BlackRock Credit Allocation Income Trust III

Cusip: 09249V103
Ticker: BPP

Record Date	December 31, 2009
Pay Date	January 11, 2010
Distribution Amount per share	$ 0.07250

The following table sets forth the estimated amounts of the current distribution and the cumulative distributions paid this fiscal year to date from the following sources: net investment income, net realized capital gains and return of capital. All amounts are expressed per common share.

	Current Distribution	% Breakdown of the Current Distribution	Total Cumulative Distributions for the Fiscal Year to Date	% Breakdown of the Total Cumulative Distributions for the Fiscal Year to Date
Net Investment Income	$ 0.02931	40%	$ 0.10525	48%
Net Realized Capital Gains	$ -	0%	$ -	0%
Return of Capital	$ 0.04319	60%	$ 0.11225	52%
Total (per common share)	$ 0.07250	100%	$ 0.21750	100%

The Trust estimates that it has distributed more than its income and net realized gains; therefore, a portion of your distribution may be a return of capital. A return of capital may occur, for example, when some or all of the money that you invested in the Trust is paid back to you. A return of capital does not necessarily reflect the Trust's investment performance and should not be confused with 'yield' or 'income'.

The amounts and sources of distributions reported in the Notice are only estimates and are not being provided for tax reporting purposes. The actual amounts and sources of the amounts for tax reporting purposes will depend upon the Trust's investment experience during the remainder of its fiscal year and may be subject to changes based on the tax regulations. The Trust will send you a Form 1099-DIV for the calendar year that will tell you how to report these distributions for federal income tax purpose.

Contact Number: 888-825-2257