CANARGO ENERGY CORP
Form 4
June 12, 2007

FORM 4

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

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

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).

(Print or Type Responses)

1. Name and Address of Reporting Person *
PERSISTENCY

(Last) (First) (Middle)

P.O. BOX 309,

(Street)

GEORGE TOWN, E9

(City) (State) (Zip)

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

3. Date of Earliest Transaction (Month/Day/Year)
06/05/2007

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

5. Relationship of Reporting Person(s) to Issuer
(Check all applicable)
_____ Director
_____ Officer (give title below)
__X__ 10% Owner
_____ 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 Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock								256,600	D (1)	
Common Stock								500,000	I (2)	Held by Persistency Private Equity Limited
Common Stock								32,500	I (3)	Held by Andrew Morris

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 (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title Underly (Instr. 3
								Date Exercisable	Expiration Date	Title
				Code	V	(A)	(D)			
Note Convertible into Common Stock	$ 1	06/05/2007		J[4]			5,000,000	06/28/2006	09/01/2009	Comm Stoc
Note Convertible into Common Stock	$ 1	06/05/2007		J[4]			5,000,000	06/28/2006	09/01/2009	Comm Stoc
Warrant to Purchase Common Stock	$ 1							12/28/2006	06/28/2008	Comm Stoc
Warrant to Purchase Common Stock	$ 1							12/28/2006	06/28/2008	Comm Stoc
Note Convertible into Common Stock	$ 1							12/28/2006	06/28/2010	Comm Stoc
Note Convertible into Common Stock	$ 1							12/28/2006	06/28/2010	Comm Stoc
Warrant to Purchase Common Stock	$ 1	06/05/2007		J[4]		5,000,000		[6]	09/01/2009	Comm Stoc

Warrant to Purchase Common Stock	$ 1	06/05/2007		J[4]	5,000,000	[6]	09/01/2009	Comm Stoc

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
PERSISTENCY P.O. BOX 309 GEORGE TOWN, E9		X		
PERSISTENCY CAPITAL, LLC 1270 AVENUE OF THE AMERICAS SUITE 2100 NEW YORK, NY 10020		X		
Morris Andrew C/O PERSISTENCY CAPITAL 850 7TH AVENUE, SUITE 701 NEW YORK, NY 10019		X		
Persistency Private Equity LTD C/O PERSISTENCY CAPITAL 850 7TH AVENUE, SUITE 701 NEW YORK, NY 10019		X		

Signatures

Persistency(+) By: /s/ Andrew J. Morris, Director	06/12/2007
**Signature of Reporting Person	Date
Persistency Capital, LLC(+), By: /s/ Andrew J. Morris, Managing Member	06/12/2007
**Signature of Reporting Person	Date
/s/ Andrew J. Morris(+)	06/12/2007
**Signature of Reporting Person	Date
Persistency Private Equity Limited(+), By: /s/ Andrew J. Morris, Director	06/12/2007
**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).

(1) The reported securities are directly owned by Persistency.

(2) The reported securities are directly owned by Persistency Private Equity Ltd. and may be deemed to be beneficially owned by Persistency Capital, LLC as the investment manager of Persistency Private Equity Ltd. and Andrew J. Morris, managing member of Persistency Capital, LLC. The Reporting Persons disclaim beneficial ownership of the reported securities except to the extent of his or its pecuniary interest therein, and this report shall not be deemed an admission that such reporting person is the beneficial owner of the securities for

purposes of Section 16 of the Securities Exchange Act of 1934, as amended, or for any other purpose.

(3) These securities are owned by Andrew J. Morris.

(4) Pursuant to that certain Conversion Agreement between Persistency, Canargo Energy Corporation ("Canargo") and certain holders of Canargo's senior secured notes due July 25, 2009 (the "Agreement"), dated June 5, 2007, as of the effective time of the Agreement, these reported securities were converted into 2,000,000 shares of common stock of Tethys Petroleum Limited and 5,000,000 warrants to purchase common stock of Canargo, which will be exercisable June 12, 2008.

(5) The reported securities are directly owned by Persistency and may be deemed beneficially owned by Persistency Capital, LLC as the investment manager of Persistency and Andrew J. Morris, managing member of Persistency Capital, LLC. The Reporting Persons disclaim beneficial ownership of the reported securities except to the extent of his or its pecuniary interest therein, and this report shall not be deemed an admission that such Reporting Person is the beneficial owner of the securities for purposes of Section 16 of the Securities Exchange Act of 1934, as amended, or for any other purpose.

(6) These warrants will be exercisable June 12, 2008.

Remarks:

(+) Persistency Capital, LLC replaced Chasm Lake Management Services, LLC d/b/a Persistency Capital as the investment manager of Persistency and of Persistency Private Equity Limited on January 1, 2007. Andrew Morris is the managing memb of Persistency Capital, LLC, a director of Persistency, and an authorized signatory for Persistency Private Equity Limited. Each of the joint filers 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 any one of the joint filers 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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