

Battey Richard John
 Form 3
 May 11, 2005

FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

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INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,
 Section 17(a) of the Public Utility Holding Company Act of 1935 or Section
 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *

Â Battey Richard John
 (Last) (First) (Middle)

2. Date of Event Requiring Statement

(Month/Day/Year)
 05/06/2005

3. Issuer Name and Ticker or Trading Symbol
 CANARGO ENERGY CORP [CNR]

4. Relationship of Reporting Person(s) to Issuer

5. If Amendment, Date Original Filed(Month/Day/Year)

WOODGRANGE, FORT ROAD,Â ST PETER PORT

(Street)

(Check all applicable)

___ Director ___ 10% Owner
 Officer ___ Other
 (give title below) (specify below)
 Chief Financial Officer

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 ___ Form filed by More than One Reporting Person

GUERNSEYÂ GY1 1ZW

(City) (State) (Zip)

Table I - Non-Derivative Securities Beneficially Owned

1. Title of Security (Instr. 4)

2. Amount of Securities Beneficially Owned (Instr. 4)

3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)

4. Nature of Indirect Beneficial Ownership (Instr. 5)

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

SEC 1473 (7-02)

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 4)

2. Date Exercisable and Expiration Date (Month/Day/Year)

3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)

4. Conversion or Exercise Price of Derivative Security

5. Ownership Form of Derivative Security: Direct (D) or Indirect (I)

6. Nature of Indirect Beneficial Ownership (Instr. 5)

Date Exercisable Date Expiration Date

Title Amount or Number of Shares

(Instr. 5)

Stock Options, right to buy ⁽¹⁾ 05/06/2005 05/05/2012 Common Stock 510,000 \$ 0.88 D Â

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Battey Richard John WOODGRANGE, FORT ROAD ST PETER PORT GUERNSEY GY1 1ZW	Â	Â	Â Chief Financial Officer	Â

Signatures

/s/: Liz Landles on behalf of Richard Battey appointed under Power of Attorney dated May 6, 2005

05/11/2005

__Signature of Reporting Person

Date

Explanation of Responses:

* If the form is filed by more than one reporting person, see Instruction 5(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) One third vest immediately, one third vest in one year and one third vest in two years

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, See Instruction 6 for procedure.

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