

PROSPECT ENERGY CORP  
 Form 4  
 May 30, 2006

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
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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).

**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

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
 Barry John F

2. Issuer Name and Ticker or Trading Symbol  
 PROSPECT ENERGY CORP  
 [PSEC]

5. Relationship of Reporting Person(s) to Issuer  
 (Check all applicable)

(Last) (First) (Middle)  
 C/O PROSPECT ENERGY CORPORATION, 10 EAST 40TH STREET, 44TH FLOOR

3. Date of Earliest Transaction (Month/Day/Year)  
 03/30/2006

Director  10% Owner  
 Officer (give title below)  Other (specify below)  
 CEO

(Street)  
 NEW YORK, NY 10016

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

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

(City) (State) (Zip)

**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 Ownership (Instr. 4)			
			Code	V	Amount	(A) or (D)	Price			
Common Stock <sup>(1)</sup>	05/26/2006		P		9,500	A	\$ 16.27	19,201.171	I	By Prospect Capital Management
Common Stock <sup>(1)</sup>	05/26/2006		P		320	A	\$ 16.4	19,521.171	I	By Prospect Capital Management
Common Stock <sup>(1)</sup>	05/26/2006		P		12	A	\$ 16.39	19,533.171	I	By Prospect Capital Management

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Common Stock <u>(2)</u>	03/30/2006	P	2,241.782	A	\$ 16.22	123,447.473	D	
Common Stock <u>(1)</u> <u>(2)</u>	03/30/2006	P	176.171	A	\$ 16.22	9,701.171	I	By Prospect Capital Management

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

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**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 and Amount of Underlying Securities (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene Own Follo Repor Trans (Instr
						Date Exercisable	Expiration Date	Title	Amount or Number of Shares
						Code	V (A) (D)		

## Reporting Owners

### Reporting Owner Name / Address

### Relationships

Director 10% Owner Officer Other

Barry John F  
C/O PROSPECT ENERGY CORPORATION  
10 EAST 40TH STREET, 44TH FLOOR  
NEW YORK, NY 10016

X

CEO

## Signatures

John Barry 05/30/2006

\*\*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).

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- (1) (1) Prospect Capital Management purchase of PEC shares pursuant to its voluntary obligation disclosed in the prospectus to invest 30% of its incentive fee in PEC shares.
- (2) (2) Reflects inclusion of dividends accrued pursuant to issuer's dividend reinvestment program.

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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