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

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2007

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period _______ to _______

Commission file number: 814-00672

NGP Capital Resources Company

(Exact name of registrant as specified in its charter)

Maryland **(State or other jurisdiction of incorporation or organization)**	**20-1371499** **(I.R.S. employer identification number)**
1221 McKinney Street, Suite 2975 **Houston, Texas** **(Address of principal executive offices)**	**77010** **(Zip Code)**

(713) 752-0062
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☐ Accelerated filer ☒ Non-accelerated filer ☐

Indicate by a check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

The number of shares of the registrant's Common Stock, $.001 par value, outstanding as of May 1, 2007 was 17,444,960.

PART I - FINANCIAL INFORMATION

Item 1. Consolidated Financial Statements.

NGP CAPITAL RESOURCES COMPANY
CONSOLIDATED BALANCE SHEETS
(unaudited)

	March 31, 2007	December 31, 2006
Assets		
Investments in portfolio securities at fair value (cost: $230,137,339 and $170,863,203, respectively)	$ 234,871,084	$ 172,025,498
Investments in corporate notes at fair value (cost: $17,671,070 and $17,681,646, respectively)	15,264,040	15,116,080
Investments in U.S. Treasury Bills, at amortized cost which approximates fair value	103,950,558	142,669,579
Total investments	354,085,682	329,811,157
Cash and cash equivalents, at cost which approximates fair value	2,367,150	12,334,329
Accounts receivable	32,713	452,916
Interest receivable	1,220,978	1,400,757
Prepaid assets	1,359,917	1,598,501
Total assets	$ 359,066,440	$ 345,597,660
Liabilities and stockholders' equity (net assets)		
Current liabilities		
Accounts payable	$ 811,204	$ 965,105
Management and incentive fees payable	1,564,509	1,374,299
Dividends payable	4,616,901	-
Total current liabilities	6,992,614	2,339,404
Long-term debt	105,285,000	100,000,000
Total liabilities	112,277,614	102,339,404
Commitments and contingencies (Note 8)		
Stockholders' equity (net assets)		
Common stock, $.001 par value, 250,000,000 shares authorized; 17,422,268 and 17,422,268 issued and 17,422,268 and 17,422,268 outstanding, respectively	17,422	17,422
Paid-in capital in excess of par	244,660,173	244,660,173
Undistributed net investment income (loss)	30,375	229,791
Undistributed net realized capital gain (loss)	(245,859)	(245,859)
Net unrealized appreciation (depreciation) of portfolio securities and corporate notes	2,326,715	(1,403,271)
Total stockholders' equity (net assets)	246,788,826	243,258,256
Total liabilities and stockholders' equity (net assets)	$ 359,066,440	$ 345,597,660
Net asset value per share	$ 14.16	$ 13.96

(See accompanying notes to consolidated financial statements)

NGP CAPITAL RESOURCES COMPANY
CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)

	For the Three Months ended March 31, 2007	For the Three Months ended March 31, 2006
Investment income		
Interest income	$ 8,421,255	$ 4,858,504
Other income	55,507	137,549
Total operating income	8,476,762	4,996,053
Operating expenses		
Management fees	1,564,509	1,117,019
Professional fees	153,596	121,703
Insurance expense	132,423	144,354
Interest expense and fees	1,557,196	79,003
General and administrative expenses	651,553	544,077
Total operating expenses	4,059,277	2,006,156
Net investment income	4,417,485	2,989,897
Net increase (decrease) in unrealized appreciation (depreciation) on portfolio securities and corporate notes	3,729,986	(1,146,362)
Net increase in stockholders' equity (net assets) resulting from operations	$ 8,147,471	$ 1,843,535
Net increase in stockholders' equity (net assets) resulting from operations per common share	$ 0.47	$ 0.10

(See accompanying notes to consolidated financial statements)

NGP CAPITAL RESOURCES COMPANY
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (NET ASSETS)
(unaudited)

	Common Stock		Paid-in Capital in Excess	Undistributed Net Investment	Undistributed Net Realized Capital Gain	Net Unrealized Appreciation (Depreciation) of Portfolio Securities and Corporate	Total Stockholders' Equity
	Shares	Amount	of Par	Income (Loss)	(Loss)	Notes	(Net Assets)
Balance at December 31, 2006	17,422,268	$ 17,422	$ 244,660,173	$ 229,791	$ (245,859)	$ (1,403,271)	$ 243,258,256
Net increase in stockholders' equity (net assets) resulting from operations	-	-	-	4,417,485	-	3,729,986	8,147,471
Dividends declared	-	-	-	(4,616,901)	-	-	(4,616,901)
Balance at March 31, 2007	17,422,268	$ 17,422	$ 244,660,173	$ 30,375	$ (245,859)	$ 2,326,715	$ 246,788,826

(See accompanying notes to consolidated financial statements)

NGP CAPITAL RESOURCES COMPANY
CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

	For the Three Months ended March 31, 2007	For the Three Months ended March 31, 2006
Cash flows from operating activities		
Net increase in stockholders' equity (net assets) resulting from operations	$ 8,147,471	$ 1,843,535
Adjustments to reconcile net increase in stockholders' equity (net assets)		
resulting from operations to net cash used in operating activities		
Payment-in-kind interest	(1,115,048)	(23,781)
Net amortization of premiums, discounts and fees	(381,727)	(92,584)
Effects of changes in operating assets and liabilities		
Accounts receivable	420,203	12,500
Interest receivable	179,779	25,337
Prepaid assets	238,584	199,223
Accounts payable	36,309	896,711
Unrealized appreciation (depreciation) on portfolio securities and corporate notes	(3,729,986)	1,146,362
Purchase of investments in portfolio securities	(58,354,311)	(20,111,132)
Redemption of investments in portfolio securities	587,526	2,402
Net sale of investments in U.S. Treasury Bills	38,719,021	13,269,118
Net cash (used in) operating activities	(15,252,179)	(2,832,309)
Cash flows from financing activities		
Borrowings under revolving credit facility	5,285,000	-
Dividends paid	-	(4,785,028)
Net cash provided by (used in) financing activities	5,285,000	(4,785,028)
Net (decrease) in cash and cash equivalents	(9,967,179)	(7,617,337)
Cash and cash equivalents, beginning of the period	12,334,329	13,350,588
Cash and cash equivalents, end of period	$ 2,367,150	$ 5,733,251

(See accompanying notes to consolidated financial statements)

NGP CAPITAL RESOURCES COMPANY
CONSOLIDATED SCHEDULE OF INVESTMENTS
March 31, 2007
(unaudited)

Portfolio Company	Investment (2) (4)	Principal	Cost	Fair Value (3)
TARGETED INVESTMENTS				
Venoco, Inc. (1)	Senior Notes (7) (8.75%, due 12/15/2011)	$ 8,000,000	$ 7,962,383	$ 8,040,000
Venoco, Inc. (1)	Senior Notes (7) (8.75%, due 12/15/2011)	4,000,000	3,937,641	4,020,000
TierraMar Energy, LLC (1)	Senior Secured Multiple-Advance Term Loan (LIBOR + 6.00% cash, +7.50% PIK, due 5/13/2008)	10,095,421	9,970,546	9,970,546
	Overriding Royalty Interest (6)	20,000	18,387	200,000
	Warrants (5)	10,000	10,000	200,000
C-Gas, LLC (1)	Senior Secured Multiple-Advance Term Loan (LIBOR + 5.50% cash, +7.50% PIK, due 4/25/2009)	18,570,200	18,375,278	18,375,278
	Overriding Royalty Interest (6)	45,000	44,575	200,000
	Senior Secured Multiple-Advance Supplemental Term Loan (LIBOR + 5.50% cash, +7.50% PIK, due 4/30/2007)	4,300,000	4,300,000	4,300,000
Atchee CBM, LLC (1)	Senior Secured Multiple-Advance Term Loan (LIBOR + 5.50% cash, +7.50% PIK, due 4/25/2009)	1,460,540	1,440,229	1,440,229
	Overriding Royalty Interest (5)(6)	5,000	5,000	5,000
	Senior Secured Multiple-Advance Supplemental Term Loan (LIBOR + 5.50% cash, +7.50% PIK, due 4/30/2007)	713,036	713,036	713,036
Chroma Exploration & Production, Inc. (1)	Tranche A - Senior Secured Multiple-Advance Term Loan (LIBOR + 7.75% until Tranche B payoff, +6.00% thereafter, due 9/20/2008)	15,000,000	14,809,895	14,809,895
	Overriding Royalty Interest (6)	87,500	81,979	1,650,000
	8,628 Shares Series A Participating Convertible Preferred Stock	-	2,157,000	2,157,000
	8.11 Shares Common Stock	-	-	-
	Tranche B - Senior Secured Multiple-Advance Term Loan (LIBOR + 7.75%, due 4/04/2007)	2,100,000	2,098,872	2,098,872
Piceance Basin Properties, LLC (1)	Senior Secured Multiple-Advance Term Loan (11.3868%, due 10/31/2010)	5,372,812	5,414,994	5,414,994
	LLC Units (19,900 units) (8)	-	40,876	30,631
	Warrants (5)	25,000	25,000	25,000

NGP CAPITAL RESOURCES COMPANY
CONSOLIDATED SCHEDULE OF INVESTMENTS
March 31, 2007
(unaudited)
(Continued)

Portfolio Company	Investment (2) (4)	Principal	Cost	Fair Value (3)
Resaca Exploitation, LP (1)	Senior Secured	23,720,000	23,375,184	23,375,184
	Multiple-Advance Tranche A Term Loan			
	(LIBOR + 6.00%, due 5/01/2012)			
	Overriding Royalty Interest (6)	30,000	30,000	125,000
	Senior Secured Tranche B Term Loan	6,000,000	5,957,025	5,957,025
	(LIBOR + 9.00%, due 8/01/2007)			
	Overriding Royalty Interest (6)	30,000	30,000	125,000
	Senior Subordinated	4,000,000	4,000,000	4,000,000
	Secured Convertible Term Loan			
	(6.00% cash, 8.00% PIK, due 5/01/2012)			
Crossroads Energy, LP (1)	Senior Secured	2,648,580	2,571,753	2,571,753
	Multiple-Advance Term Loan			
	(LIBOR + 5.50% cash, +7.50% PIK - until 12/29/07,			
	cash only thereafter, due 6/29/2009)			
	Overriding Royalty Interest (6)	10,000	9,926	70,000
Rubicon Energy Partners, LLC (8)	Senior Secured	33,597,349	33,152,493	33,152,493
	Multiple-Advance Term Loan			
	(LIBOR + 6.50%, due 7/26/2010)			
	LLC Units (4,000 units)	-	4,000,000	6,000,000
BSR Alto, LLC (1)	Senior Secured	2,445,129	2,325,845	2,325,845
	Multiple-Advance Term Loan			
	(LIBOR + 5.50% cash, +7.50% PIK - until 8/17/08,			
	cash only thereafter, due 8/17/2009)			
	Overriding Royalty Interest (6)	30,000	29,722	75,000
	Warrants (5)	10,000	10,000	100,000
BSR Loco Bayou, LLC (1)	Senior Secured	3,523,760	3,360,390	3,360,390
	Multiple-Advance Term Loan			
	(LIBOR + 5.50% cash, +7.50% PIK - until 8/15/08,			
	cash only thereafter, due 8/15/2009)			
	Overriding Royalty Interest (5)(6)	20,000	20,000	20,000
	Warrants (5)	10,000	10,000	10,000
Nighthawk Transport I, LP (1)	Senior Secured	2,034,660	2,005,435	2,005,435
	Term Loan A			
	(LIBOR + 3.50%, due 6/15/2010)			
	Second Lien	3,487,715	3,416,487	3,416,487
	Term Loan B			
	(LIBOR + 8.00%, due 6/15/2011)			
	Second Lien	3,387,585	3,322,913	3,322,913
	Delayed Draw Term Loan B			
	(LIBOR + 8.00%, due 6/15/2011)			
	Warrants (5)	-	224	100,000

NGP CAPITAL RESOURCES COMPANY

CONSOLIDATED SCHEDULE OF INVESTMENTS

March 31, 2007
(unaudited)
(Continued)

Portfolio Company	Investment (2) (4)	Principal	Cost	Fair Value (3)
Energy XXI Gulf Coast, Inc. (1)	Second Lien Term Loan	14,000,000	14,000,000	14,000,000
	(LIBOR + 5.50%, due 4/04/2010)			
Sonoran Energy, Inc. (1)	Senior Secured	6,943,853	6,756,727	6,756,727
	Multiple-Advance Term Loan			
	(LIBOR + 6.00%, due 2/28/2008)			
	Overriding Royalty Interest (6)	100,000	99,194	100,000
	Warrants (5)	10,000	10,000	10,000
Alden Resources, LLC (1)	Senior Secured	33,749,111	30,541,748	30,541,748
	Multiple-Advance Term Loan			
	(LIBOR + 8.00% cash, +10.00% PIK - until 1/05/2008)			
	cash only thereafter, due 1/05/2013)			
	Royalty Interest (6)	2,660,000	2,656,979	2,660,000
	Warrants (5)	100,000	100,000	100,000
Tammany Oil & Gas, LLC (1)	Senior Secured	17,235,796	16,739,603	16,739,603
	Multiple-Advance Term Loan			
	(LIBOR + 6.00%, due 3/21/2010)			
	Overriding Royalty Interest (6)	200,000	200,000	200,000
Subtotal Targeted Investments (65.9% of total investments)			**$ 230,137,339**	**$ 234,871,084**

Issuing Company	Investment (4)	Principal	Cost	Value
CORPORATE NOTES				
Pioneer Natural Resources Co.	Senior Notes, 7.2%, due 2028	$ 10,000,000	$ 11,663,432	$ 9,512,800
XTO Energy, Inc.	Senior Notes, 5.0%, due 2015	6,000,000	6,007,638	5,751,240
Subtotal Corporate Notes (4.28% of total investments)			**$ 17,671,070**	**$ 15,264,040**
GOVERNMENT SECURITIES				
U.S. Treasury Bills	U.S. Treasury Bills, 4.982%, due 05/24/2007	$ 8,907,000	$ 8,645,918	$ 8,645,918
U.S. Treasury Bills	U.S. Treasury Bills, 4.982%, due 05/24/2007	12,000,000	11,913,080	11,913,080
U.S. Treasury Bills	U.S. Treasury Bills, 4.982%, due 05/24/2007	12,000,000	11,913,080	11,913,080
U.S. Treasury Bills	U.S. Treasury Bills, 4.982%, due 05/24/2007	12,000,000	11,913,080	11,913,080
U.S. Treasury Bills	U.S. Treasury Bills, 4.982%, due 05/24/2007	12,000,000	11,913,080	11,913,080
U.S. Treasury Bills	U.S. Treasury Bills, 4.982%, due 05/24/2007	12,000,000	11,913,080	11,913,080
U.S. Treasury Bills	U.S. Treasury Bills, 4.982%, due 05/24/2007	12,000,000	11,913,080	11,913,080
U.S. Treasury Bills	U.S. Treasury Bills, 4.982%, due 05/24/2007	12,000,000	11,913,080	11,913,080
U.S. Treasury Bills	U.S. Treasury Bills, 4.982%, due 05/24/2007	12,000,000	11,913,080	11,913,080
Subtotal Government Securities (29.16% of total investments)			**$ 103,950,558**	**$ 103,950,558**
CASH				
Subtotal Cash (0.66% of total investments)			**$ 2,367,150**	**$ 2,367,150**
TOTAL INVESTMENTS, CASH AND CASH EQUIVALENTS			**$ 354,126,117**	**$ 356,452,832**

LIABILITIES IN EXCESS OF OTHER ASSETS	$	(109,664,006)
NET ASSETS	$	246,788,826

(1) Portfolio company is not controlled by or affiliated with us as defined by the Investment Company Act of 1940.

(2) Percentages represent interest rates in effect at March 31, 2007, and due dates represent the contractual maturity dates.

(3) Fair value of targeted investments is determined by or under the direction of the Board of Directors.

(4) All investments are in entities with primary operations in the United States of America.

(5) Non-income producing securities.

(6) Securities are subject to restrictions as to their sale.

(7) Upon the March 30, 2006 closing of Venoco, Inc.'s TexCal acquisition, Venoco Inc.'s senior notes became collateralized by second priority liens.

(8) Portfolio company is controlled by us as defined by the Investment Company Act of 1940.

(See accompanying notes to consolidated financial statements)

NGP CAPITAL RESOURCES COMPANY
CONSOLIDATED FINANCIAL HIGHLIGHTS
(unaudited)

	For the Three Months ended March 31, 2007	For the Three Months ended March 31, 2006
Per Share Data		
Net asset value, beginning of period	$ 13.96	$ 14.02
Net investment income	0.25	0.17
Net realized and unrealized gain (loss) on portfolio securities and corporate notes	0.22	(0.07)
Net increase in stockholders' equity (net assets) resulting from operations	0.47	0.10
Dividends declared	(0.27)	(0.16)
Net asset value, end of period	$ 14.16	$ 13.96
Market value, beginning of period	$ 16.75	$ 13.13
Market value, end of period	$ 15.81	$ 13.60
Market value return (1)	-4.03%	4.85%
Net asset value return (1)	3.13%	0.79%
Ratios and Supplemental Data ($ and shares in thousands)		
Net assets, end of period	$ 246,789	$ 242,958
Average net assets	245,024	243,428
Common shares outstanding at end of period	17,422	17,400
General and administrative expenses/average net assets (2) (3)	4.13%	1.48%
Total operating expenses/average net assets (2)	6.72%	3.34%
Net investment income/average net assets (2)	7.31%	4.98%
Net increase in net assets resulting from operations/average net assets (2)	13.49%	3.07%
Portfolio turnover rate	0.24%	0.00%

(1) Return calculations assume reinvestment of dividends and are not annualized.

(2) Annualized.

(3) Includes interest expense. Excluding interest expense results in a ratio of 1.55%.

(See accompanying notes to consolidated financial statements)

NGP CAPITAL RESOURCES COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2007
(Unaudited)

Note 1: Organization

NGP Capital Resources Company (the "Company") was organized as a Maryland corporation in July 2004. The Company has elected to be treated as a business development company under the Investment Company Act of 1940, as amended (the "1940 Act"). In addition, for tax purposes the Company has elected to be treated as a regulated investment company, ("RIC"), under the Internal Revenue Code of 1986, as amended (the "Code") for 2005 and later years. The Company has several subsidiaries that are single member limited liability companies and wholly owned limited partnerships established to hold certain portfolio investments or provide services to the Company in accordance with specific rules prescribed for a company operating as a RIC. These subsidiaries are: NGPC Funding GP, LLC, a Texas limited liability company; NGPC Nevada, LLC, a Nevada limited liability company; NGPC Funding, LP, a Texas limited partnership; NGPC Asset Holdings GP, LLC, a Texas limited liability company; NGPC Asset Holdings, LP, a Texas limited partnership; NGPC Asset Holdings II, LP, a Texas limited partnership; and NGPC Asset Holdings III, LP, a Texas limited partnership. The Company consolidates the results of its subsidiaries for financial reporting purposes. The Company does not consolidate the financial results of its portfolio companies.

The Company was created to invest primarily in small and mid-size private energy companies, which are generally defined as companies that have net asset values or annual revenues of less than $500 million and are not issuers of securities listed on a national exchange. The Company's investment objective is to generate both current income and capital appreciation through debt and equity investments or a combination thereof.

The Company is managed and advised, subject to the overall supervision of the Company's Board of Directors, by NGP Investment Advisor, LP (the "Manager"), a Delaware limited partnership owned by NGP Energy Capital Management, LLC, and NGP Administration, LLC (the "Administrator"), the Company's administrator.

Note 2: Significant Accounting Policies

The consolidated financial statements include the accounts of the Company and its subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation. The unaudited consolidated financial statements have been prepared in accordance with U.S. Generally Accepted Accounting Principles ("GAAP") for interim financial information. Accordingly, certain information and footnote disclosures normally included in the annual financial statements prepared in accordance with GAAP have been omitted from the accompanying unaudited interim consolidated financial statements. The unaudited consolidated financial statements in this quarterly report have been prepared consistent with the accounting policies reflected in the Company's annual financial statements included in the Company's Form 10-K for the year ended December 31, 2006, filed with the SEC and should be read in conjunction therewith. In management's opinion, the unaudited consolidated financial statements include all adjustments, consisting of normal recurring adjustments, considered necessary for a fair presentation of such consolidated financial statements. Interim results are not necessarily indicative of results for a full year.

The following is a summary of the significant accounting policies consistently applied by the Company in the preparation of its consolidated financial statements:

Use of Estimates

The consolidated financial statements have been prepared in accordance with GAAP that require management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and the accompanying notes to the consolidated financial statements. Actual results could differ from these estimates.

Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposits and highly liquid investments with original maturities of three months or less when purchased. Cash and cash equivalents are carried at cost which approximates fair value.

Prepaid Assets

Prepaid assets consist of premiums paid for directors' and officers' insurance and fidelity bonds with a policy term of one year and fees associated with the establishment of the credit facility. Such premiums and fees are amortized monthly on a straight line basis over the term of the policy or credit facility.

Concentration of Credit Risk

The Company places its cash and cash equivalents with financial institutions and, at times, cash held in checking accounts may exceed the Federal Deposit Insurance Corporation insured limit.

Valuation of Investments

Investments are carried at fair value, as determined in good faith by the Company's Board of Directors. On a quarterly basis, the Manager prepares valuations for all of the assets in the Company's portfolio and presents the valuations to the Company's Valuation Committee and Board of Directors. The valuations are determined and recommended by the Valuation Committee to the Board of Directors, which reviews and ratifies the final portfolio valuations.

Investments in securities for which market quotations are readily available are recorded in the financial statements at such market quotations as of the valuation date adjusted for appropriate liquidity discounts, if applicable. For investments in securities for which market quotations are unavailable, or which have various degrees of trading restrictions, the Manager prepares valuation analyses, as generally described below.

Using the most recently available financial statements, forecasts and, when applicable, comparable transaction data, the Manager prepares valuation analyses for the various securities in the Company's investment portfolio. These valuation analyses are prepared using traditional valuation methodologies which rely on estimates of the asset values and enterprise values of portfolio companies issuing securities.

The methodologies for determining asset valuations include estimates based on the liquidation or sale value of a portfolio company's assets, the discounted value of expected future net cash flows from the assets, third party valuations of the portfolio company's assets (such as engineering reserve reports of oil and gas properties) or multiples from transactions involving the sale of comparable assets. The Manager considers some or all of the above valuation methods to determine the estimated asset value of a portfolio company.

The methodologies for determining enterprise valuations include estimates based on valuations of comparable public companies, recent sales of comparable companies, the value of recent investments in the equity securities of the portfolio company and the asset valuation methodologies described above. The Manager considers some or all of the above valuation methods to determine the estimated enterprise value of a portfolio company.

Debt Securities: The Company values its investments in non-convertible debt securities at its original net book value plus amortized original issue discount, or OID, to the extent that the estimated asset or enterprise value of the portfolio company exceeds the outstanding debt of the portfolio company. The Company values convertible debt securities at the higher of: 1) cost plus amortized OID, to the extent that the estimated asset or enterprise value of the portfolio company equals or exceeds the outstanding debt of the portfolio company; and 2) the Company's pro rata share, upon conversion, of the residual equity value of the portfolio company available after deducting all outstanding debt from its estimated enterprise value. If the estimated asset or enterprise value is less than the sum of the value of the Company's debt investment and all other debt securities of the portfolio company *pari passu* or senior to the Company's debt investment, the Company reduces the value of its debt investment beginning with its junior-most debt investment such that the asset or enterprise value less the value of the outstanding *pari passu* or senior debt is zero.

Equity Securities: The Company values its investments in preferred and common equity securities (including warrants or options to acquire equity securities) based on its pro rata share of the residual equity value available after deducting all outstanding debt from the estimated enterprise value.

Property-Based Equity Participation Rights: The Company values investments in overriding royalty and net profits interests based on a multiple of cash flows generated by such investments, multiples from transactions involving the sale of comparable assets and/or the discounted value of expected future net cash flows from such investments. Appropriate cash flow multiples are derived from the review of comparable transactions involving similar assets. The discounted value of future net cash flows is derived, when appropriate, from third party valuations of a portfolio company's assets, such as engineering reserve reports of oil and gas properties.

Due to the uncertainty inherent in the valuation process, such estimates of fair value may differ significantly from the values that would have been used had a ready market for the securities existed, and the differences could be material. Additionally, changes in the market environment and other events that may occur over the life of the investments may cause the gains or losses ultimately realized on these investments to be different from the valuations currently assigned.

Securities Transactions, Interest and Dividend Income Recognition

All securities transactions are accounted for on a trade-date basis. Interest income is recorded on the accrual basis to the extent that such amounts are expected to be collected. Premiums and discounts are accreted into interest income using the effective interest method. Detachable warrants, other equity securities or property interests such as overriding royalty interests obtained in conjunction with the acquisition of debt securities are recorded separately from the debt securities at their initial fair value, with a corresponding amount recorded as a discount to the associated debt security. Income from overriding royalty interests is recognized as received and the recorded assets are charged depletion using the unit of production depletion method. The portion of the loan origination fees paid that represent additional yield or discount on a loan are deferred and accreted into interest income over the life of the loan using the effective interest method. Upon the prepayment of a loan or debt security, any unamortized loan origination fees are recorded as interest income and any unamortized premium or discount is recorded as a realized gain or loss. Market premiums or discounts on acquired loans or fixed income investments are accreted into interest income using the effective interest method. Dividend income is recognized on the ex-dividend date. Accruing interest or dividends on investments is deferred when it is determined that the interest or dividend is not collectible. Collectibility of the interest and dividends is assessed, based on many factors including the portfolio company's ability to service its loan based on current and projected cash flows, as well as the current valuation of the company's assets. For investments with payment-in-kind (PIK) interest, the Manager bases income accruals on the valuation of the PIK notes or securities received from the borrower. If the portfolio company's asset valuation indicates a value that is not sufficient to cover the contractual interest due on the PIK notes, management will not accrue interest income on the notes.

Net Realized Gains or Losses and Net Change in Unrealized Appreciation or Depreciation

Realized gains or losses are measured by the difference between the net proceeds from the repayment or sale and the amortized cost basis of the investment, considering unamortized fees and prepayment premiums, and without regard to unrealized appreciation or depreciation previously recognized, and include investments charged off during the year, net of recoveries. Net unrealized appreciation or depreciation reflects the change in portfolio investment values during the reporting period including the reversal of previously recorded unrealized appreciation or depreciation, when capital gains or losses are realized.

Fee Income Recognition

Fees primarily include financial advisory, transaction structuring, loan administration, commitment and prepayment fees. Financial advisory fees represent amounts received for providing advice and analysis to companies and are recognized as earned when such services are performed provided collection is probable. Transaction structuring fees represent amounts received for structuring, financing, and executing transactions and are generally payable only if the transaction closes. Such fees are deferred and accreted into interest income over the life of the loan using the effective interest method. Commitment fees represent amounts received for committed funding and are generally payable whether or not the transaction closes. On transactions that close within the commitment period, commitment fees are deferred and accreted into interest income over the life of the loan using the effective interest method. Commitment fees on transactions that do not close are generally recognized over the time period the commitment is outstanding. Prepayment and loan administration fees are recognized as they are received. In the first quarter of 2007, the Company accreted approximately $387,000 of fee income into interest income, compared to accreted income of approximately $93,000 during the first quarter of 2006.

Dividends

Dividends to stockholders are recorded on the ex-dividend date. For tax purposes the Company intends to continue to qualify as a RIC under the Code for 2005 and later years. In order to maintain the Company's status as a RIC, the Company is required to distribute at least 90% of its investment company taxable income. In addition, the Company must distribute at least 98% of its taxable income (both ordinary income and net capital gains) to avoid excise tax. The Company intends to make distributions to stockholders on a quarterly basis of substantially all net taxable income. The Company also intends to make distributions of net realized capital gains, if any, at least annually. However, the Company may in the future decide to retain capital gains for investment and designate such retained dividends as a deemed distribution. The amount to be paid out as a dividend is determined by the Board of Directors each quarter and is based on the annual taxable earnings estimated by the Manager. Based on that estimate, a dividend is declared each quarter and paid shortly thereafter.

For the period ended December 31, 2004, the Company was treated as a "C" corporation and had no taxable income and therefore did not declare a dividend for that period. The following table summarizes the Company's dividend history:

Dividend History

Declaration Date	Amount		Record Date	Payment Date
March 18, 2005	$	0.120	March 31, 2005	April 15, 2005
June 17, 2005	$	0.125	June 30, 2005	July 15, 2005
September 19, 2005	$	0.140	September 30, 2005	October 14, 2005
December 15, 2005	$	0.275	December 27, 2005	January 4, 2006
March 10, 2006	$	0.160	March 31, 2006	April 17, 2006
June 14, 2006	$	0.180	June 30, 2006	July 14, 2006
September 14, 2006	$	0.250	September 29, 2006	October 13, 2006
December 7, 2006	$	0.330	December 19, 2006	December 29, 2006
March 19, 2007	$	0.265	March 30, 2007	April 13, 2007

The Company has established an "opt out" dividend reinvestment plan for its common stockholders. As a result, if the Company declares a cash dividend, a stockholder's cash dividend will be automatically reinvested in additional shares of the Company's common stock unless the stockholder, or his or her broker, specifically "opts out" of the dividend reinvestment plan and elects to receive cash dividends. It is customary practice for many brokers to "opt out" of dividend reinvestment plans on behalf of their clients unless specifically instructed otherwise. As of March 31, 2007, holders of 1,355,671 shares, or approximately 7.8% of outstanding shares, were participants in the Company's dividend reinvestment plan.

The Company's plan provides for the plan agent to purchase shares in the open market for credit to the accounts of plan participants unless the average of the closing sales prices for the shares for the five days immediately preceding the payment date exceeds 110% of the most recently reported net asset value per share. Through the third quarter of 2006, all shares credited to participants' accounts were purchased in the open market. On December 29, 2006, the Company issued 22,168 shares of common stock to participants in the dividend reinvestment plan with respect to the $0.33 per share dividend declared on December 7, 2006. On April 13, 2007, the Company issued 22,692 shares of common stock to participants in the dividend reinvestment plan with respect to the $0.265 per share dividend declared on March 19, 2007. The table below summarizes participation in the Company's dividend reinvestment plan:

Dividend Reinvestment Plan Participation

		Percentage of			Common Stock Dividends		
	Participating	Outstanding	Total		Purchased in	Newly Issued Shares	
Dividend	Shares	Shares	Distribution	Cash Dividends	Open Market	Amount	Shares
March 2005	-	0.0%	$ 2,088,012	$ 2,088,012	$ -	$ -	-
June 2005	1,215,870	7.0%	$ 2,175,013	$ 2,023,029	$ 151,984	$ -	-
September 2005	1,488,904	8.6%	$ 2,436,014	$ 2,227,567	$ 208,447	$ -	-
December 2005	1,660,140	9.5%	$ 4,785,028	$ 4,328,488	$ 456,540	$ -	-
March 2006	1,618,940	9.3%	$ 2,784,016	$ 2,524,986	$ 259,030	$ -	-
June 2006	1,410,227	8.1%	$ 3,132,018	$ 2,878,177	$ 253,841	$ -	-
September 2006	1,270,634	7.3%	$ 4,350,025	$ 4,032,366	$ 317,659	$ -	-
December 2006	1,111,045	6.4%	$ 5,742,033	$ 5,375,388	$ -	$ 366,645	22,168
March 2007	1,355,671	7.8%	$ 4,616,901	$ 4,257,648	$ -	$ 359,253	22,692(1)

(1) Shares were issued on 4/13/07 for the March 2007 dividend. See above and Note 4 for futher detail.

Income Taxes

The Company adopted the Financial Accounting Standards Board's Interpretation ("FIN") No. 48, *Accounting for Uncertainty in Income Taxes—an interpretation of FASB Statement No. 109 ("FIN 48"),* effective January 1, 2007. FIN 48 establishes a single model to address accounting for uncertain tax positions. FIN 48 clarifies the accounting for income taxes by prescribing a minimum recognition threshold a tax position is required to meet before being recognized in the financial statements. FIN 48 also provides guidance on derecognition, measurement classification, interest and penalties, accounting in interim periods, disclosure and transition. The adoption of FIN 48 did not have a material effect on the Company's consolidated financial position or results of operations. (See Note 6 for additional information.)

In conjunction with the adoption of FIN 48, the Company implemented its policy to record estimated interest and penalties related to the underpayment of income tax as a component of Tax expense in the Consolidated Statement of Operations. However, there were no amounts for tax related interest or penalties incurred for the quarter ended March 31, 2007.

Note 3: Credit Facility

On August 31, 2006, the Company simultaneously repaid its original credit facility and entered into an Amended and Restated Revolving Credit Agreement (the "Investment Credit Agreement"), among the Company, the syndicated lenders party thereto and SunTrust Bank, as administrative agent for the lenders. Also on August 31, 2006, the Company entered into a Treasury Secured Revolving Credit Agreement (the "Treasury Credit Agreement"), among the Company, the syndicated lenders party thereto and SunTrust Bank, as administrative agent for the lenders.

Under the Investment Credit Agreement, the lenders have agreed to extend revolving credit to the Company in an amount not to exceed $80 million, which includes a $10 million letter of credit subfacility; however, the Company has the ability to increase the credit available under the Investment Credit Agreement to an amount not to exceed $175 million by obtaining additional commitments from existing lenders or new lenders. The Investment Credit Agreement has a three year term and bears interest, at the Company's option, at either (i) LIBOR plus 125 to 225 basis points, based on the degree of leverage of the Company or (ii) the base rate plus 25 to 75 basis points, based on the degree of leverage of the Company. Proceeds from the Investment Credit Agreement will be used to supplement the Company's equity capital to make portfolio investments. As of March 31, 2007, the interest rate was 6.57% (LIBOR rate of 5.32% plus 125 basis points) on the Company's $5,285,000 outstanding balance under the Investment Credit Agreement.

The obligations under the Investment Credit Agreement are collateralized by substantially all of the Company's assets, except certain assets that collateralize the Treasury Credit Agreement and are guaranteed by the Company's existing and future subsidiaries, other than special purpose subsidiaries and certain other subsidiaries. The Investment Credit Agreement contains affirmative and reporting covenants and certain financial ratio and restrictive covenants, including: (a) maintaining a ratio of net asset value to consolidated total indebtedness (excluding net hedging liabilities) of the Company and its subsidiaries, of not less than 2.25:1.0, (b) maintaining a ratio of net asset value to consolidated total indebtedness (including net hedging liabilities) of the Company and its subsidiaries, of not less than 2.0:1.0, (c) maintaining a ratio of net income (excluding revenue from collateral under the Treasury Credit Agreement) plus interest, taxes, depreciation and amortization expenses ("EBITDA") to interest expense (excluding interest on loans under the Treasury Credit Agreement) of the Company and its subsidiaries of not less than 3.0:1.0, (d) limitations on additional indebtedness, (e) limitations on liens, (f) limitations on mergers and other fundamental changes, (g) limitations on dividends, (h) limitations on disposition of assets other than in the normal course of business, (i) limitations on transactions with affiliates, (j) limitations on agreements that prohibit liens on properties of the Company and its subsidiary guarantors, (k) limitations on sale and leaseback transactions, (l) limitations on speculative hedging transactions, and (m) limitations on the aggregate amount of unfunded commitments.

The Company has borrowed $5,285,000 as of March 31, 2007 under the Investment Credit Agreement. From time to time, certain of the lenders may provide customary commercial and investment banking services to the Company.

Under the Treasury Credit Agreement, the lenders have agreed to extend revolving credit loans to the Company in an amount not to exceed $100 million. Proceeds from the Treasury Credit Agreement will be used to facilitate the growth of the Company's investment portfolio and provide flexibility in the sizing of its portfolio investments. The Treasury Credit Agreement has a three year term and bears interest, at the Company's option, at either (i) LIBOR plus 25 basis points or (ii) the base rate. As of March 31, 2007, the interest rate was 5.57% (LIBOR rate of 5.32% plus 25 basis points) on the Company's $100 million outstanding balance under the Treasury Credit Agreement. Prepayments of loans under the Treasury Credit Agreement made during the first year are subject to a premium equal to 1% of the amount so prepaid.

The obligations under the Treasury Credit Agreement are collateralized by certain securities accounts assets and are guaranteed by the Company's existing and future subsidiaries, other than special purpose subsidiaries and certain other subsidiaries. The Treasury Credit Agreement contains affirmative and reporting covenants and certain financial ratio and restrictive covenants, including: (a) maintaining a ratio of net asset value to consolidated total indebtedness (excluding net hedging liabilities) of the Company and its subsidiaries, of not less than 2.25:1.0, (b) maintaining a ratio of net asset value to consolidated total indebtedness (including net hedging liabilities) of the Company and its subsidiaries, of not less than 2.0:1.0, (c) maintaining a ratio of EBITDA (excluding revenue from cash collateral) to interest expense (excluding interest on loans under the Treasury Credit Agreement) of the Company and its subsidiaries of not less than 3.0:1.0, (d) maintaining a ratio of collateral to the aggregate principal amount of loans under the Treasury Credit Agreement of not less than 1.01:1.0, (e) limitations on additional indebtedness, (f) limitations on liens, (g) limitations on mergers and other fundamental changes, (h) limitations on dividends, (i) limitations on disposition of assets other than in the normal course of business, (j) limitations on transactions with affiliates, (k) limitations on agreements that prohibit liens on properties of the Company and its subsidiary guarantors, (l) limitations on sale and leaseback transactions, (m) limitations on speculative hedging transactions, and (n) limitations on the aggregate amount of unfunded commitments.

The Company has borrowed $100 million as of March 31, 2007 under the Treasury Credit Agreement. From time to time, certain of the lenders may provide customary commercial and investment banking services to the Company.

Note 4: Issuance of Common Stock

On August 6, 2004, the Company, in its initial capitalization transaction, sold 100 shares to Natural Gas Partners, LLC for $15.00 per share. On November 9, 2004, the Company's Registration Statement (Registration No. 333-118279) was declared effective by the SEC in connection with the public offering of 16,000,000 shares of common stock (plus up to 2,400,000 additional shares of common stock upon the exercise of the underwriters' over-allotment option), which commenced on November 10, 2004. The number of securities registered, including the shares of common stock subject to the underwriters' over-allotment option, was 18,400,000, of which 17,400,000 were sold to the public at a price of $15.00 per share.

The net proceeds from the initial public offering of the shares of common stock, after deducting expenses of approximately $2,308,000 and underwriting discounts and commissions of $0.825 per share, were approximately $244,337,000.

The Company has established a dividend reinvestment plan for the Company's common stockholders, which provides for reinvestment of distributions paid by the Company, on behalf of each plan participant, by the Company's transfer agent, in accordance with the plan terms. The purpose of the plan is to provide stockholders of record of the Company's common stock, par value $.001 per share, with a method of investing cash dividends and distributions in additional shares at the current market price without charges for record-keeping, custodial, and reporting services. However, the plan is an "opt-out" plan. This means, if the Company declares a cash dividend, a stockholder's cash dividend will be automatically reinvested in additional shares of the Company's common stock unless the stockholder specifically "opts out" of the dividend reinvestment plan in writing, and elects to receive cash dividends. Any stockholder of record may elect to partially participate in the plan, or begin or resume participation at any time, by providing the plan agent with written notice. It is customary practice for many brokers to "opt out" of dividend reinvestment plans on behalf of their clients unless specifically instructed otherwise.

The Company's plan provides for the plan agent to purchase shares in the open market for credit to the accounts of plan participants unless the average of the closing sales prices for the shares for the five days immediately preceding the payment date exceeds 110% of the most recently reported net asset value per share. Through the third quarter of 2006, all shares credited to participants' accounts were purchased in the open market. On December 29, 2006, the Company issued 22,168 shares of common stock to participants in the dividend reinvestment plan with respect to the $0.33 per share dividend declared on December 7, 2006. On April 13, 2007, the Company issued 22,692 shares of common stock to participants in the dividend reinvestment plan with respect to the $0.265 per share dividend declared on March 19, 2007.

Note 5: Investment Management

The Company has entered into an investment advisory agreement with the Manager under which the Manager, subject to the overall supervision of the Company's Board of Directors, manages the day-to-day operations of, and provides investment advisory services to, the Company. On October 25, 2006, the Company's Board of Directors, including all of the independent directors, approved an extension o f the investment advisory agreement through November 9, 2007.

For providing these services, the Manager receives a fee from the Company, consisting of two components, a base management fee and an incentive fee.

Under the investment advisory agreement, the base management fee is calculated quarterly as 0.45% of the average of total assets of the Company as of the end of the two previous quarters. The base management fee is payable quarterly in arrears. The $1,564,509 payable to the Manager as of March 31, 2007 was for the base management fee for the first quarter of 2007.

The incentive fee under the investment advisory agreement consists of two parts. The first part, which is calculated and payable quarterly in arrears, equals 20% of the excess, if any, of the Company's net investment income for the quarter that exceeds a quarterly hurdle rate equal to 2% (8% annualized) of the Company's net assets.

For this purpose, net investment income means interest income, dividend income, and any other income (including any other fees, such as commitment, origination, syndication, structuring, diligence, managerial assistance, monitoring, and consulting fees or other fees that the Company receives from portfolio companies) accrued during the fiscal quarter, minus the Company's operating expenses for the quarter (including the base management fee, expenses payable under the administration agreement, any interest expense and dividends paid o n issued and outstanding preferred stock, if any, but excluding the incentive fee). Net investment income includes, in the case of investments with a deferred interest feature (such as premium and 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 incentive fees due in any fiscal quarter are calculated as follows:

• no incentive fee in any fiscal quarter in which the Company's net investment income does not exceed the hurdle rate.

• 20% of the amount of the Company's net investment income, if any, that exceeds the hurdle rate in any fiscal quarter.

There were no investment income incentive fees earned for the first quarters of 2006 and 2007.

The second part of the incentive fee (the "Capital Gains Fee") is 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 equals (1) 20% of (a) the Company's net realized capital gain (realized capital gains less realized capital losses, but not less than zero) on a cumulative basis from the closing date of the Company's initial public offering to the end of such fiscal year, less (b) any unrealized capital depreciation at the end of such fiscal year, less (2) the aggregate amount of all Capital Gains Fees paid to the Manager in prior fiscal years. Capital Gains Fees are estimated as of the end of the each fiscal quarter based on the gains realized during such quarter and the unrealized losses as of the end of such quarter. To the extent that Capital Gains Fees are earned by the investment advisor, an accrual is made in the amount of the estimated Capital Gains Fee. Because unrealized losses may fluctuate from quarter to quarter, the accrual, if any, may fluctuate as well. There were no capital gains incentive fees earned for the first quarters of 2006 and 2007.

Realized capital gains on a security are calculated as the excess of the net amount realized from the sale or other disposition of such security over the amortized cost for the security. Realized capital losses on a security are calculated as the amount by which the net amount realized from the sale or other disposition of such security is less than the amortized cost of such security. Unrealized capital depreciation on a security is 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. All period-end valuations are determined by the Company in accordance with GAAP and the 1940 Act.

The Manager has agreed that, beginning on November 9, 2006, and to the extent permissible under federal securities laws and regulations, including Regulation M, it will utilize 30% of the fees it receives from the capital gains portion of the incentive fee (up to a maximum of $5 million of fees received in the aggregate) to purchase shares of the Company's common stock in open market purchases through an independent trustee or agent. Any sales of such stock will comply with any applicable six-month holding period under Section 16(b) of the Securities Act of 1933 and all other restrictions contained in any law or regulation, to the fullest extent applicable to any such sale. Any change in this voluntary agreement will not be implemented without at least 90 days prior notice to stockholders and compliance with all applicable laws and regulations. No shares have been repurchased under this agreement.

The investment advisory agreement was originally approved by the Company's Board of Directors on November 9, 2004. The investment advisory agreement provides that unless terminated earlier as described below, the agreement shall remain in effect through October 31, 2006, and from year-to-year thereafter provided such continuance is approved at least annually by the Board of Directors or by the affirmative vote of the holders of a majority of the Company's outstanding voting securities, including, in either case, approval by a majority of the Company's directors who are not interested persons. On October 25, 2006, the Company's Board of Directors, including all of the independent directors, approved an extension of the investment advisory agreement through November 9, 2007.

The investment advisory agreement may be terminated at any time, without the payment of any penalty, by a vote of the Company's Board of Directors or the holders of a majority of the Company's shares on 60 days written notice to the Manager, and would automatically terminate in the event of its "assignment" (as defined in the 1940 Act).

The investment advisory agreement provides that, absent willful misfeasance, bad faith or gross negligence in the performance of its duties or by reason of the reckless disregard of its duties and obligations, the Manager, its partners and the Managers' and its partners' respective officers, managers, partners, agents, employees, controlling persons, members and any other person or entity affiliated with it are entitled to indemnification from the Company for any damages, liabilities, costs and expenses (including reasonable attorneys' fees and amounts reasonably paid in settlement) arising out of or otherwise based upon any of the Manager's duties or obligations under the investment advisory agreement or otherwise as the Company's investment adviser.

Pursuant to the investment advisory agreement, the compensation and routine overhead expenses of the investment professionals of the Company's management team and their respective staffs, when and to the extent engaged in providing management and investment advisory services to the Company, will be paid for by the Manager. The Company will bear all other costs and expenses of the Company's operations and transactions.

The Manager, NGP Investment Advisor, LP, was formed in 2004 and maintains an office at 1221 McKinney Street, Suite 2975, Houston, Texas 77010. The Manager's sole activity is to perform management and investment advisory services for the Company. The Manager is a registered investment adviser under the Investment Advisers Act of 1940.

The foregoing description of the investment advisory agreement is qualified in its entirety by reference to the full text of the document, a copy of which was filed as Exhibit 10.1 to the Company's Form 10-K for the year ended December 31, 2004, and is incorporated herein by reference.

The Company has entered into an administration agreement with the Administrator, under which the Administrator furnishes the Company with office facilities, equipment and clerical, bookkeeping and record keeping services at such facilities and performs, or oversees the performance of, administrative services, which include being responsible for the financial records that the Company is required to maintain and preparing reports to the Company's stockholders and reports filed with the SEC.

In addition, the Manager assists in determining and publishing the Company's net asset value, oversees the preparation and filing of the Company's tax returns and the printing and dissemination of reports to the Company's stockholders and generally oversees the payment of the Company's expenses and the performance of administrative and professional services rendered to the Company by others. Payments under the administration agreement are equal to amounts based upon the allocable portion of the Administrator's costs and expenses in performing its obligations under the administration agreement. The Administrator bills the Company for charges under the administration agreement monthly in arrears.

Of the $811,204 in accounts payable as of March 31, 2007, $187,442 is due to the Administrator for expenses incurred on the Company's behalf for the month of March 2007.

The administration agreement was originally approved by the Company's Board of Directors on November 9, 2004. The administration agreement provides that unless terminated earlier as described below, the agreement will continue in effect until November 9, 2006, and from year-to-year thereafter provided such continuance is approved at least annually by (i) the Company's Board of Directors and (ii) a majority of the Company's directors who are not parties to the administration agreement or "interested persons" of any such party. On October 25, 2006, the Board of Directors, including all of the independent directors, approved an extension of the administration agreement through November 9, 2007.

The foregoing description of the administration agreement is qualified in its entirety by reference to the full text of the document, a copy of which was filed as Exhibit 10.2 to the Company's Form 10-K for the year ended December 31, 2004, and is incorporated herein by reference.

Note 6: Federal Income Taxes

The Company adopted the Financial Accounting Standards Board's Interpretation ("FIN") No. 48, *Accounting for Uncertainty in Income Taxes—an interpretation of FASB Statement No. 109 ("FIN 48"),* effective January 1, 2007. FIN 48 establishes a single model to address accounting for uncertain tax positions. FIN 48 clarifies the accounting for income taxes by prescribing a minimum recognition threshold a tax position is required to meet before being recognized in the financial statements. FIN 48 also provides guidance on derecognition, measurement classification, interest and penalties, accounting in interim periods, disclosure and transition. The adoption of FIN 48 did not have a material effect on the Company's consolidated financial position or results of operations. As a result, there was no cumulative effect related to adopting FIN 48. For federal income tax purposes, as of March 31, 2007, the tax years ended December 31, 2004, 2005 and 2006 remain subject to examination.

The Company intends to qualify for tax purposes as a RIC under the Code for 2005 and later years. As a RIC, the Company generally will not be subject to federal income tax on the portion of its investment company taxable income and gains distributed to stockholders. To qualify as a RIC, the Company is required, among other things, to distribute to its stockholders at least 90% of investment company taxable income, as defined by the Code, and to meet certain asset diversification requirements. At December 31, 2004, the Company's temporary investments included commercial paper of certain issuers that exceeded 5% of the value of its total assets. These investments were classified as cash equivalents for financial statement purposes. The Company was advised, however, that for purposes of the federal income tax rules governing RIC status, these commercial paper investments could not be classified as cash items, in which case the Company did not meet the RIC asset diversification requirements at December 31, 2004 and was instead treated as a "C" corporation for tax purposes for 2004.

For the years ended December 31, 2005 and 2006, the Company met all RIC requirements. The Company distributed substantially all of its investment company taxable income for 2005 and for 2006. Thus, the Company did not incur any federal income tax liability for either period.

Differences between the effective income tax rate and the statutory federal tax rate for the periods ended March 31, 2007 and March 31, 2006 were as follows:

	For the Three Months ended March 31, 2007 (unaudited)	For the Three Months ended March 31, 2006 (unaudited)
Statutory federal rate on loss from continuing operations	34%	34%
Effect of net deferred tax assets	(34%)	(34%)
Effective tax rate on earnings from continuing operations	0%	0%

The tax effects of temporary differences that give rise to the deferred tax assets and liabilities are as follows:

	For the Three Months ended March 31, 2007 (unaudited)	For the Three Months ended March 31, 2006 (unaudited)
Deferred tax assets		
Net operating loss carry forwards	$ 156,674	$ 157,862
Net organization costs	111,830	159,756
Total gross deferred tax assets	268,504	317,618
Less valuation allowance	(268,504)	(317,618)
Net deferred tax assets	-	-
Deferred tax liabilities		
Unrealized gains, net	-	-
Prepaid expenses	-	-
Total gross deferred tax liabilities	-	-
Net deferred tax assets	$ -	$ -

When a "C" corporation qualifies to be taxed as a RIC, it is subject to corporate-level tax on appreciation inherent in its assets on the date it becomes a RIC (i.e., built-in gain) that it recognizes within the first 10 years of its RIC status. A RIC generally may use loss carryforwards arising in taxable years while it was a "C" corporation to reduce its net recognized built-in gain, although a RIC is not otherwise allowed to utilize such loss carryforwards. Because the Company intends to qualify as a RIC under Subchapter M of the Code for 2005 and later years, it is uncertain whether the Company will fully utilize the tax benefit of its loss carryforward of approximately $142,000 at December 31, 2004. The valuation allowance for deferred tax assets for the period August 6, 2004 (commencement of operations) through December 31, 2004 was primarily included to reflect this uncertainty. As of March 31, 2007, after reducing the deferred tax asset by this allowance, the amount of the remaining deferred tax asset of $268,504 would entirely offset the deferred tax liability of $268,504 should the Company recognize its built-in gain in future years. Because the loss carryforward is expected to offset the built-in gain, no provision for federal income taxes has been recorded for the period August 6, 2004 (commencement of operations) through March 31, 2007. The loss carryforward will expire in the year 2024.

The Company's consolidated subsidiaries, NGPC Asset Holdings, LP, NGPC Asset Holdings II, LP, and NGPC Asset Holdings III, LP, collectively ("NGPCAH"), are subject to federal income taxes. For the period ended March 31, 2007, NGPCAH operated at a profit. However, as management believes that NGPCAH will not generate taxable income for the tax year ending December 31, 2007 no provision for income taxes has been recorded for the period ended March 31, 2007. For the period ended March 31, 2006, NGPCAH operated at a profit and thus, at March 31, 2006, NGPCAH had a deferred tax liability of approximately $31,000. Management believes that the realization of the net deferred tax liability is not likely based on expectations as to future taxable income and, accordingly, NGPCAH recorded no provision for income taxes for the period ended March 31, 2006.

Note 7: Commitments and Contingencies

As of March 31, 2007, the Company had investments in or commitments to fund loan facilities to sixteen portfolio companies totaling $275 million, on which $232 million was drawn. In addition, the Company has continuing obligations under the investment advisory agreement with the Manager and the administration agreement with the Administrator. The agreements provide that, absent willful misfeasance, bad faith or gross negligence in the performance of its duties or by reason of the reckless disregard of its duties and obligations, the Manager, the Administrator and its officers, managers, agents, employees, controlling persons, members and any other person or entity affiliated with them will be entitled to indemnification from the Company for any damages, liabilities, costs and expenses (including reasonable attorneys' fees and amounts reasonably paid in settlement) arising from the rendering of the Manager's or Administrator's services under the agreements or otherwise as the Company's investment adviser or administrator. The agreements also provide that the Manager, the Administrator and their affiliates will not be liable to the Company or any stockholder for any error of judgment, mistake of law, any loss or damage with respect to any of the Company's investments, or any action taken or omitted to be taken by the Manager or the Administrator in connection with the performance of any of their duties or obligations under the agreements or otherwise as investment adviser or administrator to the Company, except to the extent specified in Section 36(b) of the 1940 Act concerning loss resulting from a breach of fiduciary duty with respect to the receipt of compensation for services. In the normal course of business, the Company enters into a variety of undertakings containing a variety of representations that may expose the Company to some risk of loss. The amount of future loss, if any, arising from such undertakings, while not quantifiable, is not expected to be significant.

Note 8: Reclassifications

GAAP requires that certain components of net assets be adjusted to reflect permanent differences between financial and tax reporting. These reclassifications have no effect on total net assets or net asset value per share. During the year ended December 31, 2006, $15,710 has been reclassified to Undistributed net investment income (loss) from Paid-in capital in excess of par.

Note 9: Subsequent Events

On April 5, 2007, Chroma Exploration & Production, Inc. repaid substantially all of its $17.5 million balance outstanding on its Senior Secured Term Loan. Chroma's $17.1 million balance as of March 31, 2007, represented approximately 5% of the Company's total investments at that time. In addition, Chroma repurchased the Company's overriding royalty interest in its properties resulting in a capital gain of approximately $1.6 million, which will be recognized in the second quarter of 2007. Additionally, the Company purchased $2 million of Series AA Participating Convertible Preferred Stock issued by Chroma.

On April 12, 2007, Rubicon Energy Partners, LLC repaid in full the $33.6 million balance outstanding on its Senior Secured Term Loan, which represented approximately 9% of the Company's total investments as of March 31, 2007. The Company continues to hold its membership units, which represent a 50% ownership interest in Rubicon.

On April 26, 2007, the Company closed an investment in the 2007-III Drilling Fund of Anadarko Petroleum Corporation of Houston, Texas. The investment is in the form of a term net profits interest and the Company's commitment is for a total of approximately $95 million with the expected initial funding of approximately $23 million occurring in the latter part of May. The Company expects the remainder of the commitment to fund over the next nine to twelve months.

On April 27, 2007, the Company made a follow-on investment with an existing portfolio company, TierraMar Energy, LP to acquire additional oil and gas properties and accelerate its development drilling program. In connection with the transaction, the Company exchanged its $10 million Senior Secured Note and Warrants for preferred limited partnership interests in TierraMar and contributed an additional $3.1 million of preferred equity capital that was used to acquire additional oil and gas properties. The Company maintained its overriding royalty interest in the properties and has committed to make additional capital contributions up to $7.9 million to be used for capital expenditures.

In May 2007, the Company expanded its commitment in an amended and restated $190.0 million Senior Secured Credit Facility with Nighthawk Transport I, LP, an existing portfolio company. The Company's portion of the availability under the amended and restated facility is $18.3 million, with approximately $9.6 million outstanding at closing.

Note 10: New Accounting Interpretations and Standards

In September 2006, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards ("SFAS") No. 157, *Fair Value Measurements*, which defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles (GAAP), and expands disclosures about fair value measurements. SFAS 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007, although earlier application is encouraged. The Company is currently reviewing the requirements of SFAS 157 to determine the effect, if any, on its financial position or results of operations.

In February 2007, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards ("SFAS") No. 159, *The Fair Value Options for Financial Assets and Financial Liabilities,* which gives entities the option to measure eligible financial assets and financial liabilities at fair value on an instrument by instrument basis that are otherwise not permitted to be accounted for at fair value under other accounting standards. The election to use the fair value option is available when an entity first recognizes a financial asset or financial liability. Subsequent changes in fair value must be recorded in earnings. SFAS 159 is effective as of the beginning of a company's first fiscal year after November 15, 2007. The Company is currently reviewing the requirements of SFAS 159 to determine the effect, if any, on its consolidated financial position or results of operations.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following analysis of our financial condition and results of operations should be read in conjunction with our financial statements and the notes thereto contained elsewhere in this report.

Forward-Looking Statements

Certain statements in this report that relate to estimates or expectations of our future performance or financial condition may constitute "forward-looking statements" as defined under the Private Securities Litigation Reform Act of 1995. These forward-looking statements are subject to various risks and uncertainties, which could cause actual results and conditions to differ materially from those projected, including, but not limited to,

- uncertainties associated with the timing of transaction closings;
- changes in the prospects of our portfolio companies;
- changes in interest rates;
- changes in regional, national, or international economic conditions and their impact on the industries in which we invest;
- the future operating results of our portfolio companies and their ability to achieve their objectives;
- changes in the conditions of the industries in which we invest;
- the adequacy of our cash resources and working capital;
- the timing of cash flows, if any, from the operations of our portfolio companies;
- the ability of our Manager to locate suitable investments for us and to monitor and administer the investments; and
- other factors enumerated in our filings with the Securities and Exchange Commission.

We may use words such as "anticipates," "believes," "expects," "intends," "will," "should," "may" and similar expressions to identify forward-looking statements. Such statements are based on currently available operating, financial and competitive information and are subject to various risks and uncertainties that could cause actual results to differ materially from our historical experience and present expectations. Undue reliance should not be placed on such forward-looking statements, as such statements speak only as of the date on which they are made. Additional information regarding these and other risks and uncertainties is contained in our periodic filings with the SEC.

Overview

We are a financial services company created to invest primarily in debt securities of small and mid-size private energy companies. We have elected to be treated as a business development company under the 1940 Act and, as such, we are required to comply with certain regulatory requirements. For instance, we generally have to invest at least 70% of our total assets in "qualifying assets," which are securities of companies which do not have a class of securities listed on a national exchange, cash, cash equivalents, U.S. government securities and high-quality debt investments that mature in one year or less. In addition, for tax purposes we operate so as to be treated as a RIC under the Code. Pursuant to these elections, we generally will not have to pay corporate-level taxes on any income and capital gains we distribute to our stockholders.

Our investment objective is to generate both current income and capital appreciation primarily through debt and equity investments or a combination thereof. A key focus area for our targeted investments in the energy industry is domestic exploration and production businesses and midstream businesses that gather, process and transport oil and gas. We also evaluate investment opportunities in such businesses as coal, power, electricity, energy services and alternative energy. Our investments will generally range in size from $10 million to $50 million, although a few investments may be substantially in excess of this range. Our targeted investments primarily consist of debt instruments, including senior and subordinated loans combined in one facility with an equity component, subordinated loans and subordinated loans with equity components and preferred stock and other similar securities.

Our level of investment activity can and does vary substantially from period to period depending on many factors, including the amount of debt and equity capital available to energy companies, the level of acquisition and divestiture activity for such companies, the level and volatility of energy commodity prices, the general economic environment and the competitive environment for the types of investments we make. We believe that, for energy companies, capital from banks, mezzanine providers and alternative investment vehicles such as hedge funds continues to be readily available. Competition for deals remains strong with continued downward pressure on spreads. However, we do not expect this intensely competitive market to impair our ability to make good long-term investment decisions with our capital. We remain committed to our underwriting and investment disciplines in selectively investing in appropriate risk-reward opportunities within the energy sector.

We generate revenue in the form of interest income on the debt securities that we own, dividend income on any common or preferred stock that we own, and capital gains or losses on any debt or equity securities that we acquire in portfolio companies and subsequently sell. Our investments, if in the form of debt or similar securities, typically have a term of three to seven years and bear interest at a fixed or floating rate. To the extent achievable, we seek to collateralize our investments by obtaining security interests in our portfolio companies' assets. We also may acquire minority or majority equity interests in our portfolio companies, which may pay cash or in-kind dividends on a recurring or otherwise negotiated basis. In addition, we may generate revenue in other forms including commitment, origination, structuring, administration or due diligence fees; fees for providing managerial assistance; and possibly consultation fees. Any such fees generated in connection with our investments are recognized as earned.

Portfolio and Investment Activity

During the three months ended March 31, 2007, we added two companies to our portfolio, bringing our total number of portfolio companies to sixteen. In January, we closed a $36.5 million senior secured credit facility with Alden Resources, LLC, to refinance its existing debt, acquire additional coal properties and to acquire a coal preparation plant. Initial availability under the facility was $32 million, and as of March 31, 2007, availability was $35 million and approximately $33.7 million was drawn. Additionally, as partial consideration for providing the facility, NGPC received warrants in Alden and a royalty interest in revenues generated from all aspects of its operations. In March 2007, we closed a $60 million senior secured credit facility with Tammany Oil & Gas LLC to acquire and develop additional oil and gas properties and fund capital expenditures in state and federal waters of Louisiana and Texas. As part of the transaction, NGPC received an overriding royalty interest in most of Tammany's properties. Initial availability was $30 million, and as of March 31, 2007, approximately $17.2 million was drawn on the facility.

As of March 31, 2007, our portfolio was invested as follows: 53.1% in senior secured term loans, 10.4% in senior subordinated secured notes, 0.6% in participating convertible preferred stock, 4.3% in corporate notes, 1.7% in LLC units, 29.2% in U.S. Treasury Bills, and 0.7% in cash and cash equivalents. At March 31, 2007, the weighted average yield on targeted portfolio investments, exclusive of capital gains, was 12.5%. The weighted average yield of our corporate notes was 5.5%. The weighted average yield of our U.S. Treasury Bills and cash equivalents was 5.0%. The weighted average yield on our total capital invested at March 31, 2007 was 9.9%. Yields are computed using interest rates as of the balance sheet date and include amortization of loan discount points, original issue discount and market premium or discount, weighted by their respective costs when averaged.

Results of Operations

Investment Income

Investment income for the quarter ended March 31, 2007 was $8.5 million with $6.7 million attributable to targeted investments in sixteen portfolio companies, $0.2 million from corporate notes, $1.5 million attributable to investments in cash equivalents, and $0.1 million in fee income from third parties and affiliates. This compares to investment income for the quarter ended March 31, 2006 of $5.0 million with $3.2 million attributable to targeted investments in eight portfolio companies, $0.3 million from corporate notes, $0.1 million in fee income from third parties and affiliates, and $1.4 million attributable to investments in cash equivalents, agency notes and auction rate securities.

Operating Expenses

For the quarter ended March 31, 2007, operating expenses were $4.1 million compared to $2.0 million for the quarter ended March 31, 2006. The 2007 amount consisted of investment advisory and management fees of $1.6 million, insurance expenses, administrative services fees, professional fees, directors' fees, organization costs and other general and administrative expenses of $0.9 million and credit facility interest and fees of $1.6 million. In comparison, for the quarter ended March 31, 2006, investment advisory and management fees were $1.1 million, insurance expenses, administrative services fees, professional fees, directors' fees, organization costs and other general and administrative expenses were $0.8 million and credit facility fees were $0.1 million. There were no amounts drawn on the credit facilities until the second quarter of 2006.

Operating expenses for the three month periods include our allocable portion of the total organizational and operating expenses incurred by us, our Manager, and our Administrator, as determined by our Board of Directors and representatives of our Manager and our Administrator. According to the terms of the investment advisory agreement, the base management fee is calculated quarterly as 0.45% of the average of the total assets of the Company as of the end of the two previous quarters, an increase from the lesser of $900,000 or 0.375% of such average.

Net Investment Income

For the first quarter of 2007, net investment income was $4.4 million compared to $3.0 million for the first quarter of 2006, primarily due to increased interest on the higher portfolio balances partially offset by higher management fees, general and administrative expenses and interest and credit facility fees.

Unrealized Appreciation or Depreciation on Investments

For the quarter ended March 31, 2007, net unrealized appreciation was $3.7 million, compared to ($1.1) million net unrealized depreciation for the first quarter of 2006. The $4.8 million increase is attributable to $3.6 million in changes in the fair values of our targeted investments and $1.2 million in changes in market prices of our corporate notes.

Net Realized Gains

No net realized capital gains or losses were recorded for the quarters ended March 31, 2007 or March 31, 2006.

Net Increase in Stockholders' Equity from Operations

For the quarter ended March 31, 2007, we had a net increase in stockholders' equity (net assets) resulting from operations of $8.1 million, or $0.47 per share, compared to a net increase of $1.8 million, or $0.10 per share for the quarter ended March 31, 2006.

Financial Condition, Liquidity and Capital Resources

During the first quarter of this fiscal year, we generated cash from operations, including interest earned on our portfolio securities, as well as our investments in corporate notes, U.S. government securities and other high quality debt securities that mature in one year or less. At March 31, 2007, we had cash and cash equivalents of $2.4 million, investments in U.S. Treasury Bills of $104.0 million and investments in corporate notes of $15.3 million.

As of March 31, 2007, we had investments in or commitments to fund loan facilities to sixteen portfolio companies totaling $274.8 million, of which $232.4 million was drawn. We expect to fund our investments in 2007 from income earned on our portfolio and temporary investments and from borrowings under our Credit Agreement. (See description under "Note 3: Credit Facility" above.) In the future, we may also fund a portion of our investments with issuances of equity or senior debt securities. We may also securitize a portion of our investments. We expect our primary use of funds to be investments in portfolio companies, cash distributions to holders of our common stock and payment of fees and other operating expenses.

On August 31, 2006, we simultaneously repaid our original credit facility and entered into two new syndicated credit facilities totaling $180 million, with SunTrust Bank as the administrative agent, each with a three year term. The first facility, the Senior Secured Revolving Credit Facility (the "Investment Facility") has an initial availability of $80 million with the ability to increase availability to $175 million over time. Proceeds from the Investment Facility will be used to supplement the Company's equity capital in making portfolio investments. Interest on the Investment Facility will be charged at either (i) LIBOR plus 125 to 225 basis points, based on the Company's outstanding borrowings, or (ii) the higher of the lender prime rate plus 25 to 75 basis points or the federal funds rate plus 50 basis points. The second facility, the Senior Treasury Secured Revolving Credit Facility (the "Treasury Facility") permits the Company to borrow up to $100 million. Proceeds from the Treasury Facility will be used to facilitate the growth of the Company's investment portfolio and provide flexibility in the sizing of its portfolio investments. Interest on the Treasury Facility will be charged at either (i) LIBOR plus 25 basis points, or (ii) the higher of the lender prime rate or the federal funds rate plus 50 basis points. The credit facilities are collateralized by substantially all of our assets. As of March 31, 2007, the Company had $100 million outstanding under the Treasury Facility and $5,285,000 outstanding under the Investment Facility. In the future, we may also fund a portion of our investments with issuances of equity or senior debt securities. We may also securitize a portion of our investments. We expect our primary use of funds to be investments in portfolio companies, cash distributions to holders of our common stock and payment of fees and other operating expenses.

Dividends

We intend to be taxed as a regulated investment company under Subchapter M of the Code for 2005 and later years. As a RIC, we will be required to distribute annually at least 90% of our investment company taxable income and at least 98% of our capital gain net income to avoid excise tax. We intend to make distributions to our stockholders on a quarterly basis of amounts required to maintain our status as a RIC. We also currently intend to make distributions of net realized capital gains, if any, at least annually. However, we may in the future decide to retain capital gains for investment and designate such retained dividends as a deemed 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, we may be limited in our ability to make distributions due to the asset coverage test for borrowings when applicable to us as a business development company under the 1940 Act and due to provisions in our credit facilities. If we do not distribute a certain percentage of our income annually, we will suffer adverse tax consequences, including possible loss of our status as a regulated investment company. We cannot assure stockholders that they will receive any distributions or distributions at a particular level.

Portfolio Credit Quality

We maintain a system to evaluate the credit quality of our loans. This system is intended to reflect the performance of a portfolio company's business, the collateral coverage of a loan, and other factors considered relevant. As of March 31, 2007, all of our investments in portfolio companies were performing satisfactorily. Investments approximating $40 million, or approximately 17% of the $234.9 million in targeted investments, have been placed on the Company's watch list due to slower than expected development of the assets supporting the investments. We expect the assets to eventually perform as planned and believe there is adequate collateral coverage and little to no risk of loss of capital.

Recently Issued Accounting Pronouncements

See Note 10: New Accounting Interpretations and Standards in the accompanying notes to consolidated financial statements for details of recently issued accounting pronouncements and their expected impact on the Company's financial statements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

There have been no material changes from the information provided in Item 7A of the Company's Annual Report on Form 10-K for the year ended December 31, 2006.

Item 4. Controls and Procedures.

Disclosure Controls and Procedures

We maintain controls and procedures designed to ensure that information required to be disclosed in our reports under the Exchange Act is recorded, processed, summarized and reported on a timely basis and accumulated and made known to management, including the Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosures. Based on an evaluation of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this report conducted by our management, with the participation of the Chief Executive and Chief Financial Officers, the Chief Executive and Chief Financial Officers believe that as of March 31, 2007, these controls and procedures are effective to ensure that we are able to collect, process and disclose the information we are required to disclose in the reports we file with the SEC within the required time periods.

In evaluating changes in internal control over financial reporting during the quarter ended March 31, 2007, management identified no changes in its internal control over financial reporting that occurred during the quarter ended March 31, 2007 that have materially affected, or are reasonably likely to materially affect, its internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings.

We are not currently a defendant in any material legal proceeding, nor to our knowledge, is any material legal proceeding threatened against us.

Item 1A. Risk Factors.

There have been no material changes to the Company's risk factors as disclosed in Item 1A, "Risk Factors", in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2006.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

Not applicable.

Item 3. Defaults Upon Senior Securities.

Not applicable.

Item 4. Other Information.

Not applicable.

Item 5. Exhibits.

No.		Exhibit
3.1	-	Articles of Incorporation of NGP Capital Resources Company dated as of July 15, 2004 (filed as Exhibit (a)(1) to the Company's Registration Statement on Form N-2 dated November 9, 2004 (Registration No. 333-118279) and incorporated herein by reference)
3.2	-	Articles of Amendment and Restatement of NGP Capital Resources Company dated as of October 29, 2004 (filed as Exhibit 3.2 to the Company's Annual Report on Form 10-K for the year ended December 31, 2004, and incorporated herein by reference)
3.3	-	Bylaws of NGP Capital Resources Company (filed as Exhibit (b) to the Company's Registration Statement on Form N-2 dated August 16, 2004 (Registration No. 333-118279) and incorporated herein by reference)
10.1	-	Investment Advisory Agreement dated as of November 9, 2004, between NGP Capital Resources Company and NGP Investment Advisor, LP (filed as Exhibit 10.1 to the Company's Annual Report on Form 10-K for the year ended December 31, 2004, and incorporated herein by reference)
10.2	-	Administration Agreement dated as of November 9, 2004, by and between NGP Capital Resources Company and NGP Administration, LLC (filed as Exhibit 10.2 to the Company's Annual Report on Form 10-K for the year ended December 31, 2004, and incorporated herein by reference)
10.3	-	License Agreement dated as of November 9, 2004, by and between NGP Capital Resources Company and Natural Gas Partners, LLC (filed as Exhibit 10.3 to the Company's Annual Report on Form 10-K for the year ended December 31, 2004, and incorporated herein by reference)
10.4	-	Joint Code of Ethics (filed as Exhibit (r) to the Company's Registration Statement on Form N-2 dated November 9, 2004 (Registration No. 333-118279) and incorporated herein by reference)
10.5	-	Form of Indemnity Agreement (filed as Exhibit 10.5 to the Company's Annual Report on Form 10-K for the year ended December 31, 2004, and incorporated herein by reference)
10.6	-	Revolving Credit Agreement dated as of May 16, 2005, by and between NGP Capital Resources Company, the lenders from time to time party thereto and SunTrust Bank (filed as Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2005, and incorporated herein by reference)
10.7	-	Amended and Restated Revolving Credit Agreement dated as of August 31, 2006, by and between NGP Capital Resources Company, the lenders from time to time party thereto and SunTrust Bank (filed as Exhibit 10.6 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2006, and incorporated herein by reference)
10.8	-	Treasury Secured Revolving Credit Agreement dated as of August 31, 2006, by and between NGP Capital Resources Company, the lenders from time to time party thereto and SunTrust Bank (filed as Exhibit 10.7 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2006, and incorporated herein by reference)
31.1	-	Certification required by Rule 13a-14(a)/15d-14(a) by the Chief Executive Officer
31.2	-	Certification required by Rule 13a-14(a)/15d-14(a) by the Chief Financial Officer
32.1	-	Section 1350 Certification by the Chief Executive Officer
32.2	-	Section 1350 Certification by the Chief Financial Officer

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.

NGP CAPITAL RESOURCES COMPANY

By: /s/ John H. Homier

John H. Homier
President and Chief Executive Officer

NGP CAPITAL RESOURCES COMPANY

By: /s/ Stephen K. Gardner

Stephen K. Gardner
Chief Financial Officer, Treasurer and Secretary

Date: May 7, 2007

Index to Exhibits

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31.1	-	Certification required by Rule 13a-14(a)/15d-14(a) by the Chief Executive Officer
31.2	-	Certification required by Rule 13a-14(a)/15d-14(a) by the Chief Financial Officer
32.1	-	Section 1350 Certification by the Chief Executive Officer
32.2	-	Section 1350 Certification by the Chief Financial Officer

Exhibit 31.1

Certification Required by Rule 13a-14(a)
or Rule 15d-14(a)

I, John H. Homier, certify that:

1. I have reviewed this quarterly report on Form 10-Q of NGP Capital Resources Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 7, 2007

: By: /s/ John H. Homier

John H. Homier
President and Chief Executive Officer

Exhibit 31.2

**Certification Required by Rule 13a-14(a)
or Rule 15d-14(a)**

I, Stephen K. Gardner certify that:

1. I have reviewed this quarterly report on Form 10-Q of NGP Capital Resources Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, t o the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 7, 2007

:

By: /s/ Stephen K. Gardner

Stephen K. Gardner
Chief Financial Officer, Treasurer and Secretary

Exhibit 32.1

**Certification required by Rule 13a-14(b) or
Rule 15d-14(b) and Section 906 of
the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report of NGP Capital Resources Company (the "Company") on Form 10-Q for the period ended March 31, 2007, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, John H. Homier, President and Chief Executive Officer of the Company, certify pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

May 7, 2007

By: /s/ John H. Homier

John H. Homier
President and Chief Executive Officer

A signed original of this written statement required by Section 906 has been provided to NGP Capital Resources Company and will be retained by NGP Capital Resources Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

Certification required by Rule 13a-14(b) or
Rule 15d-14(b) and Section 906 of
the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of NGP Capital Resources Company (the “Company”) on Form 10-Q for the period ended March 31, 2007, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, John H. Homier, President and Chief Executive Officer of the Company, certify pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

May 7, 2007

By: /s/ Stephen K. Gardner

Stephen K. Gardner
Chief Financial Officer, Treasurer and Secretary

A signed original of this written statement required by Section 906 has been provided to NGP Capital Resources Company and will be retained by NGP Capital Resources Company and furnished to the Securities and Exchange Commission or its staff upon request.