

CANARGO ENERGY CORP

Form 8-K

March 06, 2009

Table of Contents

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 OR 15(d) of The
Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported) March 4, 2009

CANARGO ENERGY CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction
Of incorporation)

001-32145

(Commission File Number)

91-0881481

(I.R.S. Employer
Identification No.)

CanArgo Energy Corporation

P.O. Box 291, St. Peter Port

Guernsey, British Isles

(Address of principal executive offices)

GY1 3RR

(Zip Code)

Registrant's telephone number, including area code +(44) 1481 729 980

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

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

TABLE OF CONTENTS

Item 1.01 Entry into a Material Definitive Agreement

Item 9.01. Financial Statements and Exhibits.

SIGNATURES

EX-10.1

Table of Contents

The matters discussed in this Current Report on Form 8-K include forward looking statements, which are subject to various risks, uncertainties and other factors that could cause actual results to differ materially from the results anticipated in such forward looking statements. Such risks, uncertainties and other factors include the uncertainties inherent in oil and gas development and production activities, the effect of actions by third parties including government officials, fluctuations in world oil prices and other risks detailed in the Company's Reports on Forms 10-K and 10-Q filed with the Securities and Exchange Commission. The forward-looking statements are intended to help shareholders and others assess the Company's business prospects and should be considered together with all information available. They are made in reliance upon the safe harbor provisions of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. The Company cannot give assurance that the results will be attained.

Section 1 Registrant's Business and Operations

Item 1.01 Entry into a Material Definitive Agreement

On June 28, 2006 CanArgo Energy Corporation, (CanArgo), entered into a Note Purchase Agreement (the Purchase Agreement) with Persistency, a Cayman Islands corporation (Persistency), relating to the purchase of CanArgo's 12% Subordinated Convertible Guaranteed Notes, due June 28, 2010 (the Subordinated Notes).

On March 4, 2009, CanArgo entered into a further agreement (the Agreement) with Persistency whereby Persistency agrees and covenants that prior to June 1, 2009, absent the Company's consent, or an event of default which results in the Subordinated Notes becoming immediately due and payable, or a Change of Control as defined in the Purchase Agreement (other than as a result of a transaction with Persistency or its affiliate), it will not convert or exchange, or seek to convert or exchange, any or all of the Subordinated Notes into shares of common stock of CanArgo, or into any other security convertible or exchangeable into shares of common stock of CanArgo, pursuant to Section 11.7 of the Note Agreement.

A copy of the Agreement is attached hereto as Exhibit 10.1.

Section 9 Financial Statements and Exhibits

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits:

Exhibit No.

Exhibit Description

10.1 Form of Agreement dated March 4, 2009 between CanArgo Energy Corporation and Persistency

Table of Contents

SIGNATURES

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

CANARGO ENERGY CORPORATION

Date: March 6, 2009

By: /s/ Jeffrey Wilkins
Jeffrey Wilkins, Corporate
Secretary