

MORRIS ANDREW J  
 Form 4  
 July 21, 2008

**FORM 4**

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

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN 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 \*  
**PERSISTENCY**

(Last) (First) (Middle)

**UGLAND HOUSE, SOUTH  
 CHURCH STREET**

(Street)

**GEORGE TOWN, E9 00000**

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol

**CANARGO ENERGY CORP [CNR]**

3. Date of Earliest Transaction  
 (Month/Day/Year)

**06/28/2008**

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

\_\_\_ Director \_\_\_X\_\_\_ 10% Owner  
 \_\_\_ Officer (give title below) \_\_\_ Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)

\_\_\_ Form filed by One Reporting Person  
 \_\_\_X\_\_\_ Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|--|
|                                 |                                      |  |                                | (A) or (D)  | Code V Amount (D) Price   |  |  |

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

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SEC 1474  
 (9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

| 1. Title of Derivative Security | 2. Conversion or Exercise | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any | 4. Transaction Code | 5. Number of | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) |
|---------------------------------|---------------------------|--------------------------------------|-----------------------------------|---------------------|--------------|--|---|
|---------------------------------|---------------------------|--------------------------------------|-----------------------------------|---------------------|--------------|--|---|

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| (Instr. 3)            | Price of<br>Derivative<br>Security | (Month/Day/Year) | (Instr. 8) | Derivative<br>Securities<br>Acquired<br>(A) or<br>Disposed<br>of (D)<br>(Instr. 3,<br>4, and 5) | Code | V | (A) | (D) | Date<br>Exercisable | Expiration<br>Date | Title        | Amount or<br>Number of<br>Shares |
|-----------------------|------------------------------------|------------------|------------|---|------|---|-----|-----|---------------------|--------------------|--------------|----------------------------------|
| Note <u>(1)</u>       | \$ 1                               |                  |            |   |      |   |     |     | 12/28/2006          | 06/28/2010         | Common Stock | 10,000,000                       |
| Note <u>(1)</u>       | \$ 1                               |                  |            |   |      |   |     |     | 12/28/2006          | 06/28/2010         | Common Stock | 10,000,000                       |
| Warrant<br><u>(1)</u> | \$ 1                               |                  |            |   |      |   |     |     | 06/06/2008          | 09/01/2009         | Common Stock | 5,000,000                        |
| Warrant<br><u>(1)</u> | \$ 1                               |                  |            |   |      |   |     |     | 06/06/2008          | 09/01/2009         | Common Stock | 5,000,000                        |
| Note <u>(1)</u>       | \$ 1                               |                  |            |   |      |   |     |     | 06/30/2007          | 06/30/2010         | Common Stock | 600,000                          |
| Note <u>(1)</u>       | \$ 1                               |                  |            |   |      |   |     |     | 06/30/2007          | 06/30/2010         | Common Stock | 600,000                          |

## Reporting Owners

### Reporting Owner Name / Address

### Relationships

Director 10% Owner Officer Other

PERSISTENCY  
UGLAND HOUSE  
SOUTH CHURCH STREET  
GEORGE TOWN, E9 00000

X

PERSISTENCY CAPITAL, LLC  
1270 AVENUE OF THE AMERICAS  
SUITE 2100  
NEW YORK, NY 10020

X

MORRIS ANDREW J  
C/O PERSISTENCY CAPITAL, LLC  
1270 AVENUE OF THE AMERICAS, SUITE 2100  
NEW YORK, NY 10020

X

## Signatures

Persistency, By: /s/ Andrew J. Morris

07/21/2008

\*\*Signature of Reporting Person

Date

Persistency Capital, LLC, By: /s/ Andrew J. Morris

07/21/2008

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\_\_Signature of Reporting Person

Date

/s/ Andrew J. Morris

07/21/2008

\_\_Signature of Reporting Person

Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, *see* Instruction 4(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).

Due to the expiration of unexercised warrants on June 28, 2008, this Form 4 is being filed to reflect the fact that the Reporting Persons no longer beneficially own more than 10% of the Issuer's securities. The reported securities reflect present beneficial ownership amounts. No transactions are being reported on this Form 4.

- (2) These securities are directly owned by Persistency.

These securities are directly owned by Persistency and may be deemed to be beneficially owned by Persistency Capital, LLC by virtue of its role as the investment manager of Persistency and Andrew J. Morris as the managing member of Persistency Capital, LLC. The

- (3) Reporting Persons disclaim beneficial ownership of the reported securities except to the extent of their pecuniary interest therein, and this report shall not be deemed an admission that such Reporting Persons are the beneficial owners of the securities for purposes of Section 16 of the Securities Exchange Act of 1934, as amended, or for any other purpose.

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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