TORTOISE CAPITAL RESOURCES CORP
Form N-2
August 14, 2007

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As filed with the Securities and Exchange Commission on August 14, 2007
Securities Act Registration No. 333-

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form N-2

þ **REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933**
o **PRE-EFFECTIVE AMENDMENT NO.**
o **POST-EFFECTIVE AMENDMENT NO.**

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Approximate Date of Proposed Public Offering: As soon as practicable after the effective date of this Registration Statement.

If any of the securities being registered on this form will be offered on a delayed or continuous basis in reliance on Rule 415 under the Securities Act of 1933, other than securities offered in connection with a dividend reinvestment plan, check the following box. o

It is proposed that this filing will become effective (check appropriate box):

o when declared effective pursuant to Section 8(c).

CALCULATION OF REGISTRATION FEE UNDER THE SECURITIES ACT OF 1933

Title of Securities Being Registered	Amount to be Registered	Proposed Maximum Offering Price per Share	Proposed Maximum Aggregate Offering Price(1)	Amount of Registration Fee
Common Stock	**6,500,000**	**$14.79**	**$96,135,000**	**$2,951.34(2)**

(1) Estimated solely for the purpose of calculating the registration fee.

(2) Estimated solely for purpose of calculating the registration fee, and calculated pursuant to Rule 457(c) based upon the average of the high and low prices of our common stock as reported on the New York Stock Exchange on August 7, 2007.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such dates as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

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Subject to Completion
Preliminary Prospectus dated August 14, 2007

PROSPECTUS

Shares

Tortoise Capital Resources Corporation
Common Stock

We are a non-diversified closed-end management investment company focused on the U.S. energy infrastructure sector. We invest primarily in privately-held and micro-cap public energy companies operating in the midstream and downstream segments, and to a lesser extent the upstream segment of the U.S. energy infrastructure sector. Our goal is to provide our stockholders with a high level of total return, with an emphasis on dividends and dividend growth. We invest primarily in the equity securities of companies that we expect to pay us distributions on a current basis and provide us distribution growth. As of August 7, 2007, we have made investments totaling $144.8 million in 13 portfolio companies. We have elected to be regulated as a business development company under the Investment Company Act of 1940.

We are externally managed by Tortoise Capital Advisors, L.L.C., a registered investment advisor specializing in the energy sector that had over $3.0 billion of assets under management as of July 31, 2007.

Our common shares are traded on the New York Stock Exchange under the symbol TTO. On August , 2007, the last reported sale price of our common shares on the New York Stock Exchange was $. Our net asset value per common share (NAV) at the close of business on August , 2007 was $.

Investing in our common shares involves risks, including the risk of leverage, that are described in the Risk Factors section of this prospectus beginning on page 19.

Shares of closed-end investment companies have in the past frequently traded at a discount to their net asset value. If our common shares trade at a discount to net asset value, it may increase the risk of loss for purchasers in this offering.

	Per Share	Total
Public offering price	$	$

Sales load	$	$
Proceeds, before expenses, to us(1)	$	$

(1) Before deducting expenses payable by us related to this offering, estimated at $

The underwriters may also purchase up to an additional common shares from us at the public offering price, less the sales load, within 30 days from the date of this prospectus to cover overallotments. If the underwriters exercise this option in full, the total public offering price will be $, the total sales load paid by us will be $, and total proceeds, before expenses, to us will be $.

Please read this prospectus before investing, and keep it for future reference. The prospectus contains important information about us that a prospective investor should know before investing in our common shares.

We are required to file annual, quarterly and current reports, proxy statements and other information with the Securities and Exchange Commission. This information is available free of charge by contacting us at 10801 Mastin Boulevard, Suite 222, Overland Park, Kansas 66210 or by telephone at 1-866-362-9331 or on our website at www.tortoiseadvisors.com/tto.cfm. The information on our website is not incorporated by reference into this prospectus. The Securities and Exchange Commission also maintains a website at www.sec.gov that contains such information.

Neither the Securities and Exchange Commission nor any state securities commission have approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The underwriters expect that our common shares will be ready for delivery to purchasers on or about , 2007.

Sole Bookrunner

Merrill Lynch & Co.

Joint Lead Managers

Stifel Nicolaus

Wachovia Securities

Ferris, Baker Watts
Incorporated

The date of this prospectus is , 2007.

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You should rely only on the information contained in this prospectus. We have not, and the underwriters have not, authorized any other person to provide you with different information or to make any representations not contained in this prospectus. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information contained in this prospectus is accurate only as of the date on the front cover of this prospectus. Our business, financial condition, results of operations and prospects may have changed since that date. We will update the information in this prospectus to reflect any material changes occurring prior to the completion of this offering.

PROSPECTUS SUMMARY

This summary may not contain all of the information that you may want to consider. You should read carefully the information set forth under Risk Factors and other information included in this prospectus. The following summary is qualified by the more detailed information and financial statements appearing elsewhere in this prospectus. Except where the context suggests otherwise, the terms we, us, our, the Company and Tortoise Capital refer to Tortoise Capital Resources Corporation and its subsidiaries; Tortoise Capital Advisors and the Advisor refer to Tortoise Capital Advisors, L.L.C. Throughout this prospectus we have assumed the sale of common shares at $, the last reported sale price of our common shares on the New York Stock Exchange (NYSE) on August , 2007.

The Company

We invest primarily in privately-held and micro-cap public energy companies focused on the midstream and downstream segments, and to a lesser extent the upstream segment of the U.S. energy infrastructure sector. We believe companies in the energy infrastructure sector generally produce stable cash flows as a result of their fee-based revenues and limited direct commodity price risk. Our goal is to provide our stockholders with a high level of total return, with an emphasis on dividends and dividend growth. We invest primarily in the equity securities of companies that we expect to pay us distributions on a current basis and provide us distribution growth. These securities will generally be limited partner interests, including interests in master limited partnerships (MLPs), and limited liability company interests, and may also include, among others, general partner interests, common and preferred stock, convertible securities, warrants and depository receipts of companies that are organized as corporations, limited partnerships or limited liability companies. Unlike most investment companies, we have not elected, and do not intend to elect, to be treated as a regulated investment company (RIC) under the Internal Revenue Code of 1986, as amended (the Code). Therefore, we are, and intend to continue to be, obligated to pay federal and applicable state corporate income taxes on our taxable income.

Companies in the midstream segment of the energy infrastructure sector engage in the business of transporting, processing or storing natural gas, natural gas liquids, coal, crude oil, refined petroleum products and renewable energy resources. Companies in the downstream segment of the energy infrastructure sector engage in distributing or marketing such commodities and companies in the upstream segment of the energy infrastructure sector engage in exploring, developing, managing or producing such commodities. Under normal conditions, we intend to invest at least 90% of our total assets (including assets obtained through leverage) in companies in the energy infrastructure sector. Companies in the energy infrastructure sector include (i) companies that derive a majority of their revenues from activities within the downstream, midstream and upstream segments of the energy infrastructure sector, and (ii) companies that derive a majority of their revenues from providing products or services to such companies. Our investments are expected to range between $5.0 million and $30.0 million per investment, although investment sizes may be smaller or larger than this targeted range.

We raised approximately $42.5 million of net proceeds through the private placement of 3,088,596 of our common shares and warrants to purchase 772,124 of our common shares prior to our initial public offering. We also raised approximately $18.4 million of net proceeds in the private placement of 1,233,333 shares of our Series A Redeemable Preferred Stock and warrants to purchase 185,006 of our common shares prior to our initial public offering. Each warrant entitles the holder thereof to purchase one common share at the exercise price of $15.00 per share. We raised approximately $79.2 million of net proceeds in our initial public offering on February 7, 2007 through the sale of 5,740,000 of our common shares. We redeemed all of our outstanding Series A Redeemable Preferred Stock with a portion of the proceeds of our initial public offering. None of our warrants were redeemed. On April 25, 2007, we entered into a credit facility with U.S. Bank National Association (U.S. Bank) as a lender, agent and lead arranger, and Bank of Oklahoma, N.A. The credit facility replaced our previous revolving credit facility with U.S. Bank. On July 18, 2007, the credit facility was amended to increase the maximum principal amount of the revolving credit facility from $20.0 million to $35.0 million. As of August 7, 2007, we had an outstanding balance of $23.9 million under the credit facility.

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As of August 7, 2007, we have invested a total of $144.8 million in 13 portfolio companies in the U.S. energy infrastructure sector. Of the $144.8 million, we have invested $103.0 million in the midstream and downstream segments, $19.5 million in the upstream segment and $22.3 million in other segments of the U.S. energy infrastructure sector.

The following table summarizes our investments in portfolio companies as of August 7, 2007. Eagle Rock Energy Partners, L.P., EV Energy Partners, L.P. and Legacy Reserves L.P. are publicly-traded. Abraxas Energy Partners, L.P. filed for its initial public offering with the Securities and Exchange Commission on July 13, 2007.

Company (Segment)	Principal Business	Funded Investment	Expected Current Yield
Eagle Rock Energy Partners, L.P. (Midstream)	Gatherer and processor of natural gas in north and east Texas	$12.1 million in registered Common Units	7.9%(1)
High Sierra Energy, L.P. (Midstream)	Marketer, processor and transporter of hydrocarbons with operations primarily in Colorado, Wyoming and Florida	$24.8 million in Common Units	9.3%(1)
High Sierra Energy, GP, LLC (Midstream)	General Partner of High Sierra Energy, L.P.	$2.4 million in GP Interests	1.1%(3)
Quest Midstream Partners, L.P. (Midstream)	Operator of natural gas gathering pipeline network in the Cherokee Basin of west Texas and New Mexico	$17.5 million in Common Units	7.7%(1)
Millennium Midstream Partners, L.P. (Midstream)	Gatherer and processor of natural gas in Texas, Louisiana and offshore Gulf of Mexico	$17.5 million in Class A Common Units (including Incentive Distribution Rights)	8.5%(1)
Lonestar Midstream Partners, LP (Midstream)	Gatherer and processor of natural gas in six counties in Texas	$19.6 million in Class A Common Units	8.0%(1)(5)
LSMP GP LP (Midstream)	General Partner of Lonestar Midstream Partners, LP	$0.5 million in GP LP Units (including GP interest in Incentive Distribution Rights)	1.7%(1)(5)
Mowood, LLC (Downstream)	Natural gas distribution in central	$1.5 million in LLC Units	10.0%(2)
	Missouri with Department of Defense contract through 2014 and landfill gas to energy projects	$7.1 million in unsecured subordinated debt	12.0%
Legacy Reserves, L.P. (Upstream)	Oil and natural gas exploitation and development	$4.5 million in registered Limited Partner Units	9.9%(1)

	in the Permian Basin		
Abraxas Energy Partners, L.P. (Upstream)	Natural gas and oil exploitation and development in the Delaware and Gulf Coast Basins of Texas	$7.5 million in Common Units	9.0%(1)
EV Energy Partners, L.P. (Upstream)	Acquirer, producer and developer of oil and gas properties	$7.5 million in unregistered Common Units	5.8%(1)
VantaCore Partners, L.P. (Aggregate)	Acquirer and operator of aggregate companies	$8.5 million in Common Units (including Incentive Distribution Rights)	9.5%(1)
		$3.8 million in a secured credit facility	10.9%(4)
International Resource Partners L.P. (Coal)	Operator of both metallurgical and steam coal mines in Central Appalachia	$10.0 million in Class A Common Units	8.0%(1)
	Total Investments	**$144.8 million**	

footnotes on following page

(1) The expected current yield has been calculated by annualizing the most recent or anticipated recurring distribution and dividing by the amount invested in the underlying security. Actual distributions to us are based on each company s available cash flow. Distributions may be above or below the expected current yield and are subject to change.

(2) Represents an equity distribution on our invested capital. We expect that, pending cash availability, such equity distributions will recur on a quarterly basis at or above such yield.

(3) Currently non-income producing.

(4) Floating interest rate.

(5) Distributions are paid in kind.

We have agreed to purchase, subject to the satisfaction of certain conditions, an aggregate of approximately $3.8 million of additional Class A Common Units from Lonestar Midstream Partners, LP and GP LP Units from LSMP GP LP in the second half of 2007.

We are an externally managed, non-diversified closed-end management investment company that has elected to be regulated as a business development company (a BDC) under the Investment Company Act of 1940 (the 1940 Act). As a BDC, we are subject to numerous regulations and restrictions. See Regulation.

Our Advisor

We are managed by Tortoise Capital Advisors, a registered investment advisor specializing in the energy sector that had over $3.0 billion of assets under management as of July 31, 2007, including the assets of three other publicly traded and two privately-held closed-end management investment companies and separate accounts for institutions and high net worth individuals. Our Advisor s aggregate managed capital is among the largest of investment advisors managing closed-end management investment companies focused on the energy sector. Our advisor also manages the investments of Tortoise Energy Infrastructure Corporation (TYG), Tortoise Energy Capital Corporation (TYY), Tortoise North American Energy Corporation (TYN), Tortoise Total Return Fund, LLC (TTRF) and Tortoise Gas and Oil Corporation (TGOC). TYG is a publicly-traded, non-diversified, closed-end management investment company focused primarily on investing in MLPs in the midstream segment of the energy infrastructure sector. TYY is a publicly-traded, non-diversified, closed-end management investment company focused primarily on investing in MLPs in the midstream segment of the energy infrastructure sector. TYN is a publicly-traded, non-diversified, closed-end management investment company focused primarily on investing in publicly traded upstream Canadian royalty trusts and midstream and downstream income trusts, and publicly traded U.S. MLPs. TTRF is a privately held, closed-end management investment company owned predominately by institutions and focused primarily on investing in MLPs in the midstream segment of the energy infrastructure sector. TGOC is a privately held, closed-end management investment company focused primarily on investing in companies in the upstream, and to a lesser extent the midstream, segments of the energy sector. Our Advisor has limited experience managing a BDC, which is subject to different regulations than the other closed-end management investment companies managed by our Advisor.

Our Advisor has 25 full time employees. Four of our Advisor s senior investment professionals are responsible for the origination, negotiation, structuring and managing of our investments. These four senior investment professionals have over 70 years of combined experience in energy, leveraged finance and private equity investing. Each of our Advisor s investment decisions will be reviewed and approved by its investment committee, which also acts as the investment committee for TYG, TYY, TYN, TTRF and TGOC. To the extent any of TYG, TYY, TYN, TTRF or

TGOC targets investment opportunities similar to ours, our Advisor intends to allocate investment opportunities in a fair and equitable manner consistent with our investment objective and strategies and in accordance with written allocation policies and procedures of our Advisor, so that we will not be disadvantaged in relation to any other client. See Risk Factors Risks Related to Our Operations.

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Our Advisor has retained Kenmont Investments Management, L.P. (Kenmont) as a sub-advisor. Kenmont is a Houston, Texas based registered investment advisor with experience investing in privately-held and public companies in the U.S. energy and power sectors. Kenmont provides additional contacts to us and enhances our number and range of potential investment opportunities. The principals of Kenmont have collectively created and managed private equity portfolios in excess of $1.5 billion and have over 50 years of experience working for investment banks, commercial banks, accounting firms, operating companies and money management firms. Prior to establishing a relationship with us, Kenmont had no prior experience managing a BDC. Our Advisor compensates Kenmont for the services it provides to us. Our Advisor also indemnifies and holds us harmless from any obligation to pay or reimburse Kenmont for any fees or expenses incurred by Kenmont in providing such services to us. Entities managed by Kenmont own approximately 7.6% of our outstanding common shares and warrants to purchase an additional 281,666 of our common shares.

U.S. Energy Infrastructure Sector Focus

We pursue our investment objective by investing principally in a portfolio of privately-held and micro-cap public companies in the energy infrastructure sector. We focus our investments in the midstream and downstream segments, and to a lesser extent in the upstream segment, of the energy infrastructure sector. We also intend to allocate our investments among asset types and geographic regions within the United States.

We believe that the midstream and downstream segments of the energy infrastructure sector will provide attractive investment opportunities as a result of the following factors:

Strong Supply and Demand Fundamentals. The U.S. is the largest consumer of crude oil and natural gas products, the third largest producer of crude oil and the second largest producer of natural gas products in the world. The United States Department of Energy s Energy Information Administration, or EIA, projects that domestic natural gas and refined petroleum products consumption will increase annually by 0.8% and 1.1%, respectively, through 2030.

Substantial Capital Requirements. We believe, based on industry sources, that approximately $20 billion of capital was invested by the midstream segment of the U.S. energy infrastructure sector during 2006 and that additional capital expenditures will occur in the future. We also believe that existing downstream infrastructure will require new capital investment to maintain an aging asset base, as well as to upgrade the asset base to respond to the evolution of supply and environmental regulations.

Substantial Asset Ownership Realignment. We believe that in the midstream and downstream segments of the U.S. energy infrastructure sector, the acquisition and divestiture market has averaged approximately $34 billion of annual transactions between 2001 and 2006 and that such activity, particularly in the midstream segment, will continue. We also believe that the substantial number of domestic companies in the downstream segment of the U.S. energy infrastructure sector provides for attractive consolidation opportunities.

Renewable Energy Resources Opportunities. We believe that the demand for project financing relating to renewable energy resources is expected to be significant and will provide investment opportunities consistent with our investment objective.

Although not part of our core focus, we believe the upstream segment of the energy infrastructure sector will benefit from strong, long-term demand fundamentals and will provide attractive investment opportunities as a result of the following factors:

Substantial Asset Ownership Realignment. We believe that in the upstream segment of the U.S. energy infrastructure sector, the property acquisition and divestiture market has averaged approximately $38 billion of annual transactions between 2001 and 2006 and that the level of activity will remain consistent with historical levels for the foreseeable future.

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Substantial Number of Small and Middle Market Companies. We believe that there are more than 900 private domestic exploration and production businesses and more than 140 publicly-listed domestic exploration and production companies.

Increasing Importance of MLP Market for Upstream Energy Companies. We believe that there will continue to be an increasing number of MLPs operating in the upstream segment of the energy infrastructure sector. We believe that attractive investment opportunities exist in those upstream MLPs whose cash distributions allow them to reserve funds to be used for the replacement of depleted assets. We also believe that the ratio of subordinated units to common units in a typical MLP structure helps mitigate the commodity exposure of upstream MLPs for their common unit investors.

Market Opportunity

We believe the environment for investing in privately-held and micro-cap public companies in the energy infrastructure sector is attractive for the following reasons:

Increased Demand Among Small and Middle Market Private Companies for Capital. We believe many private and micro-cap public companies have faced increased difficulty accessing the capital markets due to a continuing preference by investors for issuances in larger companies with more liquid securities. Such difficulties have been magnified in asset-focused and capital intensive industries such as the energy infrastructure sector. We believe that the U.S. energy infrastructure sector s high level of projected capital expenditures and continuing acquisition and divestiture activity will provide us with numerous attractive investment opportunities.

Investment Activity of Private Equity Capital Sponsors. We believe there is a large pool of uninvested private equity capital available for private and micro-cap public companies, including those involved in the U.S. energy infrastructure sector. Given the anticipated positive long-term supply and demand dynamics of the energy industry and the current and expected public market valuations for companies involved in certain sectors of the energy industry, private equity capital has been increasingly attracted to the U.S. energy infrastructure sector. In particular, we believe that the public market valuations of many MLPs will cause private equity firms to invest and aggregate smaller U.S. energy infrastructure assets. We also expect those private equity firms to combine their capital with equity or mezzanine debt investors such as ourselves.

Finance Market for Small and Middle Market Energy Companies is Underserved by Many Capital Providers. We believe that many lenders have, in recent years, de-emphasized their service and product offerings to small and middle market energy companies in favor of lending to large corporate clients and managing capital markets transactions. We believe, in addition, that many capital providers lack the necessary technical expertise to evaluate the quality of the underlying assets of small and middle market private companies and micro-cap public companies in the energy infrastructure sector and lack a network of relationships with such companies.

Attractive Companies with Limited Access to Other Capital. We believe there are, and will continue to be, attractive companies that will benefit from private equity investments prior to a public offering of their equity, whether as an MLP or otherwise. We also believe that there are a number of companies in the midstream and downstream segments of the U.S. energy infrastructure sector with the same stable cash flow characteristics as those being acquired by MLPs or funded by private equity capital in anticipation of contribution to an MLP. We believe that many such companies are not being acquired by MLPs or attracting private equity capital because they do not produce income that qualifies for inclusion in an MLP pursuant to the applicable U.S. Federal income tax laws, are perceived by such investors as too small, or are in areas of the midstream energy infrastructure segment in which most MLPs do not have specific expertise. We believe that these companies represent attractive investment candidates for us.

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Competitive Advantages

We believe that we are well positioned to meet the financing needs of companies within the U.S. energy infrastructure sector for the following reasons:

Existing Investment Platform and Focus on the Energy Infrastructure Sector. We believe that our Advisor s current investment platform provides us with significant advantages in sourcing, evaluating, executing and managing investments. Our Advisor specializes in the energy sector and had over $3.0 billion of assets under management as of July 31, 2007, including the assets of three other publicly traded and two privately-held closed-end management investment companies and separate accounts for institutions and high net worth individuals. Our Advisor created the first publicly traded closed-end management investment company focused primarily on investing in MLPs involved in the energy infrastructure sector, and its aggregate managed capital is among the largest of those closed-end management investment company advisors focused on the energy sector.

Experienced Management Team. The members of our Advisor s investment committee have an average of over 20 years of financial investment experience. Our Advisor s four senior investment professionals are responsible for the negotiation, structuring and managing of our investments and have over 70 years of combined experience in energy, leveraged finance and private equity investing. We believe that the members of our Advisor s investment committee and the Advisor s senior investment professionals have developed strong reputations in the capital markets, particularly in the energy infrastructure sector, that we believe affords us a competitive advantage in identifying and investing in energy infrastructure companies.

Disciplined Investment Philosophy. In making its investment decisions, our Advisor intends to continue the disciplined investment approach that it has used since its founding. That investment approach emphasizes current income with the potential for enhanced returns through dividend growth, capital appreciation, low volatility and minimization of downside risk. Our Advisor s investment process involves an assessment of the overall attractiveness of the specific subsector of the energy infrastructure sector in which a prospective portfolio company is involved; such company s specific competitive position within that subsector; potential commodity price, supply and demand and regulatory concerns; the stability and potential growth of the prospective portfolio company s cash flows; the prospective portfolio company s management track record and incentive structure and our Advisor s ability to structure an attractive investment.

Flexible Transaction Structuring. We are not subject to many of the regulatory limitations that govern traditional lending institutions such as commercial banks. As a result, we can be flexible in structuring investments and selecting the types of securities in which we invest. Our Advisor s senior investment professionals have substantial experience in structuring investments that balance the needs of energy infrastructure companies with appropriate risk control.

Extended Investment Horizon. Unlike private equity and venture capital funds, we are not subject to standard periodic capital return requirements. These provisions often force private equity and venture capital funds to seek quicker returns on their investments through mergers, public equity offerings or other liquidity events than may otherwise be desirable, potentially resulting in both a lower overall return to investors and an adverse impact on their portfolio companies. We believe our flexibility to make investments with a long-term view and without the capital return requirements of traditional private investment funds enhances our ability to generate attractive returns on invested capital.

Targeted Investment Characteristics

We anticipate that our targeted investments will have the following characteristics:

Long-Life Assets with Stable Cash Flows and Limited Commodity Price Sensitivity. We anticipate that most of our investments will be made in companies with assets having the potential to generate stable cash flows over long periods of time. We intend to invest a portion of our assets in companies that own and operate assets with long useful lives and that generate cash flows by providing critical services primarily to the producers or end-users of energy. We expect to limit the direct exposure to energy commodity price risk in our portfolio. We intend to target companies that have a majority of their cash flows generated by contractual obligations.

Experienced Management Teams with Energy Infrastructure Focus. We target investments in companies with management teams that have a track record of success and that often have substantial knowledge and focus in particular segments of the energy infrastructure sector or with certain types of assets. We expect that our management team s extensive experience and network of business relationships in the energy infrastructure sector will allow us to identify and attract portfolio company management teams that meet these criteria.

Fixed Asset-Intensive Investments. We anticipate that most of our investments will be made in companies with a relatively significant base of fixed assets that we believe will provide for reduced downside risk compared to making investments in companies with lower relative fixed asset levels. As fixed asset-intensive companies typically have less variable cost requirements, we expect they will generate attractive cash flow growth even with limited demand-driven or supply-driven growth.

Limited Technological Risk. We do not intend to target investment opportunities involving the application of new technologies or significant geological, drilling or development risk.

Exit Opportunities. We focus our investments on prospective portfolio companies that we believe will generate a steady stream of cash flow to generate returns on our investments as well as allow such companies to reinvest in their respective businesses. We expect that such internally generated cash flow will lead to distributions or the repayment of the principal of our investments in portfolio companies and will be a key means by which we monetize our investments over time. In addition, we seek to invest in companies whose business models and expected future cash flows offer attractive exit possibilities. These companies include candidates for strategic acquisition by other industry participants and companies that may repay, or provide liquidity for, our investments through an initial public offering of common stock or other capital markets transactions. We believe our Advisor s investment experience will help us identify such companies.

Corporate Information

Our offices are located at 10801 Mastin Boulevard, Suite 222, Overland Park, Kansas 66210, our telephone number is 1-866-362-9331 and our website is www.tortoiseadvisors.com/tto.cfm. Information posted to our website should not be considered part of this prospectus.

THE OFFERING

Common shares offered by us	of our common shares, excluding shares issuable pursuant to the overallotment option granted to the underwriters.
Common shares outstanding after this offering	of our common shares, excluding shares issuable pursuant to the overallotment option granted to the underwriters and shares issuable pursuant to outstanding warrants. See Description of Capital Stock.
NYSE Symbol	Our common shares are listed on the NYSE under the symbol TTO.
Use of proceeds	We intend to use the net proceeds of this offering first to pay off all of our existing indebtedness of $23.9 million under our credit facility, and then to fund investments in prospective portfolio companies in accordance with our investment objective and strategies described in this prospectus and for temporary working capital needs. We expect to invest the proceeds of this offering within six to nine months; however, it could take a longer time to invest substantially all of the net proceeds, depending on the availability of appropriate investment opportunities and market conditions. Pending such investments, we expect to invest the net proceeds primarily in cash, cash equivalents, U.S. government securities and other high-quality debt investments that mature in one year or less from the date of investment. See Use of Proceeds and Advisor Investment Advisory Agreement.
Regulatory status	We have elected to be regulated as a BDC under the 1940 Act. See Regulation.
Distributions	We intend, subject to adjustment at the discretion of our board of directors, each quarter to pay out substantially all of the amounts we receive as recurring cash or paid-in-kind distributions on equity securities we own and interest payments on debt securities we own, less current or anticipated operating expenses, current income taxes on our income and our leverage costs. On February 7, 2007, we paid a $0.10 per share distribution to shareholders of record as of January 31, 2007. On June 1, 2007, we paid a $0.16 per share distribution to shareholders of record as of May 24, 2007. See Price Range of Common Shares and Distributions and Management s Discussion and Analysis of Financial Condition and Results of Operation Determining Distributions to Stockholders.
Taxation	Unlike most investment companies, we have not elected, and do not intend to elect, to be treated as a RIC under the Code. Therefore, we are, and intend to continue to be, obligated to pay federal and applicable state corporate income taxes on our taxable income. As a result of not electing to be treated as a RIC, we are not subject to the Code s diversification rules limiting the assets in which a RIC can invest. In addition, we are not

subject to the Code s restrictions on the types of income that a RIC can recognize without adversely affecting its election to be treated as a RIC, allowing us the ability to invest in operating entities treated as partnerships

	under the Code, which we believe provide attractive investment opportunities. Finally, unlike RICs, we are not effectively required by the Code to distribute substantially all of our income and capital gains. Distributions on the common shares will be treated first as taxable dividend income to the extent of our current or accumulated earnings and profits, then as a tax free return of capital to the extent of a stockholder s tax basis in the common shares, and last as capital gain. We anticipate that the distributed cash from our portfolio investments in entities treated as partnerships for tax purposes will exceed our share of taxable income from those portfolio investments. Thus, we anticipate that only a portion of distributions we make on the common shares will be treated as taxable dividend income to our stockholders. If you are an individual citizen or resident of the United States or a United States estate or trust for U.S. federal income tax purposes and meet certain holding period and other applicable requirements, the portion of such distributions treated as taxable dividend income will be qualified dividend income currently subject to a maximum 15% U.S. federal income tax rate. See Certain U.S. Federal Income Tax Considerations Taxation of U.S. Stockholders.
Investment advisor	Tortoise Capital Advisors, a Delaware limited liability company and registered investment advisor, serves as our investment advisor. See Portfolio Management, Management and Advisor.
Fees	Pursuant to our investment advisory agreement, we pay our Advisor a fee consisting of two components a base management fee and an incentive fee. The base management fee commenced on December 8, 2005, is paid quarterly in arrears, and is equal to 0.375% (1.5% annualized) of our average monthly Managed Assets (our total assets, including any assets purchased with or attributable to any borrowed funds, minus accrued liabilities other than (1) deferred taxes and (2) debt entered into for the purpose of leverage). The incentive fee consists of two parts. The first part, the investment income fee, is calculated and payable quarterly in arrears and will equal 15% of the excess, if any, of our net investment income for the quarter over a quarterly hurdle rate equal to 2% (8% annualized) of our average monthly net assets. No investment income fee was paid or earned prior to December 8, 2006. The second part of the incentive fee, the capital gains fee, will be determined and payable in arrears as of the end of each fiscal year (or, upon termination of the investment advisory agreement, as of the termination date), and will equal (i) 15% of (a) our net realized capital gains on a cumulative basis from the commencement of our operations on December 8, 2005 to the end of each fiscal year, less (b) any unrealized capital depreciation at the end of such fiscal year, less (ii) the aggregate amount of all capital gains fees paid to our Advisor in prior years. Our Advisor will use at least 25% of any capital gains fees received from us at any time on or prior to December 8, 2007 to purchase our common shares

in the open market. There can be no assurance that our Advisor will earn any capital gains fee and, as a result, there can be no assurance that our

	Advisor will make any such purchases. During the six month period ended May 31, 2007, we accrued $1,496,494 as a provision for capital gains incentive fees. The provision for capital gains incentive fees resulted from the increase in fair value and unrealized appreciation on investments, including return of capital on distributions received from investments. Pursuant to the investment advisory agreement, the capital gains incentive fee is paid annually only if there are realization events and only if the calculation defined in the agreement results in an amount due. As of May 31, 2007, no payments have been made, or are due to, our Advisor with respect to the capital gains incentive fees. See Advisor Investment Advisory Agreement, which also contains a discussion of our expenses.
Sub-advisor	Kenmont Investment Management, L.P. serves as our sub-advisor. Kenmont is a Houston, Texas based registered investment advisor with experience investing in privately-held and public companies in the U.S. energy and power sectors. Pursuant to the sub-advisory agreement between Kenmont and our Advisor, our Advisor pays Kenmont a portion of the fee it receives from us. See Advisor Sub-Advisor Arrangement.
Leverage	We have and may borrow funds to make investments, and we have and may grant a security interest in our assets in connection with such borrowings, including any borrowings by any of our subsidiaries. We use this practice, which is known as leverage, to attempt to increase returns to our stockholders. However, leverage involves significant risks and the costs of any leverage transactions will be borne by our stockholders. See Risk Factors. With certain limited exceptions, we are only allowed to borrow amounts such that our asset coverage, as defined in the 1940 Act, equals at least 200% after such borrowing. The amount of leverage that we may employ will depend on our assessment of market conditions and other factors at the time of any proposed borrowing.
	On April 25, 2007, we entered into a credit facility with U.S. Bank as a lender, agent and lead arranger, and Bank of Oklahoma, N.A. The credit facility replaced our previous revolving credit facility with U.S. Bank. On July 18, 2007, the credit facility was amended to increase the maximum principal amount of the revolving credit facility from $20.0 million to $35.0 million. As of August 7, 2007, we had an outstanding balance of $23.9 million under the credit facility. See Management s Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources and Management s Discussion and Analysis of Financial Conditions and Result of Operations Borrowings and Management s Discussion and Analysis of Financial Condition and Results of Operations Senior Securities.
Dividend reinvestment plan	We have an opt out dividend reinvestment plan. As a result, if we declare a distribution, stockholders cash distributions will be automatically reinvested in additional common shares, unless the stockholders specifically opt out of the dividend reinvestment plan so as to receive cash distributions. Stockholders who receive distributions in the form of

common shares will generally be

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	subject to the same federal, state and local tax consequences as stockholders who elect to receive their distributions in cash. See Dividend Reinvestment Plan and Certain U.S. Federal Income Tax Considerations Taxation of U.S. Stockholders.
Trading at a discount	Shares of closed-end investment companies frequently trade at a discount to their net asset value (NAV). The possibility that our common shares may trade at a discount to our net asset value is separate and distinct from the risk that our net asset value per share may decline. Our NAV immediately following this offering will reflect reductions resulting from the sales load (underwriting discount) and the amount of the offering expenses paid. This risk may have a greater effect on investors expecting to sell their shares soon after completion of this offering. We generally may not issue additional common shares at a price below our net asset value (net of any sales load (underwriting discount)) without first obtaining approval of our stockholders and board of directors. Our stockholders granted us the authority to sell our common shares below net asset value, subject to certain conditions. This authority extends through December 20, 2007. We cannot predict whether our common shares will trade above, at, or below net asset value.
Anti-takeover provisions	Our board of directors is divided into three classes of directors serving staggered three-year terms. This structure is intended to provide us with a greater likelihood of continuity of management, which may be necessary for us to realize the full value of our investments. A staggered board of directors also may deter hostile takeovers or proxy contests, as may certain provisions of Maryland law, our Charter or Bylaws or other measures adopted by us. These provisions or measures also may limit the ability of our stockholders to sell their shares at a premium over then-current market prices by discouraging a third party from seeking to obtain control of us. See Certain Provisions of Our Charter and Bylaws and the Maryland General Corporation Law.
Risk factors	Investing in our common shares involves certain risks relating to our structure and our investment objective that you should consider before deciding whether to invest in our common shares. In addition, we expect that our portfolio will consist primarily of securities issued by privately-held energy infrastructure companies. These investments may involve a high degree of business and financial risk, and they are generally illiquid. Our portfolio companies typically will require additional outside capital beyond our investment in order to succeed. A large number of entities compete for the same kind of investment opportunities as we seek. We borrow funds to make our investments in portfolio companies. As a result, we are and will be exposed to the risks of leverage, which may be considered a speculative investment technique. Borrowings magnify the potential for gain and loss on amounts invested and, therefore, increase the risks associated with investing in our common shares.

Also, we are subject to certain risks associated with valuing our portfolio, changing interest rates, accessing additional capital, fluctuating quarterly results and operating in a regulated environment.

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	See Risk Factors for a discussion of factors you should carefully consider before deciding whether to invest in our common shares.
Available information	We have filed with the Securities and Exchange Commission, or SEC, a registration statement on Form N-2, including any amendments thereto and related exhibits, under the Securities Act of 1933, which we refer to as the Securities Act, with respect to our common shares offered by this prospectus. The registration statement contains additional information about us and our common shares being offered by this prospectus. Our common shares are registered under the Securities Exchange Act of 1934, which we refer to as the Exchange Act, and we are required to file reports, proxy statements and other information with the SEC. This information may be obtained free of charge by contacting us at 10801 Mastin Boulevard, Suite 222, Overland Park, Kansas 66210 or by telephone at 1-866-362-9331 or on our website at www.tortoiseadvisors.com/tto.cfm and is also available at the SEC s public reference room at 100 F Street, N.E., Washington, D.C. 20549. Information posted to our website is not incorporated by reference into this prospectus. You may obtain information about the operation of the SEC s public reference room by calling the SEC at 1-800-SEC-0330. In addition, the SEC maintains an Internet website, at http://www.sec.gov, that contains reports, proxy and information statements, and other information regarding issuers, including us, that file documents electronically with the SEC.

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FEES AND EXPENSES

The following table is intended to assist you in understanding the various costs and expenses that an investor in this offering will bear directly or indirectly. **We caution you that the percentages in the table below indicating annual expenses are estimates and may vary.**

Stockholder transaction expenses (as a percentage of offering price):

Sales load	%
Offering expenses	%(1)
Dividend reinvestment plan expenses	0.00%(2)
Total stockholder transaction expenses paid	%

Annual expenses following this offering (as a percentage of net assets attributable to common shares)(3):

Management fee payable under investment advisory agreement	%(4)
Incentive fees payable under investment advisory agreement	0.00%(5)
Interest payments on borrowed funds	%(6)
Acquired fund fees and expenses	None(7)
Other expenses	%(8)
Current income tax expense	%
Deferred income tax expense	%(9)
Total annual expenses	%(10)

Example

The following example demonstrates the projected dollar amount of total cumulative expenses that would be incurred over various periods with respect to a hypothetical investment in our common shares. These amounts are based upon assumed offering expenses of % and our payment of annual operating expenses at the levels set forth in the table above, except as indicated below.

	1 Year	3 Years	5 Years	10 Years
You would pay the following expenses on a $1,000 investment, assuming a 5% annual return	$	$	$	$

The example and the expenses in the tables above should not be considered a representation of our future expenses, and actual expenses may be greater or less than those shown. Moreover, while the example assumes, as required by the applicable rules of the SEC, a 5% annual return, our performance will vary and may result in a return greater or less than 5%. A 5% annual return will not require payment of an incentive fee to our Advisor based on Net Investment Income, and thus no income incentive fee is included in this example. A 5% annual return may not, depending on the percentage of such return comprised of capital gains, require payment of a capital gains incentive fee to our Advisor. We have assumed the entire 5% annual return is comprised of capital gains and thus included a capital gains incentive fee in this example. See Advisor Examples of Quarterly Incentive Fee Calculation for additional information concerning incentive fee calculations. In addition, while the example assumes reinvestment of all distributions at net asset value, participants in our dividend reinvestment plan may receive common shares valued at the market price in effect at that time. This price may be at, above or below net asset value. See Dividend Reinvestment Plan for additional information regarding our dividend reinvestment plan.

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(1) The percentage reflects estimated offering expenses of approximately $.

(2) The expenses associated with the administration of our dividend reinvestment plan are included in Other expenses. The participants in our dividend reinvestment plan will pay a pro rata share of brokerage commissions incurred with respect to open market purchases, if any, made by the Plan Agent under the Plan. For more details about the plan, see Dividend Reinvestment Plan.

(3) Net assets attributable to common shares equals net assets (i.e., total assets less total liabilities and the aggregate liquidation preference of any outstanding shares of preferred stock) of (i) approximately $124.0 million at May 31, 2007 plus (ii) investments of $10,000,011 in High Sierra Energy, L.P., $7,499,990 in EV Energy Partners, L.P., $10,000,000 in International Resource Partners, L.P., $2,000,000 in Mowood, LLC, $19,617,740 in Lonestar Midstream Partners, LP and $490,685 in LSMP GP LP, all valued at their purchase price, and (iii) reflecting leverage of approximately $51.6 million determined using the assumptions set forth in footnote (6) below.

(4) Although our management fee is 1.5% (annualized) of our average monthly Managed Assets, the table above reflects expenses as a percentage of net assets. Managed Assets means total assets (including any assets purchased with any borrowed funds) minus accrued liabilities other than (i) deferred taxes and (ii) debt entered into for the purpose of leverage. Net assets is Managed Assets minus deferred taxes, debt entered into for the purposes of leverage and the aggregate liquidation preference of any outstanding preferred shares. See Advisor Investment Advisory Agreement Management Fee.

(5) We pay our Advisor a fee consisting of two components a base management fee and an incentive fee. The base management fee is paid quarterly in arrears and is equal to 0.375% (1.5% annualized) of our average monthly Managed Assets for such quarter. The incentive fee consists of two parts. The first part, the investment income fee, is calculated and payable quarterly in arrears and will equal 15% of the excess, if any, of our Net Investment Income for the fiscal quarter over a quarterly hurdle rate equal to 2% (8% annualized) of our average monthly Net Assets for the quarter. For purposes of calculating the investment income fee, Net Investment Income means interest income (including accrued interest that we have not yet received in cash), dividend and distribution income from equity investments (but excluding that portion of cash distributions that are treated as return of capital), and any other income (including any fees such as commitment, origination, syndication, structuring, diligence, 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 by us, any interest expense, any accrued income taxes related to Net Investment Income and dividends paid on issued and outstanding preferred stock, if any, but excluding the incentive fees payable to our Advisor). No investment income fee was paid or earned prior to December 8, 2006. The second part of the incentive fee, the capital gains fee, will be determined and payable in arrears as of the end of each fiscal year (or upon termination of the investment advisory agreement, as of the termination date), and will equal (i) 15% of (a) our net realized capital gains, excluding the impact of current and deferred income taxes, on a cumulative basis from the commencement of our operations on December 8, 2005 to the end of each fiscal year, less (b) any unrealized capital depreciation, excluding the impact of deferred income taxes, at the end of such fiscal year, less (ii) the aggregate amount of all capital gains fees paid to our Advisor in prior years. Our Advisor will use at least 25% of any capital gains fee, if any, received on or prior to December 8, 2007 to purchase our common shares in the open market. There can be no assurance that our Advisor will earn any capital gains fee and, as a result, there can be no assurance that our Advisor will make any such purchases. During the six month period ended May 31, 2007, we accrued $1,496,494 as a provision for capital gains incentive fees. The provision for capital gains incentive fees resulted from the increase in fair value and unrealized appreciation on investments including return of capital on distributions received from investments. Pursuant to the Advisory Agreement, the

capital gains incentive fee is paid annually only if there are realization events and only if the calculation defined in the agreement results in an amount due. We may have capital gains and interest income that could result in the payment of an incentive fee to our Advisor in the first year after completion

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of this offering. Although we cannot predict whether we will meet the necessary performance targets, we have assumed $1,496,494 as a provision for capital gains incentive fees in this table.

(6) We borrow funds to make investments to the extent we determine that additional capital would allow us to take advantage of additional investment opportunities or if the market for debt financing presents attractively priced debt financing opportunities, and, in either case, if our board of directors determines that leveraging our portfolio would be in our best interests and the best interests of our stockholders. On April 25, 2007, we entered into a credit facility with U.S. Bank as a lender, agent and lead arranger, and Bank of Oklahoma, N.A. The credit facility replaced our previous revolving credit facility with U.S. Bank. On July 18, 2007, the credit facility was amended to increase the maximum principal amount of the revolving credit facility from $20.0 million to $35.0 million. As of August 7, 2007, we had an outstanding balance of $23.9 million under the credit facility. The table above assumes we borrow for investment purposes an amount equal to 25.0% of our total assets (including such borrowed funds) and that the annual interest rate on the amount borrowed is 7.0%. The funds we borrow under the credit facility accrue interest at a rate equal to 1.75% plus the one month LIBOR quoted by U.S. bank from Telerate Page 3750, which interest rate was 7.07% as of August 7, 2007.

(7) We do not have any investments in shares of acquired funds and, as a result, did not incur any fees from acquired funds.

(8) Other expenses includes our estimated overhead expenses, including payments to our transfer agent, our administrative agent and legal and accounting expenses. The holders of our common shares indirectly bear the cost associated with such other expenses.

(9) For our fiscal year ended November 30, 2006, we accrued $250,156 in net deferred tax expense related to our net investment income and unrealized gains. Deferred income tax expense represents an estimate of our potential tax liability if we were to recognize the unrealized appreciation of our portfolio assets accumulated during our fiscal year ended November 30, 2006, based on the market value and tax basis of our assets as of November 30, 2006. Actual income tax expense (if any) will be incurred over many years, depending on if and when investment gains are realized, the then-current tax basis of assets, the level of net loss carryforwards (if any) and other factors.

(10) The table presented above estimates what our annual expenses would be, stated as a percentage of our net assets attributable to our common shares. The table presented below, unlike the table presented above, assumes we do not use any form of leverage and excludes current and deferred income tax expenses. In addition, the table presented below, unlike the table presented above, excludes incentive fees as we cannot predict whether we will meet the necessary performance targets to earn such fees. As a result, our estimated total annual expenses would be as follows:

Management fee	%
Other expenses(a)	%
Total annual expenses (excluding incentive fees and current and deferred income tax expenses)	%

(a) Other expenses includes our estimated overhead expenses, including payments to our transfer agent, our administrative agent and legal and accounting expenses. The holders of our common shares indirectly bear the cost associated with such other expenses.

Example

The following example demonstrates the projected dollar amount of total cumulative expenses that would be incurred over various periods with respect to a hypothetical investment in our common shares. These amounts are based upon assumed offering expenses of % and our payment of annual operating expenses (excluding incentive fees payable under the investment advisory agreement and current and deferred income tax expenses) at the levels set forth in the table above.

	1 Year	3 Years	5 Years	10 Years
You would pay the following expenses on a $1,000 investment, assuming a 5% annual return	$	$	$	$

SELECTED FINANCIAL DATA

The selected financial data set forth below should be read in conjunction with Management s Discussion and Analysis of Financial Condition and Results of Operations, Senior Securities and the financial statements and related notes included in this prospectus. Financial information presented below for the fiscal quarters ended February 28, 2006, May 31, 2006, August 31, 2006, November 30, 2006, February 28, 2007 and May 31, 2007 is unaudited. Financial information presented below for the period from December 8, 2005 to November 30, 2006, and as of November 30, 2006, has been derived from our financial statements audited by Ernst & Young LLP, an independent registered public accounting firm, which are included herein. The historical data is not necessarily indicative of results to be expected for any future period.

	Period from December 8, 2005 to	Fiscal Quarter Ended					
	November 30, 2006(1)	February 28, 2006(2)	May 31, 2006	August 31, 2006	November 30, 2006	February 28, 2007	May 31, 2007
Statement of operations data:							
Investment income	$ 2,119,843	$ 403,505	$ 347,496	$ 448,124	$ 920,718	$ 391,635	$ 545,856
Advisory fees	634,989	136,796	169,367	163,364	165,462	867,694(3)	1,476,879(3)
All other expenses	360,156	97,925	81,930	87,010	93,291	1,233,225(4)	207,967
Total operating expenses	$ 995,145	$ 234,721	$ 251,297	$ 250,374	$ 258,753	$ 2,100,919	$ 1,684,846
Current and deferred tax expense, net	516,055	61,100	34,855	163,679	256,421	795,916	2,128,190
Net realized gain (loss) on investments before current tax benefit	(1,462)				(1,462)		13,712
Unrealized gain on investments before deferred tax expense	328,858			297,054	31,804	2,921,990	6,725,778
Increase in net assets resulting from operations	$ 936,039	$ 107,684	$ 61,344	$ 331,125	$ 435,886	$ 416,790	$ 3,472,310

	As of					
	February 28, 2006(2)	**May 31, 2006**	**August 31, 2006**	**November 30, 2006**	**February 28, 2007**	**May 31, 2007**
Statement of assets and liabilities data:						
Short-term investments	$ 42,845,831	$ 25,758,402	$ 20,649,152	$ 5,431,414	$ 49,674,007	$ 27,763,129
Investments		16,999,991	22,549,991	37,144,100	74,586,033	102,841,396
Other assets	160,044	124,730	233,569	357,498	228,413	296,308
Total assets	$ 43,005,875	$ 42,883,123	$ 43,432,712	$ 42,933,012	$ 124,488,453	$ 130,900,833
Total liabilities	494,720	271,608	922,476	604,610	2,296,062	6,763,865
Total net assets	$ 42,511,155	$ 42,611,515	$ 42,510,236	$ 42,328,402	$ 122,192,391	$ 124,136,968
Net asset value per share	$ 13.76	$ 13.80	$ 13.76	$ 13.70	$ 13.84	$ 14.05

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(1) We were incorporated on September 8, 2005, but did not commence operations until December 8, 2005.

(2) We did not commence operations until December 8, 2005. As a result, the fiscal quarter ended February 28, 2006 was not a full fiscal quarter.

(3) During the periods ended February 28, 2007 and May 31, 2007, the Company accrued $487,627 and $1,008,867, respectively, as a provision for capital gains incentive fees. The provision for capital gains incentive fees resulted from the increase in fair value and unrealized appreciation on investments. Pursuant to the investment advisory agreement, the capital gains incentive fee is paid annually only if there are realization events and only if the calculation defined in the agreement results in an amount due.

(4) Includes $765,059 of non-recurring expenses related to the loss on redemption of the previously outstanding Series A Redeemable Preferred Stock. The Series A Redeemable Preferred Stock issuance was utilized as bridge financing to fund portfolio investments and was fully redeemed upon completion of the initial public offering.

FORWARD-LOOKING STATEMENTS

The matters discussed in this prospectus, as well as in future oral and written statements by our management, that are forward-looking statements are based on current management expectations that involve substantial risks and uncertainties that could cause actual results to differ materially from the results expressed in, or implied by, these forward-looking statements. Forward-looking statements relate to future events or our future financial performance. We generally identify forward-looking statements by terminology such as may, will, should, expects, plans, anticipates, could, intends, target, projects, contemplates, believes, estimates, predicts, potential, negative of these terms or other similar words. Important assumptions include our ability to originate new investments, achieve certain levels of return, the availability of additional capital, and the ability to maintain certain debt to asset ratios. In light of these and other uncertainties, the inclusion of a projection or forward-looking statement in this prospectus should not be regarded as a representation by us that our plans or objectives will be achieved. The forward-looking statements contained in this prospectus include statements as to:

- our future operating results;
- our business prospects and the prospects of our existing and prospective portfolio companies;
- the impact of investments that we expect to make;
- our informal relationships with third parties;
- the dependence of our future success on the general economy and the domestic energy infrastructure sector;
- the ability of our portfolio companies to achieve their objectives;
- our ability to make investments consistent with our investment objective, including with respect to the size, nature and terms of our investments;
- our expected financings;
- our regulatory structure;
- our ability to operate as a business development company;
- the adequacy of our cash resources and working capital and our anticipated use of proceeds;
- the timing of cash flows, if any, from the operations of our portfolio companies; and
- the size or growth prospects of the energy infrastructure sector or any category thereof.

For a discussion of factors that could cause our actual results to differ from forward-looking statements contained in this prospectus, please see the discussion under Risk Factors. You should not place undue reliance on these forward-looking statements. The forward-looking statements made in this prospectus relate only to events as of the date on which the statements are made. We undertake no obligation to update any forward-looking statement to reflect events or circumstances occurring after the date of this prospectus. The forward-looking statements contained in this prospectus are excluded from the safe harbor protection provided by Section 27A of the Securities Act.

RISK FACTORS

An investment in our common shares should not constitute a complete investment program for any investor and involves a high degree of risk. Due to the uncertainty in our investments, there can be no assurance that we will achieve our investment objective. You should carefully consider the risks described below before making an investment decision.

Risks Related to Our Operations

We have a limited operating history.

We were incorporated in Maryland on September 8, 2005. We are subject to all of the business risks and uncertainties associated with any business, including the risk that we will not achieve our investment objective and that the value of an investment in our common shares could decline substantially.

Our Advisor will serve as investment advisor to other funds, which may create conflicts of interest not in the best interest of us or our stockholders.

Our Advisor was formed in October 2002 and has been managing investments in portfolios of MLPs and other issuers in the energy sector since that time, including management of the investments of TYG since February 27, 2004, TYY since May 31, 2005, TYN since October 31, 2005, TTRF since June 2007 and TGOC since July 2007. From time to time the Advisor may pursue areas of investments in which the Advisor has more limited experience.

Our investment committee is the same for, and all of our Advisor s employees provide services for, other funds managed by our Advisor. Our Advisor s services under the investment advisory agreement are not exclusive, and it is free to furnish the same or similar services to other entities, including businesses that may directly or indirectly compete with us so long as its services to us are not impaired by the provision of such services to others. In addition, the publicly traded funds and private accounts managed by our Advisor may make investments similar to investments that we may pursue. Unlike the other funds managed by our Advisor (other than TGOC), we generally target investments in companies that are privately-held or have market capitalizations of less than $250 million, and that are earlier in their stage of development. We also focus on privately-held and micro-cap public energy companies operating in the midstream and downstream segment, and to a lesser extent the upstream segment, of the U.S energy infrastructure sector. TGOC focuses on privately-held companies and publicly traded MLPs in the upstream, and to a lesser extent the midstream, gas and oil segments of the energy sector. This may change in the future, however. TGOC could contemplate an investment that falls within our investment focus. Accordingly, our Advisor and the members of its investment committee may have obligations to other investors, the fulfillment of which might not be in the best interests of us or our stockholders, and it is possible that our Advisor might allocate investment opportunities to other entities, limiting attractive investment opportunities available to us. However, our Advisor intends to allocate investment opportunities in a fair and equitable manner consistent with our investment objectives and strategies, and in accordance with written allocation policies and procedures of our Advisor, so that we will not be disadvantaged in relation to any other client.

We are dependent upon our Advisor s key personnel for our future success.

We depend on the diligence, expertise and business relationships of the senior management of our Advisor. The Advisor s senior investment professionals and senior management will evaluate, negotiate, structure, close and monitor our investments. Our future success will depend on the continued service of the senior management team of our

Advisor. The departure of one or more senior investment professionals of our Advisor could have a material adverse effect on our ability to achieve our investment objective and on the value of our common shares. We will rely on certain employees of the Advisor who will be devoting significant amounts of their time to non-Company related activities of the Advisor. To the extent the Advisor s senior investment professionals and senior management are unable to, or do not, devote sufficient amounts of their time and energy to our affairs, our performance may suffer.

The incentive fee payable to our Advisor may create conflicting incentives.

The incentive fee payable by us to our Advisor may create an incentive for our Advisor to make investments on our behalf that are riskier or more speculative than would be the case in the absence of such a compensation arrangement. Because a portion of the incentive fee payable to our Advisor is calculated as a percentage of the amount of our net investment income that exceeds a hurdle rate, our Advisor may imprudently use leverage to increase the return on our investments. Under some circumstances, the use of leverage may increase the likelihood of default, which would disfavor the holders of our common shares. In addition, our Advisor will receive an incentive fee based, in part, upon net realized capital gains on our investments. Unlike the portion of the incentive fee based on net investment income, there is no hurdle rate applicable to the portion of the incentive fee based on net capital gains. As a result, our Advisor may have an incentive to pursue investments that are likely to result in capital gains as compared to income producing securities. Such a practice could result in our investing in more speculative or long term securities than would otherwise be the case, which could result in higher investment losses, particularly during economic downturns or longer return cycles.

We may be required to pay an incentive fee even in a fiscal quarter in which we have incurred a loss. For example, if we have pre-incentive fee net investment income above the hurdle rate and realized capital losses, we will be required to pay the investment income portion of the incentive fee.

The investment income portion of the incentive fee payable by us will be computed and paid on income that may include interest that has been accrued but not yet received in cash, and the collection of which is uncertain or deferred. If a portfolio company defaults on a loan that is structured to provide accrued interest, it is possible that accrued interest previously used in the calculation of the investment income portion of the incentive fee will become uncollectible. Our Advisor will not be required to reimburse us for any such incentive fee payments.

Our Advisor and its management have limited experience operating under the constraints imposed on us as a BDC.

The 1940 Act imposes numerous constraints on the operations of BDCs. For example, BDCs are required to invest at least 70% of their total assets primarily in securities of private or thinly traded U.S. public companies, cash, cash equivalents, U.S. Government securities and other high quality debt investments that mature in one year or less. These constraints, among others, may hinder the Advisor s ability to take advantage of attractive investment opportunities and to achieve our investment objective. Our Advisor s experience operating under these constraints is limited to the period since our commencement of operations.

Because we expect to distribute substantially all of our income to our stockholders, we will continue to need additional capital to make new investments. If additional funds are unavailable or not available on favorable terms, our ability to make new investments will be impaired.

Our business will require a substantial amount of capital in addition to the proceeds of this offering if we distribute substantially all of our income to our stockholders and we are to make new investments. We have entered into a secured revolving credit facility and intend to use a portion of the proceeds of this offering to repay the outstanding balance of that credit facility. We may acquire additional capital from the issuance of securities senior to our common shares, including additional borrowings or other indebtedness or the issuance of additional securities. We may also acquire additional capital through the issuance of additional equity. However, we may not be able to raise additional capital in the future on favorable terms or at all. Our credit facility contains a covenant precluding us from incurring additional debt. We may issue debt securities, other instruments of indebtedness or preferred stock, and we intend to borrow money from banks or other financial institutions, which we refer to collectively as senior securities, up to the maximum amount permitted by the 1940 Act. The 1940 Act permits us to issue senior securities in amounts such that our asset coverage, as defined in the 1940 Act, equals at least 200% after each issuance of senior securities. Our ability to pay distributions or issue additional senior securities is restricted if our asset coverage ratio is not at least 200%, or put another way, the value of our assets (less all liabilities and indebtedness not represented by senior securities) must be at least twice that of any outstanding senior securities (plus the aggregate involuntary liquidation preference of any preferred stock). If the value of our assets declines, we may be unable to satisfy this test. If that happens, we may be required to liquidate a portion of our investments and repay a portion of our indebtedness at a time when such sales may be disadvantageous. As a result of issuing senior securities, we will also be exposed to typical risks associated with leverage, including increased risk of loss. If we issue preferred securities which will rank senior to our common shares in our capital structure, the holders of such preferred securities may have separate voting rights and other rights, preferences or privileges more favorable than those of our common shares, and the issuance of such preferred securities could have the effect of delaying, deferring or preventing a transaction or a change of control that might involve a premium price for security holders or otherwise be in our best interest.

To the extent our ability to issue debt or other senior securities is constrained, we will depend on issuances of additional common shares to finance new investments. As a BDC, we generally are not be able to issue additional common shares at a price below net asset value (net of any sales load (underwriting discount)) without first obtaining required approvals of our stockholders and our independent directors which could constrain our ability to issue additional equity. Our stockholders granted us the authority to sell our common shares below NAV, subject to certain conditions. This authority extends through December 20, 2007. If we raise additional funds by issuing more of our common shares or senior securities convertible into, or exchangeable for, our common shares, the percentage ownership of our stockholders at that time would decrease, and you may experience dilution.

As a BDC, we are subject to limitations on our ability to engage in certain transactions with affiliates.

As a BDC, we are prohibited under the 1940 Act from knowingly participating in certain transactions with our affiliates without the prior approval of our independent directors or the SEC. Any person that owns, directly or indirectly, 5% or more of our outstanding voting securities is our affiliate for purposes of the 1940 Act and we are generally prohibited from buying or selling any security from or to such affiliate, absent the prior approval of our independent directors. The 1940 Act also prohibits joint transactions with an affiliate, which could include investments in the same portfolio company (whether at the same or different times), without prior approval of our independent directors. If a person acquires more than 25% of our voting securities, we will be prohibited from buying or selling any security from or to such person, or entering into joint transactions with such person, absent prior approval of the SEC.

If our investments are deemed not to be qualifying assets, we could lose our status as a BDC or be precluded from investing according to our current business plan.

As a BDC, we must not acquire any assets other than qualifying assets unless, at the time of and after giving effect to such acquisition, at least 70% of our total assets are qualifying assets. If our investments are deemed not to be qualifying assets, our status as a BDC may be jeopardized or we may be precluded from investing in the manner described in this prospectus, either of which would have a material adverse effect on our business, financial condition and results of operations. We also may be required to dispose of investments, which could have a material adverse effect on us and our stockholders, because even if we were successful in finding a buyer, we may have difficulty in finding a buyer to purchase such investments on favorable terms or in a sufficient time frame. As of August 7, 2007, approximately $30.9 million, or approximately 20.3%, of our investments (valued at May 31, 2007 or at cost if purchased after May 31, 2007) are not qualifying assets.

We may choose to invest a portion of our portfolio in investments that may be considered highly speculative and that could negatively impact our ability to pay distributions and cause you to lose part of your investment.

The 1940 Act permits a BDC to invest up to 30% of its assets in investments that do not meet the test for qualifying assets. Such investments may be made by us with the expectation of achieving a higher rate of return or increased cash flow with a portion of our portfolio and may fall outside of our targeted investment criteria. These investments may be made even though they may expose us to greater risks than our other investments and may consequently expose our portfolio to more significant losses than may arise from our other investments. We may invest up to 30% of our total assets in assets that are non qualifying assets in among other things, high yield bonds, bridge loans, distressed debt, commercial loans, private equity, and securities of public companies or secondary market purchases of securities of target portfolio companies. Such investments could impact negatively our ability to pay you distributions and cause you to lose part of your investment.

Our debt increases the risk of investing in us.

On April 25, 2007, we entered into a credit facility that replaced our previous revolving credit facility. On July 18, 2007, the credit facility was amended to increase the maximum principal amount of the revolving credit facility from $20.0 million to $35.0 million. As of August 7, 2007, we had an outstanding balance of $23.9 million under the credit facility. The credit facility precludes us from incurring additional debt and we may face liquidity constraints as a result. We may in the future incur incremental debt to increase our ability to make investments. Lenders from whom we may borrow money or holders of our debt securities will have fixed dollar claims on our assets that are superior to the claims of our stockholders, and we have and may grant a security interest in our assets in connection with our debt. In the case of a liquidation event, those lenders or note holders would receive proceeds before our stockholders. In addition, debt, also known as leverage, magnifies the potential for gain or loss on amounts invested and, therefore, increases the risks associated with investing in our securities. Leverage is generally considered a speculative investment technique and the costs of any leverage transactions will be borne by our stockholders. In addition, because the base management fee we pay to our Advisor is based on Managed Assets (which includes any assets purchased with borrowed funds), our Advisor may imprudently borrow funds in an attempt to increase our managed assets and in conflict with our or our stockholders best interests. If the value of our assets increases, then leveraging would cause the net asset value attributable to our common shares to increase more than it otherwise would have had we not leveraged. Conversely, if the value of our assets decreases, leveraging would cause the net asset value attributable to our common shares to decline more than it otherwise would have had we not leveraged. Similarly, any increase in our revenue in excess of interest expense on our borrowed funds would cause our net income to increase more than it would without the leverage. Any decrease in our revenue would cause our net income to decline more than it would have had we not borrowed funds and could negatively affect our ability to make distributions on our common shares. Our ability to service any debt that we incur will depend largely on our financial performance and the performance of our portfolio companies and will be subject to prevailing economic conditions and competitive pressures.

Illustration. The following table illustrates the effect of leverage on returns from an investment in our common shares assuming various annual returns, net of expenses. The calculations in the table below are hypothetical and actual returns may be higher or lower than those appearing in the table below.