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, 2012

or

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

For the transition period from _____________ 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 No.)**
909 Fannin, Suite 3800 **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 has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☐ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐	Accelerated filer ☒	Non-accelerated filer ☐ (Do not check if smaller reporting company)	Smaller reporting company ☐

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

As of May 8, 2012, there were 21,628,202 shares of the registrant's common stock outstanding.

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements.

NGP CAPITAL RESOURCES COMPANY
CONSOLIDATED BALANCE SHEETS
(In Thousands, Except Share and Per Share Amounts)

	March 31, 2012 (Unaudited)	December 31, 2011
Assets		
Investments in portfolio securities at fair value		
Control investments - majority owned		
(cost: $0 and $0, respectively)	$ -	$ 150
Affiliate investments		
(cost: $37,156 and $36,778, respectively)	13,357	13,498
Non-affiliate investments		
(cost: $120,964 and $135,824, respectively)	118,492	131,409
Total investments	131,849	145,057
Cash and cash equivalents	81,070	106,570
Accounts receivable and other current assets	212	1,442
Interest receivable	545	792
Prepaid assets	2,565	2,720
Total current assets	84,392	111,524
Total assets	$ 216,241	$ 256,581
Liabilities and net assets		
Current liabilities		
Accounts payable and accrued expenses	$ 594	$ 739
Management and incentive fees payable	1,084	1,190
Payables for investment securities purchased	-	417
Dividends payable	2,595	3,893
Income taxes payable	78	66
Total current liabilities	4,351	6,305
Deferred tax liabilities	8	10
Long-term debt	10,000	50,000
Total liabilities	14,359	56,315
Commitments and contingencies (Note 7)		
Net assets		
Common stock, $.001 par value, 250,000,000 shares authorized; 21,628,202 shares issued and outstanding	22	22
Paid-in capital in excess of par	255,486	255,486
Undistributed net investment income (loss)	(147)	(518)
Undistributed net realized capital gain (loss)	(30,316)	(30,286)
Net unrealized appreciation (depreciation) on investments	(23,163)	(24,438)
Total net assets	201,882	200,266
Total liabilities and net assets	$ 216,241	$ 256,581
Net asset value per share	$ 9.33	$ 9.26

(See accompanying notes to consolidated financial statements)

NGP CAPITAL RESOURCES COMPANY
CONSOLIDATED STATEMENTS OF OPERATIONS
(In Thousands, Except Per Share Data)
(Unaudited)

	For The Three Months Ended March 31, 2012	For The Three Months Ended March 31, 2011
Investment income		
Interest income:		
Control investments - majority owned	$ -	$ 1,356
Affiliate investments	378	952
Non-affiliate investments	4,839	3,479
Royalty income, net of amortization:		
Control investments - majority owned	-	478
Non-affiliate investments	146	256
Other income	256	34
Total investment income	5,619	6,555
Operating expenses		
Interest expense and bank fees	334	309
Management and incentive fees	1,084	1,333
Professional fees	202	199
Insurance expense	180	183
Other general and administrative expenses	841	830
Total operating expenses	2,641	2,854
Income tax provision (benefit), net	12	10
Net investment income	2,966	3,691
Net realized capital gain (loss) on investments		
Control investments - majority owned	(30)	81
Non-affiliate investments	-	(606)
Total net realized capital loss on investments	(30)	(525)
Net unrealized appreciation (depreciation) on investments		
Control investments - majority owned	(150)	3,427
Affiliate investments	(520)	(11,194)
Non-affiliate investments	1,943	1,340
Benefit (provision) for taxes on unrealized appreciation (depreciation) on investments	2	2
Total net unrealized appreciation (depreciation) on investments	1,275	(6,425)
Net increase (decrease) in net assets resulting from operations	$ 4,211	$ (3,259)
Net increase (decrease) in net assets resulting from operations per common share	$ 0.19	$ (0.15)
Dividends declared per common share	$ 0.12	$ 0.18
Weighted average shares outstanding - basic and diluted	21,628	21,628

(See accompanying notes to consolidated financial statements)

NGP CAPITAL RESOURCES COMPANY
CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS
(In Thousands)
(Unaudited)

	Common Stock		Paid-in Capital in Excess	Undistributed Net Investment	Undistributed Net Realized Capital	Net Unrealized Appreciation (Depreciation)	Total
	Shares	Amount	of Par	Income (Loss)	Gain (Loss)	on Investments	Net Assets
Balance at December 31, 2011	21,628	$ 22	$ 255,486	$ (518)	$ (30,286)	$ (24,438)	$ 200,266
Net increase (decrease)							
in net assets resulting							
from operations	-	-	-	2,966	(30)	1,275	4,211
Dividends declared	-	-	-	(2,595)	-	-	(2,595)
Balance at March 31, 2012	21,628	$ 22	$ 255,486	$ (147)	$ (30,316)	$ (23,163)	$ 201,882

(See accompanying notes to consolidated financial statements)

NGP CAPITAL RESOURCES COMPANY
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands)
(Unaudited)

	For The Three Months Ended March 31, 2012	2011
Cash flows from operating activities		
Net increase (decrease) in net assets resulting from operations	$ 4,211	$ (3,259)
Adjustments to reconcile net increase (decrease) in net assets resulting from operations to net cash provided by (used in) operating activities:		
Payment-in-kind interest	(364)	(1,460)
Net amortization of premiums, discounts and fees	(472)	465
Net realized capital loss on investments	30	525
Net unrealized (appreciation) depreciation on investments	(1,273)	6,426
Net deferred income tax provision (benefit)	(2)	(2)
Effects of changes in operating assets and liabilities:		
Accounts receivable and other current assets	1,230	1,780
Interest receivable	247	1,345
Prepaid assets	155	108
Payables and accrued expenses	(239)	(23)
Purchase of investments in portfolio securities	(8,444)	(14,757)
Proceeds from redemption of investments in portfolio securities	23,314	27,851
Purchase of investments in U.S. Treasury Bills	-	(30,600)
Net cash provided by (used in) operating activities	18,393	(11,601)
Cash flows from financing activities		
Borrowings under revolving credit facilities	10,000	55,000
Repayments on revolving credit facilities	(50,000)	(50,000)
Dividends paid	(3,893)	(3,893)
Net cash provided by (used in) financing activities	(43,893)	1,107
Net decrease in cash and cash equivalents	(25,500)	(10,494)
Cash and cash equivalents, beginning of period	106,570	68,457
Cash and cash equivalents, end of period	$ 81,070	$ 57,963

(See accompanying notes to consolidated financial statements)

NGP CAPITAL RESOURCES COMPANY
CONSOLIDATED SCHEDULE OF INVESTMENTS
MARCH 31, 2012
(In Thousands, Except Share Amounts and Percentages)
(Unaudited)

Portfolio Company	Industry Segment	Investment (1)	Principal	Cost	Fair Value (2)
Control Investments - Majority Owned (50% or more owned)					
DeanLake Operator, LLC (11)	Oil & Natural Gas Production and Development	Class A membership interests -entitled to 100% of distribution of DeanLake Operator, LLC		$ -	$ -
Rubicon Energy Partners, LLC (11)	Oil & Natural Gas Production and Development	4,000 LLC Units - 50% ownership of the assets of Rubicon Energy Partners, LLC		-	-
Subtotal Control Investments - Majority Owned (50% or more owned)				**$ -**	$ -
Affiliate Investments - (5% to 25% owned)					
BioEnergy Holding, LLC (6)	Alternative Fuels and Specialty Chemicals	Senior Secured Notes (15%, due 3/06/2015) (4)	$ 16,662	$ 15,511	$ -
		BioEnergy Holding Units - 11.1% of outstanding units of BioEnergy Holdings, LLC		1,297	-
		Myriant Corporation - 0.55% of outstanding common shares of Myriant Corporation		419	706
		Myriant Corporation Warrants (8)		49	105
Bionol Clearfield, LLC (6)	Alternative Fuels and Specialty Chemicals	Senior Secured Tranche C 2nd Lien Term Loan (LIBOR + 7% cash, LIBOR + 9% default, due 9/06/2016) (4)	4,950	4,950	-
Resaca Exploitation Inc.	Oil & Natural Gas Production and Development	Senior Unsecured Term Loan (9.5% cash, 12% PIK or 14% default, due 12/31/2014) (19)	11,629	11,445	11,629
		Common Stock (1,360,972 shares) - representing 6.56% of outstanding common stock of Resaca Exploitation Inc. (3) (9)		3,235	900
		Warrants (12)		250	17
Subtotal Affiliate Investments - (5% to 25% owned)				**$ 37,156**	**$ 13,357**
Non-affiliate Investments - (Less than 5% owned)					
Anadarko Petroleum Corporation 2007-III Drilling Fund	Oil & Natural Gas Production and Development	After-Payout Net Profits Interest (25% of 3% NPI after 2/29/2012 loan repayment, expires 3/31/2015)	$ -	$ -	$ 615
ATP Oil & Gas Corporation - III	Oil & Natural Gas Production and Development	Limited Term Royalty Interest (13.2% annual interest, 14% IRR to pay-out)		22,522	22,499
BP Corporation North America, Inc.	Oil & Natural Gas Production and Development	Put options to sell up to 141,376 Bbls of crude oil at a strike price of $65.00 per Bbl. 15 monthly contracts beginning on July 1, 2012 and expiring on September 30, 2013 (3)		417	34
Black Pool Energy Partners, LLC	Oil & Natural Gas Production and Development	Senior Secured Term Loan (The greater of 18% or LIBOR + 14% default, due 10/24/2011) (17)	15,744	15,744	11,700
		3% Overriding Royalty Interest		8	100
		Warrants (10)		10	-

(See accompanying notes to consolidated financial statements)

NGP CAPITAL RESOURCES COMPANY
CONSOLIDATED SCHEDULE OF INVESTMENTS
MARCH 31, 2012
(In Thousands, Except Share Amounts and Percentages)
(Unaudited)
(Continued)

Portfolio Company	Industry Segment	Investment (1)	Principal	Cost	Fair Value (2)
Non-affiliate Investments - (Less than 5% owned) - Continued					
Castex Energy Development Fund, LLC	Oil & Natural Gas Production and Development	Senior Secured Term Loan (The greater of 11.5% or LIBOR + 10.5%, due 12/31/2014)	$ 27,500	$ 27,031	$ 27,500
		Castex Class B Units - 5% (15)		0	590
Chroma Exploration & Production, Inc.	Oil & Natural Gas Production and Developmen	11,595 Shares Series A Participating Convertible Preferred Stock (4)		2,222	-
		10,589 Shares Series AA Participating Convertible Preferred Stock (4)		2,090	190
		8.11 Shares Common Stock		-	-
		Warrants (5)		-	-
Globe BG, LLC	Coal Production	Contingent earn-out related to July 2011 sale of royalty interests in Alden Resources, LLC (14)	-	-	3,370
GMX Resources, Inc.	Oil & Natural Gas Production and Development	Senior Convertible Notes (5%, due 2/1/2013) (3)	12,661	11,616	9,385
Pallas Contour Mining, LLC	Coal Mining	Senior Secured Term Loan (17% default, due 10/14/2015) (18)	11,161	11,201	11,161
Powder River Acquisitions, LLC	Oil & Natural Gas Production and Development	Senior Secured Promissory Note (12%, due 6/15/2012) (16)	3,000	3,000	3,000
Southern Pacific Resources Corporation	Oil & Natural Gas Production and Development	Second Lien Term Loan (LIBOR + 8.5% with 2.0% LIBOR floor or Prime + 7.5% with 3.0% Prime floor, due 1/07/2016)	7,115	7,206	7,115
Spirit Resources, LLC	Oil & Natural Gas Production and Development	Senior Secured Term Loan (The greater of 12% or LIBOR + 8%, due 4/27/2015)	13,050	12,832	13,050
		Warrants (13)		25	600
Tammany Oil & Gas, LLC	Oil & Natural Gas Production and Development	Senior Secured Term Loan (The greater of 13% or LIBOR + 8%, due 9/30/2012)	4,933	4,927	4,933
		3.33% Overriding Royalty Interest		108	1,200
		Warrants (7)		5	1,450
Subtotal Non-affiliate Investments - (Less than 5% owned)				**$ 120,964**	**$ 118,492**
TOTAL INVESTMENTS				**$ 158,120**	**$ 131,849**

(See accompanying notes to consolidated financial statements)

NGP CAPITAL RESOURCES COMPANY
CONSOLIDATED SCHEDULE OF INVESTMENTS
MARCH 31, 2012
(Unaudited)
(Continued)

NOTES TO CONSOLIDATED SCHEDULE OF INVESTMENTS

(1) All of our targeted investments are collateral for obligations under our Investment Facility. See Note 4 of Notes to Consolidated Financial Statements. All investments are in entities with primary operations in the United States of America. Percentages represent interest rates in effect at the end of the period and due dates represent the contractual maturity dates. Warrants, common stocks, units, commodity derivative instruments and earn-outs are non-income producing securities, unless otherwise stated.

(2) Our Board of Directors determines, in good faith, the final estimates of fair value of our investments. Fair value estimates are determined using unobservable inputs (Level 3 hierarchy), unless otherwise stated.

(3) Fair value estimate is determined using prices with observable market inputs (Level 2 hierarchy). See Note 8 of Notes to Consolidated Financial Statements.

(4) Non-accrual status.

(5) Chroma warrants expired without exercise on April 5, 2012 and provided us the right to purchase 2,462 shares of common stock at a purchase price of $75.00 per share.

(6) BioEnergy Holdings, LLC owns 100% of Bionol Clearfield, LLC. In July 2011, both entities filed for protection under Chapter 7 of the U.S. Bankruptcy Code.

(7) Tammany Oil & Gas, LLC warrants expire five years after repayment of principal and interest and provide us the right to purchase approximately 5% of membership shares at the exercise price of approximately $17.61 per share.

(8) Myriant Corporation warrants expire on August 15, 2015 and provide us the right to purchase 32,680 shares of Myriant Corporation at a purchase price of $10.00 per share.

(9) Resaca Exploitation, Inc. stock is listed on the Alternative Investment Market of the London Stock Exchange, denominated in British pounds beginning March 19, 2012, and its reported fair value at March 31, 2012 has been converted to U.S. dollars.

(10) Black Pool warrants expire seven years after repayment of principal and interest and provide us the right to purchase 25% of membership interest at the exercise price of $0.01 per unit.

(11) Assets of this portfolio company have been sold. The legal entity, in which we retain an equity interest, is in the process of dissolution.

(12) Resaca Exploitation, Inc. warrants expire 10 business days following termination of the credit agreement and entitle us to purchase up to 2,420,000 shares of Resaca common stock at a purchase price of $1.92 per share.

(13) Spirit Resources, LLC penny warrants expire five years after repayment of principal and interest and entitle us to acquire 33% of the Units of Membership Interest.

(14) Contingent payment of up to $6.8 million is dependent upon Alden Resources, LLC’s ability to achieve certain sales volume and operating efficiency levels during the three year period ending July 2014.

(15) Lenders were granted 10% (5% net to NGPC) of the LP interest in Castex Energy Development Fund via Class B LP units that will become effective at the earlier of maturity or a liquidity event in which the Castex Energy Development Fund assets are sold.

(16) We issued a written notice of default on September 30, 2011 and filed suit against Powder River Acquisitions, LLC ("Powder River") and an individual guarantor for failure to pay principal and interest when due. In March 2012, we entered into a Forbearance Agreement with Powder River and the guarantor, extending maturity to June 15, 2012 in exchange for payment of all past due interest and reimbursement of our legal fees.

(17) The Term Loan to Black Pool Energy Partners, LLC matured on October 24, 2011 without repayment. We are currently negotiating with Black Pool toward a potential restructuring of the Term Loan.

(18) In January 2012, Pallas Contour violated a financial covenant under its Senior Secured Term Loan. Beginning February 1, 2012, the applicable interest rate under the loan is 17% as long as the covenant violation persists.

(19) In March 2012, Resaca received a default notice from the agent for its Senior Unsecured Term Loan, regarding the violation of two financial covenants. Beginning March 2, 2012, the applicable interest rate under this loan is 14% as long as the covenant violation persists.

(See accompanying notes to consolidated financial statements)

NGP CAPITAL RESOURCES COMPANY
CONSOLIDATED SCHEDULE OF INVESTMENTS
DECEMBER 31, 2011
(In Thousands, Except Share Amounts and Percentages)

Portfolio Company	Energy Industry Segment	Investment (1)	Principal	Cost	Fair Value (2)
Control Investments - Majority Owned (50% or more owned)					
BSR Holdings, LLC (11)	Oil & Natural Gas Production and Development	100% of membership interests of BSR Holdings, LLC		$ -	$ -
DeanLake Operator, LLC (11)	Oil & Natural Gas Production and Development	Class A membership interests - entitled to 100% of distribution of DeanLake Operator, LLC		-	150
Rubicon Energy Partners, LLC (11)	Oil & Natural Gas Production and Development	4,000 LLC Units - 50% ownership of the assets of Rubicon Energy Partners, LLC		-	-
Subtotal Control Investments - Majority Owned (50% or more owned)				$ -	$ 150
Affiliate Investments - (5% to 25% owned)					
BioEnergy Holding, LLC (6)	Alternative Fuels and Specialty Chemicals	Senior Secured Notes (15%, due 3/06/2015) (4)	$ 16,662	$ 15,511	$ -
		BioEnergy Holding Units - 11.1% of outstanding units of BioEnergy Holdings, LLC		1,297	-
		Myriant Corporation - 0.55% of outstanding common shares of Myriant Corporation		419	706
		Myriant Corporation Warrants (8)		49	64
Bionol Clearfield, LLC (6)	Alternative Fuels and Specialty Chemicals	Senior Secured Tranche C 2nd Lien Term Loan (LIBOR + 7% cash, LIBOR + 9% default, due 9/06/2016) (4)	4,950	4,950	-
Resaca Exploitation Inc.	Oil & Natural Gas Production and Development	Senior Unsecured Term Loan (9.5% cash or 12% PIK, due 12/31/2014) (21)	11,265	11,067	11,265
		Common Stock (1,360,972 shares) - representing 6.56% of outstanding common stock of Resaca Exploitation Inc. (3) (9)		3,235	1,197
		Warrants (13)		250	266
Subtotal Affiliate Investments - (5% to 25% owned)				**$ 36,778**	**$ 13,498**
Non-affiliate Investments - (Less than 5% owned)					
Anadarko Petroleum Corporation 2007-III Drilling Fund	Oil & Natural Gas Production and Development	Net Profits Interest (Due 4/23/2032)	$ 3,183	$ 3,200	$ 3,483
ATP Oil & Gas Corporation - III	Oil & Natural Gas Production and Development	Limited Term Royalty Interest (12.35% annual interest, 13% IRR to pay-out) (19)		28,443	28,443
BP Corporation North America, Inc.	Oil & Natural Gas Production and Development	Put options to sell up to 141,376 Bbls of crude oil at a strike price of $65.00 per Bbl. 15 monthly contracts beginning on July 1, 2012 and expiring on September 30, 2013 (3)		417	417
Black Pool Energy Partners, LLC	Oil & Natural Gas Production and Development	Senior Secured Term Loan (The greater of 18% or LIBOR + 14% default, due 10/24/2011) (18)	15,744	15,744	12,000
		3% Overriding Royalty Interest		8	100
		Warrants (10)		10	-

(See accompanying notes to consolidated financial statements)

NGP CAPITAL RESOURCES COMPANY
CONSOLIDATED SCHEDULE OF INVESTMENTS
DECEMBER 31, 2011
(In Thousands, Except Share Amounts and Percentages)
(Continued)

Portfolio Company	Energy Industry Segment	Investment (1)	Principal	Cost	Fair Value (2)
Non-affiliate Investments - (Less than 5% owned) - Continued					
Castex Energy Development Fund, LLC	Oil & Natural Gas Production and Development	Senior Secured Term Loan (The greater of 11.5% or LIBOR + 10.5%, due 12/31/2014)	$ 27,500	$ 26,996	$ 27,500
		Castex Class B Units - 5% (16)		-	-
Chroma Exploration & Production, Inc.	Oil & Natural Gas Production and Development	11,595 Shares Series A Participating Convertible Preferred Stock (4)		2,222	-
		10,589 Shares Series AA Participating Convertible Preferred Stock (4)		2,090	500
		8.11 Shares Common Stock		-	-
		Warrants (5)		-	-
Crestwood Holdings, LLC	Natural Gas Gathering and Processing	Senior Secured Term Loan (The greater of 10.5% or LIBOR + 8.5%, due 10/01/2016)	8,283	8,132	8,283
Globe BG, LLC	Coal Production	Contingent earn-out related to July 2011 sale of royalty interests in Alden Resources (15)	-	-	3,270
GMX Resources, Inc. (3)	Oil & Natural Gas Production and Development	Senior Convertible Notes (5%, due 2/1/2013)	12,661	11,332	8,103
Nighthawk Transport I, LP	Energy Services	LP Units (12)		-	-
		Warrants (12)		-	-
Pallas Contour Mining, LLC	Coal Mining	Senior Secured Term Loan (14%, due 10/14/2015) (20)	11,661	11,703	11,661
Powder River Acquisitions, LLC	Oil & Natural Gas Production and Development	Senior Secured Promissory Note (12% default, due 9/30/2011) (17)	3,241	3,241	3,241
Spirit Resources, LLC	Oil & Natural Gas Production and Development	Senior Secured Term Loan (The greater of 12% or LIBOR + 8%, due 4/27/2015)	12,250	12,018	12,250
		Warrants (14)		25	25
Tammany Oil & Gas, LLC	Oil & Natural Gas Production and Development	Senior Secured Term Loan (The greater of 13% or LIBOR + 8%, due 9/30/2012)	10,133	10,125	10,133
		3.33% Overriding Royalty Interest		113	1,000
		Warrants (7)		5	1,000
Subtotal Non-affiliate Investments - (Less than 5% owned)				**$ 135,824**	**$ 131,409**
TOTAL INVESTMENTS				**$ 172,602**	**$ 145,057**

(See accompanying notes to consolidated financial statements)

NGP CAPITAL RESOURCES COMPANY
CONSOLIDATED SCHEDULE OF INVESTMENTS
DECEMBER 31, 2011
(Continued)

NOTES TO CONSOLIDATED SCHEDULE OF INVESTMENTS

(1) All of our targeted investments are collateral for obligations under our Investment Facility. See Note 4 of Notes to Consolidated Financial Statements. All investments are in entities with primary operations in the United States of America. Percentages represent interest rates in effect at the end of the period and due dates represent the contractual maturity dates. Warrants, common stocks, units, commodity derivative instruments and earn-outs are non-income producing securities, unless otherwise stated.

(2) Our Board of Directors determines, in good faith, the final estimates of fair value of our investments. Fair value estimates are determined using unobservable inputs (Level 3 hierarchy), unless otherwise stated.

(3) Fair value estimate is determined using prices with observable market inputs (Level 2 hierarchy). See Note 8 of the Notes to Consolidated Financial Statements.

(4) Non-accrual status.

(5) Chroma warrants expire on April 5, 2012 and provide us the right to purchase 2,462 shares of common stock at a purchase price of $75.00 per share.

(6) BioEnergy Holdings, LLC owns 100% of Bionol Clearfield, LLC. In July 2011, both entities filed for protection under Chapter 7 of the U.S. Bankruptcy Code.

(7) Tammany Oil & Gas, LLC warrants expire five years after repayment of principal and interest and provide us the right to purchase approximately 5% of membership shares at the exercise price of approximately $17.61 per share.

(8) Myriant Corporation warrants expire on August 15, 2015 and provide us the right to purchase 32,680 shares of Myriant Corporation at a purchase price of $10.00 per share.

(9) Resaca Exploitation, Inc. stock trades in U.S. dollars on the Alternative Investment Market of the London Stock Exchange.

(10) Black Pool warrants expire seven years after repayment of principal and interest and provide us the right to purchase approximately 25% of membership interest at the exercise price of $0.01 per unit.

(11) Assets of this portfolio company have been sold. The legal entity, in which we retain an equity interest, is in the process of dissolution.

(12) Due to insufficient recoveries in the liquidation under Nighthawk's voluntary petition under Chapter 7 of the U.S. Bankruptcy Code, we recognized a realized loss of our total remaining investment in Nighthawk notes in December 2009. We retain ownership in warrants and units in Nighthawk and have assigned no value to those securities.

(13) Resaca Exploitation, Inc. warrants expire 10 business days following termination of the credit agreement and entitle us to purchase up to 2,420,000 shares of Resaca common stock at a purchase price of $1.92 per share.

(14) Spirit Resources, LLC penny warrants expire five years after repayment of principal and interest and entitle us to acquire 33% of the Units of Membership Interest.

(15) Contingent payment of up to $6.8 million is dependent upon Alden Resources' ability to achieve certain sales volume and operating efficiency levels during the three year period ending July 2014.

(16) Lenders were granted 10% (5% net to NGPC) of the LP interest in Castex Energy Development Fund via Class B LP units that will become effective at the earlier of maturity or a liquidity event in which the Castex Energy Development Fund assets are sold.

(17) We issued a written notice of default on September 30, 2011 and have filed suit against Powder River Acquisitions, LLC and an individual guarantor for failure to pay principal and interest when due.

(18) The Term Loan to Black Pool Energy Partners, LLC matured on October 24, 2011 without repayment. We are currently negotiating with Black Pool toward a potential restructuring of the Term Loan.

(19) Effective January 1, 2012, the applicable interest rate on the ATP Limited Term Royalty Interest increased from 12.35% to 13.2% and the contractual rate of return increased from 13% to 14%.

(20) In January 2012, Pallas Contour violated a financial covenant under the Senior Secured Term Loan. Beginning February 1, 2012, the applicable interest rate under the loan is 17% as long as the covenant violation persists.

(21) In March 2012, Resaca received a default notice from the agent for the Senior Unsecured Term Loan, regarding the violation of two financial covenants. Beginning March 2, 2012, the applicable interest rate under this loan is 14% as long as the covenant violation persists.

(See accompanying notes to consolidated financial statements)

NGP CAPITAL RESOURCES COMPANY
CONSOLIDATED FINANCIAL HIGHLIGHTS
(Unaudited)

	For The Three Months Ended March 31, 2012	2011
Per Share Data (1)		
Net asset value, beginning of period	$ 9.26	$ 10.90
Net investment income	0.14	0.17
Net realized and unrealized gain (loss) on investments (2)	0.05	(0.32)
Net increase (decrease) in net assets resulting from operations	0.19	(0.15)
Dividends declared	(0.12)	(0.18)
Net asset value, end of period	$ 9.33	$ 10.57
Market value, beginning of period	$ 7.19	$ 9.20
Market value, end of period	$ 6.55	$ 9.64
Market value return (3)	(7.2%)	6.7%
Net asset value return (3)	2.7%	(1.2%)
Senior Securities Data		
Total borrowings, end of period (in thousands)	$ 10,000	$ 55,000
Asset coverage ratio (4) (5)	2162%	529%
Asset coverage per unit (5)	$ 21,624	$ 5,290
Ratios and Supplemental Data		
($ and shares in thousands)		
Net assets, end of period	$ 201,882	$ 228,574
Average net assets	$ 201,074	$ 232,150
Common shares outstanding end of period	21,628	21,628
Net investment income/average net assets (6)	5.9%	6.5%
Portfolio turnover rate	11.6%	12.2%
Total operating expenses/average net assets (6)	5.3%	5.0%
Additional Ratios		
Net increase (decrease) in net assets resulting from operations/average net assets (6)	8.4%	(5.7%)
Expense Ratios (as a percentage of average net assets) (6)		
Interest expenses and bank fees	0.7%	0.6%
Management and incentive fees	2.2%	2.3%
Other operating expenses	2.4%	2.1%
Total operating expenses	5.3%	5.0%

(1) Per Share Data is based on weighted average number of common shares outstanding for the period.
(2) Calculated as a balancing amount necessary to reconcile the change in net assets value per share with other per share information presented. This amount may not agree with the aggregate gains and losses for the period because the difference in the net asset value at the beginning and end of the period may not equal the per share changes of the line items disclosed.
(3) Return calculations assume reinvestment of dividends and are not annualized.
(4) As a business development company, we are generally required to maintain a ratio of at least 200% of total assets, less all liabilities and indebtedness not represented by senior securities, to total borrowings and guaranty commitments.
(5) Asset coverage ratio is the ratio of the carrying value of our total assets, less all liabilities and indebtedness not represented by senior securities, to the aggregate amount of senior securities represented by indebtedness (including interest payable and guarantees). Asset coverage per unit is the asset coverage ratio expressed in terms of dollar amounts per one thousand dollars of indebtedness.
(6) Annualized.

(See accompanying notes to consolidated financial statements)

NGP CAPITAL RESOURCES COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2012
(Unaudited)

Note 1: Organization

These Consolidated Financial Statements present the financial position, results of operations and cash flows of NGP Capital Resources Company and its consolidated subsidiaries. The terms "we," "us," "our" and "NGPC" refer to NGP Capital Resources Company and its consolidated subsidiaries. We are a financial services company organized in July 2004 as a Maryland corporation to invest primarily in small and mid-size private energy companies. In early 2012, we expanded our investment strategy to also include middle market companies not engaged in the energy industry. Our investment objective is to generate both current income and capital appreciation primarily through debt investments with certain equity components. We are a closed-end, non-diversified management investment company that has elected to be regulated as a business development company, or BDC, under the Investment Company Act of 1940, or the 1940 Act. In addition, for federal income tax purposes we operate so as to be treated as a regulated investment company, or RIC, under the Internal Revenue Code of 1986, as amended, or the Code. We have several direct and indirect subsidiaries that are single member limited liability companies and wholly-owned limited partnerships established to hold certain portfolio investments or provide services to us in accordance with specific rules prescribed for a company operating as a RIC. We consolidate the financial results of our wholly-owned subsidiaries for financial reporting purposes, and we do not consolidate the financial results of our portfolio companies. Our external manager, NGP Investment Advisor, LP, or our Manager, conducts our operations pursuant to an Investment Advisory Agreement (see Note 5). NGP Energy Capital Management, L.L.C., or NGP, and NGP Administration, LLC, or our Administrator, together own 100% of our Manager.

Note 2: Basis of Presentation

These interim unaudited consolidated financial statements include the accounts of NGPC and its subsidiaries. We eliminate all significant intercompany accounts and transactions.

We prepare the interim consolidated financial statements, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission, or the SEC. We omit certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America, or GAAP, pursuant to such rules and regulations. We believe we include all adjustments, which are of a normal recurring nature, so that these financial statements fairly present our financial position, results of operations and cash flows. Interim results are not necessarily indicative of results for a full year. You should read these unaudited consolidated financial statements in conjunction with the consolidated financial statements and related notes included in our Annual Report on Form 10-K for the year ended December 31, 2011.

Preparing interim consolidated financial statements in accordance with GAAP requires us to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and the accompanying notes to the consolidated financial statements, including the estimated fair values of our investment portfolio discussed in Note 8. Although we believe our estimates and assumptions are reasonable, actual results could differ from these estimates.

Recent Accounting Pronouncements

In May 2011, the FASB issued Accounting Standards Update No. 2011-04, "*Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRS,*" or ASU 2011-04. This guidance requires additional disclosure regarding fair value measurement and sensitivity, and improves consistency between U.S. GAAP and international financial reporting standards, or IFRS. This guidance must be applied prospectively and becomes effective for interim and annual periods beginning after December 15, 2011. We adopted this standard on January 1, 2012. The adoption of ASU 2011-04 did not have a significant impact on our process for measuring fair values or on our consolidated financial statements, other than the inclusion of additional required disclosures.

Dividends

We record dividends to stockholders on the ex-dividend date. We currently intend that our distributions each year will be sufficient to maintain our status as a RIC for federal income tax purposes and to eliminate federal excise tax liability. We currently intend to make distributions to stockholders on a quarterly basis that total substantially all net taxable income for the year. We also intend to make distributions of net realized capital gains, if any, at least annually. However, we may in the future decide to retain such capital gains for investment and designate such retained amounts as deemed distributions. Each quarter, our Manager estimates our annual taxable earnings. The Board of Directors considers this estimate and determines the distribution amount, if any. We generally declare our dividends each quarter and pay them shortly thereafter.

The following table summarizes our recent distribution history:

Declaration Date	Amount	Record Date	Payment Date
March 9, 2011	$ 0.18	March 31, 2011	April 8, 2011
June 14, 2011	$ 0.18	June 30, 2011	July 8, 2011
September 13, 2011	$ 0.18	September 30, 2011	October 10, 2011
December 13, 2011	$ 0.18	December 31, 2011	January 6, 2012
March 19, 2012	$ 0.12	March 31, 2012	April 9, 2012

Note 3: Revisions of Previously Issued Financial Statements

In the third quarter of 2011, we corrected our method of categorizing income tax provision (benefit) among the income categories on our consolidated statements of operations (namely, net investment income, realized capital gains (losses) on investments and unrealized appreciation (depreciation) on investments) to appropriately reflect the income tax consequences among the income categories. The change in methods had no impact on the total income tax provision (benefit) or on net increase (decrease) in net assets from operations or net asset value for any period. However, the appropriate categorization method did result in immaterial changes to previously reported amounts for net investment income, net realized capital gain (loss) on investments and net unrealized appreciation (depreciation) on investments, because the amounts of income tax provision (benefit) applicable to each category are different under the new method. In addition, the changes also impacted the ratios of net investment income/average net assets and certain after-tax per share amounts.

We assessed the materiality of these revisions on each of the periods affected and concluded that none of the revisions were material to any previously issued financial statements. Given that the effect was not material, previously issued financial statements will be revised for these items the next time such financial statements are presented in SEC filings.

The following table sets forth the line items affected by the revisions on the statements of operations and financial highlights for the three-month period ended March 31, 2011 (in thousands except per share data):

	Three Months Ended March 31, 2011		
	As Previously Reported	Revisions	As Revised
Net investment income before income taxes	$ 3,701	$ -	$ 3,701
Benefit (provision) for income taxes	(703)	693	(10)
Net investment income	2,998	693	3,691
Net realized capital gain (loss) on investments	(525)	-	(525)
Benefit (provision) for income taxes	0	(0)	-
Total net realized capital gain (loss) on investments	(525)	(0)	(525)
Net increase (decrease) in unrealized appreciation (depreciation) on investments	(6,426)	-	(6,426)
Benefit (provision) for income taxes	694	(693)	1
Total net unrealized appreciation (depreciation) on investments	(5,732)	(693)	(6,425)
Net increase (decrease) in net assets resulting from operations	$ (3,259)	$ -	$ (3,259)
Per share data:			
Net investment income	$ 0.14	$ 0.03	$ 0.17
Net realized capital gain (loss) on investments	(0.02)	-	(0.02)
Net unrealized appreciation (depreciation) on investments	(0.27)	(0.03)	(0.30)
Net increase (decrease) in net assets resulting from operations	$ (0.15)	$ -	$ (0.15)
Average net assets	232,150		232,150
Net investment income / average net assets (annualized)	5.2%		6.5%

Note 4: Credit Facilities and Borrowings

On December 6, 2011, we entered into a $72.0 million Amended and Restated Revolving Credit Agreement, or the Investment Facility. The total amount outstanding under the Investment Facility was $10.0 million and $50.0 million, as of March 31, 2012 and December 31, 2011, respectively. Substantially all of our assets, except our investments in U.S. Treasury Bills, are collateral for the obligations under the Investment Facility. The Investment Facility matures on August 31, 2014, and bears interest, at our option, at either (i) LIBOR plus 325 to 475 basis points, or (ii) the base rate plus 225 to 375 basis points, both based on our amounts outstanding. As of March 31, 2012, the interest rate on our outstanding balance of $10.0 million was 6.0% (base rate plus 275 basis points). We repaid the entire $10.0 million balance in April 2012. As of March 31, 2012, we had a letter of credit outstanding of $1.8 million, and the amount available to us for borrowing under the Investment Facility was $60.2 million.

On March 31, 2011, we entered into a $30.0 million Treasury Secured Revolving Credit Agreement, or the Treasury Facility, which can only be used to purchase investments in U.S. Treasury Bills. Proceeds from the Treasury Facility facilitate the growth of our investment portfolio and provide flexibility in the sizing of our portfolio investments. On March 30, 2012, we entered into a consent and first amendment to the Treasury Facility. As amended, the Treasury Facility matures on March 31, 2013 and bears interest, at our option, at either (i) LIBOR plus 50 basis points or (ii) the base rate. We have the right at any time to prepay the loans, in whole or in part, without premium or penalty. As of March 31, 2012, we had no outstanding indebtedness under the Treasury Facility and the entire $30.0 million was available.

The Investment Facility and Treasury Facility contain affirmative and reporting covenants and certain financial ratio and restrictive covenants that apply to our subsidiaries and us. We complied with these covenants as of March 31, 2012 and had no events of default under either facility. The most restrictive covenants are:

- maintaining a ratio of net asset value to consolidated total indebtedness (excluding net hedging liabilities) of not less than 2.25:1.0,
- maintaining a ratio of net asset value to consolidated total indebtedness (including net hedging liabilities) of not less than 2.0:1.0,
- maintaining a ratio of EBITDA (excluding revenue from cash collateral) to interest expense (excluding interest on loans under the Treasury Facility) of not less than 3.0:1.0, and
- maintaining a ratio of collateral to the aggregate principal amount of loans under the Treasury Facility of not less than 1.02:1.0.

Note 5: Investment Management

Investment Advisory Agreement

We have an Investment Advisory Agreement with our Manager under which our Manager administers our day-to-day operations and provides investment advisory services to us. Our Manager is subject to the overall supervision of our Board of Directors. For providing these services, we pay our Manager a fee, consisting of two components — a base management fee and an incentive fee.

Base Management Fee: According to the Investment Advisory Agreement, we calculate the base management fee as 0.45% of the average of our total assets as of the end of the two previous quarters. We record and pay this base management fee quarterly in arrears.

Incentive Fee: The incentive fee under the Investment Advisory Agreement consists of two parts. We calculate the first part of the incentive fee, the Investment Income Incentive Fee, as 20% of the excess, if any, of our net investment income for the quarter that exceeds a quarterly hurdle rate equal to 2% (8% annualized) of our net assets. We calculate and pay this Investment Income Incentive Fee quarterly in arrears. For the purpose of this fee calculation, net investment income means interest income, dividend income, royalty 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 we receive from portfolio companies) accrued during the fiscal quarter, minus our operating expenses for the quarter (including the base management fee, expenses payable under the Administration Agreement, and interest expense, but excluding the incentive fee). Accordingly, we may pay an incentive fee based partly on accrued interest, the collection of which is uncertain or deferred. Net investment income includes, in the case of investments with a deferred interest feature (such as original issue discount, debt instruments with payment-in-kind interest and zero coupon securities), accrued income that we have not yet received in cash. Net investment income does not include any realized capital gains, realized capital losses, or unrealized capital appreciation or depreciation. For the three months ended March 31, 2012 and 2011, we did not incur any Investment Income Incentive Fees.

We calculate the second part of the incentive fee, the Capital Gains Fee, as (1) 20% of (a) our net realized capital gains (realized capital gains less realized capital losses) on a cumulative basis from the closing date of our 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 our Manager in prior fiscal years. We determine and pay the Capital Gains Fee in arrears as of the end of each fiscal year (or upon termination of the Investment Advisory Agreement, as of the termination date). For accounting purposes only, in order to reflect the theoretical Capital Gains Fee that would be payable for a given period as if all unrealized capital gains were realized, we accrue a Capital Gains Fee as described above (in accordance with the terms of the Investment Advisory Agreement), plus 20% of unrealized capital gains on investments held at the end of such period. It should be noted that the portion of the accruals for the Capital Gains Fees attributable to unrealized capital gains will not necessarily be payable under the Investment Advisory Agreement, and may never be paid based on the computation of Capital Gains Fees in subsequent periods. As of March 31, 2012, we had cumulative net capital losses of $55.8 million and unrealized capital depreciation of $23.2 million. We did not incur or pay any Capital Gains Fees for the three months ended March 31, 2012 and 2011.

Our Board of Directors originally approved the Investment Advisory Agreement on November 9, 2004. Our Board of Directors or the holders of a majority of our outstanding voting securities must approve the continuation of the Investment Advisory Agreement at least annually. Additionally, in either case, the approval must be by a majority of our independent directors. On October 31, 2011, our Board of Directors, including all of the independent directors, approved an extension of the Investment Advisory Agreement through November 9, 2012.

The Investment Advisory Agreement may be terminated at any time, without the payment of any penalty, by a vote of our Board of Directors or the holders of a majority of our shares on 60 days' written notice to our Manager, and would automatically terminate in the event of its "assignment" (as defined in the 1940 Act). Either party may terminate the Investment Advisory Agreement without penalty upon not more than 60 days' written notice to the other.

Pursuant to the Investment Advisory Agreement, our Manager pays the compensation and routine overhead expenses of the investment professionals of our management team and their respective staffs, when and to the extent engaged in providing management and investment advisory services to us. We bear all other costs and expenses of our operations and transactions. Our Manager is a registered investment adviser under the Investment Advisers Act of 1940.

Administration Agreement

We have an Administration Agreement with our Administrator, under which our Administrator furnishes us with office facilities, equipment and clerical, bookkeeping and recordkeeping services at such facilities. Under the Administration Agreement, our Administrator also performs, or oversees the performance by third parties of, our required administrative services which include responsibility for the financial records that we are required to maintain and preparation of reports to our stockholders and reports filed with the SEC. In addition, our Administrator assists in determining and publishing our net asset value, oversees the preparation and filing of our tax returns, the printing and dissemination of reports to our stockholders, and generally oversees the payment of our expenses and the performance of administrative and professional services rendered to us by others. To the extent permitted under the 1940 Act, our Administrator may also provide on our behalf, significant managerial assistance to our portfolio companies. We base payments under the Administration Agreement upon the allocable portion of our Administrator's costs and expenses incurred in connection with administering our business. The Administration Agreement may be terminated at anytime, without penalty, by a vote of our Board of Directors or by our Administrator upon 60 days' written notice to the other party, and will automatically terminate in the event of its "assignment" (as defined in the 1940 Act).

We owed \$216,000 and \$210,000 to our Administrator as of March 31, 2012 and December 31, 2011, respectively, for expenses incurred on our behalf for the final month of the respective quarterly period. We include these amounts in accounts payable and accrued expenses. Our Board of Directors originally approved the Administration Agreement on November 9, 2004. Our Board of Directors and a majority of our independent directors must approve the continuation of the Administration Agreement at least annually. On October 31, 2011, our Board of Directors, including all of the independent directors, approved an extension of the Administration Agreement through November 9, 2012.

Note 6: Federal Income Taxes

We currently qualify for tax purposes as a RIC under Subchapter M of Chapter 1 of the Code, as amended. As a RIC, the IRS generally will not tax the portion of our investment company taxable income and net capital gain (i.e., realized net long term capital gains in excess of realized net short term capital losses) distributed to stockholders. To qualify as a RIC, we are required, among other things, to distribute to our stockholders at least 90% of investment company taxable income, as defined by the Code, and to meet certain asset diversification requirements.

Certain of our wholly-owned subsidiaries, or Taxable Subsidiaries, have elected to be taxed as corporations for federal income tax purposes. The Taxable Subsidiaries hold certain of our portfolio investments, and are consolidated for financial reporting purposes but not for income tax reporting purposes. These Taxable Subsidiaries permit us to hold equity investments in portfolio companies that are “pass through” entities for tax purposes, in order to comply with the “source income” requirements contained in the RIC tax regulations. The Taxable Subsidiaries may generate net income tax expense or benefit, which is reflected on our consolidated statements of operations.

Note 7: Commitments and Contingencies

As of March 31, 2012, we had investments in or commitments to fund investments in 17 portfolio companies totaling $165.9 million. Of this total, $160.1 million was outstanding and $5.8 million remained committed and available to fund. Generally, these commitments have fixed expiration dates, and we do not expect to fund the entire $5.8 million of commitments before they expire. We do not report the unused portions of these commitments on our Consolidated Balance Sheets.

In February 2010, we arranged for a letter of credit issued under the Investment Facility with respect to our investment in one of our portfolio companies. As of March 31, 2012, the letter of credit balance was $1.8 million.

We have continuing obligations under the Investment Advisory Agreement with our Manager and the Administration Agreement with our Administrator. The agreements provide that, absent willful misfeasance, bad faith or gross negligence in the performance of its duties or the reckless disregard of its duties and obligations, our Manager, our 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 us for any damages, liabilities, costs and expenses (including reasonable attorneys’ fees and amounts reasonably paid in settlement) arising from the rendering of our Manager’s or Administrator’s services under the agreements or otherwise as our investment adviser or administrator. The agreements also provide that our Manager, our Administrator and their affiliates will not be liable to us or any stockholder for any error of judgment, mistake of law, any loss or damage with respect to any of our investments or any action taken or omitted to be taken by our Manager or our Administrator in connection with the performance of any of their duties or obligations under the agreements or otherwise as investment adviser or administrator to us, 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, we enter into a variety of undertakings containing a variety of representations that may expose us to some risk of loss. We do not expect significant losses, if any, from such undertakings.

Note 8: Fair Value

Investments consisted of the following as of March 31, 2012 and December 31, 2011:

	March 31, 2012			
(Dollar amounts in thousands)	Cost	% of Total	Fair Value	% of Total
Senior secured debt	$ 95,196	60.2%	$ 71,344	54.1%
Subordinated debt	18,651	11.8%	18,744	14.2%
Senior convertible notes	11,616	7.4%	9,385	7.1%
Limited term royalties	22,522	14.2%	22,499	17.1%
Net profits interests	-	0.0%	615	0.5%
Contingent earn-out	-	0.0%	3,370	2.6%
Commodity derivative instruments	417	0.3%	34	0.0%
Royalty interests	116	0.1%	1,300	1.0%
Equity securities				
Membership and partnership units	1,716	1.1%	1,296	1.0%
Participating preferred stock	4,312	2.7%	190	0.1%
Common stock	3,235	2.0%	900	0.7%
Warrants	339	0.2%	2,172	1.6%
Total equity securities	9,602	6.0%	4,558	3.4%
Total investments	$ 158,120	100.0%	$ 131,849	100.0%

	December 31, 2011			
(Dollar amounts in thousands)	Cost	% of Total	Fair Value	% of Total
Senior secured debt	$ 108,420	62.8%	$ 85,068	58.6%
Subordinated debt	11,067	6.4%	11,265	7.8%
Senior convertible notes	11,332	6.5%	8,103	5.6%
Limited term royalties	28,443	16.5%	28,443	19.6%
Net profits interests	3,200	1.9%	3,483	2.4%
Contingent earn-out	-	0.0%	3,270	2.3%
Commodity derivative instruments	417	0.2%	417	0.3%
Royalty interests	121	0.1%	1,100	0.8%
Equity securities				
Membership and partnership units	1,716	1.0%	856	0.6%
Participating preferred stock	4,312	2.5%	500	0.3%
Common stock	3,235	1.9%	1,197	0.8%
Warrants	339	0.2%	1,355	0.9%
Total equity securities	9,602	5.6%	3,908	2.6%
Total investments	$ 172,602	100.0%	$ 145,057	100.0%

We account for all of the assets in our portfolio at fair value, following the provisions of the Financial Accounting Standards Board, or FASB, Accounting Standards Codification *Fair Value Measurements and Disclosures*, or ASC 820. ASC 820 defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs used to measure fair value and enhances disclosure requirements for fair value measurements.

On a quarterly basis, the investment team of our Manager prepares fair value estimates for all of the assets in our portfolio utilizing the income approach and market approach in accordance with ASC 820 and presents them to our Valuation Committee. The Valuation Committee recommends its fair value estimates to our Board of Directors, which in good faith determines the final estimates of fair value for each investment. We record investments in securities for which market quotations are readily available at such market quotations in our financial statements as of the valuation date. For investments in securities for which market quotations are unavailable, or which have various degrees of trading restrictions, the investment team of our Manager prepares valuation analyses as generally described below.

- *Investment Team Valuation.* The investment professionals of our Manager prepare fair value estimates for each investment.

- *Investment Team Valuation Documentation.* The investment team documents and discusses its preliminary fair value estimates with senior management of our Manager.

- *Presentation to Valuation Committee.* Senior management presents the valuation analyses and fair value estimates to the Valuation Committee of our Board of Directors.

- *Third Party Valuation Activity.* The Valuation Committee and our Board of Directors, in their discretion, may retain an independent valuation firm to review any or all of the valuation analyses and fair value estimates provided by the investment team of our Manager. The Valuation Committee has not retained an independent valuation firm in connection with any fair value estimates during the year ended December 31, 2011 or the three months ended March 31, 2012.

- *Board of Directors and Valuation Committee.* The Board of Directors and Valuation Committee review and discuss the valuation analyses and fair value estimates provided by the investment team of our Manager and the analysis of the independent valuation firm, if applicable.

- *Final Valuation Determination.* Our Board of Directors discusses the fair value estimates recommended by the Valuation Committee and determines the fair value of each investment in our portfolio, in good faith, based on the input of the investment team of our Manager, our Valuation Committee and the independent valuation firm, if any.

ASC 820 defines fair value as the price that a seller would receive for an asset or pay to transfer a liability in an orderly transaction between independent, knowledgeable and willing market participants at the measurement date. The fair value definition focuses on exit price in the principal, or most advantageous, market and prioritizes the use of observable market inputs over unobservable entity-specific inputs. In accordance with ASC 820, we categorize our investments based on the inputs to our valuation methodologies as follows:

- *Level 1* — Quoted unadjusted prices for identical instruments in active markets to which we have access at the date of measurement.

- *Level 2* — Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets. Level 2 inputs are those in markets for which there are few transactions, the prices are not current, little public information exists or instances where prices vary substantially over time or among brokered market makers.

- *Level 3* — Model derived valuations in which one or more significant inputs or significant value drivers are unobservable. Unobservable inputs are those inputs that reflect our own assumptions that market participants would use to price the asset or liability based on the best available information.

Fair value accounting classifies financial assets and liabilities in their entirety based on the lowest level of input that is significant to the estimated fair value measurement. Our assessment of the significance of a particular input to the estimated fair value measurement requires judgment, and may affect the valuation of assets and liabilities and their placement within the fair value hierarchy levels.

Senior Debt Securities, Limited-Term Royalties and Subordinated Debt Securities: In estimating the fair value of our debt investments, we first assess the overall financial health of the portfolio company through an evaluation of a number of factors, including, as relevant, historical and projected financial results, the portfolio company's enterprise value, and the nature and realizable value of any collateral. In estimating the portfolio company's enterprise value, we analyze the discounted value of estimated future net cash flows of the portfolio company, derived, when appropriate, from third party valuations of a portfolio company's assets, such as engineering reserve reports of oil and natural gas properties. We also use a market approach in estimating the portfolio company's estimated enterprise value, considering recent comparable transactions involving similar businesses or assets. We also may consider the markets in which the portfolio company operates; comparison to a peer group of publicly traded securities; the size and scope of the portfolio company and its specific strengths and weaknesses; recent purchases or sales of securities by the portfolio company; recent offers to purchase the portfolio company; the estimated value of comparable securities; and other relevant factors. Based upon these analyses, we assess the sources of cash flow available to the portfolio company to service its debt and the underlying credit risk, and determine an appropriate yield, or discount rate, to apply to our anticipated cash flows to be collected from each debt investment, recognizing that the collection of contractual cash flows may come from one or a combination of cash flows generated from continuing operations of the portfolio company, liquidation of collateral or sale of the portfolio company. The appropriateness of the yield on our investments is directly relative to our judgment of the associated risks, using observable yield or price data for similar or comparable debt investments when available. Fair value measurements using the discounted cash flow method can be sensitive to significant changes in the inputs. A significant increase (decrease) in the discount rate for a particular security may result in a lower (higher) value of for that security.

We invest primarily in illiquid debt investments in small private energy companies, many of which are in the early stages of development, or are start-up companies in need of growth development capital. There is limited activity, transparency and variable data in the markets in which we invest. We have observed that there is limited correlation in yield and price data in our principle market when compared to overall market trends based upon debt investments we have made throughout our history. In circumstances where there is limited observable price or yield data of similar or comparable securities, we base our considerations on our assessments of the credit trends and underlying performance of our portfolio companies and of the markets in which we invest, relying on the collective judgment of the investment team of our Manager, our Valuation Committee members and our Board of Directors, which is based on their extensive experience and expertise investing in public and non-public securities in energy markets.

Equity Securities: We record our investments in preferred and common equity securities (including warrants or options to acquire equity securities) at fair value based on our pro rata share of the residual equity value available after deducting all outstanding debt and other obligations, as applicable, from the estimated enterprise value of the portfolio company. To estimate the enterprise value of the portfolio company, we analyze the discounted cash flows of the portfolio company and indicative pricing (on a proved reserve and/or units-of-production basis, as appropriate) in recent comparable market transactions as mentioned above, adjusted for lack of marketability due to the illiquid nature or other restrictions on the sale of the security. In most cases, we may compute an average of the calculated values of our share of the residual equity value (using multiple approaches or various assumptions) in determining the fair value of the equity security to be reported in our financial statements. Estimating a company's enterprise value involves judgment, and residual equity values can be relatively volatile based on changes in market conditions, the company's financial performance and outlook, and other factors. Fair value measurements using market comparables can be sensitive to significant changes in the inputs. A significant increase (decrease) in the reserve multiple, or a significant decrease (increase) in the discount for lack of marketability, for a particular equity security may result in a higher (lower) fair value for that security.

In some cases, where we deem recent or pending financing or recapitalization transactions involving the portfolio company to be more indicative of enterprise value, we use such recent transactions to value the enterprise, in lieu of the discounted cash flow or market comparables. In addition, in cases where we deem appropriate, we utilize an option pricing method, or OPM, to value the various preferred stock, common stock and warrants we have in companies with complex capital structures. The OPM treats preferred stock, common stock and warrants as call options on the enterprise value, with exercise prices based on liquidation preference of the security. The OPM commonly uses the Black-Scholes model to price the call option and considers the various terms of the stockholder agreements upon liquidation of the enterprise. In addition, the OPM implicitly considers the effect of the liquidation preference as of a future liquidation date, not as of the valuation date.

Net Profits Interests and Royalty Interests: We record our investments in overriding royalty and net profits interests at fair value 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, adjusted for lack of marketability due to the illiquid nature or other restrictions on the sale of our investment. We derive appropriate cash flow multiples from the review of comparable transactions involving similar assets. We derive the discounted value of future net cash flows, when appropriate, from third party valuations of a portfolio company's assets, such as engineering reserve reports of oil and natural gas properties. A significant increase (decrease) in the cash flow multiple, or a significant decrease (increase) in the discount for lack of marketability, for a particular investment may result in a higher (lower) fair value for that investment.

Contingent Earn-Out: Our contingent earn-out investment resulted from the sale of our investment in Alden Resources, LLC to Globe BG, LLC ("Globe") in July 2011. The amount of the payment, up to $6.8 million, is based on a formula involving the number of clean tons produced multiplied by the difference between the company's cost of production in 2010 and the cost of production during the optimal consecutive 12-month period during the 3-year period ending July 2014. We based our valuation of the earn-out on a weighted average of the discounted value of the earn-out payment computed under six scenarios with various production and production cost assumptions. A significant increase (decrease) in production, a significant decrease (increase) in cost of production, or a significant decrease (increase) in the discount rate may result in a higher (lower) value of the earn-out.

Commodity Derivative Instruments: We record all derivative instruments at fair value. Quoted market prices are the best evidence of estimated fair value. We estimate the fair value of the crude oil and natural gas options using a market-based valuation methodology based upon forward commodity price and volatility curves. Independent pricing services provide the curves, which reflect broker market quotes. We consider these investments as Level 2 on the valuation hierarchy, as the values represent quoted prices for similar instruments in active markets.

We hold certain investments in debt or equity securities that are publicly traded, but for which there are relatively few transactions or for which trading activity is relatively infrequent. We value these investments at broker quotes as of the balance sheet date or at prices for which such securities were most recently traded. We consider these investments as Level 2 on the valuation hierarchy, as the values represent quoted prices for identical instruments in thinly-traded markets.

Due to the inherent uncertainty in the valuation process, the fair value estimates for our investments may differ materially from the values that would have been used had a ready market for the securities existed. Additionally, changes in the market environment, portfolio company performance and other events that may occur over the lives of the investments may cause the gains or losses ultimately realized on our investments to be materially different than the valuations currently assigned.

We may have investments in our portfolio that contain payment-in-kind, or PIK, provisions. We compute PIK interest income or PIK dividend income at the contractual rate specified in each investment agreement and add that amount to the principal balance of the investment. For those investments with PIK interest or PIK dividends, we calculate our income accruals on the principal balance plus any PIK amounts. If the portfolio company's asset valuation is not sufficient to cover the contractual interest, we do not accrue interest income or dividend income on the investment. To maintain our RIC status, we must pay out this non-cash income to stockholders in the form of dividends, even though we have not yet collected the cash.

Fair value accounting classifies financial assets and liabilities in their entirety based on the lowest level of input that is significant to the estimated fair value measurement. Our assessment of the significance of a particular input to the estimated fair value measurement requires judgment, and may affect the valuation assets and liabilities and their placement within the fair value hierarchy levels. We did not have any liabilities measured at fair value at March 31, 2012 or December 31, 2011. The following tables set forth our financial assets by level within the fair value hierarchy that we accounted for at fair value as of March 31, 2012 and December 31, 2011.

	Fair Value Measurements as of March 31, 2012 (In Thousands)			
	Total	Quoted Prices in Active Markets (Level 1)	Prices with Observable Market Inputs (Level 2)	Unobservable Inputs (Level 3)
Affiliate investments				
Subordinated debt	$ 11,629	$ -	$ -	$ 11,629
Equity securities	1,728	-	900	828
Total affiliate investments	13,357	-	900	12,457
Non-affiliate investments				
Senior secured debt	71,344	-	-	71,344
Subordinated debt	7,115	-	-	7,115
Senior convertible notes	9,385	-	9,385	-
Limited term royalties	22,499	-	-	22,499
Net profits interests	615	-	-	615
Contingent earn-out	3,370	-	-	3,370
Commodity derivative instruments	34	-	34	-
Royalty interests	1,300	-	-	1,300
Equity securities	2,830	-	-	2,830
Total non-affiliate investments	118,492	-	9,419	109,073
Total assets at fair value	$ 131,849	$ -	$ 10,319	$ 121,530

	Fair Value Measurements as of December 31, 2011 (In Thousands)			
	Total	Quoted Prices in Active Markets (Level 1)	Prices with Observable Market Inputs (Level 2)	Unobservable Inputs (Level 3)
Control investments				
Equity securities	$ 150	$ -	$ -	$ 150
Total control investments	150	-	-	150
Affiliate investments				
Subordinated debt	11,265	-	-	11,265
Equity securities	2,233	-	1,197	1,036
Total affiliate investments	13,498	-	1,197	12,301
Non-affiliate investments				
Senior secured debt	85,068	-	-	85,068
Senior convertible notes	8,103	-	8,103	-
Limited term royalties	28,443	-	-	28,443
Net profits interests	3,483	-	-	3,483
Contingent earn-out	3,270	-	-	3,270
Commodity derivative instruments	417	-	417	-
Royalty interests	1,100	-	-	1,100
Equity securities	1,525	-	-	1,525
Total non-affiliate investments	131,409	-	8,520	122,889
Total assets at fair value	$ 145,057	$ -	$ 9,717	$ 135,340

The following tables present roll-forwards of the changes in the estimated fair value during the three-month periods ended March 31, 2012 and 2011 for all investments for which we determine estimated fair value using unobservable (Level 3) factors. During the three-month periods ended March 31, 2012 and 2011, none of the investments in portfolio companies changed between the categories of Control Investments – Majority Owned, Affiliate Investments and Non-Affiliate Investments and there were no transfers between Levels 3, 2 or 1.

Fair Value Measurements For The Three Months Ended March 31, 2012, Using Unobservable Inputs (Level 3)
(Dollar Amounts in Thousands)

	Senior Secured Debt and Limited Term Royalties	Subordinated Debt	Net Profits Interests, Royalty Interests and Equity Securities	Contingent Earn-out	Total Investments
Fair value at December 31, 2011	$ 113,511	$ 11,265	$ 7,294	$ 3,270	$ 135,340
Total gains, (losses) and amortization:					
Net realized gains (losses)	-	-	(30)	-	(30)
Net unrealized gains (losses)	(522)	(105)	1,483	100	956
Net amortization of premiums, discounts and fees	199	11	(22)	-	188
New investments, repayments and settlements, net:					
New investments	800	7,227	-	-	8,027
Payment-in-kind	-	364	-	-	364
Repayments and settlements	(20,145)	(18)	(3,152)	-	(23,315)
Fair value at March 31, 2012	$ 93,843	$ 18,744	$ 5,573	$ 3,370	$ 121,530

All of the $1.0 million in net unrealized gains (losses) presented in the table above was attributable to assets we held at March 31, 2012. We present net unrealized gains (losses) on our Consolidated Statements of Operations as “Net unrealized appreciation (depreciation) on investments.”

Fair Value Measurements For The Three Months Ended March 31, 2011, Using Unobservable Inputs (Level 3)
(Dollar Amounts in Thousands)

	Senior Secured Debt and Limited Term Royalties	Subordinated Debt	Net Profits Interests, Royalty Interests and Equity Securities	Total Investments
Fair value at December 31, 2010	$ 161,101	$ -	$ 35,682	$ 196,783
Total gains, (losses) and amortization:				
Net realized gains (losses)	-	-	81	81
Net unrealized gains (losses)	(10,239)	-	2,430	(7,809)
Net amortization of premiums, discounts and fees	391	12	(33)	370
New investments, repayments and settlements, net:				
New investments	4,757	9,750	250	14,757
Payment-in-kind	1,178	282	-	1,460
Repayments and settlements	(14,993)	-	(195)	(15,188)
Fair value at March 31, 2011	$ 142,195	$ 10,044	$ 38,215	$ 190,454

Of the $7.8 million in net unrealized gains (losses) presented in the table above, $7.7 million was attributable to assets we held at March 31, 2011.

The following table summarizes the significant unobservable inputs in the fair value measurements of our Level 3 investments by category of investment and valuation technique as of March 31, 2012.

Type of Investment	**Fair Value as of March 31, 2012 (in thousands)**	**Valuation Technique**	**Significant Unobservable Inputs**	**Range of Inputs**	**Weighted Average**
Senior debt securities and limited term royalties	$ 93,843	Discounted cash flow	Discount rate	11.5% - 24.0%	14.3%
Subordinated debt securities	18,744	Discounted cash flow	Discount rate	10.5% - 14.0%	12.7%
Net profits interests, royalty interests and equity securities	2,640	Discounted cash flow	Discount rate	10% - 20%	17.25%
		Market comparables	Reserve multiples (1)	$9.00 - $15.00	$11.33
			Discount for lack of marketability	20%	20%
	896	Recent or pending transactions	N/A	N/A	N/A
	122	Option pricing model	Implied volatility	13%	13%
	1,915	Market comparables	Cash flow multiple	1.0x - 3.0x	2.3x
			Discount for lack of marketability	10% - 20%	16.8%
	5,573				
Contingent earn-out	3,370	Discounted cash flow	Annual coal production (2)	306 - 483	416
			Cost of production per ton	$78.13 - $87.95	$81.79
			Discount rate	12%	12%
	$ 121,530				

(1) Based on recent comparable transactions involving similar assets, expressed as price per unit of equivalent barrel of oil in proved reserves
(2) In thousands of tons

Note 9: Commodity Derivative Instruments

We use commodity derivative instruments from time to time to manage our exposure to commodity price fluctuations. We use all of our derivatives for risk management purposes and do not hold any amounts for speculative or trading purposes. These contracts generally consist of options contracts on underlying commodities. We do not designate these instruments as hedging instruments for financial accounting purposes and, as a result, we recognize the change in the instruments' fair value currently on the Consolidated Statement of Operations as net increase (decrease) in unrealized appreciation (depreciation) on investments. As shown on our Consolidated Schedule of Investments, at March 31, 2012, we had oil put options with an aggregate fair value of $34,000.

	For the Three Months Ended March 31,	
(In thousands)	**2012**	**2011**
Unrealized losses on commodity derivatives	$ (383)	$ -
Realized gains on commodity derivatives	-	-
Net losses on commodity derivative instruments	$ (383)	$ -

Note 10: Subsequent Event – Everest Investment

On April 26, 2012, we funded into escrow a $25.0 million participation in a $2 billion Senior Notes offering by Everest Acquisition, LLC ("Everest"). Everest is owned by a group of investors led by Apollo Global Management, LLC. Proceeds of the Senior Notes offering will be used to finance Everest's acquisition of all of El Paso Corporation's U.S. oil and gas exploration and production assets, which is expected to close in mid-May. The Everest Senior Notes are unsecured, earn interest at a rate of 9.375% per annum, and are due May 1, 2020.

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

You should read the following analysis of our financial condition and results of operations in conjunction with management's discussion and analysis contained in our 2011 Annual Report on Form 10-K, as well as our consolidated financial statements and the notes thereto included in this Quarterly Report on Form 10-Q.

Forward-Looking Statements

Certain statements in this Quarterly Report on Form 10-Q 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;
- the future operating results of our portfolio companies and their ability to achieve their objectives;
- changes in regional, national or international economic conditions and their impact on the industries in which we invest;
- continued disruption of credit and capital markets;
- 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, or the SEC.

We may use words such as "anticipates," "believes," "intends," "plans," "expects," "projects," "estimates," "will," "should," "may" and similar expressions to identify forward-looking statements. These forward-looking statements are subject to various risks and uncertainties. Certain factors could cause actual results and conditions to differ materially from those projected and our historical experience. You should not place undue reliance on such forward-looking statements, which speak only as of the date they are made. We undertake no obligation to update any forward-looking statements made herein, unless required by law.

Revisions of Previously Issued Financial Statements

As discussed in Note 3 of Notes to Consolidated Financial Statements included elsewhere herein, during the third quarter of 2011, we corrected our method of categorizing income tax provision (benefit) among the income categories on our consolidated statement of operations (namely, net investment income, realized capital gains (losses) on investments and unrealized appreciation (depreciation) on investments) to appropriately reflect the income tax consequences among the income categories for each of the fiscal quarters (i) in the six-month period ended June 30, 2011 and (ii) in the years ended December 31, 2010, 2009 and 2008. The change in methods had no impact on any periods prior to 2008 and no impact on the total income tax provision (benefit) or on net increase (decrease) in net assets from operations or net asset value for any period. The financial statements included in this Quarterly Report on Form 10-Q reflect these revisions.

Overview

We are a financial services company created to invest primarily in debt securities of small and mid-size private energy companies. In early 2012, we expanded our investment strategy to also include middle market companies not engaged in the energy industry. We have elected to be regulated as a business development company, or BDC, under the Investment Company Act of 1940 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 include securities of private U.S. companies, U.S. companies whose securities are listed on a national securities exchange but whose market capitalization is less than $250 million, cash, cash equivalents, U.S. government securities and high-quality debt investments that mature in one year or less. In addition, for federal income tax purposes we operate so as to be treated as a regulated investment company, or RIC, under the Internal Revenue Code of 1986, as amended. Pursuant to these elections, we generally do not have to pay corporate-level taxes on any income and capital gains we distribute to our stockholders. We have several direct and indirect subsidiaries that are single member limited liability companies and wholly-owned limited partnerships established to hold certain portfolio investments or provide services to us in accordance with specific rules prescribed for a company operating as a RIC. We consolidate the financial results of our subsidiaries for financial reporting purposes, and do not consolidate the financial results of our portfolio companies.

Our investment objective is to generate both current income and capital appreciation primarily through debt investments with certain equity components. A key focus area for our targeted investments in the energy industry is domestic upstream businesses that produce, develop, acquire and explore for oil and natural gas. We also evaluate investment opportunities in such businesses as coal, power and energy services. Beginning in 2012, we are also seeking middle market investments within diversified industry sectors, including manufacturing, value-added distribution, business services, healthcare products and services, consumer services and select other sectors. Our investments generally range in size from $10 million to $40 million; however, we may invest more or less depending on market conditions and our Manager’s view of a particular investment opportunity. Our targeted investments primarily consist of debt instruments, including senior and subordinated loans combined in one facility, sometimes with an equity component, and subordinated loans, sometimes with equity components. We may also invest in preferred stock and other equity securities or royalty interests on a stand-alone basis.

We generate revenue in the form of interest income on the debt securities, limited-term royalty interests and net profits interests that we own, dividend income on any common or preferred stock that we own, royalty income on any royalty interests 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 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 paid-in-kind, or PIK, 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. We recognize any such fees generated in connection with our investments as earned.

Our level of investment activity can and does vary substantially from period to period depending on many factors. Some of these factors are 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, and our own ability to raise capital to fund our investments, both through issuance of debt and equity securities. While we currently have capital available to invest, we do not have unlimited capital. We remain committed to our underwriting and investment disciplines in selectively investing in appropriate risk-reward opportunities within the energy and middle market sectors.

Portfolio and Investment Activity

In January and February 2012, we purchased in the secondary market $7.1 million of the Southern Pacific Resource Corporation, or STP, $275 million Second Lien Term Loan, or the STP Term Loan, for a total cost of $7.2 million. STP is a publicly traded Canadian company, engaged in the exploration and development in the Athabasca oil sands region of Alberta and the thermal production of heavy oil in Senlac, Saskatchewan. Proceeds of the STP Term Loan were used by STP to construct a new Steam-Assisted Gravity Drainage facility in Alberta, Canada. The STP Term Loan matures in January 2016 and earns interest payable quarterly at an annual rate of LIBOR + 8.5% with a 2% LIBOR floor or Prime rate + 7.5%, with a 3.0% Prime floor.

In February 2012 our Net Profits Interest, or NPI, in Anadarko Petroleum Corporation, or APC, achieved its 12.375% simple yield and converted to a Tail NPI of 3% which lasts for 36 months, then reverts back to APC. Our effective yield through payout was 13.5%.

In March 2012, Crestwood Holdings, LLC, or Crestwood, refinanced its Senior Secured Term Loan and repaid in full our balance outstanding of $8.0 million with a 2% call premium, generating additional interest income of $0.2 million. Our investment in Crestwood generated a 14.2% internal rate of return and a return on investment of 1.2x.

On April 26, 2012, we funded into escrow a $25.0 million participation in a $2 billion Senior Notes offering by Everest Acquisition, LLC (“Everest”). Everest is owned by a group of investors led by Apollo Global Management, LLC. Proceeds of the Senior Notes offering will be used to finance Everest’s acquisition of all of El Paso Corporation’s U.S. oil and gas exploration and production assets, which is expected to close in mid-May. The Everest Senior Notes are unsecured, earn interest at a rate of 9.375% per annum, and are due May 1, 2020.

From commencement of investment operations in November 2004 through March 31, 2012, we have invested $881.3 million in 40 portfolio companies, all energy-related, and received principal repayments, realizations and settlements of $721.2 million. The following table summarizes our investment activity for the three months ended March 31, 2012 and 2011 (dollars in millions):

	2012	2011
Investment portfolio, beginning of period	$ 175.0	$ 242.6
New investments	7.1	10.3
Additional investments in existing clients	1.3	6.9
Principal repayments, realizations and settlements	(23.3)	(28.4)
Investment portfolio, end of period	$ 160.1	$ 231.4
Number of portfolio companies at end of period	17	19

The table below shows our investment portfolio by type as of March 31, 2012 and December 31, 2011. We compute yields on investments using interest rates as of the balance sheet date and include amortization of loan discount points, original issue discount and market premium or discount, royalty interest income, net profits income and other similar investment income, weighted by their respective costs when averaged. We compute the yield on income from derivatives using estimated derivative income, net of expired options costs. These yields do not include income from any investments on non-accrual status but do include the cost basis of such investments in the denominator. Such weighted average yields are not necessarily indicative of expected total returns on a portfolio.

	March 31, 2012			December 31, 2011		
	Weighted Average	Percentage of Portfolio		Weighted Average	Percentage of Portfolio	
	Yields	Cost	Fair Value	Yields	Cost	Fair Value
Senior secured debt	11.2%	60.2%	54.1%	11.0%	62.8%	58.6%
Subordinated debt	13.0%	11.8%	14.2%	12.7%	6.4%	7.8%
Senior convertible notes	15.6%	7.4%	7.1%	15.6%	6.5%	5.6%
Limited term royalties	13.2%	14.2%	17.1%	12.3%	16.5%	19.6%
Net profits interests	N/A	0.0%	0.5%	11.1%	1.9%	2.4%
Contingent earn-out	0.0%	0.0%	2.6%	0.0%	0.0%	2.2%
Commodity derivative instruments	0.0%	0.3%	0.0%	0.0%	0.2%	0.3%
Royalty interests	777.2%	0.1%	1.0%	821.2%	0.1%	0.8%
Equity securities						
Membership and partnership units	0.0%	1.1%	1.0%	0.0%	1.0%	0.6%
Participating preferred stock	0.0%	2.7%	0.1%	0.0%	2.5%	0.3%
Common stock	0.0%	2.0%	0.7%	0.0%	1.9%	0.8%
Warrants	0.0%	0.2%	1.6%	0.0%	0.2%	1.0%
Total equity securities	0.0%	6.0%	3.4%	0.0%	5.6%	2.7%
Total investments	12.1%	100.0%	100.0%	11.6%	100.0%	100.0%

As of March 31, 2012 and December 31, 2011, the total fair value of our investment portfolio was $131.8 million and $145.1 million, respectively. Of those fair value totals, approximately $121.5 million, or 92%, and $135.3 million, or 93%, are measured using significant unobservable (i.e., Level 3) inputs.

The table below summarizes our non-accruing and non-income producing investments:

(Dollars in thousands)	March 31, 2012 Cost	March 31, 2012 Fair Value	December 31, 2011 Cost	December 31, 2011 Fair Value
Non-accruing investments				
BioEnergy Holdings, LLC (non-accrual at March 1, 2011)	$ 15,511	$ -	$ 15,511	$ -
Bionol Clearfield, LLC (non-accrual at March 1, 2011)	4,950	-	4,950	-
Chroma Exploration & Production, Inc.	4,312	190	4,312	500
Total non-accruing investments	24,773	190	24,773	500
Non-income producing investments				
BioEnergy Holdings, LLC units	1,297	-	1,297	-
Black Pool Energy Partners, LLC warrants	10	-	10	-
BP Corporation NA, Inc. put options	417	34	417	417
Castex Energy Development Fund, LLC units	0	590	0	0
DeanLake Operator, LLC preferred units (sold September 20, 2011)	-	-	-	150
Globe BG, LLC (contingent Alden Resources royalty earn-out)	-	3,370	-	3,270
Myriant Technologies, LLC warrants and units	468	811	468	770
Resaca Exploitation, Inc. common stock and warrants	3,485	917	3,485	1,463
Spirit Resources, LLC warrants	25	600	25	25
Tammany Oil & Gas, LLC warrants	5	1,450	5	1,000
Total non-income producing investments	5,707	7,772	5,707	7,095
Total non-accruing and non-income producing investments	$ 30,480	$ 7,962	$ 30,480	$ 7,595

Results of Operations

Investment Income

During the three months ended March 31, 2012, our total investment income was $5.6 million, decreasing $0.9 million, or 14%, compared to the corresponding period of 2011. The decrease in 2012 is largely attributable to the decrease in our investment portfolio balance. Our portfolio balance, on a cost basis, decreased from $238.5 million at December 31, 2010 to $172.6 million at December 31, 2011 and to $158.1 million at March 31, 2012, primarily as a result of net redemptions and settlements in excess of new investments.

Operating Expenses

The table below summarizes the components of our operating expenses (in thousands):

	For The Three Months Ended March 31, 2012	For The Three Months Ended March 31, 2011
Interest expense and bank fees	$ 334	$ 309
Management and incentive fees	1,084	1,333
Professional fees, insurance expenses and other G&A	1,223	1,212
Total operating expenses	$ 2,641	$ 2,854

For the three months ended March 31, 2012, operating expenses were $2.6 million, decreasing $0.3 million, or 7%, compared to the quarter ended March 31, 2011. Interest expense and fees on our credit facilities were unchanged at $0.3 million for the three months ended March 31, 2012 compared to the three months ended March 31, 2011, as a result of comparable average borrowing levels. Management fees were lower in the quarter ended March 31, 2012 at $1.1 million compared to $1.3 million for the quarter ended March 31, 2011, primarily as a result of lower average total asset balances, which are the basis for the base management fee computation. No incentive fees were incurred during the three months ended March 31, 2012 and 2011. Professional fees, insurance expense and other general and administrative expenses for the quarter ended March 31, 2012 were relatively unchanged at $1.2 million, compared to the quarter ended March 31, 2011.

Operating expenses 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, we calculate the base management fee quarterly as 0.45% of the average of our total assets as of the end of the two previous quarters. Other general and administrative expenses include our allocated share of employee, facilities, stockholder services and marketing costs incurred by our Administrator.

Net Investment Income

For the three months ended March 31, 2012, net investment income was $3.0 million, compared to $3.7 million for the three months ended March 31, 2011. The $0.7 million or 20%, decrease was primarily attributable to the $0.9 million decrease in investment income, which in turn, was primarily due to lower overall portfolio balances for the three months ended March 31, 2012.

Net Realized Losses

For the three months ended March 31, 2011, we recognized net realized capital losses of $0.5 million resulting from a $1.1 million loss on the sale of our senior notes of Pioneer Natural Resources Co., or Pioneer, partially offset by a $0.5 million gain on the sale of a portion of our GMX Resources, Inc., or GMX, Senior Convertible Notes. We also recorded $0.1 million gain on the sale of our overriding royalty interest in TierraMar Energy, LP, or TierraMar.

Unrealized Appreciation or Depreciation on Investments

For the three months ended March 31, 2012, net unrealized appreciation was $1.3 million, largely due to increases the estimated fair value of our investments in GMX Senior Convertible Notes of $1.0 million, Spirit Resources, LLC, or Spirit, warrants of $0.6 million and Castex Energy Development Fund, LLC, or Castex, units of $0.6 million, partially offset by the decrease in the value of our investment in Resaca Exploitation Inc.'s common stock and warrants of $0.6 million and a $0.4 million decrease in the fair value of our commodity derivative instruments.

For the three months ended March 31, 2011, net unrealized depreciation was $6.4 million, largely due to decreases in the fair value of our investments in BioEnergy Holdings, LLC and Bionol Clearfield, LLC of $11.5 million, partially offset by increases in the fair value of our investments in Alden Resources, LLC overriding royalty interest of $2.9 million, Pioneer Senior Notes of $1.0 million and TierraMar preferred units of $0.6 million. Net increases in the estimated fair value of remaining investments totaled $0.6 million.

Net Increase or Decrease in Net Assets Resulting from Operations

For the three months ended March 31, 2012, we recorded a net increase in net assets resulting from operations of $4.2 million, or $0.19 per share, compared to a net decrease in net assets of $3.3 million, or $0.15 per share for the three months ended March 31, 2011. The $7.5 million, or $0.34 per share, net change between the two periods was primarily attributable to the $8.2 million increase in net realized and unrealized gains on our investments in 2012, partially offset by a $0.7 million decrease in net investment income in 2012.

Financial Condition, Liquidity and Capital Resources

During the three months ended March 31, 2012, we generated cash from operations of $3.5 million, excluding net purchases of investments, compared to $5.9 million during the comparable period of 2011. The lower amount of cash generated from operations was primarily attributable to a smaller investment portfolio which resulted from net redemptions in excess of new investments, net realized losses on portfolio securities and net reduction in the fair value of certain investments since December 31, 2010. In addition, net collections of interest and income tax refunds receivable generated cash of $3.1 million in the first quarter of 2011, compared to $1.5 million in the first quarter of 2012.

Our net cash provided by operating activities for the three months ended March 31, 2012 was $18.4 million, compared to $11.6 million of net cash used in operating activities for the three months ended March 31, 2011. This increase in cash provided in 2012 was primarily due to higher net redemptions of investments in portfolio securities. Purchases of portfolio securities during the first quarter of 2012 totaled $8.4 million, compared to $14.8 million during the first quarter of 2011. Purchases in 2012 primarily included the STP Term Loan of $7.2 million and additional investments in existing portfolio companies totaling $1.2 million. Purchases in the first quarter of 2011 included a new $10.0 million Term Loan to Resaca Exploitation, Inc., or Resaca, and additional investments in existing portfolio companies totaling $4.8 million. In the first quarter of 2011, we also purchased $30.6 million in U.S. Treasury Bills with borrowings under our Treasury Facility. Proceeds from the redemption of investments totaled $23.3 million in the first quarter of 2012, compared to $27.9 million in the first quarter of 2011. Redemptions in 2012 included Crestwood, $8.3 million; APC, $3.2 million; ATP, $5.9 million; Tammany Oil & Gas, LLC, $5.2 million and other redemptions totaling $0.7 million. Redemptions in 2011 included Resaca, $10.0 million; Pioneer, $10.4 million; GMX, $3.3 million; ATP, $2.0 million and other redemptions totaling $2.2 million.

At March 31, 2012, we had cash and cash equivalents totaling $81.1 million. At March 31, 2012, the amount outstanding under our $72.0 million Amended and Restated Revolving Credit Agreement, or the Investment Facility, was $10.0 million and an additional $60.2 million was available for borrowing. We repaid the $10.0 million balance outstanding on the Investment Facility in April 2012. As of March 31, 2012, we had no outstanding indebtedness under the $30.0 million Treasury Secured Revolving Credit Agreement, or the Treasury Facility, and the entire $30.0 million was available for borrowing.

During the three months ended March 31, 2012 and 2011, we paid cash dividends totaling $3.9 million, or $0.18 per share, to our common stockholders. In March 2012, we declared a first quarter dividend totaling $2.6 million, or $0.12 per share, which was paid in April 2012. We currently intend to continue to distribute, in the form of quarterly dividends, a minimum of 90% of our annual investment company taxable income to our stockholders.

On October 31, 2011, our Board of Directors approved a stock repurchase plan, pursuant to which we may, from time to time, repurchase up to $10.0 million of our common stock in the open market at prices not to exceed net asset value during our open trading periods. Our Board of Directors authorized this plan, because it believes that general market trading activity may cause our common stock to be undervalued from time to time. The repurchase program does not obligate us to purchase any shares and may be discontinued at any time.

Commodity Derivative Instruments

We use commodity derivative instruments from time to time to manage our exposure to commodity price fluctuations. We use all of our derivatives for risk management purposes and do not hold any amounts for speculative or trading purposes. We do not designate these instruments as hedging instruments for financial accounting purposes, and, as a result, we recognize the change in the instruments' fair value currently on the Consolidated Statements of Operations as net increase (decrease) in unrealized appreciation (depreciation) on investments. In 2011, we acquired a limited term royalty interest from ATP and in December 2011, we purchased a series of oil put options to provide insurance against downside price movements. See Note 9 of Notes to Consolidated Financial Statements included elsewhere herein for further description of our put options.

Credit Facilities and Borrowings

On December 6, 2011, we entered into the Investment Facility. The total amount outstanding under the Investment Facility was $10.0 million and $50.0 million, as of March 31, 2012 and December 31, 2011, respectively. Substantially all of our assets, except our investments in U.S. Treasury Bills, are collateral for the obligations under the Investment Facility. The Investment Facility matures on August 31, 2014, and bears interest, at our option, at either (i) LIBOR plus 325 to 475 basis points, or (ii) the base rate plus 225 to 375 basis points, both based on our amounts outstanding. As of March 31, 2012, the interest rate on our outstanding balance of $10.0 million was 6.0% (base rate plus 275 basis points). We repaid the entire $10.0 million balance in April 2012. As of March 31, 2012, we had a letter of credit outstanding of $1.8 million, and the amount available to us for borrowing under the Investment Facility was $60.2 million.

On March 31, 2011, we entered into the Treasury Facility, which can only be used to purchase investments in U.S. Treasury Bills. Proceeds from the Treasury Facility facilitate the growth of our investment portfolio and provide flexibility in the sizing of our portfolio investments. On March 30, 2012, we entered into a consent and first amendment to the Treasury Facility. As amended, the Treasury Facility matures on March 31, 2013 and bears interest, at our option, at either (i) LIBOR plus 50 basis points or (ii) the base rate. We have the right at any time to prepay the loans, in whole or in part, without premium or penalty. As of March 31, 2012, we had no outstanding indebtedness under the Treasury Facility and the entire $30.0 million was available.

The Investment Facility and Treasury Facility contain affirmative and reporting covenants and certain financial ratio and restrictive covenants that apply to our subsidiaries and us. We complied with these covenants as of March 31, 2012 and had no events of default under either facility. The most restrictive covenants are:

- maintaining a ratio of net asset value to consolidated total indebtedness (excluding net hedging liabilities) of not less than 2.25:1.0,
- maintaining a ratio of net asset value to consolidated total indebtedness (including net hedging liabilities) of not less than 2.0:1.0,
- maintaining a ratio of EBITDA (excluding revenue from cash collateral) to interest expense (excluding interest on loans under the Treasury Facility) of not less than 3.0:1.0, and
- maintaining a ratio of collateral to the aggregate principal amount of loans under the Treasury Facility of not less than 1.02:1.0.

In addition to our Investment Facility, 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 in mezzanine or senior secured loans or other assets. 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 have elected to operate our business to be taxed as a RIC for federal income tax purposes. As a RIC, we generally may not pay corporate-level federal income taxes on any ordinary income or capital gains that we distribute to our stockholders as dividends. To maintain our RIC status, we must meet specific source-of-income and asset diversification requirements and distribute annually an amount equal to at least 90% of our "investment company taxable income" (which generally consists of ordinary income and realized net short-term capital gains in excess of realized net long-term capital losses, if any, reduced by deductible expenses) and net tax-exempt interest. In order to avoid certain excise taxes imposed on RICs, we must distribute during each calendar year an amount at least equal to the sum of (1) 98% of our ordinary income for the calendar year, (2) 98.2% of our capital gain net income (i.e., realized capital gains in excess of realized capital losses) for the one-year period ended on October 31 of that calendar year, and (3) 100% of any ordinary income or capital gain net income not distributed in prior years. We currently intend to make sufficient distributions to satisfy the annual distribution requirement and to avoid the excise taxes.

We may not 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 BDC under the 1940 Act and due to provisions in our Investment Facility. 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 RIC. We cannot assure stockholders that they will receive any distributions or distributions at any specific level.

Portfolio Credit Quality

Virtually all of our portfolio investments at March 31, 2012, are in negotiated, and often illiquid, securities of energy-related businesses. We maintain a system to evaluate the credit quality of these investments. While incorporating quantitative analysis, this system is a qualitative assessment. This system is intended to reflect the overall, long-term performance of a portfolio company's business, the collateral coverage of an investment, and other relevant factors. Our rating scale ranges from 1 to 7, with 1 being the highest credit quality. As of March 31, 2012, our average portfolio rating on a dollar-weighted fair market value basis was 4.2, compared to 4.1 as of December 31, 2011. Of the 18 rated investments in 15 portfolio companies as of March 31, 2012, 17 investments retained the same rating as of December 31, 2011, and 1 investment was added to our portfolio during the first three months of 2012. As of March 31, 2012, on a fair value basis, approximately 54% of our portfolio investments were in the form of senior secured debt securities. As of March 31, 2012, we had 2 investments on non-accrual status with an aggregate cost and fair value of $24.8 million and $0.2 million, respectively. Our portfolio investments at fair value were approximately 83% and 84% of the related cost basis as of March 31, 2012 and December 31, 2011, respectively.

For the three months ended March 31, 2012, the decrease in net unrealized depreciation was $1.3 million, largely due to increases in the estimated fair value of our investments in GMX of $1.0 million, Spirit warrants of $0.6 million and Castex units of $0.6 million, partially offset by the decrease in the value of our investment in Resaca common stock and warrants of $0.5 million and a $0.4 million decrease in the fair value of our commodity derivative instruments.

Contractual Obligations and Off-Balance Sheet Arrangements

The following table summarizes our contractual payment obligations at March 31, 2012 (in thousands):

	Total	Less than 1 Year	1-3 Years	3-5 Years	More than 5 Years
Revolving credit facilities (1)	$ 10,000	$ -	$ 10,000	$ -	$ -
Total	$ 10,000	$ -	$ 10,000	$ -	$ -

(1) Excludes accrued interest amounts. We repaid the $10 million balance on our Investment Facility in April 2012.

We have certain unused commitments to extend credit to our portfolio companies. Generally, these commitments have fixed expiration dates, and we do not expect to fund the entire amounts before they expire. Therefore, these commitment amounts do not necessarily represent future cash requirements. In February 2010, we arranged for a letter of credit issued under the Investment Facility with respect to our investment in one of our portfolio companies. As of March 31, 2012, the letter of credit balance was $1.8 million. We do not report the unused portions of these commitments on our Consolidated Balance Sheets. The following table shows our unused credit commitments and letter of credit as of March 31, 2012 and December 31, 2011 (in thousands):

	March 31, 2012	December 31, 2011
Unused credit commitments	$ 5,829	$ 5,379
Letter of credit	1,802	2,852

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

There have been no material changes from the information provided in Item 7A of our Annual Report on Form 10-K for the year ended December 31, 2011.

Item 4. Controls and Procedures.

Disclosure Controls and Procedures

We maintain disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended, or the Exchange Act), designed to ensure that information required to be disclosed in our reports that we file under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission and accumulated and communicated to management, including our Chief Executive Officer and our Chief Financial Officer, to allow timely decisions regarding required disclosures.

In connection with the preparation of this Quarterly Report on Form 10-Q, as of the end of the fiscal period covered by this Quarterly Report on Form 10-Q (March 31, 2012), we performed an evaluation, under the supervision and with the participation of management, including our Chief Executive Officer and our Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Rules 13a-15(b) and 15d-15(b) of the Exchange Act. Based on this evaluation, our Chief Executive Officer and our Chief Financial Officer concluded that, as of March 31, 2012, our disclosure controls and procedures were effective in providing reasonable assurance (i) that information required to be disclosed in the reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC and (ii) that such information is accumulated and communicated to management in a manner that allows timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

No changes in internal control over financial reporting occurred during the quarter ended March 31, 2012 that have materially affected or are reasonably likely to materially affect, our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act).

PART II – OTHER INFORMATION

Item 1. Legal Proceedings.

There have been no material changes to the legal proceedings disclosed under Part I, Item 3, "Legal Proceedings" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2011.

Item 1A. Risk Factors.

There have been no material changes to the risk factors disclosed under Part I, Item 1A, "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2011.

Item 6. Exhibits.

See "Index to Exhibits" following the signature page for a description of the exhibits furnished as part of this Quarterly Report on Form 10-Q.

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
Date: May 10, 2012	By:	/s/ Stephen K. Gardner
		Stephen K. Gardner President and Chief Executive Officer
Date: May 10, 2012	By:	/s/ L. Scott Biar
		L. Scott Biar Chief Financial Officer, Treasurer, Secretary and Chief Compliance Officer

Index to Exhibits

Exhibits No.	Exhibit
3.1	Articles of Incorporation (filed as Exhibit (a)(1) to our Registration Statement on Form N-2 filed on August 16, 2004 (Registration No. 333-118279) and incorporated herein by reference)
3.2	Articles of Amendment and Restatement (filed as Exhibit 3.2 our Annual Report on Form 10-K for the year ended December 31, 2004 and incorporated herein by reference)
3.3	Bylaws (filed as Exhibit (b) to our Registration Statement on Form N-2 filed on August 16, 2004 (Registration No. 333-118279) and incorporated herein by reference)
4.1	Form of Stock Certificate (filed as Exhibit (d) to our Pre-Effective Amendment No. 2 to Registration Statement on Form N-2 filed on October 7, 2004 (Registration No. 333-118279) and incorporated herein by reference)
4.2	Dividend Reinvestment Plan (filed as Exhibit (e) to our Registration Statement on Form N-2 filed on August 16, 2004 (Registration No. 333-118279) and incorporated herein by reference)
10.1*	Consent and First Amendment to Treasury Secured Revolving Credit Agreement effective as of March 30, 2012
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

*Filed herewith.
**Furnished herewith.

EXECUTION VERSION

CONSENT AND FIRST AMENDMENT TO TREASURY SECURED REVOLVING CREDIT AGREEMENT

THIS CONSENT AND FIRST AMENDMENT TO TREASURY SECURED REVOLVING CREDIT AGREEMENT (this "***Consent and Amendment***"), is made and entered into as of March 30, 2012, by and among NGP CAPITAL RESOURCES COMPANY, a Maryland corporation (the "***Borrower***"), the several banks and other financial institutions from time to time party hereto (collectively, the "***Lenders***") and SUNTRUST BANK, in its capacity as Administrative Agent for the Lenders (the "***Administrative Agent***").

WITNESSETH:

WHEREAS, the Borrower, the Lenders and the Administrative Agent are parties to a certain Treasury Secured Revolving Credit Agreement, dated as of March 31, 2011 (as amended, restated, supplemented or otherwise modified from time to time, the "***Credit Agreement***"; capitalized terms used herein and not otherwise defined shall have the meanings assigned to such terms in the Credit Agreement), pursuant to which the Lenders have made certain financial accommodations available to the Borrower;

WHEREAS, the Borrower has requested that the Lenders and the Administrative Agent (i) consent to the repurchase by the Borrower of shares of its common stock, par value $.001 per share ("***Common Stock***") from time to time and (ii) amend certain provisions of the Credit Agreement, and subject to the terms and conditions hereof, the Lenders are willing to do so;

NOW, THEREFORE, for good and valuable consideration, the sufficiency and receipt of all of which are acknowledged, the Borrower, the Lenders and the Administrative Agent agree as follows:

1. **Consent**. Notwithstanding anything to the contrary in the Credit Agreement and subject to the satisfaction of the conditions set forth in Section 3 below, the Lenders hereby consent to the Borrower's repurchase of Common Stock from time to time, and waive any Default associated with such repurchase of Common Stock, provided that (i) at the time of each such repurchase no Default shall be continuing and (ii) the aggregate consideration paid for all such purchases of Common Stock pursuant to this Consent shall not exceed $10,000,000.

2. **Amendment**. Section 1.1 of the Credit Agreement is hereby amended by replacing the definition of "***Commitment Termination Date***" in its entirety with the following definition:

> "***Commitment Termination Date***" shall mean the earliest of (i) March 31, 2013, (ii) the date on which the Aggregate Commitments are terminated pursuant to Section 2.7 and (iii) the date on which all amounts outstanding under this Agreement have been declared or have automatically become due and payable (whether by acceleration or otherwise).

3. **Conditions to Effectiveness of this Consent and Amendment.** Notwithstanding any other provision of this Consent and Amendment and without affecting in any manner the rights of the Lenders hereunder, it is understood and agreed that this Consent and Amendment shall not become effective, and the Borrower shall have no rights under this Consent and Amendment, until the Administrative Agent shall have received (i) an arrangement fee in the amount of $125,000, payable to the Administrative Agent for its own account, (ii) such other fees as the Borrower has previously agreed to pay the Administrative Agent or any of its affiliates in connection with this Consent and Amendment, (iii) reimbursement or payment of its costs and expenses incurred in connection with this Consent and Amendment or the Credit Agreement (including reasonable fees, charges and disbursements of King & Spalding LLP, counsel to the Administrative Agent), (iv) executed counterparts to this Consent and Amendment from the Borrower and the Lenders and (v) a fully executed copy of that certain Consent, effective as of March 30, 2012, by and among the Borrower, Administrative Agent and other parties thereto, concerning the Second Amended and Restated Revolving Credit Agreement, dated as of December 6, 2011 (as amended, restated, supplemented or otherwise modified from time to time).

4. **Representations and Warranties.** To induce the Lenders and the Administrative Agent to enter into this Consent and Amendment, the Borrower hereby represents and warrants to the Lenders and the Administrative Agent that:

(a) The Borrower and each of its Subsidiaries (other than any Foreclosed Subsidiary) (i) is duly organized, validly existing and in good standing as a corporation, partnership or limited liability company under the laws of the jurisdiction of its organization, (ii) has all requisite power and authority to carry on its business as now conducted, and (iii) is duly qualified to do business, and is in good standing, in each jurisdiction where such qualification is required, except where a failure to be so qualified would not reasonably be expected to result in a Material Adverse Effect;

(b) The execution, delivery and performance by the Borrower of the Loan Documents to which it is a party are within the Borrower's organizational powers and have been duly authorized by all necessary organizational, and if required, shareholder, partner or member, action;

(c) The execution, delivery and performance by the Borrower of this Consent and Amendment and of the other Loan Documents to which it is a party (i) do not require any consent or approval of, registration or filing with, or any action by, any Governmental Authority, except those as have been obtained or made and are in full force and effect, (ii) will not violate any Requirements of Law applicable to the Borrower or any of its Subsidiaries or any judgment, order or ruling of any Governmental Authority, (iii) will not violate or result in a default under any indenture, material agreement or other material instrument binding on the Borrower or any of its Subsidiaries or any of its assets or give rise to a right thereunder to require any payment to be made by the Borrower or any of its Subsidiaries and (iv) will not result in the creation or imposition of any Lien on any asset of the Borrower or any of its Subsidiaries, except Liens (if any) created under the Loan Documents;

(d) This Consent and Amendment has been duly executed and delivered for the benefit of or on behalf of the Borrower and constitutes a legal, valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with its terms except as the enforceability hereof may be limited by bankruptcy, insolvency, reorganization, moratorium and other laws affecting creditors' rights and remedies in general; and

(e) After giving effect to this Consent and Amendment, the representations and warranties contained in the Credit Agreement and the other Loan Documents are true and correct in all material respects, and no Default or Event of Default has occurred and is continuing as of the date hereof.

5. **Acknowledgment of Perfection of Security Interest.** The Borrower hereby acknowledges that, as of the date hereof, the security interests and liens granted to the Administrative Agent and the Lenders under the Credit Agreement and the other Loan Documents are in full force and effect, are properly perfected and are enforceable in accordance with the terms of the Credit Agreement and the other Loan Documents.

6. **Effect of Consent and Amendment**. Except as set forth expressly herein, all terms of the Credit Agreement, as amended hereby, and the other Loan Documents shall be and remain in full force and effect and shall constitute the legal, valid, binding and enforceable obligations of the Borrower to the Lenders and the Administrative Agent. The execution, delivery and effectiveness of this Consent and Amendment shall not, except as expressly provided herein, operate as a waiver of any right, power or remedy of the Lenders under the Credit Agreement, nor constitute a waiver of any provision of the Credit Agreement. This Consent and Amendment shall constitute a Loan Document for all purposes of the Credit Agreement.

7. **Governing Law.**

(a) This Consent and Amendment shall be construed in accordance with and be governed by the law (without giving effect to the conflict of law principles thereof) of the State of New York.

(b) The Borrower hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the United States District Court of the Southern District of New York, and of any state court of the State of New York sitting in New York County and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Consent and Amendment or any other Loan Document or the transactions contemplated hereby or thereby, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York state court or, to the extent permitted by applicable law, such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Consent and Amendment or any other Loan Document shall affect any right that the Administrative Agent or any Lender may otherwise have to bring any action or proceeding relating to this Consent and Amendment or any other Loan Document against the Borrower or its properties in the courts of any jurisdiction.

(c) The Borrower irrevocably and unconditionally waives any objection which it may now or hereafter have to the laying of venue of any such suit, action or proceeding described in paragraph (b) of Section 10.5 of the Credit Agreement and brought in any court referred to in paragraph (b) of Section 10.5 of the Credit Agreement. Each of the parties hereto irrevocably waives, to the fullest extent permitted by applicable law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Each party to this Consent and Amendment irrevocably consents to the service of process in the manner provided for notices in Section 10.1 of the Credit Agreement. Nothing in this Consent and Amendment or in any other Loan Document will affect the right of any party hereto to serve process in any other manner permitted by law.

8. **No Novation.** This Consent and Amendment is not intended by the parties to be, and shall not be construed to be, a novation of the Credit Agreement or an accord and satisfaction in regard thereto.

9. **Costs and Expenses**. The Borrower agrees to pay on demand all costs and expenses of the Administrative Agent in connection with the preparation, execution and delivery of this Consent and Amendment, including, without limitation, the reasonable fees and out-of- pocket expenses of outside counsel for the Administrative Agent with respect thereto.

10. **Counterparts.** This Consent and Amendment may be executed by one or more of the parties hereto in any number of separate counterparts, each of which shall be deemed an original and all of which, taken together, shall be deemed to constitute one and the same instrument. Delivery of an executed counterpart of this Consent and Amendment by facsimile transmission or by electronic mail in pdf form shall be as effective as delivery of a manually executed counterpart hereof.

11. **Binding Nature.** This Consent and Amendment shall be binding upon and inure to the benefit of the parties hereto, their respective successors, successors-in-titles, and assigns.

12. **Entire Understanding.** This Consent and Amendment sets forth the entire understanding of the parties with respect to the matters set forth herein, and shall supersede any prior negotiations or agreements, whether written or oral, with respect thereto.

[*Signature Pages To Follow*]

IN WITNESS WHEREOF, the parties hereto have caused this Consent and Amendment to be duly executed, under seal in the case of the Borrower, by its respective authorized officers as of the day and year first above written.

BORROWER:

NGP CAPITAL RESOURCES COMPANY

By: /s/ L. Scott Biar
Name: L. Scott Biar
Title: Chief Financial Officer, Secretary and Treasurer

LENDERS:

SUNTRUST BANK, individually and as
Administrative Agent

By: /s/ Andrew Johnson
Name: Andrew Johnson
Title: Director

[SIGNATURE PAGE TO CONSENT AND FIRST AMENDMENT]

Exhibit 31.1

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(s) 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(s) 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 10, 2012

/s/ Stephen K. Gardner
Stephen K. Gardner
President and Chief Executive Officer

Exhibit 31.2

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

I, L. Scott Biar, 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(s) 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(s) 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 10, 2012

/s/ L. Scott Biar
L. Scott Biar
Chief Financial Officer, Treasurer, Secretary and Chief Compliance Officer

Exhibit 32.1

Certification required by Rule 13a-14(b) or
Rule 15d-14(b) and Section 1350 of Chapter 63 of Title 18 of the United States Code

In connection with the Quarterly Report of NGP Capital Resources Company (the "Company") on Form 10-Q for the period ended March 31, 2012, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Stephen K. Gardner, President and Chief Executive Officer of the Company, certify pursuant to 18 U.S.C. Section 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.

Date: May 10, 2012

/s/ Stephen K. Gardner
Stephen K. Gardner
President and Chief Executive Officer

Exhibit 32.2

Certification required by Rule 13a-14(b) or
Rule 15d-14(b) and Section 1350 of Chapter 63 of Title 18 of the United States Code

In connection with the Quarterly Report of NGP Capital Resources Company (the "Company") on Form 10-Q for the period ended March 31, 2012, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, L. Scott Biar, Chief Financial Officer, Treasurer, Secretary and Chief Compliance Officer of the Company, certify pursuant to 18 U.S.C. Section 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.

Date: May 10, 2012

/s/ L. Scott Biar
L. Scott Biar
Chief Financial Officer, Treasurer, Secretary and Chief Compliance Officer