

Edgar Filing: BLACKROCK DEBT STRATEGIES FUND, INC. - Form N-Q/A

BLACKROCK DEBT STRATEGIES FUND, INC.

Form N-Q/A

February 24, 2009

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

FORM N-Q/A

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED  
MANAGEMENT INVESTMENT COMPANY

Investment Company Act file number 811-08603

Name of Fund: BlackRock Debt Strategies Fund, Inc. (DSU)

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

Name and address of agent for service: Donald C. Burke, Chief Executive  
Officer, BlackRock Debt Strategies Fund, Inc., 800 Scudders Mill Road,  
Plainsboro, NJ 08536. Mailing address: P.O. Box 9011, Princeton, NJ  
08543-9011

Registrant's telephone number, including area code: (800) 882-0052, Option 4

Date of fiscal year end: 02/28/2009

Date of reporting period: 09/01/2008 - 11/30/2008

Item 1 - Schedule of Investments

BlackRock Debt Strategies Fund, Inc.  
Schedule of Investments November 30, 2008 (Unaudited)  
(Percentages shown are based on Net Assets)

| Industry                   | Corporate Bonds  |
|----------------------------|--|
| Aerospace & Defense - 2.4% | Alliant Techsystems, Inc., 3%, 8/15/24 (a) (b)<br>Hawker Beechcraft Acquisition Co. LLC, 8.50%, 4/01/15  |
| Auto Components - 0.2%     | Allison Transmission, Inc., 11%, 11/01/15 (b)<br>Allison Transmission, Inc., 11.25%, 11/01/15 (b) (c)<br>The Goodyear Tire & Rubber Co., 8.625%, 12/01/11<br>Hear Corp., 8.75%, 12/01/16<br>Venture Holdings Co. LLC, 12%, 6/01/09 (d) (e) (f)<br>Venture Holdings Co. LLC Series B, 9.50%,<br>7/01/05 (d) (e) (f) (g) |
| Building Products - 3.4%   | Building Materials Corp. of America, 7.75%, 8/01/14<br>CPG International I, Inc., 9.904%, 7/01/12 (h)<br>CPG International I, Inc., 10.50%, 7/01/13  |

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Momentive Performance Materials, Inc. Series WI, 9.75%,  
12/01/14  
Ply Gem Industries, Inc., 11.75%, 6/15/13

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Capital Markets - 2.2%

E\*Trade Financial Corp., 12.50%, 11/30/17 (b)  
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Chemicals - 7.2%

American Pacific Corp., 9%, 2/01/15  
ARCO Chemical Co., 9.80%, 2/01/20  
GEO Specialty Chemicals Corp., 7.50%, 3/31/15 (a) (b) (c) (e)  
GEO Specialty Chemicals, Inc., 12.553%, 12/31/09 (a)  
Hexion U.S. Finance Corp., 6.649%, 11/15/14 (h)  
MacDermid, Inc., 9.50%, 4/15/17 (b)  
NOVA Chemicals Corp., 5.72%, 11/15/13 (h)  
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Commercial Services &  
Supplies - 1.3%

US Investigations Services, Inc., 10.50%, 11/01/15 (b)  
West Corp., 11%, 10/15/16  
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Construction Materials - 2.1%

Nortek Holdings, Inc., 10%, 12/01/13  
Nortek, Inc., 8.50%, 9/01/14  
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Containers & Packaging - 5.5%

Berry Plastics Holding Corp., 5.871%, 9/15/14 (h)  
Packaging Dynamics Finance Corp., 10%, 5/01/16 (b)  
Smurfit Kappa Funding Plc, 7.75%, 4/01/15  
Smurfit-Stone Container Enterprises, Inc., 8.375%, 7/01/12  
Smurfit-Stone Container Enterprises, Inc., 8%, 3/15/17  
Wise Metals Group LLC, 10.25%, 5/15/12  
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Industry

Corporate Bonds  
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Diversified Consumer  
Services - 0.6%

NBC Acquisition Corp., 11%, 3/15/13 (i)  
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Diversified Financial  
Services - 2.8%

Archimedes Funding III Ltd., 5.50%, 11/29/11 (b)  
FCE Bank Plc, 7.125%, 1/16/12  
Ford Motor Credit Co. LLC, 7.569%, 1/13/12 (h)  
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Diversified Telecommunication  
Services - 0.4%

Qwest Corp., 5.246%, 6/15/13 (h)  
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|   |  |
|---|--|
| Electric Utilities - 1.3%                           | NSG Holdings LLC, 7.75%, 12/15/25 (b)  |
| Electronic Equipment & Instruments - 0.2%           | Muzak Holdings, LLC, 13%, 3/15/10 (i)  |
| Food & Staples Retailing - 0.2%                     | Rite Aid Corp., 9.375%, 12/15/15   |
| Health Care Equipment & Supplies - 2.0%             | DJO Finance LLC, 10.875%, 11/15/14   |
| Health Care Providers & Services - 1.4%             | Community Health Systems, Inc. Series WI, 8.875%, 7/15/15<br>Tenet Healthcare Corp., 6.375%, 12/01/11<br>Tenet Healthcare Corp., 6.50%, 6/01/12  |
| Hotels, Restaurants & Leisure - 4.3%                | HRP Myrtle Beach Holdings LLC, 14.50%, 4/01/14 (b) (d)<br>HRP Myrtle Beach Operations LLC, 7.383%, 4/01/12 (b) (d)<br>HRP Myrtle Beach Operations LLC, 12.50%, 4/01/13 (b) (d)<br>Harrah's Operating Co., Inc., 10.75%, 2/01/16 (b)<br>Harrah's Operating Co., Inc., 10.75%, 2/01/18 (b) (c)<br>Little Traverse Bay Bands of Odawa Indians, 10.25%, 2/15/14 (b) (d)<br>Shingle Springs Tribal Gaming Authority, 9.375%, 6/15/15 (b)<br>Snoqualmie Entertainment Authority, 6.875%, 2/01/14 (b) (h)<br>Station Casinos, Inc., 7.75%, 8/15/16<br>Travelport LLC, 6.828%, 9/01/14 (h)<br>Tropicana Entertainment LLC Series WI, 9.625%, 12/15/14 (d) (f)<br>Tunica-Biloxi Gaming Authority, 9%, 11/15/15 (b)<br>Universal City Florida Holding Co. I, 7.943%, 5/01/10 (h) |
| Household Durables - 0.2%                           | Stanley-Martin Communities LLC, 9.75%, 8/15/15   |
| IT Services - 0.5%                                  | First Data Corp., 9.875%, 9/24/15  |
| Independent Power Producers & Energy Traders - 1.4% | Energy Future Holding Corp., 11.25%, 11/01/17 (b) (c)  |

BlackRock Debt Strategies Fund, Inc.

Schedule of Investments November 30, 2008 (Unaudited)

(Percentages shown are based on Net Assets)

|                                 |  |
|---------------------------------|--|
| Industry                        | Corporate Bonds  |
|                                 | Texas Competitive Electric Holdings Co. LLC, 10.25%, 11/01/15 (b)<br>Texas Competitive Electric Holdings Co. LLC, 10.50%, 11/01/16 (b) (c) |
| Industrial Conglomerates - 1.6% | Sequa Corp., 11.75%, 12/01/15 (b)<br>Sequa Corp., 13.50%, 12/01/15 (b) (c)   |

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|                                    |  |
|------------------------------------|--|
| Insurance - 2.4%                   | Alliant Holdings I, Inc., 11%, 5/01/15 (b)<br>American International Group, Inc., 8.25%, 8/15/18 (b)<br>USI Holdings Corp., 6.024%, 11/15/14 (b) (h)   |
| Machinery - 1.4%                   | ESCO Corp., 5.871%, 12/15/13 (b) (h)<br>RBS Global, Inc., 8.875%, 9/01/16<br>Titan International, Inc., 8%, 1/15/12  |
| Marine - 0.2%                      | Navios Maritime Holdings, Inc., 9.50%, 12/15/14<br>Titan Petrochemicals Group Ltd., 8.50%, 3/18/12 (b)   |
| Media - 4.6%                       | Affinion Group, Inc., 10.125%, 10/15/13<br>Canadian Satellite Radio Holdings, Inc., 12.75%, 2/15/14<br>Charter Communications Holdings LLC, 10%, 4/01/09<br>Charter Communications Holdings LLC, 11.125%, 1/15/11<br>Charter Communications Holdings LLC, 10%, 5/15/11<br>Local Insight Regatta Holdings, Inc., 11%, 12/01/17<br>Network Communications, Inc., 10.75%, 12/01/13<br>Nielsen Finance LLC, 10%, 8/01/14<br>Sinclair Broadcast Group, Inc. Class A, 4.875%, 7/15/18 (i)<br>TL Acquisitions, Inc., 10.50%, 1/15/15 (b)<br>Virgin Media, Inc., 6.50%, 11/15/16 (a) (b) |
| Metals & Mining - 2.4%             | Aleris International, Inc., 9%, 12/15/14 (c)<br>Aleris International, Inc., 10%, 12/15/16<br>RathGibson, Inc., 11.25%, 2/15/14<br>Ryerson, Inc., 10.568%, 11/01/14 (b) (h)   |
| Oil, Gas & Consumable Fuels - 0.9% | Chaparral Energy, Inc., 8.50%, 12/01/15<br>Compton Petroleum Finance Corp., 7.625%, 12/01/13<br>SandRidge Energy, Inc., 7.508%, 4/01/14 (h)  |

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Industry

Corporate Bonds

Paper & Forest Products - 7.1% Abitibi-Consolidated, Inc., 5.496%, 6/15/11 (h)

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Ainsworth Lumber Co. Ltd., 11%, 7/29/15 (b)  
 Bowater, Inc., 9%, 8/01/09  
 Bowater, Inc., 4.996%, 3/15/10 (h)  
 Domtar Corp., 7.125%, 8/15/15  
 NewPage Corp., 9.443%, 5/01/12 (h)  
 NewPage Corp., 10%, 5/01/12  
 NewPage Corp., 12%, 5/01/13  
 Verso Paper Holdings LLC Series B, 6.943%, 8/01/14 (h)

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Pharmaceuticals - 2.5%      Angiotech Pharmaceuticals, Inc., 5.953%, 12/01/13 (h)  
 Elan Finance Plc, 6.149%, 11/15/11 (h)  
 Elan Finance Plc, 7.75%, 11/15/11

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Real Estate Investment Trusts (REITs) - 0.4%      RAIT Financial Trust, 6.875%, 4/15/27 (a) (b)

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Real Estate Management & Development - 0.6%      Realogy Corp., 10.50%, 4/15/14  
 Realogy Corp., 12.375%, 4/15/15

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Road & Rail - 0.0%      Swift Transportation Co., Inc., 9.899%, 5/15/15 (b) (h)

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Semiconductors & Semiconductor Equipment - 0.2%      Spansion, Inc., 5.328%, 6/01/13 (b) (h)

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Software - 0.2%      BMS Holdings, Inc., 10.595%, 2/15/12 (b) (c) (h)

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Specialty Retail - 2.4%      Buffets, Inc., 12.50%, 11/01/14 (d) (f)  
 General Nutrition Centers, Inc., 7.584%, 3/15/14 (c) (h)  
 General Nutrition Centers, Inc., 10.75%, 3/15/15  
 Michaels Stores, Inc., 10%, 11/01/14  
 Michaels Stores, Inc., 11.375%, 11/01/16  
 United Auto Group, Inc., 7.75%, 12/15/16

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Wireless Telecommunication Services - 3.0%      Digicel Group Ltd., 8.875%, 1/15/15 (b)  
 Digicel Group Ltd., 9.125%, 1/15/15 (b) (c)  
 FiberTower Corp., 9%, 11/15/12 (a) (b)  
 FiberTower Corp., 9%, 11/15/12 (a)  
 iPCS, Inc., 5.318%, 5/01/13 (h)  
 Nordic Telephone Co. Holdings ApS, 8.875%, 5/01/16 (b)  
 Orascom Telecom Finance SCA, 7.875%, 2/08/14 (b)

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Total Corporate Bonds - 69.5%

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| Industry                   | Floating Rate Loan Interests  |
|----------------------------|---|
| Aerospace & Defense - 0.2% | IAP Worldwide Services, Inc. Term Loan, 8.063%, 12/31/12  |
| Airlines - 0.8%            | Delta Air Lines, Inc. Credit-Linked Deposit Loan,<br>1.751% - 4.581%, 4/30/12<br>US Airways Group, Inc. Term Loan, 3.936%, 3/23/14  |
| Auto Components - 3.3%     | Allison Transmission, Inc. Term Loan, 4.38% - 5.57%, 8/07/14<br>Dana Holding Corp. Term Advance, 6.75% - 8.02%, 1/31/15<br>Goodyear Tire & Rubber Co., Second Lien Term Loan, 2.90%,<br>4/30/14<br>Intermet Corp. Letter of Credit, 1.648% - 6.88%, 11/08/10 (d)<br>Intermet Corp. Line of Credit, 7.814%, 11/09/10<br>Intermet Corp. Term Loan B, 7.817%, 11/08/10 (d)<br>Intermet Corp. Term Loan B, 7.817%, 5/15/11<br>Metaldyne Co. LLC DF Loan, 1.751% - 8.313%, 1/11/12<br>Metaldyne Co. LLC Initial Tranche Term Loan B, 7.875%, 1/11/14 |
| Automobiles - 0.2%         | Ford Motor Co. Term Loan, 4.43%, 12/15/13<br>General Motors Corp. Term Loan B, 5.795%, 11/29/13   |
| Beverages - 0.1%           | Culligan International Second Lien Term Loan, 9.184% -<br>9.711%, 4/24/13   |
| Biotechnology - 0.4%       | Talecris Biotherapeutics Holdings Corp. First Lien Term<br>Loan, 4.91% - 5.64%, 12/06/13  |
| Building Products - 1.3%   | Building Material Corp. of America Term Loan Advance,<br>6.50% - 6.625%, 2/22/14<br>Masonite International Term Loan, 5%, 4/06/13<br>Masonite International U.S. Term Loan, 5%, 4/06/13   |
| Chemicals - 4.4%           | Huish Detergents, Inc. Tranche Term Loan B, 5.77%, 4/26/14<br>PQ Corp. (Niagara Acquisition, Inc.) First Lien Term Loan,<br>6.72% - 7.02%, 5/29/16<br>PQ Corp. (Niagara Acquisition, Inc.) Second Lien Term Loan,<br>9.97%, 5/29/15<br>Rockwood Specialties Group, Inc. Tranche E Term Loan,<br>3.546%, 12/13/12<br>Solutia, Inc. Term Loan, 8.50%, 2/28/14   |

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| Industry                                      | Floating Rate Loan Interests  |
|---|---|
|   | Wellman, Inc. Second Lien Term Loan, 11.661%, 2/10/10 (d) (f)   |
| Commercial Services & Supplies - 2.5%         | ARAMARK Corp. Line of Credit Facility Letter of Credit, 2.469%, 1/26/14<br>ARAMARK Corp. U.S. Term Loan, 5.637%, 1/26/14<br>John Maneely Co. Term Loan, 5.856% - 8%, 12/28/13<br>NES Rentals Holdings, Inc. Term Loan C, 9.125%, 7/12/13<br>West Corp. Term Loan B-2, 3.774% - 4.733%, 10/31/13 |
| Communications Equipment - 0.2%               | SafeNet, Inc. First Lien Term Loan, 7.75%, 5/11/15  |
| Computers & Peripherals - 0.4%                | Intergraph Corp. First Lien Initial Term Loan, 4.196%, 5/15/14<br>Intergraph Corp. Second Lien Term Loan, 8.196%, 11/17/14  |
| Construction & Engineering - 0.1%             | Brand Energy & Infrastructure Services, Inc. (FR Brand Acquisition Corp.) Letter of Credit, 4.625% - 6.063%, 1/31/14  |
| Construction Materials - 0.5%                 | Headwaters, Inc. Term Loan B-1 (First Lien), 8.27%, 4/30/11   |
| Containers & Packaging - 1.1%                 | Berry Plastics Group, Inc. Term Loan B, 11.334%, 6/15/14<br>Consolidated Container Co. LLC Second Lien Term Loan, 7.123% - 8.106%, 7/14/14<br>Graham Packaging Co., L.P. New Term Loan, 4.438% - 6.313%, 9/30/11  |
| Distributors - 0.3%                           | Keystone Automotive Operations, Inc. Term Loan, 4.909% - 5.633%, 1/12/12  |
| Diversified Consumer Services - 1.3%          | Coinmach Corp. Term Loan, 4.46% - 5.22%, 11/15/14   |
| Diversified Financial Services - 0.4%         | J.G. Wentworth LLC First Lien Term Loan, 6.012%, 4/03/14  |
| Diversified Telecommunication Services - 2.1% | Hawaiian Telcom Term Loan C, 6.262%, 6/01/14 (e)<br>Winstar Communications Debtor In Possession, 6.366%, 12/31/06 (d) (f) (g)   |
| Electrical Equipment - 0.3%                   | Generac Acquisition Corp. First Lien Term Loan, 6.65%, 11/10/13   |
| Energy Equipment & Services - 1.6%            | Dresser, Inc. Second Lien Term Loan, 7.986%, 5/15/15<br>Dresser, Inc. Term Loan B, 3.686% - 4.486%, 5/15/14<br>MEG Energy Corp. Delayed Draw Term Loan, 5.77%, 3/23/13  |

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Industry

Floating Rate Loan Interests

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|  |  |
|--|--|
|  | MEG Energy Corp. Initial Term Loan, 5.77%, 3/23/13 |
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|                                 |  |
|---------------------------------|--|
| Food & Staples Retailing - 0.5% | Bolthouse Farms, Inc. Second Lien Term Loan, 9.262%, 12/01/13<br>DS Waters of America, Term Loan, 5.409%, 3/31/12<br>McJunkin Corp. Term Loan, 7.012%, 1/30/14 |
|---------------------------------|--|

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|                      |   |
|----------------------|---|
| Food Products - 2.1% | Dole Food Co., Inc. Credit-Linked Deposit, 4.689%, 4/12/13<br>Dole Food Co., Inc. Tranche Term Loan B, 3.50% - 5%, 4/12/13<br>Dole Food Co., Inc. Tranche Term Loan C, 3.50% - 6.813%,<br>4/12/13<br>Jetro Holdings, Inc. Term Loan, 4.02%, 5/11/14<br>Sturm Foods, Inc. First Lien Initial Term Loan,<br>5.875% - 6%, 1/22/14 (c)<br>Sturm Foods, Inc. Second Lien Initial Term Loan, 9.50%, 6/30/ |
|----------------------|---|

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|   |  |
|---|--|
| Health Care Equipment & Supplies - 1.3% | Biomet, Inc. Dollar Term Loan, 6.762%, 3/25/15<br>DJO Finance LLC Term Loan, 4.436% - 6.762%, 11/20/13 |
|---|--|

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|   |  |
|---|--|
| Health Care Providers & Services - 0.8% | CCS Medical, Inc. First Lien Term Loan, 7.02%, 8/01/12<br>Rotech Healthcare, Inc. Term Loan B, 9.135%, 9/26/11 |
|---|--|

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|                                      |   |
|--------------------------------------|---|
| Hotels, Restaurants & Leisure - 2.6% | Golden Nugget, Inc. Term Loan Second Lien, 4.69%, 11/30/14<br>Green Valley Ranch Gaming, LLC Term Loan, 5.018%, 2/26/14<br>HRP Myrtle Beach Term Loan, 18.50% - 19.359%, 12/31/08<br>Harrah's Operating Co., Inc. Term Loan B-1,<br>6.535% - 6.762%, 1/28/15<br>Harrah's Operating Co., Inc. Term Loan B-2, 6.535% -<br>6.762%, 1/28/15<br>Harrah's Operating Co., Inc. Term Loan B-3, 4.436% -<br>6.762%, 1/28/15<br>Las Vegas Sands LLC Delay Draw Term Loan, 5.52%, 5/23/14<br>Las Vegas Sands LLC Tranche Term Loan B,<br>5.52%, 5/04/14<br>OSI Restaurant Partners, Inc. Revolving Credit, 2.639%, 5/15/ |
|--------------------------------------|---|

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| Industry  | Floating Rate Loan Interests   |
|---|--|
|   | OSI Restaurant Partners, Inc. Term Loan B, 3.75%, 5/15/14<br>QCE LLC Second Lien Term Loan, 9.512%, 11/05/13<br>VML US Finance LLC Delay Draw Term Loan, 6.02%, 5/25/12<br>VML US Finance LLC Term Loan B, 6.02%, 5/25/13  |
| Household Durables - 1.0%                           | American Residential Services LLC Second Lien Term Loan, 10%, 4/17/15  |
| Household Products - 0.8%                           | Spectrum Brands, Inc. Letter of Credit, 2.70%, 4/15/13<br>Spectrum Brands, Inc. Term Loan B-1, 5.768% - 8.32%, 4/15/13   |
| IT Services - 2.1%                                  | Activant Solutions Inc. Term Loan B, 6.063% - 6.25%, 5/02/13<br>Audio Visual Services Group, Inc. Tranche Lien Term Loan B, 9.27%, 8/28/13<br>Ceridian Corp. U.S. Term Loan, 4.423%, 11/09/14<br>First Data Corp. Term Loan B-2, 4.149% - 6.512%, 9/24/14<br>RedPrairie Corp. Term Loan, 5.188% - 6%, 7/17/12<br>RedPrairie Corp. Term Loan, 5.875%, 7/17/12 |
| Independent Power Producers & Energy Traders - 0.7% | Texas Competitive Electric Holdings Co. LLC Term Loan B-2, 5.268% - 7.262%, 10/10/14<br>Texas Competitive Electric Holdings Co. LLC Term Loan B-3, 5.268% - 7.262%, 10/10/14   |
| Industrial Conglomerates - 0.3%                     | Sequa Corp. Term Loan B, 5.02% - 7.02%, 12/03/14   |
| Insurance - 0.4%                                    | Alliant Holdings I, Term Loan, 6.762%, 10/23/14  |
| Internet & Catalog Retail - 0.4%                    | FTD Group, Inc. Tranche Term Loan B, 7.50% - 8.035%, 8/26/14   |
| Machinery - 2.1%                                    | Harrington Holdings, Inc. First Lien Term Loan, 3.686%, 1/11/14<br>Navistar International Corp. Revolving Credit-Linked Deposit, 4.686% - 7.126%, 1/19/12<br>Navistar International Corp. Term Advance, 4.686%, 1/19/12<br>OshKosh Truck Corp. Term Loan B, 2.93% - 4.62%, 12/06/13<br>Rexnord Corp. Payment In Kind Term Loan, 9.81%, 3/02/13               |

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| Industry               | Floating Rate Loan Interests   |
|------------------------|--|
| Media - 12.9%          | Affinion Group Holdings, Inc. Term Loan, 9.868%, 3/01/12<br>Cequel Communications, LLC (Cebridge) Second Lien Term Loan, 8.235% - 9.193%, 5/05/14<br>Cequel Communications, LLC (Cebridge) Term Loan B, 4.235% - 6.334%, 11/05/13<br>ClientLogic Holding Corp. Term Loan B, 4.678% - 6.789%, 1/30/14<br>Easton-Bell Sports, Inc. Term Loan B, 9.27%, 5/01/12<br>Education Media and Publishing Group Ltd. First Lien Term Loan B, 7.516%, 11/14/14<br>Education Media and Publishing Group Ltd. Second Lien Term Loan, 13.016%, 11/14/14<br>Ellis Communications Term Loan, 10%, 12/30/11<br>GateHouse Media Operating, Inc. Delay Draw Term Loan, 4.20% - 5%, 9/15/14<br>GateHouse Media Operating, Inc. Initial Term Loan B, 4.20%, 8/28/14<br>Getty Images, Inc. Initial Term Loan, 8.053%, 6/30/15<br>Insight Midwest Holdings, LLC Delay Draw Term Loan, 4.85%, 4/06/14<br>Multicultural Radio Broadcasting Inc. Term Loan, 4.928%, 12/15/12<br>NEP II Inc. Term Loan B, 6.012%, 2/16/14<br>Newsday, LLC Term Loan, 9.75%, 7/02/13<br>Penton Media Inc. Second Lien Term Loan, 8.42%, 2/01/14<br>ProSiebenSat.1 Media AG Term Loan B, 7.526%, 6/30/15<br>ProSiebenSat.1 Media AG Term Loan B, 7.776%, 6/30/16<br>Thomson Learning, Inc. Term Loan B-2, 7.50%, 7/05/14 |
| Metals & Mining - 0.6% | Euramax International Plc First Lien Term Loan, 7.50%, 6/29/12<br>Euramax International Plc Second Lien Term Loan, 11.75%, 6/29/13   |
| Multi-Utilities - 0.7% | Coleto Creek Letter of Credit, 6.512%, 7/31/13<br>Coleto Creek Term Loan B, 3.662%, 7/31/13<br>Energy Transfer Equity, LP Term Loan B, 4.138%, 11/01/12<br>NE Energy Second Lien Term Loan, 7.711%, 10/31/14   |

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Industry Floating Rate Loan Interests

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USPF Holdings Term Loan, 3.159%, 4/15/14

|   |   |
|---|---|
| Multiline Retail - 0.5%                     | Neiman Marcus Group, Inc. Term Loan, 4.565%, 4/06/13  |
| Oil, Gas & Consumable Fuels - 3.9%          | Big West Oil & Gas Delay Advanced Term Loan, 5.25%, 5/15/14<br>Big West Oil & Gas Initial Finance Term Loan, 5.25%, 5/15/14<br>Petroleum Geo-Services ASA Term Loan, 5.51%, 6/06/15<br>Scorpion Drilling Ltd. Second Lien Term Loan, 8.936%, 5/05/15<br>Turbo Beta Plc Bridge Loan, 14.50%, 3/15/18<br>Western Refining Inc. LP Term Loan, 9.25%, 5/30/14 |
| Paper & Forest Products - 1.3%              | Boise Paper Holdings LLC (Aldabra Sub LLC)<br>Second Lien Term Loan, 7.50%, 2/05/15<br>Verso Paper Finance Holdings LLC Term Loan, 10.012%, 2/01/13   |
| Pharmaceuticals - 0.1%                      | Pharmaceutical Technologies & Services (PTS)<br>Term Loan, 6.012%, 4/10/14  |
| Real Estate Management & Development - 1.7% | Enclave First Lien Term Loan, 6.14%, 3/01/12<br>Georgian Towers Term Loan, 6.14%, 3/01/12   |
| Road & Rail - 0.8%                          | Rail America, Inc. Canadian Term Loan, 7.883%, 6/30/09<br>Rail America, Inc. Term Loan, 7.883%, 6/30/09<br>Rail America, Inc. U.S. Term Loan, 7.883%, 6/30/09   |
| Software - 1.1%                             | Aspect Software Second Lien Term Loan, 9.188%, 7/05/12  |
| Specialty Retail - 0.6%                     | ADESA, Inc. (KAR Holdings Inc.) Initial Term Loan B, 6.02%, 10/20/13<br>Claire's Stores Inc. Term Loan B, 4.186% - 6.512%, 5/29/14  |
| Textiles, Apparel & Luxury Goods - 0.1%     | Renfro Corp. Tranche Term Loan B, 5.42% - 7.02%, 9/30/13  |
| Wireless Telecommunication Services - 0.3%  | IPC Systems Inc. Tranche Term Loan B-1, 6.012%, 5/31/14   |
|   | Total Floating Rate Loan Interests - 61.2%  |
| Industry                                    | Common Stocks   |
| Building Products - 0.0%                    | Neenah Enterprises Inc. (f)   |
| Capital Markets - 0.2%                      | E*Trade Financial Corp. (f)   |

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BlackRock Debt Strategies Fund, Inc.

Schedule of Investments November 30, 2008 (Unaudited)

(Percentages shown are based on Net Assets)

| Industry                                   | Common Stocks   |
|--|---|
| Chemicals - 0.0%                           | GEO Specialty Chemicals, Inc. (e) (i)<br>GenTek Inc. (f)  |
| Commercial Services & Supplies - 0.1%      | New Outsourcing Solutions, Inc. (f)   |
| Communications Equipment - 0.4%            | Loral Space & Communications Ltd. (f)   |
| Containers & Packaging - 0.3%              | Smurfit Kappa Plc<br>Viskase Cos., Inc. (f)   |
| Diversified Financial Services - 0.3%      | Preferred Term Securities VI, Ltd. (b) (f)  |
| Electrical Equipment - 0.1%                | Medis Technologies Ltd. (f)<br>SunPower Corp. Class B (f)   |
| Hotels, Restaurants & Leisure - 0.0%       | HRP PIK Corp. Class B (b) (e) (f)<br>Lodgian, Inc. (f)  |
| Oil, Gas & Consumable Fuels - 0.9%         | EXCO Resources, Inc. (f)  |
| Paper & Forest Products - 0.9%             | Ainsworth Lumber Co. Ltd.<br>Ainsworth Lumber Co. Ltd. (b)<br>Western Forest Products, Inc. (b) (f) |
| Specialty Retail - 0.6%                    | Movie Gallery, Inc. (f)   |
| Wireless Telecommunication Services - 0.2% | American Tower Corp. Class A (f)  |
|  | Total Common Stocks - 4.0%  |
|  | Preferred Securities  |
|  | Capital Trusts  |
| Diversified Financial Services - 0.8%      | Citigroup, Inc., 8.40% (g) (j)  |
|  | Total Preferred Securities - 0.8%   |

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| Warrants (k)                            |  |
|---|--|
| Building Products - 0.0%                | Neenah Enterprises Inc. (expires 9/30/13)      |
| Chemicals - 0.0%                        | GenTek Inc. Tranche C (expires 11/10/10)       |
| Health Care Providers & Services - 0.0% | HealthSouth Corp. (expires 1/16/14)            |
| Media - 0.0%                            | Sirius Satellite Radio, Inc. (expires 5/15/09) |
| Specialty Retail - 0.0%                 | Movie Gallery, Inc. (expires 5/15/15) (e)      |
| Total Warrants - 0.0%                   |  |

| Other Interests (l) |  |
|---------------------|--|
| Airlines - 0.1%     | Delta Air Lines, Inc. Default 8.33% Escrow<br>Delta Air Lines, Inc. Default 10% Escrow |
| Media - 0.0%        | Adelphia Escrow (e)  |

BlackRock Debt Strategies Fund, Inc.  
 Schedule of Investments November 30, 2008 (Unaudited)  
 (Percentages shown are based on Net Assets)

| Industry  | Other Interests (l)   |
|---|---|
|   | Adelphia Preferred Escrow (e)<br>Adelphia Recovery Trust (e)<br>Adelphia Recovery Trust Series ACC-6B INT (e) |
| Specialty Retail - 0.0%   | Movie Gallery, Inc. Default Escrow (e)  |
| Total Other Interests - 0.1%  |   |
| Total Long-Term Investments<br>(Cost - \$783,104,312) - 135.6%      |   |
| Short-Term Securities   |   |
| BlackRock Liquidity Series, LLC<br>Cash Sweep Series, 1.64% (m) (n) |   |
| Total Short-Term Securities<br>(Cost - \$2,764,966) - 0.9%          |   |

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Total Investments (Cost - \$785,869,278\*) - 136.5%

Liabilities in Excess of Other Assets - (36.5)%

Net Assets - 100.0%

\* The cost and unrealized appreciation (depreciation) of investments as of November 30, 2008, as computed for federal income tax purposes, were as follows:

|                               |                  |
|-------------------------------|------------------|
| Aggregate cost                | \$ 786,304,407   |
|                               | =====            |
| Gross unrealized appreciation | \$ 5,014,545     |
| Gross unrealized depreciation | (364,480,488)    |
|                               | -----            |
| Net unrealized depreciation   | \$ (359,465,943) |
|                               | =====            |

- (a) Convertible security.
- (b) Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration to qualified institutional investors.
- (c) Represents a payment-in-kind security which may pay interest/dividends in additional par/shares.
- (d) Issuer filed for bankruptcy and/or is in default of interest payments.
- (e) Security is fair valued.
- (f) Non-income producing security.
- (g) As a result of bankruptcy proceedings, the company did not repay the principal amount of the security upon maturity.
- (h) Variable rate security. Rate shown is as of report date.
- (i) Represents a step bond. Rate shown is as of report date.
- (j) Security is perpetual in nature and has no stated maturity date.
- (k) Warrants entitle the Fund to purchase a predetermined number of shares of common stock and are non-income producing. The purchase price and number of shares are subject to adjustment under certain conditions until the expiration date.
- (l) "Other interests" represent beneficial interest in liquidation trusts and other reorganization entities and are non-income producing.
- (m) Represents the current yield as of report date.
- (n) Investments in companies considered to be an affiliate of the Fund, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, were as follows:

| Affiliate                       | Net Activity | Income   |
|---------------------------------|--------------|----------|
| BlackRock Liquidity Series, LLC |              |          |
| Cash Sweep Series               | \$2,764,966  | \$98,023 |

BlackRock Debt Strategies Fund, Inc.  
Schedule of Investments November 30, 2008 (Unaudited)

- o For Fund compliance purposes, the Fund's industry classifications refer to any one or more of the industry sub-classifications used by one or more widely recognized market indexes or ratings group indexes, and/or as defined by Fund management. This definition may not apply for purposes of this report, which may combine industry sub-classifications for reporting ease.

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- o Foreign currency exchange contracts as of November 30, 2008 were as follows:

|       | Currency Purchased | Currency Sold | Settlement Date | Unrealized Appreciation (Depreciation) |
|-------|--------------------|---------------|-----------------|--|
| USD   | 6,223,987          | EUR 4,929,500 | 12/10/08        | \$ (37,307)                            |
| USD   | 633,843            | EUR 489,000   | 12/10/08        | 12,731                                 |
| USD   | 2,026,599          | CAD 2,400,000 | 1/21/09         | 90,388                                 |
| Total |                    |               |                 | \$ 65,812<br>=====                     |

- o Currency Abbreviations:

|     |                 |
|-----|-----------------|
| CAD | Canadian Dollar |
| EUR | Euro            |
| GBP | British Pound   |
| USD | U.S. Dollar     |

- o Credit default swaps on traded indexes - buy protection outstanding as of November 30, 2008 were as follows:

| Issuer                                       | Pay Fixed Rate | Counterparty                | Expiration | Notional Amount (000) (1) | Unrealized Appreciation |
|--|----------------|-----------------------------|------------|---------------------------|-------------------------|
| Dow Jones CDX North America High Yield Index | 5.00%          | Credit Suisse International | June 2013  | USD 7,440                 | \$ 1,207,528            |

- (1) The maximum potential amount the Fund may receive should a negative credit event take place as defined under the terms of the agreement.

- o Credit default swaps on traded indexes - sold protection outstanding as of November 30, 2008 were as follows:

| Issuer                        | Pay Fixed Rate | Counterparty     | Expiration | Notional Amount (000) (1) | Unrealized Depreciation |
|-------------------------------|----------------|------------------|------------|---------------------------|-------------------------|
| BAA Ferovial Junior Term Loan | 2.00%          | Deutsche Bank AG | June 2012  | GBP 900                   | \$ (307,958)            |

- (1) The maximum potential amount the Fund may receive should a negative credit event take place as defined under the terms of the agreement.

- o Effective March 1, 2008, the Fund adopted Financial Accounting Standards Board Statement of Financial Accounting Standards No. 157, "Fair Value Measurements" ("FAS 157"). FAS 157 clarifies the definition of fair value, establishes a framework for measuring fair values and requires additional disclosures about the use of fair value measurements. Various inputs are used in determining the fair value of investments, which are follows:

- o Level 1 - price quotations in active markets/exchanges for identical securities

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BlackRock Debt Strategies Fund, Inc.

Schedule of Investments November 30, 2008 (Unaudited)

- o Level 2 - other observable inputs (including, but not limited to: quoted prices for 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)
- o Level 3 - unobservable inputs based on the best information available in the circumstance, to the extent observable inputs are not available (including the Fund's own assumption used in determining the fair value of investments)

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. For information about the Fund's policy regarding valuation of investments and other significant accounting policies, please refer to the Fund's most recent financial statements as contained in its semi-annual report.

The following table summarizes the inputs used as November 30, 2008 in determining the fair valuation of the Fund's investments:

| Valuation<br>Inputs | Investments in<br>Securities | Other<br>Financial<br>Instruments* |
|---------------------|------------------------------|------------------------------------|
| Level 1             | \$ 9,847,357                 | --                                 |
| Level 2             | 324,562,087                  | \$ 1,273,340                       |
| Level 3             | 92,429,020                   | (307,958)                          |
| Total               | \$ 426,838,464               | \$ 965,382                         |

\* Other financial instruments are foreign currency exchange contracts and swaps.

The following is a reconciliation of investments for unobservable inputs (Level 3) used in determining fair value:

|                                   | Investments in<br>Securities | Other Financial<br>Instruments** |
|-----------------------------------|------------------------------|----------------------------------|
| Balance, as of March 1, 2008      | \$ 192,289,712               | \$ (157,226)                     |
| Accrued discounts/premiums        | 363,895                      | --                               |
| Realized gain (loss)              | (13,727,935)                 | --                               |
| Change in unrealized depreciation | (30,155,287)                 | (150,732)                        |
| Net purchases (sales)             | (43,424,963)                 | --                               |
| Net transfers in/out of Level 3   | (12,916,402)                 | --                               |
| Balance, as of November 30, 2008  | \$ 92,429,020                | \$ (307,958)                     |

\*\* Other financial instruments are swaps.

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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 Debt Strategies Fund, Inc.

By: /s/ Donald C. Burke

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Donald C. Burke  
Chief Executive Officer of  
BlackRock Debt Strategies Fund, Inc.

Date: February 18, 2009

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/ Donald C. Burke

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Donald C. Burke  
Chief Executive Officer (principal executive officer) of  
BlackRock Debt Strategies Fund, Inc.

Date: February 18, 2009

By: /s/ Neal J. Andrews

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Neal J. Andrews  
Chief Financial Officer (principal financial officer) of  
BlackRock Debt Strategies Fund, Inc.

Date: February 18, 2009