

CANARGO ENERGY CORP  
 Form 3  
 November 06, 2006

**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 PERSISTENCY (Last) (First) (Middle)  PO BOX 309,Â GEORGE TOWN, CAYMAN ISLANDS (Street)  BRITISH WEST INDIES,Â Â (City) (State) (Zip)	2. Date of Event Requiring Statement (Month/Day/Year) 10/28/2006	3. Issuer Name <b>and</b> Ticker or Trading Symbol CANARGO ENERGY CORP [CNR]	4. Relationship of Reporting Person(s) to Issuer  (Check all applicable) <input type="checkbox"/> Director <input checked="" type="checkbox"/> 10% Owner <input type="checkbox"/> Officer <input type="checkbox"/> Other (give title below) (specify below)	5. If Amendment, Date Original Filed(Month/Day/Year)	6. Individual or Joint/Group Filing(Check Applicable Line) <input type="checkbox"/> Form filed by One Reporting Person <input checked="" type="checkbox"/> Form filed by More than One Reporting Person
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**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)
Common Stock, par value \$0.10 per share	256,600	D	Â
Common Stock, par value \$0.10 per share	500,000	I <u>(1)</u>	Held by Persistency Private Equity Limited.
Common Stock, par value \$0.10 per share	32,500	I <u>(1)</u>	Held by Andrew Morris.

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

SEC 1473 (7-02)

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

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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) (Instr. 5)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable	Expiration Date	Title	Amount or Number of Shares			
Warrant to Purchase Common Stock	12/28/2006	06/28/2008	Common stock	12,500,000	\$ 1	D	Â
Note Convertible into Common Stock	12/28/2006	06/28/2010	Common stock	10,000,000	\$ 1	D	Â
Warrant to Purchase Common Stock	06/28/2006	Â (2)	Common stock	5,000,000	\$ 1	D	Â
Note Convertible into Common Stock	06/28/2006	09/01/2009	Common stock	5,000,000	\$ 1	D	Â

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
PERSISTENCY PO BOX 309 GEORGE TOWN, CAYMAN ISLANDS BRITISH WEST INDIESÂ	Â	Â X	Â	Â
Chasm Lake Management Services, LLC 850 7TH AVENUE, SUITE 701 NEW YORK,Â NYÂ 10019	Â	Â X	Â	Â
Morris Andrew 850 7TH AVENUE, SUITE 701 NEW YORK,Â NYÂ 10019	Â	Â X	Â	Â
Persistency Private Equity LTD 57/63 LINE WALL ROAD GIBRALTARÂ	Â	Â X	Â	Â

## Signatures

/s/ Andrew J. Morris, Director of Persistency	11/03/2006
**Signature of Reporting Person	Date
/s/ Andrew J. Morris, Managing Director of Chasm Lake Management Services, LLC d/b/a Persistency Capital	11/03/2006
**Signature of Reporting Person	Date
/s/ Andrew J. Morris	11/03/2006
**Signature of Reporting Person	Date
/s/ Andrew J. Morris, Authorized Signatory for Persistency Private Equity Limited	11/03/2006

\_\_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) The reporting person disclaims beneficial ownership of the reported securities except to the extent of its pecuniary interest therein, and this report shall not be deemed an admission that the reporting person is the beneficial owner of such securities for purposes of Section 16 or for any other purpose.
 

The expiration date of these warrants is provided for in the Warrant certificate, which provides for alternative expiration dates based on the fulfillment of certain productivity targets, the occurrence of certain business reorganization events, the exercise of other CanArgo warrants, and/or the extension of the exercise period by CanArgo's Board of Directors.
  - (2)

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### Remarks:

Chasm Lake Management Services, LLC d/b/a Persistency Capital is the investment manager of Persistency Limited. Andrew Morris is the managing director of Chasm Lake Management Services LLC, a dissignatory for Persistency Private Equity Limited. Each of the joint filers disclaims beneficial ownership except to the extent of its pecuniary interest therein, and this report shall not be deemed an admission that the joint filer is the beneficial owner of such securities for purposes of Section 16 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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