CRIMSON EXPLORATION INC.
Form POS AM
November 17, 2006
As filed with the Securities and Exchange Commission on November 16, 2006.

Registration No. 333-116048

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Post-Effective Amendment No. 5

To

Form S-1

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

Crimson Exploration Inc.

(Exact name of registrant as specified in its charter)

Delaware	**1311**	**20-3037840**
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification No.)

Crimson Exploration Inc.
480 N. Sam Houston Parkway, Suite 300
Houston, Texas 77060

Telephone: (281) 820-1919

(Address, including zip code, and telephone number, including area code, of registrant s principal executive offices)

E. Joseph Grady

Senior Vice President and Chief Financial Officer

480 N. Sam Houston Parkway, Suite 300

Houston, Texas 77060

Telephone: (281) 820-1919
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies To:

Julien Smythe

Akin Gump Strauss Hauer & Feld LLP

1111 Louisiana Street, 44th Floor

Houston, Texas 77002

Telephone: (713) 220-5800

Approximate date of commencement of proposed sale to the public: From time to time after the effective date of this Registration Statement as selling shareholders may decide.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. : x

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering: [ ]

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering: [ ]

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 A DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(A), MAY DETERMINE.

Subject to Completion, Dated November 16, 2006

P R O S P E C T U S

CRIMSON EXPLORATION INC.

1,498,403

Shares of Crimson Exploration Inc. Common Stock

(the Shares)

This prospectus relates to the resale of up to 1,498,403 Shares issued or issuable to certain selling shareholders assuming the exercise of warrants or conversion of certain preferred stock by those shareholders. This offering is not being underwritten. The selling shareholders have advised us that they will sell the shares from time to time in the open market, in privately negotiated transactions or a combination of these methods at market prices prevailing at the time of sale, at prices related to the prevailing market prices, at negotiated prices, or otherwise as described under Plan of Distribution. We will pay all expenses of registration incurred in connection with this offering, but the selling shareholders will pay all of their selling commission, brokerage fees and related expenses. We will not receive proceeds from the sale of shares by our shareholders, although we will receive proceeds from the exercise of our warrants, if and when they are exercised.

Our common stock was traded over-the-counter under the symbol **CXPI** until September 15, 2006. As a result of the reverse stock split described in Recent Transactions we now trade under the new symbol **CXPO**. All share amounts and conversion and exercise prices in this prospectus, other than such amounts and prices incorporated by reference into this prospectus, have been adjusted for the reverse stock split. On November 15, 2006 the average of the high and low bid and asked prices of our common stock as traded over-the-counter was $ 6.89 per share.

Investing in our stock involves a high degree of risk. Please see Risk Factors on page 6 for a discussion of certain factors that you should consider before investing.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

The information in this prospectus is not complete and may be changed. The selling shareholders may not sell or offer these securities until this registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

The date of this prospectus is , 2006

TABLE OF CONTENTS

PROSPECTUS SUMMARY

This summary highlights selected information contained elsewhere in this prospectus. The following summary does not contain all of the information that may be important. You should read the detailed information appearing elsewhere in this prospectus before making an investment decision. Certain terms that we use in our industry are italicized and defined in the Glossary of Industry Terms and Abbreviations located in our Annual Report on Form 10-K for the year ended December 31, 2005. Unless otherwise indicated, all references to Crimson Exploration , the Company , we , us and our refer to Crimson Exploration Inc., its predecessor GulfWest Energy Inc. and our subsidiaries.

Our Business

We are primarily engaged in the acquisition, development, exploitation and production of crude oil and natural gas, primarily in the onshore producing regions of the United States. Our focus is on increasing production from our existing properties through further exploitation, development and exploration, and on acquiring additional interests in undeveloped and underdeveloped crude oil and natural gas properties.

Since we made our first significant acquisition in 1993, we have substantially increased our ownership in producing properties and our crude oil and natural gas reserves through a combination of acquisitions and the further exploitation and development of our properties. At December 31, 2005, our part of the estimated proved reserves these properties contained was approximately 2.7 million barrels (MBbl) of oil and 24.7 billion cubic feet (Bcf) of natural gas with an estimated Net Present Value discounted at 10% (PV-10) of $171.6 million. At present, all of our properties are located on land in Texas, Colorado, Louisiana and Mississippi, except for the property in the shallow inland boundaries of Grand Lake, Louisiana. In the future, we plan to expand by acquiring additional properties in those areas, and in similar properties located in other producing regions of the United States, including the shallow waters of the Gulf of Mexico.

Our operations are considered to fall within a single industry segment, which is the acquisition, development, production and servicing of crude oil and natural gas properties.

Our Company

We were formed as a corporation under the laws of the State of Utah in 1987 as Gallup Acquisitions, Inc., and subsequently changed our name to First Preference Fund, Inc. in 1992. We became a Texas corporation by a merger effected in July 1992, in which our name became GulfWest Oil Company. On May 21, 2001, we changed our name to GulfWest Energy Inc. On June 29, 2005 we became a Delaware corporation by merger in which our name became Crimson Exploration Inc. Our common stock was traded over-the-counter (OTC) under the symbol **CXPI** until September 15, 2006. As a result of the reverse stock split described in Recent Transactions we now trade under the new symbol **CXPO**.

Our principal office is located at 480 North Sam Houston Parkway East, Suite 300, Houston, Texas 77060 and our telephone number is (281) 820-1919.

Recent Transactions

Core Merger

On March 22, 2006 we purchased a 100% working interest (75% net revenue interest) in leases on approximately 22,000 undeveloped acres in Culberson County, Texas. The acreage, believed to contain producible reserves in the Barnett Shale and Atoka formations, was acquired through our acquisition, by merger, of Core Natural Resources, Inc. (Core), a privately-held entity that was incorporated solely to hold the leases being acquired by us. Pursuant to the merger agreement, we paid off $2,045,258 of Core indebtedness at the closing of the merger. In addition, we paid approximately $706,000 in cash to Core stockholders and issued approximately 324,000 shares of our common stock as the stock consideration. The cash paid at closing was funded from cash on hand and temporary borrowings under our credit facility. We also issued approximately 46,300 shares of common stock to a Core shareholder as consideration for the assignment of a 2% overriding royalty interest owned by that shareholder in the oil and gas leases of Core (giving us a total 77% net revenue interest). All stock issued in conjunction with these transactions is restricted stock subject to resale limitations under Rule 144 of the Securities Act of 1933. Core stockholders were also granted certain limited piggyback registration rights.

Reverse Stock Split

On August 1, 2006, holders of more than a majority of the outstanding shares of common stock, Series G Preferred Stock and Series H Preferred Stock, voting on an as-if converted to common stock basis, executed a written consent authorizing an amendment to our certificate of incorporation to effect a reverse stock split of our common stock, pursuant to which any ten shares of issued and outstanding common stock on the date of the filing of the amendment to our certificate of incorporation would be combined into one share of common stock, with any resulting fractional shares rounded up to the nearest whole share of common stock. This consent was executed following approval of the actions by our board of directors on July 28, 2006. We filed a preliminary information statement with the SEC on August 7, 2006, and a definitive information statement on August 18, 2006, for the reverse stock split. The reverse stock split became effective at the close of business on September 15, 2006. Under the terms of our outstanding stock options and warrants and our preferred stock, the reverse stock split effected a reduction in the number of shares of common stock issuable upon exercise or conversion of such stock options, warrants and preferred stock in proportion to the one for ten exchange ratio of the reverse stock split and effected a proportionate increase in the exercise or conversion price of such outstanding stock options, warrants and preferred stock. The number of shares we are authorized to issue, the par value of our shares of capital stock, and the number of outstanding shares of preferred stock will not be affected by the reverse stock split, and none of the rights currently accruing to holders of our common stock, options, warrants or preferred stock would be affected by the reverse stock split. All share amounts and conversion and exercise prices in this prospectus, other than such amounts and prices incorporated by reference into this prospectus, have been adjusted for the reverse stock split.

Subordinate Credit Agreement

Effective August 31, 2006, we entered into a $150 million subordinate credit facility with Wells Fargo Energy Capital, Inc. (the Subordinate Credit Agreement). Initial availability under the Subordinate Credit Agreement is $15 million. No borrowings under the Subordinate Credit Agreement were made at closing. The facility will be secured on a subordinated basis by a lien on all our assets and our subsidiaries, as well as a security interest in the stock of all our subsidiaries. The obligations under the Subordinate Credit Agreement will be subordinate and junior to those under our senior secured revolving credit facility with Wells Fargo Bank, N.A. (the Senior Credit Agreement). The Subordinate Credit Agreement has a term of three-and-a-half years, and all principal amounts, together with all accrued and unpaid interest, will be due and payable in full on February 28, 2010. Proceeds from extensions of credit under the facility will be for acquisitions of oil and gas properties and for general corporate purposes. Advances under the facility will be in the form of either base rate loans or Eurodollar loans. The interest rate on the base rate loans fluctuates based upon the higher of (1) the lender s prime rate and (2) the Federal Funds rate, plus a margin of 0.50%, plus a margin of 3.75%. The interest rate on the Eurodollar loans fluctuates based upon the rate at which Eurodollar deposits in the London Interbank market (Libor) are quoted for the maturity selected, plus a margin of 5.25%. Eurodollar loans of one, three and six months may be selected by us. A commitment fee of 0.50% on the unused portion of the borrowing base will accrue, and be payable quarterly in arrears. Repayments made during the first twelve months of the term of the Subordinate Credit Agreement will be subject to a 1% prepayment penalty. Once repaid, amounts under the Subordinate Credit Agreement may not be re-borrowed. Under the Subordinate Credit Agreement, borrowings are at our discretion. However, once our outstanding balance under the Senior Credit Agreement reaches $10 million, our next $10 million in borrowings must be funded under the Subordinate Credit Agreement.

The Subordinate Credit Agreement includes usual and customary affirmative covenants for credit facilities of this type and size, as well as customary negative covenants, including, among others, limitations on liens, hedging, mergers, asset sales or dispositions, payments of dividends, incurrence of additional indebtedness, certain leases and investments outside of the ordinary course of business. The Subordinate Credit Agreement also requires us to maintain a ratio of current assets to current liabilities of at least 0.85 to 1.0, an interest coverage ratio of EBITDAX (earnings before interest, taxes, depreciation and amortization and exploration expense) to cash interest expense of 2.55 to 1.0 and a tangible net worth of at least $45 million, subject to adjustment based on future results of operations and any sales of equity securities. EBITDAX and tangible net worth are calculated without consideration of unrealized gains and losses related to stock derivatives accounted for under variable accounting rules or to commodity hedges. Generally, the restrictive covenants are either no more restrictive or slightly less restrictive than those provided for in the Senior Credit Agreement. One additional covenant provided for specifically in the Subordinate Credit Agreement is an asset coverage test whereby we must maintain a ratio of total proved reserves, defined as Total Proved PW10% (using NYMEX strip pricing), to total debt committed under the Subordinate Credit Agreement and the Senior Credit Agreement of 1.50 to 1.00. At least 60% of Total Proved PW10% must consist of proved developed producing reserves.

In connection with the Subordinate Credit Agreement, we amended our Senior Credit Agreement, primarily to provide for the Subordinate Credit Agreement but also to provide for a redetermined borrowing base of $25 million and to extend the maturity date of the facility to August 31, 2009.

Securities Being Offered

This prospectus covers the resale of an aggregate of 1,508,402 shares our common stock acquired or to be acquired upon conversion or exchange of our Series D, E, F and H Preferred Stock or the Series A Preferred Stock and upon exercise of certain warrants we have issued. All share amounts and conversion and exercise prices in this prospectus have been adjusted to reflect the 1-for-10 reverse stock split described under Recent Transactions.

As of November 15 , 2006, there were 103,230 shares of preferred stock issued and outstanding in four series, including 8,000 shares of Series D Preferred Stock, 9,000 shares of Series E Preferred Stock, 81,000 shares of Series G Preferred Stock and 5,230 shares of Series H Preferred Stock (collectively, Preferred Stock). All the shares of our predecessor s Series F Preferred Stock have elected to convert into 100,000 shares of common stock offered by this prospectus. Shares issuable upon conversion of the Series G Preferred Stock are not covered by this prospectus. The 8,000 shares of Series D Preferred Stock are held by a former director, as are the 9,000 shares of Series E Preferred Stock. The 81,000 shares of Series G Preferred Stock are held by OCM GW Holdings and a limited number of transferees, including an officer, and the 5,230 shares of Series H Preferred Stock are held by OCM GW Holdings, a former director and 10 other investors. The shares of common stock issuable upon conversion of the Series H Preferred Stock held by OCM GW Holdings, LLC are not covered by this prospectus. On a fully converted basis, the 8,000 shares of Series D Preferred Stock would convert to 50,000 shares of common stock. On a fully converted basis, the 9,000 shares of Series E Preferred Stock would convert to 225,000 shares of common stock, or approximately 272,590 shares of common stock including accrued dividends on the Series E Preferred Stock to the nearest dividend payment date. On a fully converted basis, the 5,230 shares of Series H Preferred Stock outstanding would convert to 747,143 shares of common stock.

Since 1996 we have occasionally issued warrants to employees, consultants and directors as additional compensation. The warrants currently outstanding and included in this prospectus have an exercise price of $7.50 per share and entitle the warrant holders to purchase up to 67,000 shares of common stock. The warrants exercisable for common stock offered by this prospectus contain certain anti-dilution provisions and have an expiration date of December 1, 2006.

Additionally, warrants are occasionally issued to lenders on loans to us as additional consideration for entering into the loans or guaranties. These warrants exercisable for common stock covered by this prospectus have expired or have been exercised for common stock, including warrants exercised for approximately 204,000 shares of common stock issued to our former lenders.

As of November 15, 2006 warrants exercisable for approximately 208,000 shares of common stock initially covered by this prospectus have expired. This prospectus does not cover shares of common stock underlying warrants issued after July 15, 2004.

Summary of the Offering

This prospectus relates to the resale of an aggregate of up to 1,508,402 shares of our common stock (the Shares) issuable or issued to certain selling shareholders, assuming the conversion and exchange of the preferred stock described above, to the extent not already converted or exchanged, and the exercise of the warrants described above. The selling shareholders may offer to sell the Shares at fixed prices, at prevailing market prices at the time of sale, or at varying negotiated prices. We will not receive any proceeds from the resale of Shares by the holders thereof.

As of November 15, 2006 the total number of shares of our common stock outstanding was 3,326,918, inclusive of shares of common stock underlying shares of preferred stock that have converted or whose holders have elected to convert to common stock, or whose shares were automatically exchanged into common stock, prior to the date of this prospectus, but otherwise not including the shares reserved for issuance upon the conversion and exchange of the preferred stock and the exercise of the warrants described above.

On November 15, 2006, the average of the high and low bid and asked prices of our common stock as traded over-the-counter was $ 6.89 per share.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

We have filed a registration statement on Form S-1, as amended, under the Securities Act with the Securities and Exchange Commission with respect to the shares offered hereby. This prospectus is filed as a part of the registration statement. It does not contain all of the information included in the registration statement and exhibits and we refer you to such omitted information. Statements made in this registration statement are summaries of the terms of these referenced contracts, agreements or documents and are not necessarily complete. We refer you to each exhibit for a more complete description of the matters involved and these statements shall be deemed qualified in their entirety by this reference.

In addition, we file annual, quarterly, and special reports, proxy statements, and other information with the Securities and Exchange Commission.

You may read and copy our registration statement on Form S-1, the exhibits thereto, any reports, statements and other information we file at the Securities and Exchange Commission s public reference room at 100 F Street, N.E., Washington, D.C. 20549. You may obtain information on the operation of the

Public Reference Room by calling the Securities and Exchange Commission at 1-800-SEC-0330. Our filings with Securities and Exchange Commission are also available on the Securities and Exchange Commission s Internet site, which is http://www.sec.gov.

RISK FACTORS

Investing in our common stock involves a high degree of risk. You should carefully consider and evaluate all of the information contained in this prospectus and in the documents we incorporate herein by reference before you decide to purchase our common stock. In particular, you should carefully consider and evaluate the risks and uncertainties described in Item 1A of our Annual Report on Form 10-K for the fiscal year ended December 31, 2005, under the heading Risk Factors, which information is incorporated herein by reference except to the extent superseded by this prospectus, as well as the risk factors described below. Any of the risks and uncertainties set forth therein or herein could materially and adversely affect our business, results of operations and financial condition, which in turn could materially and adversely affect the trading price of our common stock being offered by this prospectus. As a result, you could lose all or part of your investment.

The 1-for-10 reverse stock split could reduce the total market value of our common stock, increase the volatility of our stock price and has increased the number of shares of common stock we may issue.

The 1-for-10 reverse stock split described under Recent Transactions Reverse Stock Split could reduce the liquidity of our common stock. Reduced liquidity may reduce the value of our common stock and our ability to use our equity as consideration for an acquisition or other corporate opportunity. In addition, the reverse split has decreased the number of shares outstanding, giving individual orders the potential to create increased volatility in our stock price. As a result of the reverse stock split, we are able to issue significantly more shares of our common stock which could have a material adverse affect on the market price of our common stock. We are currently authorized to issue 200 million shares of common stock and, as a result of the reverse stock split, have approximately 3.3 million shares outstanding based on our capitalization as of September 30, 2006.

We may borrow funds to finance capital expenditures and for other purposes which could possibly have important consequences to our shareholders, including the following:

(i) Our indebtedness, acquisitions, working capital, capital expenditures or other purposes may be impaired;

(ii) Funds available for our operations and general corporate purposes or for capital expenditures will be reduced as a result of the dedication of a portion of our consolidated cash flow from operations to the payment of the principal and interest on our indebtedness;

(iii) We may be more highly leveraged than certain of our competitors, which may place us at a competitive disadvantage;

(iv) The agreements governing our long-term indebtedness and bank loans may contain restrictive financial and operating covenants;

(v) An event of default (not cured or waived) under financial and operating covenants contained in our debt instruments could occur and have a material adverse effect;

(vi) Certain of the borrowings under our debt agreements could have floating rates of interest, which would cause us to be vulnerable to increases in interest rates; and

(vii) Our degree of leverage could make us more vulnerable to a downturn in general economic conditions.

Our senior revolving credit facility and subordinate credit facility contain a number of significant negative covenants that place limits on our activities and operations, including those relating to:

- creation of liens,
- hedging,
- mergers, acquisitions, asset sales or dispositions,
- payments of dividends,
- incurrence of additional indebtedness, and
- certain leases and investments outside of the ordinary course of business.

In addition, our credit facilities require us to maintain compliance with specified financial and asset ratios and satisfy certain financial condition and reserve coverage tests. Our ability to comply with these ratios and financial condition and reserve coverage tests may be affected by events beyond our control, and we cannot assure you that we will meet these ratios and tests. These financial and asset ratio restrictions and financial condition and reserve coverage tests could limit our ability to obtain future financings, make needed capital expenditures, withstand a future downturn in our business or the economy in general or otherwise conduct necessary or desirable corporate activities.

A breach of any of these covenants or our inability to comply with the required ratios or tests could result in a default under our credit facilities. A default, if not cured or waived, could result in all of our indebtedness under both facilities becoming immediately due and payable. If that should occur, we may not be able to pay all such debt or to borrow sufficient funds to refinance it. Even if new financing were then available, it may not be on terms that are acceptable to us.

As of September 30, 2006, we had outstanding debt of $4,693,032 under our senior credit facility and no outstanding debt under our subordinate credit facility. We may borrow up to an additional $20,306,968 under our revolving credit facility and $15 million under our subordinate facility to fund acquisitions or for general corporate purposes. Our debt obligations could increase substantially.

CAPITALIZATION

The following table sets forth our capitalization as of September 30, 2006 and as adjusted to give effect to the issuance of the shares offered by this prospectus listed under Summary Securities Being Offered , assuming conversion of all the preferred stock described in this prospectus and exercise of all of the outstanding warrants. You should read this table in conjunction with our financial statements, Selected Financial Data and Management s Discussion and Analysis of Results of Operations and Financial Condition included in our Annual Report on Form 10-K for the year ended December 31, 2005.

	Actual September 30, 2006	Proforma Adjustments Assuming Conversion (1)	Proforma September 30, 2006
Cash	**$** 59,825	**$** -	**$** 59,825
Working capital, including cash	**$** (1,283,045)		**$** (1,283,045)
Total long-term debt, net of current portion	(5,736,606)	-	(5,736,606)
Total working capital (deficit) and long-term debt	$ (7,019,651)	$ -	$ (7,019,651)
Shareholders equity			
Series D Preferred Stock, $.01 par value, $500 liquidation value, 8,000 shares outstanding	$ 80	$ (80)	$ -
Series E Preferred Stock, $.01 par value, $500 liquidation value, 9,000 shares outstanding	90	(90)	-
Series G Preferred Stock, $.01 par value, $500 liquidation value, 81,000 shares outstanding	810	(810)	-
Series H Preferred Stock, $.01 par value, $500 liquidation value, 5,250 shares outstanding	53	(53)	-
Common Stock, $.001 par value, 3,312,683 shares outstanding actual 8,837,683 as adjusted	3,324	5,525	8,849
Additional paid-in equity	78,634,397	(4,492)	78,629,905
Accumulated deficit	(16,013,329)	-	(16,013,329)
Total shareholders equity	$ 62,625,425	$ -	$ 62,625,425

(1) Adjustments to the September 30, 2006 balance sheet assuming that all convertible securities registered under this S-1 Registration Statement were converted to common stock on September 30, 2006.

DIVIDEND POLICY

We have never declared or paid cash dividends on our common stock. Our senior secured revolving credit facility, subordinate credit facility and the terms of our preferred stock restrict the payment of dividends. We currently intend to retain all available funds and any future earnings for use in the operation of our business and to fund future growth. We do not anticipate paying any cash dividends in the foreseeable future.

FORWARD-LOOKING STATEMENTS

We make forward-looking statements throughout this prospectus. Whenever you read a statement that is not simply a statement of historical fact (such as when we describe what we believe, expect or anticipate will occur, and other similar statements), you must remember that our expectations may not be correct, even though we believe they are reasonable. We do not guarantee that the transactions and events described in this prospectus will happen as described (or that they will happen at all). The forward-looking information may be found throughout this prospectus and in the material incorporated by reference into this prospectus. These forward-looking statements generally relate to our plans and objectives for future operations and are based upon our management s reasonable estimates of future results and trends.

YOU SHOULD RELY ONLY ON THE INFORMATION CONTAINED IN OR INCORPORATED BY REFERENCE INTO THIS PROSPECTUS. WE HAVE NOT AUTHORIZED ANYONE TO PROVIDE YOU WITH INFORMATION THAT IS DIFFERENT. THIS PROSPECTUS MAY ONLY BE USED WHERE IT IS LEGAL TO SELL THESE SECURITIES. THE INFORMATION CONTAINED IN THIS PROSPECTUS IS ACCURATE ONLY AS OF THE DATE OF THIS PROSPECTUS, REGARDLESS OF WHEN THIS PROSPECTUS IS DELIVERED OR THE DATE OF ANY SALE OF OUR COMMON STOCK.

MARKET PRICE OF COMMON STOCK

Our common stock, par value $0.001 per share, is traded over-the-counter (OTC) under the symbol CXPI . Fidelity Transfer Company, 1800 South West Temple, Suite 301, Box 53, Salt Lake City, Utah 84115, (801) 484-7222, is the transfer agent for the common stock. The high and low trading prices for the common stock for each quarter in 2006, 2005 and 2004 are set forth below, as adjusted to give effect to our September 2006 reverse stock split. The trading prices represent prices between dealers, without retail mark-ups, mark-downs, or commissions, and may not necessarily represent actual transactions.

	High	Low	
2006			
First Quarter	$ **10.10**	$ **5.60**	
Second Quarter	8.90	6.30	
Third Quarter	7.90	6.40	
Fourth Quarter(to November 15 , 2006)	7.30	>328,337	
City of Dallas Texas Waterworks & Sewer System, Refunding RB, 5.00%, 10/01/35		525	613,835
City of Houston Texas Airport System, Refunding ARB, Senior Lien, Series A, 5.50%, 7/01/39		250	284,420
County of Harris Texas Cultural Education Facilities Finance Corp., RB, 1st Mortgage, Brazos Presbyterian Homes, Inc. Project, Series B, 7.00%, 1/01/43		210	248,636
County of Matagorda Texas Navigation District No. 1, Refunding RB, Central Power & Light Co. Project, Series A, 6.30%, 11/01/29		700	812,903

Municipal Bonds	Par (000)	Value
Texas (concluded)		
County of Midland Texas Fresh Water Supply District No. 1, RB, CAB, City of Midland Projects, Series A, 0.00%, 9/15/37 (b)	$5,200	$1,990,196
County of Tarrant Texas Cultural Education Facilities Finance Corp., RB, Scott & White Healthcare, 6.00%, 8/15/45	1,390	1,671,489
Harris County-Houston Sports Authority, Refunding RB,	3,000	1,258,230

CAB, Series A (NPFGC), 0.00%, 11/15/34 (b)		
HFDC of Central Texas, Inc., RB, Village at Gleannloch Farms, Series A, 5.50%, 2/15/27	1,150	1,176,002
Texas Private Activity Bond Surface Transportation Corp., RB, Senior Lien, LBJ Infrastructure Group LLC, LBJ Freeway Managed Lanes Project, 7.00%, 6/30/40	500	612,455
		9,931,450
Utah — 0.6%		
Utah State Charter School Finance Authority, RB, Ogden Preparatory Academy, Series A:		
3.25%, 10/15/36	675	639,832
3.25%, 10/15/42	425	394,719
		1,034,551
Virginia — 1.9%		
Virginia HDA, RB, Rental Housing, Series F, 5.00%, 4/01/45	1,000	1,068,940
Virginia Small Business Financing Authority, RB, Senior Lien, Elizabeth River Crossings OpCo LLC Project, AMT, 6.00%, 1/01/37	1,875	2,193,056

		3,261,996
Washington — 0.7%		
Washington Health Care Facilities Authority, RB, Catholic Health Initiatives, Series A, 5.75%, 1/01/45	1,020	1,230,763
Wyoming — 0.1%		
Wyoming Municipal Power Agency, Inc., RB, Series A, 5.00%, 1/01/42	100	110,756
Total Municipal Bonds — 66.8%		115,894,287

Schedule of Investments (continued) **BlackRock Long-Term Municipal Advantage Trust (BTA)**
(Percentages shown are based on Net Assets)

Municipal Bonds Transferred to Tender Option Bond Trusts (h)	Par (000)	Value
California — 5.2%		
Bay Area Toll Authority, Refunding RB, San Francisco Bay Area, Series F-1, 5.63%, 4/01/44 (f)	$1,090	$1,303,692
California Educational Facilities Authority, RB, University of Southern California, Series B, 5.25%, 10/01/39 (i)	840	956,474
City & County of San Francisco California Public Utilities Commission, RB, Water Revenue, Series B, 5.00%, 11/01/39	3,225	3,719,973
City of Los Angeles California Department of Airports, Refunding ARB, Los Angeles International Airport, Senior Series A, 5.00%, 5/15/40	2,039	2,346,963
San Diego Community College District California, GO, Election of 2002, 5.25%, 8/01/33	553	646,713
		8,973,815
Colorado — 3.0%		
Colorado Health Facilities Authority, Refunding RB, Series A:		
Catholic Health Initiatives, 5.50%, 7/01/34 (i)	740	857,616
Sisters of Leavenworth Health System, 5.00%, 1/01/40	3,930	4,411,071
		5,268,687
Florida — 1.3%		
County of Miami-Dade Florida, RB, Water & Sewer System, 5.00%, 10/01/34	1,950	2,264,820
Illinois — 4.6%		
City of Chicago Illinois, GARB, O'Hare International Airport, 3rd Lien, Series A (NPFGC), 5.00%, 1/01/33	4,995	5,211,783
Illinois Finance Authority, RB, The Carle Foundation, Series A (AGM), 6.00%, 8/15/41	2,340	2,773,976
		7,985,759
Indiana — 7.2%		
Carmel Redevelopment Authority, RB, Performing Arts Center (f):		
4.75%, 2/01/16	5,365	5,607,283

Municipal Bonds Transferred to	Par (000)	Value

Tender Option Bond Trusts (h)

Indiana (concluded)		
Carmel Redevelopment Authority, RB, Performing Arts Center (f) (concluded):		
5.00%, 2/01/16	$6,580	$6,893,603
		12,500,886
Massachusetts — 4.8%		
Massachusetts School Building Authority, RB, Senior, Series B, 5.00%, 10/15/41	7,112	8,337,385
Nebraska — 3.0%		
Omaha Public Power District, RB, Sub-Series B (NPFGC), 4.75%, 2/01/16 (f)	5,000	5,226,800
New Hampshire — 0.4%		
New Hampshire Health & Education Facilities Authority, RB, Dartmouth College, 5.25%, 6/01/39 (i)	660	763,019
New York — 23.2%		
City of New York New York Municipal Water Finance Authority, Refunding RB, Water & Sewer System, 2nd General Resolution:		
Fiscal 2013, Series CC, 5.00%, 6/15/47	4,780	5,537,212
Series FF-2, 5.50%, 6/15/40	495	580,250
Series HH, 5.00%, 6/15/31 (i)	2,835	3,322,284
Hudson Yards Infrastructure Corp., RB, Fiscal 2012, Series A, 5.75%, 2/15/47 (i)	6,509	7,653,267
New York Liberty Development Corp., RB, 1 World Trade Center Port Authority Consolidated, 5.25%, 12/15/43	6,135	7,219,852
New York Liberty Development Corp., Refunding RB, 4 World Trade Center Project, 5.75%, 11/15/51 (i)	2,220	2,649,659
State of New York Dormitory Authority, ERB, Series B, 5.75%, 3/15/36	11,240	13,209,698
		40,172,222
North Carolina — 9.1%		
University of North Carolina at Chapel Hill, Refunding RB, Series A, 4.75%, 12/01/34	15,170	15,710,338

Schedule of Investments (continued) **BlackRock Long-Term Municipal Advantage Trust (BTA)**
(Percentages shown are based on Net Assets)

Municipal Bonds Transferred to Tender Option Bond Trusts (h)	Par (000)	Value
Ohio — 3.1%		
State of Ohio, Refunding RB, Cleveland Clinic Health System Obligated Group, Series A, 5.50%, 1/01/39	$4,634	$5,282,198
South Carolina — 0.9%		
State of South Carolina Housing Finance & Development Authority, Refunding RB, S/F Housing, Series B-1, 5.55%, 7/01/39	1,593	1,634,351
Texas — 11.0%		
	11,000	12,690,150

City of San Antonio Texas Public Service Board, RB, Electric & Gas Systems, Junior Lien, 5.00%, 2/01/43		
County of Harris Texas, RB, Senior Lien, Toll Road, Series A, 5.00%, 8/15/38 (i)	2,122	2,413,380
County of Harris Texas Metropolitan Transit Authority, Refunding RB, Series A, 5.00%, 11/01/41	1,170	1,361,049
University of Texas, Refunding RB, Financing System,	2,175	2,545,485

Series B, 5.00%, 8/15/43		
		19,010,064
Utah — 1.2%		
City of Riverton Utah, RB, IHC Health Services, Inc., 5.00%, 8/15/41	1,829	2,057,504
Virginia — 1.9%		
Virginia Small Business Financing Authority, Refunding RB, Sentara Healthcare, 5.00%, 11/01/40	2,949	3,356,455

Municipal Bonds Transferred to Tender Option Bond Trusts (h)	Par (000)	Value
Wisconsin — 1.3%		
Wisconsin Health & Educational Facilities Authority,	$1,989	$2,223,871

Refunding RB, Froedtert & Community Health, Inc., Obligated Group, Series C, 5.25%, 4/01/39 (i)		
Total Municipal Bonds Transferred to Tender Option Bond Trusts — 81.2%		140,768,174
Total Long-Term Investments (Cost — $233,497,359) — 148.0%		256,662,461
Short-Term Securities	**Shares**	
FFI Institutional Tax-Exempt Fund, 0.03% (j)(k)	434,222	434,222
Total Short-Term Securities (Cost — $434,222) —		434,222

0.3%	
Total Investments (Cost — $233,931,581*) — 148.3%	257,096,683
Other Assets Less Liabilities — 0.7%	1,209,649
Liability for TOB Trust Certificates, Including Interest Expense and Fees Payable — (49.0%)	(84,928,205)
Net Assets Applicable to Common Shares — 100.0%	$173,378,127

* As of January 31, 2015, gross unrealized appreciation and depreciation based on cost for federal income tax purposes were as follows:

Tax cost	$161,665,044
Gross unrealized appreciation	$25,301,548
Gross unrealized depreciation	(2,475,010)
Net unrealized appreciation	$22,826,538

Notes to Schedule of Investments

(a)	Security exempt from registration pursuant to Rule 144A under the Securities Act of 1933, as amended. These securities may be resold in transactions exempt from registration to qualified institutional investors.
(b)	Zero-coupon bond.
(c)	Represents a step-up bond that pays an initial coupon rate for the first period and then a higher coupon rate for the following periods. Rate shown is as of report date.
(d)	Non-income producing security.
(e)	Issuer filed for bankruptcy and/or is in default of principal and/or interest payments.
(f)	U.S. government securities, held in escrow, are used to pay interest on this security, as well as to retire the bond in full at the date indicated, typically at a premium to par.
(g)	Variable rate security. Rate shown is as of report date.
(h)	Represent bonds transferred to a TOB. In exchange for which the Trust received cash and residual interest certificates. These bonds serve as collateral in a financing transaction.

Schedule of Investments (continued) **BlackRock Long-Term Municipal Advantage Trust (BTA)**

(i) All or a portion of security is subject to a recourse agreement, which may require the Trust to pay the liquidity provider in the event there is a shortfall between the TOB trust certificates and proceeds received from the sale of the security contributed to the TOB trust. In the case of a shortfall, the aggregate maximum potential amount the Trust could ultimately be required to pay under the agreement, which expire from October 1, 2016 to February 15, 2031 is $10,705,336.

(j) Represents the current yield as of report date.

(k) During the period ended January 31, 2015, investments in issuers considered to be an affiliate of the Trust for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

Affiliate	Shares Held at April 30, 2014	Net Activity	Shares Held at January 31, 2015	Income
FFI Institutional Tax-Exempt Fund	787,037	(352,815)	434,222	$362

Portfolio Abbreviations

AGM	Assured Guaranty Municipal Corp.
AMT	Alternative Minimum Tax (subject to)
ARB	Airport Revenue Bonds
CAB	Capital Appreciation Bonds
EDA	Economic Development Authority
EDC	Economic Development Corp.
ERB	Education Revenue Bonds

GARB	General Airport Revenue Bonds
GO	General Obligation Bonds
HDA	Housing Development Authority
HFA	Housing Finance Agency
LRB	Lease Revenue Bonds
NPFGC	National Public Finance Guarantee Corp.
RB	Revenue Bonds
SAN	State Aid Notes
S/F	Single Family

•As of January 31, 2015, financial futures contracts outstanding were as follows:

Contracts Short	Issue	Exchange	Expiration	Notional Value	Unrealized Depreciation
(144)	10-Year U.S. Treasury Note	Chicago Board of Trade	March 2015	$18,846,000	$(466,645)

Schedule of Investments (continued) **BlackRock Long-Term Municipal Advantage Trust (BTA)**

- Fair Value Measurements - Various inputs are used in determining the fair value of investments and derivative financial instruments. These inputs to valuation techniques are categorized into a disclosure hierarchy consisting of three broad levels for financial reporting purposes. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety. The categorization of a value determined for investments and derivative financial instruments is based on the pricing transparency of the investment and derivative financial instrument and is not necessarily an indication of the risks associated with investing in those securities. The three levels of the fair value hierarchy are as follows:

- Level 1 – unadjusted quoted prices in active markets/exchanges for identical assets or liabilities that the Trust has the ability to access

- Level 2 – other observable inputs (including, but not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market-corroborated inputs)

- Level 3 – unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including the Trust's own assumptions used in determining the fair value of investments and derivative financial instruments)

Changes in valuation techniques may result in transfers into or out of an assigned level within the disclosure hierarchy. In accordance with the Trust's policy, transfers between different levels of the fair value disclosure hierarchy are deemed to have occurred as of the beginning of the reporting period. For information about the Trust's policy regarding valuation of investments and derivative financial instruments, refer to the Trust's most recent financial statements as contained in its annual report.

As of January 31, 2015, the following tables summarize the Trust's investments and derivative financial instruments categorized in the disclosure hierarchy:

	Level 1	Level 2	Level 3	Total
Assets:				
Investments:				
Long-Term Investments [1]	—	$ 256,662,461	—	$256,662,461
Short-Term Securities	$ 434,222	—	—	434,222
Total	$ 434,222	$ 256,662,461	—	$257,096,683

[1] See above Schedule of Investments for values in each state or political subdivision.

	Level 1	Level 2	Level 3	Total
Derivative Financial Instruments [2]				
Liabilities:				
Interest rate contracts	$ (466,645)	—	—	$(466,645)

[2] Derivative financial instruments are financial futures contracts, which are valued at the unrealized appreciation/depreciation on the instrument.

Schedule of Investments (concluded) **BlackRock Long-Term Municipal Advantage Trust (BTA)**

The Trust may hold assets and/or liabilities in which the fair value approximates the carrying amount for financial reporting purposes. As of January 31, 2015, such assets and/or liabilities are categorized within the disclosure hierarchy as follows:

	Level 1	Level 2	Level 3	Total
Assets:				
Cash	$ 1	—	—	$1
Cash pledged for financial futures contracts	196,000	—	—	196,000
Liabilities:				
TOB trust certificates	—	$ (84,915,101)	—	(84,915,101)
Total	$ 196,001	$ (84,915,101)	—	$(84,719,100)

During the period ended January 31, 2015, there were no transfers between levels.

Item 2 – Controls and Procedures

2(a) – The registrant's principal executive and principal financial officers, or persons performing similar functions, have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the 1940 Act)) are effective as of a date within 90 days of the filing of this report based on the evaluation of these controls and procedures required by Rule 30a-3(b) under the 1940 Act and Rule 13a-15(b) under the Securities Exchange Act of 1934, as amended.

2(b) – There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act) that occurred during the registrant's last fiscal quarter that have materially affected, or are reasonably likely to materially affect, the registrant's internal control over financial reporting.

Item 3 – Exhibits

Certifications – Attached hereto

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BlackRock Long-Term Municipal Advantage Trust

By: /s/ John M. Perlowski
John M. Perlowski
Chief Executive Officer (principal executive officer) of
BlackRock Long-Term Municipal Advantage Trust

Date: March 25, 2015

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/ John M. Perlowski
John M. Perlowski
Chief Executive Officer (principal executive officer) of
BlackRock Long-Term Municipal Advantage Trust

Date: March 25, 2015

By: /s/ Neal J. Andrews
Neal J. Andrews
Chief Financial Officer (principal financial officer) of
BlackRock Long-Term Municipal Advantage Trust

Date: March 25, 2015