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

**FORM 8-K**

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(D) OF  
THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): March 5, 2018 (February 28, 2018)

**GASTAR EXPLORATION INC.**

(Exact Name of Registrant as Specified in its Charter)

**DELAWARE**  
(State or other jurisdiction  
of incorporation)

**001-35211**  
(Commission File Number)

**38-3531640**  
(IRS Employer  
Identification No.)

**1331 LAMAR STREET, SUITE 650**  
**HOUSTON, TEXAS**

(Address of principal executive offices)

**77010**  
(Zip Code)

**(713) 739-1800**

**Registrant's telephone number, including area code**

**Not Applicable**

**(Former Name or Former Address, If Changed Since Last Report)**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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## SECTION 2 – FINANCIAL INFORMATION

### Item 2.01 Completion of Acquisition or Disposition of Assets.

As previously disclosed on January 23, 2018, Gastar Exploration Inc. (the “Company”) entered into a definitive agreement of sale and purchase (the “Sale Agreement”) pursuant to which the Company would divest its interest in the West Edmund Hunton Lime Unit (“WEHLU”) and adjacent undeveloped acreage to Revolution Resources, LLC (the “Purchaser”), for a cash purchase price of \$107.5 million (the “Purchase Price”), subject to, among other customary adjustments, adjustments for a property sale effective date of October 1, 2017 (the “WEHLU Sale”). Pursuant to the Sale Agreement, on February 28, 2018, the Company completed the WEHLU Sale. After effective date and other adjustments of approximately \$8.7 million primarily related to revenues and direct operating expenses, net cash proceeds from the WEHLU Sale were approximately \$98.8 million, subject to certain additional adjustments for final closing. See Item 9.01(b)(1) of this Form 8-K for pro forma financial information regarding the WEHLU Sale.

The descriptions of the Sale Agreement and the WEHLU Sale set forth in this Item 2.01 is not complete and is qualified in its entirety by reference to the full text of the Sale Agreement, which is incorporated by reference as Exhibit 2.1 to this Form 8-K and is incorporated herein by reference.

## SECTION 7 – REGULATION FD

### Item 7.01 Regulation FD Disclosure.

On February 28, 2018, the Company issued a press release announcing the completion of the WEHLU Sale. A copy of the Company’s press release is furnished herewith as Exhibit 99.1 and is incorporated herein by reference.

In accordance with General Instruction B.2 of Form 8-K, the information presented herein under Item 7.01 and set forth in the attached press release included as Exhibit 99.1 to this report is deemed to be “furnished” solely pursuant to Item 7.01 of this report and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall such information or the exhibit be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act.

## SECTION 9 – FINANCIAL STATEMENTS AND EXHIBITS

### Item 9.01 Financial Statements and Exhibits.

#### (b)(1) Pro Forma Financial Information

Unaudited pro forma financial information, including an unaudited pro forma combined balance sheet as of September 30, 2017, an unaudited pro forma combined statement of operations for the nine months ended September 30, 2017 and the year ended December 31, 2016 are attached hereto as Exhibit 99.2 and are incorporated herein by reference.

#### (d) Exhibits

The following is a list of exhibits filed or furnished as part of this Form 8-K:

<b>Exhibit No.</b>	<b>Description of Document</b>
2.1*	<a href="#">Agreement of Sale and Purchase, dated January 23, 2018, by and between Gastar Exploration Inc. and Revolution Resources, LLC (incorporated by reference to Exhibit 2.1 to the Company’s Current Report on Form 8-K filed on January 29, 2018).</a>
99.1	<a href="#">Press release dated February 28, 2018.</a>
99.2	<a href="#">Unaudited Pro Forma Financial Information.</a>

\* Pursuant to Item 601(b)(2) of Regulation S-K, the schedules and similar attachments to Exhibit 2.1 have not been filed herewith. The registrant agrees to furnish supplementally a copy of any omitted schedule to the Securities Exchange Commission upon request.

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**SIGNATURES**

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

Date: March 5, 2018

**GASTAR EXPLORATION INC.**

By: /s/ Michael A. Gerlich  
Michael A. Gerlich  
Chief Financial Officer



## NEWS RELEASE

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Investor Relations Counsel:  
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### **Gastar Exploration Closes Sale of Non-Core Acreage in Oklahoma**

**HOUSTON**, February 28, 2018 – Gastar Exploration Inc. (NYSE American: GST) (“Gastar”) announced today that it has completed the previously announced sale of its interest in the West Edmond Hunton Lime Unit (“WEHLU”) for \$107.5 million, adjusted for the effective date of October 1, 2017 and resulting in net cash proceeds of \$98.8 million at closing. The WEHLU encompasses only the Upper and Lower Hunton producing formations and is primarily located in Oklahoma and Logan counties, Oklahoma.

Michael A. Gerlich, Gastar's Senior Vice President and Chief Financial Officer, commented, “The completion of this asset divestiture allows Gastar to redirect funds from a non-core asset to the drilling of operated Osage and Meramec wells on our 67,000 net surface acres in our core STACK position. This level of activity will allow us to continue to both delineate our acreage for the Osage and Meramec formations as well as hold our acreage by production.”

#### **About Gastar Exploration**

Gastar Exploration Inc. is a pure play Mid-Continent independent energy company engaged in the exploration, development and production of oil, condensate, natural gas and natural gas liquids. Gastar's principal business activities include the identification, acquisition, and subsequent exploration and development of oil and natural gas properties with an emphasis on unconventional reserves, such as shale resource plays. Gastar holds a concentrated acreage position in the normally pressured oil window of the STACK Play, an area of central Oklahoma that is home to multiple oil and natural gas-rich reservoirs including the Meramec and Osage limestone formations, the Oswego limestone, the Woodford shale and Hunton limestone formations. For more information, visit Gastar's website at [www.gastar.com](http://www.gastar.com).

#### **Forward Looking Statements**

This news release includes “forward looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward looking statements give our current expectations, opinion, belief or forecasts of future events and performance. A statement identified by the use of forward looking words

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including “may,” “expects,” “projects,” “anticipates,” “plans,” “believes,” “estimate,” “will,” “should,” and certain of the other foregoing statements may be deemed forward-looking statements. Although Gastar believes that the expectations reflected in such forward-looking statements are reasonable, these statements involve risks and uncertainties that may cause actual future activities and results to be materially different from those suggested or described in this news release. These include risks inherent in natural gas and oil drilling and production activities, including risks with respect to continued low or further declining prices for natural gas and oil that could result in further downward revisions to the value of proved reserves or otherwise cause Gastar to further delay or suspend planned drilling and completion operations or reduce production levels which would adversely impact cash flow; risks relating to the availability of capital to fund drilling operations that can be adversely affected by adverse drilling results, production declines and risks of fire, explosion, blowouts, pipe failure, casing collapse, unusual or unexpected formation pressures, environmental hazards, and other operating and production risks, which may temporarily or permanently reduce production or cause initial production or test results to not be indicative of future well performance or delay the timing of sales or completion of drilling operations; delays in receipt of drilling permits; risks relating to unexpected adverse developments in the status of properties; risks relating to the absence or delay in receipt of government approvals or third-party consents; risks relating to our ability to integrate acquired assets with ours and to realize the anticipated benefits from such acquisitions; and other risks described in Gastar’s Annual Report on Form 10-K and other filings with the SEC, available at the SEC’s website at [www.sec.gov](http://www.sec.gov). By issuing forward looking statements based on current expectations, opinions, views or beliefs, Gastar has no obligation and, except as required by law, is not undertaking any obligation, to update or revise these statements or provide any other information relating to such statements.

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## **UNAUDITED PRO FORMA FINANCIAL INFORMATION**

On January 23, 2018, Gastar Exploration Inc. (the “Company” or “Gastar”) entered into a definitive agreement of sale and purchase (the “Sale Agreement”), by and between the Company and Revolution Resources, LLC to divest its interest in the West Edmond Hunton Lime Unit (“WEHLU”) and adjacent undeveloped acreage for a cash purchase price of \$107.5 million, subject to adjustments for a property sale effective date of October 1, 2017 and other customary adjustments (the “WEHLU Sale”). The WEHLU Sale closed on February 28, 2018.

The following unaudited pro forma financial information is derived from the historical consolidated financial statements of the Company and reflects the estimated impact of the WEHLU Sale. The Unaudited Pro Forma Consolidated Balance Sheet of Gastar as of September 30, 2017 has been prepared assuming the WEHLU Sale was consummated on September 30, 2017. The Unaudited Pro Forma Consolidated Statements of Operations of Gastar for the year ended December 31, 2016 and for the nine months ended September 30, 2017 have been prepared assuming the WEHLU Sale was consummated on January 1, 2016. These unaudited pro forma consolidated financial statements should be read in conjunction with the notes hereto and the consolidated financial statements and notes thereto of Gastar filed on Form 10-K for the year ended December 31, 2016 and the quarterly reports on Form 10-Q for the quarters ended March 31, 2017, June 30, 2017 and September 30, 2017.

The unaudited pro forma financial information is not indicative of the financial position or results of operations of Gastar which would have actually occurred if the transaction had occurred at the dates presented or which may be obtained in the future. In addition, future results may vary significantly from the results reflected in such statements due to normal oil and natural gas production declines, reductions in prices paid for oil or natural gas, future acquisitions or dispositions and other factors.

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**GASTAR EXPLORATION INC.**  
**UNAUDITED PRO FORMA CONSOLIDATED BALANCE SHEET**  
**AS OF SEPTEMBER 30, 2017**

	Gastar Historical	Pro Forma Adjustments	
		WEHLU Sale	Pro Forma
(in thousands, except share and per share data)			
<b>ASSETS</b>			
<b>CURRENT ASSETS:</b>			
Cash and cash equivalents	\$ 29,229	\$ 107,500 (a)	\$ 136,729
Accounts receivable, net	40,353	—	40,353
Commodity derivative contracts	4,400	—	4,400
Prepaid expenses	1,167	—	1,167
Total current assets	75,149	107,500	182,649
<b>PROPERTY, PLANT AND EQUIPMENT:</b>			
Oil and natural gas properties, full cost method of accounting:			
Unproved properties, excluded from amortization	135,945	—	135,945
Proved properties	1,303,165	(108,147) (b)	1,195,018
Total natural gas and oil properties	1,439,110	(108,147)	1,330,963
Furniture and equipment	3,031	—	3,031
Total property, plant and equipment	1,442,141	(108,147)	1,333,994
Accumulated depreciation, depletion and amortization	(1,147,774)	—	(1,147,774)
Total property, plant and equipment, net	294,367	(108,147)	186,220
<b>OTHER ASSETS:</b>			
Restricted cash	370	—	370
Commodity derivative contracts	416	—	416
Advances to operators and other assets	100	—	100
Other	405	—	405
Total other assets	1,291	—	1,291
<b>TOTAL ASSETS</b>	<b>\$ 370,807</b>	<b>\$ (647)</b>	<b>\$ 370,160</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>			
<b>CURRENT LIABILITIES:</b>			
Accounts payable	\$ 11,411	\$ —	\$ 11,411
Revenue payable	16,428	—	16,428
Accrued interest	7,271	—	7,271
Accrued drilling and operating costs	12,100	—	12,100
Advances from non-operators	1,589	—	1,589
Commodity derivative contracts	326	—	326
Commodity derivative premium payable	1,337	—	1,337
Other accrued liabilities	2,791	1,475 (c)	4,266
Total current liabilities	53,253	1,475	54,728
<b>LONG-TERM LIABILITIES:</b>			
Long-term debt, net	333,593	—	333,593
Commodity derivative contracts	129	—	129
Commodity derivative premium payable	34	—	34
Asset retirement obligation	4,574	(2,122) (d)	2,452
Total long-term liabilities	338,330	(2,122)	336,208
Commitments and contingencies			
<b>STOCKHOLDERS' EQUITY:</b>			
Preferred stock, 40,000,000 shares authorized			
Series A Preferred stock, 4,045,000 shares issued and outstanding at September 30, 2017 with liquidation preference of \$25.00 per share	41	—	41
Series B Preferred stock, 2,140,000 shares issued and outstanding at September 30, 2017 with liquidation preference of \$25.00 per share	21	—	21
Common stock, par value \$0.001 per share; 800,000,000 shares authorized; 218,946,763 shares issued and outstanding at September 30, 2017	219	—	219
Additional paid-in capital	817,627	—	817,627
Accumulated deficit	(838,684)	—	(838,684)
Total stockholders' equity	(20,776)	—	(20,776)
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$ 370,807</b>	<b>\$ (647)</b>	<b>\$ 370,160</b>

See accompanying notes to unaudited pro forma consolidated financial information.



**GASTAR EXPLORATION INC.**  
**UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Pro Forma Adjustments</u>		
	<u>Gastar as Adjusted<sup>(1)</sup></u>	<u>WEHLU Sale</u>	<u>Pro Forma</u>
(in thousands, except share and per share data)			
<b>REVENUES:</b>			
Oil and condensate	\$ 42,463	\$ (27,158) (e)	\$ 15,305
Natural gas	8,562	(3,573) (e)	4,989
NGLs	7,015	(3,658) (e)	3,357
Total oil and condensate, natural gas and NGLs revenues	58,040	(34,389)	23,651
Loss on commodity derivatives contracts	(2,863)	—	(2,863)
Total revenues	55,177	(34,389)	20,788
<b>EXPENSES:</b>			
Production taxes	1,610	(1,117) (f)	493
Lease operating expenses	19,979	(11,451) (f)	8,528
Transportation, treating and gathering	1,086	—	1,086
Depreciation, depletion and amortization	23,920	(15,886) (g)	8,034
Impairment of natural gas and oil properties	48,497	—	48,497
Accretion of asset retirement obligation	354	(168) (h)	186
General and administrative expense	19,445	—	19,445
Litigation settlement expense	(10,100)	—	(10,100)
Total expenses	104,791	(28,622)	76,169
LOSS FROM OPERATIONS	(49,614)	(5,767)	(55,381)
<b>OTHER INCOME (EXPENSE):</b>			
Interest expense	(34,348)	—	(34,348)
Investment and other income	31	—	31
LOSS BEFORE PROVISION FOR INCOME TAXES	(83,931)	(5,767)	(89,698)
Provision for income taxes	—	— (i)	—
NET LOSS	(83,931)	(5,767)	(89,698)
Dividends on preferred stock	(3,618)	—	(3,618)
Undeclared cumulative dividends on preferred stock	(10,855)	—	(10,855)
NET LOSS ATTRIBUTABLE TO COMMON STOCKHOLDERS	\$ (98,404)	\$ (5,767)	\$ (104,171)
<b>NET LOSS PER SHARE OF COMMON STOCK ATTRIBUTABLE TO COMMON STOCKHOLDERS:</b>			
Basic	\$ (0.88)		\$ (0.94)
Diluted	\$ (0.88)		\$ (0.94)
<b>WEIGHTED AVERAGE SHARES OF COMMON STOCK OUTSTANDING:</b>			
Basic	111,367,452	—	111,367,452
Diluted	111,367,452	—	111,367,452

See accompanying notes to unaudited pro forma consolidated financial information.

**GASTAR EXPLORATION INC.**  
**UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2017**

	Gastar Historical	Pro Forma Adjustments	
		WEHLU Sale	Pro Forma
(in thousands, except share and per share data)			
<b>REVENUES:</b>			
Oil and condensate	\$ 37,886	\$ (20,546) (e)	\$ 17,340
Natural gas	7,452	(3,239) (e)	4,213
NGLs	7,527	(4,066) (e)	3,461
Total oil and condensate, natural gas and NGLs revenues	52,865	(27,851)	25,014
Gain on commodity derivatives contracts	3,782	—	3,782
Total revenues	56,647	(27,851)	28,796
<b>EXPENSES:</b>			
Production taxes	1,675	(1,015) (f)	660
Lease operating expenses	16,396	(8,648) (f)	7,748
Transportation, treating and gathering	1,187	—	1,187
Depreciation, depletion and amortization	16,762	(7,407) (g)	9,355
Impairment of natural gas and oil properties	—	—	—
Accretion of asset retirement obligation	171	(56) (h)	115
General and administrative expense	12,482	—	12,482
Total expenses	48,673	(17,126)	31,547
<b>INCOME (LOSS) FROM OPERATIONS</b>	<b>7,974</b>	<b>(10,725)</b>	<b>(2,751)</b>
<b>OTHER INCOME (EXPENSE):</b>			
Interest expense	(29,744)	—	(29,744)
Loss on early extinguishment of debt	(12,172)	—	(12,172)
Investment and other income	166	—	166
<b>LOSS BEFORE PROVISION FOR INCOME TAXES</b>	<b>(33,776)</b>	<b>(10,725)</b>	<b>(44,501)</b>
Provision for income taxes	—	— (i)	—
<b>NET LOSS</b>	<b>(33,776)</b>	<b>(10,725)</b>	<b>(44,501)</b>
Dividends on preferred stock	(8,443)	—	(8,443)
Undeclared cumulative dividends on preferred stock	(2,412)	—	(2,412)
<b>NET LOSS ATTRIBUTABLE TO COMMON STOCKHOLDERS</b>	<b>\$ (44,631)</b>	<b>\$ (10,725)</b>	<b>\$ (55,356)</b>
<b>NET LOSS PER SHARE OF COMMON STOCK ATTRIBUTABLE TO COMMON STOCKHOLDERS:</b>			
Basic	\$ (0.23)		\$ (0.29)
Diluted	\$ (0.23)		\$ (0.29)
<b>WEIGHTED AVERAGE SHARES OF COMMON STOCK OUTSTANDING:</b>			
Basic	190,745,688	—	190,745,688
Diluted	190,745,688	—	190,745,688

See accompanying notes to unaudited pro forma consolidated financial information.

1. **Pro Forma Adjustments for the WEHLU Sale**

- (1) Gastar as Adjusted statement of operations for the year ended December 31, 2016 reflects pro forma adjustments to certain accounts within the reported historical consolidated statement of operations for the year ended December 31, 2016 as presented below to reflect the prior sale of the Company's Appalachian Basin assets on April 8, 2016.

	As Reported 2016	Pro Forma Adjustments		Gastar as Adjusted 2016
		Appalachian Basin Sale		
(in thousands, except share and per share data)				
Total oil and condensate, natural gas and NGLs revenues	61,117	(3,077)		58,040
Total revenues	58,254	(3,077)		55,177
Production taxes	1,908	(298)		1,610
Lease operating expenses	20,605	(626)		19,979
Transportation, treating and gathering	1,704	(618)		1,086
Depreciation, depletion and amortization	29,673	(5,753)		23,920
Accretion of asset retirement obligation	368	(14)		354
Total expenses	112,100	(7,309)		104,791
Loss from operations	(53,846)	4,232		(49,614)
Interest expense	(35,246)	898		(34,348)
Loss before provision for income taxes	(89,061)	5,130		(83,931)
Net loss	(89,061)	5,130		(83,931)
Net loss attributable to common stockholders	\$ (103,534)	\$ 5,130		\$ (98,404)
Net loss per share attributable to common stockholders				
Basic	\$ (0.93)			\$ (0.88)
Diluted	\$ (0.93)			\$ (0.88)
Weighted average shares of common stock outstanding:				
Basic	111,367,452	—		111,367,452
Diluted	111,367,452	—		111,367,452

- (a) To record cash purchase price of \$107.5 million for the WEHLU Sale at September 30, 2017, not inclusive of the impact of effective date and other adjustments of approximately \$8.7 million primarily related to revenues and direct operating expenses resulting in net cash received at closing of \$98.8 million. These adjustments to purchase price are preliminary estimates and remain subject to final settlement.
- (b) To record the reduction in property, plant and equipment for the sales proceeds net of purchase price adjustments and non-recurring estimated transaction costs directly related to the divestiture and to reduce the property, plant and equipment balance for the related asset retirement obligation costs at September 30, 2017.
- (c) To record a liability for estimated non-recurring transaction costs directly related to the divestiture at September 30, 2017.
- (d) To record the reduction in the asset retirement obligation liability at September 30, 2017.
- (e) To record the reduction in oil and condensate, natural gas and NGLs sales revenues for the year ended December 31, 2016 and for the nine months ended September 30, 2017.
- (f) To record the reduction in direct operating expenses for the year ended December 31, 2016 and for the nine months ended September 30, 2017.
- (g) To record the reduction in depreciation, depletion and amortization expense for the year ended December 31, 2016 and for the nine months ended September 30, 2017.

- (h) To record the reduction in accretion expense on the asset retirement obligation for the year ended December 31, 2016 and for the nine months ended September 30, 2017.
- (i) Pro forma adjustment for provision for income taxes has not been included as the Company has a full valuation allowance against assets created by net operating losses generated.