

BlackRock Preferred & Equity Advantage Trust  
Form N-Q  
March 29, 2007

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

**FORM N-Q**

**QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED  
MANAGEMENT INVESTMENT COMPANY**

Investment Company Act file number: 811-21972

BlackRock Preferred and Equity Advantage Trust  
(Exact name of registrant as specified in charter)

100 Bellevue Parkway, Wilmington, DE  
(Address of principal executive offices)

19809  
(Zip code)

Robert S. Kapito, President  
**BlackRock Preferred and Equity Advantage Trust**  
40 East 52nd Street, New York, NY 10022

(Name and address of agent for service)

Registrant's telephone number, including area code: 888-825-2257

Date of fiscal year end: October 31, 2007

Date of reporting period: January 31, 2007

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**Item 1. Schedule of Investments.**

The Registrant's unaudited schedule of investments as of the close of the reporting period pursuant to Rule 30b1-5 under the Investment Company Act of 1940 is as follows:

**PORTFOLIO OF INVESTMENTS (unaudited)**  
**JANUARY 31, 2007**  
**BlackRock Preferred and Equity Advantage Trust (BTZ)**  
**(Percentage of Net Assets)**

Rating <sup>1</sup>	Principal Amount (000)	Description	Value
		<b>LONG-TERM INVESTMENTS</b>	<b>125.0%</b>
		<b>Corporate Bonds</b>	<b>8.0%</b>
		<b>Automotive</b>	<b>1.2%</b>
B-	\$ 10,000	Ford Motor Co., 7.45%, 7/16/31	\$ 8,125,000
B-	5,000	Lear Corp., Ser. B, 8.75%, 12/01/16	4,987,500
		Total Automotive	13,112,500
		<b>Basic Materials</b>	<b>0.4%</b>
B-	5,000	Momentive Performance Materials, Inc., 9.75%, 12/01/14	5,125,000
		<b>Commercial Services</b>	<b>0.5%</b>
B+	5,000	Quebecor World, Inc., 9.75%, 1/15/15 (Canada)	5,218,750
		<b>Consumer Products</b>	<b>0.9%</b>
Caa1	5,000	Michaels Stores, Inc., 11.375%, 11/01/16	5,375,000
CCC	5,000	Spectrum Brands, Inc., 7.375%, 2/01/15	4,362,500
		Total Consumer Products	9,737,500
		<b>Entertainment &amp; Leisure</b>	<b>0.6%</b>
B3	2,500	AMC Entertainment, Inc., 11.00%, 2/01/16	2,825,000
BB	2,000	Harrah's Operating, Inc., 5.75%, 10/01/17	1,697,696
B	3,000	Station Casinos, Inc., 6.875%, 3/01/16	2,741,250
		Total Entertainment & Leisure	7,263,946
		<b>Financial Institutions</b>	<b>0.6%</b>
Baa2	6,500	ICICI Bank Ltd., 6.375%, 4/30/22 (India)	6,466,720
		<b>Health Care</b>	<b>0.4%</b>
B-	4,500	Tenet Healthcare Corp., 9.875%, 7/01/14	4,556,250
		<b>Industrials</b>	<b>0.4%</b>
B-	5,000	Aleris Intl., Inc., 10.00%, 12/15/16	5,175,000
		<b>Media</b>	<b>1.1%</b>
B+	5,000	Cablevision Systems Corp., Ser. B, 8.00%, 4/15/12	5,043,750
B3	1,000	Nexstar Finance, Inc., 7.00%, 1/15/14	955,000
B2	5,000	Primedia, Inc., 8.00%, 5/15/13	4,812,500
Caa1	2,000	Vertis, Inc., Ser. B, 10.875%, 6/15/09	2,030,000
		Total Media	12,841,250
		<b>Technology</b>	<b>1.4%</b>
B	5,000	Freescall Semiconductor, Inc., 9.125%, 12/15/14	4,968,750
B+	5,000	NXP BV/NXP Funding LLC, 9.50%, 10/15/15 (Netherlands)	5,168,750
B-	5,000	Sungard Data Systems, Inc., 10.25%, 8/15/15	5,375,000
		Total Technology	15,512,500
		<b>Telecommunications</b>	<b>0.5%</b>
B	5,000	Intelsat Ltd., 11.25%, 6/15/16 (Bermuda)	5,650,000

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	Total Corporate Bonds	90,659,416
<b>Shares</b>		
<b>Common Stocks</b> 31.5%		
<b>Aerospace &amp; Defense</b> 0.3%		
7,800	L-3 Communications Holdings, Inc.	642,252
28,300	Lockheed Martin Corp.	2,750,477
	Total Aerospace & Defense	3,392,729
<b>Automotive</b> 0.6%		
22,100	DaimlerChrysler AG	1,381,029
52,300	Ford Motor Co.	425,199
70,000	General Motors Corp.	2,298,800
40,400	Genuine Parts Co.	1,919,808

**BlackRock Preferred and Equity Advantage Trust (BTZ) (continued)**  
**(Percentage of Net Assets)**

Shares	Description	Value
<b>Automotive (cont'd)</b>		
10,600	Paccar, Inc.	\$ 708,822
	Total Automotive	6,733,658
<b>Basic Materials 1.3%</b>		
69,800	Alcoa, Inc.	2,254,540
2,800	Allegheny Technologies, Inc.	289,772
29,700	Aluminum Corp. of China Ltd. (ADR)	669,438
5,200	BASF AG (ADR)	503,204
18,700	E.I. du Pont de Nemours & Co.	926,772
24,800	Freeport-McMoRan Copper & Gold, Inc.	1,426,248
59,800	MeadWestvaco Corp.	1,802,372
8,400	Nucor Corp.	542,136
5,700	Phelps Dodge Corp.	704,520
24,600	Plum Creek Timber Co., Inc.	990,150
31,000	Temple-Inland, Inc.	1,548,140
8,200	United States Steel Corp.	684,618
30,700	Weyerhaeuser Co.	2,302,500
	Total Basic Materials	14,644,410
<b>Building &amp; Development 0.4%</b>		
45,300	DR Horton, Inc.	1,316,418
7,300	KB Home	395,806
24,800	Lennar Corp., Class A	1,348,624
61,200	Masco Corp.	1,957,788
	Total Building & Development	5,018,636
<b>Conglomerates 0.8%</b>		
240,900	General Electric Co.	8,684,445
<b>Consumer Products 4.9%</b>		
90,200	Altria Group, Inc.	7,882,578
8,6004	Amazon.com, Inc.	323,962
32,3004	Amgen, Inc.	2,272,951
55,900	Anheuser-Busch Cos., Inc.	2,849,223
30,600	Clorox Co.	2,001,852
10,2004	Coach, Inc.	467,772
113,100	Coca-Cola Co.	5,415,228
46,500	Federated Department Stores, Inc.	1,929,285
21,800	Fortune Brands, Inc.	1,825,096
67,700	Gap, Inc. (The)	1,297,809
25,800	Harley-Davidson, Inc.	1,761,366
77,400	Home Depot, Inc.	3,153,276
6,900	JC Penney Co., Inc.	560,556
47,700	Limited Brands, Inc.	1,332,738
107,000	Mattel, Inc.	2,606,520
72,900	McDonald's Corp.	3,233,115
65,000	Newell Rubbermaid, Inc.	1,920,100
13,700	Nordstrom, Inc.	763,227
22,900	OfficeMax, Inc.	1,105,841
18,800	PepsiCo, Inc.	1,226,512

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86,900	Procter & Gamble Co.	5,637,203
4,800	Reynolds American, Inc.	309,600
9,500	Universal Corp.	459,135
40,800	UST, Inc.	2,343,552
4,700	VF Corp.	356,589
31,100	Wal-Mart Stores, Inc.	1,483,159
24,500	Whole Foods Market, Inc.	1,058,155
	<b>Total Consumer Products</b>	<b>55,576,400</b>
	<b>Energy</b> <b>3.8%</b>	
11,000	American Electric Power, Inc.	478,830
83,600	Chevron Corp.	6,092,768
66,700	ConocoPhillips	4,429,547
15,700	Consol Energy, Inc.	540,551
54,600	Consolidated Edison, Inc.	2,636,088
40,300	DTE Energy Co.	1,868,711
34,800	Duke Energy Corp.	685,212

**BlackRock Preferred and Equity Advantage Trust (BTZ) (continued)**  
**(Percentage of Net Assets)**

Shares	Description	Value
<b>Energy (cont'd)</b>		
184,000	Exxon Mobil Corp.	\$ 13,634,400
17,000	Great Plains Energy, Inc.	532,610
39,000	Halliburton Co.	1,152,060
6,000	KeySpan Corp.	244,800
9,400	Nicor, Inc.	427,700
7,600	NiSource, Inc.	180,880
7,300	Peabody Energy Corp.	298,059
17,500	Rowan Cos., Inc.	575,575
39,000	Royal Dutch Shell Plc (ADR)	2,661,750
21,000	Sasol Ltd. (ADR)	715,260
6,100	Schlumberger Ltd.	387,289
13,900	Smith Intl., Inc.	551,552
21,000	Southern Co.	767,130
17,4004	Spectra Energy Corp.	454,488
38,300	Total SA (ADR)	2,606,315
32,300	Williams Cos., Inc.	871,777
	Total Energy	42,793,352
<b>Entertainment &amp; Leisure 0.1%</b>		
39,200	Brunswick Corp.	1,337,112
<b>Financial Institutions 5.8%</b>		
43,300	Allstate Corp.	2,604,928
7,200	American Express Co.	419,184
48,5005	American Intl. Group, Inc.	3,319,825
34,900	Apollo Investment Corp.	774,780
18,300	Arthur J. Gallagher & Co.	524,661
92,800	Bank of America Corp.	4,879,424
55,100	BB&T Corp.	2,328,526
1,000	Chicago Mercantile Exchange Holdings, Inc.	563,300
2,800	Cigna Corp.	370,720
186,500	Citigroup, Inc.	10,281,745
6,400	Comerica, Inc.	379,520
30,600	Corus Bancshares, Inc.	651,780
5,200	Fannie Mae	293,956
27,800	First Horizon National Corp.	1,212,080
13,600	Goldman Sachs Group, Inc.	2,885,376
30,300	HSBC Holdings Plc (ADR)	2,782,449
61,300	JPMorgan Chase & Co.	3,122,009
11,100	KeyCorp	423,687
7,400	Legg Mason, Inc.	775,890
16,300	Lincoln National Corp.	1,094,382
25,600	MCG Capital Corp.	506,112
30,600	Morgan Stanley	2,533,374
92,200	National City Corp.	3,489,770
94,200	Regions Financial Corp.	3,415,692
11,100	St. Paul Travelers Cos., Inc. (The)	564,435
124,300	US Bancorp	4,425,080

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101,000	Wachovia Corp.	5,706,500
86,600	Washington Mutual, Inc.	3,861,494
46,400	Wells Fargo & Co.	1,666,688
9,400	Western Union Co. (The)	209,996
	Total Financial Institutions	66,067,363
	<b>Health Care</b> 3.5%	
62,800	Abbott Laboratories	3,328,400
14,500	Aetna, Inc.	611,320
5,100	Applera Corp. - Applied Biosystems Group	177,276
8,100	Bausch & Lomb, Inc.	451,008
47,300	Baxter Intl., Inc.	2,348,918
30,600	Becton Dickinson & Co.	2,354,364
9,3004	Biogen Idec, Inc.	449,562
32,6004	Boston Scientific Corp.	601,470
10,3004	Celgene Corp.	552,904
39,200	Eli Lilly & Co.	2,121,504
7,3004	Genzyme Corp.	479,829

**BlackRock Preferred and Equity Advantage Trust (BTZ) (continued)**  
**(Percentage of Net Assets)**

Shares	Description	Value
<b>Health Care</b> (cont'd)		
4,6004	Humana, Inc.	\$ 255,300
106,000	Johnson & Johnson	7,080,800
6,6004	Medimmune, Inc.	228,756
38,500	Medtronic, Inc.	2,057,825
111,800	Merck & Co., Inc.	5,003,050
292,8005	Pfizer, Inc.	7,683,072
11,100	Quest Diagnostics, Inc.	582,528
9,8004	St. Jude Medical, Inc.	419,048
8,200	Stryker Corp.	507,908
11,3004	Thermo Fisher Scientific, Inc.	540,705
22,900	UnitedHealth Group, Inc.	1,196,754
6,6004	Zimmer Holdings, Inc.	555,852
	Total Health Care	39,588,153
<b>Industrials</b> 1.4%		
21,000	3M Co.	1,560,300
40,700	Boeing Co.	3,645,092
11,400	Cummins, Inc.	1,533,984
6,600	Danaher Corp.	488,796
14,800	Deere & Co.	1,484,144
6,700	Fluor Corp.	553,420
60,500	Honeywell Intl., Inc.	2,764,245
64,000	Leggett & Platt, Inc.	1,551,360
2,8004	Terex Corp.	159,292
20,300	Textron, Inc.	1,891,351
	Total Industrials	15,631,984
<b>Media</b> 0.6%		
75,100	CBS Corp., Class B	2,340,867
25,3004	Comcast Corp., Class A	1,121,296
21,4004	DirecTV Group, Inc. (The)	521,946
39,200	Dow Jones & Co., Inc.	1,478,232
33,500	Time Warner, Inc.	732,645
8,300	Walt Disney Co. (The)	291,911
	Total Media	6,486,897
<b>Pharmaceuticals</b> 0.6%		
101,100	Bristol-Myers Squibb Co.	2,910,669
11,800	Caremark Rx, Inc.	722,868
12,7004	Gilead Sciences, Inc.	816,864
35,800	Wyeth	1,768,878
	Total Pharmaceuticals	6,219,279
<b>Real Estate</b> 0.7%		
33,700	Crescent Real Estate Equities Co. (REIT)	676,022
23,100	Equity Residential (REIT)	1,300,068
15,600	First Industrial Realty Trust, Inc. (REIT)	737,256
32,100	Health Care Property Investors, Inc. (REIT)	1,324,125
30,800	Hospitality Properties Trust (REIT)	1,503,040
56,300	HRPT Properties Trust (REIT)	733,026



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20,200	Inland Real Estate Corp. (REIT)	408,444
20,800	Starwood Hotels & Resorts Worldwide, Inc.	1,301,664
	Total Real Estate	7,983,645
	<b>Technology</b> 4.3%	
15,2004	Advanced Micro Devices, Inc.	236,360
41,9004	Agilent Technologies, Inc.	1,340,800
20,600	Analog Devices, Inc.	674,650
23,6004	Apple, Inc.	2,023,228
13,0004	Broadcom Corp.	414,960
115,1004	Cisco Systems, Inc.	3,060,509
3,9004	Cognizant Technology Solutions Corp.	332,631
8,3004	Dell, Inc.	201,275
32,1004	eBay, Inc.	1,039,719
60,9004	EMC Corp.	851,991
5,9004	Google, Inc.	2,957,670
84,600	Hewlett-Packard Co.	3,661,488

**BlackRock Preferred and Equity Advantage Trust (BTZ) (continued)**  
**(Percentage of Net Assets)**

Rating1	Shares	Description	Value
		<b>Technology (cont'd)</b>	
	234,100	Intel Corp.	\$ 4,906,736
	59,400	Intl. Business Machines Corp.	5,889,510
	46,700	Maxim Integrated Products, Inc.	1,438,360
	296,300	Microsoft Corp.	9,143,818
	9,9004	Nvidia Corp.	303,435
	25,400	Oracle Corp.	435,864
	22,100	Paychex, Inc.	884,221
	42,700	Pitney Bowes, Inc.	2,044,049
	6,2004	SanDisk Corp.	249,240
	115,8004	Sanmina-SCI Corp.	405,300
	97,5004	Sun Microsystems, Inc.	647,400
	23,5004	Symantec Corp.	416,185
	212,200	Taiwan Semiconductor Manufacturing Co. Ltd. (ADR)	2,315,102
	56,000	Xilinx, Inc.	1,360,800
	33,9004	Yahoo! Inc.	959,709
		Total Technology	48,195,010
		<b>Telecommunications 2.0%</b>	
	207,987	AT&T, Inc.	7,826,551
	61,500	Chunghwa Telecom Co. Ltd. (ADR)	1,273,665
	64,000	Citizens Communications Co.	938,240
	43,3004	Corning, Inc.	902,372
	15,7004	Juniper Networks, Inc.	284,484
	84,400	Motorola, Inc.	1,675,340
	77,000	Qualcomm, Inc.	2,899,820
	14,900	Sprint Nextel Corp.	265,667
	47,000	Tele Norte Leste Participacoes (ADR)	634,030
	156,000	Verizon Communications, Inc.	6,009,120
		Total Telecommunications	22,709,289
		<b>Transportation 0.4%</b>	
	26,500	Ship Finance Intl. Ltd.	628,845
	52,500	United Parcel Service, Inc., Class B	3,794,700
		Total Transportation	4,423,545
		Total Common Stocks	355,485,907
		<b>Preferred Stocks 27.7%</b>	
		<b>Financial Institutions 24.8%</b>	
BBB	400,000	ACE Ltd., Ser. C, 7.80%	10,400,000
A+	400,000	Aegon N.V., 6.50%	10,332,000
		Arch Capital Group Ltd. (Bermuda)	
BBB	100,000	Ser. A, 8.00%	2,640,000
BBB	160,000	Ser. B, 7.875%	4,152,000
BBB-	1,000,0003	Aspen Insurance Holdings Ltd., 7.401%	25,750,000
BBB-	280,0003	Axis Capital Holdings Ltd., Ser. B, 7.50%	29,741,264
A+	500,000	Bank of America Corp., Ser. D, 6.204%	13,250,000
BBB	10,0002	Centaur Funding Corp., Ser. B, 9.08%	11,603,125
Baa2	210,000	Citizens Funding Trust I, 7.50%	5,441,100
A-	906,000	Countrywide Capital V, 7.00%	22,921,799

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A+	600,000	Deutsche Bank Capital Funding Trust VIII, 6.375%	15,110,459
BBB-	80,000	Endurance Specialty Holdings Ltd., Ser. A, 7.75%	2,092,000
AA-	545,000	Federal Home Loan Mortgage Corp., 5.57%	13,625,000
AA-	300,000	HSBC Holdings Plc, Ser. A, 6.20%	7,650,000
A	200,000	ING Groep N.V., 6.125%	5,028,000
NA	6,000	Irwin Financial Corp., Zero Coupon	6,033,000
A-	295,000	KeyCorp Capital IX, 6.75%	7,513,650
A+	298,100	National City Capital Trust II, 6.625%	7,565,778
A	265,600	PartnerRe Ltd., Ser. C, 6.75%	6,756,200
BBB	760,000	RenaissanceRe Holdings Ltd., Ser. D, 6.60%	18,772,000

**BlackRock Preferred and Equity Advantage Trust (BTZ) (continued)**  
**(Percentage of Net Assets)**

Rating <sup>1</sup>	Shares	Description	Value
<b>Financial Institutions</b> (cont'd)			
AA	665,000	Royal Bank of Scotland Group Plc (ADR), Ser. R, 6.125%	\$ 16,591,750
		Santander Finance Preferred SA Unipersonal (Spain)	
A+	640,000 <sup>2</sup>	6.50%	16,043,008
A+	520,000 <sup>2</sup>	6.80%	13,048,776
A-	300,000	XL Capital Ltd., Ser. B, 7.625%	7,692,000
		Total Financial Institutions	279,752,909
<b>Real Estate</b> 2.9%			
BBB-	341,300	PS Business Park, Inc. (REIT), Ser. P, 6.70%	8,409,632
BBB+	1,000,000	Public Storage, Inc. (REIT), Ser. M, 6.625%	24,750,000
		Total Real Estate	33,159,632
		Total Preferred Stocks	312,912,541
<b>Principal Amount (000)</b>			
<b>Trust Preferred Stocks</b> 57.8%			
<b>Financial Institutions</b> 57.4%			
BBB	\$ 23,2736	AON Corp., 8.205%, 1/01/27	26,679,237
A	45,000 <sup>2,3,6,7</sup>	AXA S.A., 6.463% (France)	43,940,115
		Barclays Bank Plc (United Kingdom)	
AA	15,000 <sup>2,3,7</sup>	5.926%	15,088,800
AA	20,000 <sup>2,3,6,7</sup>	6.86%	21,577,400
BBB-	1717	Berkley W R Capital Trust II, 6.75%	4,276,812
A2	30,000 <sup>2,3,6,7</sup>	BOI Capital Funding No. 3, 6.107% (Ireland)	29,356,710
Baa3	10,000 <sup>7</sup>	BTA Finance Luxembourg S.A., 8.25% (Luxembourg)	9,481,300
Baa2	5,000	Capital One Capital III, 7.686%, 8/15/36	5,627,175
Baa2	25,000	Capital One Capital IV, 6.745%, 2/17/37	25,160,000
A+	20,000 <sup>2,3,6,7</sup>	Commonwealth Bank of Australia, 6.024% (Australia)	20,069,340
B+	90,000 <sup>2</sup>	DJ CDX NA HY, Ser. 7-T1, 8.375%, 12/29/11	91,912,500
A-	1207	Everest Re Capital Trust, 7.85%, HBOS Plc (United Kingdom)	3,033,756
AA-	30,000 <sup>2,3,6,7</sup>	5.92%	29,177,190
AA-	10,000 <sup>2,3,6,7</sup>	6.413%	9,791,890
AA-	16,000 <sup>2,3,7</sup>	HSBC Capital Funding LP, Ser. 2, 10.176% (Jersey Channel Islands)	23,341,328
Baa2	25,100 <sup>2,3,7</sup>	ICICI Bank Ltd., 7.25% (India)	25,799,688
A	16,000 <sup>3,6,7</sup>	ING Groep N.V., 5.775% (Netherlands)	15,837,088
A	35,000 <sup>3</sup>	JPMorgan Chase Capital XXI, Ser. U, 6.25%, 2/02/37	34,726,474
Baa3	5,000 <sup>7</sup>	Kazkommerts Finance 2 BV, 9.25% (Netherlands)	5,237,500
A	30,000 <sup>2,3,6,7</sup>	Lloyds TSB Group Plc, 6.267% (United Kingdom)	29,725,350
A-	21,000 <sup>2,3,6,7</sup>	Mizuho Capital Investment 1 Ltd., 6.686% (Cayman Islands)	21,015,582
AA	10,000 <sup>3,5,6,7</sup>	RBS Capital Trust II, 6.425%	10,166,780
A-	15,000 <sup>3,6</sup>	Reinsurance Group of America, Inc., 6.75%, 12/15/65 Resona Preferred Global Securities Ltd., 7.191% (Cayman Islands)	14,974,620
BBB-	25,000 <sup>2,3,6,7</sup>		26,145,875
AA	18,000 <sup>3,6,7</sup>	Royal Bank of Scotland Group Plc, 7.648% (United Kingdom)	21,049,740
Baa2	22,000 <sup>2,3,7</sup>	Shinsei Finance II, 7.16% (Cayman Islands)	22,268,136

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Baa2	10,0002,3,7	Shinsei Finance Ltd., 6.418% (Cayman Islands)	9,941,580
A-	10,0002,3,7	SMFG Preferred Capital USD 1 Ltd., 6.078% (Cayman Islands)	9,837,200
Baa2	857	Sovereign Capital Trust V, 7.75%	2,290,750
A	20,0002,3	Standard Chartered Plc, 6.409%, 1/30/17 (United Kingdom)	19,674,280

**BlackRock Preferred and Equity Advantage Trust (BTZ) (continued)**  
**(Percentage of Net Assets)**

<b>Rating<sup>1</sup></b>	<b>Principal Amount (000)</b>	<b>Description</b>	<b>Value</b>
<b>Financial Institutions<sup>2</sup>(cont'd)</b>			
A1	20,000 <sup>3</sup> , 2,37	Swiss Re Capital I LP, 6.854%	\$ 20,936,700
		Total Financial Institutions	648,140,896
<b>Telecommunications<sup>4</sup>0.4%</b>			
B	5,000 <sup>3</sup> , 2,3	Intelsat Ltd., 8.872%, 1/15/15 (Bermuda)	5,086,247
		Total Trust Preferred Stocks	653,227,143
		Total Long-Term Investments (cost \$1,417,051,543)	1,412,285,007
<b>Shares (000)</b>			
<b>MONEY MARKET FUND<sup>5</sup>4.0%</b>			
NR	45,000	SSgA Tax Free Money Mkt. Fund - Class A (cost \$45,000,000)	45,000,000
<b>Contracts (000)</b>			
<b>OUTSTANDING CALL OPTIONS PURCHASED<sup>6</sup>0.0%</b>			
	50	S&P 500 Index Futures, expires 2/17/07 (cost \$202,500)	200,500
		Total investments before outstanding options written (cost \$1,462,254,0438)	1,457,485,507
<b>OUTSTANDING CALL OPTIONS WRITTEN<sup>7</sup>(0.3)%</b>			
	(182)	S&P 500 Index Futures, expires 2/17/07	(3,246,100)
	(7)	expires 3/17/07	(145,040)
		Total Outstanding Call Options Written (premium received \$2,998,100)	(3,391,140)
		Total Investments net of outstanding options written <sup>8</sup> 128.7%	\$ 1,454,094,367
		Liabilities in excess of other assets (including \$266,953,533 in reverse repurchase agreements payable, \$68,959,690 in investments purchased payable and \$10,982,755 in interest receivable) <sup>8</sup> (28.7)%	(324,188,088)
		Net Assets <sup>8</sup> 100%	\$ 1,129,906,279

1 Using the highest of Standard & Poor's, Moody's Investors Service or Fitch's Ratings.

2 Security is not registered under the Securities Act of 1933. These securities may be resold in transactions in accordance with Rule 144A under that Act, to qualified institutional buyers. As of January 31, 2007, the Trust held 49.4% of its net assets, with a current market value of \$558,528,790, in securities restricted as to resale.

3 Variable rate security. Rate shown is interest rate as of January 31, 2007.

4 Non-income producing security.

5 Security, or a portion thereof, pledged as collateral with a value of \$8,618,474 on 122 long S&P 500 Index futures contracts expiring March 2007, 1,154 long U.S. Treasury Bond futures contracts expiring March 2007, 9 short S&P 500 Index futures contracts expiring March 2007, 1,154 short U.S. Treasury Bond futures contracts expiring March 2007 and 5,016 short U.S. Treasury Note futures contracts expiring March 2007. The notional value of such contracts on January 31, 2007 was \$500,052,966, with an unrealized gain of \$5,359,626.

6 Entire or partial principal amount pledged as collateral for reverse repurchase agreements.

7 The security is a perpetual bond and has no stated maturity date.

8 Cost for federal income tax purposes is \$1,462,258,966. The net unrealized depreciation on a tax basis is \$4,773,459, consisting of \$10,139,934 gross unrealized appreciation and \$14,913,393 gross unrealized depreciation.

For Trust compliance purposes, the Trust's sector and industry classifications refer to any one or more of the Standard Industry Codes as defined by the SEC. This definition may not apply for purposes of this report, which may combine sector and industry sub-classifications for reporting ease.

**KEY TO ABBREVIATIONS**

ADR □ American Depositary Receipt  
REIT □ Real Estate Investment Trust  
USD □ U.S. Dollar

**Item 2. Controls and Procedures.**

(a) The Registrant's principal executive and principal financial officers have evaluated the Registrant's disclosure controls and procedures within 90 days of this filing and have concluded, as of that date, that the Registrant's disclosure controls and procedures were reasonably designed to ensure that information required to be disclosed by the Registrant in this Form N-Q was recorded, processed, summarized, and reported within the required time periods and that information to be disclosed by the Registrant in this Form N-Q was accumulated and communicated to the Registrant's management, including its principal executive and principal financial officers, as appropriate, to allow timely decisions regarding required disclosure.

(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 (17 CFR 270.30a -3(d)) 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.**

Separate certifications of the Registrant's Principal Executive and Financial Officers pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 are attached as EX-99.CERT.



**SIGNATURES**

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.

(Registrant) BlackRock Preferred and Equity Advantage Trust

By: /s/ Donald C. Burke

Name: Donald C. Burke

Title: Treasurer and Principal Financial Officer

Date: March 28, 2007

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/ Robert S. Kapito

Name: Robert S. Kapito

Title: President and Principal Executive Officer

Date: March 28, 2007

By: /s/ Donald C. Burke

Name: Donald C. Burke

Title: Treasurer and Principal Financial Officer

Date: March 28, 2007