

CANARGO ENERGY CORP  
Form SC 13G/A  
February 14, 2007

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OMB APPROVAL  
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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

SCHEDULE 13G  
(Amendment No. 1)\*

Under the Securities Exchange Act of 1934

Canargo Energy Corporation

-----  
(Name of Issuer)

Common Stock

-----  
(Title of Class of Securities)

137225108

-----  
(CUSIP Number)

December 31, 2006

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(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this  
Schedule is filed:

Rule 13d-1(b)

Rule 13d-1(c)

Rule 13d-1(d)

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\* The remainder of this cover page shall be filled out for a reporting  
person's initial filing on this form with respect to the subject class of  
securities, and for any subsequent amendment containing information which  
would alter the disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be  
deemed to be "filed" for the purpose of Section 18 of the Securities Exchange  
Act of 1934, as amended ("Act") or otherwise subject to the liabilities of that  
section of the Act but shall be subject to all other provisions of the Act  
(however, see the Notes).

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CUSIP No. 137225108  
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1. NAME OF REPORTING PERSONS  
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)  
  
Persistency
  2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)  
(a)   
(b)
  3. SEC USE ONLY
  4. CITIZENSHIP OR PLACE OF ORGANIZATION  
  
Cayman Islands, B.W.I.
- NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH
5. SOLE VOTING POWER  
  
0
  6. SHARED VOTING POWER  
  
27,756,600
  7. SOLE DISPOSITIVE POWER  
  
0
  8. SHARED DISPOSITIVE POWER  
  
27,756,600
  9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
  
27,756,600
  10. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN  
SHARES (SEE INSTRUCTIONS)
  11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9  
  
10.49%
  12. TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)  
  
CO
- 

CUSIP No. 137225108

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1. NAME OF REPORTING PERSONS  
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)  
  
Persistency Capital, LLC (1)
  2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)  
  
(a)   
(b)
  3. SEC USE ONLY
  4. CITIZENSHIP OR PLACE OF ORGANIZATION  
  
Delaware, U.S.A.
- NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH
5. SOLE VOTING POWER  
  
0
  6. SHARED VOTING POWER  
  
28,256,600
  7. SOLE DISPOSITIVE POWER  
  
0
  8. SHARED DISPOSITIVE POWER  
  
28,256,600
  9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
  
28,256,600
  10. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN  
SHARES (SEE INSTRUCTIONS)
  11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9  
  
10.68%
  12. TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)  
  
CO

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(1) Persistency Capital, LLC may be deemed to be the beneficial owner of such securities by virtue of its role as the investment manager of Persistency and the investment manager to other investment funds which own such securities. Persistency Capital, LLC has replaced Chasm Lake Management Services as the investment manager of Persistency which had been reported in the Schedule 13G filed on July 7, 2006. In addition, Persistency Capital, LLC, has replaced Chasm Lake Management Services as the investment

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manager of certain other investment funds which own securities of the Issuer and which had been reported in the Schedule 13G filed on July 7, 2006.

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CUSIP No. 137225108  
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1. NAME OF REPORTING PERSONS  
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)  
  
Andrew Morris (2)
  2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)  
  
(a)   
(b)
  3. SEC USE ONLY
  4. CITIZENSHIP OR PLACE OF ORGANIZATION  
  
United Kingdom
- NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH
5. SOLE VOTING POWER  
  
32,500
  6. SHARED VOTING POWER  
  
28,256,600
  7. SOLE DISPOSITIVE POWER  
  
32,500
  8. SHARED DISPOSITIVE POWER  
  
28,256,600
  9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
  
28,289,100
  10. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)
  11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9  
  
10.69%
  12. TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)  
  
IN

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(2) Mr. Morris may be deemed to be the beneficial owner of the securities reported herein by virtue of his role as Managing Member of Persistency Capital, LLC.

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CUSIP No. 137225108

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Item 1(a). Name of Issuer:

Canargo Energy Corporation

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(b). Address of Issuer's Principal Executive Offices:

P.O. Box 291, St. Peter Port  
Guernsey, GY1 3RR, British Isles

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Item 2(a). Names of Persons Filing:

Persistency  
Persistency Capital, LLC  
Andrew Morris

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(b). Address of Principal Business Office, or if None, Residence:

Persistency  
PO Box 309  
Ugland House, South Church Street  
George Town, Cayman Islands  
British West Indies

Persistency Capital, LLC  
850 7th Avenue  
Suite 701  
New York, New York 10019  
U.S.A.

Andrew Morris  
c/o Persistency Capital, LLC  
850 7th Avenue  
Suite 701  
New York, New York 10019  
U.S.A.

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(c). Citizenship:

Persistency - George Town, Cayman Islands B.W.I.

Persistency Capital, LLC - Delaware, U.S.A.

Andrew Morris - United Kingdom

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(d). Title of Class of Securities:

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Common Stock  
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(e). CUSIP Number:

137225108  
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Item 3. If This Statement is filed pursuant to ss.240.13d-1(b) or 240.13d-2(b), or (c), check whether the person filing is a:

- (a)  Broker or dealer registered under Section 15 of the Exchange Act (15 U.S.C. 78c).
- (b)  Bank as defined in Section 3(a)(6) of the Exchange Act (15 U.S.C. 78c).
- (c)  Insurance company as defined in Section 3(a)(19) of the Exchange Act (15 U.S.C. 78c).
- (d)  Investment company registered under Section 8 of the Investment Company Act of 1940 (15 U.S.C. 80a-8).
- (e)  An investment adviser in accordance with s.240.13d-1(b)(1)(ii)(E);
- (f)  An employee benefit plan or endowment fund in accordance with s.240.13d-1(b)(1)(ii)(F);
- (g)  A parent holding company or control person in accordance with Rule 13d-1(b)(1)(ii)(G);
- (h)  A savings association as defined in Section 3(b) of the Federal Deposit Insurance Act (12 U.S.C.1813);
- (i)  A church plan that is excluded from the definition of an investment company under Section 3(c)(14) of the Investment Company Act of 1940 (15 U.S.C. 80a-3);
- (j)  Group, in accordance with s.240.13d-1(b)(1)(ii)(J).

Item 4. Ownership.

Provide the following information regarding the aggregate number and percentage of the class of securities of the issuer identified in Item 1.

(a) Amount beneficially owned:

Persistency - 27,756,600

Persistency Capital, LLC - 28,256,600

Andrew Morris - 28,289,100  
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(b) Percent of class:

Persistency - 10.49%

Persistency Capital, LLC - 10.68%

Andrew Morris - 10.69%  
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(c) Number of shares as to which the person has:

Persistency

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|       |   |            |        |
|-------|---|------------|--------|
| (i)   | Sole power to vote or to direct the vote                | 0          | -----, |
| (ii)  | Shared power to vote or to direct the vote              | 27,756,600 | -----, |
| (iii) | Sole power to dispose or to direct the disposition of   | 0          | -----, |
| (iv)  | Shared power to dispose or to direct the disposition of | 27,756,600 | -----. |

Persistency Capital, LLC

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|       |   |            |        |
|-------|---|------------|--------|
| (i)   | Sole power to vote or to direct the vote                | 0          | -----, |
| (ii)  | Shared power to vote or to direct the vote              | 28,256,600 | -----, |
| (iii) | Sole power to dispose or to direct the disposition of   | 0          | -----, |
| (iv)  | Shared power to dispose or to direct the disposition of | 28,256,600 | -----. |

Andrew Morris

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|       |   |            |        |
|-------|---|------------|--------|
| (i)   | Sole power to vote or to direct the vote                | 32,500     | -----, |
| (ii)  | Shared power to vote or to direct the vote              | 28,256,600 | -----, |
| (iii) | Sole power to dispose or to direct the disposition of   | 32,500     | -----, |
| (iv)  | Shared power to dispose or to direct the disposition of | 28,256,600 | -----. |

Item 5. Ownership of Five Percent or Less of a Class.

If this statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner of more than five percent of the class of securities, check the following [ ].

Not applicable.

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Item 6. Ownership of More Than Five Percent on Behalf of Another Person.

If any other person is known to have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, such securities, a statement to that effect should be included in response to this item and, if such interest relates to more than five percent of the class, such person should be identified. A listing of the shareholders of an investment company registered under the Investment Company Act of 1940 or the beneficiaries of employee benefit plan, pension fund or endowment fund is not required.

Not applicable.  
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Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on by the Parent Holding Company or Control Person.

If a parent holding company or Control person has filed this schedule, pursuant to Rule 13d-1(b)(1)(ii)(G), so indicate under Item 3(g) and attach an exhibit stating the identity and the Item 3 classification of the relevant subsidiary. If a parent holding company or control person has filed this schedule pursuant to Rule 13d-1(c) or Rule 13d-1(d), attach an exhibit stating the identification of the relevant subsidiary.

Not applicable.  
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Item 8. Identification and Classification of Members of the Group.

If a group has filed this schedule pursuant to s.240.13d-1(b)(1)(ii)(J), so indicate under Item 3(j) and attach an exhibit stating the identity and Item 3 classification of each member of the group. If a group has filed this schedule pursuant to s.240.13d-1(c) or s.240.13d-1(d), attach an exhibit stating the identity of each member of the group.

Not applicable.  
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Item 9. Notice of Dissolution of Group.

Notice of dissolution of a group may be furnished as an exhibit stating the date of the dissolution and that all further filings with respect to transactions in the security reported on will be filed, if required, by members of the group, in their individual capacity. See Item 5.

Not applicable.  
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Item 10. Certification.

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having such purpose or effect.

SIGNATURE



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After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Date: February 14, 2007

Persistency\*

By: /s/ Andrew Morris

-----  
Name: Andrew Morris

Title: Authorized signatory

Persistency Capital, LLC\*

By: /s/ Andrew Morris

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Name: Andrew Morris

Title: Managing Member

/s/ Andrew Morris\*

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Andrew Morris

\* The Reporting Persons disclaim beneficial ownership in the Common Stock, except to the extent of his pecuniary interest therein.

The original statement shall be signed by each person on whose behalf the statement is filed or his authorized representative. If the statement is signed on behalf of a person by his authorized representative other than an executive officer or general partner of the filing person, evidence of the representative's authority to sign on behalf of such person shall be filed with this statement, provided, however, that a power of attorney, for this purpose which is already on file with the Commission may be incorporated by reference. The name and any title of each person who signs the statement shall be typed or printed beneath his signature.

Note. Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See s.240.13d-7 for other parties for whom copies are to be sent.

Attention. Intentional misstatements or omissions of fact constitute federal criminal violations (see 18 U.S.C. 1001).

Exhibit A

AGREEMENT

The undersigned agree that this Schedule 13G Amendment No. 1 dated February 14, 2007 relating to the Common Stock of Canargo Energy Corporation, shall be filed on behalf of the undersigned.

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Persistency

By: /s/ Andrew Morris

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Name: Andrew Morris

Title: Authorized signatory

Persistency Capital, LLC

By: /s/ Andrew Morris

-----  
Name: Andrew Morris

Title: Managing Member

/s/ Andrew Morris

-----  
Andrew Morris

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