ING GLOBAL EQUITY DIVIDEND & PREMIUM OPPORTUNITY FUND
Form N-CSRS
November 05, 2009

Table of Contents

OMB APPROVAL
OMB Number: 3235-0570
Expires: August 31, 2011
Estimated average burden hours per response: 18.9

UNITED STATES
SECURITIES AND CHANGE COMMISSION
Washington, D.C. 20549
FORM N-CSR
CERTIFIED SHAREHOLDER REPORT OF
REGISTERED MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number: 811-21553

ING Global Equity Dividend and Premium Opportunity Fund
(Exact name of registrant as specified in charter)

7337 E. Doubletree Ranch Rd., Scottsdale, AZ	**85258**
(Address of principal executive offices)	(Zip code)

The Corporation Trust Company, 1209 Orange Street, Wilmington, DE 19801
(Name and address of agent for service)

Registrant s telephone number, including area code: **1-800-992-0180**

Date of fiscal year end:	**February 28**
Date of reporting period:	**August 31, 2009**

Table of Contents

Semi-Annual Report

August 31, 2009

ING Global Equity Dividend and Premium Opportunity Fund

E-Delivery Sign-up details inside

This report is submitted for general information to shareholders of the ING Funds. It is not authorized for distribution to prospective shareholders unless accompanied or preceded by a prospectus which includes details regarding the funds investment objectives, risks, charges, expenses and other information. This information should be read carefully.

FUNDS

TABLE OF CONTENTS

Go Paperless with E-Delivery!

Sign up now for on-line prospectuses, fund reports, and proxy statements. In less than five minutes, you can help reduce paper mail and lower fund costs.

Just go to www.ingfunds.com, click on the E-Delivery icon from the home page, follow the directions and complete the quick 5 Steps to Enroll.

You will be notified by e-mail when these communications become available on the internet. Documents that are not available on the internet will continue to be sent by mail.

PROXY VOTING INFORMATION

A description of the policies and procedures that the Fund uses to determine how to vote proxies related to portfolio securities is available: (1) without charge, upon request, by calling Shareholder Services toll-free at (800) 992-0180; (2) on the ING Funds website at www.ingfunds.com; and (3) on the SEC s website at www.sec.gov. Information regarding how the Fund voted proxies related to portfolio securities during the most recent 12-month period ended June 30 is available without charge on the ING Funds website at www.ingfunds.com and on the SEC s website at www.sec.gov.

QUARTERLY PORTFOLIO HOLDINGS

The Fund files its complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. The Fund s Forms N-Q are available on the SEC s website at www.sec.gov. The Fund s Forms N-Q may be reviewed and copied at the SEC s Public Reference Room in Washington, DC, and information on the operation of the Public Reference Room may be obtained by calling (800) SEC-0330; and is available upon request from the Fund by calling Shareholder Services toll-free at (800) 992-0180.

Table of Contents

(THIS PAGE INTENTIONALLY LEFT BLANK)

Table of Contents

PRESIDENT S LETTER

Dear Shareholder,

ING Global Equity Dividend and Premium Opportunity Fund (the Fund) is a non-diversified, closed-end management investment company whose shares are traded on the New York Stock Exchange under the symbol IGD. The primary objective of the Fund is to provide a high level of income, with a secondary objective of capital appreciation.

The Fund seeks to achieve its objectives by investing in a portfolio of global common stocks that have a history of attractive dividend yields and employing an option strategy of writing call options on a portion of the equity portfolio. The Fund buys out of the money put options on selected indices to partially protect portfolio value from significant market declines and also partially hedges currency exposure to reduce volatility of total return.

For the six month period ended August 31, 2009, the Fund made monthly total distributions of $0.94 per share, including a return of capital of $0.64 per share.

Based on net asset value (NAV), the Fund provided a total return of 31.15% for the six month period ended August 31, 2009.[(1)] This NAV return reflects an increase in its NAV from $9.81 on February 28, 2009 to $11.78 on August 31, 2009, including the reinvestment of $0.94 per share in monthly total distributions, including a return of capital of $0.64 per share. Based on its share price, the Fund provided a total return of 72.55% for the six month period ended August 31, 2009.[(2)] This share price return reflects an increase in its share price from $8.14 on February 28, 2009 to $12.86 on August 31, 2009, including the reinvestment of $0.94 per share in monthly total distributions, including a return of capital of $0.64 per share.

The global equity markets have witnessed a challenging and turbulent period. Please read the Market Perspective and Portfolio Managers Report for more information on the market and the Fund s performance.

At ING Funds our mission is to set the standard in helping our clients manage their financial future. We seek to assist you and your financial advisor by offering a range of global investment solutions. We invite you to visit our website at www.ingfunds.com. Here you will find information on our products and services, including current market data and fund statistics on our open- and closed-end funds. You will see that we offer a broad variety of equity, fixed income and multi-asset funds that aim to fulfill a variety of investor needs.

We thank you for trusting ING Funds with your investment assets, and we look forward to serving you in the months and years ahead.

Sincerely,

Shaun P. Mathews
President & Chief Executive Officer
ING Funds
October 9, 2009

The views expressed in the President s Letter reflect those of the President as of the date of the letter. Any such views are subject to change at any time based upon market or other conditions and ING Funds disclaim any responsibility to update such views. These views may not be relied on as investment advice and because investment decisions for an ING Fund are based on numerous factors, may not be relied on as an indication of investment intent on behalf of any ING Fund. Reference to specific company securities should not be construed as recommendations or investment advice. International investing does pose special risks including currency fluctuation, economic and political risks not found in investments that are solely domestic.

For more complete information, or to obtain a prospectus for any ING Fund, please call your Investment Professional or the Fund s Shareholder Service Department at (800) 992-0180 or log on to www.ingfunds.com. The prospectus should be read carefully before investing. Consider the fund s investment objectives, risks, charges and expenses carefully before investing. The prospectus contains this information and other information about the fund. Check with your Investment Professional to determine which funds are available for sale within their firm. Not all funds are available for sale at all firms.

(1) Total investment return at net asset value has been calculated assuming a purchase at net asset value at the beginning of each period and a sale at net asset value at the end of each period and assumes reinvestment of dividends, capital gain distributions, and return of capital distributions/allocations, if any, in accordance with the provisions of the Fund s dividend reinvestment plan.

(2) Total investment return at market value measures the change in the market value of your investment assuming reinvestment of dividends, capital gain distributions, and return of capital distributions/allocations, if any, in accordance with the provisions of the Fund s dividend reinvestment plan.

Table of Contents

Market Perspective: Six Months Ended August 31, 2009

Our previous fiscal year ended with stock markets on a seemingly inexorable march lower with governments and central banks unable to do anything to improve the outlook. Nine days into March, **global equities** in the form of the **MSCI World® Index**[1] measured in local currencies, including net reinvested dividends (MSCI for regions discussed below), had dropped nearly 22% for the calendar year to date touching the previous cycle lows of late 2002. From that point however, markets recovered abruptly, surging to a gain of 38% for the fiscal half-year. In **currencies,** the dollar resumed a weakening trend, losing 11.3% to the euro, 4.7% against the yen and 12.4% against the pound.

The reasons for the resurgence of equities after March 9, 2009 are hard to pin down. Policy initiatives referred to in our last annual report did help sentiment, despite some skepticism. A Public-Private Investment Program was developed to loosen credit by buying enormous volumes of distressed loans and toxic assets from banks, recipients of large capital infusions under the Troubled Asset Relief Program (TARP). The Federal Reserve would buy more agency mortgage-backed securities plus up to $300 billion in longer dated Treasuries to push mortgage interest rates lower. Another $750 billion beyond TARP would be made available. A $75 billion plan would cut mortgage payments for struggling homeowners. The president s first budget projected a $1.75 trillion deficit!

There were other morale-boosting catalysts like troubled Citigroup s claim on March 10 that the year 2009 had been profitable so far. More generally, the economic reports from which markets seemed to be taking heart were only improving weakly and erratically. Nonetheless they were soon being referred to as green shoots and they continued to appear and in some cases grow throughout the half-year.

In housing, the **Standard & Poor s (S&P) /Case-Shiller National U.S. Home Price Index**[2] of house prices in 20 cities sank a record 19% year-over-year in January. But from there the declines moderated to 15.4% in June and showed the first quarterly increase in three years. By July 2009, sales of existing homes had risen to a 5.24 million annual rate, the most since before Lehman Brothers collapsed, while new home sales were the highest in four years.

In the field of jobs and wages, a lone (albeit welcome) green shoot emerged in the final employment report of the six-month period, where July 2009 payrolls fell by 247,000. This was less than half of the 599,000 job losses reported for January 2009 at the end of our last fiscal year. This shoot seemed to be on its own however, as the unemployment rate, at 9.4%, is probably still on the rise, while hourly wage growth continues to languish.

In other news, the fall in second quarter gross domestic product (GDP) was estimated at 1.0% annualized, much better than the first quarter s 5.5%. General Motors and Chrysler went into bankruptcy but came out faster than most people thought possible and evidently in much more competitive shape. The well-publicized cash for clunkers scheme boosted consumer spending and allowed some idled auto manufacturing plants to re-open.

The fiscal half-year ended then, with most investors feeling that the worst of the crisis had probably passed, yet fearful of what the world would look like after the stimulus money ran out.

U.S. equities, represented by the **S&P 500® Index**[3] including dividends, returned 40.5% in the six months ending August 31, 2009. As with stock markets generally, March 9, 2009, marked the low point for the index, closing at September 1996 levels. Operating profits for S&P 500® Index companies suffered their eighth straight quarter of decline, but from March 9, 2009, investors only had eyes for green shoots and from there the market returned 52.6%, led by financials, which soared 137.6%. This remarkable advance was accompanied by a reduction in volatility to pre-Lehman levels, but nerves could still be jarred on any given day by a negative data point. A possible glimpse into a post-stimulus world came on August 17, 2009 when the S&P 500® Index (and other global indices) fell by over 2%

in response to a 6% drop in the Chinese stock market, due in part to mounting concerns over the curtailment of stimulative bank lending.

In international markets, the **MSCI Japan® Index**[(4)] rose 29.1% for the six months through August 31, 2009. The slump in exports stabilized during the period, and this plus government stimulus caused a rise in GDP of 0.9% in the second quarter of 2009 after a contraction of 3.1% in the first. But this may be temporary as wages, prices and retail sales are falling at historically fast rates and unemployment has reached a record 5.7%. The **MSCI Europe ex UK® Index**[(5)] jumped 41.4%. Despite a bigger than expected drop in GDP of 2.5% in the first quarter and the first annual decline in consumer prices

Table of Contents

for 48 years, confidence proved resilient. The European Central Bank cut rates to 1% and offered to lend unlimited amounts to banks at this rate. By the end of our fiscal half-year, France and Germany were reporting GDP growth for the second quarter and prices were almost stable. Again however, can this last? The **MSCI UK® Index[(6)]** added 32.4%. The Bank of England reduced rates to 0.5%, the lowest since it was founded in 1694, and embarked on the world s most aggressive program of quantitative easing. The UK suffered its worst recorded annual slump in GDP: 4.9%. But by the end of August, the quarterly fall had moderated to 0.7%, while consumer confidence, purchasing managers indices and even house prices, were all firming up.

(1) The **MSCI World® Index** is an unmanaged index that measures the performance of over 1,400 securities listed on exchanges in the U.S., Europe, Canada, Australia, New Zealand and the Far East.

(2) The **S&P/Case-Shiller National U.S. Home Price Index** tracks the value of single-family housing within the United States. The index is a composite of single-family home price indices for the nine U.S. Census divisions and is calculated quarterly.

(3) The **S&P 500® Index** is an unmanaged index that measures the performance of securities of approximately 500 large-capitalization companies whose securities are traded on major U.S. stock markets.

(4) The **MSCI Japan® Index** is a free float-adjusted market capitalization index that is designed to measure developed market equity performance in Japan.

(5) The **MSCI Europe ex UK® Index** is a free float adjusted market capitalization index that is designed to measure developed market equity performance in Europe, excluding the UK.

(6) The **MSCI UK® Index** is a free float-adjusted market capitalization index that is designed to measure developed market equity performance in the UK.

Parenthesis denote a negative number.

All indices are unmanaged and investors cannot invest directly in an index.

Past performance does not guarantee future results. The performance quoted represents past performance. Investment return and principal value of an investment will fluctuate, and shares, when redeemed, may be worth more or less than their original cost. The Fund s performance is subject to change since the period s end and may be lower or higher than the performance data shown. Please call (800) 992-0180 or log on to www.ingfunds.com to obtain performance data current to the most recent month end.

Market Perspective reflects the views of ING s Chief Investment Risk Officer only through the end of the period, and is subject to change based on market and other conditions.

Table of Contents

ING Global Equity Dividend and Premium Opportunity Fund
Portfolio Managers Report

Country Allocation
as of August 31, 2009
(as a percent of net assets)

Portfolio holdings are subject to change daily.

ING Global Equity Dividend and Premium Opportunity Fund (the Fund) seeks to provide investors with a high level of income from a portfolio of global common stocks with historically attractive dividend yields and premiums from covered call option writing utilizing an integrated option strategy. Under normal market conditions, the Fund will invest at least 80% of its managed assets in a portfolio of common stocks of dividend paying companies located throughout the world, including the U.S. The Fund s secondary investment objective is capital appreciation.

The Fund is managed by Moudy El Khodr, Nicolas Simar, Kris Hermie, Frank van Etten, Willem van Dommelen, Bas Peeters and Alexander van Eekelen, Portfolio Managers, ING Investment Management Advisors B.V. the Sub-Adviser.

Equity Portfolio Construction: The stock selection process begins with constructing an eligible universe of global common stocks with market capitalizations typically over $1 billion that have a history of paying dividend yields in excess of 3% annually. Through a multi-step screening process of various fundamental factors and fundamental analysis the portfolio managers construct a portfolio generally consisting of 65 to 90 common stocks with a history of attractive dividend yields, and stable or growing dividends that are supported by business fundamentals.

The Fund s Integrated Option Strategy: The Fund s option strategy is designed to seek gains and lower volatility of total returns over a market cycle by selling covered calls on individual securities and selected indices and by buying puts on both local and regional indices. To generate premiums, the Fund writes covered call options on a substantial portion of the common stocks held in the Fund s portfolio, and on international, regional or country indices.

Writing covered call options involves granting the buyer the right to purchase certain common stock at a particular price (the strike price) either at a particular time or during a particular span of time. If the purchaser exercises a covered call option sold by the Fund, either the common stock will be called away from the Fund and the Fund will receive payment equal to the strike price in addition to the original premium received, or the Fund will pay the purchaser the difference between the cash value of the common stock and the strike price of the option. The payment received for the common stock may be lower than the market value of the common stock at that time.

The Fund s covered call option writing is determined based on stock outlook, market opportunities and option price volatility. The Fund seeks to sell covered call options that are generally short-term (between 10 days and three months until expiration) and at- or near-the-money. The Fund typically maintains its covered call positions until expiration, but it retains the option to buy back the covered call options and sell new covered call options. The Fund may generate premiums by writing (selling) call options on individual securities and selected equity indices, and may also engage in other related option strategies to seek gains and lower volatility over a market cycle.

The Fund may seek, and during the reporting period sought, to partially hedge against significant market declines by buying out-of-the-money put options on related indices, such as the Standard and Poor s 500® Composite Stock Price Index (S&P 500® Index), the Financial Times Stock Exchange 100 Index (FTSE 100), the Nikkei All Stock Index (Nikkei), the Dow Jones Euro Stoxx 50 (Price) Index (EuroStoxx50) or any other broad-based global or regional securities index with an active derivatives market. The Fund generally invests in out-of-the-money puts that

Top Ten Holdings
as of August 31, 2009
(as a percent of net assets)

Royal Dutch Shell PLC	2.1%
Total SA	2.1%
ENI S.p.A.	2.1%
Vivendi	1.6%
Banco Santander Central Hispano SA	1.6%
E.ON AG	1.6%
Sanofi-Aventis	1.6%
Telefonica SA	1.5%
Australia & New Zealand Banking Group Ltd.	1.5%
Abbott Laboratories	1.5%

Portfolio holdings are subject to change daily.

ING Global Equity Dividend and Premium Opportunity Fund
Portfolio Managers Report

expire in 20 to 125 trading days. A portion of the premiums generated from the covered call strategy is used to buy put protection. Also, the Fund may seek to, and during the reporting period sought to, partially hedge the foreign currency risk inherent in its international equity holdings. Such currency hedges are implemented either by selling the international currencies forward or by buying out-of-the-money puts on international currencies versus the U.S. Dollar.

Performance: Based on net asset value (NAV) as of August 31, 2009, the Fund provided a total return of 31.15% for the six month period. This NAV return reflects an increase in its NAV from $9.81 on February 28, 2009 to $11.78 on August 31, 2009, including the reinvestment of $0.94 per share in monthly total distributions, including a return of capital of $0.64 per share. Based on its share price, the Fund provided a total return of 72.55% for the six month period. This share price return reflects an increase in its share price from $8.14 on February 28, 2009 to $12.86 on August 31, 2009, including the reinvestment of $0.94 per share in monthly total distributions, including a return of capital of $0.64 per share. The MSCI World[sm] Index and the Chicago Board Options Exchange (CBOE) BuyWrite Monthly Index (BXM Index) returned 46.66% and 26.99%, respectively, for the reporting period. During the period, the Fund made monthly total distributions of $0.94 per share, including a return of capital of $0.64 per share. As of August 31, 2009, the Fund had 95,907,413 shares outstanding.

Equity Portfolio Commentary: For the reporting period, the Fund s underlying equity portfolio underperformed its reference index. The shortfall was attributable to sector allocation. Financials staged the largest increase as investors banked on stabilization with regard to write-downs, capital increases and falling earnings. With hopes and some evidence of recovery coupled with governments intervention, many financial stocks rose more than 100%. The Fund s underweight among financials hurt results, as did poor stock selection. Allocation among utility and telecommunication stocks also detracted significantly from results. Overall, stock selection inclusive of currency gains largely overcame the negative effects of sector allocation, with notable contributions among the materials, industrials and consumer staples sectors.

Option Portfolio Commentary: The Fund s option strategy detracted from results for the reporting period. The Fund s option strategy is designed to seek gains and lower volatility of total returns over a market cycle by selling covered calls on individual securities and selected indices and by buying puts on both local and regional indices. During the reporting period, the call option overlay strategy gradually shifted to writing more calls on indices rather than mostly writing calls on individual stocks. At the end of the reporting period, around two-thirds of the call option premium came from index call options, the remaining one-third came from overwriting individual stocks.

Driven by a strong equity market, implied volatility levels decreased significantly. This led to increased coverage ratios of the calls. At the end of the reporting period, the total call coverage was close to 60%, of which 42% was index options and around 18% calls on individual stocks. Within the option portfolio, the focus was on stocks with both high liquidity and high implied volatility. The Fund increased the differences among coverage ratios of various stocks in the portfolio, seeking to benefit more from attractive volatility levels and optimize trading efficiency. Given the strong market rally that started in February 2009 and continued until the end of the reporting period, the calls sold were settled in the money and the amounts that had to be paid exceeded the premiums collected.

The equity index put options that were bought for protective purposes generally expired out of the money. However, the options helped to dampen total return volatility.

A significant part of the Fund s investments is directly exposed to currency risk, due to investments in global markets. The Fund partially hedges this risk by purchasing FX put options. To bring the FX overlay more in line with the equity option overlay we gradually started to write FX calls to finance the puts that the Fund purchased. In doing so, we sought to give the Fund potential to benefit from advantageous currency moves yet remain protected against unfavorable moves. All FX options the Fund traded expired out of the money.

Current Strategy & Outlook: High-dividend strategies seek to dampen volatility versus the broader market across an investment cycle. The global economic outlook has improved in recent months, with indications that the global economy is passing through its nadir and that growth in the major developed economies should resume in the second half of 2009. We believe the recovery is likely to be relatively weak as consumption in the developed economies faces secular headwinds. In our opinion, market volatility should remain higher than the level preceding the financial crisis, and generally support the generation of continued attractive levels of premiums to supplement the dividend income on the equity portfolio.

Portfolio holdings and characteristic are subject to change and may not be representative of current holdings and characteristics.

Performance data represents past performance and is no guarantee of future results.

An index has no cash in its portfolio, imposes no sales charges and incurs no operating expenses. An investor cannot invest directly in an index.

Table of Contents

STATEMENT OF ASSETS AND LIABILITIES as of August 31, 2009 (Unaudited)

ASSETS:	
Investments in securities at value*	$ 1,111,999,494
Cash	20,303,029
Foreign currencies at value**	24,413,570
Receivables:	
Investment securities sold	513,135
Dividends and interest	5,058,253
Prepaid expenses	7,518
Total assets	1,162,294,999
LIABILITIES:	
Payable to affiliates	825,838
Payable for trustee fees	22,342
Other accrued expenses and liabilities	345,253
Written options***	30,941,130
Total liabilities	32,134,563
NET ASSETS (equivalent to $11.78 per share on 95,907,413 shares outstanding)	$ 1,130,160,436
NET ASSETS WERE COMPRISED OF:	
Paid-in capital shares of beneficial interest at $0.01 par value (unlimited shares authorized)	$ 1,647,739,969
Distributions in excess of net investment income	(13,773,186)
Accumulated net realized loss on investments, foreign currency related transactions, and written options	(573,280,773)
Net unrealized appreciation on investments, foreign currency related transactions, and written options	69,474,426
NET ASSETS	$ 1,130,160,436

* Cost of investments in securities	$ 1,036,857,306
** Cost of foreign currencies	$ 24,215,430
*** Premiums received on written options	$ 25,080,534

See Accompanying Notes to Financial Statements

Table of Contents

STATEMENT OF OPERATIONS for the six months ended August 31, 2009 (Unaudited)

INVESTMENT INCOME:	
Dividends, net of foreign taxes withheld*	$ 29,164,032
Interest	11,596
Total investment income	29,175,628
EXPENSES:	
Investment management fees	5,561,746
Transfer agent fees	20,611
Administrative service fees	529,686
Shareholder reporting expense	77,962
Professional fees	72,175
Custody and accounting expense	123,322
Trustee fees	23,920
Miscellaneous expense	100,615
Total expenses	6,510,037
Net waived and reimbursed fees	(1,059,391)
Net expenses	5,450,646
Net investment income	23,724,982
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS, FOREIGN CURRENCY RELATED TRANSACTIONS AND WRITTEN OPTIONS	
Net realized gain (loss) on:	
Investments	(174,894,691)
Foreign currency related transactions	891,944
Written options	(37,785,830)
Net realized loss on investments, foreign currency related transactions and written options	(211,788,577)
Net change in unrealized appreciation or depreciation on:	
Investments	483,404,139
Foreign currency related transactions	119,905
Written options	(19,916,163)
Net change in unrealized appreciation or depreciation on investments, foreign currency related transactions and written options	463,607,881
Net realized and unrealized gain on investments, foreign currency related transactions and written options	251,819,304
Increase in net assets resulting from operations	$ 275,544,286

* Foreign taxes withheld	$ 2,472,783

See Accompanying Notes to Financial Statements

Table of Contents

STATEMENTS OF CHANGES IN NET ASSETS (Unaudited)

	Six Months Ended August 31, 2009	Year Ended February 28, 2009
FROM OPERATIONS:		
Net investment income	$ 23,724,982	$ 66,464,673
Net realized loss on investments, foreign currency related transactions and written options	(211,788,577)	(350,844,154)
Net change in unrealized appreciation or depreciation on investments, foreign currency related transactions and written options	463,607,881	(272,719,666)
Increase (decrease) in net assets resulting from operations	275,544,286	(557,099,147)
FROM DISTRIBUTIONS TO SHAREHOLDERS:		
Net investment income	(28,521,210)	(92,800,346)
Return of capital	(61,104,252)	(89,452,379)
Total distributions	(89,625,462)	(182,252,725)
FROM CAPITAL SHARE TRANSACTIONS:		
Reinvestment of distributions	4,614,742	2,565,924
Cost of shares repurchased, net of commissions	(8,262,047)	(6,783,082)
Net decrease in net assets resulting from capital share transactions	(3,647,305)	(4,217,158)
Net increase (decrease) in net assets	182,271,519	(743,569,030)
NET ASSETS:		
Beginning of period	947,888,917	1,691,457,947
End of period	$ 1,130,160,436	$ 947,888,917
Distributions in excess of net investment income	$ (13,773,186)	$ (8,976,958)

See Accompanying Notes to Financial Statements

Table of Contents

ING Global Equity Dividend and Premium Opportunity Fund (Unaudited)
Financial Highlights

Selected data for a share of beneficial interest outstanding throughout each year or period.

		Six Months Ended	**Year Ended**			**March 30, 2005[1] to**
		August 31, 2009	**February 28, 2009**	**February 29, 2008**	**February 28, 2007**	**February 28, 2006**
Per Share Operating Performance:						
Net asset value, beginning of period	$	9.81	17.39	19.98	19.08	19.06(2)
Income (loss) from investment operations:						
Net investment income	$	0.25	0.68*	0.66*	0.67	

Partnership capital:		
General partner	5,573	5,971
Unitholders	120,958	132,611
Total partnership capital	126,531	138,582
Total liabilities and partnership capital	$ 127,507	$ 139,562

The accompanying condensed notes are an integral part of these consolidated financial statements.

4

DORCHESTER MINERALS, L.P.
(A Delaware Limited Partnership)

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In Thousands except Earnings per Unit)
(Unaudited)

	Three Months Ended March 31, 2009	2008
Operating revenues:		
Royalties	$ 7,025	$ 14,771
Net profits interests	1,782	6,365
Lease bonus	9	117
Other	8	19
Total operating revenues	8,824	21,272
Costs and expenses:		
Operating, including production taxes	739	1,191
Depletion and amortization	3,300	3,790
General and administrative expenses	1,035	1,011
Total costs and expenses	5,074	5,992
Operating income	3,750	15,280
Other income, net	27	130
Net earnings	$ 3,777	$ 15,410
Allocation of net earnings:		
General partner	$ 123	$ 463
Unitholders	$ 3,654	$ 14,947
Net earnings per common unit (basic and diluted)	$ 0.13	$ 0.53
Weighted average common units outstanding	28,240	28,240

The accompanying condensed notes are an integral part of these consolidated financial statements.

5

DORCHESTER MINERALS, L.P.
(A Delaware Limited Partnership)

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands)
(Unaudited)

	Year Ended March 31, 2009	2008
Net cash provided by operating activities	$ 11,735	$ 17,203
Cash flows used in investing activities:		
Capital expenditures	(79)	(50)
Cash flows used in financing activities:		
Distributions paid to general partner and unitholders	(15,828)	(14,996)
(Decrease) increase in cash and cash equivalents	(4,172)	2,157
Cash and cash equivalents at beginning of period	16,211	15,001
Cash and cash equivalents at end of period	$ 12,039	$ 17,158

The accompanying condensed notes are an integral part of these consolidated financial statements.

6

DORCHESTER MINERALS, L.P.
(A Delaware Limited Partnership)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. Basis of Presentation: Dorchester Minerals, L.P. is a publicly traded Delaware limited partnership that was formed in December 2001, and commenced operations on January 31, 2003. The consolidated financial statements include the accounts of Dorchester Minerals, L.P., Dorchester Minerals Oklahoma LP, Dorchester Minerals Oklahoma GP, Inc., Dorchester Minerals Acquisition LP, and Dorchester Minerals Acquisition GP, Inc. All significant intercompany balances and transactions have been eliminated in consolidation.

The condensed consolidated financial statements reflect all adjustments (consisting only of normal and recurring adjustments unless indicated otherwise) that are, in the opinion of management, necessary for the fair presentation of our financial position and operating results for the interim period. Interim period results are not necessarily indicative of the results for the calendar year. See "Management's Discussion and Analysis of Financial Condition and Results of Operations" for additional information. Per-unit information is calculated by dividing the earnings or loss applicable to holders of our Partnership's common units by the weighted average number of units outstanding. The Partnership has no potentially dilutive securities and, consequently, basic and dilutive earnings or loss per unit do not differ. These interim financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in the Partnership's annual report on Form 10-K for the year ended December 31, 2008.

2. Contingencies: In January 2002, some individuals and an association called Rural Residents for Natural Gas Rights sued Dorchester Hugoton, Ltd., along with several other operators in Texas County, Oklahoma regarding the use of natural gas from the wells in residences. Dorchester Minerals Operating LP, the operating partnership, now owns and operates the properties formerly owned by Dorchester Hugoton. These properties contribute a major portion of the Net Profits Interests amounts paid to us. On April 9, 2007, plaintiffs, for immaterial costs, dismissed with prejudice all claims against the operating partnership regarding such residential gas use. On October 4, 2004, the plaintiffs filed severed claims against the operating partnership regarding royalty underpayments, which the Texas County District Court subsequently dismissed with a grant of time to replead. On January 27, 2006, one of the original plaintiffs again sued the operating partnership for underpayment of royalty, seeking class action certification. On October 1, 2007, the Texas County District Court granted the operating partnership's motion for summary judgment finding no royalty underpayments. Subsequently, the District Court denied the plaintiff's motion for reconsideration, and the plaintiff filed an appeal. At present, the litigation awaits result of the appeal to the Oklahoma Supreme Court. An adverse appellate decision could reduce amounts we receive from the Net Profits Interests.

The Partnership and the operating partnership are involved in other legal and/or administrative proceedings arising in the ordinary course of their businesses, none of which have predictable outcomes and none of which are believed to have any significant effect on consolidated financial position, cash flows, or operating results.

3. Distributions to Holders of Common Units: Unitholder cash distributions per common unit since 2005 have been:

	Per Unit Amount				
	2009	2008	2007	2006	2005
First quarter	$0.401205	$0.572300	$0.461146	$0.729852	$0.481242
Second quarter		$0.769206	$0.473745	$0.778120	$0.514542
Third quarter		$0.948472	$0.560502	$0.516082	$0.577287

Fourth quarter	$0.542081	$0.514625	$0.478596	$0.805543

Distributions were paid on 28,240,431 units. Fourth quarter distributions shown above are paid in the first calendar quarter of the following year. Our partnership agreement requires the next cash distribution to be paid by August 15, 2009.

7

4. New Accounting Pronouncements: In September 2006, the Financial Accounting Standards Board ("FASB") issued Statement of Accounting Standards No. 157, Fair Value Measurements ("SFAS 157"). SFAS 157 defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. SFAS 157 also emphasizes that fair value is a market-based measurement, not an entity-specific measurement, and sets out a fair value hierarchy with the highest priority being quoted prices in active markets. Under SFAS 157, fair value measurements are disclosed by level within that hierarchy. In February 2008, the FASB issued FASB Staff Position 157-2, Effective Date of FASB Statement No. 157 which permits a one year deferral for the implementation of SFAS 157 with regard to nonfinancial assets and liabilities that are not recognized or disclosed at fair value in the financial statements on a recurring basis. We adopted SFAS 157 for the fiscal year beginning January 1, 2008 with no material impact on our consolidated financial statements. We adopted the delayed portion for nonfinancial assets and nonfinancial liabilities that are recognized or disclosed at fair value in the financial statements on a nonrecurring basis beginning January 1, 2009 with no material impact on our consolidated financial statements.

In December 2007, the FASB issued Statement of Financial Accounting Standards 141 (revised 2007), Business Combinations (SFAS 141(R)). SFAS 141(R), among other things, establishes principles and requirements for how the acquirer in a business combination (a) recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed, and any noncontrolling interest in the acquired business, (b) changes the accounting for contingent consideration, in process research and development, and restructuring costs, (c) recognizes and measures the goodwill acquired in the business combination or a gain from a bargain purchase, and (d) determines what information to disclose to enable users of the financial statements to evaluate the nature and financial effects of the business combination. We adopted SFAS 141(R) as of January 1, 2009. The adoption had no immediate impact on our consolidated financial statements.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Overview

We own producing and nonproducing mineral, royalty, overriding royalty, net profits and leasehold interests. We refer to these interests as the Royalty Properties. We currently own Royalty Properties in 573 counties and parishes in 25 states.

Dorchester Minerals Operating LP, a Delaware limited partnership owned directly and indirectly by our general partner, holds working interest properties and a minor portion of mineral and royalty interest properties. We refer to Dorchester Minerals Operating LP as the "operating partnership" or "DMOLP." We directly and indirectly own a 96.97% net profits overriding royalty interest (referred to as Net Profits Interests, or NPIs) in property groups made up of four NPIs created when we commenced operations in 2003 and one immaterial deficit NPI subsequently created. We currently receive monthly payments equaling 96.97% of the preceding month's net profits actually realized by the operating partnership from three of the property groups. The purpose of such Net Profits Interests is to avoid the participation as a working interest or other cost-bearing owner that could result in unrelated business taxable income. Net profits interest payments are not considered unrelated business taxable income for tax purposes. One such Net Profits Interest, referred to as the Minerals NPI, has continuously had costs that exceed revenues. As of March 31, 2009, cumulative operating and development costs presented in the following table, which include amounts equivalent to an interest charge, exceeded cumulative revenues of the Minerals NPI, resulting in a cumulative deficit. All cumulative deficits (which represent cumulative excess of operating and development costs over revenue received) are borne 100% by our general partner until the Minerals NPI recovers the deficit amount. Once in profit status, we will receive the Net Profits Interest payments attributable to these properties. Our consolidated financial statements do not reflect activity attributable to properties subject to Net Profits Interests that are in a deficit status. Consequently, Net Profits Interest payments and production sales volumes and prices set forth in other portions of this quarterly report do not reflect amounts attributable to the Minerals NPI, which includes all of the operating partnership's

Fayetteville Shale working interest properties in Arkansas.

8

The following table sets forth receipts and disbursements attributable to the Minerals NPI:

	Minerals NPI Results (in Thousands)		
	Cumulative Total at 12/31/08	Three Months Ended 3/31/09	Cumulative Total at 3/31/09
Cash received for revenue	$ 14,216	$ 777	$ 14,993
Cash paid for operating costs	2,226	184	2,410
Cash paid for development costs	11,724	782	12,506
Budgeted capital expenditures	905	26	931
Net	$ (639)	$ (215)	$ (854)
Cumulative NPI deficit	$ (639)	$ (854)	$ (854)

The development costs pertain to more properties than the properties producing revenue due to timing differences between operating partnership expenditures and oil and natural gas production and payments to the operating partnership. The amounts reflect budgeted capital expenditures of $931,000 at March 31, 2009. The amounts also reflect the operating partnership's ownership of the subject properties. Net Profits Interest payments to us, if any, will equal 96.97% of the cumulative net profits actually received by the operating partnership attributable to subject properties. The above financial information attributable to the Minerals NPI may not be indicative of future results of the Minerals NPI and may not indicate when the deficit status may end and when Net Profits Interest payments may begin from the Minerals NPI.

Commodity Price Risks

Our profitability is affected by volatility in prevailing oil and natural gas prices. Oil and natural gas prices have been subject to significant volatility in recent years in response to changes in the supply and demand for oil and natural gas in the market along with domestic and international political economic conditions.

Results of Operations

Three Months Ended March 31, 2009 as compared to Three Months Ended March 31, 2008

Normally, our period-to-period changes in net earnings and cash flows from operating activities are principally determined by changes in oil and natural gas sales volumes and prices. Our portion of oil and natural gas sales and weighted average prices were:

	Three Months Ended March 31,	
Accrual basis sales volumes:	2009	2008
Royalty properties gas sales (mmcf)	1,037	992
Royalty properties oil sales (mbbls)	74	72
Net profits interests gas sales (mmcf)	887	987
Net profits interests oil sales (mbbls)	3	4
Accrual basis weighted average sales price:		
Royalty properties gas sales ($/mcf)	$ 4.05	$ 7.96

Royalty properties oil sales ($/bbl)	$	38.45	$	94.88
Net profits interests gas sales ($/mcf)	$	3.32	$	8.04
Net profits interests oil sales ($/bbl)	$	28.63	$	80.10
Accrual basis production costs deducted under the net profits interests ($/mcfe) (1)	$	1.45	$	1.99

(1) Provided to assist in determination of revenues; applies only to Net Profits Interest sales volumes and prices.

Oil sales volumes attributable to our Royalty Properties during the first quarter were essentially unchanged from the first quarter of 2008. Natural gas sales volumes attributable to our Royalty Properties during the first quarter increased 4.5% from 992 mmcf in 2008 to 1,037 mmcf in 2009. The increase in natural gas sales volume was primarily attributable to results from new drilling activity in the second half of 2008.

9

Oil sales volumes attributable to our Net Profits Interests during the first quarter of 2009 were virtually unchanged when compared to the same period of 2008. Natural gas sales volumes attributable to our Net Profits Interests during the first quarter of 2009 decreased from the same period of 2008. First quarter sales of 887 mmcf during 2009 were 10.1% less than 987 mmcf during 2008. Natural gas sales volume decreases were primarily a result of severe cold weather freezing gas production facilities and natural reservoir decline in the Guymon-Hugoton field in Oklahoma. Production sales volumes and prices from the Minerals NPI are excluded from the above table. See “Overview” above.

The weighted average oil sales price attributable to our interest in Royalty Properties decreased 59.5% from \$94.88/bbl during the first quarter of 2008 to \$38.45/bbl during the first quarter of 2009. The first quarter weighted average natural gas sales price from Royalty Properties decreased 49.1% from \$7.96/mcf during 2008 to \$4.05/mcf during 2009. Both oil and natural gas price changes resulted from changing market conditions.

The first quarter weighted average oil sales price from the Net Profits Interests properties decreased 64.3% from \$80.10/bbl in 2008 to \$28.63/bbl in 2009. The first quarter weighted average natural gas sales price from the Net Profits Interests properties of \$3.32/mcf in 2009 was 58.7% lower than \$8.04/mcf during the same period of 2008. Changing market conditions resulted in decreased oil and natural gas sales prices.

Our first quarter net operating revenues decreased 58.5% from \$21,272,000 during 2008 to \$8,824,000 during 2009. The quarterly decrease primarily resulted from decreases in oil and natural gas sales prices.

Costs and expenses decreased 15.3% from \$5,992,000 during the first quarter of 2008 to \$5,074,000 during the first quarter of 2009. The decrease resulted from decreased production tax on lower operating revenues and reduced depletion and amortization.

Depletion and amortization decreased 12.9% during the first quarter of 2009 when compared to the same period of 2008. The decrease from \$3,790,000 in 2008 to \$3,300,000 in 2009 resulted from a lower depletable base due to effects of previous depletion and upward revisions in oil and natural gas reserve estimates at 2008 year end.

First quarter net earnings allocable to common units decreased 75.6% from \$14,947,000 during 2008 to \$3,654,000 during 2009. The 2009 decrease from the first quarter 2008 net earnings is primarily the result of decreased oil and natural gas sales prices.

Net cash provided by operating activities decreased 31.8% from \$17,203,000 during the first quarter of 2008 to \$11,735,000 during the first quarter of 2009 primarily due to decreased oil and natural gas sales prices partially offset by a \$2.1 million natural gas liquid payment attributable to 2008. The natural gas liquids payment is based on an Oklahoma Guymon-Hugoton field 1994 gas delivery agreement that is in effect through 2015. Under the terms of the agreement, when the market price of natural gas liquids increases sufficiently disproportionately to natural gas market prices, the operating partnership receives a portion of that increase in an annual payment. In the event the evaluation at the end of the annual contract period shows the payment to be determinable and collectable, the revenue is accrued. Only immaterial amounts were received prior to 2007.

In an effort to provide the reader with information concerning prices of oil and natural gas sales that correspond to our quarterly distributions, management calculates the weighted average price by dividing gross revenues received by the net volumes of the corresponding product without regard to the timing of the production to which such sales may be attributable. This “indicated price” does not necessarily reflect the contract terms for such sales and may be affected by transportation costs, location differentials, and quality and gravity adjustments. While the relationship between our cash receipts and the timing of the production of oil and natural gas may be described generally, actual cash receipts may be materially impacted by purchasers’ release of suspended funds and by purchasers’ prior period adjustments.

Cash receipts attributable to our Royalty Properties during the 2009 first quarter totaled approximately $8.1 million. These receipts generally reflect oil sales during December 2008 through February 2009 and natural gas sales during November 2008 through January 2009. The weighted average indicated price for oil and natural gas sales during the 2009 first quarter attributable to the Royalty Properties was $38.49/bbl and $5.33/mcf, respectively.

Cash receipts attributable to our Net Profits Interests during the 2009 first quarter totaled approximately $5.1 million. These receipts reflect oil and natural gas sales from the properties underlying the Net Profits Interests generally during November 2008 through January 2009 and approximately $2.1 million attributable to calendar year 2008 natural gas liquids. The weighted average indicated price received during the 2009 first quarter for oil and natural gas sales was $36.38/bbl and $6.89/mcf, respectively. The natural gas weighted average indicated price for the quarter was increased by $2.41/mcf due to the natural gas liquids payment.

We received cash payments in the amount of $38,000 from various sources during the first quarter of 2009 including lease bonuses attributable to four consummated leases and pooling elections located in four counties and parishes in two states. The consummated leases reflected royalty terms ranging up to 30% and lease bonuses ranging up to $150/acre.

We received division orders for, or otherwise identified, 141 new wells completed on our Royalty Properties and Net Profits Interests located in 54 counties and parishes in nine states during the first quarter of 2009. The operating partnership elected to participate in 17 wells to be drilled on our Net Profits Interests located in six counties in two states. Selected new wells and the royalty interests owned by us and the working and net revenue interests owned by the operating partnership are summarized in the following table.

This table does not include wells drilled in the Fayetteville Shale trend as they are detailed in a subsequent discussion and table.

	County			DMLP	DMOLP		Test Rates per day	
State	/Parish	Operator	Well Name	NRI(2)	WI(1)	NRI(2)	Gas, mcf	Oil, bbls
LA	De Soto	Comstock Oil &Gas	HA RA SUA; Robert Crews #3Alt	2.734%	--	--	2,350	--
LA	De Soto	Comstock Oil &Gas	Lena Crews #5 Alt	2.734%	--	--	1,700	--
OK	Roger Mills	Burlington Resources	Troy Miller #17-11	1.670%	--	--	2,803	5
TX	Hidalgo	Chesapeake Operating	Barton Gas Unit #1	3.125%	--	--	4,920	--
TX	Wheeler	Devon Energy	Effie Hayes #18-5H	3.125%	--	--	4,377	--

(1) WI means the working interest owned by the operating partnership and subject to a Net Profits Interest.

(2) NRI means the net revenue interest attributable to our royalty interest or to the operating partnership's royalty and working interest, which is subject to a Net Profits Interest.

FAYETTEVILLE SHALE TREND OF NORTHERN ARKANSAS -- We own varying undivided perpetual mineral interests totaling 23,336/11,464 gross/net acres located in Cleburne, Conway, Faulkner, Franklin, Johnson, Pope, Van Buren, and White counties, Arkansas in an area commonly referred to as the "Fayetteville Shale" trend of the Arkoma Basin. One hundred forty wells have been permitted on the lands as of March 31, 2009. Wells that have been proposed to be drilled by the operator but for which permits have not yet been issued by the Arkansas Oil & Gas Commission are not reflected in this number. Available test results for new wells producing in the first quarter, along with ownership interests owned by us and interests owned by the operating partnership subject to the Minerals NPI, are summarized in the following table.

County	Operator	Well Name	DMLP NRI(2)	DMOLP WI(1)	DMOLP NRI(2)	Gas Test Rates mcf per day
Cleburne	SEECO	Kessinger Trust 8-12 #3-2H35	0.307%	0.436%	0.327%	3,007
Conway	David Arrington	Beverly Crofford #1-14H	1.563%	1.322%	0.996%	--
Conway	David Arrington	Beverly Crofford #2-14H	1.563%	1.322%	0.996%	--
Conway	SEECO	Bryant 9-15 #4-32H31	0.635%	1.701%	1.275%	5,499
Conway	SEECO	Deltic Timber 9-16 #4-36H31	1.384%	2.400%	1.800%	4,625

Conway	SEECO	Jerome Carr 9-15 #4-31H	2.188%	3.796%	2.847%	3,911
Van Buren	Chesapeake	Bradley 11-13 #2-9H	1.563%	1.250%	0.938%	320
Van Buren	Petrohawk	Sequoyah 9-12 #3-15H	1.953%	2.813%	2.109%	569
Van Buren	SEECO	Linn 10-12 #3-8H16	2.621%	3.230%	2.484%	3,930
Van Buren	SEECO	Linn 10-12 #4-8H16	2.621%	3.230%	2.484%	3,407

(1) WI means the working interest owned by the operating partnership and subject to the Minerals NPI.

(2) NRI means the net revenue interest attributable to our royalty interest or to the operating partnership's royalty and working interest, which is subject to the Minerals NPI.

11

Set forth below is a summary of all permitting, drilling and completion activity through March 31, 2009 for wells in which we have a royalty interest or Net Profits Interest. This includes wells subject to the Minerals NPI, which is currently in a deficit status.

	2004	2005	2006	2007	Q1 2008	Q2 2008	Q3 2008	Q4 2008	Q1 2009	Total
New Well Permits	1	2	11	35	15	21	15	21	19	140
Wells Spud	0	1	9	33	12	17	22	13	9	116
Wells Completed	0	1	5	23	10	17	12	17	12	97
Wells in Pay Status (1)	0	0	0	6	5	8	10	7	12	48

(1) Wells in pay status means wells for which revenue was initially received during the indicated period.

Net cash receipts for the Royalty Properties attributable to interests in these lands totaled $510,000 in the first quarter from 45 wells. Net cash receipts for the Minerals NPI Properties attributable to interests in these lands totaled $376,000 in the first quarter from 36 wells.

APPALACHIAN BASIN — We own varying undivided perpetual mineral interests in approximately 31,000/22,000 gross/net acres in 19 counties in southern New York and northern Pennsylvania. Approximately 75% of these net acres are located in eastern Allegany and western Steuben Counties in New York, an area which some industry press reports suggest may be prospective for gas production from unconventional reservoirs including the Marcellus Shale. We are monitoring industry activity and encouraging dialogue with industry participants to determine the proper course of action regarding our interests.

HORIZONTAL BAKKEN, WILLISTON BASIN – We own varying undivided perpetual mineral interests totaling 70,390/7,602 gross/net acres located in Burke, Divide, Dunn, McKenzie, Mountrail and Williams Counties, North Dakota. Operators active in this area include Continental Resources, EOG Resources, Hess Corporation and Marathon Oil Company. Sixty-eight wells have been permitted on these lands as of March 31, 2009. In all cases we have elected not to lease our lands and not to pay our share of well costs thus becoming a non-consenting mineral owner. According to North Dakota law, non-consenting owners receive the average royalty rate from the date of first production and back-in for their full working interest after the operator has recovered 150% of drilling and completion costs. Once 150% payout occurs, the working interest will be owned by the operating partnership and subject to the Minerals NPI. Non-consenting owners are not entitled to well data other than public information available from the North Dakota Industrial Commission.

Set forth below is a summary of all permitting, drilling and completion activity through March 31, 2009 for wells in which we have a royalty or Net Profits Interest.

	2004	2005	2006	2007	Q1 2008	Q2 2008	Q3 2008	Q4 2008	Q1 2009	Total
New Well Permits	2	1	0	15	8	15	15	12	0	68
Wells Spud	1	1	0	11	2	9	10	9	8	51
Wells Completed	1	1	0	7	5	4	11	6	1	36
WI Wells in Pay Status(1)	0	0	0	0	0	2	1	0	0	3

(1) Wells in pay status means wells for which revenue was initially received during the indicated period.

Liquidity and Capital Resources

Capital Resources

Our primary sources of capital are our cash flow from the Net Profits Interests and the Royalty Properties. Our only cash requirements are the distributions to our unitholders, the payment of oil and natural gas production and property taxes not otherwise deducted from gross production revenues and general and administrative expenses incurred on our behalf and allocated in accordance with our partnership agreement. Since the distributions to our unitholders are, by definition, determined after the payment of all expenses actually paid by us, the only cash requirements that may create liquidity concerns for us are the payments of expenses. Since most of these expenses vary directly with oil and natural gas sales prices and volumes, we anticipate that sufficient funds will be available at all times for payment of these expenses. See Note 3 of the Notes to the Condensed Consolidated Financial Statements for the amounts and dates of cash distributions to unitholders.

We are not directly liable for the payment of any exploration, development or production costs. We do not have any transactions, arrangements or other relationships that could materially affect our liquidity or the availability of capital resources. We have not guaranteed the debt of any other party, nor do we have any other arrangements or relationships with other entities that could potentially result in unconsolidated debt.

12

Pursuant to the terms of our partnership agreement, we cannot incur indebtedness, other than trade payables, (i) in excess of $50,000 in the aggregate at any given time or (ii) which would constitute “acquisition indebtedness” (as defined in Section 514 of the Internal Revenue Code of 1986, as amended).

Expenses and Capital Expenditures

The operating partnership plans to continue its efforts to increase production in Oklahoma with techniques that may include fracture treating, deepening, recompleting, and drilling. Costs of such techniques vary widely and are not predictable as each effort requires specific engineering. The operating partnership owns and operates the wells, pipelines and natural gas compression and dehydration facilities located in Kansas and Oklahoma. The operating partnership anticipates gradual increases in expenses as repairs to these facilities become more frequent and anticipates gradual increases in field operating expenses as reservoir pressure declines. The operating partnership does not anticipate incurring significant expense to replace these facilities at this time. These capital and operating costs influence the Net Profits Interests payments we receive from the operating partnership and are included in the accrual basis production costs $/mcfe in the table under “Results of Operations.”

In 1998, Oklahoma regulations removed production quantity restrictions in the Guymon-Hugoton field and did not address efforts by third parties to persuade Oklahoma to permit infill drilling in the Guymon-Hugoton field. Infill drilling could require considerable capital expenditures. The outcome and the cost of such activities are unpredictable and could influence the amount we receive from the Net Profits Interests. The operating partnership believes it now has sufficient field compression and permits for vacuum operation for the foreseeable future.

Liquidity and Working Capital

Cash and cash equivalents totaled $12,039,000 at March 31, 2009 and $16,211,000 at December 31, 2008.

Critical Accounting Policies

We utilize the full cost method of accounting for costs related to our oil and natural gas properties. Under this method, all such costs are capitalized and amortized on an aggregate basis over the estimated lives of the properties using the units-of-production method. These capitalized costs are subject to a ceiling test, however, which limits such pooled costs to the aggregate of the present value of future net revenues attributable to proved oil and natural gas reserves discounted at 10% plus the lower of cost or market value of unproved properties. Oil and natural gas properties are evaluated using the full cost ceiling test at the end of each quarter and when events indicate possible impairment.

The discounted present value of our proved oil and natural gas reserves is a major component of the ceiling calculation and requires many subjective judgments. Estimates of reserves are forecasts based on engineering and geological analyses. Different reserve engineers may reach different conclusions as to estimated quantities of natural gas reserves based on the same information. Our reserve estimates are prepared by independent consultants. The passage of time provides more qualitative information regarding reserve estimates, and revisions are made to prior estimates based on updated information. However, there can be no assurance that significant revisions will not be necessary in the future. Significant downward revisions could result in an impairment representing a non-cash charge to earnings. In addition to the impact on calculation of the ceiling test, estimates of proved reserves are also a major component of the calculation of depletion.

While the quantities of proved reserves require substantial judgment, the associated prices of oil and natural gas reserves that are included in the discounted present value of our reserves are objectively determined. The ceiling test calculation requires use of prices and costs in effect as of the last day of the accounting period, which are generally held constant for the life of the properties. As a result, the present value is not necessarily an indication of the fair value of the reserves. Oil and natural gas prices have historically been volatile and the prevailing prices at any given time may not reflect our Partnership’s or the industry’s forecast of future prices.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. For example, estimates of uncollected revenues and unpaid expenses from royalties and net profits interests in properties operated by non-affiliated entities are particularly subjective due to our inability to gain accurate and timely information. Therefore, actual results could differ from those estimates.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The following information provides quantitative and qualitative information about our potential exposures to market risk. The term "market risk" refers to the risk of loss arising from adverse changes in oil and natural gas prices, interest rates and currency exchange rates. The disclosures are not meant to be precise indicators of expected future losses but, rather, indicators of possible losses.

Market Risk Related to Oil and Natural Gas Prices

Essentially all of our assets and sources of income are from Royalty Properties and the Net Profits Interests, which generally entitle us to receive a share of the proceeds based on oil and natural gas production from those properties. Consequently, we are subject to market risk from fluctuations in oil and natural gas prices. Pricing for oil and natural gas production has been volatile and unpredictable for several years. We do not anticipate entering into financial hedging activities intended to reduce our exposure to oil and natural gas price fluctuations.

Absence of Interest Rate and Currency Exchange Rate Risk

We do not anticipate having a credit facility or incurring any debt, other than trade debt. Therefore, we do not expect interest rate risk to be material to us. We do not anticipate engaging in transactions in foreign currencies that could expose us to foreign currency related market risk.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

As of the end of the period covered by this report, our principal executive officer and principal financial officer carried out an evaluation of the effectiveness of our disclosure controls and procedures. Based on their evaluation, they have concluded that our disclosure controls and procedures effectively ensure that the information required to be disclosed in the reports we file with the Securities and Exchange Commission is recorded, processed, summarized and reported within the time periods specified by the Securities and Exchange Commission.

Changes in Internal Controls

There were no changes in our internal controls (as defined in Rule 13a-15(f) of the Securities Exchange Act of 1934) during the quarter ended March 31, 2009 that have materially affected, or are reasonably likely to materially affect, our internal controls subsequent to the date of their evaluation of our disclosure controls and procedures.

PART II

ITEM 1. LEGAL PROCEEDINGS

See Note 2 – Contingencies in Notes to the Condensed Consolidated Financial Statements.

ITEM 1A. RISK FACTORS

None.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

See the attached Index to Exhibits.

SIGNATURES

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

DORCHESTER MINERALS, L.P.

By: Dorchester Minerals Management LP
its General Partner

By: Dorchester Minerals Management GP LLC
its General Partner

By: /s/ William Casey McManemin
William Casey McManemin
Chief Executive Officer

Date: May 7, 2009

By: /s/ H.C. Allen, Jr.
H.C. Allen, Jr.
Chief Financial Officer

Date: May 7, 2009

15

INDEX TO EXHIBITS

Number	Description
3.1	Certificate of Limited Partnership of Dorchester Minerals, L.P. (incorporated by reference to Exhibit 3.1 to Dorchester Minerals' Registration Statement on Form S-4, Registration Number 333-88282)
3.2	Amended and Restated Agreement of Limited Partnership of Dorchester Minerals, L.P. (incorporated by reference to Exhibit 3.2 to Dorchester Minerals' Report on Form 10-K filed for the year ended December 31, 2002)
3.3	Certificate of Limited Partnership of Dorchester Minerals Management LP (incorporated by reference to Exhibit 3.4 to Dorchester Minerals' Registration Statement on Form S-4, Registration Number 333-88282)
3.4	Amended and Restated Agreement of Limited Partnership of Dorchester Minerals Management LP (incorporated by reference to Exhibit 3.4 to Dorchester Minerals' Report on Form 10-K for the year ended December 31, 2002)
3.5	Certificate of Formation of Dorchester Minerals Management GP LLC (incorporated by reference to Exhibit 3.7 to Dorchester Minerals' Registration Statement on Form S-4, Registration Number 333-88282)
3.6	Amended and Restated Limited Liability Company Agreement of Dorchester Minerals Management GP LLC (incorporated by reference to Exhibit 3.6 to Dorchester Minerals' Report on Form 10-K for the year ended December 31, 2002)
3.7	Certificate of Formation of Dorchester Minerals Operating GP LLC (incorporated by reference to Exhibit 3.10 to Dorchester Minerals' Registration Statement on Form S-4, Registration Number 333-88282)
3.8	Limited Liability Company Agreement of Dorchester Minerals Operating GP LLC (incorporated by reference to Exhibit 3.11 to Dorchester Minerals' Registration Statement on Form S-4, Registration Number 333-88282)
3.9	Certificate of Limited Partnership of Dorchester Minerals Operating LP (incorporated by reference to Exhibit 3.12 to Dorchester Minerals' Registration Statement on Form S-4, Registration Number 333-88282)
3.10	Amended and Restated Agreement of Limited Partnership of Dorchester Minerals Operating LP. (incorporated by reference to Exhibit 3.10 to Dorchester Minerals' Report on Form 10-K for the year ended December 31, 2002)
3.11	Certificate of Limited Partnership of Dorchester Minerals Oklahoma LP (incorporated by reference to Exhibit 3.11 to Dorchester Minerals' Report on Form 10-K for the year ended December 31, 2002)
3.12	Agreement of Limited Partnership of Dorchester Minerals Oklahoma LP (incorporated by reference to Exhibit 3.12 to Dorchester Minerals' Report on Form 10-K for the year ended December 31, 2002)
3.13	

	Certificate of Incorporation of Dorchester Minerals Oklahoma GP, Inc. (incorporated by reference to Exhibit 3.13 to Dorchester Minerals' Report on Form 10-K for the year ended December 31, 2002)
3.14	Bylaws of Dorchester Minerals Oklahoma GP, Inc. (incorporated by reference to Exhibit 3.14 to Dorchester Minerals' Report on Form 10-K for the year ended December 31, 2002)
3.15	Certificate of Limited Partnership of Dorchester Minerals Acquisition LP (incorporated by reference to Exhibit 3.15 to Dorchester Minerals' Report on Form 10-K for the year ended December 31, 2004)
3.16	Agreement of Limited Partnership of Dorchester Minerals Acquisition LP (incorporated by reference to Exhibit 3.16 to Dorchester Minerals' Report on Form 10-Q for the quarter ended September 30, 2004)
3.17	Certificate of Incorporation of Dorchester Minerals Acquisition GP, Inc. (incorporated by reference to Exhibit 3.17 to Dorchester Minerals' Report on Form 10-Q for the quarter ended September 30, 2004)
3.18	Bylaws of Dorchester Minerals Acquisition GP, Inc. (incorporated by reference to Exhibit 3.18 to Dorchester Minerals' Report on Form 10-Q for the quarter ended September 30, 2004)
31.1	Certification of Chief Executive Officer of the Partnership pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934
31.2	Certification of Chief Financial Officer of the Partnership pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934
32.1	Certification of Chief Executive Officer of the Partnership pursuant to 18 U.S.C. Sec. 1350
32.2	Certification of Chief Financial Officer of the Partnership pursuant to 18 U.S.C. Sec. 1350 (contained within Exhibit 32.1 hereto)

16