, state, local or foreign regulatory agencies or bodies necessary to conduct the business now operated by it, except where the failure so to possess would not, singly or in the aggregate, result in a Material Adverse Effect or an Adviser's Material Adverse Effect; the Adviser is in compliance with the terms and conditions of all such Governmental Licenses, except where the failure so to comply would not, singly or in the aggregate, result in a Material Adverse Effect or an Adviser's Material Adverse Effect; all of the Governmental Licenses are valid and in full force and effect, except when the invalidity of such Governmental Licenses or the failure of such Governmental Licenses to be in full force and effect would not, singly or in the aggregate, result in a Material Adverse Effect or an Adviser's Material Adverse Effect; and the Adviser has not received any notice of proceedings relating to the revocation or modification of any such Governmental Licenses which, singly or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would result in a Material Adverse Effect or an Adviser's Material Adverse Effect.

(ix) Employment Status. The Adviser is not aware that (A) any executive, key employee or significant group of employees of the Adviser plans to terminate employment with the Adviser (B) any such executive or key employee is subject to any non-compete, nondisclosure, confidentiality, employment, consulting or similar agreement that would be violated by the present or proposed business activities of the Company or the Adviser except where such termination or violation would not constitute a Material Adverse Effect or an Adviser's Material Adverse Effect.

(x) Internal Controls. The Adviser operates a system of internal controls sufficient to provide reasonable assurance that (A) transactions effectuated by it under the Investment Advisory Agreement are executed in accordance with its management's general or specific authorization; and (B) access to the Company's assets is permitted only in accordance with its management's general or specific authorization.

(c) Representations and Warranties by each Purchaser. Each Purchaser, severally and not jointly, represents and warrants to the Company and the Adviser as of the date hereof and as of the Closing Time referred to in Section 2(b) hereof, as follows:

(i) Securities Law Representations and Warranties.

(A) The Purchaser (i) is an "accredited purchaser" as defined in Rule 501(a)(3), (4), (5), (6), (7) or (8) under the 1933 Act, (ii) has the knowledge, sophistication and experience necessary to make, and is qualified to make decisions with respect to, investments in securities representing an investment decision like that involved in the purchase of the Securities and investments in companies comparable to the Company, (iii) can bear the economic risk of a total loss of its investment in the Securities and (iv) has requested, received, reviewed and considered all information it deemed relevant in making an informed decision to purchase the Securities, including the Disclosure Material;

(B) The Purchaser is acquiring the Securities for its own account and not with a view towards, or for resale in connection with, the public sale or distribution thereof;

(C) The Purchaser was not organized for the specific purpose of acquiring the Securities;

(D) The Purchaser will not, directly or indirectly, offer, sell, pledge, transfer or otherwise dispose of (or solicit any offers to buy, purchase or otherwise acquire or take a pledge of) any of the Securities except in compliance with the 1933 Act, applicable state securities laws and the respective rules and regulations promulgated thereunder;

(E) The Purchaser understands that the Securities are being offered and sold in reliance on specific exemptions from the registration requirements of the United States federal and state securities laws and that the Company is relying upon the truth and accuracy of, and the Purchaser's compliance with, representations, warranties, agreements, acknowledgements and understandings of the Purchaser set forth herein in order to determine the availability of such exemptions and the eligibility of the Purchaser to acquire the Securities;

(F) The Purchaser understands that no United States federal or state agency or any other government or governmental agency has passed on or made any recommendation or endorsement of the Securities or the fairness or suitability of an investment in the Securities nor have such authorities passed upon or endorsed the merits of this transaction;

(G) The Purchaser acknowledges that the Company has represented that no action has been or will be taken in any jurisdiction outside the United States by the Company that would permit an offering of the Securities, or possession or distribution of offering materials in connection with the issue of the Securities, in any jurisdiction outside the United States where action for that purpose is required. If the Purchaser is located or domiciled outside the United States it agrees to comply with all applicable laws and regulations in each foreign jurisdiction in which it purchases, offers, sells or delivers Securities or has in its possession or distributes any offering material, in all cases at its own expense;

(H) The Purchaser has been furnished with all materials relating to the business, financial condition, results of operations, properties, management, operations and prospects of the Company, including materials relating to the terms and conditions of the offer and sale of the Securities which have been requested by the Purchaser. The Purchaser has been afforded the opportunity to ask questions of the Company and has received answers from an authorized representative of the Company that are satisfactory to the Purchaser. Notwithstanding the foregoing, in entering into this Agreement, the Purchaser represents that it is relying solely on the representations, warranties, covenants and agreements set forth in this Agreement, which document supersedes and replaces any other written or oral information communicated to the Purchaser;

(I) The Purchaser has independently evaluated the merits of its decision to purchase Securities pursuant to this Agreement; and

(J) The Purchaser is a "Qualified Purchaser" as defined in Section 2(a)(51) of, and of related rules under, the 1940 Act, as amended and that either: (i) the information related to the status of the Purchaser as a Qualified Purchaser provided in the subscription agreement delivered to the Company as part of the prior offering by the Company of its common stock and warrants has not changed and is true and complete in all respects as of the date of this Agreement, or (ii) a subscription agreement has been completed, executed, and delivered to the Company confirming the status of the Purchaser as a Qualified Purchaser as of the date of this Agreement.

(ii) Legends.

(A) The Purchaser understands that, until the end of the applicable holding period under Rule 144(k) of the 1933 Act (or any successor provision) with respect to the Securities, any stock certificate representing the Securities shall bear a legend in the form attached hereto as Exhibit C. That legend shall be removed if, in connection with a sale transaction, such holder provides the Company with (i) confirmation that the purchaser is a "qualified purchaser" as defined in Section 2(a)(51)(A) of the 1940 Act, if the transaction is to take place prior to the Company being subject to the 1940 Act, and (ii) either (A) an opinion of counsel reasonably acceptable to the Company to the effect that a public sale, assignment or

transfer of the Securities may be made without registration under the 1933 Act, or (B) the transaction is to take place after expiration of the applicable two-year holding period under Rule 144(k) of the 1933 Act (or any successor rule); provided that the Purchaser is not and has not been within three months prior to such date, an "affiliate" of the Company (as such term is defined in Rule 144 of the 1933 Act). The Company may make a notation on its records and/or provide instruction to its transfer agent regarding the Company's stock transfer records, consistent with the provisions of this paragraph.

(B) The Purchaser understands that, in the event Rule 144(k) as promulgated under the 1933 Act (or any successor rule) is amended to change the two-year period under Rule 144(k) (or the corresponding period under any successor rule), (i) each reference in this Section 1(c)(ii) to "two years" or the "two-year period" shall be deemed for all purposes of this Agreement to be references to such changed period, and (ii) all corresponding references in the Securities shall be deemed for all purposes to be references to the changed period, provided that such changes shall not become effective if they are otherwise prohibited by, or would otherwise cause a violation of, the then-applicable federal securities laws.

(iii) Authorization; Enforcement; Validity. The Purchaser has full right, power, authority and capacity (corporate, statutory or otherwise) to enter into this Agreement and to consummate the transactions contemplated hereby and has taken all necessary action to authorize the execution, delivery and performance of this Agreement. This Agreement constitutes a valid and binding obligation of the Purchaser enforceable against the Purchaser in accordance with its terms, except (i) to the extent rights to indemnity and contribution may be limited by state or federal securities laws or the public policy underlying such laws; (ii) enforceability may be limited by applicable bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or similar laws affecting creditors' and contracting parties' rights generally and (iii) enforceability may be limited by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(iv) Certain Trading Limitations. The Purchaser (i) represents that on and from the date the Purchaser first became aware of the transaction contemplated herein until the date hereof he, she or it has not and (ii) covenants that for the period commencing on the date hereof and ending on the public announcement of the transaction contemplated herein he, she or it will not, engage in any hedging or other transaction which is designed to or could reasonably be expected to lead to or result in, or be characterized as, a sale, an offer to sell, a solicitation of offers to buy, disposition of, loan, pledge or grant of any right with respect to (collectively, a "Disposition") the Securities of the Company by the Purchaser or any other person or entity in violation of the 1933 Act. Such prohibited hedging or other transactions would include without limitation effecting any short sale or having in effect any short position (whether or not such sale or position is against the box and regardless of when such position was entered into) or any purchase, sale or grant of any right (including without limitation any put or call option) with respect to the Securities of the Company or with respect to any security (other than a broad-based market basket or index) that includes, relates to or derives any significant part of its value from the Securities of the Company.

(v) No Advice. The Purchaser understands that nothing in this Agreement or any other materials presented to the Purchaser in connection with the purchase and sale of the Securities constitutes legal, tax or investment advice. The Purchaser has consulted such legal, tax and investment advisors as it, in its sole discretion, has deemed necessary or appropriate in connection with its purchase of the Securities.

SECTION 2. Sale and Delivery to Purchasers; Closing

(a) Securities. On the basis of the representations and warranties herein contained, the Company agrees to sell to each Purchaser, severally and not jointly, at a price per share of $15.00, the number of Securities set forth in Schedule A opposite the name of such Purchaser.

(b) Payment. Payment of the purchase price for, and delivery of certificates for, the Preferred Shares shall be made at the offices of Blackwell Sanders Peper Martin LLP, 4801 Main Street, Kansas City, Missouri 64112, or at such other place as shall be acceptable to the Company, at 9:00 A.M. (Central time) on December 26, 2006, or such other time not later than ten business days after such date as shall be acceptable to the Company (such time and date of payment and delivery being herein called "Closing Time").

Payment shall be made to the Company from each of the Purchasers by wire transfer of immediately available funds to a bank account designated by the Company, against delivery to the Purchasers for the respective accounts of the Purchasers of certificates for the Securities to be purchased by them.

(c) Denominations; Registration. Certificates for the Preferred Shares shall be in such denominations and registered in such names as are set forth on Schedule A.

SECTION 3. Covenants.

(a) Payment of Expenses. The Company and the Adviser, jointly and severally, will pay all expenses incident to the performance of their obligations under this Agreement, including (i) the preparation, issuance and delivery of the certificates for the Securities, including any stock or other transfer taxes and any stamp or other duties payable upon the sale, issuance or delivery of the Securities, (ii) the fees and disbursements of the Company's, and the Adviser's counsel, accountants and other advisors, (iii) payment of any Blue Sky filing fees and the reasonable fees and disbursements of counsel in connection with the preparation of any Blue Sky Survey and any supplement thereto, (iv) the fees and expenses of any transfer agent or registrar for the Securities, and (v) the costs and expenses of the Company relating to the offering of the Securities. At the Closing Time, the Company will also pay all fees, costs and expenses (including legal fees and expenses of a single law firm selected to represent Purchasers) incurred by all Purchasers in the review and negotiation of this Agreement, the Articles Supplementary for the Preferred Shares and the Warrants.

(b) Commitment to Vote. The Company has called a meeting of its holders of Common Stock to authorize the issuance of the Warrants. The Purchasers are each holders of Common Stock. Each Purchaser covenants and agrees that it will, at the meeting called to authorize the issuance of the Warrants, vote his, her, or its shares of Common Stock in

accordance with the recommendation of the Board of Directors of the Company to authorize the issuance of the Warrants. The Purchasers each hereby grant to the Company a power of attorney to vote his, her, or its shares of Common Stock in favor of authorization of the issuance of the Warrants at the meeting called for that purpose and acknowledge that this power of attorney is coupled with an interest and is irrevocable.

(c) Additional Warrant Issuance. In the event the Preferred Shares are not redeemed and paid in full by June 30, 2007, the Company shall issue to the holders thereof additional warrants, containing terms identical to the Warrants, in an aggregate number equal to the number of Warrants issued at the Closing Time (or such lesser amount as may be required by Section 61(a)(3) of the 1940 Act). Such additional warrants shall be issued by the Company to the holders of the Preferred Shares as of the end of each calendar month beginning July 31, 2007 and continuing through March 31, 2008 at the rate of one-ninth ($1/9^{th}$) of the aggregate number of Warrants issuable pursuant to the preceding sentence. Except as contemplated by this paragraph, the Company shall not issue any additional warrants, options, or rights until all Warrants issuable pursuant to this paragraph have been issued. In the event the Company's ability to issue additional warrants pursuant to this paragraph is constrained by the 1940 Act, the Company will issue the full amount of such warrants at the first point in time at which it is able to do so in compliance with the 1940 Act.

(d) Repurchase Right. In the event the Company has not consummated, by the end of the seventh day following the Closing Time, the investment contemplated by the December 20, 2006 term sheet entered into with Millenium Midstream Energy, LLC, the Company shall repurchase the Preferred Shares and Warrants for an amount equal to the purchase price set forth on Schedule A plus the dividend that has accrued on the Preferred Shares from the Closing Time through the date of such repurchase. Upon payment of such amounts, the Preferred Shares and the Warrants shall be deemed cancelled and of no further force or effect. If all the Preferred Shares and Warrants are repurchased pursuant to the first sentence of this Section 3(d), the Company shall not be obligated to pay any additional amounts or redemption premium as such concepts may be reflected in the Articles Supplementary of the Preferred Shares.

(e) *Securities Filings.* The Company agrees with each Purchaser that it will, following the Closing:

(i) file a Form D with respect to the Securities issued at the Closing Time as required under Regulation D and to provide a copy thereof to such Purchaser promptly after any request therefor; and

(ii) take such action as the Company reasonably determines upon the advice of counsel is necessary to qualify the Preferred Shares and Warrants issued at the Closing Time for sale under applicable state or "blue-sky" laws or obtain an exemption therefrom, and shall provide evidence of any such action to such Purchaser at such Purchaser's request.

(f) *Reservation of Common Stock.* The Company shall, at the Closing Time, have authorized and reserved for issuance, free from any preemptive rights, a number of shares of Common Stock equal to the maximum number of shares of Common Stock issuable upon exercise

of the outstanding Warrants in full at the exercise price then in effect, in each such case without regard to any limitation or restriction on such conversion or exercise that may be set forth in the documents contemplated hereby.

(g) *Use of Proceeds*. The Company shall use the proceeds from the sale of the Preferred Shares for: (i) the purchase of approximately 1,000,000 common units, at approximately $20.00 per unit, of a newly formed partnership that is to acquire Millennium Midstream Energy LLC and its affiliates; and (ii) thereafter, up to $1 million to reduce debt, make other investments, or for working capital.

(h) Shareholder Approval. From and after the Effective Time until such time as the Company completes an Initial Public Offering (as defined in the Articles Supplementary), the Company shall use commercially reasonable efforts to seek authorization of its common stockholders for the issuance of the Warrants ("Stockholder Approval") and, in furtherance thereof, the Company shall, at the first meeting of its stockholders after the Closing Time, recommend to its stockholder that such approval be given. In the event that Stockholder Approval is not obtained at the next meeting of the Company's stockholders, the Company shall continue to use commercially reasonable efforts to seek Stockholder Approval as soon as practicable after such meeting.

(i) Registration Rights. The Company shall use commercially reasonable efforts to enter into a Registration Rights Agreement with the Purchasers as soon as practicable following the date hereof that is consistent with the registration rights granted previously by the Company; provided, however, that the Purchasers will be subordinate to the holders of registration rights granted previously with respect to piggyback rights. Pursuant to the Registration Rights Agreement, the Company shall be required to register such shares for resale promptly following the last to occur of: (i) the earlier to occur of (A) June 8, 2007, or (B) nine months after completion of the Initial Public Offering; and (ii) the exercise of Warrants resulting in the issuance of at least 66,666 shares of common stock of the Company. The filing of such registration statement shall be accompanied by an agreement between the Company and the Purchasers providing customary indemnification, black-out, and expense allocation provisions that are consistent with such provisions included in the registration rights agreement granted previously by the Company.

SECTION 4. Conditions of Purchasers' Obligations. The obligations of the parties hereunder are subject to the accuracy of the representations and warranties of the parties contained in Section 1 hereof or in certificates of any party, the performance by the parties of their respective covenants and other obligations hereunder, and to the following further conditions:

(a) Opinions of Counsel for Company. At Closing Time, the Purchasers shall have received the favorable opinion, dated as of Closing Time, of Blackwell Sanders Peper Martin LLP, counsel for the Company, in the form set forth on Exhibit B. Such counsel may state that, insofar as such opinion involves factual matters, they have relied, to the extent they deem proper, upon certificates of officers of the Company and certificates of public officials.

(b) Officers' Certificates. (i) At Closing Time, there shall not have been, since the date hereof, any material adverse change in the condition, financial or otherwise, or in the earnings, business affairs or business prospects of the Company, whether or not arising in the ordinary course of business, and the Purchasers shall have received a certificate of the president of the Company, dated as of Closing Time, to the effect that (i) there has been no such material adverse change, (ii) the representations and warranties in Section 1(a) hereof are true and correct with the same force and effect as though expressly made at and as of Closing Time, and (iii) the Company has complied with all agreements and satisfied all conditions on its part to be performed or satisfied at or prior to Closing Time.

(ii) At Closing Time, there shall not have been, since the date hereof, any material adverse change in the condition, financial or otherwise, or in the business affairs or business prospects of the Advisor, whether or not arising in the ordinary course of business, and the Purchasers shall have received a certificate of the president of the Advisor, dated as of Closing Time, to the effect that (i) there has been no such material adverse change, (ii) the representations and warranties in Section 1(a) and 1(b) hereof are true and correct with the same force and effect as though expressly made at and as of Closing Time, and (iii) the Advisor has complied with all agreements and satisfied all conditions on its part to be performed or satisfied at or prior to Closing Time.

(c) Confirmation of Purchaser Representations. At Closing Time, payment by each Purchaser of the purchase price set forth on Schedule A to be paid by such Purchaser shall be deemed to provide confirmation by such Purchaser of the representations set forth in Section 1(c) above and confirm compliance by such Purchaser with all agreements and satisfaction of all conditions on its part to be performed or satisfied at or prior to Closing Time.

(d) No Pending Litigation. At the Closing Time, no legal action, suit, or proceeding shall be pending or overtly threatened seeking to restrain or prohibit the performance of any party hereto of its obligations under this Agreement or to prohibit the transactions contemplated by this Agreement.

(e) Termination of Agreement. If any condition to the obligations of a Purchaser specified in this Section shall not have been fulfilled when and as required to be fulfilled, this Agreement may be terminated by such Purchaser (but only as to such Purchaser) by notice to the Company at any time at or prior to Closing Time and such termination shall be without liability of any party to any other party. If any condition to the obligations of the Company and Adviser specified in this Section shall not have been fulfilled when and as required to be fulfilled, this Agreement may be terminated by the Company as to any Purchaser by notice to such Purchaser at any time at or prior to Closing Time and such termination as to such Purchaser shall be without liability of any party to any other party.

(f) *Articles Supplementary*. The Company shall have delivered evidence reasonably satisfactory to the Purchasers confirming that the Articles Supplementary shall have been duly authorized and adopted by all requisite corporate action, shall have been duly filed with the Secretary of State of the State of Maryland, and shall be in full force and effect.

SECTION 5. Subsequent Offers and Resales of the Securities. Each Purchaser and the Company hereby establish and agree to observe the following procedures in connection with the offer and sale of the Securities:

(i) Offers and Sales. Offers and sales of the Securities shall be made to such persons and in such manner as is contemplated herein. No offers, sales or deliveries of any of the Securities will be made in any jurisdiction outside the United States except under circumstances that will result in compliance with the applicable laws thereof.

(ii) No General Solicitation. No general solicitation or general advertising (within the meaning of Rule 502(c) under the 1933 Act) will be used in the United States in connection with the offering or sale of the Securities.

(iii) Purchases by Non-Bank Fiduciaries. In the case of a future non-bank purchaser of a Security acting as a fiduciary for one or more third parties, each third party must, in the judgment of the Company, be a "qualified institutional buyer" within the meaning of Rule 144A under the 1933 Act (a "Qualified Institutional Buyer").

(iv) Purchaser as Qualified Purchasers. Each future purchaser of a Security shall, in the reasonable judgment of the Company, be a qualified purchaser (a "Qualified Purchaser") as defined in Section 2(a)(51)(A) of the 1940 Act and related rules.

(v) No Benefit Plans Purchasers. No future purchaser of a Security shall, in the judgment of the Company, be a benefit plan investor within the meaning of the applicable plan asset regulations, whether or not subject to Title I of ERISA or Section 4975 of the Code.

(vi) Purchaser Notification. Reasonable steps will be taken by any Purchaser selling the Securities to inform persons acquiring Securities that the Securities (A) have not been and will not be registered under the 1933 Act, (B) are being sold to them without registration under the 1933 Act in reliance on Rule 144A, and (C) may not be offered, sold or otherwise transferred except (1) to the Company, (2) inside the United States in accordance with (x) Rule 144A to a person whom the seller reasonably believes is a Qualified Institutional Buyer that is purchasing such Securities for its own account or for the account of a Qualified Institutional Buyer to whom notice is given that the offer, sale or transfer is being made in reliance on Rule 144A or (y) pursuant to another available exemption from registration under the 1933 Act, (3) until such time as the Company elects to become a business development company under the 1940 Act, to a Qualified Purchaser and (4) until such time as the Preferred Shares qualify as "publicly offered securities" under the Department of Labor Regulation Section 2510.3-101 (the "Plan Asset Regulations"), the Securities may not be sold or transferred to any transferee that is a benefit plan investor within the meaning of the applicable plan asset regulations, whether or not subject to Title I of ERISA or Section 4975 of the Code.

(vii) Minimum Principal Amount. No sale of the Securities to any one Purchaser will be for less than U.S. $1,000 principal amount and no Security will be issued in a smaller principal amount. If the Purchaser is a non-bank fiduciary acting on

behalf of others, each person for whom it is acting must purchase at least U.S. $1,000 principal amount of the Securities.

SECTION 6. Representations, Warranties and Agreements to Survive. All representations, warranties and agreements contained in this Agreement or in certificates of officers of the Company and the Adviser submitted pursuant hereto, shall remain operative and in full force and effect regardless of (i) any investigation made by or on behalf of any Purchaser, any person controlling any Purchaser, its officers or directors or any person controlling the Company and (ii) delivery of and payment for the Securities.

SECTION 7. Notices. All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given if mailed or transmitted by any standard form of telecommunication. Notices to the Purchasers shall be directed to the addresses set forth on the signature page to this Agreement; and notices to the Company and the Adviser shall be directed to them at Tortoise Capital Resources Corporation, 10801 Mastin Boulevard, Suite 222, Overland Park, Kansas 66210, attention Terry Matlack, with a copy to Blackwell Sanders Peper Martin, L.L.P, 4801 Main Street, Suite 1000, Kansas City, MO 64112, attention Steve Carman, Esq.

SECTION 8. Parties. This Agreement shall inure to the benefit of and be binding upon the Purchasers and the Company and their respective successors. Nothing expressed or mentioned in this Agreement is intended or shall be construed to give any person, firm or corporation, other than the Purchasers, the Company and the Adviser any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision herein contained. This Agreement and all conditions and provisions hereof are intended to be for the sole and exclusive benefit of the Purchasers, the Company and the Adviser and their respective successors.

SECTION 9. GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

SECTION 10. TIME. TIME SHALL BE OF THE ESSENCE OF THIS AGREEMENT. EXCEPT AS OTHERWISE SET FORTH HEREIN, SPECIFIED TIMES OF DAY REFER TO NEW YORK CITY TIME.

SECTION 11. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same Agreement.

SECTION 12. Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.

SECTION 13. Independent Nature of Purchasers' Obligations and Rights. The obligations of each Purchaser hereunder are several and not joint with the obligations of the other Purchasers hereunder, and no Purchaser shall be responsible in any way for the performance of the obligations of any other Purchaser hereunder. Nothing contained herein or in any other agreement or document delivered at the Closing Time, and no action taken by any Purchaser pursuant hereto or thereto,

shall be deemed to constitute the Purchasers as a partnership, an association, a joint venture or any other kind of entity, or create a presumption that the Purchasers are in any way acting in concert with respect to such obligations or the transactions contemplated by this Agreement. Each Purchaser shall be entitled to protect and enforce its rights, including without limitation the rights arising out of this Agreement or the other documents contemplated hereby, and it shall not be necessary for any other Purchaser to be joined as an additional party in any proceeding for such purpose.

SECTION 14. Remedies. The Company acknowledges and agrees that a breach by it of its obligations hereunder will cause irreparable harm to each Purchaser and that the remedy or remedies at law for any such breach will be inadequate and agrees, in the event of any such breach, in addition to all other available remedies, such Purchaser shall be entitled to an injunction restraining any breach and requiring immediate and specific performance of such obligations without the necessity of showing economic loss. Any party incurring any cost or expense in the successful enforcement of any right granted hereunder (or defending against enforcement of an alleged right) shall be entitled to reimbursement of any such cost or expense (including reasonable attorneys' fees) from the party against whom successful enforcement is obtained (or which sought unsuccessfully to enforce an alleged right).

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If the foregoing is in accordance with your understanding of our agreement, please sign and return to the Company a counterpart hereof, whereupon this instrument, along with all counterparts, will become a binding agreement between the Purchasers, the Company and the Adviser in accordance with its terms.

Very truly yours,

COMPANY:

TORTOISE CAPITAL RESOURCES CORPORATION

By _____
Name: David J. Schulte
Title: President

ADVISER:

TORTOISE CAPITAL ADVISORS, LLC

By _____
Name: David J. Schulte
Title: Member

PURCHASERS:

KENMONT SPECIAL OPPORTUNITIES MASTER FUND, L.P.

By: Kenmont Investments Management, L.P.
By: _____
Name:
Title:

MAN MAC MIESQUE 10B, LTD.

By: Kenmont Investments Management, L.P.
By: _____
Name:
Title:

SCHEDULE A

Name and Notice Information of Purchaser	Number of Preferred Shares Purchased	Number of Warrants Purchased	Total Purchase Price
Kenmont Special Opportunities Master Fund, L.P.	536,666.66	80,500	$ 8,050,000
Man Mac Miesque 10B, Ltd.	230,000	34,500	$ 3,450,000

SCHEDULE A

Name of Purchaser	Number of Preferred Shares Purchased	Number of Warrants Purchased	Total Purchase Price
Dennis L. Baumann Trust A U/T/A Dated 11/24/92	8,333.33	1,250	$ 125,000.00
Irwin Blitt Revocable Trust U/A DTD 1/28/79 As Amended	13,333.33	2,000	$ 200,000.00
Greg Bricker and Cynthia Jean Calbert Ten Ent	6,666.66	1,000	$ 100,000.00
Bowen, John T.	8,333.33	1,250	$ 125,000.00
Caulkins, Max	16,666.66	2,500	$ 250,000.00
CF Partners, LP	22,133.33	3,320	$ 332,000.00
Keith Copaken & Amy L. Copaken JTWROS	6,666.66	1,000	$ 100,000.00
Jon Copaken & Shelley Copaken TEN ENT	6,666.66	1,000	$ 100,000.00
James Copaken Trust	6,666.66	1,000	$ 100,000.00
Paul Copaken Revocable Trust DTD 10/24/79 As Amended	11,066.66	1,666	$ 166,000.00
Thomas M. Cray Revocable Trust Dtd. 10/9/00	6,666.66	1,000	$ 100,000.00
Cunningham, Robin	15,000	2,250	$ 225,000.00
Epsten, Bradford M.	6,666.66	1,000	$ 100,000.00
Jack Fingersh DTD 8/21/1992 as Amended	18,700	2,805	$ 280,500.00
James S. Gerson Revocable Trust U/A Dtd. 4/94	6,666.66	1,000	$ 100,000.00

Name of Purchaser	Number of Preferred Shares Purchased	Number of Warrants Purchased	Total Purchase Price
Laura Marcia Wolff Greenbaum Trust U/A 9/20/78 as Amended	6,666.66	1,000	$ 100,000.00
Irvine O. Hockaday Jr. Revocable Trust DTD 5/16/96	13,333.33	2,000	$ 200,000.00
J.A.S. Trust DTD 7/6/72	33,333.33	5,000	$ 500,000.00
JPJ Investments	11,666.66	1,750	$ 175,000.00
Kaufman, Brian & Susan	6,666.66	1,000	$ 100,000.00
Richard B. Klein Rev Trust U/A DTD 6/8/93 as Amended	8,333.33	1,250	$ 125,000.00
Krizek, Curtis	6,666.66	1,000	$ 100,000.00
Long, Christopher D. & Angie K. JTWROS	16,666.66	2,500	$ 250,000.00
Donald R. McDonald & Deborah S. McDonald JTWROS	6,666.66	1,000	$ 100,000.00
Margaret A. Nerman Irrev. Trust U/A 7/20/05	11,066.66	1,660	$ 166,000.00
Lewis E. Nerman Rev. Trust DTD 10/19/89 as Amended	13,333.33	2,000	$ 200,000.00
PFF Inc.	18,700	2,805	$ 280,500.00
Pyne Family Trust	6,666.66	1,000	$ 100,000.00
Michael T. Platt Trust Dated May 20, 2003	13,333.33	2,000	$ 200,000.00
Schlessman, Lee	33,333.33	5,000	$ 500,000.00
SBS Investors, LLC	13,333.33	2,000	$ 200,000.00

Name of Purchaser	Number of Preferred Shares Purchased	Number of Warrants Purchased	Total Purchase Price
Lori F. Simmons Living Trust Dtd. 1/9/04	6,666.66	1,000	$ 100,000.00
Solberg, Betsey & Frederick	6,666.66	1,000	$ 100,000.00
Sturgeon, Linda M. Trust U/A DTD 6/16/1992	6,666.66	1,000	$ 100,000.00
Robert A. Tucci	13,333.33	2,000	$ 200,000.00
Gerald M. White Trust UA DTD 12/19/85	6,666.66	1,000	$ 100,000.00
Lewis White Nonexempt Marital Trust U/T/A DTD 12/29/86 As Amended	6,666.66	1,000	$ 100,000.00
Delmar Equity Partners, L.P.	16,666.66	2,500	$ 250,000.00
Robert N. Epsten Trust U/A Dated 6/29/1993	6,666.66	1,000	$ 100,000.00
RJ Investments LP	6,666.66	1,000	$ 100,000.00
Kristin D. Webster Revocable Trust DTD 4/10/2000	10,000	1,500	$ 150,000.00

Exhibit k.7

TORTOISE CAPITAL RESOURCES CORPORATION
(a Maryland corporation)
466,666.66 Preferred Shares
70,000 Warrants

PURCHASE AGREEMENT

Dated: December 22, 2006

PURCHASE AGREEMENT
TORTOISE CAPITAL RESOURCES CORPORATION
(a Maryland corporation)
466,666.66 Preferred Shares
(Par Value $.001 Per Share)
70,000 Warrants

THIS PURCHASE AGREEMENT (the "Agreement") is made and entered into as of 9:00 a.m. on December 22, 2006 by and among Tortoise Capital Resources Corporation, a Maryland corporation (the "Company"), Tortoise Capital Advisors, LLC, a Delaware limited liability company (the "Adviser"), and each of the undersigned prospective purchasers (individually, a "Purchaser" and collectively, the "Purchasers").

WHEREAS, the Company proposes, subject to the terms and conditions stated herein, to issue and sell in a private placement 466,666.66 shares of preferred stock, par value $.001 per share (the "Preferred Shares"), and 70,000 warrants (the "Warrants") of the Company to certain accredited investors as defined in Rule 501(a)(3), (4), (5), (6), (7) or (8) (the "Purchasers") under the Securities Act of 1933, as amended (the "1933 Act"), in reliance upon exemption from registration pursuant to Section 4(2) of the 1933 Act, by means of and on the terms and in the manner set forth herein.

WHEREAS, the 466,666.66 Preferred Shares and the 70,000 Warrants to be sold by the Company to Purchasers hereunder are being sold in units in which each Preferred Share is being sold for $15.00 per share, and for each ten (10) Preferred Shares purchased by any Purchaser, such Purchaser shall receive one and one-half (1.5) Warrants (each such unit of ten (10) Preferred Shares and 1.5 Warrants is hereinafter referred to as a "Unit" and all Preferred Shares and Warrants sold hereunder are hereinafter called the "Securities").

WHEREAS, Purchasers acknowledge that they, and any subsequent purchasers ("Subsequent Purchasers"), that acquire Securities may only resell or otherwise transfer such Securities if such Securities are hereafter registered under the 1933 Act or if an exemption from the registration requirements of the 1933 Act is available (including any exemption afforded by the rules and regulations promulgated under the 1933 Act by the Securities and Exchange Commission (the "Commission")). In addition, the Purchasers acknowledge they are only permitted to transfer the Securities to persons who are "qualified purchasers" within the meaning of Section 3(c)(7) of the Investment Company Act of 1940 (the "1940 Act") and the rules promulgated thereunder and the Subsequent Purchasers will only be permitted to transfer the Securities to persons who are "qualified purchasers."

WHEREAS, the Company has entered into an Investment Advisory Agreement (the "Investment Advisory Agreement") with the Adviser, which is subject to the Investment Advisers Act of 1940, as amended, and the rules and regulations thereunder (collectively, the "Advisers Act").

SECTION 1. Representations and Warranties.

(a) *Representations and Warranties by the Company.* The Company and the Adviser, jointly and severally, represent and warrant to each Purchaser as of the date hereof and as of the Closing Time referred to in Section 2(b) hereof, as follows (the Company and the Adviser are entering into a separate Purchase Agreement dated of even date herewith, and the representations and warranties made herein are made without giving effect to that agreement):

(i) Information. The Company has made available to each Purchaser: (i) a copy of the Pre-Effective Amendment No. 1 on Form N-2 filed with the Commission by the Company on November 9, 2006, relating to the anticipated offering of shares of common stock (the "Common Stock") of the Company; (ii) additional information about investments made by the Company since the date of that filing; (iii) information about one or more investments expected to be made by the Company; (iv) the Company's Schedule of Investments as of November 30, 2006; (v) the Articles Supplementary for the Series A Redeemable Preferred Stock (the "Articles Supplementary"), in the form attached hereto as Exhibit A, reflecting the rights of the Preferred Shares; (vi) the proxy statements and third quarter shareholder report sent to Company shareholders; (vii) a pro forma capitalization table reflecting the transaction contemplated herein; and (viii) the form of Warrant (collectively, the "Disclosure Material"). The Disclosure Material does not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(ii) Independent Accountants. The accountants for the Company are (A) independent public accountants as required by the 1933 Act and the 1933 Act Regulations, (B) in compliance with the applicable requirements relating to the qualification of accountants under Rule 2-01 under Regulation S-X and (C) a registered public accounting firm as defined by the Public Company Accounting Oversight Board ("PCAOB"), whose registration has not been suspended or revoked and who has not requested such registration to be withdrawn.

(iii) Financial Statements. The unaudited financial statements published by the Company and made available to the Purchasers, together with the related notes, present fairly the financial position of the Company as of the date indicated, and the audited financial statements of the Company have been prepared in conformity with generally accepted accounting principles in the United States ("GAAP") applied on a consistent basis throughout the periods involved.

(iv) Good Standing of the Company. The Company has been duly organized and is validly existing as a corporation in good standing under the laws of the State of Maryland and has corporate power and authority to own, lease and operate its properties and to conduct its business and to enter into and perform its obligations under this Agreement, the Investment Advisory Agreement and the Warrants; and the Company is duly qualified as a foreign corporation to transact business and is in good standing in each other jurisdiction in which such qualification is required, whether by reason of the ownership or leasing of property or the conduct of business, except where the failure so

to qualify or to be in good standing would not be reasonably likely to result in a material adverse change in the condition, financial or otherwise, or in the business affairs or business prospects of the Company or its Subsidiary, whether or not arising in the ordinary course of business (a "Material Adverse Effect").

(v) Subsidiaries. The Company has one subsidiary, Mowood, LLC (the "Subsidiary"). The Company owns all of the equity interests in the Subsidiary. The Subsidiary has been duly organized and is validly existing as a limited liability company in good standing under the laws of the State of Delaware and has power and authority to own, lease and operate its properties and to conduct its business; and the Subsidiary is duly qualified as a foreign corporation to transact business and is in good standing in each other jurisdiction in which such qualification is required, whether by reason of the ownership or leasing of property or the conduct of business, except where the failure so to qualify or to be in good standing would not be reasonably likely to result in a Material Adverse Effect.

(vi) Capitalization. The Company is authorized to issue 100 million shares of its Common Stock, of which 3,066,667 shares are currently issued and outstanding. The Company is authorized to issue 10 million shares of Preferred Stock, of which no such shares are currently issued and outstanding. In addition, the Company has previously issued 772,124 warrants to purchase shares of Common Stock. The shares of issued and outstanding capital stock of the Company have been duly authorized and validly issued and are fully paid and non-assessable; none of the outstanding shares of capital stock of the Company was issued in violation of preemptive or other similar rights of any securityholder of the Company. Except as contemplated herein or set forth above, as of the date of this Agreement and as of the Closing Time, there are no outstanding options, warrants, scrip, rights to subscribe to, or calls of any character whatsoever relating to, or securities or rights convertible into or exercisable or exchangeable for, any shares of capital stock of the Company or its Subsidiary, or arrangements by which the Company or its Subsidiary is or may become bound to issue additional shares of capital stock of the Company or its Subsidiary (whether pursuant to anti-dilution, "reset" or other similar provisions).

(vii) Authorization of Agreements. This Agreement, the Articles Supplementary, the Warrants, and the Investment Advisory Agreement have each been duly authorized, executed and delivered by the Company. This Agreement, the Articles Supplementary, and the Investment Advisory Agreement are, and when issued the Warrants will be, valid and binding obligations of the Company, enforceable against the Company in accordance with their terms, except (i) enforceability may be limited by applicable bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or similar laws affecting creditors' and contracting parties' rights generally and (ii) enforceability may be limited by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(viii) Authorization and Description of Securities. The Securities have been duly authorized for issuance and sale by the Company to the Purchasers pursuant to this Agreement and, when issued and delivered by the Company pursuant to this Agreement

against payment of the consideration set forth herein, will be validly issued and fully paid and non-assessable and free and clear of any liens imposed by or through the Company; the Preferred Shares and the Warrants conform to the rights set forth in the instruments defining the same; no holder of the Securities will be subject to personal liability by reason of being such a holder; and the issuance of the Securities is not subject to the preemptive or other similar rights of any securityholder of the Company.

(ix) Absence of Defaults and Conflicts. The Company is not in violation of its articles or by-laws or in default (and no event has occurred which, with notice or lapse of time or both, would constitute a default) in the performance or observance of any obligation, agreement, covenant or condition contained in any contract, indenture, mortgage, deed of trust, loan or credit agreement, note, lease or other agreement or instrument to which the Company is a party or by which it may be bound, or to which any of the property or assets of the Company is subject (collectively, "Agreements and Instruments") except for such defaults that would not be reasonably likely to result in a Material Adverse Effect; and the execution, delivery and performance of this Agreement, the Articles Supplementary, the Warrants and the Investment Advisory Agreement, and the consummation of the transactions contemplated herein and therein (including the issuance and sale of the Securities) and compliance by the Company with its obligations hereunder and thereunder have been duly authorized by all necessary corporate action and do not and will not, whether with or without the giving of notice or passage of time or both, conflict with or constitute a breach of, or default under, or result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of the Company pursuant to, the Agreements and Instruments, nor will such action result in any violation of the provisions of the articles or by-laws of the Company, any applicable law, statute, rule, regulation, judgment, order, writ or decree of any government, government instrumentality or court, domestic or foreign, having jurisdiction over the Company or any of its assets, properties or operations.

(x) Absence of Proceedings. There is no action, suit, proceeding, inquiry or investigation before or brought by any court or governmental agency or body, domestic or foreign, now pending, or, to the knowledge of the Company, threatened, against the Company or its Subsidiary, or that is reasonably likely to materially and adversely affect the properties or assets of the Company or its Subsidiary or the consummation of the transactions contemplated in this Agreement, the Articles Supplementary, the Warrants, and the Investment Advisory Agreement, or the performance by the Company of its obligations hereunder or thereunder. Neither the Company nor its Subsidiary is a party to or subject to the provisions of, any order, writ, injunction, judgment or decree of any court or government agency or instrumentality that has had or would reasonably be expected to have a Material Adverse Effect.

(xi) Absence of Further Requirements. No filing with, or authorization, approval, consent, license, order, registration, qualification or decree of, any court or governmental authority or agency is necessary or required for the performance by the Company of its obligations hereunder, in connection with the offering, issuance or sale of the Securities hereunder or the consummation of the transactions contemplated by this Agreement, except such as have been already obtained.

(xii) Possession of Licenses and Permits. The Company possesses such permits, licenses, approvals, consents and other authorizations (collectively, "Governmental Licenses") issued by the appropriate federal, state, local or foreign regulatory agencies or bodies necessary to conduct the business now operated by it or proposed to be operated by it immediately following the offering of the Securities, except where the failure so to possess is not reasonably likely to, singly or in the aggregate, result in a Material Adverse Effect; the Company is in compliance with the terms and conditions of all such Governmental Licenses, except where the failure so to comply is not reasonably likely to, singly or in the aggregate, result in a Material Adverse Effect; all of the Governmental Licenses are valid and in full force and effect, except when the invalidity of such Governmental Licenses or the failure of such Governmental Licenses to be in full force and effect is not reasonably likely to, singly or in the aggregate, result in a Material Adverse Effect; and the Company has not received any notice of proceedings relating to the revocation or modification of any such Governmental Licenses which, singly or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would result in a Material Adverse Effect.

(xiii) Employees and Executives. The Company is not aware that (A) any executive, key employee or significant group of employees of the Company or its Subsidiary plans to terminate employment with the Company or its Subsidiary or (B) any such executive or key employee is subject to any noncompete, nondisclosure, confidentiality, employment, consulting or similar arrangement that would be violated by the present or proposed business activities of the Company, its Subsidiary or the Adviser.

(xiv) No General Solicitation. None of the Company or its respective affiliates or any person acting on its or any of their behalf (i) has engaged or will engage, in connection with the offering or sale of the Securities, in any form of general solicitation or general advertising within the meaning of Rule 502(c) under the 1933 Act, (ii) has, directly or indirectly, made any offers or sales of the Securities or solicited any offers to buy the Securities, under any circumstances that would require registration of the Securities under the 1933 Act or (iii) has issued any shares of Common Stock or shares of any series of Preferred Stock or other securities or instruments convertible into, exchangeable for or otherwise entitling the holder thereof to acquire shares of Common Stock which would be integrated with the sale of the Securities to the Purchasers, nor will the Company, its Subsidiary or any affiliates take any action or steps that would require registration of the contemplated sale of the Securities under the 1933 Act or cause the offering of the Securities to be so integrated with other offerings.

(xv) No 1933 Act Registration Required. (A) Subject to compliance by the Purchasers with the representations and warranties set forth in Section 2 and the procedures set forth in Section 5 hereof, it is not necessary in connection with the offer, sale and delivery of the Securities by the Company to the Purchasers in the manner contemplated by this Agreement to register the Securities under the 1933 Act.

(xvi) No 1940 Act Registration Required. Subject to compliance by the Purchasers with the representations and warranties set forth in Section 2 and the procedures set forth in Section 5 hereof, it is not necessary in connection with the offer,

sale and delivery of the Securities to the Purchasers in the manner contemplated by this Agreement and the Offering Memorandum to register the Company under the 1940 Act.

(xvii) Accounting Controls. The Company has established and maintains a system of internal accounting controls sufficient to provide reasonable assurances that (A) transactions will be executed in accordance with management's authorization; (B) transactions will be recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain accountability for assets; (C) access to assets will be permitted only in accordance with management's authorization; (D) the recorded accountability for assets will be compared with the existing assets at reasonable intervals and appropriate action will be taken with respect to any differences; (E) material information relating to the Company will be promptly made known to the officers responsible for establishing and maintaining the system of internal accounting controls; and (F) any significant deficiencies or weaknesses in the design or operation of internal accounting controls that could adversely affect the Company's ability to record, process, summarize and report financial data, and any fraud whether or not material that involves management or other employees who have a significant role in internal controls, will be adequately and promptly disclosed to the Company's independent auditors and the audit committee of the Company's board of directors.

(xviii) No Extension of Credit. The Company has not, directly or indirectly, extended credit, arranged to extend credit, or renewed any extension of credit, in the form of a personal loan, to or for any director or executive officer of the Company, or to or for any family member or affiliate of any director or executive officer of the Company.

(xix) Financial Condition; Taxes.

(a) The Company's financial condition is, in all material respects, as described in the Disclosure Material, except for changes in the ordinary course of business and normal year-end adjustments that are not, in the aggregate, materially adverse to the consolidated business or financial condition of the Company and its Subsidiary taken as a whole. Except as otherwise described in the Disclosure Material, there has been no (i) material adverse change to the Company's business, operations, properties, financial condition, prospects or results of operations since the date of the Company's most recent financial statements contained in the Disclosure Material or (ii) change by the Company in its accounting principles, policies and methods except as required by changes in GAAP.

(b) Each of the Company and the Subsidiary has prepared in good faith and duly and timely filed all tax returns required to be filed by it and such returns are complete and accurate in all material respects and the Company and its Subsidiary have paid all taxes required to have been paid by them, except for taxes which they reasonably dispute in good faith or the failure of which to pay has not had or would not reasonably be expected to have a Material Adverse Effect.

(xx) Fees. The Company is not obligated to pay any compensation or other fee, cost or related expenditure to any underwriter, broker, agent or other representative in connection with the transactions contemplated hereby. The Company will indemnify and hold harmless the Purchasers from and against any claim by any person or entity alleging that any Purchaser is obligated to pay any such compensation, fee, cost or related expenditure in connection with the transactions contemplated hereby.

(xxi) Disclosure. There is no fact known to the Company which has had a Material Adverse Effect, and there is no fact known to the Company that could reasonably be expected to have a Material Adverse Effect, except as may have been disclosed in writing to the Purchasers or as set forth in the Disclosure Material.

(xxii) Insurance. The Company maintains insurance for itself and its Subsidiary in such amounts and covering such losses and risks as is reasonably prudent and customary in the businesses in which the Company and its Subsidiary are engaged. No notice of cancellation has been received for any of such policies and the Company is in compliance with all of the terms and conditions thereof. The Company has no reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business without a significant increase in cost.

(xxi) Transfer Taxes. No stock transfer or other taxes (other than income taxes) are required to be paid in connection with the issuance and sale of any of the Securities, other than such taxes for which the Company has established appropriate reserves and intends to pay in full.

(xxii) Absence of Undisclosed Liabilities. As of the date hereof, the Company does not have any material liabilities (absolute, contingent, accrued or otherwise) in respect of the business other than: (a) liabilities reflected in the financial statements made available to the Purchasers; (b) liabilities incurred since the date of the financial statements in the ordinary course of business; (c) obligations of continued performance under contracts and other commitments and arrangements entered into in the ordinary course of the business; and (d) liabilities under this Agreement. As of the Closing Time, the Company has in place a credit facility with a single lender permitting it to borrow up to $15 million, of which approximately $12 million has been borrowed.

(b) *Representations and Warranties of the Adviser.* The Adviser represents to each Purchaser as of the date hereof and, as of the Closing Time referred in Section 2(b) hereof, as follows (the Company and the Adviser are entering into a separate Purchase Agreement dated of even date herewith, and the representations and warranties made herein are made without giving effect to that agreement):

(i) Good Standing. The Adviser has been duly organized and is validly existing as a limited liability company in good standing under the laws of the State of Delaware, and has limited liability company power and authority to own, lease and operate its properties and to conduct its business and to enter into and perform its

obligations under this Agreement; the Adviser also has limited liability company power and authority to execute and deliver and perform its obligations under the Investment Advisory Agreement; the Adviser is duly qualified to transact business as a foreign entity and is in good standing in each other jurisdiction in which such qualification is required, whether by reason of ownership or leasing of its property or the conduct of business, except where the failure to qualify or be in good standing would not be reasonably likely to result in a material adverse change in the condition, financial or otherwise, or in the business affairs, business prospects or regulatory status of the Adviser, whether or not arising in the ordinary course of business, or that would otherwise prevent the Adviser from carrying out its obligations under the Investment Advisory Agreement (and "Advisor's Material Adverse Effect").

(ii) Registration Under Advisers Act. The Adviser is duly registered with the Commission as an investment adviser under the Advisers Act and is not prohibited by the Advisers Act, the 1940 Act or the applicable published rules and regulations thereunder from acting under the Investment Advisory Agreement for the Company. There does not exist any proceeding or, to the Adviser's knowledge, any facts or circumstances the existence of which could lead to any proceeding which might adversely affect the registration of the Adviser with the Commission.

(iii) Absence of Proceedings. There is no action, suit, proceeding, inquiry or investigation before or brought by any court or governmental agency or body, domestic or foreign, now pending, or, to the knowledge of the Adviser, threatened, against or affecting the Adviser that might result in a Material Adverse Effect or an Adviser's Material Adverse Effect, or which might materially and adversely affect the properties or assets of the Company or the consummation of the transactions contemplated in this Agreement or the performance by the Adviser of its obligations hereunder.

(iv) Absence of Defaults and Conflicts. The Adviser is not in violation of its limited liability company operating agreement or in default in the performance or observance of any obligation, agreement, covenant or condition contained in any contract, indenture, mortgage, deed of trust, loan or credit agreement, note, lease or other agreement or instrument to which the Adviser is a party or by which it may be bound, or to which any of the property or assets of the Adviser is subject (collectively, the "Adviser Agreements and Instruments"), or in violation of any law, statute, rule, regulation, judgment, order or decree except for such violations or defaults that would not be reasonably likely to result in a Material Adverse Effect or an Adviser's Material Adverse Effect; and the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated herein (including the issuance and sale of the Securities and the use of the proceeds from the sale of the Securities) and compliance by the Adviser with its obligations hereunder and under the Investment Advisory Agreement have been duly authorized by all necessary corporate action and do not and will not, whether with or without the giving of notice or passage of time or both, conflict with or constitute a breach of, or default or Adviser Repayment Event (as defined below) under, or result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of the Adviser pursuant to, the Adviser Agreements and Instruments, nor will such action result in any violation of the provisions of the limited liability

company operating agreement of the Adviser, or any applicable law, statute, rule, regulation, judgment, order, writ or decree of any government, government instrumentality or court, domestic or foreign, having jurisdiction over the Adviser or any of its assets, properties or operations. As used herein, an "Adviser Repayment Event" means any event or condition which gives the holder of any note, debenture or other evidence of indebtedness (or any person acting on such holder's behalf) the right to require the repurchase, redemption or repayment of all or a portion of such indebtedness by the Adviser.

(v) Authorization of Agreements. This Agreement and the Investment Advisory Agreement have been duly authorized, executed and delivered by the Adviser. This Agreement and the Investment Advisory Agreement are valid and binding obligations of the Adviser, enforceable against it in accordance with its terms, except (i) enforceability may be limited by applicable bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or similar laws affecting creditors' and contracting parties' rights generally and (ii) enforceability may be limited by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(vi) Absence of Further Requirements. No filing with, or authorization, approval, consent, license, order, registration, qualification or decree of, any court or governmental authority or agency is necessary or required for the performance by the Adviser of its obligations hereunder, in connection with the offering, issuance or sale of the Securities hereunder or the consummation of the transactions contemplated by this Agreement, except such as have already been made or obtained.

(vii) Financial Resources. The Adviser has the financial resources available to it necessary for the performance of its services and obligations as contemplated under this Agreement and the Investment Advisory Agreement.

(viii) Possession of Licenses and Permits. The Adviser possesses such Governmental Licenses issued by the appropriate federal, state, local or foreign regulatory agencies or bodies necessary to conduct the business now operated by it, except where the failure so to possess would not, singly or in the aggregate, result in a Material Adverse Effect or an Adviser's Material Adverse Effect; the Adviser is in compliance with the terms and conditions of all such Governmental Licenses, except where the failure so to comply would not, singly or in the aggregate, result in a Material Adverse Effect or an Adviser's Material Adverse Effect; all of the Governmental Licenses are valid and in full force and effect, except when the invalidity of such Governmental Licenses or the failure of such Governmental Licenses to be in full force and effect would not, singly or in the aggregate, result in a Material Adverse Effect or an Adviser's Material Adverse Effect; and the Adviser has not received any notice of proceedings relating to the revocation or modification of any such Governmental Licenses which, singly or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would result in a Material Adverse Effect or an Adviser's Material Adverse Effect.

(ix) Employment Status. The Adviser is not aware that (A) any executive, key employee or significant group of employees of the Adviser plans to terminate employment with the Adviser (B) any such executive or key employee is subject to any non-compete, nondisclosure, confidentiality, employment, consulting or similar agreement that would be violated by the present or proposed business activities of the Company or the Adviser except where such termination or violation would not constitute a Material Adverse Effect or an Adviser's Material Adverse Effect.

(x) Internal Controls. The Adviser operates a system of internal controls sufficient to provide reasonable assurance that (A) transactions effectuated by it under the Investment Advisory Agreement are executed in accordance with its management's general or specific authorization; and (B) access to the Company's assets is permitted only in accordance with its management's general or specific authorization.

(c) *Representations and Warranties by each Purchaser.* Each Purchaser, severally and not jointly, represents and warrants to the Company and the Adviser as of the date hereof and as of the Closing Time referred to in Section 2(b) hereof, as follows:

(i) Securities Law Representations and Warranties.

(A) The Purchaser (i) is an "accredited purchaser" as defined in Rule 501(a)(3), (4), (5), (6), (7) or (8) under the 1933 Act, (ii) has the knowledge, sophistication and experience necessary to make, and is qualified to make decisions with respect to, investments in securities representing an investment decision like that involved in the purchase of the Securities and investments in companies comparable to the Company, (iii) can bear the economic risk of a total loss of its investment in the Securities and (iv) has requested, received, reviewed and considered all information it deemed relevant in making an informed decision to purchase the Securities, including the Disclosure Material;

(B) The Purchaser is acquiring the Securities for its own account and not with a view towards, or for resale in connection with, the public sale or distribution thereof;

(C) The Purchaser was not organized for the specific purpose of acquiring the Securities;

(D) The Purchaser will not, directly or indirectly, offer, sell, pledge, transfer or otherwise dispose of (or solicit any offers to buy, purchase or otherwise acquire or take a pledge of) any of the Securities except in compliance with the 1933 Act, applicable state securities laws and the respective rules and regulations promulgated thereunder;

(E) The Purchaser understands that the Securities are being offered and sold in reliance on specific exemptions from the registration requirements of the United States federal and state securities laws and that the Company is relying upon the truth and accuracy of, and the Purchaser's compliance with, representations, warranties, agreements, acknowledgements and understandings of the Purchaser set forth herein in order to determine the availability of such exemptions and the eligibility of the Purchaser to acquire the Securities;

(F) The Purchaser understands that no United States federal or state agency or any other government or governmental agency has passed on or made any recommendation or endorsement of the Securities or the fairness or suitability of an investment in the Securities nor have such authorities passed upon or endorsed the merits of this transaction;

(G) The Purchaser acknowledges that the Company has represented that no action has been or will be taken in any jurisdiction outside the United States by the Company that would permit an offering of the Securities, or possession or distribution of offering materials in connection with the issue of the Securities, in any jurisdiction outside the United States where action for that purpose is required. If the Purchaser is located or domiciled outside the United States it agrees to comply with all applicable laws and regulations in each foreign jurisdiction in which it purchases, offers, sells or delivers Securities or has in its possession or distributes any offering material, in all cases at its own expense;

(H) The Purchaser has been furnished with all materials relating to the business, financial condition, results of operations, properties, management, operations and prospects of the Company, including materials relating to the terms and conditions of the offer and sale of the Securities which have been requested by the Purchaser. The Purchaser has been afforded the opportunity to ask questions of the Company and has received answers from an authorized representative of the Company that are satisfactory to the Purchaser. Notwithstanding the foregoing, in entering into this Agreement, the Purchaser represents that it is relying solely on the representations, warranties, covenants and agreements set forth in this Agreement, which document supersedes and replaces any other written or oral information communicated to the Purchaser;

(I) The Purchaser has independently evaluated the merits of its decision to purchase Securities pursuant to this Agreement; and

(J) The Purchaser is a "Qualified Purchaser" as defined in Section 2(a)(51) of, and of related rules under, the 1940 Act, as amended and that either: (i) the information related to the status of the Purchaser as a Qualified Purchaser provided in the subscription agreement delivered to the Company as part of the prior offering by the Company of its common stock and warrants has not changed and is true and complete in all respects as of the date of this Agreement, or (ii) a subscription agreement has been completed, executed, and delivered to the Company confirming the status of the Purchaser as a Qualified Purchaser as of the date of this Agreement.

(ii) Legends.

(A) The Purchaser understands that, until the end of the applicable holding period under Rule 144(k) of the 1933 Act (or any successor provision) with respect to the Securities, any stock certificate representing the Securities shall bear a legend in the form attached hereto as Exhibit C. That legend shall be removed if, in connection with a sale transaction, such holder provides the Company with (i) confirmation that the purchaser is a "qualified purchaser" as defined in Section 2(a)(51)(A) of the 1940 Act, if the transaction is to take place prior to the Company being subject to the 1940 Act, and (ii) either (A) an opinion of counsel reasonably acceptable to the Company to the effect that a public sale, assignment or

transfer of the Securities may be made without registration under the 1933 Act, or (B) the transaction is to take place after expiration of the applicable two-year holding period under Rule 144(k) of the 1933 Act (or any successor rule); provided that the Purchaser is not and has not been within three months prior to such date, an "affiliate" of the Company (as such term is defined in Rule 144 of the 1933 Act). The Company may make a notation on its records and/or provide instruction to its transfer agent regarding the Company's stock transfer records, consistent with the provisions of this paragraph.

(B) The Purchaser understands that, in the event Rule 144(k) as promulgated under the 1933 Act (or any successor rule) is amended to change the two-year period under Rule 144(k) (or the corresponding period under any successor rule), (i) each reference in this Section 1(c)(ii) to "two years" or the "two-year period" shall be deemed for all purposes of this Agreement to be references to such changed period, and (ii) all corresponding references in the Securities shall be deemed for all purposes to be references to the changed period, provided that such changes shall not become effective if they are otherwise prohibited by, or would otherwise cause a violation of, the then-applicable federal securities laws.

(iii) Authorization; Enforcement; Validity. The Purchaser has full right, power, authority and capacity (corporate, statutory or otherwise) to enter into this Agreement and to consummate the transactions contemplated hereby and has taken all necessary action to authorize the execution, delivery and performance of this Agreement. This Agreement constitutes a valid and binding obligation of the Purchaser enforceable against the Purchaser in accordance with its terms, except (i) to the extent rights to indemnity and contribution may be limited by state or federal securities laws or the public policy underlying such laws; (ii) enforceability may be limited by applicable bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or similar laws affecting creditors' and contracting parties' rights generally and (iii) enforceability may be limited by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(iv) Certain Trading Limitations. The Purchaser (i) represents that on and from the date the Purchaser first became aware of the transaction contemplated herein until the date hereof he, she or it has not and (ii) covenants that for the period commencing on the date hereof and ending on the public announcement of the transaction contemplated herein he, she or it will not, engage in any hedging or other transaction which is designed to or could reasonably be expected to lead to or result in, or be characterized as, a sale, an offer to sell, a solicitation of offers to buy, disposition of, loan, pledge or grant of any right with respect to (collectively, a "Disposition") the Securities of the Company by the Purchaser or any other person or entity in violation of the 1933 Act. Such prohibited hedging or other transactions would include without limitation effecting any short sale or having in effect any short position (whether or not such sale or position is against the box and regardless of when such position was entered into) or any purchase, sale or grant of any right (including without limitation any put or call option) with respect to the Securities of the Company or with respect to any security (other than a broad-based market basket or index) that includes, relates to or derives any significant part of its value from the Securities of the Company.

(v) No Advice. The Purchaser understands that nothing in this Agreement or any other materials presented to the Purchaser in connection with the purchase and sale of the Securities constitutes legal, tax or investment advice. The Purchaser has consulted such legal, tax and investment advisors as it, in its sole discretion, has deemed necessary or appropriate in connection with its purchase of the Securities.

SECTION 2. Sale and Delivery to Purchasers; Closing

(a) *Securities*. On the basis of the representations and warranties herein contained, the Company agrees to sell to each Purchaser, severally and not jointly, at a price per share of $15.00, the number of Securities set forth in Schedule A opposite the name of such Purchaser.

(b) *Payment*. Payment of the purchase price for, and delivery of certificates for, the Preferred Shares shall be made at the offices of Blackwell Sanders Peper Martin LLP, 4801 Main Street, Kansas City, Missouri 64112, or at such other place as shall be acceptable to the Company, at 2:00 P.M. (Central time) on December 22, 2006, or such other time not later than ten business days after such date as shall be acceptable to the Company (such time and date of payment and delivery being herein called "Closing Time").

Payment shall be made to the Company from each of the Purchasers by wire transfer of immediately available funds to a bank account designated by the Company, against delivery to the Purchasers for the respective accounts of the Purchasers of certificates for the Securities to be purchased by them.

(c) *Denominations; Registration*. Certificates for the Preferred Shares shall be in such denominations and registered in such names as are set forth on Schedule A.

SECTION 3. Covenants.

(a) *Payment of Expenses*. The Company and the Adviser, jointly and severally, will pay all expenses incident to the performance of their obligations under this Agreement, including (i) the preparation, issuance and delivery of the certificates for the Securities, including any stock or other transfer taxes and any stamp or other duties payable upon the sale, issuance or delivery of the Securities, (ii) the fees and disbursements of the Company's, and the Adviser's counsel, accountants and other advisors, (iii) payment of any Blue Sky filing fees and the reasonable fees and disbursements of counsel in connection with the preparation of any Blue Sky Survey and any supplement thereto, (iv) the fees and expenses of any transfer agent or registrar for the Securities, and (v) the costs and expenses of the Company relating to the offering of the Securities. At the Closing Time, the Company will also pay all fees, costs and expenses (including legal fees and expenses of a single law firm selected to represent Purchasers) incurred by all Purchasers in the review and negotiation of this Agreement, the Articles Supplementary for the Preferred Shares and the Warrants.

(b) *Commitment to Vote*. The Company has called a meeting of its holders of Common Stock to authorize the issuance of the Warrants. The Purchasers are each holders of Common Stock. Each Purchaser covenants and agrees that it will, at the meeting called to authorize the issuance of the Warrants, vote his, her, or its shares of Common Stock in

accordance with the recommendation of the Board of Directors of the Company to authorize the issuance of the Warrants. The Purchasers each hereby grant to the Company a power of attorney to vote his, her, or its shares of Common Stock in favor of authorization of the issuance of the Warrants at the meeting called for that purpose and acknowledge that this power of attorney is coupled with an interest and is irrevocable. Further, each Purchaser hereby expressly authorizes the Company to issue 766,666.66 additional shares of Series A Preferred Stock, and an additional 115,000 warrants to acquire common stock of the Company, pursuant to a purchase agreement entered into of even date herewith. The authorization provided by the Purchasers is to be deemed a unanimous consent of each such Purchaser, as though such consent were obtained at a meeting called for such purpose.

(c) *Additional Warrant Issuance*. In the event the Preferred Shares are not redeemed and paid in full by June 30, 2007, the Company shall issue to the holders thereof additional warrants, containing terms identical to the Warrants, in an aggregate number equal to the number of Warrants issued at the Closing Time (or such lesser amount as may be required by Section 61(a)(3) of the 1940 Act). Such additional warrants shall be issued by the Company to the holders of the Preferred Shares as of the end of each calendar month beginning July 31, 2007 and continuing through March 31, 2008 at the rate of one-ninth (1/9th) of the aggregate number of Warrants issuable pursuant to the preceding sentence. Except as contemplated by this paragraph, the Company shall not issue any additional warrants, options, or rights until all Warrants issuable pursuant to this paragraph have been issued. In the event the Company's ability to issue additional warrants pursuant to this paragraph is constrained by the 1940 Act, the Company will issue the full amount of such warrants at the first point in time at which it is able to do so in compliance with the 1940 Act.

(d) *Repurchase Right*. In the event the Company has not consummated, by the close of business on January 2, 2007, the investment contemplated by the December 20, 2006 term sheet entered into with Millenium Midstream Energy, LLC, the Company shall repurchase the Preferred Shares and Warrants for an amount equal to the purchase price set forth on Schedule A plus the dividend that has accrued on the Preferred Shares from the Closing Time through the date of such repurchase. Upon payment of such amounts, the Preferred Shares and the Warrants shall be deemed cancelled and of no further force or effect. If all the Preferred Shares and Warrants are repurchased pursuant to the first sentence of this Section 3(d), the Company shall not be obligated to pay any additional amounts or redemption premium as such concepts may be reflected in the Articles Supplementary of the Preferred Shares.

(e) *Securities Filings*. The Company agrees with each Purchaser that it will, following the Closing:

(i) file a Form D with respect to the Securities issued at the Closing Time as required under Regulation D and to provide a copy thereof to such Purchaser promptly after any request therefor; and

(ii) take such action as the Company reasonably determines upon the advice of counsel is necessary to qualify the Preferred Shares and Warrants issued at the Closing Time for

sale under applicable state or "blue-sky" laws or obtain an exemption therefrom, and shall provide evidence of any such action to such Purchaser at such Purchaser's request.

(f) *Reservation of Common Stock.* The Company shall, at the Closing Time, have authorized and reserved for issuance, free from any preemptive rights, a number of shares of Common Stock equal to the maximum number of shares of Common Stock issuable upon exercise of the outstanding Warrants in full at the exercise price then in effect, in each such case without regard to any limitation or restriction on such conversion or exercise that may be set forth in the documents contemplated hereby.

(g) *Use of Proceeds.* The Company shall use the proceeds from the sale of the Preferred Shares for: (i) the purchase of approximately 1,000,000 common units, at approximately $20.00 per unit, of a newly formed partnership that is to acquire Millennium Midstream Energy LLC and its affiliates; and (ii) thereafter, up to $1 million to reduce debt, make other investments, or for working capital.

(h) *Shareholder Approval.* From and after the Effective Time until such time as the Company completes an Initial Public Offering (as defined in the Articles Supplementary), the Company shall use commercially reasonable efforts to seek authorization of its common stockholders for the issuance of the Warrants ("Stockholder Approval") and, in furtherance thereof, the Company shall, at the first meeting of its stockholders after the Closing Time, recommend to its stockholder that such approval be given. In the event that Stockholder Approval is not obtained at the next meeting of the Company's stockholders, the Company shall continue to use commercially reasonable efforts to seek Stockholder Approval as soon as practicable after such meeting.

(i) *Registration Rights.* The Company shall use commercially reasonable efforts to enter into a Registration Rights Agreement with the Purchasers as soon as practicable following the date hereof that is consistent with the registration rights granted previously by the Company; provided, however, that the Purchasers will be subordinate to the holders of registration rights granted previously with respect to piggyback rights. Pursuant to the Registration Rights Agreement, the Company shall be required to register such shares for resale promptly following the last to occur of: (i) the earlier to occur of (A) June 8, 2007, or (B) nine months after completion of the Initial Public Offering; and (ii) the exercise of Warrants resulting in the issuance of at least 66,666 shares of common stock of the Company. The filing of such registration statement shall be accompanied by an agreement between the Company and the Purchasers providing customary indemnification, black-out, and expense allocation provisions that are consistent with such provisions included in the registration rights agreement granted previously by the Company.

SECTION 4. Conditions of Purchasers' Obligations. The obligations of the parties hereunder are subject to the accuracy of the representations and warranties of the parties contained in Section 1 hereof or in certificates of any party, the performance by the parties of their respective covenants and other obligations hereunder, and to the following further conditions:

(a) *Officers' Certificates*. (i) At Closing Time, there shall not have been, since the date hereof, any material adverse change in the condition, financial or otherwise, or in the earnings, business affairs or business prospects of the Company, whether or not arising in the ordinary course of business, and the Purchasers shall have received a certificate of the president of the Company, dated as of Closing Time, to the effect that (i) there has been no such material adverse change, (ii) the representations and warranties in Section 1(a) hereof are true and correct with the same force and effect as though expressly made at and as of Closing Time, and (iii) the Company has complied with all agreements and satisfied all conditions on its part to be performed or satisfied at or prior to Closing Time.

(ii) At Closing Time, there shall not have been, since the date hereof, any material adverse change in the condition, financial or otherwise, or in the business affairs or business prospects of the Advisor, whether or not arising in the ordinary course of business, and the Purchasers shall have received a certificate of the president of the Advisor, dated as of Closing Time, to the effect that (i) there has been no such material adverse change, (ii) the representations and warranties in Section 1(a) and 1(b) hereof are true and correct with the same force and effect as though expressly made at and as of Closing Time, and (iii) the Advisor has complied with all agreements and satisfied all conditions on its part to be performed or satisfied at or prior to Closing Time.

(b) *Confirmation of Purchaser Representations*. At Closing Time, payment by each Purchaser of the purchase price set forth on Schedule A to be paid by such Purchaser shall be deemed to provide confirmation by such Purchaser of the representations set forth in Section 1(c) above and confirm compliance by such Purchaser with all agreements and satisfaction of all conditions on its part to be performed or satisfied at or prior to Closing Time.

(c) *No Pending Litigation*. At the Closing Time, no legal action, suit, or proceeding shall be pending or overtly threatened seeking to restrain or prohibit the performance of any party hereto of its obligations under this Agreement or to prohibit the transactions contemplated by this Agreement.

(d) *Termination of Agreement*. If any condition to the obligations of a Purchaser specified in this Section shall not have been fulfilled when and as required to be fulfilled, this Agreement may be terminated by such Purchaser (but only as to such Purchaser) by notice to the Company at any time at or prior to Closing Time and such termination shall be without liability of any party to any other party. If any condition to the obligations of the Company and Adviser specified in this Section shall not have been fulfilled when and as required to be fulfilled, this Agreement may be terminated by the Company as to any Purchaser by notice to such Purchaser at any time at or prior to Closing Time and such termination as to such Purchaser shall be without liability of any party to any other party.

SECTION 5. Subsequent Offers and Resales of the Securities. Each Purchaser and the Company hereby establish and agree to observe the following procedures in connection with the offer and sale of the Securities:

(i) Offers and Sales. Offers and sales of the Securities shall be made to such persons and in such manner as is contemplated herein. No offers, sales or deliveries of

any of the Securities will be made in any jurisdiction outside the United States except under circumstances that will result in compliance with the applicable laws thereof.

(ii) No General Solicitation. No general solicitation or general advertising (within the meaning of Rule 502(c) under the 1933 Act) will be used in the United States in connection with the offering or sale of the Securities.

(iii) Purchases by Non-Bank Fiduciaries. In the case of a future non-bank purchaser of a Security acting as a fiduciary for one or more third parties, each third party must, in the judgment of the Company, be a "qualified institutional buyer" within the meaning of Rule 144A under the 1933 Act (a "Qualified Institutional Buyer").

(iv) Purchaser as Qualified Purchasers. Each future purchaser of a Security shall, in the reasonable judgment of the Company, be a qualified purchaser (a "Qualified Purchaser") as defined in Section 2(a)(51)(A) of the 1940 Act and related rules.

(v) No Benefit Plans Purchasers. No future purchaser of a Security shall, in the judgment of the Company, be a benefit plan investor within the meaning of the applicable plan asset regulations, whether or not subject to Title I of ERISA or Section 4975 of the Code.

(vi) Purchaser Notification. Reasonable steps will be taken by any Purchaser selling the Securities to inform persons acquiring Securities that the Securities (A) have not been and will not be registered under the 1933 Act, (B) are being sold to them without registration under the 1933 Act in reliance on Rule 144A, and (C) may not be offered, sold or otherwise transferred except (1) to the Company, (2) inside the United States in accordance with (x) Rule 144A to a person whom the seller reasonably believes is a Qualified Institutional Buyer that is purchasing such Securities for its own account or for the account of a Qualified Institutional Buyer to whom notice is given that the offer, sale or transfer is being made in reliance on Rule 144A or (y) pursuant to another available exemption from registration under the 1933 Act, (3) until such time as the Company elects to become a business development company under the 1940 Act, to a Qualified Purchaser and (4) until such time as the Preferred Shares qualify as "publicly offered securities" under the Department of Labor Regulation Section 2510.3-101 (the "Plan Asset Regulations"), the Securities may not be sold or transferred to any transferee that is a benefit plan investor within the meaning of the applicable plan asset regulations, whether or not subject to Title I of ERISA or Section 4975 of the Code.

(vii) Minimum Principal Amount. No sale of the Securities to any one Purchaser will be for less than U.S. $1,000 principal amount and no Security will be issued in a smaller principal amount. If the Purchaser is a non-bank fiduciary acting on behalf of others, each person for whom it is acting must purchase at least U.S. $1,000 principal amount of the Securities.

SECTION 6. Representations, Warranties and Agreements to Survive. All representations, warranties and agreements contained in this Agreement or in certificates of officers of the Company and the Adviser submitted pursuant hereto, shall remain operative and

in full force and effect regardless of (i) any investigation made by or on behalf of any Purchaser, any person controlling any Purchaser, its officers or directors or any person controlling the Company and (ii) delivery of and payment for the Securities.

SECTION 7. Notices. All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given if mailed or transmitted by any standard form of telecommunication. Notices to the Purchasers shall be directed to the addresses set forth on the signature page to this Agreement; and notices to the Company and the Adviser shall be directed to them at Tortoise Capital Resources Corporation, 10801 Mastin Boulevard, Suite 222, Overland Park, Kansas 66210, attention Terry Matlack, with a copy to Blackwell Sanders Peper Martin, L.L.P, 4801 Main Street, Suite 1000, Kansas City, MO 64112, attention Steve Carman, Esq.

SECTION 8. Parties. This Agreement shall inure to the benefit of and be binding upon the Purchasers and the Company and their respective successors. Nothing expressed or mentioned in this Agreement is intended or shall be construed to give any person, firm or corporation, other than the Purchasers, the Company and the Adviser any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision herein contained. This Agreement and all conditions and provisions hereof are intended to be for the sole and exclusive benefit of the Purchasers, the Company and the Adviser and their respective successors.

SECTION 9. GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

SECTION 10. TIME. TIME SHALL BE OF THE ESSENCE OF THIS AGREEMENT. EXCEPT AS OTHERWISE SET FORTH HEREIN, SPECIFIED TIMES OF DAY REFER TO NEW YORK CITY TIME.

SECTION 11. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same Agreement.

SECTION 12. Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.

SECTION 13. Independent Nature of Purchasers' Obligations and Rights. The obligations of each Purchaser hereunder are several and not joint with the obligations of the other Purchasers hereunder, and no Purchaser shall be responsible in any way for the performance of the obligations of any other Purchaser hereunder. Nothing contained herein or in any other agreement or document delivered at the Closing Time, and no action taken by any Purchaser pursuant hereto or thereto, shall be deemed to constitute the Purchasers as a partnership, an association, a joint venture or any other kind of entity, or create a presumption that the Purchasers are in any way acting in concert with respect to such obligations or the transactions contemplated by this Agreement. Each Purchaser shall be entitled to protect and enforce its rights, including without limitation the rights arising out of this Agreement or the other documents contemplated hereby, and it shall not be

necessary for any other Purchaser to be joined as an additional party in any proceeding for such purpose.

SECTION 14. Remedies. The Company acknowledges and agrees that a breach by it of its obligations hereunder will cause irreparable harm to each Purchaser and that the remedy or remedies at law for any such breach will be inadequate and agrees, in the event of any such breach, in addition to all other available remedies, such Purchaser shall be entitled to an injunction restraining any breach and requiring immediate and specific performance of such obligations without the necessity of showing economic loss. Any party incurring any cost or expense in the successful enforcement of any right granted hereunder (or defending against enforcement of an alleged right) shall be entitled to reimbursement of any such cost or expense (including reasonable attorneys' fees) from the party against whom successful enforcement is obtained (or which sought unsuccessfully to enforce an alleged right).

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK.]

If the foregoing is in accordance with your understanding of our agreement, please sign and return to the Company a counterpart hereof, whereupon this instrument, along with all counterparts, will become a binding agreement between the Purchasers, the Company and the Adviser in accordance with its terms.

Very truly yours,

COMPANY:

TORTOISE CAPITAL RESOURCES CORPORATION

By _____

Name: David J. Schulte
Title: President

ADVISER:

TORTOISE CAPITAL ADVISORS, LLC

By _____

Name: David J. Schulte
Title: Member

PURCHASERS:

DENNIS L. BAUMANN TRUST A U/T/A DATED 11/24/92

By: _____

Name: _____

Address: 17054 S. Demi Drive
Belton, MO 64102

IRWIN BLITT REVOCABLE TRUST U/A DTD 1/28/79 AS AMENDED

By: _____

Name: _____

Address: 8900 State Line Road
Suite 333
Leawood, KS 66208

GREG BRICKER AND CYNTHIA JEAN CALBERT TEN ENT

By: _____

Name: _____

Address: 308 N.E. Wicklow Court
Lee's Summit, MO 64064

JOHN T. BOWEN

By: _____

Name: _____

Address: 11705 Manor
Leawood, KS 66211

MAX CAULKINS

By: _____

Name: _____

Address: 1600 Broadway
Suite 1400
Denver, CO 80202

CF PARTNERS, LP

By: _____

Name: _____

Address: 8900 State Line Road
Suite 333
Leawood, KS 66206

KETIH COPAKEN & AMY L. COPAKEN JTWROS

By: _____

Name: _____

Address: 8900 State Line Road
Suite 333
Leawood, KS 66206

JON COPAKEN & SHELLEY COPAKEN TEN ENT

By: _____

Name: _____

Address: 8900 State Line Road
Suite 333
Leawood, KS 66206

JAMES COPAKEN TRUST

By: _____

Name: _____

Address: 8900 State Line Road
Suite 333
Leawood, KS 66206

PAUL COPAKEN REVOCABLE TRUST DTD 10/24/79 AS AMENDED

By: _____

Name: _____

Address: 8900 State Line Road
Suite 333
Leawood, KS 66206

THOMAS M. CRAY REVOCABLE TRUST DTD 10/9/00

By: _____

Name: _____

Address: 9808 Pflumm Road
Lenexa, KS 66215

ROBIN CUNNINGHAM

By: _____

Name: _____

Address: 5521 Crestwood Drive
Kansas City, MO 64110

BRADFORD M. EPSTEN

By: _____

Name: _____

Address: 1030 W. 666th Terrace
Kansas City, MO 64113

JACK FINGERSH DTD 8/21/1992 AS AMENDED

By: _____

Name: _____

Address: 1010 Walnut Street
Suite 500
Kansas City, MO 64106

JAMES S. GERSON REVOCABLE TRUST U/A DTD 4/94

By: _____

Name: _____

Address: 5353 Sunset Drive
Kansas City, MO 64112

LAURA MARCIA WOLFF GREENBAUM TRUST U/A 9/20/78 AS AMENDED

By: _____

Name: _____

Address: 6035 High Drive
Shawnee Mission, KS 66208

IRVINE O. HOCKADAY JR. REVOCABLE TRUST DTD 5/16/96

By: _____

Name: _____

Address: 2600 Grand Blvd.
Suite 450
Kansas City, MO 64108

J.A.S. TRUST DTD 7/6/72

By: _____

Name: _____

Address: 414 Nichols Road
P.O. Box 410889
Kansas City, MO 64141

JPJ INVESTMENTS

By: _____

Name: _____

Address: 800 W. 47th Street
Suite 300
Kansas City, MO 64112

BRIAN & SUSAN KAUFMAN

By: _____

Name: _____

Address: 5050 W. 87th Street
Prairie Village, KS 66207

RICHARD B. KLEIN REV TRUST U/A DTD 6/8/93 AS AMENDED

By: _____

Name: _____

Address: 8104 W. 99th Street
Overland Park, KS 66212

CURTIS KRIZEK

By: _____

Name: _____

Address: 4200 Somerset Drive
Suite 200
Prairie Village, KS 66208

CHRISTOPHER D. LONG & ANGIE K. JTWROS

By: _____

Name: _____

Address: 4801 Main Street
Suite 520
Kansas City, MO 64112

DONALD R. MCDONALD & DEBORAH S. MCDONALD JTWROS

By: _____

Name: _____

Address: 12516 Sherwood
Leawood, KS 66209-3133

MARGARET A. NEMAN IRREV. TRUST U/A 7/20/05

By: _____

Name: _____

Address: 2345 Grand Blvd.
Suite 2400
Kansas City, MO 64108

LEWIS E. NERMAN REV. TRUST DTD 10/19/89 AS AMENDED

By: _____

Name: _____

Address: 11709 Manor Road
Leawood, KS 66211

PFF, INC.

By: _____

Name: _____

Address: 800 W. 47th Street
Suite 300
Kansas City, MO 64112

PYNE FAMILY TRUST

By: _____

Name: _____

Address: 69 Stern Lane
Suite 333
Atherton, CA 94027

MICHAEL T. PLATT TRUST DTD 5/20/03

By: _____

Name: _____

Address: 14232 Nieman Road
Overland Park, KS 66221

LEE SCHIESSMAN

By: _____

Name: _____

Address: 1301 Pennsylvania
Suite 333
Denverm CO 80203

SBS INVESTORS, LLC

By: _____

Name: _____

Address: P.O. Box 1297
Des Moines, IA 50321

LORI F. SIMMONS LIVING TRUST DTD 1/9/04

By: _____

Name: _____

Address: 4200 Somerset Road
Suite 245
Prairie Village, KS 66208

BETSEY & FREDERICK SOLBERG

By: _____

Name: _____

Address: 850 W. 52nd Street
Kansas City, MO 64112

LINDA M. STURGEON TRUST U/A DTD 6/16/92

By: _____

Name: _____

Address: 16950 206th Street
Tonganoxie, KS 66086-5017

ROBERT A. TUCCI

By: _____

Name: _____

Address: 3716 W. 64th Street
Mission Hills, KS 66208

GERALD M. WHITE TRUST UA DTD 12/19/85

By: _____

Name: _____

Address: 8900 State Line Road
Suite 333
Leawood, KS 66206

LEWIS WHITE NONEXEMPT MARITAL TRUST U/T/A DTD 12/29/86 AS AMENDED

By: _____

Name: _____

Address: 8900 State Line Road
Suite 333
Leawood, KS 66206

DELMAR EQUITY PARTNERS, L. P.

By: _____

Name: _____

Address: 301 Elk Woods Road
Cordillera, CO 81632

ROBERT N. EPSTEN TRUST U/A DATED 6/29/1993

By: _____

Name: _____

Address: 5200 Belleview Avenue
Kansas City, MO 64112

RJ INVESTMENTS LP

By: _____

Name: _____

Address: 5200 Belleview Avenue
Kansas City, MO 64112

KRISTIN D. WEBSTER REVOCABLE TRUST DTD 4/10/2000

By: _____

Name: _____

Address: 3700 W. 65th Street
Mission Hills, KS 6208-1738

[CONTINUED ON ADDITIONAL PAGES]

SCHEDULE A

Name of Purchaser	Number of Preferred Shares Purchased	Number of Warrants Purchased	Total Purchase Price
Dennis L. Baumann Trust A U/T/A Dated 11/24/92	8,333.33	1,250	$125,000.00
Irwin Blitt Revocable Trust U/A DTD 1/28/79 As Amended	13,333.33	2,000	$200,000.00
Greg Bricker and Cynthia Jean Calbert Ten Ent	6,666.66	1,000	$100,000.00
Bowen, John T.	8,333.33	1,250	$125,000.00
Caulkins, Max	16,666.66	2,500	$250,000.00
CF Partners, LP	22,133.33	3,320	$332,000.00
Keith Copaken & Amy L. Copaken JTWROS	6,666.66	1,000	$100,000.00
Jon Copaken & Shelley Copaken TEN ENT	6,666.66	1,000	$100,000.00
James Copaken Trust	6,666.66	1,000	$100,000.00
Paul Copaken Revocable Trust DTD 10/24/79 As Amended	11,066.66	1,666	$166,000.00
Thomas M. Cray Revocable Trust Dtd. 10/9/00	6,666.66	1,000	$100,000.00
Cunningham, Robin	15,000	2,250	$225,000.00
Epsten, Bradford M.	6,666	1,000	$100,000.00
Jack Fingersh DTD 8/21/1992 as Amended	18,700	2,805	$280,500.00
James S. Gerson Revocable Trust U/A Dtd. 4/94	6,666	1,000	$100,000.00

Name of Purchaser	Number of Preferred Shares Purchased	Number of Warrants Purchased	Total Purchase Price
Laura Marcia Wolff Greenbaum Trust U/A 9/20/78 as Amended	6,666	1,000	$100,000.00
Irvine O. Hockaday Jr. Revocable Trust DTD 5/16/96	13,333.33	2,000	$200,000.00
J.A.S. Trust DTD 7/6/72	33,333.33	5,000	$500,000.00
JPJ Investments	11,666.66	1,750	$175,000.00
Kaufman, Brian & Susan	6,666.66	1,000	$100,000.00
Richard B. Klein Rev Trust U/A DTD 6/8/93 as Amended	8,333.33	1,250	$125,000.00
Krizek, Curtis	6,666.66	1,000	$100,000.00
Long, Christopher D. & Angie K. JTWROS	16,666.66	2,500	$250,000.00
Donald R. McDonald & Deborah S. McDonald JTWROS	6,666.66	1,000	$100,000.00
Margaret A. Nerman Irrev. Trust U/A 7/20/05	11,066.66	1,660	$166,000.00
Lewis E. Nerman Rev. Trust DTD 10/19/89 as Amended	13,333.33	2,000	$200,000.00
PFF Inc.	18,700.00	2,805	$280,500.00
Pyne Family Trust	6,666.66	1,000	$100,000.00
Michael T. Platt Trust Dated May 20, 2003	13,333.33	2,000	$200,000.00
Schlessman, Lee	33,333.33	5,000	$500,000.00
SBS Investors, LLC	13,333.33	2,000	$200,000.00

Name of Purchaser	Number of Preferred Shares Purchased	Number of Warrants Purchased	Total Purchase Price
Lori F. Simmons Living Trust Dtd. 1/9/04	6,666.66	1,000	$100,000.00
Solberg, Betsey & Frederick	6,666.66	1,000	$100,000.00
Sturgeon, Linda M. Trust U/A DTD 6/16/1992	6,666.66	1,000	$100,000.00
Robert A. Tucci	13,333.33	2,000	$200,000.00
Gerald M. White Trust UA DTD 12/19/85	6,666.66	1,000	$100,000.00
Lewis White Nonexempt Marital Trust U/T/A DTD 12/29/86 As Amended	6,666.66	1,000	$100,000.00
Delmar Equity Partners, L.P.	16,666.66	2,500	$250,000.00
Robert N. Epsten Trust U/A Dated 6/29/1993	6,666.66	1,000	$100,000.00
RJ Investments LP	6,666.66	1,000	$100,000.00
Kristin D. Webster Revocable Trust DTD 4/10/2000	10,000.00	1,500	$150,000.00

EXHIBIT A

ARTICLES SUPPLEMENTARY FOR SERIES A
REDEEMABLE PREFERRED STOCK

EXHIBIT B

[Reserved]

EXHIBIT C

IMPORTANT NOTICE

TORTOISE CAPITAL RESOURCES CORPORATION

THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, UNTIL SUCH TIME AS THE CORPORATION'S COMMON STOCK IS REGISTERED UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED (THE "EXCHANGE ACT"), THE CORPORATION HAS ELECTED TO BE REGULATED AS A BUSINESS DEVELOPMENT COMPANY UNDER THE INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "1940 ACT"), AND THE CORPORATION'S COMMON STOCK QUALIFIES AS "PUBLICLY OFFERED SECURITIES" (WITHIN THE MEANING OF THE PLAN ASSET REGULATIONS OF THE DEPARTMENT OF LABOR AT 29 C.F.R. § 2510.3-101 (THE "PLAN ASSET REGULATIONS")), THIS SECURITY MAY NOT BE OFFERED, SOLD, OR PLEDGED EXCEPT AS SET FORTH IN THIS PARAGRAPH BELOW BY ITS ACQUISITION HEREOF, THE HOLDER (1) REPRESENTS THAT IT IS (X) A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) OR (Y) AN "ACCREDITED INVESTOR" (AS DEFINED IN RULE 501(A)(4), (5) OR (6) UNDER THE SECURITIES ACT), (2) REPRESENTS THAT IT IS NOT A BENEFIT PLAN INVESTOR (WITHIN THE MEANING OF THE PLAN ASSET REGULATIONS), WHETHER OR NOT SUBJECT TO TITLE I OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED, OR SECTION 4975 OF THE INTERNAL REVENUE CODE; (3) REPRESENTS THAT IT IS A "QUALIFIED PURCHASER" AS DEFINED IN SECTION 2(A)(51) OF THE 1940 ACT (4) AGREES THAT HE, SHE OR IT WILL NOT RESELL OR OTHERWISE TRANSFER THIS SECURITY EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT COVERING SUCH SECURITIES OR AN AVAILABLE EXEMPTION THEREFROM, IN EACH CASE SUBJECT TO THE RESTRICTIONS ON TRANSFER IMPOSED UNDER THE CORPORATION'S CHARTER AND DESCRIBED ABOVE; AND (5) AGREES THAT IT WILL GIVE TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

FOLLOWING THE EFFECTIVENESS OF THE CORPORATION'S EXCHANGE ACT REGISTRATION WITH RESPECT TO ITS COMMON STOCK AND THE CORPORATION'S ELECTION TO BE REGULATED AS A BUSINESS DEVELOPMENT COMPANY UNDER THE 1940 ACT, THE RESTRICTION ON TRANSFER IN CLAUSE (3) OF THE PRECEDING PARAGRAPH WILL NO LONGER APPLY TO TRANSFERS OF THIS SECURITY. IN ADDITION, FOLLOWING THE DATE THAT THE CORPORATION'S COMMON STOCK QUALIFIES AS "PUBLICLY OFFERED SECURITIES" UNDER THE PLAN ASSET REGULATIONS, THE RESTRICTION ON TRANSFER IN CLAUSE (2) OF THE PRECEDING PARAGRAPH WILL NO LONGER APPLY.

IF ANY RESALE OR OTHER TRANSFER OF THE SECURITIES IS PROPOSED TO BE MADE OTHER THAN PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT OR RULE 144 UNDER THE SECURITIES ACT, THE TRANSFEROR SHALL DELIVER TO THE CORPORATION, AN AGREEMENT FROM THE TRANSFEREE SUBSTANTIALLY IN THE FORM OF APPENDIX A TO THE FINAL OFFERING MEMORANDUM FOR THE PRIVATE PLACEMENT COMPLETED BY THE COMPANY IN JANUARY 2006 WHICH SHALL PROVIDE, AS APPLICABLE, AMONG OTHER THINGS, THAT THE TRANSFEREE IS A QUALIFIED PURCHASER AND A QUALIFIED INSTITUTIONAL BUYER AND THAT SUCH TRANSFEREE IS ACQUIRING THE SHARES OF COMMON STOCK FOR INVESTMENT PURPOSES AND NOT FOR DISTRIBUTION IN VIOLATION OF THE SECURITIES ACT. THE CORPORATION RESERVES THE RIGHT PRIOR TO ANY OFFER, SALE OR OTHER TRANSFER OTHER THAN TO A QUALIFIED INSTITUTIONAL BUYER OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO THE CORPORATION.

ONLY WHOLE SECURITIES WILL BE ISSUED AND MAY BE TRANSFERRED. ANY TRANSFER IN VIOLATION OF THE FOREGOING OR THE CORPORATION'S CHARTER OR ANY TRANSFER OF FRACTIONAL SECURITIES SHALL BE DEEMED TO BE VOID AND OF NO LEGAL EFFECT WHATSOEVER. ANY SUCH PURPORTED TRANSFEREE SHALL BE DEEMED NOT TO BE THE HOLDER OF SUCH SECURITIES FOR ANY PURPOSE, INCLUDING, BUT NOT LIMITED TO THE RECEIPT OF DIVIDENDS, AND SUCH PURPORTED TRANSFEREE SHALL BE DEEMED TO HAVE NO INTEREST WHATSOEVER IN SUCH SECURITIES.

SO LONG AS THESE SECURITIES ARE "RESTRICTED SECURITIES" (AS SUCH TERM IS DEFINED IN RULE 144(A)(3) UNDER THE SECURITIES ACT), THE CORPORATION AGREES TO MAKE AVAILABLE TO EACH HOLDER AND EACH PROSPECTIVE PURCHASER OF THE SECURITIES DESIGNATED BY A HOLDER, UPON REQUEST, THE INFORMATION REQUIRED TO BE PROVIDED PURSUANT TO RULE 144A(D)(4) UNDER THE SECURITIES ACT.

Exhibit K.8.

THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED. IT MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED OR HYPOTHECATED IN THE ABSENCE OF (i) AN EFFECTIVE REGISTRATION STATEMENT WITH RESPECT TO THIS SECURITY UNDER SUCH ACT, (ii) AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED, OR (iii) THE WRITTEN ACKNOWLEDGEMENT OF THE ISSUER, WHICH ACKNOWLEDGEMENT WILL NOT BE UNREASONABLY WITHHELD, THAT A SALE IS PURSUANT TO A VALID EXEMPTION FROM THE REGISTRATION REQUIREMENTS UNDER SUCH ACT.

TORTOISE CAPITAL RESOURCES CORPORATION

WARRANT

Warrant to Purchase Shares of Common Stock December ___, 2006

This certifies that, for value received, TORTOISE CAPITAL RESOURCES CORPORATION, a Maryland corporation (the "Company"), hereby grants to **[insert name]** (the "Holder"), the right to purchase from the Company **[insert written number]** (**[insert numerical number]**) shares of the Company's Common Stock (the "Common Stock") at the Exercise Price (as defined in Section 1.4 below) then in effect, in consideration of the Holder's purchase of shares of Series A Redeemable Preferred Stock pursuant to that certain Purchase Agreement dated December ___, 2006 (the "Purchase Agreement"), subject to the terms, conditions and adjustments set forth in this Warrant (this "Warrant").

1. Exercise of Warrant.

1.1 Exercise Period. Unless earlier cancelled pursuant to Section 1.3(b) hereof, Holder may exercise this Warrant, in whole or in part, at any time and from time to time during the period commencing on the earlier of (a) the effective date of the registration statement for the Company's initial public offering of its Common Shares (the "Initial Public Offering") or (b) 18 months from the date hereof, and ending at 5:00 P.M. (New York City time) on the date that is the earlier of (x) the day before the sixth anniversary of the Initial Public Offering or (y) the date that is 10 years after the date hereof (the "Exercise Period").

1.2 Procedure for Exercising Warrant.

(a) This Warrant will be deemed to have been exercised at such time as the Company has received all of the following items (the "Exercise Date"):

(i) A completed Notice of Exercise, substantially in the form set forth in Exhibit A hereto, executed by the Holder or by Holder's legal representative or attorney duly authorized in writing to the satisfaction of Company;

(ii) This Warrant; and

(iii) Cash or certified or official bank check in an amount equal to the product of the Exercise Price multiplied by the number of shares of Common Stock being purchased upon such exercise.

(b) Certificates representing shares of Common Stock purchased upon exercise of this Warrant will be delivered by the Company to the Holder within 5 days after the Exercise Date. Unless this Warrant has expired or has been cancelled or all of the purchase rights represented hereby have been exercised, the Company will prepare a new Warrant, substantially identical hereto, representing the rights formerly represented by this Warrant which have not expired or been exercised. The Company will deliver such new Warrant to the person designated to receive it in the Exercise Agreement.

(c) The Common Stock issuable upon the exercise of this Warrant will be deemed to have been issued to the Holder on the Exercise Date, and the Holder will be deemed for all purposes to have become the record holder of such Common Stock on the Exercise Date.

(d) The issuance of certificates for shares of Common Stock upon exercise of this Warrant will be made without charge to the Holder for any issuance tax in respect thereof or any other cost incurred by the Company in connection with such exercise and the related issuance of shares.

1.3 Cancellation of Warrant.

(a) A Warrant surrendered to the Company for registration of transfer, exchange or exercise shall promptly be cancelled.

(b) In the event the holders of Common Stock fail to authorize this Warrant prior to the Initial Public Offering, such Warrant shall be cancelled.

1.4 Common Stock and Exercise Price Under Warrants. Subject to and upon compliance with the provisions herein, this Warrant shall entitle the Holder hereof to purchase from the Company one share of Common Stock of the Company at an exercise price (the "Exercise Price") of the greater of $15.00 per share of Common Stock or (ii) the Net Asset Value per Common Share as set forth in Section 2.1; provided that prior to the BDC/Registration Statement Notice Date, the Exercise Price will be $15.00. The Exercise Price and the number and kind of securities or other property issuable upon exercise of the Warrants shall be adjusted in certain instances as provided in Section 2 of this Warrant.

1.5 Fractional Shares. No fractional Common Stock shall be issued upon exercise of this Warrant. If more than one Warrant shall be exercised at one time by the same Holder, the number of full shares which shall be issuable upon exercise thereof shall be computed on the basis of the aggregate number of Common Stock issuable under the Warrants so exercised. In lieu of any fractional Common Stock that would otherwise

be issuable upon exercise of this Warrant or Warrants, the Company shall pay a cash adjustment in respect of such fraction in an amount equal to the same fraction of the market price per Common Stock (as determined by the Board of Directors of the Company or in any manner prescribed by the Board of Directors) at the close of business on the day such exercise is deemed to have occurred.

2. Adjustment of Shares of Common Stock and Exercise Price. The number of shares of Common Stock purchasable upon the exercise of this Warrant and the Exercise Price per share are subject to adjustment from time to time as provided in this Section 2; provided, however, that the Exercise Price per share will not be less than the par value per share of the Common Stock.

2.1 Adjustment to Exercise Price upon Business Development Company Election. The Company shall deliver to the Holders a notice of the Company's intention to file a registration statement under the Securities Act covering the Company's Common Stock (a "Registration Statement Filing") (a "Registration Statement Notice") or to file with the Securities and Exchange Commission a Form N-54A under the Investment Company Act of 1940 Act (the "1940 Act") to be regulated as a business development company under the 1940 Act ("Form N-54A") or, if available, a notice on Form N-6F under the 1940 Act of the Company's intention to be regulated as a business development company under the 1940 Act ("Form N-6F") (the "BDC Election"), which such notice shall specify that an adjustment to the Exercise Price pursuant to this Section 2.1 expected to occur, within no earlier than 10 days following delivery of such notice and no later than 30 days following delivery of such notice (the date of delivery of such notice by the Company, the "BDC/Registration Statement Notice Date"). On the date of the BDC Election, the Exercise Price then in effect will be adjusted to a price equal to the greater of (a) $15.00 and (b) the then Net Asset Value Per Common Share (as defined below); *provided, however*, that if after any such adjustment the Registration Statement Filing or Form N-6F or Form N-54A filing that triggered such adjustment is abandoned by the Company prior to its effectiveness, the Exercise Price will revert to the Exercise Price in effect immediately prior to such adjustment. For purposes of this Section 2.1, the Company's "Net Asset Value Per Common Share" as of the date of the BDC Election shall mean the total net asset value of the Company on such date as certified by the Chief Financial Officer of the Company, divided by the number of Common Stock of the Company outstanding as of such date, assuming the conversion into Common Stock of all shares of convertible preferred stock of the Company, if any, then outstanding.

2.2 Stock Dividends, Splits, Etc. The number of Common Stock issuable upon exercise of this Warrant (or any shares of stock or other securities at the time issuable upon exercise of such Warrant) and the Exercise Price shall be appropriately adjusted to reflect any and all stock dividends (other than cash dividends), stock splits, combinations of shares, reclassifications, recapitalizations or other similar events affecting the number of outstanding Common Stock (or such other stock or securities) so that the Holder thereafter exercising this Warrant shall be entitled to receive the number of Common Stock or other capital stock which the Holder would have received if such Warrant had been exercised immediately prior to such event. Whenever the number of Common Stock issuable upon exercise of this Warrant is adjusted pursuant to this Section 2.2, the

Exercise Price shall be adjusted by multiplying the Exercise Price immediately prior to such adjustment by a fraction the numerator of which is the number of shares issuable upon exercise of this Warrant prior to such adjustment and the denominator of which is the number of shares issuable upon exercise of such Warrant after such adjustment.

2.3 Extraordinary Dividends. Notwithstanding Section 2.2, in case the Company shall at any time after the date hereof declare an extraordinary dividend on the outstanding Common Stock (excluding any ordinary quarterly cash dividends paid during the Exercise Period), each Holder will be entitled to receive the extraordinary dividend made on the outstanding Common Stock which the Holder would have received if this Warrant had been exercised immediately prior to such extraordinary dividend.

2.4 Capital Reorganization or Reclassification. If the Common Stock issuable upon the exercise of this Warrant shall be changed into the same or different number of shares of any class or classes of Common Stock, whether by capital reorganization, reclassification or otherwise (other than a reorganization, merger, consolidation or sale of assets provided for elsewhere in this Warrant) then, in and as a condition to the effectiveness of each such event, the Holder shall have the right thereafter to exercise this Warrant for the kind and amount of Common Stock and other securities and property receivable upon such reorganization, reclassification or other change by the holder of the number of Common Stock for which such Warrant might have been exercised immediately prior to such reorganization, reclassification or change, all subject to further adjustment as provided herein.

2.5 Merger. In case of a dividend or distribution paid pursuant to a plan of consolidation or merger of the Company with another Person (as defined below) (other than a merger or consolidation in which the Company is the continuing Person and the Common Stock is not exchanged for securities, property or assets issued, delivered or paid by another Person), or in case of any lease, sale or conveyance to another Person (other than to a wholly owned domestic subsidiary of the Company so long as such subsidiary continues to be wholly owned) of all or substantially all of the property or assets of the Company, this Warrant shall thereafter (until the end of the Warrant Exercise Period) evidence the right to receive, upon its exercise, in lieu of Common Stock deliverable upon such exercise, immediately prior to such consolidation, merger, lease, sale or conveyance the kind and amount of shares and/or other securities and/or property and assets and/or cash that the Holder would have been entitled to receive upon such consolidation, merger, lease, sale or conveyance had the Holder exercised this Warrant immediately prior to such consolidation, merger, lease, sale or conveyance; *provided, however,* to the extent a stockholder would have had an opportunity to elect the form of consideration in such a transaction, the Holder electing to not exercise its warrants shall be entitled to the same consideration that a holder of such Common Stock failing to make any such election would have been entitled to receive upon such transaction. The Company shall not consummate any transaction that effects or permits any such event or occurrence unless each Person whose shares of stock, securities or assets will be issued, delivered or paid to the holders of the Common Stock (including the Company with respect to clause (ii) below), prior to or simultaneously with the consummation of the transaction, (i) is a corporation organized and existing under the

laws of the United States of America or any State or the District of Columbia, and (ii) expressly assumes, or in the case of the Company, acknowledges, by a Warrant supplement or other document in a form substantially similar hereto, executed and delivered to the Holder thereof, the obligation to deliver to such Holder such shares of stock, securities or assets as, in accordance with the foregoing provisions of this Section 2.5, such Holder is entitled to purchase, and all other obligations and liabilities under this Warrant, including the obligations and liabilities in respect of subsequent adjustments that are required under this Warrant. For purposes of this Section 2.5, "Person" shall mean an individual, limited or general partnership, corporation, association, company, joint-stock company, business trust, joint venture, trust or unincorporated organization, or any other entity, including a government or agency or political subdivision thereof.

2.6 Certificate Regarding Adjustment. The certificate of any independent firm of public accountants of recognized national standing selected by the Board of Directors of the Company shall be evidence of the correctness of any computations under Sections 2.1 through 2.5 of this Agreement.

2.7 Minimum Adjustment. No adjustment of the Exercise Price shall be required under this Section 2 if the amount of such adjustment is less than 1% of the Exercise Price then in effect; *provided, however*, that any adjustments that by reason of the foregoing are not required at the time to be made shall be carried forward and taken into account and included in determining the amount of any subsequent adjustment. If the Company shall take a record of holders of Common Stock for the purpose of entitling them to receive any dividend or distribution and thereafter and before the distribution to stockholders of any such dividend or distribution, legally abandons its plan to pay or deliver such dividend or distribution, then no adjustment of the Exercise Price shall be required by reason of the taking of such record. All calculations under this Section 2 shall be made to the nearest cent or to the nearest one-hundredth of a share, as the case may be.

2.8 Notice to Holder of Adjustment. Whenever the number of shares purchasable upon exercise of this Warrant or the Exercise Price is adjusted as herein provided, the Company will cause to be mailed to the Holder, in accordance with the provisions of Section 14.3 hereof, notice setting forth the adjusted number of shares purchasable upon the exercise of the Warrant and the adjusted Exercise Price and showing in reasonable detail the computation of the adjustment and the facts upon which such adjustment is based.

3. Prior Notice as to Certain Events. In case at any time:

(a) the Company shall declare a dividend (or any other distribution) on the Common Stock, including any extraordinary dividend (but other than ordinary quarterly cash dividends paid during the Exercise Period;

(b) the Company shall authorize the granting to the holders of the Common Stock of pro rata rights, options or warrants to subscribe for or purchase any shares of capital stock of the Company; or

(c) of any reclassification of the Common Stock of the Company (other than a merger which is effected solely to change the jurisdiction of incorporation of the Company), or of any consolidation or merger to which the Company is a party and for which approval of any stockholders of the Company is required, or of the sale or transfer of all or substantially all of the assets of the Company (other than to a wholly owned domestic subsidiary of the Company so long as such subsidiary continues to be wholly owned); or

(d) of the voluntary or involuntary dissolution, liquidation or winding up of the Company;

then the Company shall cause to be mailed to all registered Holders at their last addresses as shown in the Warrant Register (as defined below), no later than ten (10) Business Days prior to the event specified in (a), (b), (c) or (d) above, a notice stating (i) the date on which a record is to be taken for the purpose of such dividend, distribution, rights, options or warrants, or, if a record is not to be taken, the date as of which the holders of Common Stock of record to be entitled to such dividend, distribution, rights, options or warrants are to be determined, or (ii) the date on which such reclassification, consolidation, merger, transfer, dissolution, liquidation or winding up (or amendment thereto) is expected to become effective, and the date as of which it is expected that holders of record of such class of Common Stock shall be entitled to exchange their Common Stock for securities, cash or other property deliverable upon such reclassification, consolidation, merger, transfer, dissolution, liquidation or winding up.

4. Covenant as to Common Stock.

(a) The Company covenants that all Common Stock that may be issued upon exercise of any Warrant will, upon issue and payment of the Exercise Price therefor, be validly issued, fully paid and nonassessable and free and clear from all taxes, liens, charges, security interests, encumbrances and other restrictions created by or through the Company, other than those set forth in the Company's Articles of Incorporation, as amended.

(b) The Company shall at all times during the Exercise Period, reserve and keep available, free from preemptive rights, out of its authorized but unissued Common Stock, for the purpose of effecting the exercise of Warrants, the full number of Common Shares then issuable upon the exercise of all outstanding Warrants.

5. Taxes on Exercise. The Company shall pay any and all taxes that may be payable in respect of the issue or delivery of Common Stock on exercise of this Warrant. The Company shall not, however, be required to pay any tax which may be payable in respect of (i) income of the Holder or (ii) any transfer involved in the issue and delivery of Common Stock in a name other than that of the Holder of this Warrant, and no such issue or delivery shall be made unless and until the person requesting such issue has paid to the Company the amount of any such taxes or has established to the satisfaction of the Company that such tax has been paid.

6. Restrictions on Transfer of Warrant.

THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT, AND, UNTIL SUCH TIME AS THE CORPORATION'S COMMON STOCK IS REGISTERED UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED (THE "EXCHANGE ACT"), THE CORPORATION HAS ELECTED TO BE REGULATED AS A BUSINESS DEVELOPMENT COMPANY UNDER THE 1940 ACT, AND THE CORPORATION'S COMMON STOCK QUALIFIES AS "PUBLICLY OFFERED SECURITIES" (WITHIN THE MEANING OF THE PLAN ASSET REGULATIONS OF THE DEPARTMENT OF LABOR AT 29 C.F.R. § 2510.3-101 (THE "PLAN ASSET REGULATIONS")), THIS SECURITY MAY NOT BE OFFERED, SOLD, OR PLEDGED EXCEPT AS SET FORTH IN THIS PARAGRAPH BELOW. BY ITS ACQUISITION HEREOF, THE HOLDER (1) REPRESENTS THAT IT IS (X) A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) OR (Y) AN "ACCREDITED INVESTOR" (AS DEFINED IN RULE 501(A)(4), (5) or (6) UNDER THE SECURITIES ACT), (2) REPRESENTS THAT IT IS NOT A BENEFIT PLAN INVESTOR (WITHIN THE MEANING OF THE PLAN ASSET REGULATIONS), WHETHER OR NOT SUBJECT TO TITLE I OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED, OR SECTION 4975 OF THE INTERNAL REVENUE CODE; (3) REPRESENTS THAT IT IS A "QUALIFIED PURCHASER" AS DEFINED IN SECTION 2(A)(51) OF THE 1940 ACT (4) AGREES THAT HE, SHE OR IT WILL NOT RESELL OR OTHERWISE TRANSFER THIS SECURITY EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT COVERING SUCH SECURITIES OR AN AVAILABLE EXEMPTION THEREFROM, IN EACH CASE SUBJECT TO THE RESTRICTIONS ON TRANSFER IMPOSED UNDER THE CORPORATION'S CHARTER AND DESCRIBED ABOVE; AND (5) AGREES THAT IT WILL GIVE TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

FOLLOWING THE EFFECTIVENESS OF THE CORPORATION'S EXCHANGE ACT REGISTRATION WITH RESPECT TO ITS COMMON STOCK AND THE CORPORATION'S ELECTION TO BE REGULATED AS A BUSINESS DEVELOPMENT COMPANY UNDER THE 1940 ACT, THE RESTRICTION ON TRANSFER IN CLAUSE (3) OF THE PRECEDING PARAGRAPH WILL NO LONGER APPLY TO TRANSFERS OF THIS SECURITY. IN ADDITION, FOLLOWING THE DATE THAT THE CORPORATION'S COMMON STOCK QUALIFIES AS "PUBLICLY OFFERED SECURITIES" UNDER THE PLAN ASSET REGULATIONS, THE RESTRICTION ON TRANSFER IN CLAUSE (2) OF THE PRECEDING PARAGRAPH WILL NO LONGER APPLY.

IF ANY RESALE OR OTHER TRANSFER OF THIS SECURITY IS PROPOSED TO BE MADE OTHER THAN PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT OR RULE 144 UNDER THE SECURITIES ACT, THE TRANSFEROR SHALL DELIVER TO THE CORPORATION, AN AGREEMENT FROM THE TRANSFEREE SUBSTANTIALLY IN THE FORM OF EXHIBIT B HERETO TO THE FINAL OFFERING MEMORANDUM RELATING TO THESE SECURITIES WHICH SHALL PROVIDE, AS APPLICABLE, AMONG OTHER THINGS, THAT THE TRANSFEREE IS A QUALIFIED

PURCHASER AND A QUALIFIED INSTITUTIONAL BUYER AND THAT SUCH TRANSFEREE IS ACQUIRING THE WARRANTS REPRESENTED HEREBY FOR INVESTMENT PURPOSES AND NOT FOR DISTRIBUTION IN VIOLATION OF THE SECURITIES ACT. THE CORPORATION RESERVES THE RIGHT PRIOR TO ANY OFFER, SALE OR OTHER TRANSFER OTHER THAN TO A QUALIFIED INSTITUTIONAL BUYER OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO THE CORPORATION.

ONLY WHOLE SECURITIES WILL BE ISSUED AND MAY BE TRANSFERRED. ANY TRANSFER IN VIOLATION OF THE FOREGOING OR THE CORPORATION'S CHARTER OR ANY TRANSFER OF FRACTIONAL SECURITIES SHALL BE DEEMED TO BE VOID AND OF NO LEGAL EFFECT WHATSOEVER. ANY SUCH PURPORTED TRANSFEREE SHALL BE DEEMED NOT TO BE THE HOLDER OF SUCH SECURITIES FOR ANY PURPOSE, INCLUDING, BUT NOT LIMITED TO THE RECEIPT OF DIVIDENDS ON THE COMMON STOCK, AND SUCH PURPORTED TRANSFEREE SHALL BE DEEMED TO HAVE NO INTEREST WHATSOEVER IN SUCH SECURITIES.

SO LONG AS THESE SECURITIES ARE "RESTRICTED SECURITIES" (AS SUCH TERM IS DEFINED IN RULE 144(a)(3) UNDER THE SECURITIES ACT), THE CORPORATION AGREES TO MAKE AVAILABLE TO EACH HOLDER AND EACH PROSPECTIVE PURCHASER OF THE SECURITIES DESIGNATED BY A HOLDER, UPON REQUEST, THE INFORMATION REQUIRED TO BE PROVIDED PURSUANT TO RULE 144A(d)(4) UNDER THE SECURITIES ACT.

6.1 The Holder acknowledges that this Warrant has not been registered under the Act or the securities laws of any jurisdiction and may not be transferred except in transactions that are exempt from registration under the Securities Act and the applicable securities laws of other jurisdictions. Any transferee of this Warrant will be subject to and required to complete the Investment Representation, Transfer and Market Stand-Off Agreement attached hereto as Exhibit B.

6.2 The Company shall keep a register in which the Company shall provide for the registration of Warrants and of transfers and exchanges of Warrants (the "Warrant Register"); provided that so long as such Warrants are subject to restrictions on transfer or exchange, transfers or exchanges of Warrants may only be made following the satisfactory review by the Company as to compliance with such restrictions on transfer or exchange.

7. No Voting Rights; Limitations of Liability. This Warrant does not confer upon the Holder any voting rights or other rights as a stockholder of the Company, either at law or equity. The rights of the Holder are limited to those expressed herein and the Holder by acceptance hereof, consents to and agrees to be bound by and to comply with all the provisions of this Warrant. No provision of this Warrant, in the absence of affirmative action by the Holder to purchase Common Stock, and no enumeration in this Warrant of the rights or privileges of the

Holder, will give rise to any liability of such Holder for the Exercise Price of Common Stock purchasable by exercise hereof or as a stockholder of Company.

8. No Change of Warrant Necessary. Irrespective of any adjustment in Exercise Price or in the number or kind of shares or other property issuable upon exercise of this Warrant, this Warrant may continue to express the same Exercise Price and number and kind of shares issuable upon exercise per Warrant as are stated herein.

9. Enforcement of Rights. Notwithstanding any of the provisions of this Warrant, the Holder, without the consent of any other Holder of a Warrant, may enforce, and may institute and maintain any suit, action or proceeding against the Company to enforce such Holder's right to exercise this Warrant in the manner provided herein.

10. Available Information. The Company shall, upon request by the Holder to the Company, promptly deliver to the Holder copies of its annual reports and of the information, documents and other reports delivered or made available to stockholders of the Company.

11. Destroyed, Lost, Mutilated or Stolen Warrants. If there shall be delivered to the Company evidence to its satisfaction of the destruction, loss, mutilation or theft of this Warrant and such security and indemnity as may be required by it to save it harmless, then, in the absence of notice to the Company that such Warrant has been acquired by a bona fide purchaser, and in the case of mutilation, upon surrender of this Warrant to the Company for cancellation, the Company shall execute and deliver, in lieu of or in exchange for any such destroyed, lost, mutilated or stolen Warrant, a new Warrant for a like number of Warrants, bearing a number not contemporaneously outstanding. Upon the issuance of any new Warrant under this Section 11, the Company may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses connected therewith. Every Warrant issued and delivered pursuant to this Section 11 in lieu of any destroyed, lost or stolen Warrant shall constitute an original additional contractual obligation of the Company, whether or not the destroyed, lost or stolen Warrant shall be at any time enforceable by anyone, and shall be entitled to all the benefits of, and be subject to all the limitations of rights set forth in, this Warrant equally and proportionately with any and all other Warrants duly issued and delivered hereunder. The provisions of this Section 11 are exclusive and shall preclude (to the extent lawful) any and all other rights and remedies with respect to the replacement of destroyed, lost, mutilated or stolen Warrants notwithstanding any law or statute existing or hereafter enacted to the contrary.

12. Persons Deemed Owners. The Company may deem and treat the person in whose name a Warrant is registered in the Warrant Register as the absolute, true and lawful owner of such Warrant Certificate and the Warrants represented thereby (notwithstanding any notation of ownership or other writing thereon made by any Person) for all purposes, and neither the Company nor the Warrant Agent nor any of their respective agents shall be affected by any notice or knowledge to the contrary.

13. Amendment of Warrant. The Company may, without the consent of the Holder, amend this Warrant in such manner as it shall deem appropriate to cure any ambiguity, to correct any defective or inconsistent provision or manifest mistake or error herein contained, or in any

other manner that they may deem necessary or desirable and which shall not adversely affect the rights of the Holder of this Warrants. This Warrant shall not otherwise be modified, supplemented or amended in any respect by the Company, except with the consent in writing of the Holder of this Warrant. Any modification, supplement or amendment pursuant to this Section 13 shall be binding upon all present and future Holders of this Warrant, whether or not they have consented to such modification, supplement or amendment, and whether or not notation of such modification, supplement or amendment is made upon this Warrant. Notwithstanding anything herein to the contrary, upon advice of external counsel, this Warrant may be modified to the extent any changes to the terms of the Warrant are deemed necessary to comply with the rules and regulations of the 1940 Act as interpreted by the Securities and Exchange Commission.

14. Miscellaneous.

14.1 Counterparts. This Warrant may be executed in one or more counterparts, each of which shall be deemed an original, and all of which together shall constitute the same instrument.

14.2 Waiver. No delay or failure of the Holder in exercising any right, power, privilege or remedy under this Warrant will affect such right, power, privilege or remedy or be deemed to be a waiver of the same or any part thereof, nor will any single or partial exercise thereof or any failure to exercise the same in any instance preclude any further or future exercise thereof, or the exercise of any other right, power, privilege or remedy.

14.3 Notices. All notices, requests and consents hereunder must be in writing. Notices, requests and consents to the Company will be effectively given and delivered when (a) sent by facsimile to (913) 981-1021 or (b) mailed by first class mail, postage prepaid, to the Company at its offices at 10801 Mastin Boulevard, Suite 222, Overland Park, Kansas 66210. Notices, requests, and consents to the Holder will be effectively given and delivered when (a) sent by facsimile to the Holder at **[insert phone number]** or (b) mailed by first class mail, postage prepaid, to the Holder at**[insert address]**. Either party by notice to the other may from time to time change the facsimile number or address for any such notice, request, or consent.

14.4 Governing Law. THIS WARRANT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO THE CONFLICT OF LAW PROVISIONS THEREOF.

14.5 Maintenance of Office. So long as any of any Warrant remains outstanding, the Company shall designate and maintain an office in the State of Kansas where Warrants may be surrendered for registration of transfer or for exchange, where Warrants may be surrendered for exercise and where notices and demands to or upon the Company in respect of the Warrants may be served. The Company may from time to time change or rescind such designation as it may deem desirable or expedient. The Company will give prompt written notice to the Holders of Warrants of the location, and any change in the location, of such office. The Company hereby designates it offices at 10801

Mastin Boulevard, Suite 222, Overland Park, Kansas 66210 as the office maintained for each such purpose. The Company may also from time to time designate one or more other offices or agencies (in or outside the State of Kansas) where Warrants may be presented or surrendered for any or all such purposes and may from time to time rescind such designations; *provided, however*, that no such designation or rescission shall in any manner relieve the Company of its obligation to maintain an office or agency in the State of Kansas for such purposes. The Company shall give prompt written notice to the Holders of Warrants of any such designation or rescission, and of any change in the location of, any such other office or agency.

14.6 Successors. This Warrant will inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns, whether so expressed or not.

14.7 Separability. In case any provision of this Warrant shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

14.8 Headings and Exhibits. The headings used in this Warrant are for convenience only and will not constitute a part of this Warrant. All of the exhibits attached hereto are incorporated herein and made a part of this Warrant by reference thereto.

IN WITNESS WHEREOF, this Warrant has been executed and delivered by a duly authorized representative of the Company on the day and year first above written.

TORTOISE CAPITAL RESOURCES CORPORATION

By: _____

David J. Schulte
President and Chief Executive Officer

EXHIBIT A

NOTICE OF EXERCISE

The undersigned hereby irrevocably elects to exercise_____ of the Warrants represented by the attached Warrant dated December ___, 2006 issued by Tortoise Capital Resources Corporation and purchase the whole number of shares issuable and deliverable upon exercise of such Warrants, and herewith tenders payment for such shares in accordance with the terms of the Warrant Agreement. The undersigned hereby directs that the certificate or certificates for the shares issuable and deliverable upon exercise, together with any check in payment for fractional shares, be issued in the name of and delivered to the undersigned, unless a different name is indicated below. The undersigned will pay any transfer taxes or other governmental charge payable with respect to any such shares to be issued in the name of a person other than the undersigned.

INSTRUCTIONS FOR REGISTRATION OF SHARES
(please typewrite or print)

Name: _____

Address: _____

Social Security or Other Taxpayer Identification Number: _____

Dated: _____

Signature:_____

Note: Signature must conform to name of Holder appearing on face hereof. Signature must be guaranteed by a member of an accepted medallion guarantee program if Common Shares are to be issued, or Warrant Certificate(s) are to be delivered, other than to and in the name of the Holder.

_____
Signature Guarantee

Fill in for registration of Common Shares and Warrant Certificate(s) if to be issued otherwise than to the Holder:

Social Security or other
Taxpayer Identification Number:

_____
(name)

_____ _____
(name)

_____ _____
Please print name and address
(including zip code)

EXHIBIT B

Investment Representation, Transfer and Market Stand-Off Agreement

To: Tortoise Capital Resources Corporation
c/o Tortoise Capital Advisors, LLC
10801 Mastin Boulevard, Suite 222
Overland Park, Kansas 66210

A. REPRESENTATION AND TRANSFER

I. The undersigned certifies that it is either a QIB (as defined) or an Accredited Investor (as defined):

(i) For QIBs: The undersigned certifies that it is familiar with Rule 144A under the Securities Act of 1933, as amended (the "Securities Act"), and represents and warrants that:

(a) it is a Qualified Institutional Buyer ("QIB") as described in Annex A hereto;

(b) as of ___, ___,[1] the undersigned owned or invested on a discretionary basis $___[2] in eligible "securities" (as defined and calculated as set forth in Annex A);

(c) if the undersigned decides to purchase Rule 144A securities for the accounts of others, it will only purchase Rule 144A securities for accounts that independently qualify as QIBs as defined in Rule 144A (unless the undersigned is an insurance company (as described in Annex A) and is purchasing for the account of one or more of its "separate accounts" (as defined in Annex A));

(d) The undersigned has listed below those of its accounts that are QIBs and if the undersigned is an insurance company (as described in Annex A), those of its accounts that are separate accounts (as defined in Annex A), and for which it intends to purchase Rule 144A securities; the undersigned has accurately provided the information requested for each of the accounts listed below; and the undersigned agrees that any of the accounts listed below for which it purchases Rule 144A securities will be deemed to be a part of and subject to the representations contained in this certification; and

(e) The undersigned's current fiscal year ends on ___, ___;

or

(ii) For Accredited Investors: The undersigned certifies that it is familiar with Regulation D under the Securities Act, and represents and warrants that:

(a) The undersigned is an Accredited Investor as defined in Rule 501(a)(3), (4), (5), (6), (7) or (8) under the Securities Act and has completed Annex B hereto indicating its qualifications thereby.

II. The undersigned certifies that it has read Annex C, "Restrictions on Sales of Book-Entry Securities Designated QIB/QP or 3(c)(7)" attached hereto, and the undersigned certifies that it is

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1 ***Insert a specific date on or since the end of the undersigned's most recent fiscal year.***

2 ***The amount must be a*** specific ***amount in excess of $100 million or such lesser amount as contemplated by paragraph (b), (j) or (o) of Annex A.***

a “Qualified Purchaser” as defined in Section 2(a)(51) of, and the related rules under, the Investment Company Act of 1940, as amended, and the undersigned represents and warrants that (if the undersigned certifies that it is unable to make the representations and warranties contained in II(i), it should so indicate on the signature line below):

(i) it is not a:

“dealer” described in (j) of Annex A that owns and invests on a discretionary basis less than $25,000,000 in eligible “securities” (excluding securities constituting the whole or part of an unsold allotment to or subscription as a participant in a public offering);

“plan” described in. (f) or (g) of Annex A or a “trust fund” described in (h) of Annex A;

(ii) the undersigned has indicated with a check mark each of the sub-accounts listed below which can independently make each of the representations and warranties in this Section II. If the undersigned decides to purchase securities designated QIB/QP or 3(c)(7) for the accounts of others, it will only purchase for accounts which are checked below, and those accounts will be deemed to make the representations and warranties in I(i) and this Section II. (An insurance company may purchase for one or more of its separate accounts, without regard to whether the account could independently make those representations and warranties);

(iii) it is not an entity that was formed for the specific purpose of investing in Section 3(c)(7) securities (or if it was formed for such purpose, then each beneficial owner of its securities is a QP);

(iv) it is not an entity that was formed or is operated as a device for facilitating individual investment decisions of its participants or securityholders;

(v) if it was formed prior to April 30, 1996 and is an investment company excepted from the Investment Company Act pursuant to Section 3(c)(1) or Section 3(c)(7) thereof, then its treatment as a Qualified Purchaser has been consented to (in the manner required by Section 2(a)(51)(C) of the Investment Company Act and rules thereunder) by its beneficial owners who acquired their interests on or before April 30, 1996; and

(vi) except as set forth in (ii) above, it will not hold Section 3(c)(7) securities for the benefit of any other person, and it will not sell participation interests in the securities to any other person or enter into any other arrangement pursuant to which any other person shall be entitled to a beneficial interest in the distributions on the securities.

The undersigned is aware that the Company will not be required to accept for registration of transfer the Company’s Warrants (the “Warrants”) acquired by the undersigned except upon presentation of evidence satisfactory to the Company that the transferee would satisfy the definition of a “qualified purchaser.” The undersigned is also aware that any certificates representing Warrants will bear a legend reflecting the substance of this paragraph.

III. The undersigned hereby acknowledges and agrees that none of its assets consist of assets of an employee benefit plan within the meaning of Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), or a plan within the meaning of Section 4975(e)(1) of the Internal Revenue Code of 1986, as amended (the “Code”), whether or not subject to Title I of ERISA or Section 4975 of the Code, including without limitation, public and private employee benefit plans, IRAs, Keoghs, church plans, and entities which hold, or are deemed to hold, such assets under the Department of Labor Regulations at 29 C.F.R. § 2510.3-101 (the “Plan Asset Regulations”). The undersigned understands and acknowledges that it cannot make a transfer to any party unless the foregoing representation is made by such party. The undersigned is aware that the Company will not be required to accept for registration of transfer of the Warrants

acquired by the undersigned, except upon presentation of evidence satisfactory to the Company that the foregoing representation would be complied with upon any such transfer; provided that completing and executing a copy of this Agreement and furnishing it to the Company shall satisfy such requirement. The undersigned is also aware that the Warrants will bear a legend reflecting the substance of this paragraph.

IV. The undersigned has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of an investment in the Company and in the Warrants. The undersigned recognizes that an investment in the Company involves a high degree of risk.

V. The undersigned is acquiring the Warrants for investment purposes and not with a view to distribution thereof or with any present intention of offering or selling the Warrants in violation of the Securities Act.

VI. The undersigned is aware that the undersigned must bear the economic risk of the undersigned's investment in the Company for an indefinite period of time because the Warrants have not been registered in the United States under the Securities Act, or under the securities laws of any state, and therefore, cannot be sold unless they are subsequently registered under the Securities Act and any applicable state securities laws or an exemption from registration is available. Further, the undersigned understands that only the Company can take action to register the Warrants. The undersigned also understands that the Company has no obligation to assist in obtaining any exemption(s) from registration.

VII. The undersigned has received all information regarding the financial condition and the proposed business and operations of the Company or otherwise that the undersigned has requested in order to evaluate its investment in the Company.

VIII. [*Intentionally Omitted*].

IX. The undersigned hereby acknowledges that the Company seeks to comply with all applicable laws concerning money laundering and related activities. In furtherance of such efforts, the undersigned hereby represents, warrants and agrees that to the best of the undersigned's knowledge based upon reasonable diligence and investigation:

(i) no consideration that the undersigned has contributed or will contribute to the Company has been or shall be derived from, or related to, any activity that is deemed criminal under United States law; and

(ii) no consideration that the undersigned has contributed or will contribute to the Company shall cause the Company or any officer or director of the Company to be in violation of the United States Bank Secrecy Act, the United States Money Laundering Control Act of 1986 or the United States International Money Laundering Abatement and Anti-Terrorism Financing Act of 2001.

The undersigned agrees to provide the Company any additional information regarding the undersigned that the Company deems necessary or appropriate to ensure compliance with all applicable laws concerning money laundering and similar activities. The undersigned understands and agrees that if at any time it is discovered that any of the foregoing representations are incorrect, or if otherwise required by applicable law or regulation related to money laundering or similar activities, the Company may, in its sole discretion, undertake appropriate actions to ensure compliance with applicable law or regulation, including but not limited to freezing, segregating or requiring the sale of the undersigned's Warrants. The undersigned further understands that the Company may release confidential information about the undersigned, and, if applicable, any underlying beneficial ownership, to proper authorities if the

Company, in its sole discretion, determines that it is the best interests of the Company in light of relevant laws, rules and regulations concerning money laundering and similar activities.

X. The undersigned further hereby acknowledges and agrees that until such time as the Company files an election to be regulated as a business development company under the Investment Company Act of 1940 (the "'40 Act") or otherwise becomes a registered investment company pursuant to the '40 Act (any such event constituting a "'40 Act Event"), the undersigned shall not sell or transfer its Warrants to any transferee until such time as such transferee makes the representations and warranties contained herein and agrees to be governed by the provisions hereby; provided that completing and executing a copy of this Agreement and furnishing it to the Company shall satisfy such requirement. **Moreover, the undersigned acknowledges that any sale or transfer of the Company's Warrants in the absence of complying with the preceding sentence is prohibited and any such transfer shall be deemed null and void by the Company.**

XI. Notwithstanding the foregoing, until such time as the undersigned's Warrants are registered under the Securities Act, such Warrants may only be transferred in a transaction that is exempt from registration under the Securities Act and the applicable securities laws of other jurisdictions and the undersigned acknowledges that any transfer of its Warrants of the Company can only be made in accordance with the Securities Act or in accordance with a valid exemption thereunder. To the extent that such Warrants are not purchased on The PORTAL^{sm} Market, the undersigned shall not sell or transfer its Warrants to any transferee until such time as such transferee makes the representations and warranties contained in paragraph I herein and agrees to be governed by the provisions hereby; provided that completing and executing a copy of this Agreement and furnishing it to the addressees hereto shall satisfy such requirement and provided that the transferee acknowledges the following by executing a copy of this Agreement:

THE WARRANTS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAWS. THE WARRANTS MAY NOT BE OFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE HOLDER OF THE WARRANTS, BY ITS ACCEPTANCE OF THE WARRANTS, AGREES NOT TO OFFER, SELL OR OTHERWISE TRANSFER SUCH WARRANTS, PRIOR TO THE DATE WHICH IS TWO YEARS AFTER THE LATER OF THE DATE OF THE INITIAL SALE THEREOF AND THE LAST DATE ON WHICH THE COMPANY OR ANY AFFILIATE OF THE COMPANY WAS THE OWNER OF ANY SUCH WARRANTS (THE "RESALE RESTRICTION TERMINATION DATE"), EXCEPT THAT THE WARRANTS MAY BE TRANSFERRED (A) TO THE COMPANY OR ANY SUBSIDIARY THEREOF, (B) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, (C) FOR SO LONG AS THE WARRANTS ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE SECURITIES ACT ("RULE 144A"), TO A PERSON IT REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A OR (D) TO OTHER INVESTORS WITH RESPECT TO WHICH AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT IS AVAILABLE, SUBJECT TO THE COMPANY'S AND THE TRANSFER AGENT'S RIGHT PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER IN EACH OF THE FOREGOING CASES, TO REQUIRE

DELIVERY BY THE TRANSFEROR TO THE TRANSFER AGENT OF APPROPRIATE CONFIRMATION OF THE FOREGOING.

XII. Notwithstanding anything herein, this Agreement shall be modified so as to delete: (a) following a '40 Act Event, paragraphs II and X and any transferee shall be required to comply solely with all other items of this Section A and Section B below, (b) following such time as the Warrants constitute "publicly offered securities" under the Plan Asset Regulations, paragraph III and any transferee shall be required to comply with all other items of this Section A and Section B below, and (c) following such time as the Warrants shall have been registered pursuant to an effective registration statement under the Securities Act, paragraphs I, V and XI and any transferee shall be required to comply with all other items of this Section A and Section B below. In case of any modification of this Agreement pursuant to clause (a), (b) or (c) of this paragraph, the Company shall either post such information on its website or it shall provide written notice that such an event has occurred to all holders of its Warrants. Subject to any modifications as a result of this paragraph XII, any transferee of Warrants shall be required to execute and agree to the provisions contained herein and to make such representations and warranties as are applicable hereunder.

XIII. The undersigned agrees to promptly advise the Company (c/o Tortoise Capital Advisors, LLC at 10801 Mastin Boulevard, Suite 222, Overland Park, Kansas 66210) if, after giving effect to paragraph XII, any of the representations or warranties in this certificate relating to it or any identified accounts ceases to be true.

B. MARKET STAND-OFF

The undersigned hereby agrees that it shall not, to the extent requested by the Company or an underwriter or proposed underwriter of securities of the Company, without the prior written consent of the Company and such underwriter(s), directly or indirectly, (i) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant for the sale of, or otherwise dispose of or transfer any shares of the Company's common shares (the "Common Shares") or any securities convertible into or exchangeable or exercisable for Common Shares (including the Warrants), whether now owned or hereafter acquired by the undersigned (excluding Common Shares acquired in an initial public offering or acquired in the open market following such an initial public offering) or with respect to which the undersigned has or hereafter acquires the power of disposition, or file, or cause to be filed, any registration statement under the Securities Act of 1933, as amended, with respect to any of the foregoing or (ii) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of the Common Shares, whether any such swap or transaction is to be settled by delivery of Common Shares or other securities, in cash or otherwise sell (other than in any such case to bona fide donees of the undersigned, in each case, who agree to be similarly bound by completing and executing a copy of this Agreement and furnishing it to the Company at the above address or via fax to: (913) 981-1021) within the ninety (90) days following the effective date of a registration statement with respect to an initial public offering of the Company's equity securities filed under the Securities Act (an "IPO Registration Statement").

In order to enforce the foregoing covenant, the Company shall have the right to place restrictive legends on the certificates representing the securities subject to this Section B and to impose stop transfer instructions with respect to the Warrants of the undersigned (and the securities of every other person subject to the foregoing restriction) until the end of such period. The provisions of this Section B shall remain in full force and effect for all holders of the Warrants until such time as a holder receives Warrants pursuant to a valid registration statement under the Securities Act of 1933.

The foregoing covenant shall be for the benefit of the Company as well as for the benefit of any underwriter retained by the Company in connection with an initial public offering of the Company's shares.

Dated: _____, _____

_____
Name of Institution

By: _____[3]

_____
Name of Contact at Above Institution
for Questions and Updates

_____
Mailing Address

_____
Title of Executive Officer[4]

_____
Telephone Number

_____
Account Number

List of Accounts and Sub-Accounts (other than Separate Accounts of an Insurance company)
(attach separate sheet as necessary)

Name of Entity	Account Number	☑ Check Box if Applicable, see II(ii) Above
		☐
		☐
		☐

(List of Separate Accounts of an Insurance company)
(attach separate sheet as necessary)

Name of Entity	Account Number

3 If the undersigned is unable to make the representations and warranties contained in II(i), it should clearly so state below the signature line.

4 Certification must be signed by the institution's chief financial officer or another executive officer, except that if the institution is a member of a "family of investment companies," the certification must be signed by an executive officer of such institution's investment advisor.

ANNEX A

I. Rule 144A provides that a "Qualified Institutional Buyer" ("QIB") can be any of the following institutions, provided that such institution owns and/or invests on a discretionary basis at least $100 million in eligible "securities" (defined in II below).

(a) an ***insurance company*** as defined in Section 2(13) of the Securities Act of 1933 (the "Act");

(b) an ***investment company*** registered under the Investment Company Act of 1940, acting for its own account or for accounts of other QIBs that are part of ~~a~~*family of investment companies* (as defined in Rule 144A) which family of investment companies owns in aggregate at least $100 million in eligible securities;

(c) an ***investment adviser*** registered under the Investment Advisers Act of 1940;

(d) a ***corporation*** (other than a bank as defined in Section 3(a)(2) of the Act or a savings and loan association or other institution referenced in Section 3(a)(5)(A) of the Act or a foreign bank or savings and loan association or equivalent institution);

(e) a ***partnership*** or Massachusetts or similar *business trust*;

(f) a ***plan established and maintained by a state***, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees;

(g) an ***employee benefit plan*** within the meaning of Title I of the Employee Retirement Income Security Act of 1974;

(h) any ***trust fund*** whose trustee is a bank or trust company and whose participants are exclusively plans of the types identified in paragraph (f) or (g) above, except *trust funds* that include as participants individual retirement accounts or H.R. 10 plans.

(i) a ***not-for-profit organization*** described in Section 501(c)(3) of the Internal Revenue Code;

(j) a ***dealer*** registered pursuant to Section 15 of the Securities Exchange Act of 1934 (a dealer only is required to own and/or invest at least $10 million in eligible "securities," excluding securities constituting whole or a part of an unsold allotment to or subscription by a dealer as a participant in a public offering);

(k) a ***bank*** as defined in Section 3(a)(2) of the Act, a savings and loan association or other institution as referred to in Section 3(a)(5)(A) of the Act, or any foreign bank or savings and loan association or equivalent institution, acting for its own account or accounts of other qualified institutional buyers, that in the aggregate owns and invests on a discretionary basis at least $100 million in securities of issuers that are not affiliated with it, and that has an audited net worth of at least $25 million as demonstrated in its latest annual financial statements;

(l) a ***business development company*** as defined in Section 2(a)(48) of the Investment Company Act of 1940;

(m) a ***business development company*** as defined in Section 202(a)(22) of the Investment Advisers Act of 1940;

(n) a ***Small Business Investment Company*** licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958;

(o) any entity, all of the equal owners of which are QIBs.

II. Eligible "Securities" – in determining the aggregate amount of securities owned and invested on a discretionary basis by an entity, the following instruments and interests shall be *excluded*: securities issued by issuers that are affiliated with the purchaser or, if the purchaser is an investment company, are part of that purchaser's "family of investment companies"; bank deposit notes and certificates of deposit; loan participations; repurchase agreements; securities owned but subject to a repurchase agreement; and currency, interest rate and commodity swaps.

The value of eligible securities must be calculated based on cost (or on the basis of market value if the entity reports its securities holdings in its financial statements on the basis of their market value, and no current information with respect to the cost of those securities has been published).

In determining the aggregate amount of securities owned by an entity and invested on a discretionary basis, securities owned by subsidiaries of the entity that are consolidated with the entity in its financial statements prepared in accordance with generally accepted accounting principles may be included if the investments of such subsidiaries are managed under Section 13 or 15(d) of the Securities Exchange Act of 1934, securities owned by such subsidiaries may not be included if the entity itself is a majority-owned subsidiary that would be included in consolidated financial statements of another enterprise.

III. "Separate account" for purposes of this certification means a separate account as defined by Section 2(a)(37) of the Investment Company Act of 1940 that is neither registered under Section 8 of such Act nor required to be so registered.

ANNEX B

ACCREDITED INVESTOR STATUS FOR INDIVIDUAL INVESTORS AND CERTAIN INVESTORS THAT ARE ENTITIES

(Please check all applicable boxes):

(1) I am a director, executive officer or general partner of the issuer of the securities being offered or sold, or a director, executive officer or general partner of a general partner of that issuer; or

(2) I am a natural person whose individual net worth or joint net worth with my spouse, at the time of purchase, exceeds $1,000,000; or

(3) Any organization described in 501(c)(3) of the Internal Revenue Code, corporation, Massachusetts or similar business trust, or partnership, not formed for the specific purpose of acquiring the Common Shares and Warrants, with total assets in excess of $5,000,000; or

(4) I am a natural person who had an individual income in excess of $200,000 in each of the two most recent years or joint income with my spouse in excess of $300,000 in each of those years and have a reasonable expectation of reaching the same income level in the current year; or

(5) A trust, with total assets in excess of $5,000,000, not formed for the specific purpose of acquiring the Common Shares and Warrants, whose purchase is directed by a person who has such knowledge and experience in financial and business matters that he is capable of evaluating the merits and risks of the prospective investment; or

(6) An entity in which all of the equity owners are accredited investors.

If other than natural person, check one:

General Partnership

Limited Partnership

Limited Liability Company

Corporation

Subchapter S Corporation

“Grantor” Trust

Trust

Estate

If Joint Ownership, check one:

Joint Tenants w/Rights of Survivorship

Tenants-in-Common

Community Property

ANNEX C

Restrictions on Sales of Book-Entry Securities
Designated QIB/QP or 3(c)(7)

The Investment Company Act of 1940, as amended (the "Investment Company Act") requires that all holders of the outstanding securities of an issuer relying on Section 3(c)(7) (or, in the case of a non-U.S. issuer, all holders that are U.S. Persons) be "qualified purchasers" ("QPs") as defined in Section 2(a)(51)(A) of the Investment Company Act and related rules. Under the rules, the issuer or an agent acting on its behalf must have a "reasonable belief" that all holders of its outstanding securities (or, in the case of a non-U.S. issuer, all holders that are U.S. Persons), including transferees, are QPs. Consequently, all sales and resales of the securities (or, in the case of non-U.S. issuers, all sales and resales in the United States or to U.S. Persons) must be made pursuant to Rule 144A under the Securities Act of 1933, as amended (the "Securities Act"), solely to purchasers that are "qualified institutional buyers" ("QIBs") within the meaning of Rule 144A and are also QPs ("QIB/QPs"). Each purchaser of a security designated QP or 3(c)(7) will be deemed to represent at the time of purchase that: (i) the purchaser is a QIB/QP; (ii) the purchaser is not a broker-dealer which owns and invests on a discretionary basis less than $25 million in securities of unaffiliated issuers; (iii) the purchaser is not a participant-directed employee plan such as a 401(k) plan; (iv) the QIB/QP is acting for its own account, or the account of another QIB/QP; (v) the purchaser is not formed for the purpose of investing in the issuer; (vi) the purchaser, and each account for which it is purchasing, will hold and transfer at least the minimum denomination of securities; and (vii) the purchaser will provide notice of the transfer restrictions to any subsequent transferees.

A "qualified purchaser" as defined in Section 2(a)(51)(A) of the Investment Company Act is (i) any natural person (including any person who holds a joint, community property, or other similar shared ownership interest in an issuer that is excepted under section 3(c)(7) with that person's qualified purchaser spouse) who owns not less than $5,000,000 in investments, as defined by the Commission; (ii) any company that owns not less than $5,000,000 in investments and that is owned directly or indirectly by or for 2 or more natural persons who are related as siblings or spouse (including former spouses), or direct lineal descendants by birth or adoption, spouses of such persons, the estates of such persons, or foundations, charitable organizations, or trusts established by or for the benefit of such persons; (iii) any trust that is not covered by clause (ii) and that was not formed for the specific purpose of acquiring the securities offered, as to which the trustee or other person authorized to make decisions with respect to the trust, and each settlor or other person who has contributed assets to the trust, is a person described in clause (i), (ii), or (iv); or (iv) any person, acting for its own account or the accounts of other qualified purchasers, who in the aggregate owns and invests on a discretionary basis, not less than $25,000,000 in investments.

Exhibit n

Consent of Independent Registered Public Accounting Firm

We consent to the reference to our firm under the caption "Independent Registered Public Accounting Firm" and to the inclusion of our report dated September 22, 2005 in the Statement of Additional Information of the Registration Statement (Form N-2) of Tortoise Capital Resources Corporation filed with the Securities and Exchange Commission in this Pre-Effective Amendment No. 2 under the Securities Act of 1933 (Registration No. 333-136923).

/s/ Ernst & Young LLP

Kansas City, Missouri
January 8, 2007

CODE OF ETHICS

This Code of Ethics (the "Code") has been adopted by each investment company listed on Exhibit A hereto (each referred to as the "Company" for purposes of the application of this Code of Ethics to such investment company).

Statement of General Policy

The Company seeks to foster a reputation for integrity and professionalism. That reputation is a vital business asset. The confidence and trust placed in us by investors in the Company is something that is highly valued and must be protected. As a result, any activity that creates even the suspicion of misuse of material non-public information any of our employees, which gives rise to or appears to give rise to any breach of fiduciary duty owed to our investors, or which creates any actual or potential conflict of interest between the Company or any of its employees or even the appearance of any conflict of interest must be avoided and is prohibited. At the same time, we believe that individual investment activities by our officers and employees should not be unduly prohibited or discouraged.

Rule 17j-1 under the Investment Company Act of 1940, as amended (the "Rule") requires the Company adopt a code of ethics containing provisions reasonably necessary to prevent Access Persons (as defined therein) from engaging in any act, practice or course of business prohibited by the Rule. Accordingly, this Code of Ethics (the "Code") has been adopted to ensure that those who have knowledge of the portfolio transactions will not be able to act thereon to the disadvantage of the Company. The Code does not purport comprehensively to cover all types of conduct or transactions which may be prohibited or regulated by the laws and regulations applicable to the Company and persons connected with it. It is the responsibility of each employee to conduct personal securities transactions in a manner that does not interfere with the transactions of the Company or otherwise take unfair advantage of the Company, and to understand the various laws applicable to such employee.

1. **Definitions of Terms Used**

(a) "Access Person" means (i) any director, officer, manager or employee of the Company or the Company's investment advisor (or of any company in a control relationship to the Company or its investment advisor) who, in connection with his/her regular functions or duties, makes, participates in, or obtains information regarding, the purchase or sale of Covered Securities by the Company, or whose functions relate to the making of any recommendations with respect to purchases or sales of Covered Securities; and (ii) any natural person in a control relationship to the Company or the Company's investment advisor who obtains information concerning recommendations made to the Company with regard to the purchase or sale of Covered Securities by the Company.

(b) "Automatic Investment Plan" means a program, including a dividend reinvestment plan, in which regular periodic purchases (or withdrawals) are made automatically in (or from) investment accounts in accordance with a predetermined schedule and allocation.

(c) "Beneficial interest" or "beneficial ownership" shall be interpreted in the same manner as beneficial ownership would be under Rule 16a-1(a)(2) under the Securities Exchange Act of 1934 in determining whether a person is the beneficial owner of a security for purposes of Section 16 of that Act and the rules and regulations thereunder, which includes any interest in which a person, directly or indirectly, has or shares a direct or indirect pecuniary interest. A pecuniary interest is the opportunity, directly or indirectly, to profit or share in any profit derived from any transaction. **Each Access Person will be assumed to have a pecuniary interest, and therefore, beneficial interest in or ownership of, all securities held by the Access Person, the Access Person's spouse, all minor children, all dependent adult children and adults sharing the same household with the Access Person** (other than mere roommates) and in all accounts subject to their direct or indirect influence or control and/or through which they obtain the substantial equivalent of ownership, such as trusts in which they are a trustee or beneficiary, partnerships in which they are the general partner (except where the amount invested by the general partner is limited to an amount reasonably necessary in order to maintain the status as a general partner), corporations in which they are a controlling shareholder (except any investment company, trust or similar entity registered under applicable U.S. or foreign law) or any other similar arrangement. Any questions an Access Person may have about whether an interest in a security or an account constitutes beneficial interest or ownership should be directed to the Compliance Officer.

(d) "Considering for purchase or sale" shall mean when the portfolio manager communicates that he/she is seriously considering making such a transaction or when a recommendation to the portfolio manager to purchase or sell has been made or communicated by an analyst at the Company's investment advisor and, with respect to the analyst making the recommendation, when such analyst seriously considers making such a recommendation.

(e) "Contemplated Security" shall mean any security that the Company is eligible to hold or intends or proposes to acquire, and any security related to or connected with such security.[1] The term security shall have the meaning set forth in Section 2(a)(36) of the Investment Company Act of 1940, as amended (the "1940 Act"), including any right to acquire such security, such as puts, calls, other options or rights in such securities, and securities-based futures contracts.

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1 The types of securities the Company currently may invest in are listed in Exhibit A.

(f) "control" shall mean the power to exercise a controlling influence over the management or policies of a company, unless such power is solely the result of an official position with such company.

(g) "Covered Security" shall mean any security, and any security related to or connected with such security. The term "security" shall have the meaning set forth in Section 2(a)(36) of the 1940 Act, including any right to acquire such security, such as puts, calls, other options or rights in such securities, and securities-based futures contracts, except that it shall not include securities which are direct obligations of the government of the United States, shares issued by U.S. registered open-end investment companies, bankers' acceptances, bank certificates of deposit, commercial paper or high quality short-term debt instruments, including repurchase agreements.

(h) "Disinterested Director" means any director of the Company who is not an interested person of the Company's investment advisor or principal underwriter, is not an officer of the Company and is not otherwise an "interested person" of the Company as defined in the 1940 Act.

(i) The "Compliance Officer" shall mean the Company's Chief Compliance Officer, as designated by the Board of Directors of the Company, from time to time, or his designee.

(j) "Initial Public Offering" means an offering of securities registered under the Securities Act of 1933, as amended, the issuer of which, immediately before the registration, was not required to file reports under Sections 13 or 15(d) of the Securities Exchange Act of 1934, as amended, or an initial public offering under comparable foreign law.

(k) "Investment Personnel" means any employee of the Company or the Company's investment advisor (or of any company in a control relationship to the Company or the Company's investment advisor) who, in connection with his or her regular functions or duties, makes or participates in making recommendations regarding the purchase or sale of securities by the Company. Investment Personnel also includes any natural person who controls the Company or its investment advisor and who obtains information concerning recommendations made to the Company regarding the purchase or sale of securities by the Company.

(l) "Knowingly/Knows/Knew" means (i) actual knowledge or (ii) reason to believe; but shall exclude institutional knowledge, where there is no affirmative conduct by the employee to obtain such knowledge, for example, querying the Company's investment advisor trading system or Investment Personnel.

(m) "Limited Offering" means an offering that is exempt from registration under Section 4(2) or Section 4(6) of the Securities Act of 1933, as amended, or pursuant to Rule 504, Rule 505, or Rule 506 under the Securities Act of 1933, as amended, and similar restricted offerings under comparable foreign law.

(n) "Personal benefit" includes any intended benefit for oneself or any other individual, company, group or organization of any kind whatsoever except a benefit for the Company.

2. **Preferential Treatment, Gifts and Entertainment**

No Access Person shall seek or accept favors, preferential treatment or any other personal benefit because of his or her association with the Company, except those usual and normal benefits directly provided by the Company.

No Access Person shall accept any entertainment, gift or other personal benefit that may create or appears to create a conflict between the interests of such Access Person and the Company. In addition, Investment Personnel are prohibited from receiving any gift or other thing of more than de minimis value from any person or entity that does business with or on behalf of the Company. For purposes of this Code, de minimis is defined as reasonable and customary business entertainment, such as an occasional dinner, a ticket to a sporting event or the theater, or comparable entertainment which is neither so frequent nor so extensive as to raise any question of propriety. Any questions regarding the receipt of any gift or other personal benefit should be directed to the Compliance Officer.

3. **Conflicts of Interest**

If any Access Person is aware of a personal interest that is, or might be, in conflict with the interest of the Company, that Access Person should disclose the situation or transaction and the nature of the conflict to the Compliance Officer for appropriate consideration. Without limiting the foregoing, Investment Personnel who are planning to invest in or make a recommendation to invest in a security for the Company, and who have a material interest in the security or a related security, must first disclose such interest to his or her manager or the Compliance Officer. Such manager or the Compliance Officer shall conduct an independent review of the recommendation to purchase the security for clients and written evidence of such review shall be maintained by the Compliance Officer. Investment Personnel may not fail to timely recommend a suitable security to, or purchase or sell a suitable security for, the Company in order to avoid an actual or apparent conflict with a personal transaction in a security.

4. **Service as a Director**

Investment Personnel are prohibited from accepting any new appointment to the boards of directors of any energy infrastructure company, whether or not its securities are publicly traded, absent prior authorization of the Compliance Officer. In determining whether to authorize such appointment, the Compliance Officer shall consider whether the board service would be adverse to the interests of the Company and whether adequate procedures exist to ensure isolation from those making investment decisions. No Investment Personnel may participate in a decision to purchase or sell a security of any company for which he/she serves as a director. All Investment Personnel shall report existing board positions with for-profit corporations, business trusts or similar entities within ten (10) days of their qualification as such. All Investment Personnel must notify the Compliance Officer within ten (10) days of accepting a new appointment to serve on the board of directors of any for-profit corporation, business trust or

similar entity (other than energy infrastructure companies, for which prior authorization of the Compliance Officer is required).

5. **Inside Information**

U.S. securities laws and regulations, and certain foreign laws, prohibit the misuse of "inside" or "material non-public" information when trading or recommending securities. In addition, Regulation FD prohibits certain selective disclosure to analysts.

Inside information obtained by any Access Person from any source must be kept strictly confidential. All inside information should be kept secure, and access to files and computer files containing such information should be restricted. Persons shall not act upon or disclose material non-public or insider information except as may be necessary for legitimate business purposes on behalf of the Company. Questions and requests for assistance regarding insider information should be promptly directed to the Compliance Officer.

Inside information may include, but is not limited to, knowledge of pending orders or research recommendations, corporate finance activity, mergers or acquisitions, advance earnings information and other material non-public information that could affect the price of a security.

Company and shareholder account information is also confidential and must not be discussed with any individual whose responsibilities do not require knowledge of such information.

6. **Restrictions on Personal Security Transactions**

(a) Access Persons may not sell to, or purchase from, the Company any security or other property (except merchandise in the ordinary course of business), in which such Access Person has or would acquire a beneficial interest, unless such purchase or sale involves shares of the Company or is otherwise permitted pursuant to Section 17 of the 1940 Act.

(b) Access Persons may only engage in the purchase and sale of shares of the Company during the period beginning the third trading day after the public release of the Company's net asset value for a particular month and ending on the 7th day before the Company's scheduled release of net asset value for the next succeeding month, and, subject to the preclearance requirements of Section 7 below. However, even within those periods, no transactions should be entered into in violation of Rule 10b-5 under the Securities Exchange Act of 1934 prohibiting the use of inside information and all transactions should be carried out in compliance with Section 16 of the Securities Exchange Act of 1934 and Rule 144 under the Securities Act of 1933.

(c) Access Persons shall not discuss with or otherwise inform others of any actual or contemplated security transaction by the Company except in the performance of employment duties or in an official capacity and then only for the benefit of the Company, and in no event for personal benefit or for the benefit of others.

(d) Access Persons shall not release information to dealers or brokers or others (except to those concerned with the execution and settlement of the transaction) as to any changes in Company investments, proposed or in process, except (i) upon the completion of such changes, (ii) when the disclosure results from the publication of a prospectus, (iii) in conjunction with a regular report to shareholders or to any governmental authority resulting in such information becoming public knowledge, or (iv) in connection with any report to which shareholders are entitled by reason of provisions of the articles of incorporation, bylaws, rules and regulations, contracts or similar documents governing the operations of the Company.

(e) Access Persons may not use knowledge of portfolio transactions made or contemplated for the Company to profit by the market effect of such transactions or otherwise engage in fraudulent conduct in connection with the purchase or sale of a security sold or acquired by the Company.

(f) No Access Person shall knowingly take advantage of a corporate opportunity of the Company for personal benefit, or take action inconsistent with such Access Person's obligations to the Company. All personal securities transactions must be consistent with this Code and Access Persons must avoid any actual or potential conflict of interest or any abuse of any Access Person's position of trust and responsibility.

(g) Any transaction in a Covered Security in anticipation of the Company's transaction ("front-running") is prohibited.

(h) No Access Person (other than a Disinterested Director) shall purchase or sell any Covered Security which such Access Person knows that the Company's investment advisor either is purchasing or selling, or is considering for purchase or sale, for the Company until either the Company's transactions have been completed or consideration of such transaction is abandoned.

(i) No Disinterested Director shall purchase or sell, directly or indirectly, any Covered Security in which he or she has, or by reason of such transaction acquires, any direct or indirect beneficial ownership or interest when the Disinterested Director knows that securities of the same class are being purchased or sold or are being considered for purchase or sale by the Company, until such time as the Company's transactions have been completed or consideration of such transaction is abandoned.

(j) When anything in this Section 6 prohibits the purchase or sale of a security, it also prohibits the purchase or sale of any related securities, such as puts, calls, other options or rights in such securities and securities-based futures contracts and any securities convertible into or exchangeable for such security.

(k) Any Access Person who trades in violation of this Section 6 must unwind the trade or disgorge the profits.

7. **Preclearance**

(a) No Access Person (other than Disinterested Directors) may buy or sell any Contemplated Security or any shares of the Company for an account beneficially owned by him without having first obtained specific permission from the Compliance Officer. In order to gain permission to trade, a completed Preclearance Form, which can be obtained from the Compliance Officer, must be signed by at least one authorized signatory. After a completed Preclearance Form has been approved, the transaction may be affected either internally or through an external broker. Transaction orders must be placed within one week of the day permission to trade is granted or such shorter period as is indicated on the approved Preclearance Form.

(b) No Investment Personnel shall directly or indirectly acquire a beneficial interest in securities through a Limited Offering or in an Initial Public Offering without obtaining the prior consent of the Compliance Officer. Consideration will be given to whether or not the opportunity should be reserved for the Company. Such Officer will review these proposed investments on a case-by-case basis and approval may be appropriate when it is clear that conflicts are very unlikely to arise due to the nature of the opportunity for investing in the Initial Public Offering or Limited Offering.

8. **Excluded Transactions**

The trading restrictions in Section 6 and the preclearance requirements of Section 7 do not apply to the following types of transactions:

(a) Transactions effected for any account over which the Access Person has no direct or indirect influence or control and which has been approved by the Compliance Officer pursuant to Section 9(g). The prohibitions of Section 6 do not apply to any transaction in a trust or investment advisory account in which a Disinterested Director (either alone or with others who are not subject to this Code) has a beneficial interest if the investment discretion over the account is exercised by a third party and at the time of the transaction the Disinterested Director did not have knowledge of the transaction.

(b) Non-volitional purchases and sales, such as dividend reinvestment programs or “calls” or redemption of securities.

(c) The acquisition of securities by gift or inheritance or disposition of securities by gift to charitable organizations.

(d) Standing orders for retirement plans, provided that prior clearance is obtained before an Access Person starts, increases, decreases or stops direct debits/standing orders for retirement plans. Lump sum investments in or withdrawals from such plans must be pre-cleared on a case-by-case basis and are subject to trading restrictions.

9. **Reporting Procedures**

Access Persons shall submit to the Compliance Officer the reports set forth below. Any report required to be filed shall not be construed as an admission by the Access Person making such report that he/she has any direct or indirect beneficial interest in the security to which the report relates.

(a) Brokerage Accounts. Before effecting personal transactions through an external broker, each Access Person (other than a Disinterested Director) must (i) inform the brokerage firm of his affiliation with the Company and the Company's investment advisor; (ii) make arrangements for copies of confirmations to be sent to the Compliance Officer within 24 hours of each transaction; and (iii) make arrangements for the Compliance Officer to receive duplicate account statements.

(b) Initial Holdings Report. Each Access Person (other than a Disinterested Director) must provide a report which includes the following information within ten (10) days of becoming an Access Person:

- The title, number of shares and principal amount of each Covered Security in which the Access Person had any direct or indirect beneficial ownership when the Person became an Access Person;
- The name of any broker, dealer or bank with whom the Access Person maintained an account in which any securities were held for the direct or indirect benefit of the Access Person as of the date the person became an Access Person; and
- The date that the report is submitted by the Access Person.

The information contained in the initial holdings report must be current as of a date no more than forty-five (45) days prior to the date the person becomes an Access Person.

(c) Quarterly Transaction Reports. Not later than thirty (30) days following the end of a calendar quarter, each Access Person (other than a Disinterested Director, except as required by Section 9(e)) must submit a report which includes the following information with respect to any transaction in the quarter in a Covered Security in which the Access Person had any direct or indirect beneficial ownership:

- The date of the transaction, the title, interest rate and maturity date (if applicable), the number of shares and principal amount of each Covered Security involved;
- The nature of the transaction (i.e., purchase, sale or other type of acquisition or disposition);
- The price of the Covered Security at which the transaction was effected;

- The name of the broker, dealer or bank with or through which the transaction was effected; and
- The date that the report is submitted by the Access Person.

An Access Person need not make a quarterly transaction report if the report would duplicate information contained in broker trade confirmations, notices or advices, or account statements, received by the Compliance Officer in the time period required by this Section 9(c), if all of the required information is contained in such broker trade confirmations, notices, advices or account statements.

(d) Annual Holdings Report. Each Access Person (other than a Disinterested Director) shall submit the information required in Section 9(b) above annually within thirty (30) days of the end of each calendar year. The information shall be current as of a date no more than forty-five (45) days before the report is submitted.

(e) Disinterested Directors. A Disinterested Director shall provide a quarterly report with respect to any purchase or sale of any Covered Security in which such person had a beneficial interest if at the time of the transaction the Disinterested Director knew, or in the ordinary course of fulfilling his or her official duties as a director of the Company should have known, that on the date of the transaction or within fifteen (15) days before or after the transaction, purchase or sale of that class of security was made or considered for the Company. The form of the report shall contain the information set forth in Section 9(c) above.

This subsection (e) shall not apply to non-volitional purchases and sales, such as dividend reinvestment programs or "calls" or redemptions. This subsection (e) shall not apply to purchases and sales of securities in an account in which a Disinterested Director has a beneficial interest if the account is managed by an investment professional other than the Disinterested Director and the Disinterested Director did not have knowledge of the transaction until after execution, provided that the Disinterested Director has previously identified the account to the Compliance Officer.

(f) Review of Reports. The Compliance Officer shall be responsible for identifying Access Persons, notifying them of their obligations under this Code and reviewing reports submitted by Access Persons. The Compliance Officer will maintain the names of the persons responsible for reviewing these reports, as well as records of all reports filed pursuant to these procedures. No person shall be permitted to review his/her own reports. Such reports shall be reviewed by the Compliance Officer or other officer who is senior to the person submitting the report.

(g) Exceptions from Reporting Requirements. An Access Person need not make reports pursuant to this Section 9 with respect to transactions effected for, and Covered Securities held in, any account over which the Access Person has no direct or indirect influence or control. Access Persons wishing to rely on this

exception must receive prior approval from the Compliance Officer. In addition, an Access Person need not make reports pursuant to Section 9(c) with respect to transactions effected pursuant to an Automatic Investment Plan.

10. **Administration of Code**

The Compliance Officer shall be responsible for all aspects of administering this Code and for all interpretative issues arising under the Code. The Compliance Officer is responsible for considering any requests for exceptions to, or exemptions from, the Code (e.g., due to personal financial hardship). Any exceptions to, or exemptions from, the Code shall be subject to such additional procedures, reviews and reporting as may be deemed appropriate by the Compliance Officer, and shall be reported to the Board of the Company at the next regular meeting. The Compliance Officer will take whatever action he deems necessary with respect to any officer or employee of the Company or the Company's investment advisor who violates any provision of this Code. Any information received by the Compliance Officer relating to questionable practices or transactions by a Disinterested Director of the Company shall immediately be forwarded to the Audit Committee of the Company for that Committee's consideration and such action as it, in its sole judgment, shall deem warranted.

11. **Reports to Board**

At least once a year, the Company must provide a written report to the Board of Directors that describes any issues arising under the Code or procedures since the last report to the Board of Directors, including, but not limited to, information about material violations of the Code or procedures and sanctions imposed in response to the material violations. The report will also certify to the Board of Directors that the Company has adopted procedures reasonably necessary to prevent Access Persons from violating the Code. The report should also include significant conflicts of interest that arose involving the Company and the Company's investment advisor's personal investment policies, even if the conflicts have not resulted in a violation of the Code. For example, the Company will report to the Board if a portfolio manager is a director of a company whose securities are held by the Company.

12. **Code Revisions**

Any material changes to the Code will be submitted to the Board of Directors for approval within six months of such change.

13. **Recordkeeping Requirements**

The Company shall maintain records, at its principal place of business, of the following: a copy of each Code of Ethics in effect during the past five years; a record of any violation of the Code and any action taken as a result of the violation for at least five years after the end of the fiscal year in which the violation occurs; a copy of each report made by Access Persons as required in this Code, including any information provided in place of the reports for at least five years after the end of the fiscal year in which the report is made or the information is provided; a copy of each Director report made pursuant to Section 11 for at least five years after the end of the fiscal year in which it is made; a record of all persons required to make reports currently and during the past five years; a record of all who are or were responsible for reviewing these reports

during the past five years; and, for at least five years after the end of the fiscal year in which approval is granted, a record of any decision and the reasons supporting that decision, to approve an Investment Personnel's purchase of securities in an Initial Public Offering or a Limited Offering.

14. **Condition of Employment or Service**

All Access Persons shall conduct themselves at all times in the best interests of the Company. Compliance with the Code shall be a condition of employment or continued affiliation with the Company and conduct not in accordance with the Code shall constitute grounds for actions which may include, but are not limited to, a reprimand, a restriction on activities, disgorgement, termination of employment or removal from office. All Access Persons shall certify annually that they have read and agree to comply in all respects with this Code and that they have disclosed or reported all personal securities transactions, holdings and accounts required to be disclosed or reported by this Code.

* * * * *

Revised: April 12, 2006

EXHIBIT A

Companies that have adopted Code of Ethics

Tortoise Energy Infrastructure Corporation ("TYG")

Tortoise Energy Capital Corporation ("TYY")

Tortoise North American Energy Corporation ("TYN")

Tortoise Capital Resources Corporation ("TTO")[1]

Securities in which Company may invest

TYG and TYY – invest in the securities of energy infrastructure companies, and high quality short-term debt investments.

TYN – invests in securities of energy infrastructure companies, Canadian royalty and income trusts, and high quality short-term debt investments.

TTO – invests in privately-held and micro-cap public companies in the energy infrastructure sector.

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1 Tortoise Capital Resources Corporation is a closed-end investment company that has elected to be treated as a business development company. Although such company is not a registered investment company, Section 59 of the Investment Company Act of 1940 makes Section 17(j) of that Act applicable to business development companies.

ACKNOWLEDGEMENT AND CERTIFICATION

I acknowledge that I have read the Code of Ethics of Tortoise Energy Infrastructure Corporation, Tortoise Energy Capital Corporation, Tortoise North American Energy Corporation and Tortoise Capital Resources Corporation (a copy of which has been supplied to me, which I will retain for future reference) and agree to comply in all respects with the terms and provisions thereof. I have disclosed or reported all personal securities transactions, holdings and accounts required to be disclosed or reported by this Code of Ethics and have complied with all provisions of this Code.

Print Name

Date

Signature