

CANARGO ENERGY CORP
Form 8-K
December 05, 2008

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

**FORM 8-K
CURRENT REPORT
Pursuant to Section 13 OR 15(d) of The
Securities Exchange Act of 1934
Date of Report (Date of earliest event reported) December 4, 2008
CANARGO ENERGY CORPORATION**

(Exact name of registrant as specified in its charter)

Delaware

001-32145

91-0881481

(State or other jurisdiction
Of incorporation)

(Commission File Number)

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

**CanArgo Energy Corporation
P.O. Box 291, St. Peter Port
Guernsey, British Isles**

GY1 3RR

(Address of principal executive offices)

(Zip Code)

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

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

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

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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The matters discussed in this Current Report on Form 8-K include forward looking statements, which are subject to various risks, uncertainties and other factors that could cause actual results to differ materially from the results anticipated in such forward looking statements. Such risks, uncertainties and other factors include the uncertainties inherent in oil and gas development and production activities, the effect of actions by third parties including government officials, fluctuations in world oil prices and other risks detailed in the Company's Reports on Forms 10-K and 10-Q filed with the Securities and Exchange Commission. The forward-looking statements are intended to help shareholders and others assess the Company's business prospects and should be considered together with all information available. They are made in reliance upon the safe harbor provisions of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. The Company cannot give assurance that the results will be attained.

Section 7 Regulation FD

Item 7.01. Regulation FD Disclosure.

December 4, 2008 Guernsey, British Isles CanArgo Energy Corporation (CanArgo or the Company) (OSE: CNR, AMEX:CNR) today provided an update in relation to the underwriting of its rights offering (the Rights Offering) of 242,107,390 new shares (the New Shares) of common stock in CanArgo.

Prior to the launch of the Rights Offering, the Company entered into several and not joint underwriting agreements with a group of eight foreign private investors (Caldwell Associates Limited, Provincial Securities Limited, Heritage Cie S.A., Salahi Öztürk, Osman Necdel Turkay, Hasan Gürhan Berker, Fezvi Bozer and Hasip Buldanlioğlu, together the Standby Underwriters) regarding underwriting of New Shares not subscribed by the rights holders under the Rights Offering, up to a maximum aggregate amount of 242,000,000 New Shares. Following the closure of the Rights Offering and the subscription thereunder by rights holders for a total of 12,348,303 New Shares, CanArgo, on November 25, 2008, notified the Standby Underwriters in writing of the results of the Rights Offering and of the Standby Underwriters' obligation to subscribe, in the pro rata amount of their respective underwriting commitments, for the additional 229,759,087 unsubscribed for New Shares within seven business days of such notification. That seven business day period has now expired and none of the Standby Underwriters have subscribed for any New Shares.

The Company is therefore considering its position and, in particular, the option of commencing legal proceedings against the Standby Underwriters for failure of the Standby Underwriters to comply with their underwriting obligations.

CanArgo is an independent oil and gas exploration and production company with its oil and gas operations currently located in Georgia.

A copy of the Press Release is attached hereto as Exhibit 99.1,

The information in this item 7.01 (including its exhibit) shall not be deemed to be filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (Exchange Act), or otherwise subject to liability of that section. The information in this report (including its exhibit) shall not be incorporated by reference into any registration statement or other document filed under the Securities Act of 1933, as amended, or the Exchange Act, regardless of any general incorporation language in such filing, except as shall be expressly set forth by specific reference in such filing.

Section 9 Financial Statements and Exhibits

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits:

Exhibit No.	Exhibit Description
99.1	Press Release dated December 4, 2008 issued by CanArgo Energy Corporation.

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SIGNATURES

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

CANARGO ENERGY CORPORATION

Date: December 5, 2008

By: /s/ Jeffrey Wilkins

Jeffrey Wilkins, Corporate Secretary

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