

Gastar Exploration Inc.
Form 424B3
August 30, 2018

Filed Pursuant to Rule 424(b)(3)

Registration No. 333-217168

PROSPECTUS SUPPLEMENT NO. 11

(to Prospectus dated March 23, 2018)

169,933,626 Shares

GASTAR EXPLORATION INC.

Common Stock

This prospectus supplement is being filed to update and supplement information contained in the prospectus dated March 23, 2018, relating to the resale or other disposition of our common stock par value \$0.001 per share, which may be offered for sale from time to time by the selling stockholders named in the prospectus, with information contained in our Current Report on Form 8-K, filed with the Securities and Exchange Commission on August 29, 2018.

This prospectus supplement updates and supplements the information in the prospectus and is not complete without, and may not be delivered or utilized except in combination with, the prospectus, including any amendments or supplements thereto. This prospectus supplement should be read in conjunction with the prospectus and if there is any inconsistency between the information in the prospectus and this prospectus supplement, you should rely on the information in this prospectus supplement.

Investing in our securities involves risk. Please see “Risk Factors” beginning on page 3 of the prospectus for a discussion of certain risks that you should consider in connection with an investment in the securities.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

This prospectus supplement is dated August 29, 2018.

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): August 28, 2018

GASTAR EXPLORATION INC.

(Exact Name of Registrant as Specified in its Charter)

DELAWARE	001-35211	38-3531640
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)
1331 LAMAR STREET, SUITE 650		
HOUSTON, TEXAS 77010		
(Address of principal executive offices)		

(713) 739-1800

(Registrant's telephone number, including area code)

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.

SECTION 3 – SECURITIES AND TRADING MARKETS

Item 3.01. Notice of Delisting or Failure to Satisfy a Continued Listing Rule or Standard; Transfer of Listing.

On August 28, 2018, Gastar Exploration Inc. (the “Company”) received notification (the “Deficiency Letter”) from the NYSE AMERICAN LLC (the “NYSE American”) that it is not in compliance with certain NYSE American continued listing standards (the “Listing Standards”).

The Deficiency Letter indicated that the Company’s common stock has been selling for a low price per share for a substantial period of time. Pursuant to Section 1003(f)(v) of the NYSE American Company Guide, the NYSE American staff determined that the Company’s continued listing on the NYSE American is predicated on it effecting a reverse stock split of its common stock or otherwise demonstrating sustained price improvement within a reasonable period of time, which the staff determined to be no later than February 28, 2019. As previously disclosed, the Company is working closely with its financial and legal advisors to consider potential strategic transactions including financing, refinancing, sale or merger transactions, and is encouraging proposals from existing stakeholders and interested third-parties. The Company will accordingly consider measures that are in the best interests of the Company and its stockholders, but no decision has been made at this time with respect to specific measures regarding the continued listing of the Company’s stock on the NYSE American. If the Company is unable to regain compliance, the NYSE American will initiate procedures to suspend and delist the Company’s common stock, 8.625% Series A Cumulative Preferred Stock and 10.75% Series B Cumulative Preferred Stock (collectively, the “Securities”). In the interim, the Company’s Securities continue to be listed on the NYSE American, subject to the Company’s compliance with other continued listing requirements and subject to the trading price remaining above \$0.06 per share. The Company’s common stock will continue to trade on the NYSE American under the symbol “GST,” but will have an added designation of “.BC” to indicate that the Company is below compliance with the Listing Standards. The NYSE American notification of continued listing deficiency does not affect the Company’s business operations or its reporting obligations under the Securities and Exchange Commission regulations and rules.

The Company has also been informally notified by the NYSE American staff that if the trading price of the Company’s common stock trades at or below \$0.06 per share, then the Company’s Securities will be automatically suspended from further trading on the NYSE American. If the Company’s Securities are suspended from the NYSE American, the Company expects that the Securities will be quoted on the OTCQB over-the-counter market under different symbols on the following trading day. Such a suspension of trading would also accelerate the delisting process with respect to the Company’s Securities.

A delisting of the Company’s common stock would constitute a “fundamental change” under the terms of the indenture (the “Indenture”) governing the Company’s Convertible Notes due 2022 (“Convertible Notes”), which would permit the noteholders to require the Company to repurchase all or part of such holder’s notes on a date specified by the Company (the “Fundamental Change Repurchase Date”) that is not less than 20 nor more than 35 calendar days after the date a fundamental change repurchase notice is sent (which is required to be sent within 20 calendar days of the fundamental change event) at a repurchase price, payable in cash, equal to 101% of the principal amount of the Convertible Notes being repurchased, plus accrued and unpaid interest to, but excluding, the Fundamental Change Repurchase Date. The failure to redeem the Convertible Notes on the Fundamental Change Repurchase Date would constitute an event of default under the Indenture and result in the automatic acceleration of the maturity date of the Convertible Notes. Furthermore, upon the occurrence of an event of default under the Indenture, Ares Management LLC and its affiliates, as holders of a majority in principal amount of the Company’s term loan, or any transferee holder of a majority in principal amount of the Company’s term loan, would have the right to immediately accelerate the maturity of the term loan.

SECTION 7 – REGULATION FD

Item 7.01 Regulation FD Disclosures.

The Company issued a press release on August 29, 2018 announcing that it had received the Deficiency Letter. A copy of the press release is furnished hereto 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 in 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.

(d) Exhibits

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

Exhibit No.	Description of Document
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99.1	Press release, dated August 29, 2018, regarding the NYSE American notice of non-compliance.
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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.

GASTAR

Date: August 29, 2018 EXPLORATION INC.

/s/ Michael A.

By: Gerlich

Michael A. Gerlich
Senior Vice
President and Chief
Financial Officer

NEWS RELEASE

Contacts:

Gastar Exploration Inc.

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Dennard-Lascar Investor Relations: 713-529-6600

Gastar Exploration Announces Notification of NYSE American Continued Listing Deficiency

HOUSTON, August 29, 2018 – Gastar Exploration Inc. (NYSE American: GST) (“Gastar” or the “Company”) announced today that, on August 28, 2018, it received a deficiency letter from the NYSE American stock exchange informing the Company of its non-compliance with continued listing standards because the Company’s common stock has been selling for a low price per share for a substantial period of time. The NYSE American staff determined that the Company’s continued listing on the exchange is predicated on it effecting a reverse stock split of its common stock or otherwise demonstrating sustained price improvement within a reasonable period of time, which the staff determined to be no later than February 28, 2019.

As previously reported, the Company is working closely with its financial and legal advisors to consider potential strategic transactions including financing, refinancing, sale or merger transactions, and is encouraging proposals from existing stakeholders and interested third-parties. The Company will accordingly consider measures that are in the best interests of the Company and its stockholders, but no decision has been made at this time with respect to specific measures regarding the continued listing of the Company’s stock on the NYSE American. If the Company is unable to regain compliance, the NYSE American will initiate procedures to suspend and delist the Company’s common stock, 8.625% Series A Cumulative Preferred Stock and 10.75% Series B Cumulative Preferred Stock. In the interim, the Company’s common stock and two series of preferred stock will continue to be listed on the NYSE American subject to the Company’s compliance with other continued listing requirements and subject to the trading price remaining above \$0.06 per share. The Company’s common stock will continue to trade on the NYSE American under the symbol “GST,” but will have an added designation of “.BC” to indicate that the Company is below compliance with the listing standards set forth in the Company Guide. The NYSE American notification of continued listing deficiency does not affect the Company’s business operations or its reporting obligations under the Securities and Exchange Commission regulations.

The Company has also been informally notified by the NYSE American staff that if the trading price of the Company's common stock trades at or below \$0.06 per share, then the Company's common and preferred stock will be automatically suspended from further trading on the NYSE American. If the Company's preferred and common stock is suspended from the NYSE American, the Company expects that the securities would be quoted on the OTCQB over-the-counter market under different symbols on the following trading day. Such a suspension of trading would also accelerate the delisting process with respect to the Company's securities.

A delisting of the Company's common stock would constitute a "fundamental change" under the terms of the indenture (the "Indenture") governing the Company's Convertible Notes due 2022 ("Convertible Notes"), which would permit the noteholders to require the Company to repurchase all or part of such holder's notes on a date specified by the Company (the "Fundamental Change Repurchase Date") that is not less than 20 nor more than 35 calendar days after the date a fundamental change repurchase notice is sent (which is required to be sent within 20 calendar days of the fundamental change event) at a repurchase price, payable in cash, equal to 101% of the principal amount of the Convertible Notes being repurchased, plus accrued and unpaid interest to, but excluding, the Fundamental Change Repurchase Date. The failure to redeem the Convertible Notes on the Fundamental Change Repurchase Date would constitute an event of default under the Indenture and result in the automatic acceleration of the maturity date of the Convertible Notes. Furthermore, upon the occurrence of an event of default under the Indenture, Ares Management LLC and its affiliates, as holders of a majority in principal amount of the Company's term loan, or any transferee holder of a majority in principal amount of the Company's term loan, would have the right to immediately accelerate the maturity of the term loan.

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 in the United States. 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 which is home to multiple oil and natural gas-rich reservoirs including the Meramec, Oswego, Osage, Woodford and Hunton formations. For more information, visit Gastar's website at 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 and Section 21E of the Securities Exchange Act of 1934. Forward looking statements express our current expectations, opinion, belief or forecasts of future events and performance. A statement identified by the use of forward looking words including "may," "expects," "projects," "anticipates," "plans," "believes," "estimate," "will," "should," 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 described in Gastar's Annual Report on Form 10-K, Quarterly Report on Form 10-Q for the three months ended June 30, 2018 and other filings with the U.S. Securities and Exchange Commission ("SEC"), available at the SEC's website at 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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