

| OMB APPROVAL | |
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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

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|--|--|--|
| 1. Name and Address of Reporting Person* <u>AMERICAN INTERNATIONAL GROUP INC</u> (Last) (First) (Middle) <u>180 MAIDEN LANE</u> (Street) <u>NEW YORK NY 10038</u> (City) (State) (Zip) | 2. Issuer Name and Ticker or Trading Symbol <u>Blackstone Group L.P. [BX]</u> | 5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director <input checked="" type="checkbox"/> 10% Owner Officer (give title below) Other (specify below) |
| | 3. Date of Earliest Transaction (Month/Day/Year) <u>12/15/2010</u> | |
| | | 6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person |

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | | 4. Securities Acquired (A) or Disposed Of (D) (Instr. 3, 4 and 5) | | | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---|--------------------------------------|--|--------------------------------|---|---|------------|---------|---|--|---|
| | | | Code | V | Amount | (A) or (D) | Price | | | |
| Common Units representing limited partnership interests | 12/15/2010 | | s | | 10,000,000 | D | \$13.41 | 35,737,235 ⁽¹⁾⁽²⁾ | I | See Footnote ⁽³⁾ |

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | | 6. Date Exercisable and Expiration Date (Month/Day/Year) | | 7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4) | 8. Price of Derivative Security (Instr. 5) | 9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4) | 10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 11. Nature of Indirect Beneficial Ownership (Instr. 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|-----------------|---|--|--|---|--|
| | | | | Code | V | Date Exercisable | Expiration Date | | | | | |

1. Name and Address of Reporting Person*
AMERICAN INTERNATIONAL GROUP INC
 (Last) (First) (Middle)
180 MAIDEN LANE
 (Street)
NEW YORK NY 10038
 (City) (State) (Zip)

1. Name and Address of Reporting Person*
AIG BG Holdings LLC
 (Last) (First) (Middle)
180 MAIDEN LANE
 (Street)
NEW YORK NY 10038
 (City) (State) (Zip)

Explanation of Responses:

1. Pursuant to an exchange agreement, holders of Blackstone Holdings partnership units (which term refers collectively to a partnership unit in each of Blackstone Holdings I L.P., Blackstone Holdings II L.P., Blackstone Holdings III L.P. and Blackstone Holdings IV L.P.), subject to the vesting and minimum retained ownership requirements and transfer restrictions set forth in the partnership agreements of the Blackstone Holdings partnerships, may from time-to-time (subject to the terms of the exchange agreement) exchange their Blackstone Holdings partnership units for The Blackstone Group L.P. common units on a one-for-one basis, subject to customary conversion rate adjustments for splits, unit distributions and reclassifications.

2. A Blackstone Holdings limited partner must exchange one partnership unit in each of the four Blackstone Holdings partnerships to effect an exchange for a common unit. On November 15, 2010, AIG BG Holdings LLC ("AIG Holdings") delivered notice to the Blackstone Holdings entities and The Blackstone Group L.P. to exchange 10,000,000 of its Blackstone Holdings partnership units for 10,000,000 common units which were delivered by the issuer to AIG Holdings on December 15, 2010 and sold on that day. On December 9, 2010, AIG Holdings delivered a further notice to the Blackstone Holdings

entities and The Blackstone Group L.P. to exchange its remaining 35,737,235 Blackstone Holdings partnership units for 35,737,235 common units of the issuer, which are expected to be delivered on February 9, 2011.

3. The reported shares are held directly by AIG Holdings which is a wholly owned subsidiary of American International Group, Inc. ("AIG"). AIG is an indirect beneficial owner of the reported securities.

/s/ Monika M. Machon,
Authorized Person 12/17/2010

/s/ Monika M. Machon,
Authorized Person 12/17/2010

** Signature of Reporting Person Date

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

* If the form is filed by more than one reporting person, see Instruction 4 (b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.