FORM N-30D

Initial annual and semi-annual reports mailed to investment company shareholders pursuant to Rule 30e-1 (other than those required to be submitted as part of Form NCSR)

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BLACKROCK 1998 TERM TRUST INC
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THE BLACKROCK 1998 TERM TRUST INC.
SEMI-ANNUAL REPORT TO SHAREHOLDERS
REPORT OF INVESTMENT ADVISER

July 31, 1996

Dear Trust Shareholder:

After posting strong returns during 1995, the fixed income markets have given back much of their gains in 1996 in response to a strengthening U.S. economy. Accelerating economic growth has raised concerns about an increased inflationary environment, which could erode the value of fixed income investments. The stronger economy also has led some market participants to consider the possibility that the Federal Reserve may increase interest rates to thwart inflation threats after three interest rate reductions over the past twelve months.

Despite the pick-up in economic growth, we believe that current inflationary fears will subside. Commodity prices have risen but manufacturers will have difficulty passing along the increased costs of raw materials to consumers, whose debt levels as a percentage of disposable income are at the highest point since the recessionary highs of 1990. We believe that the overleveraged consumer will have to retrench, restricting future economic expansion and creating a positive environment for bonds in the latter half of this year.

The following semi-annual report provides detailed market commentary and a review of portfolio management activity. We believe that BlackRock's duration controlled management style and risk management capabilities will allow each of our Trusts to achieve its long-term investment objective.

We look forward to maintaining your respect and confidence and to serving your financial needs in the coming years.

Sincerely,

Laurence D. Fink	Ralph L. Schlosstein
Chairman	President

July 31, 1996

Dear Shareholder:

We are pleased to present the semi-annual report for The BlackRock 1998 Term Trust Inc. ("the Trust") for the six months ended June 30, 1996. We would like to take this opportunity to review the Trust's stock price and net asset value (NAV) performance, summarize market developments and discuss recent portfolio management activity.

The Trust is a diversified, actively managed closed-end bond fund whose shares are traded on the New York Stock Exchange under the symbol "BBT". The Trust's investment objective is to return $10 per share (its initial offering price) to shareholders on or about December 31, 1998 while providing high current income. The Trust seeks these objectives by investing in investment grade fixed income securities, including corporate debt securities, mortgage-backed securities backed by U.S. Government agencies (such as Fannie Mae, Freddie Mac or Ginnie Mae), asset-backed securities and commercial mortgage-backed securities. All of the Trust's assets must be rated "BBB" by Standard & Poor's or "Baa" by Moody's at time of purchase or be issued or guaranteed by the U.S. government or its agencies.

The table below summarizes the performance of the Trust's stock price and NAV (the market value of its assets per share) over the period:

	6/30/96	12/31/95	Change	High	Low
Stock Price	$9.25	$8.875	4.23%	$9.25	$8.75

Net Asset Value (NAV)	$9.76	$9.79	(0.31%)	$9.90	$9.66

The Fixed Income Markets

The domestic fixed income markets witnessed two profoundly different environments during the past six months, providing an exciting and challenging environment in which to manage the Trust. The Treasury market rally of 1995 continued through the middle of February 1996, as market demand for fixed income securities remained strong due to a combination of moderate economic growth, low absolute levels of inflation and two reductions of the Fed funds target rate. The rally halted during mid-February, however, as data indicating accelerating economic growth rekindled inflationary concerns. The strengthening of the economy continued throughout the second quarter, leading market participants to become more resolute in their belief that the Federal Reserve will tighten monetary policy during the second half of 1996, which would result in rising interest rates. These fears translated into a sharp rise in bond yields across the Treasury yield curve, resulting in the fixed income markets rescinding much of their 1995 gains.

Interest rate movements reflected the change in investor sentiment toward fixed income securities. Interest rates across the Treasury yield curve fell dramatically through mid-February, as evidenced by the decline in yield levels on the 10-year Treasury. Continuing the bond market rally of 1995, the yield of the 10-year Treasury fell to 5.52% on January 19, its lowest yield since October 1993. However, data released during February suggesting renewed economic vigor placed pressure on bond prices, as the possibility of a stronger economy dampened investor expectations that interest rates would continue to fall. These fears translated into a sharp rise in bond yields across the Treasury yield curve. The yield of the ten-year Treasury ended the semi-annual period at 6.71%, a net increase of 114 basis points (1.14%) during the first half of 1996.

The mortgage-backed securities (MBS) market outperformed Treasuries for the period, as rising interest rates coupled with a reduction in prepayment risk provided investors an opportunity to fundamentally reassess mortgages after 1995's Treasury market rally. Still, many investors remained on the sidelines, convinced that even historically wide mortgage yield

spreads offered inadequate compensation for the perceived risks of owning mortgages. As a result of this narrow participation, MBS performance in 1996 has been good but somewhat short of expectations given the sharp rise in interest rates.

Corporate bond performance relative to Treasuries was hampered by a heavy new net issue supply, which expanded above 1995 levels despite the rising interest rate environment of 1996. However, the yield premium, or "spread", offered by corporate bonds remained narrow throughout the period. Corporate yield spreads are not expected to widen significantly, as a subsiding of recessionary fears in response to the strengthening U.S. economy is expected to support corporate bond prices.

The Trust's Portfolio and Investment Strategy

BlackRock actively manages the Trust's portfolio holdings consistent with BlackRock's overall market outlook and the Trust's investment objectives. The following chart compares the Trust's current and December 31, 1995 asset composition.

The BlackRock 1998 Term Trust Inc.

Composition	June 30, 1996	December 31, 1995
Corporate Bonds	51%	23%
Asset-Backed Securities	24%	7%
Mortgage Pass-Throughs	10%	28%
Adjustable Rate Mortgages	3%	14%
U.S. Government Securities	3%	4%
Non-Agency Multiple Class Mortgage Pass-Throughs	3%	3%
Municipal Bonds	3%	2%

Stripped Mortgage-Backed Securities	2%	5%
Agency Multiple Class Mortgage Pass-Throughs	1%	2%
Taxable Zero Coupon Bonds	0%	10%
CMO Residuals	0%	2%

Credit Rating	Rating % of Corporates June 30, 1996	December 31, 1995
AAA or equivalent	3%	1%
AA or equivalent	12%	17%
A or equivalent	46%	48%
BBB or equivalent	39%	34%

The Trust maintained its focus on the primary investment objective of returning $10 per share to investors on or about its termination date. In conjunction with this objective, the Trust has been reducing its holdings which are subject to cash flow risk or which can extend beyond the Trust's scheduled maturity date. BlackRock has been opportunistically selling bonds with

these characteristics, or "tail risk", and emphasized securities offering attractive yield spreads over Treasury securities, cash flows prior to the Trust's termination date and fixed maturities approximating the Trust's termination date.To that end, the Trust further increased its allocation to investment grade corporate bonds, which now comprise approximately 51% of portfolio assets. Corporate bonds allow the Trust to both match the maturity date of the bond with the Trust's scheduled termination date by providing a definite maturity value when they mature and a more defined cash flow. The Trust also increased its exposure to asset-backed securities (ABS), which are generally collateralized by auto or credit card loans. ABS offer attractive yields relative to comparable duration securities in addition to more predictable cash flows than mortgage-backed securities.

The increased corporate bond and asset-backed security positions were accompanied by a corresponding decrease in securities which offer less predictable cash flow streams and maturity dates. Specifically, the Trust has sold mortgage-backed securities such as agency pass-throughs and collateralized mortgage-backed obligations, which have characteristics that are typically more sensitive to interest rate movements than most fixed maturity securities. For example, the maturity of a mortgage bond can extend if interest rates rise; conversely, a sharp decline in interest rates can cause a mortgage bond to prepay, which exposes the Trust to reinvestment risk in a lower interest rate environment. Over the semi-annual period, this strategy has worked to the Trust's benefit, as mortgages outperformed most sectors of the taxable fixed income market. The Trust expects to continue its tail risk reduction strategy as the Trust's maturity date approaches.

We look forward to continuing to manage the Trust to benefit from the opportunities available to investors in the fixed income markets. BlackRock remains confident in the Trust's ability to return its initial offering price at its scheduled termination date. We thank you for your investment in The BlackRock 1998 Term Trust Inc. Please feel free to contact our marketing center at (800) 227-7BFM (7236) if you have specific questions which were not addressed in this report.

Sincerely,

Robert S. Kapito
Vice Chairman and Portfolio Manager
BlackRock Financial Management, Inc.

Michael P. Lustig
Vice President and Portfolio Manager
BlackRock Financial Management, Inc.

The BlackRock 1998 Term Trust Inc.

Symbol on New York Stock Exchange:	BBT
Initial Offering Date:	April 19, 1991
Closing Stock Price as of 6/30/96:	$9.25
Net Asset Value as of 6/30/96:	$9.76
Yield on Closing Stock Price as of 6/30/96 ($9.25)1:	5.41%
Current Monthly Distribution per Share2:	$0.04167
Current Annualized Distribution per Share2:	$0.50004

1Yield on Closing Stock Price is calculated by dividing the current annualized distribution per share by the closing stock price per share.
2Distribution not constant and is subject to change.

(LEFT COLUMN)

The BlackRock 1998 Term Trust Inc.
Portfolio of Investments
June 30, 1996
(Unaudited)

Rating*	Principal Amount (000)	Description	Value (Note 1)
		LONG-TERM INVESTMENTS-144.0%	
		Mortgage Pass-Throughs-14.2%	
		Federal Home Loan Bank,	
	$ 2,000++	4.95%, 3/04/98	$ 1,963,000
	5,000+	8.575%, 10/30/97	5,056,250
		Federal Home Loan Mortgage Corporation,	
	12,221+	4.50%, 12/01/98, 5 Year	11,771,382
	1,097	6.50%, 10/01/08	1,090,407
	2,026++	8.00%, 10/01/09	2,114,005
	4,201+	8.25%, 6/01/09 - 9/01/09	4,301,429
	1,020+	8.50%, 5/01/99 - 4/01/19	1,056,070
	6,206+	8.50%, 10/01/06 - 12/01/06, 15 Year	6,382,798
	5,476++	8.50%, 5/1/99, 7 Year	5,617,884
	5,537++	9.00%, 12/01/05, 15 Year	5,740,787
	1,125	9.50%, 6/01/10 - 6/01/17	1,175,078
		Federal National Mortgage Association,	
	356	7.00%, 11/01/08	354,838
	4,735	7.50%, 12/01/01-5/01/08, 15 Year .	4,755,773
	25,238+	9.50%, 2/01/01 - 11/01/21	26,912,868
		Government National Mortgage Association,	
	2,033++	7.00%, 10/20/23, 1 Year CMT, (ARM)	2,060,780
	1,071	8.50%, 3/15/20 - 11/15/21	1,101,447
			81,454,796
		Multiple Class Mortgage Pass-Throughs-10.0%	
		CBA Mortgage Corp.,	
AAA	5,000	Series 1993- C1, Class A2, 12/25/03	5,074,123
AA	5,489	Series 1993 -C1, Class B, 12/01/03	5,556,176

BBB	7,000	Series 1993-C1, Class D, 12/25/03	6,931,371
		Federal Home Loan Mortgage Corporation, Multiclass Mortgage Participation Certificates,	
	1,105	Series 68, Class 68-G, 5/15/19 ...	1,119,576
	1,607	Series 1134, Class 1134-H, 9/15/96, (ARM)	1,635,445
	6,459+	Series 1269, Class 1269-S, 5/15/97, (ARM)	6,382,142
	1,519	Series 1402, Class 1402-F, 10/15/97, (ARM)	1,385,465
	3,084	Series 1436, Class 1436-SE, 12/15/97, (ARM)	2,563,247
	1,625	Series 1441, Class 1441-SA, 12/15/97, (ARM)	1,582,555
	471	Series 1513, Class 1513-JA, 11/15/01, (I)	183,565
	43,721	Series 1557, Class 1557-SA, 8/15/98, (ARM)	929,067
	2,000	Series 1700, Class 1700-B, 7/15/23, (P)	1,750,000

(Right Column)

Rating*	Principal Amount (000)	Description	Value (Note 1)
		Federal National Mortgage Association, REMIC Pass-Through Certificates,	
	$ 1,638	Trust 269, Class 269-1, 8/01/22	$ 1,714,029
	5,000	Trust 1990-43, Class 43-G, 7/25/03	5,075,700
	1,028	Trust 1991-79, Class 79-S, 7/25/98, (ARM)	1,117,184
	381	Trust 1991-127, Class 127-S, 9/25/98, (ARM)	384,344
	3,412	Trust 1992-3, Class 3-S, 1/25/99, (ARM)	3,851,012
	1,794	Trust 1992-119, Class 119-S, 8/25/99, (ARM)	1,646,488
	5,924	Trust G1993-26, Class 26-PH, 11/25/11, (I)	301,769
	3,000	Trust G1993-26, Class 26-PT, 12/25/17, (I)	646,467
	31,720	Trust G1993-35, Class 35-S, 1/25/22, (ARM)	1,476,928
	11,000	Trust 1993-82, Class 82-J, 11/25/10, (I)	727,980
	2,996	Trust 1993-129, Class 129-J, 2/25/07, (I)	325,379
Aaa	575	American Southwest Financial Corp., Series 48, Class 48-E, 9/01/17	575,172
AAA	4,227	PaineWebber Trust, Collateral Mortgage Obligation, Series A, Class A-5, 9/01/17	4,226,859

			57,162,043

		Corporate Bonds-73.9%	
		Finance & Banking-34.3%	
AA	10,000@+	AT&T Capital Corp., 5.81%, 12/04/98	9,755,110
A2	5,000	Allstate Corp., 5.875%, 6/15/98	4,936,600
A+	6,150	American Express, 11.625%, 12/12/00	6,651,840
Baa1	11,100+	Aristar, Inc., 8.875%, 8/15/98	11,596,158
		Associates Corp. of North America,	
Aa3	6,150	5.58%, 12/14/98	6,020,183
Aa3	1,500	7.30%, 3/15/98	1,520,130
A	6,475	Beneficial Corp., 6.95%, 7/03/97	6,524,979
A3	3,000	Comerica, Inc., 10.125%, 6/01/98	3,176,940
A1	3,000	First Chicago Corp., 8.50%, 6/01/98	3,111,390
A2	6,000	Fleet Financial Group, Inc., 6.00%, 10/26/98	5,939,460

A1	10,000	Goldman Sachs Group, 6.10%, 4/15/98	9,931,662
Baa1	3,000	Greyhound Financial Corp., 8.50%, 2/15/99	3,127,380
A3	5,000	Huntington Bankshares, Inc., 5.68%, 12/08/98	4,903,750

See Notes to Financial Statements.

(LEFT COLUMN)

Rating*	Principal Amount (000)	Description	Value (Note 1)
		Finance & Banking-(cont'd)	
Aaa	$ 1,400	International Bank For Reconstruction & Development Colts, 8.85%, 2/16/98	$ 1,453,052
A2	3,000	International Lease Finance Corp., 6.30%, 11/01/99	2,957,827
A1	6,000+	ITT Hartford Group, 8.20%, 10/15/98	6,201,634
A2	3,000	John Deere Capital Corp., 7.14%, 9/15/98	3,031,950
Baa1	9,960	Lehman Brothers, Inc., 5.75%, 11/15/98	9,746,358
A1	2,000	Merrill Lynch & Co., Inc., 7.75%, 3/01/99	2,044,360
A1	4,000	Morgan Stanley Group, Inc., 5.625%, 3/01/99	3,899,521
Baa3	8,800	New American Capital, Inc., 6.91016%, 4/12/00	8,844,000
A3	4,300	Northern Trust Corp., 9.00%, 5/15/98	4,487,480
		Norwest Corp.,	
Aa3	10,000	5.75%, 11/16/98	9,831,288
Aa3	5,000	6.00%, 10/13/98	4,956,450
Aa3	1,000	7.70%, 11/15/97	1,018,660
Baa1	13,897	PaineWebber Group, Inc., 6.25%, 6/15/98	13,792,987
A3	5,000	Ryder Systems, Inc., 5.78%, 4/27/98	4,949,100
		Salomon, Inc.,	
Baa1	5,000	6.70%, 12/01/98	4,986,200
Baa1	10,000	7.43%, 12/30/98	10,126,436
BBB	11,300	Sears Overseas Finance, Zero Coupon, 7/12/98	9,908,723
		Smith Barney Holdings, Inc.,	
A2	1,000	5.50%, 1/15/99	973,670
A2	9,000++	5.625%, 11/15/98	8,812,170
A3	7,000	Textron Financal Services, 6.10%, 6/24/98	6,940,641
			196,158,089
		Corporate Bonds-Industrials-22.1%	
A	10,000	Atlantic Richfield, 10.25%, 7/02/00 .	10,459,000
		Caterpillar Financial Services,	
A2	5,000	5.18%, 10/01/98	4,861,787
A2	1,500	5.93%, 12/15/98	1,477,422
A3	10,000	Chrysler Financial Corp., 6.04%, 12/07/98	9,875,213
Aa3	7,100++	Coca Cola Enterprises, Inc., 7.875%, 9/15/98	7,307,746
AA	3,000	Du Pont De Nemours, 8.50%, 6/25/98	3,113,695
Baa3	10,500	Enterprise Rental, 7.875%, 3/15/98	10,712,840
A1	8,000	Ford Motor Credit Co.,	

		8.00%, 1/15/99	8,246,759
AAA	1,000	General Electric Capital Corp., 6.65%, 4/14/08	1,005,600
		General Motors Acceptance Corp.,	
A3	8,000++	6.125%, 9/18/98	7,914,588
A3	3,600	7.30%, 2/02/98	3,656,772
A2	3,000	Hydro Quebec, 9.30%, 10/28/98	3,167,459
A3	5,000	Lockheed Martin Corp., 6.625%, 6/15/98	5,017,950

(RIGHT COLUMN)

Rating*	Principal Amount (000)	Description	Value (Note 1)
Baa2	$ 7,000	MCN Investment Corp., 5.84%, 2/01/99	$ 6,853,305
A2	8,000	National Fuel Gas Co., 5.58%, 3/01/99	7,782,080
AAA	8,225	Outlet Broadcast, Inc., 10.875%, 7/15/03	9,171,698
A1	2,000	Pepsico, Inc., 6.125%, 1/15/98	1,991,020
Baa2	200	Tenneco Credit Corp., 10.125%, 12/01/97	211,650
Baa2	1,700	Tenneco, Inc., 10.00%, 8/01/98	1,809,392
A1	1,000	Texaco Capital, Inc., 8.26%, 9/15/98	1,037,240
Baa1	7,000	TTX Co., 6.28%, 6/28/99	6,909,032
		Union Oil Co.,	
Baa2	7,500	8.40%, 1/15/99	7,788,190
Baa2	5,000	8.81%, 5/18/98	5,181,900
Baa2	1,000	8.84%, 5/18/98	1,036,900
			126,589,238
		Corporate Bonds- Utilities-13.4%	
Baa2	12,500++	Commonwealth Edison, 6.00%, 3/15/98	12,375,850
Baa2	196	Connecticut Light & Power Co., 7.625%, 4/01/97	196,000
Baa1	5,000	Duquesne Light Co., 5.85%, 6/01/98 ..	4,920,900
A3	5,000	GTE Corp., 8.85%, 3/01/98	5,181,823
BBB+	2,000	Gulf States Utilities Co., 7.35%, 11/01/98	2,017,140
		National Rural Utilities Cooperative,	
A1	10,000	5.20%, 1/15/99	9,680,699
AA+	1,000	7.93%, 1/15/99	1,031,113
A2	5,000	PacifiCorp, 8.95%, 6/30/98	5,230,519
Baa1	7,000	Philadelphia Electric Co., 5.375%, 8/15/98	6,847,093
A2	5,000	Portland General Electric Co., 5.65%, 5/15/98	4,924,750
A3	9,000	Puget Sound Power & Light Co., 7.875%, 10/01/97	9,163,955
		Texas Utilities Electric Co.,	
Baa2	6,600	5.50%, 10/01/98	6,448,266
Baa2	1,400	5.75%, 7/01/98	1,379,014
Baa2	7,050	5.875%, 4/01/98	6,982,108
			76,379,230
		Corporate Bonds- Sovereign & Provincial-4.1%	
Baa3	2,000	Colombia Republic, 7.125%, 5/11/98	1,995,389
Baa2	8,000	Corporacion Andina De Fomento, 6.625%, 10/14/98 7,938,081	
A1	4,000	Ford Capital B.V., 9.00%, 8/15/98 ...	4,191,480
		Hydro Quebec,	
A2	1,000	7.67%, 11/30/98	1,022,318
A2	7,000	9.55%, 1/06/98	7,308,138
Aa3	1,000	Ontario Province, 15.75%, 3/15/12 ...	1,117,460
			23,572,866
		Asset-Backed Securities-35.2%	
AAA	13,707++	Airplanes Pass-thru Trust, Series-1	

		Class A5, 5.84609%, 3/15/19	13,715,210
		Banc One Auto Grantor Trust,	
AAA	22,078++	Series 1996-A Class A, 6.10%, 10/15/02	22,063,867
AAA	11,200	Series 1996-B Class A, 6.55%, 2/15/03	11,249,000

See Notes to Financial Statements.

Rating*	Principal Amount (000)	Description	Value (Note 1)
		Asset-Backed Securities-(cont'd)	
AAA	$27,630++	Banc One Credit Card Master Trust, Series 1994-C Class A, 7.80%, 12/15/00	$ 28,467,534
AAA	11,900++	Chevy Chase Auto Receivables, Series 1996-1 Class A, 6.60%, 12/15/02	11,903,719
AAA	6,427+	Daimler Benz Auto Grantor Trust, Series 1995-A Class A, 5.85%, 5/15/02	6,400,602
AAA	14,600++	Dayton Hudson Credit Card Trust, Series 1995-1 Class A, 6.10%, 2/25/02	14,497,344
		Discover Card Master Trust,	
AAA	27,295++	Series 1991-D Class A, 8.00%, 10/15/00	28,058,407
AAA	12,380+	Series 1991-F Class A, 7.85%, 11/21/00	12,689,500
AAA	18,699++	Ford Credit Grantor Trust, Series 1995-B Class A, 5.90%, 10/15/00	18,587,916
AAA	18,687++	Nations Bank Auto Grantor Trust, Series 1995-A Class A, 5.85%, 6/15/02	18,616,532
AAA	8,509++	Premier Auto Trust, Series 1994-2 Class A4, 6.00%, 5/15/98	8,514,376
AAA	4,023+	SPNB Home Equity Loan, Series 1991-A Class A2, 8.90%, 3/10/06	4,053,564
BBB	2,543	Telmex Trust, Series 1996, 6.50%, 4/01/97	2,543,262
			201,360,833
		Stripped Mortgage-Backed Securities-2.7%	
AAA	5	American Housing Trust VIII, Mortgage Pass-Through Certificates, Series 8, Class M, 1/25/21 (I/O)	1,711,578
	2,784	Federal Home Loan Mortgage Corporation, Multiclass Mortgage Participation Certificates, Series 1700, Class 1700-A, 2/15/24 (P/O)	2,744,190
		Federal National Mortgage Association,	
	16,843	Trust 15, Class 2, 4/01/02 (I/O)	2,673,896
	6	Trust 1991-101, Class 101-D, 8/25/18 (I/O)	20,127
	7,013+	Trust 1991-121, Class 121-B, 9/25/98 (P/O)	6,309,843
	94	Trust 1992-192, Class 192-G, 5/25/04 (I/O)	1,157,489
	2,232	Trust 1993-G35, Class G35-N, 11/25/23 (P/O)	680,688
			15,297,811

(RIGHT COLUMN)

Rating*	Principal Amount (000)	Description	Value (Note 1)
		U.S Government Securities-4.2%	
		United States Treasury Notes,	
	$ 365	5.250%, 1/31/01	$ 348,403
	11,610++	5.875%, 4/30/98	11,564,605
	12,300+	6.375%, 5/15/99	12,326,937
			24,239,945
		Municipal Bonds-3.8%	
AAA	7,800	Alameda County California Pension Obligation, Taxable, Series A, 7.25%, 12/01/98	7,940,088
AAA	1,415	Long Beach California Pension Obligation, Taxable Refunding, 6.13%, 9/01/98	1,410,896
BBB+	6,000	New York City, Taxable Bonds Series G, Zero Coupon, 2/01/98 ...	5,944,740
A	5,000	Sacramento California Utility District Electric, Taxable Refunding Series F, 5.90%, 11/15/98	4,936,800
AAA	1,540	Western Minnesota Municipal Power Agency Supply, Taxable Refunding Series A, 5.88%, 1/01/98	1,531,330
			21,763,854
		Total long-term investments (cost $832,474,761)	823,978,705
		INVESTMENTS SOLD SHORT-(4.4%)	
	(25,000)	United States Treasury Notes, 6.00%, 5/31/98 (proceeds $24,830,078)	(24,945,250)
		Total investments, net of short sale-139.6% (cost $807,644,683)	799,033,455
		Liabilities in excess of other assets-(39.6%)	(226,770,350)
		NET ASSETS-100%	$572,263,105

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*Using the higher of Standard & Poor's or Moody's rating.
+$75,665,830 principal amount pledged as collateral for reverse repurchase agreements.
++Entire principal amount pledged as collateral for reverse repurchase agreements.
@$2,438,778 principal amount pledged as collateral for futures transactions.

KEY TO ABBREVIATIONS

ARM	-Adjustable Rate Mortgage.
CMO	-Collateralized Mortgage Obligation.
CMT	-Constant Maturity Treasury.
I	-Denotes a CMO with Interest Only Characteristics.
I/O	-Interest Only.
P	-Denotes a CMO with Principal Only Characteristics.
P/O	-Principal Only.
REMIC	-Real Estate Mortgage Investment Conduit.

See Notes to Financial Statements.

(LEFT COLUMN)

The BlackRock 1998 Term Trust Inc.
Statement of Assets and Liabilities
June 30, 1996
(Unaudited)

Assets	
Investments, at value (cost $832,474,761) (Note 1)	$823,978,705
Cash	2,231,442
Deposit with broker as collateral for investments sold short (Note 1)	25,031,250
Interest receivable	12,316,596
Receivable for investments sold	4,245,283
	867,803,276
Liabilities	
Reverse repurchase agreements (Note 4)	267,043,600
Investment sold short at value (proceeds $24,830,078) (Note 1)	24,945,250
Payable for investments purchased	2,258,055
Interest payable	707,414
Dividends payable	293,089
Advisory fee payable (Note 2)	187,695
Administration fee payable (Note 2)	46,924
Other accrued expenses	58,144
	295,540,171
Net Assets	$572,263,105
Net assets were comprised of:	
Common stock, at par (Note 5)	$ 586,605
Paid-in capital in excess of par	553,528,394
	554,114,999
Undistributed net investment income	26,072,749
Accumulated net realized gain	686,585
Net unrealized depreciation	(8,611,228)
Net assets, June 30, 1996	$572,263,105
Net asset value per share: ($572,263,105 - 58,660,527 shares of common stock Issued and outstanding)	$9.76

(RIGHT COLUMN)

The BlackRock 1998 Term Trust Inc.
Statement of Operations
Six Months Ended June 30, 1996
(Unaudited)

Net Investment Income	
Income	
Interest (net of premium amortization of $5,942,012 and interest expense of $7,130,851)	$18,674,258
Operating expenses	
Investment advisory	1,146,414
Administration	286,603
Reports to shareholders	147,000
Custodian	77,000
Transfer agent	36,000
Directors	34,000
Audit	22,000
Legal	17,000
Miscellaneous	159,995
Total operating expenses	1,926,012
Net investment income before excise tax	16,748,246
Excise tax	300,000

Net investment income	16,448,246

Realized and Unrealized Gain (Loss) on Investments (Note 3)	
Net realized gain (loss)	
Investments	(368,211)
Short sales	(238,268)
Futures	494,189
	(112,290)
Net change in unrealized appreciation (depreciation)	
Investments	(5,281,084)
Futures	(875,208)
Short sales	(115,172)
	(6,271,464)
Net loss on investments	(6,383,754)
Net Increase In Net Assets Resulting from Operations	$10,064,492

See Notes to Financial Statements.

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The BlackRock 1998 Term Trust Inc.
Statement of Cash Flows
Six Months Ended June 30, 1996
(Unaudited)

Increase (Decrease) in Cash	
Cash flows used for operating activities:	
Interest received	$ 26,893,718
Operating expenses and excise taxes paid	(2,866,096)
Interest expense paid	(7,828,930)
Proceeds from disposition of short-term portfolio investments, net	8,818,591
Purchase of long-term portfolio investments	(982,699,702)
Proceeds from disposition of long-term portfolio investments	948,240,361
Variation margin on futures	(213,894)
Other	7,713
Net cash flows used for operating activities	(9,648,239)
Cash flows provided by financing activities:	
Increase in reverse repurchase agreements	26,172,371
Cash dividends paid	(14,373,130)
Net cash flows provided by financing activities	11,799,241
Net increase in cash	2,151,002
Cash at beginning of period	80,440
Cash at end of period	$ 2,231,442
Reconciliation of Net Increase in Net Assets Resulting from Operations to Net Cash Flows Used for Operating Activities	
Net increase in net assets resulting from operations	$ 10,064,492
Decrease in investments	24,725,585
Net realized loss	112,290

Increase in unrealized depreciation	6,271,464
Increase in interest receivable	(4,853,403)
Decrease in depreciation of interest rate floor	(988,963)
Increase in receivable for investments sold	(4,245,283)
Decrease in variation margin receivable	167,125
Increase in deposits with broker for investments sold short	(25,031,250)
Decrease in other assets	12,649
Decrease in payable for investments purchased	(39,485,095)
Decrease in interest payable	(698,079)
Increase in payable for securities sold short	24,945,250
Decrease in accrued expenses and other liabilities	(645,021)
Total adjustments	(19,712,731)
Net cash used for operating activities	$ (9,648,239)

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The BlackRock 1998 Term Trust Inc.
Statements of Changes
in Net Assets
(Unaudited)

Increase (Decrease) in Net Assets	Six Months Ended June 30, 1996	Year Ended December 31, 1995
Operations:		
Net investment income	$ 16,448,246	$ 40,073,177
Net realized gain (loss) on investments, short sales and futures	(112,290)	6,555,447
Net change in net unrealized appreciation (depreciation) on investments, short sales and futures	(6,271,464)	32,584,414
Net increase in net assets resulting from operations	10,064,492	79,213,038
Dividends from net investment income	(12,221,805)	(31,166,089)
Total increase (decrease)	(2,157,313)	48,046,949
Net Assets		
Beginning of period	574,420,418	526,373,469
End of period	$572,263,105	$574,420,418

See Notes to Financial Statements.

<TABLE>
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The BlackRock 1998 Term Trust Inc.
Financial Highlights
(Unaudited)

PER SHARE OPERATING PERFORMANCE:	Six Months Ended June 30, 1996	Year Ended December 31, 1995	1994	1993	1992	One Month Ended December 31, 1991**	April 30, 1991* to November 30, 1991
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Net asset value, beginning of period	$ 9.79	$ 8.97	$ 9.91	$ 10.22	$ 10.39	$ 10.16	$ 9.50
Net investment income (net of $.12, $.29, $.13, $.14, $.18, $.02 and $.06, respectively, of interest expense)	.28	.68	.58	.81	.92	.09	.48
Net realized and unrealized gain (loss) on investments, short sales and futures	(.10)	.67	(.89)	(.40)	(.31)	.28	.62
Net increase (decrease) from investment operations	.18	1.35	(.31)	.41.61	.37	1.10	
Dividends from net investment income	(.21)	(.53)	(.63)	(.72)	(.78)	(.14)	(.42)
Capital charge with respect to issuance of shares	-	-	-	-	-	-	(.02)
Net asset value, end of period***	$ 9.76	$ 9.79	$ 8.97	$ 9.91	$ 10.22	$ 10.39	$ 10.16#
Market value, end of period***	$ 9.25	$ 8.875	$ 8.00	$ 10.125	$ 9.875	$ 10.50	$ 10.25
TOTAL INVESTMENT RETURN+:	6.62%	17.73%	(15.15%)	10.13%	1.40%	3.84%	12.46%
RATIOS TO AVERAGE NET ASSETS:							
Operating expenses @	.68%++	.67%	0.81%	0.81%	0.75%	0.72%++	0.76%++
Net investment income	5.77%++	7.21%	6.21%	7.95%	9.01%	10.12%++	8.53%++
SUPPLEMENTAL DATA:							
Average net assets (in thousands)	$573,155	$555,561	$546,853	$600,058	$601,439	$599,876	$561,711
Portfolio turnover	110%	136%	193%	55%	8%	1%	154%
Net assets, end of period (in thousands)	$572,263	$574,420	$526,373	$581,169	$599,324	$609,231	$595,698
Reverse repurchase agreements outstanding, end of period (in thousands)	$267,044	$240,871	$175,091	$272,866	$267,893	$284,142	$270,208
Asset coverage+++	$ 3,143	$ 3,385	$ 4,006	$ 3,130	$ 3,237	$ 3,144	$ 3,205

<FN>

* Commencement of investment operations.
** Subsequent to November 30, 1991 (The Trust's prior fiscal year-end) the Trust changed its fiscal year-end to December 31.
*** Net asset value and market value published in The Wall Street Journal each Monday.
\# Net asset value immediately after closing of first public offering was $9.48.
@ The ratios of operating expenses, including interest expense, to average net assets were 3.18%, 3.76%, 2.19%, 2.14%, 2.56%, 3.08% and 1.71% for the periods indicated above, respectively. The ratios of operating expenses, including interest expense and excise tax, to average net assets were 3.28%, 3.85%, 2.28%, 2.15%, 2.63%, 3.08%, and 1.73% for the periods indicated above, respectively.
\+ Total investment return is calculated assuming a purchase of common stock at the current market price on the first day and a sale at the current market price on the last day of each period reported. Dividends and distributions are assumed, for purposes of this calculation, to be reinvested at prices obtained under the Trust's dividend reinvestment plan. This calculation does not reflect brokerage commissions. Total investment returns for periods of less than one full year are not annualized.
\+ +Annualized.
++ Per $1,000 of reverse repurchase agreement outstanding.
</FN>
</TABLE>

The information above represents the unaudited operating performance data for a share of common stock outstanding, total investment return, ratios to average net assets and other supplemental data for each of the periods indicated. This information has been determined based upon financial information provided in the financial statements and market value data for the Trust's shares.

See Notes to Financial Statements.

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The BlackRock 1998 Term Trust Inc.
Notes to Financial Statements
(Unaudited)

Note 1. Accounting Policies

The BlackRock 1998 Term Trust Inc. (the "Trust"), a Maryland corporation, is a diversified closed-end management investment company. The investment objective of the Trust is to manage a portfolio of investment grade fixed income securities that will return at least $10 per share (the initial public offering price per share) to investors on or shortly before December 31, 1998 while providing high monthly income. The ability of issuers of debt securities held by the Trust to meet their obligations may be affected by economic developments in a specific industry or region. No assurance can be given that the Trust's investment objective will be achieved.

The following is a summary of significant accounting policies followed by the Trust.

Securities Valuation: The Trust values mortgage-backed, asset-backed and other debt securities on the basis of current market quotations provided by dealers or pricing services approved by the Trust's Board of Directors. In determining the value of a particular security, pricing services may use certain information with respect to transactions in such securities, quotations from dealers, market transactions in comparable securities, various relationships observed in the market between securities, and calculated yield measures based on valuation technology commonly employed in the market for such securities. Exchange-traded options are valued at their last sales price as of the close of options trading on the applicable exchanges. In the absence of a last sale, options are valued at the average of the quoted bid and asked prices as of the close of business. A futures contract is valued at the last sale price as of the close of the commodities exchange on which it trades unless the Trust's Board of Directors determines that such price does not reflect its fair value, in which case it will be valued at its fair value as determined by the Trust's Board of Directors. Any securities or other assets for which such current market quotations are not readily available are valued at fair value as determined in good faith under procedures established by and under the general supervision and responsibility of the Trust's Board of Directors.

Short-term securities which mature in more than 60 days are valued at current market quotations. Short-term securities which mature in 60 days or less are valued at amortized cost, if their term to maturity from date of purchase was 60 days or less, or by amortizing their value on the 61st day prior to maturity, if their original term to maturity from date of purchase exceeded 60 days.

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In connection with transactions in repurchase agreements, the Trust's custodian takes possession of the underlying collateral securities, the value of which at least equals the principal amount of the repurchase transaction, including accrued interest. To the extent that any repurchase transaction exceeds one business day, the value of the collateral is marked-to-market on a daily basis to ensure the adequacy of the collateral. If the seller defaults and the value of the collateral declines or if bankruptcy proceedings are commenced with respect to the seller of the security, realization of the collateral by the Trust may be delayed or limited.

Option Selling/Purchasing: When the Trust sells or purchases an option, an amount equal to the premium received or paid by the Trust is recorded as a liability or an asset and is subsequently adjusted to the current market value of the option written or purchased. Premiums received or paid from writing or purchasing options which expire unexercised are treated by the Trust on the expiration date as realized gains or losses. The difference between the premium and the amount paid or received on effecting a closing purchase or sale transaction, including brokerage commissions, is also treated as a realized gain or loss. If an option is exercised, the premium paid or received is added to the proceeds from the sale or cost of the purchase in determining whether the Trust has realized a gain or a loss on investment transactions. The Trust, as writer of an option, may have no control over whether the underlying securities may be sold (call) or purchased (put) and as a result bears the market risk of an unfavorable change in the price of the security underlying the written option.

Options, when used by the Trust, help in maintaining a targeted duration. Duration is a measure of the price sensitivity of a security or a portfolio to relative changes in interest rates. For instance, a duration of "one" means that a portfolio's or a security's price would be expected to change by approximately one percent with a one percent change in interest rates, while a duration of five would imply that the price would move approximately five percent in relation to a one percent change in interest rates.

Option selling and purchasing is used by the Trust to effectively hedge more volatile positions so that changes in interest rates do not change the duration of the portfolio unexpectedly. In general, the Trust uses options to hedge a long or short position or an overall portfolio that is longer or shorter than the benchmark security. A call option gives the purchaser of the option the right (but not obligation) to buy, and obligates the seller to sell (when the option is exercised), the underlying position at the exercise price at any time or at a specified time during the option period. A put option gives the holder the right to sell and obligates the

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writer to buy the underlying position at the exercise price at any time or at a specified time during the option period. Put options can be purchased to effectively hedge a position or a portfolio against price declines if a portfolio is long. In the same sense, call options can be purchased to hedge a portfolio that is shorter than its benchmark against price changes. The Trust can also sell (or write) covered call options and put options to hedge portfolio positions.

The main risk that is associated with purchasing options is that the option expires without being exercised. In this case, the option expires worthless and the premium paid for the option is considered the loss. The risk associated with writing call options is that the Trust may forego the opportunity for a profit if the market value of the underlying position increases and the option is exercised. The risk in writing put options is that the Trust may incur a loss if the market value of the underlying position decreases and the option is exercised. In addition, as with futures contracts, the Trust risks not being able to enter into a closing transaction for the written option as the result of an illiquid market.

Financial Futures Contracts: A futures contract is an agreement between two parties to buy or sell a financial instrument for a set price on a future date. Initial margin deposits are made upon entering into futures contracts and can be either cash or securities. During the period that the futures contract is open, changes in the value of the contract are recognized as unrealized gains or losses by "marking-to-market" on a daily basis to reflect the market value of the contract at the end of each day's trading. Variation margin payments are made or received, depending upon whether unrealized gains or losses are incurred. When the contract is closed, the Trust records a realized gain or loss equal to the difference between the proceeds from (or cost of) the closing transaction and the Trust's basis in the contract.

Financial futures contracts, when used by the Trust, help in maintaining a targeted duration. Duration is a measure of the price sensitivity of a security or a portfolio to relative changes in interest rates. For instance, a duration of "one" means that a portfolio's or a security's price would be expected to change by approximately one percent with a one percent change in interest rates, while a duration of "five" would imply that the price would move approximately five percent in relation to a one percent change in interest rates. Futures contracts can be sold to effectively shorten an otherwise longer duration portfolio. In the same sense, futures contracts can be purchased to lengthen a portfolio that is shorter than its duration target. Thus, by buying or selling futures contracts, the Trust can effectively "hedge"

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more volatile positions so that changes in interest rates do not change the duration of the portfolio unexpectedly.

The Trust may invest in financial futures contracts primarily for the purpose of hedging its existing portfolio securities or securities the Trust intends to purchase against fluctuations in value caused by changes in prevailing market interest rates. Should interest rates move unexpectedly, the Trust may not achieve the anticipated benefits of the financial futures contracts and may realize a loss. The use of futures transactions involves the risk of imperfect correlation in movements in the price of futures contracts, interest rates and the underlying hedged assets. The Trust is also at the risk of not being able to enter into a closing transaction for the futures contract because of an illiquid secondary market. In addition, since futures are used to shorten or lengthen a portfolio's duration, there is a risk that the portfolio may have temporarily performed better without the hedge or that the Trust may lose the opportunity to realize appreciation in the market price of the underlying positions.

Short Sales: The Trust may make short sales of securities as a method of hedging potential price declines in similar securities owned. When the Trust makes a short sale, it may borrow the security sold short and deliver it to the brokerdealer through which it made the short sale as collateral for its obligation to deliver the security upon conclusion of the sale. The Trust may have to pay a fee to borrow the particular securities and may be obligated to pay over any payments received on such borrowed securities. A gain, limited to the price at which the Trust sold the security short, or a loss, unlimited as to dollar amount will be recognized upon the termination of a short sale if the market price is greater or less than the proceeds originally received.

Securities Lending: The Trust may lend its portfolio securities to qualified institutions. The loans are secured by collateral at least equal, at all times, to the market value of the securities loaned. The Trust may bear the risk of delay in recovery of, or even loss of rights in, the securities loaned should the borrower of the securities fail financially. The Trust receives compensation for lending its securities in the form of interest on the loan. The Trust also continues to receive interest on the securities loaned, and any gain or loss in the market price of the securities loaned that may occur during the term of the loan will be for the account of the Trust. The Trust did not engage in securities lending during the six months ended June 30, 1996.

Interest Rate Caps: Interest rate caps are similar to interest rate swaps, except that one party agrees to pay a fee, while the other party pays the excess, if any, of a floating rate over a specified fixed rate.

Interest rate caps are intended to both manage the duration of the Trust's portfolio and its exposure to changes

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in short term rates. Duration is a measure of the price sensitivity of a security or a portfolio to relative changes in interest rates. For instance, a duration of "one" means that a portfolio's or a security's price would be expected to change by approximately one percent with a one percent change in interest rates, while a duration of "five" would imply that the price would move approximately five percent in relation to a one percent change in interest rates. Owning interest rate caps reduces the portfolio's duration, making it less sensitive to changes in interest rates from a market value perspective. The effect on income involves protection from rising short term rates, which the Trust experiences primarily in the form of leverage.

The Trust is exposed to credit loss in the event of non-performance by the other party to the interest rate cap. However, the Trust does not anticipate non-performance by any counterparty.

Interest Rate Floors: Interest rate floors are similar to interest rate swaps, except that one party agrees to pay a fee, while the other party pays the excess, if any, of a floating rate under a specified fixed rate.

Interest rate floors are used by the Trust to both manage the duration of the portfolio and its exposure to changes in short-term interest rates. Duration is a measure of the price sensitivity of a security or a portfolio to relative changes in interest rates. For instance, a duration of "one" means that a portfolio's or a security's price would be expected to change by approximately one percent with a one percent change in interest rates, while a duration of "five" would imply that the price would move approximately five percent in relation to a one percent change in interest rates. Owning interest rate floors reduces the portfolio's duration, making it less sensitive to changes in interest rates from a market value perspective. The effect on income involves protection from falling short term rates, which the Trust experiences primarily in the form of leverage.

The Trust is exposed to credit loss in the event of non-performance by the other party to the interest rate floor. However, the Trust does not anticipate non-performance by any counterparty.

Securities Transactions and Net Investment Income: Securities transactions are recorded on the trade date. Realized and unrealized gains and losses are calculated on the identified cost basis. Interest income is recorded on the accrual basis and the Trust accretes discount and amortizes premium on securities purchased using the interest method. Expenses are recorded on the accrual basis which may require the use of certain estimates by management.

Taxes: It is the Trust's intention to continue to meet the requirements of the Internal Revenue Code applicable to regulated investment companies and to distribute substantially all of its taxable income to shareholders. Therefore, no federal

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income tax provision is required. As part of its tax planning strategy, the Trust intends to retain a portion of its taxable income and pay an excise tax on the undistributed amounts.

Dividends and Distributions: The Trust declares and pays dividends and distributions monthly, first from net investment income, then from realized short-term capital gains and other sources, if necessary. Net long-term capital gains, if any, in excess of loss carryforwards are distributed at least annually. Dividends and distributions are recorded on the ex-dividend date.

Income distributions and capital gain distributions are determined in accordance with income tax regulations which may differ from generally accepted accounting principles.

Deferred Organization Expenses: A total of $70,000 was incurred in connection with the organization of the Trust. These costs have been deferred and are being amortized ratably over a period of sixty months from the date the Trust commenced investment operations.

Note 2. Agreements

The Trust has an Investment Advisory Agreement with BlackRock Financial Management Inc. (the "Adviser"), a wholly-owned corporate subsidiary of PNC Asset Management Group, Inc., the holding company for PNC's asset management business, and an Administration Agreement with Prudential Mutual Fund Management, Inc. ("PMF"), an indirect, wholly-owned subsidiary of The Prudential Insurance Co.
of America.

The investment advisory fee paid to the Adviser was computed weekly and payable monthly at an annual rate of 0.40% of the Trust's average weekly net assets from January 1, 1995 to December 31, 1996 and 0.30% from January 1, 1997 to the termination or liquidation of the Trust. The administration fee paid to PMF was also computed weekly and payable monthly at an annual rate of 0.10% of the Trust's average weekly net assets from January 1, 1995 to December 31, 1996 and 0.08% from January 1, 1997 to the termination or liquidation of the Trust.

Pursuant to the agreements, the Adviser provides continuous supervision of the investment portfolio and pays the compensation of officers of the Trust who are affiliated persons of the Advisor. PMF pays occupancy and certain clerical and accounting costs of the Trust. The Trust bears all other costs and expenses.

Note 3. Portfolio
Securities

Purchases and sales of investment securities, other than short-term investments, and dollar rolls for the six months ended June 30, 1996 aggregated $943,214,617 and $899,841,779 respectively.

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The Trust may invest up to 60% of its total assets in securities which are not readily marketable, including those which are restricted as to disposition under securities law ("restricted securities"). At June 30, 1996, the Trust did not hold any illiquid securities.

The Trust may from time to time purchase in the secondary market certain mortgage pass-through securities packaged or master serviced by PNC Mortgage Securities Corp. (or Sears Mortgage if PNC Mortgage Securities Corp. succeeded to rights and duties of Sears) or mortgage related securities containing loans or mortgages originated by PNC Bank or its affiliates. It is possible under certain circumstances, PNC Mortgage Securities Corp. or its affiliates could have interests that are in conflict with the holders of these mortgage backed securities, and such holders could have rights against PNC Mortgage Securities Corp. or its affiliates.

The federal income tax basis of the Trust's investments at June 30, 1996 was substantially the same as for financial reporting purposes and, accordingly, net unrealized depreciation for federal income tax purposes was $8,496,056 (gross unrealized appreciation-$3,341,407; gross unrealized depreciation-$11,837,463).

For federal income tax purposes, the Trust has a capital loss carryforward at December 31, 1995 of approximately $2,036,500 of which will expire at the termination of the Trust. Such carryforward amount is after realization of approximately $7,549,000 in net taxable gains recognized during the year ended December 31, 1995. Accordingly, no capital gains distribution is expected to be paid to until net gains have been realized in excess of such amounts.

Note 4. Borrowings

Reverse Repurchase Agreements: The Trust may enter into reverse repurchase agreements with qualified, third party broker-dealers as determined by and under the direction of the Trust's Board of Directors. Interest on the

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value of reverse repurchase agreements issued and out standing will be based upon competitive market rates at the time of issuance. At the time the Trust enters into a reverse repurchase agreement, it will establish and maintain a segre- gated account with the lender the value of which at least equals the principal amount of the reverse repurchase transaction, including accrued interest.

The average daily balance of reverse repurchase agreements outstanding during the six months ended June 30, 1996 was approximately $256,140,090 at a weighted average interest rate of approximately 5.50%. The maximum amount of reverse repurchase agreements outstanding at any month-end during the six months ended June 30, 1996 was $286,088,438 on April 30, 1996 which was 33.23% of total assets.

Dollar Rolls: The Trust may enter into dollar rolls in which the Trust sells securities for delivery in the current month and simultaneously contracts to repurchase substantially similar (same type, coupon and maturity) securities on a specified future date. During the roll period the Trust forgoes principal and interest paid on the securities. The Trust will be compensated by the interest earned on the cash proceeds of the initial sale and by the lower repurchase price at the future date. The Trust did not enter into dollar rolls during the six months ended June 30, 1996.

Note 5. Capital

There are 200 million shares of $.01 par value common stock authorized. Of the 58,660,527 shares outstanding at June 30, 1996, the Adviser owned 10,527 shares.

Note 6. Dividends

Subsequent to June 30, 1996, the Board of Directors of the Trust declared a dividend from undistributed earnings of $0.04167 per share payable July 31, 1996 to shareholders of record on July 15, 1996.

Note 7. Quarterly Data

<TABLE>
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Quarterly	Total	Net Investment Income	Net realized and unrealized gains (losses) on investments, short sales and futures	Net increase (decrease) in net assets resulting from operations	Dividends and distributions	Share price	Period and net assets

period	Income	Amount	Per share	Amount	Per share	Amount	Per share	Amount	Per share	High	Low	value
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
January 1, 1994 to March 31, 1994 ...	$ 5,813,129	$ 4,623,469	0.08	$(28,012,603)	$(0.48)	$(23,389,134)	$(0.40)	$ 6,598,136	$0.11	$101/8	$83/4	$9.40
April 1, 1994 to June 30, 1994 ...	15,424,399	14,277,739	0.24	(15,091,061)	(0.26)	(813,322)	(0.02)	9,165,121	0.16	91/4	85/8	9.23
July 1, 1994 to September 30, 1994 ...	6,594,093	5,193,446	0.09	11,762,041	0.20	16,955,487	0.29	9,165,121	0.16	91/8	83/8	9.19
October 1, 1994 to December 31, 1994 ...	11,051,052	9,855,468	0.17	(20,499,471)	(0.35)	(10,644,003)	(0.18)	11,976,133	0.20	83/4	8	8.97
January 1, 1995 to March 31, 1995 ...	9,823,286	9,302,856	0.16	17,647,060	0.30	26,949,916	0.46	5,622,497	0.10	87/8	77/8	9.34
April 1, 1995 to June 30, 1995 ...	13,549,353	12,738,471	0.22	8,042,270	0.14	20,780,741	0.36	8,433,037	0.14	93/8	81/2	9.55
July 1, 1995 to September 30, 1995 ...	9,242,199	7,798,916	0.13	4,526,627	0.08	12,325,543	0.21	7,333,046	0.13	9	81/2	9.63
October 1, 1995 to December 31, 1995 ...	11,704,659	10,232,934	0.17	8,923,904	0.15	19,156,838	0.32	9,777,509	0.16	91/8	83/4	9.79
January 1, 1996 to March 31, 1996 ...	9,310,675	8,048,579	0.13	(6,082,149)	(0.10)	1,966,430	0.03	4,888,705	0.08	91/4	83/4	9.74
April 1, 1996 to June 30, 1996 ...	9,363,583	8,399,667	0.15	(301,605)	0.00	8,098,062	0.15	7,333,100	0.13	91/4	9	9.76

</TABLE>

THE BLACKROCK 1998 TERM TRUST INC.
DIVIDEND REINVESTMENT PLAN

Pursuant to the Trust's Dividend Reinvestment Plan (the "Plan"), shareholders may elect to have all distributions of dividends and capital gains automatically reinvested by State Street Bank & Trust Company (the "Plan Agent") in Trust shares pursuant to the Plan. Shareholders who do not participate in the Plan will receive all distributions in cash paid by check in United States dollars mailed directly to the shareholders of record (or if the shares are held in street or other nominee name, then to the nominee) by the transfer agent as dividend disbursing agent.

The Plan Agent serves as agent for the shareholders in administering the Plan. After the Trust declares a dividend or determines to make a capital gain distribution, the Plan Agent will, as agent for the participants, receive the cash payment and use it to buy Trust shares in the open market, on the New York Stock Exchange or elsewhere, for the participants' accounts. The Trust will not issue shares under the Plan.

Participants in the Plan may withdraw from the Plan upon written notice to the Plan Agent and will receive certificates for whole Trust shares and a cash payment will be made for any fraction of a Trust share.

The Plan Agent's fees for the handling of the reinvestment of dividends and distributions will be paid by the Trust. However, each participant will pay a pro rata share of brokerage commissions incurred with respect to the Plan Agent's open market purchases in connection with the reinvestment of dividends and distributions. The automatic reinvestment of dividends and distributions will not relieve participants of any federal, state or local income taxes that may be payable on such dividend or distributions.

Experience under the Plan may indicate that changes are desirable. Accordingly, the Trust reserves the right to amend or terminate the Plan as applied to any dividend or distribution paid subsequent to written notice of the change sent to all shareholders of the Trust at least 90 days before the record date for the dividend or distribution. The Plan also may be amended or terminated by the Plan Agent upon at least 90 days' written notice to all shareholders of the Trust. All correspondence concerning the Plan should be directed to the Plan Agent at (800) 699-1BFM. The addresses are on the front of this report.

ADDITIONAL INFORMATION

There have been no other material changes in the Trust's investment objectives or policies that have not been approved by the shareholders, or to its charter or by-laws, or in the principal risk factors associated with investment in the Trust. There have been no changes in the persons who are primarily responsible for the day-to-day management of the Trust's portfolio.

The Annual Meeting of Trust Shareholders was held May 8, 1996 to vote on the following matters:

(1) To elect three Directors to serve as follows:

Director	Class	Term	Expiring
Richard E. Cavanagh	I	3	years 1998
James Grosfeld	I	3	years 1998
James Clayburn LaForce, Jr. ..	I	3	years 1998

Directors whose term of office continues beyond this meeting are Andrew F. Brimmer, Kent Dixon, Frank J. Fabozzi, Laurence D. Fink and Ralph L. Schlosstein.

(2) To ratify the selection of Deloitte & Touche LLP as independent public accountants of the Trust for the fiscal year ending December31, 1996.

(3) To modify the investment restriction prohibiting investing for the purpose of exercising control over the management of a company.

Shareholders elected the three Directors, ratified the selection of Deloitte & Touche LLP and approved the modification of the investment restriction prohibiting investing for the purpose of exercising control over the management of a company. The results of the voting was as follows:

<TABLE>
<CAPTION>

<S>	Votes for <C>	Votes Against <C>	Abstentions <C>
Richard E. Cavanagh	33,056,851	-	883,729
James Grosfeld	33,027,046	-	913,534
James Clayburn LaForce, Jr.	33,014,143	-	926,438
Ratification of Deloitte & Touche LLP	32,851,819	273,259	815,502
Investment restriction	27,220,300	966,690	1,684,196

</TABLE>

THE BLACKROCK 1998 TERM TRUST INC.
INVESTMENT SUMMARY

The Trust's Investment Objective

The Trust's investment objective is to manage a portfolio of investment grade fixed income securities that will return at least $10 per share (the initial public offering price per share) to investors on or shortly before December 31, 1998 while providing high monthly income.

Who Manages the Trust?

BlackRock Financial Management, Inc. ("BlackRock") is the investment advisor for the Trust. BlackRock is a registered investment advisor specializing in fixed income securities. Currently, BlackRock manages over $41 billion of assets across the government, mortgage, corporate and municipal sectors. These assets are managed on behalf of institutional and individual investors in 21 closed-end funds traded either on the New York Stock Exchange or American Stock Exchange, several open-end funds and separate accounts for more than 80 clients in the U.S. and overseas. BlackRock is a subsidiary of PNC Asset Management Group, Inc. which is a division of PNC Bank, one of the nation's largest banking organizations.

What Can the Trust Invest In?

The Trust may invest in all fixed income securities rated investment grade or higher ("AAA", "AA", "A" or "BBB"). Examples of securities in which the Trust may invest include U.S. government and government agency securities, zero coupon securities, mortgage-backed securities, corporate debt securities, asset-backed securities, U.S. dollar-denominated foreign debt securities and municipal securities. Under current market conditions, BlackRock expects that the primary investments of the Trust will be U.S. government securities, securities backed by government agencies (such as mortgage-backed securities) and corporate debt securities.

What is the Adviser's Investment Strategy?

The Adviser will seek to meet the Trust's investment objective by managing the assets of the Trust so as to return the initial offering price ($10 per share) at maturity. The Trust will implement a conservative strategy that will seek to closely match the maturity of the assets of the portfolio with the future return of the initial investment at the end of 1998. At the Trust's termination, BlackRock expects that the value of the securities which have matured, combined with the value of the securities that are sold, will be sufficient to return the initial offering price to investors. On a continuous basis, the Trust will seek its objective by actively managing its assets in relation to market conditions, interest rate changes and, importantly, the remaining term to maturity of the Trust.

In addition to seeking the return of the initial offering price, the Advisor also seeks to provide high monthly income to investors. The portfolio managers will attempt to achieve this objective by investing in securities that provide competitive income. In addition, leverage will be used (in an amount up to 33-1/3% of total assets) to enhance the income of the portfolio. In order to maintain competitive yields as the Trust approaches maturity and depending on market conditions, the Adviser will attempt to purchase securities with call protection or maturities as close to the Trust's maturity date as possible. Securities with call protection should provide the portfolio with some degree of protection against reinvestment risk during times of lower prevailing interest rates. Since the Trust's primary goal is to return the initial offering price at maturity, any cash that the Trust receives prior to its maturity date (i.e. cash from early and regularly scheduled payments of principal on mortgage-backed securities) will be reinvested in securities with maturities which coincide with the remaining term of the Trust. Since shorter-term securities typically yield less than longer-term securities, this strategy will likely result in a decline in the Trust's income over time. However, the Adviser will attempt to maintain a yield which is competitive with a comparable maturity Treasury at the same point on the yield curve (i.e. if the Trust has three years left until its maturity, the Adviser will attempt to maintain a yield at a spread over a 3-year Treasury). It is important to note that the Trust will be managed so as to preserve the integrity of the return of the initial offering price.

How Are the Trust's Shares Purchased and Sold? Does the Trust Pay Dividends Regularly?

The Trust's shares are traded on the New York Stock Exchange which provides investors with liquidity on a daily basis. Orders to buy or sell shares of the Trust must be placed through a registered broker or financial advisor. The Trust pays monthly dividends which are typically paid on the last business day of the month. For shares held in the shareholder's name, dividends may be reinvested in additional shares of the fund through the Trust's transfer agent, State Street Bank & Trust Company. Investors who wish to hold shares in a brokerage account should check with their financial advisor to determine whether their brokerage firm offers dividend reinvestment services.

Leverage Considerations in a Term Trust

Under current market conditions, leverage increases the income earned by the Trust. The Trust employs leverage primarily through the use of reverse repurchase agreements and dollar rolls. Leverage permits the Trust to borrow money at short-term rates and reinvest that money in longer-term assets which typically offer higher interest rates. The difference between the cost of the borrowed funds and the income earned on the proceeds that are invested in longer term assets is the benefit to the Trust from leverage. In general, the portfolio is typically leveraged at approximately 33-1/3% of total assets.

Leverage also increases the duration (or price volatility of the net assets) of the Trust,which can improve the performance of the fund in a declining rate environment, but can cause net assets to decline faster than the market in a rising rate environment. BlackRock's portfolio managers continuously monitor and regularly review the Trust's use of leverage and the Trust may reduce, or unwind, the amount of leverage employed should BlackRock consider that reduction to be in the best interests of the shareholders.

Special Considerations and Risk Factors Relevant to Term Trusts

The Trust is intended to be a long-term investment and is not a short-term trading vehicle.

Return of Initial Investment. Although the objective of the Trust is to return its initial offering price upon termination, there can be no assurance that this objective will be achieved.

Dividend Considerations. The income and dividends paid by the Trust are likely to decline to some extent over the term of the Trust due to the anticipated shortening of the dollar-weighted average maturity of the Trust's assets.

Leverage. The Trust utilizes leverage through reverse repurchase agreements and dollar rolls, which involves special risks. The Trust's net asset value and market value may be more volatile due to its use of leverage.

Market Price of Shares. The shares of closed-end investment companies such as the Trust trade on the New York Stock Exchange (NYSE symbol:BBT) and as such are subject to supply and demand influences. As a result, shares may trade at a discount or a premium to their net asset value.

Mortgage-Backed and Asset-Backed Securities. The cash flow and yield characteristics of these securities differ from traditional debt securities. The major differences typically include more frequent payments and the possibility of prepayments which will change the yield to maturity of the security.

Corporate Debt Securities. The value of corporate debt securities generally varies inversely with changes in prevailing market interest rates. The Trust may be subject to certain reinvestment risks in environments of declining interest rates.

Zero Coupon Securities. Such securities receive no cash flows prior to maturity, therefore, interim price movement on the securities are generally more sensitive to interest rate movements than securities that make periodic coupon payments. These securities appreciate in value over time and can play an important role in helping the Trust achieve its primary objective.

Illiquid Securities. The Trust may invest in securities that are illiquid, although under current market conditions the Trust expects to do so to only a limited extent. These securities involve special risks.

Non-U.S Securities. The Trust may invest less than 10% of its total assets in non-U.S. dollar-denominated securities which involve special risks such as currency, political and economic risks, although under current market conditions does not do so.

Antitakeover Provisions. Certain antitakeover provisions will make a change in the Trust's business or management more difficult without the approval of the Trust's Board of Directors and may have the effect of depriving shareholders of an opportunity to sell their shares at a premium above the prevailing market price.

THE BLACKROCK 1998 TERM TRUST INC.
GLOSSARY

Adjustable Rate Mortgage-
Backed Securities (ARMs):

Mortgage instruments with interest rates that adjust at periodic intervals at a fixed amount relative to the market levels of interest rates as reflected in specified indexes. ARMs are backed by mortgage loans secured by real property.

Asset-Backed Securities:

Securities backed by various types of receivables such as automobile and credit card receivables.

Closed-End Fund:

Investment vehicle which initially offers a fixed number of shares and trades on a stock exchange. The fund invests in a portfolio of securities in accordance with its stated investment objectives and policies. One of the advantages of a closed-end fund is the diversification it provides through its multiple holdings.

Collateralized
Mortgage Obligations (CMOs):

Mortgage-backed securities which separate mortgage pools into short-, medium-, and long-term securities with different priorities for receipt of principal and interest. Each class is paid a fixed or floating rate of interest at regular intervals. Also known as multiple-class mortgage pass-throughs.

Discount:

When a fund's net asset value is greater than its stock price the fund is said to be trading at a discount.

Dividend:

This is income generated by securities in a portfolio and distributed to shareholders after the deduction of expenses. This Trust declares and pays dividends on a monthly basis.

Dividend Reinvestment:

Shareholders may elect to have all dividends and distributions of capital gains automatically reinvested into additional shares of the Trust.

FHA:

Federal Housing Administration, a government agency that facilitates a secondary mortgage market by providing an agency that guarantees timely payment of interest and principal on mortgages.

FHLMC:

Federal Home Loan Mortgage Corporation, a publicly owned, federally chartered corporation that facilitates a secondary mortgage market by purchasing mortgages from lenders such as savings institutions and reselling them to investors by means of mortgage-backed securities. Obligations of FHLMC are not guaranteed by the U.S. government, however; they are backed by FHLMC's authority to borrow from the U.S. government. Also known as Freddie Mac.

FNMA:

Federal National Mortgage Association, a publicly owned, federally chartered corporation that facilitates a secondary mortgage market by purchasing mortgages from lenders such as savings institutions and reselling them to investors by means of mortgage-backed securities. Obligations of FNMA are not guaranteed by the U.S. government, however; they are backed by FNMA's authority to borrow from the U.S. government. Also known as Fannie Mae.

GNMA:

Government National Mortgage Association, a U.S. government agency that facilitates a secondary mortgage market by providing an agency that guarantees timely payment of interest and principal on mortgages. GNMA's obligations are supported by the full faith and credit of the U.S. Treasury. Also known as Ginnie Mae.

Government Securities:

Securities issued or guaranteed by the U.S. government, or one of its agencies or instrumentalities, such as GNMA (Government National Mortgage Association), FNMA (Federal National Mortgage Association) and FHLMC (Federal Home Loan Mortgage Corporation).

Interest-Only Securities (I/O):

Mortgage securities that receive only the interest cash flows from an underlying pool of mortgage loans or underlying pass-through securities. Also known as STRIP.

Market Price:

Price per share of a security trading in the secondary market. For a closed-end fund, this is the price at which one share of the fund trades on the stock exchange. If you were to buy or sell shares, you would pay or receive the market price.

Mortgage Dollar Rolls:

A mortgage dollar roll is a transaction in which the Trust sells mortgage-backed securities for delivery in the current month and simultaneously contracts to repurchase substantially similar (although not the same) securities on a specified future date. During the "roll" period, the Trust does not receive principal and interest payments on the securities, but is compensated for giving up these payments by the difference in the current sales price (for which the security is sold) and lower price that the Trust pays for the similar security at the end date aswell as the interest earned on the cash proceeds of the initial sale.

Mortgage Pass-Throughs:

Mortgage-backed securities issued by Fannie Mae, Freddie Mac or Ginnie Mae.

Multiple-Class Pass-Throughs:

Collateralized Mortgage Obligations.

Net Asset Value (NAV):

Net asset value is the total market value of all securities and other assets held by the Trust, plus income accrued on its investments, minus any liabilities including accrued expenses, divided by the total number of outstanding shares. It is the underlying value of a single share on a given day. Net asset value for the Trust is calculated weekly and published in Barron's on Saturday and The Wall Street Journal each Monday.

Principal-Only Securities (P/O):

Mortgage securities that receive only the principal cash flows from an underlying pool of mortgage loans or underlying pass-through securities. Also known as STRIP.

Project Loans:

Mortgages for multi-family, low- to middle-income housing.

Premium:

When a fund's stock price is greater than its net asset value, the fund is said to be trading at a premium.

REMIC:

A real estate mortgage investment conduit is a multiple-class security backed by mortgage-backed securities or whole mortgage loans and formed as a trust, corporation, partnership, or segregated pool of assets that elects to be treated as a REMIC for federal tax purposes. Generally, Fannie Mae REMICs are formed as trusts and are backed by mortgage-backed securities.

Residuals:

Securities issued in connection with collateralized mortgage obligations that generally represent the excess cash flow from the mortgage assets underlying the CMO after payment of principal and interest on the other CMO securities and related administrative expenses.

Reverse Repurchase Agreements:

In a reverse repurchase agreement, the Trust sells securities and agrees to repurchase them at a mutually agreed date and price. During this time, the Trust continues to receive the principal and interest payments from that security. At the end of the term, the Trust receives the same securities that were sold for the same initial dollar amount plus interest on the cash proceeds of the initial sale.

Stripped Mortgage Backed
Securities:

Arrangements in which a pool of assets is separated into two classes that receive different proportions of the interest and principal distributions from underlying mortgage-backed securities. IO's and PO's are examples of strips.

BlackRock Financial Management, Inc.
Summary of Closed-End Funds

Taxable Trusts

Perpetual Trusts	Stock Symbol	Termination Date
The BlackRock Income Trust Inc.	BKT	N/A
The BlackRock North American Government Income Trust Inc.	BNA	N/A

Term Trusts		
The BlackRock 1998 Term Trust Inc.	BBT	12/98
The BlackRock 1999 Term Trust Inc.	BNN	12/99
The BlackRock Target Term Trust Inc.	BTT	12/00
The BlackRock 2001 Term Trust Inc.	BLK	06/01
The BlackRock Strategic Term Trust Inc.	BGT	12/02
The BlackRock Investment Quality Term Trust Inc.	BQT	12/04
The BlackRock Advantage Term Trust Inc.	BAT	12/05
The BlackRock Broad Investment Grade 2009 Term Trust Inc.	BCT	12/09

Tax-Exempt Trusts

Perpetual Trusts	Stock Symbol	Termination Date
The BlackRock Investment Quality Municipal Trust Inc.	BKN	N/A
The BlackRock California Investment Quality Municipal Trust Inc.	RAA	N/A
The BlackRock Florida Investment Quality Municipal Trust	RFA	N/A
The BlackRock New Jersey Investment Quality Municipal Trust Inc.	RNJ	N/A
The BlackRock New York Investment Quality Municipal Trust Inc.	RNY	N/A

Term Trusts		
The BlackRock Municipal Target Term Trust Inc.	BMN	12/06
The BlackRock Insured Municipal 2008 Term Trust Inc.	BRM	12/08
The BlackRock California Insured Municipal 2008 Term Trust Inc.	BFC	12/08
The BlackRock Florida Insured Municipal 2008 Term Trust	BRF	12/08
The BlackRock New York Insured Municipal 2008 Term Trust Inc.	BLN	12/08
The BlackRock Insured Municipal Term Trust Inc.	BMT	12/10

If you would like further information please call BlackRock at (800) 227-7BFM (7236) or consult with your financial advisor.

BlackRock Financial Management, Inc.
An Overview

BlackRock Financial Management Inc. (BlackRock) is a registered investment adviser which specializes in managing high quality fixed income securities, both taxable and tax exempt. BlackRock currently manages over $41 billion of assets across the government, mortgage, corporate and municipal sectors. These assets are managed on behalf of institutional and individual investors in 21 closed-end funds traded either on the New York Stock Exchange or the American Stock Exchange, several open-end funds and over 80 institutional clients in the United States and overseas. BlackRock's institutional investor base includes Chrysler

Corporation Master Retirement Trust, General Retirement System of the City of Detroit, State Treasurer of Florida, Ford Motor Company Pension Plan, General Electric Pension Trust and Unisys Corporation Master Trust.

BlackRock was formed in April 1988 by fixed income professionals who sought to create an asset management firm specializing in managing fixed income securities for individuals and institutional investors. The professionals at BlackRock have extensive experience creating, analyzing and trading a variety of fixed income instruments, including the most complex structured securities. In fact, individuals at BlackRock are responsible for many of the major innovations in the mortgage-backed and asset-backed securities market, including the creation of the CMO, the floating rate CMO, the senior/subordinated pass-through and the multi-class asset-backed security.

BlackRock is unique among asset management and advisory firms in the significant emphasis it places on the development of propriety analytical capabilities. A quarter of the professionals at BlackRock work full-time in the design, maintenance and use of such systems which are otherwise not generally available to investors. BlackRock's propriety analytical tools are used for evaluating, investing in and designing investment strategies and portfolio of fixed income securities, including mortgage securities, corporate debt securities or tax-exempt securities and a variety of hedging instruments.

BlackRock has developed investment products which respond to investors' needs and has been responsible for several major innovations in closed-end funds. BlackRock introduced the first closed-end mortgage fund, the first taxable and tax-exempt closed-end funds to offer a finite term, the first closed-end fund to achieve a AAAf rating by Standard & Poor's, and the first closed-end fund to invest primarily in North American Government securities. BlackRock's closed-end funds currently have dividend reinvestment plans which are designed to provide an ongoing source of demand for the stock in the secondary market. BlackRock manages a ladder of alternative investment vehicles, with each fund having specific investment objectives and policies.

In view of our continued desire to provide a high level of service to all our shareholders, BlackRock maintains a toll-free number for your questions. The number is (800) 227-7BFM (7236). We encourage you to call us with any questions you may have about your BlackRock funds and thank you for the continued trust you place in our abilities.

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BlackRock

Directors
Laurence D. Fink, Chairman
Andrew F. Brimmer
Richard E. Cavanagh
Kent Dixon
Frank J. Fabozzi
James Grosfeld
James Clayburn La Force, Jr.
Ralph L. Schlosstein

Officers
Ralph L. Schlosstein, President
Scott Amero, Vice President
Keith T. Anderson, Vice President
Michael C. Huebsch, Vice President
Robert S. Kapito, Vice President
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The accompanying financial statements as of June 30, 1996 were not audited and accordingly, no opinion is expressed on them.

This report is for shareholder information. This is not a prospectus intended for use in the purchase or sale of any securities.

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The BlackRock
1998 Term
Trust Inc.

Semi-Annual Report
June 30, 1996