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BLUE DOLPHIN ENERGY CO
Form 8-K
May 01, 2006

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(D) OF
THE SECURITIES AND EXCHANGE ACT OF 1934

Date of Report: (Date of earliest event reported): May 1, 2006 (April 28, 2006)

Blue Dolphin Energy Company
(Exact name of registrant as specified in its charter)

Delaware
(State of Incorporation)

0-15905
(Commission file Number)

73-1268729
(IRS Employer
Identification No.)

801 Travis, Suite 2100
Houston, Texas 77002
(Address of Registrant's principal executive offices)

(713) 227-7660
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communication pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

ITEM 1.01 ENTRY INTO A MATERIAL DEFINITIVE AGREEMENT.

On April 28, 2006, Blue Dolphin Energy Company (the "Company") entered into a Stock Purchase Agreement (the "Purchase Agreement") with certain investors named therein (the "Investors") for the private placement of 400,000 shares (the

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"Shares") of the Company's common stock, par value \$.01 per share, at a purchase price of \$4.90 per share (the "Purchase Price") for an aggregate offering price of \$1,960,000 (the "Offering"). The net proceeds to the Company after the payment of commissions and expenses will be approximately \$1,800,000 and the Company expects to use such proceeds for possible acquisitions and planned expansions of our facilities, as well as working capital needs and general corporate purposes. Additionally, in connection with the Offering, the Company is required to issue warrants (the "Warrants") to purchase 24,000 shares of the Company's common stock pursuant to the terms and conditions of the Placement Agency Agreement between Starlight Investments, LLC and the Company dated May 27, 2005. The Warrants vest immediately upon issuance and the exercise price per share varies based on the following conditions: (i) until the later of the registration of the Warrants or one year from the issue date, 110% of the Purchase Price, (ii) from the later of (x) the registration of the Warrants and (y) one year, until two years from the issue date, 120% of the Purchase Price and (iii) after the expiration of two years from the issue date of the Warrants, 130% of the Purchase Price.

The Shares and the Warrants were issued without registration under the Securities Act of 1933, as amended (the "Act") in reliance upon the exemptions from registration provided by Section 4(2) of the Act and Rule 506 of Regulation D promulgated thereunder. However, the Shares and the Warrants are subject to certain registration rights as set forth in the Purchase Agreement, whereby the Company agreed to file a registration statement with the Securities and Exchange Commission no later than May 15, 2006 for the purpose of registering the Shares and the Warrants.

ITEM 3.02 UNREGISTERED SALES OF EQUITY SECURITIES

The information disclosed under Item 1.01 of this Current Report on Form 8-K with respect to the Company's issuance of the Shares pursuant to the Purchase Agreement is incorporated into this Item 3.02 in its entirety.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS

(c) Exhibits

99.1 Press Release dated April 28, 2006.

SIGNATURE

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

Date: May 1, 2006.

BLUE DOLPHIN ENERGY COMPANY

/s/ Gregory W. Starks

Gregory W. Starks, Treasurer

INDEX TO EXHIBITS

Exhibit	Description of Exhibit
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99.1	Press Release dated April 28, 2006.