IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re:	§	Chapter 11
GASTAR EXPLORATION INC., *et al.*,[1]	§	Case No. 18-36057 (MI)
Debtors.	§	(Joint Administration Requested)

DECLARATION OF
MICHAEL A. GERLICH, CHIEF FINANCIAL OFFICER
AND SENIOR VICE PRESIDENT OF GASTAR EXPLORATION INC.,
IN SUPPORT OF CHAPTER 11 PETITIONS AND FIRST DAY MOTIONS

I, Michael A. Gerlich, hereby declare under penalty of perjury:

1. I am the Senior Vice President, Chief Financial Officer, and Corporate Secretary of Gastar Exploration Inc. ("Gastar"), a publicly-traded oil and natural gas exploration and production ("E&P") company organized under the laws of Delaware and one of the above-captioned debtors and debtors in possession (collectively, the "Debtors"). I joined Gastar in May 2005 as Vice President and Chief Financial Officer. I was appointed Corporate Secretary on March 8, 2011, and was promoted to Senior Vice President in June 2013. I have over 37 years of natural gas and oil accounting and finance experience, having previously held positions at Calpine Natural Gas LP (f/k/a Sheridan Energy, Inc.), Trinity Resources, Ltd., and Deloitte LLP.

2. I am familiar with the Debtors' day-to-day operations, business and financial affairs, and books and records. I submit this declaration to assist the Court and parties in interest

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Gastar Exploration Inc. (1640) and Northwest Property Ventures LLC (8685). The location of the Debtors' service address is: 1331 Lamar Street, Suite 650, Houston, Texas 77010.

in understanding the circumstances that resulted in the commencement of these chapter 11 cases and in support of: (a) the Debtors' petitions for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code") filed on the date hereof (the "Petition Date") and (b) the emergency relief that the Debtors have requested pursuant to the motions and applications described herein (collectively, the "First Day Motions").

3. The statements in this Declaration are based upon my personal knowledge, information obtained from other members of the Debtors' management team and the Debtors' advisors, my review of relevant documents and information concerning the Debtors' operations, financial affairs, and restructuring initiatives, or my opinions based upon my experience and knowledge.

I. Introduction.

4. The Debtors are a pure-play, independent E&P company engaged in the exploration, development, and production of oil and condensate, natural gas, and natural gas liquids ("NGLs"). The Debtors' 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. The Debtors' principal operations are conducted in the Sooner Trend of the Anadarko Basin in Canadian and Kingfisher Counties, Oklahoma, commonly referred to as the "STACK" shale play. Headquartered in Houston, Texas, the Debtors employ approximately 40 individuals. As of the Petition Date, the Debtors had approximately $446.4 million in outstanding principal amount of aggregate funded-debt obligations, including approximately $283.9 million in outstanding principal amount of secured first lien term loans and $162.5 million in outstanding principal amount of secured convertible second lien notes. Gastar also has two series of preferred stock outstanding, with an aggregate stated liquidation preference of approximately $154.6 million.

5. As the Court is well aware, the oil and gas industry began a steep decline in late 2014 in response to rapidly declining oil prices, resulting in a sustained, historic downturn. Over the past four years, the Debtors have taken a number of steps to forestall the need for a chapter 11 filing, even while many of their peers have pursued in-court restructurings. Specifically, Debtors have consummated a series of liquidity-enhancing transactions, including a number of equity raises and non-core asset sales, as well as a comprehensive balance sheet refinancing in the spring of 2017 (the "2017 Refinancing") that refinanced prior near term maturing indebtedness, a slight improvement in the Debtors' debt-to-equity ratio, and included a substantial equity investment.

6. The Debtors hoped that the 2017 Refinancing, together with funding from their DrillCo Venture (discussed below) and other sources, would allow them to weather the industry storm, while also developing and proving out their STACK asset base. For the reasons described below, including the early termination of the DrillCo Venture, drilling and completion cost overruns, and higher than anticipated required land-related capital expenditures, the Debtors expended nearly $90 million more in capital than originally projected in the time since the 2017 Refinancing. In an attempt to bolster liquidity to maintain its capital-spending program, the Debtors executed several asset divestitures, ultimately resulting in their becoming a pure-play STACK operator. Beginning in July 2017, the Debtors launched a process seeking proposals for a merger or sale of the Debtors' entire business, ultimately to no avail, while the Debtors' first lien term lenders agreed to accept payment-in-kind interest to preserve cash. All of these measures were aimed at avoiding what has now become inevitable—an in-court restructuring.

7. The Debtors no longer have the liquidity to fund their day-to-day operations, much less a robust drilling program, and their extensive marketing process has shown that the Debtors

are unable to refinance their debt or attract new capital to continue their operations on an out-of-court basis. Against this challenging backdrop, the Debtors have secured fully-committed new money financing of up to $100 million under a DIP facility (which will ultimately convert to a first lien exit facility) (the "DIP/Exit Financing")[2]—the only financing available to the Debtors at this time—and negotiated a pre-packaged restructuring that will deleverage their balance sheet, leave operational obligations unimpaired, and facilitate a swift, value-maximizing emergence from these chapter 11 cases.

8. The terms of the Debtors' restructuring are embodied in the restructuring support agreement, dated as of October 26, 2018, a copy of which is attached to this declaration as **Exhibit B** (including all schedules and exhibits thereto, the "Restructuring Support Agreement"). The Restructuring Support Agreement is supported by the Debtors' largest (and only) funded-debt creditor and largest common shareholder, Ares Management LLC and its affiliated funds (collectively, "Ares"). The Restructuring Support Agreement contemplates a series of transactions that will eliminate more than $300 million of the Debtors' funded-debt obligations and preferred equity interests, provide $100 million in committed financing to fund the Debtors' businesses in and upon emergence from chapter 11, and minimize the time and administrative costs associated with these chapter 11 cases. Upon consummation of this restructuring, the Debtors will be positioned to capitalize on their asset base as the industry looks to recover from the oil price downturn. The Debtors completed solicitation of a prepackaged chapter 11 plan (the "Plan") embodying these terms prior to the Petition Date, with 100 percent of all impaired creditor classes voting to accept.

[2] The DIP facility also contemplates a "roll-up" of $283.9 million of prepetition first lien term loan obligations.

9. The process that ultimately resulted in the Restructuring Support Agreement and Plan began in earnest in May 2018. At that time, facing an increasingly tight liquidity outlook, and dearth of comprehensive sale, merger, or refinancing options (after extensive prior marketing efforts), Gastar's board of directors (the "Board") began to consider other strategic alternatives. With limited liquidity to fund a long-term drilling program and the inability to further decrease capital expenditures or divest non-core assets to extend Gastar's liquidity runway, it became clear to the Board that it was necessary to pursue a transformative transaction, including potentially through a chapter 11 filing.

10. Prior to commencing chapter 11 cases, however, the Board determined to go to the market once more to solicit comprehensive out-of-court merger, sale, financing, and refinancing proposals pursuant to a process, described in greater detail below, beginning in June 2018 and running through October 1, 2018 (the "Bid Deadline"). The Debtors received three bids on the Bid Deadline, none of which contemplated a cash bid that cleared the Debtors' existing funded debt and each of which contemplated a stock-based "business combination" that was contingent on a restructuring or elimination of the Ares debt and cancellation of the Debtors' preferred equity prior to or contemporaneously with the business combination. Ultimately, the Board determined that none of these proposals presented an actionable alternative.

11. In parallel with the prepetition marketing process, the Debtors engaged with Ares regarding a comprehensive restructuring transaction. After extensive, arm's-length negotiations that played out over several months and concluded following the Bid Deadline, Ares and the Debtors arrived at the transactions embodied in the Restructuring Support Agreement. The Debtors have now reached the end of their liquidity runway and failure to take action would likely result in damage to the Debtors' core business, to the detriment of all stakeholders. Ultimately,

the Restructuring Support Agreement and the Plan represent the highest and best (and only) alternative available to the Debtors after extensively canvassing the market in the time since the 2017 Refinancing—an effort spanning more than 15 months.

12. The Restructuring Support Agreement contemplates and the Plan reflects the following stakeholder recoveries:

- holders of administrative and priority claims, as well as general unsecured claims, will receive payment in full in cash;
- all drawn amounts under the DIP/Exit Financing will roll over into a new exit facility, with all undrawn commitments remaining available to fund the Debtors' post-emergence cash needs;
- holders of approximately $13.0 million in mark-to-market obligations related to the Debtors' prepetition hedging program will receive cash payments in equal monthly instalments pursuant a new secured note through December 2019;[3]
- Ares will receive $200 million in new take-back term loans and 100 percent of the common equity of reorganized Gastar on account of the Debtors' $446.4 million in outstanding first and second lien funded-debt obligations; and
- holders of existing preferred and common equity will receive new warrants convertible into up to five percent of the common equity of reorganized Gastar in exchange for their not seeking official committee status or the appointment of a trustee or examiner, and their agreement not to object or oppose the Debtors' restructuring efforts.

13. The Restructuring Support Agreement contains certain milestones (the "Milestones"), including securing an order confirming the Plan within 60 days following the Petition Date, and emergence from chapter 11 within 20 days following confirmation of the Plan. The Debtors believe they can confirm a plan of reorganization and emerge from chapter 11 within these time periods, thereby preserving the value inherent in the Restructuring Support Agreement, without prejudicing the ability of any parties to assert their rights in these chapter 11 cases.

[3] The Debtors and their hedge counterparties executed a separate Restructuring Support Agreement, dated as of October 26, 2018, attached hereto as **Exhibit C**, that contemplates the foregoing treatment of liquidated hedge obligations as of the Petition Date.

14. The Debtors' actions over the past several years, taken together, have given existing equity holders a prolonged option period during a time when many of the Debtors' peers implemented restructuring transactions that resulted in little or no recovery to existing equity. After years of efforts on the part of the Debtors to avoid chapter 11, the Debtors now need to restructure. The Debtors' extensive, multi-phase marketing process clearly indicates that the transactions contemplated by the Restructuring Support Agreement are fair and appropriate. The Debtors diligently engaged with certain of their existing preferred and common equity holders in the months preceding the Petition Date, on a number of occasions encouraging them to make proposals if they believed the value of the Debtors' business exceeds the Ares debt. To date, the Debtors have received no such proposals. The Restructuring Support Agreement permits the Debtors to continue to receive and negotiate alternative restructuring proposals for the next 30 days. If any shareholders—or other third parties for that matter—believe that the Restructuring Support Agreement undervalues the Debtors' business, they will have one last opportunity to step forward.

15. The Restructuring Support Agreement is a logical next step for the Debtors in the wake of historically challenging operating environment. Given the Debtors' core strengths, including their experienced management team and employees and the strategic location of their assets, the Debtors are confident that they can implement the Restructuring Support Agreement's balance sheet restructuring to ensure the Debtors' long-term viability.

16. To familiarize the Court with the Debtors, their businesses, the circumstances leading to these chapter 11 cases, and the relief the Debtors are seeking in the First Day Motions, I have organized this declaration as follows:

- **Part II** provides a general overview of the Debtors' corporate history, business operations, and assets;

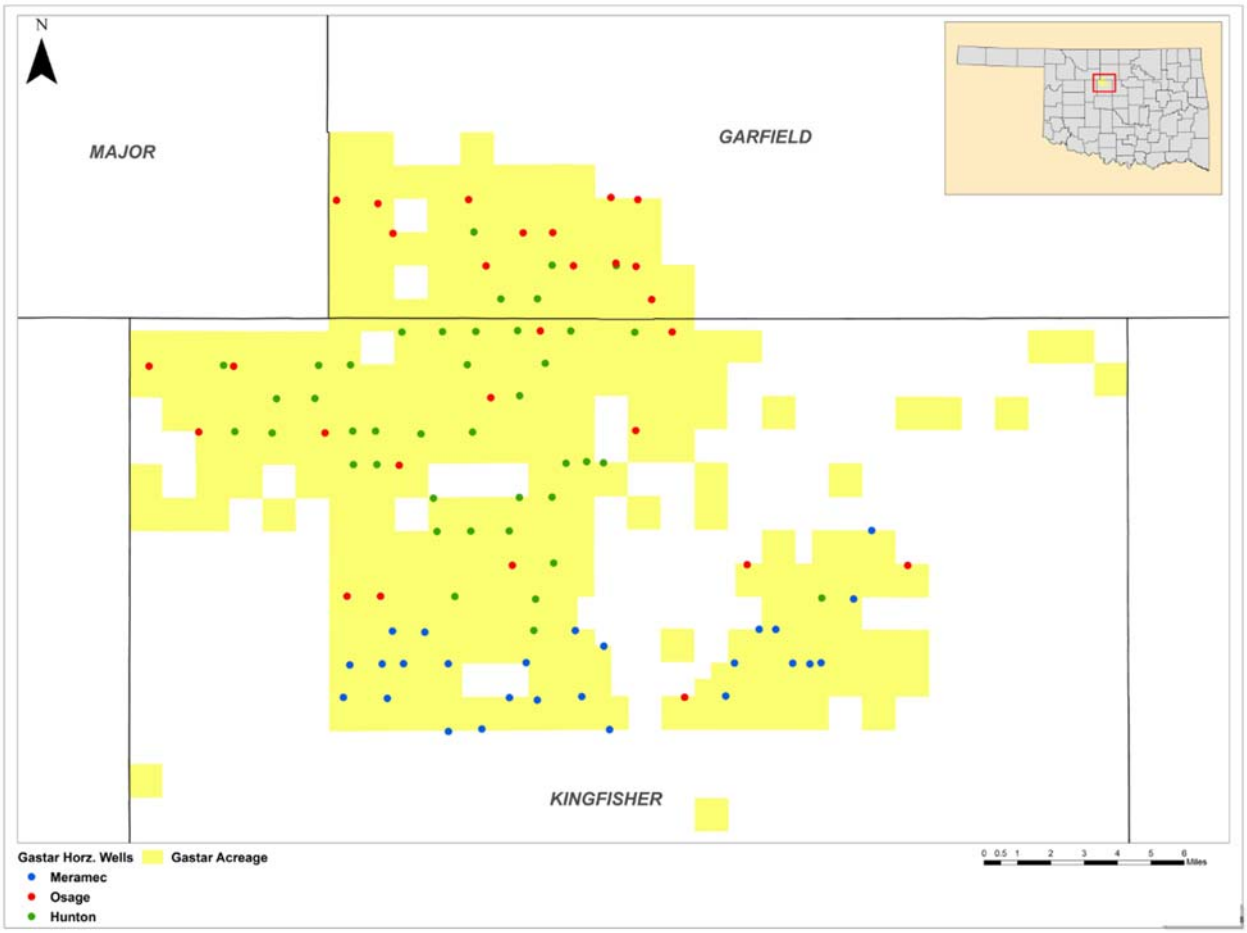
- **Part III** describes the Debtors' prepetition capital structure and indebtedness;
- **Part IV** describes the circumstances leading to the commencement of these chapter 11 cases;
- **Part V** summarizes the key terms of the Restructuring Support Agreement, the DIP/Exit Financing, and proposed timeline for these chapter 11 cases; and
- **Part VI** and **Exhibit A** attached hereto sets forth the evidentiary basis for the relief requested in each of the First Day Motions.

II. The Debtors' History, Operations, and Assets.

17. Gastar Exploration Inc. is a Delaware corporation that traces its roots back to a corporation originally incorporated in Canada in 1987 and later re-domiciled in the United States in 2013. The Debtors' common and preferred stock has historically traded on the NYSE American exchange. Today, the Debtors' corporate structure consists of two entities—Gastar Exploration Inc. and its wholly-owned subsidiary Northwest Property Ventures LLC—both of which are Debtors. The Debtors' principal activities include the identification, acquisition, exploration, and development of oil and natural gas properties on unconventional reserves, such as shale resource plays.

18. As of the Petition Date, following the divestiture of certain non-core assets over the past three years, the Debtors' assets consist solely of oil and natural gas wells and leases in Oklahoma, including a concentrated acreage position in the normally pressured oil window of the STACK play, an area of central Oklahoma that includes oil and natural gas-rich formations such as the Meramec, Osage, and Woodford shale, ranging in depth from 6,000 to 9,000 feet, and in the shallow Oswego formation, as well as the proven Hunton limestone horizontal oil play. The STACK Play is a horizontal drilling play in an area of previously drilled vertical wells with multiple productive reservoirs that are predominantly oil producing and encompasses all or parts of Blaine, Canadian, Garfield, Kingfisher, and Major counties in Oklahoma. Gastar began

building an acreage position in the Mid-Continent area in 2012 and ultimately established a position in Kingfisher, Garfield, Major, and Blaine Counties. The graphic below shows where Gastar currently has a concentrated acreage position and operated horizontal wells in the STACK play.



19. In October 2016, Gastar executed an agreement (the "Development Agreement") with STACK Exploration LLC (the "DrillCo Partner") to jointly develop up to 60 wells operated by Gastar in the STACK Play in Kingfisher County, Oklahoma (the "DrillCo Venture"). The DrillCo Venture targeted the Meramec and Osage formations within the Mississippi Lime. The Debtors were to serve as the operator of the DrillCo Venture wells. The DrillCo Venture wells were proposed to be developed in three tranches of twenty wells each. In simple terms, under the

Development Agreement, the DrillCo Partner funded 90 percent of the Debtors' working interest portion of drilling and completion costs to initially earn 80 percent of the Debtors' working interest in each producing DrillCo Venture well. As a result, the Debtors paid only ten percent of their working interest portion of such costs for twenty percent of their original working interest. By July 2017, Gastar and the DrillCo Partner completed all twenty of the first tranche wells. Participation in the second tranche of twenty DrillCo Venture wells was to be at the election of the DrillCo Partner and the third tranche of twenty wells would require mutual consent. As described in greater detail below, in July 2017, due to capital cost overruns and lower-than-projected production performance from the first twenty wells, the DrillCo Partner pulled out of the DrillCo Venture prior to development of the second or third tranches. As a result of the DrillCo Partner canceling the DrillCo Venture, the Debtors found themselves in the position of having to fund 100 percent of the Debtors' share of previously budgeted second tranche future drilling and completion costs versus the anticipated 10 percent within the DrillCo Venture. The ramifications of this change are described in greater detail below.

20. By the end of 2017, the Debtors held leases covering approximately 136,700 gross (93,400 net) acres in Garfield, Kingfisher, Logan, Blaine, and Oklahoma Counties within the STACK Play, of which 24,480 gross (24,060 net) acres were attributable to the West Edmund Hunton Lime Unit ("WEHLU"). As described in greater detail below, through a competitive, arms-length sale process, the Debtors sold their interests in the WEHLU on February 28, 2018 (effective October 1, 2017) for net cash proceeds of $98.8 million at closing. Accounting for the closing of the WEHLU sale and other leasing activities, the Debtors held leases covering approximately 96,100 gross (67,800 net) acres in the STACK play at the time the WEHLU sale

closed. The Debtors view their current holdings as their core acreage position and have no current plans for further piecemeal asset divestitures.

21. As of the Petition Date, the Debtors held interests in approximately 248 gross (114 net) producing wells, a substantial majority of which are Debtor-operated, had approximately 106,600 gross (71,200 net) total acres under lease, and had estimated proved reserves of approximately 11,200 MBOE of oil and condensate, natural gas, and NGLs based on Securities & Exchange Commission parameters, of which all reserves were proved developed.[4] In 2017, the Debtors' activities yielded total production of approximately 2,277 MBOE and adjusted EBITDA of approximately $46.2 million. One hundred one gross (11.5 net) wells in which the Debtors have an interest are operated by other companies, representing 41 percent of their total gross wells (10 percent of the Debtors' total net wells).

III. Debtors' Prepetition Capital Structure.

22. The Debtors' prepetition capital structure is largely the product of the 2017 Refinancing, although the Debtors' outstanding preferred equity predates (and was not affected by) the 2017 Refinancing. As of the Petition Date, the Debtors had approximately $446.4 million in total outstanding principal amount of funded debt obligations, as well as outstanding preferred equity with a stated aggregate liquidation preference of approximately $154.6 million.

Obligation	Maturity	Approximate Principal Amount
First Lien Term Loan	March 2022	$283.9 million
Second Lien Convertible Notes	March 2022	$162.5 million
	Aggregate Secured Debt:	**$**446.4 million

[4] The Debtors have not included any proved undeveloped reserves in such figures due to their financial condition.

Preferred Equity	Shares	Approximate Liquidation Preference
Series A Preferred Shares	4,045,000	$101.1 million
Series B Preferred Shares	2,140,000	$53.5 million
Aggregate Liquidation Preference:		**$**154.6 million

A. Term Loan.

23. As of the Petition Date, the Debtors have approximately $283.9 million in principal outstanding under the senior secured first-lien term loan (the "Term Loan") incurred under that certain Third Amended and Restated Credit Agreement, dated as of March 3, 2017 (as amended, restated or otherwise modified from time to time, the "Term Credit Agreement"), by and among Gastar, as borrower, Northwest Property Ventures LLC, as guarantor party thereto, Wilmington Trust, N.A. ("Wilmington Trust"), as administrative agent, and the lender parties thereto.

24. The loans made pursuant to the Term Loan accrued cash interest at a per annum rate equal to 8.5 percent, payable on a quarterly basis.[5] The Term Loan has a scheduled maturity of March 3, 2022 and is guaranteed by Debtor Northwest Property Ventures LLC. The Term Loan is secured by a first-priority lien on substantially all of the assets of the Debtors, excluding certain assets as customary exceptions.

25. In addition, the Term Loan provides for an interest "make-whole," or repayment premium, such that any repayment or prepayment of the loans thereunder prior to the stated maturity date shall be subject to the payment of a repayment premium, and depending on the date of such repayment or prepayment, the applicable interest "make-whole" amount, with the amount of such repayment premium decreasing over the life of the Term Loan. As of the Petition Date,

[5] The interest rate increased to 10.25% in Amendment No. 2 to the Term Credit Agreement dated as of August 2017 but effective as of July 1, 2017, which the Debtors elected to pay-in-kind.

the Debtors estimate the Term Loan make-whole amount to be approximately $50.5 million. Upon the entry of the Final DIP Order, the Debtors anticipate that the outstanding principal amount and accrued but unpaid interest on the Term Loan will be refinanced with the proceeds of the DIP/Exit Financing.

B. Second Lien Notes Indenture.

26. The Debtors have approximately $162.5 million in principal outstanding in convertible second lien secured notes (the "Notes") issued under an indenture, dated March 3, 2017 (the "Second Lien Notes Indenture"), by and among Gastar, as borrower, Northwest Property Ventures LLC, as guarantor party thereto, Wilmington Trust, as administrative agent and collateral trustee. The principal terms of the Notes are governed by the Second Lien Notes Indenture. Pursuant to the Second Lien Notes Indenture, the Notes were issued for cash at par, bear interest initially at 6.0 percent per annum, and will mature on March 1, 2022 (unless earlier repurchased, redeemed, or converted in accordance with the terms of the Second Lien Notes Indenture). Interest is payable on the Notes on each March 1, June 1, September 1, and December 1 of each year, beginning on June 1, 2017. The Notes are secured by a second-priority lien on substantially all of the assets of the Debtors. The Debtors are current on cash interest payments on the Notes.

27. The Notes are convertible at the option of the holder into shares of common stock of Gastar ("Common Stock") based on an initial conversion rate of 452.4355 shares of Common Stock per $1,000 in principal amount of the Notes,[6] subject to certain adjustments and the issuance of additional "make-whole" shares under circumstances specified in the Indenture. Subject to certain limitations, Gastar has the right to settle its conversion obligations on the Notes in cash,

[6] The conversion rate is equivalent to an initial conversion price of approximately $2.21 per share, or 30 percent above the volume weighted average price per share of Common Stock for the 30 trading days prior to execution of the Securities Purchase Agreement (the "Purchase Agreement"), dated February 16, 2017, between the Debtors and the Refinancing Purchasers (as defined below).

shares of Common Stock, or a combination of cash and shares of Common Stock. Gastar has the right to redeem the Notes (a) on or after March 3, 2019 if the Common Stock trades above 150 percent of the conversion price for periods specified in the Indenture; and (b) on or after March 1, 2021 without regard to such condition, in each case at par plus accrued interest, if any. The Notes are not redeemable prior to March 3, 2019.

C. Preferred Equity.

28. Gastar's certificate of incorporation authorizes 40 million shares of preferred stock with a par value of $0.01 per share. Gastar has designated 10 million of such shares to constitute its 8.625% Series A Cumulative Preferred Stock (the "Series A Preferred Stock") and another 10 million of such shares to constitute its 10.75% Series B Cumulative Preferred Stock (the "Series B Preferred Stock" and, together with the Series A Preferred Stock, the "Preferred Stock"). The Series A Preferred Stock and the Series B Preferred Stock each have a liquidation preference of $25.00 per share.

29. As of the Petition Date, there were approximately 4,045,000 shares of Series A Preferred Stock issued and outstanding and approximately 2,140,000 shares of Series B Preferred Stock issued and outstanding, with an aggregate liquidation preference of approximately $154.6 million. As of the Petition Date, the Series A Preferred Stock traded at approximately $0.32 per share, Series B Preferred Stock traded at approximately $0.32 per share.

30. Dividends on the Preferred Stock accumulate regardless of whether any such dividends are declared. In 2017, Preferred Stock cash dividends paid totaled $19.3 million, including $10.9 million of dividends for the period from April 2016 to December 2016 paid in January 2017. On August 1, 2017, primarily in response to the decline in oil prices and to preserve liquidity, the Debtors elected to temporarily suspend Preferred Stock dividends. On April 30, 2018, however, the Debtors paid $10.8 million, reflecting total accumulated unpaid dividends on

the Preferred Stock from August 1, 2017 through April 30, 2018. The Company continued to declare and pay dividends of $1.2 million per month on the Preferred Stock through June 30, 2018. On June 11, 2018, the Company elected to permanently suspend the declaration and payment of monthly cash dividends on the Preferred Stock commencing July 2018. As of the Petition Date, accumulated and unpaid dividends on the outstanding Preferred Stock aggregated to approximately $4.8 million, or $0.78 per share.

D. Common Equity.

31. As of the Petition Date, there were approximately 219 million shares of Common Stock issued and outstanding. As of the Petition Date, the Common Stock traded at $0.009 per share, which, along with the trading prices of Preferred Stock, implies an aggregate equity market capitalization of less than $4.0 million.

32. The Debtors have never declared or paid any cash dividends on Common Stock. In addition, the Term Loan and the Second Lien Notes Indenture prohibit the Debtors from paying cash dividends on Common Stock as long as any debt remains outstanding.

E. Hedging Obligations.

33. Prior to the Petition Date, the Debtors maintained a hedging program with certain counterparties to hedge against the risk of commodity price fluctuations. Pursuant to an Intercreditor Agreement, dated as of March 3, 2017, by and among the Debtors, the Term Loan Agent, and the Hedge Parties, and related mortgages, deeds of trust and security documents, all liabilities and obligations of the Debtors under their hedging arrangements were secured by an uncapped, first priority lien on and security interest in the collateral securing the Term Loan Credit Agreement that ranked *pari passu* with the liens granted to the senior most creditors under the Term Loan Credit Agreement. The Debtors and the Hedge Parties agreed to terminate and liquidate all transactions entered into between the Debtors, on the one hand, and any Hedge Party,

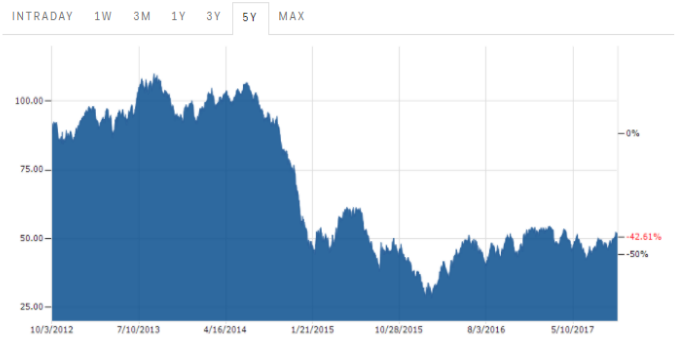
on the other hand, on or as soon as is practicable after the Petition Date (as defined in the Hedge Party Term Sheet) and treat the approximately $13.0 million in aggregate resulting claims as set forth in the Plan. Each of the Debtors' hedge counterparties voted to support the Plan.

IV. Circumstances Leading to These Chapter 11 Cases.

A. Market Decline and Operational Responses.

34. The market difficulties faced by the Debtors are consistent with those faced industry-wide. Oil and gas companies and others have been challenged by low natural gas prices for years. Since January 2014, natural gas prices fell from a peak of $5.39 per MMBtu in January 2014 to $1.73 per MMBtu by March 2016, and remain at approximately $3.26 per MMBtu as of the Petition Date. The price of crude oil has similarly plummeted from a high of $107.26 per barrel in June 2014 to a low of $29.64 per barrel in January 2016. Crude oil prices remain at approximately $65.31 per barrel as of the Petition Date. Additionally, NYMEX futures curves for both natural gas and crude oil indicate an expectation among traders in the derivatives market that these commodity prices are expected to decline over the next several years.

WTI Crude Oil Closing Prices



Natural Gas Henry Hub Closing Prices

Decline of oil and natural gas prices over time

35. These market conditions have affected oil and gas companies at every level of the industry around the world. All companies in the oil and gas industry (not just E&P companies)

have felt these effects. However, independent oil and gas companies have been especially hard-hit, as their revenues are generated from the sale of unrefined oil and gas. Over 160 oil and gas companies have filed for chapter 11 since the beginning of 2015. Numerous other oil and gas companies have defaulted on their debt obligations, negotiated amendments or covenant relief with creditors to avoid defaulting, or have effectuated out-of-court restructurings.

36. The Debtors were not immune to these macro-economic forces. Beginning as early as 2015, the Debtors began evaluating and subsequently implementing a liability management strategy that focused on, among other things, surviving the industry downturn. Specifically, the Debtors focused on holding their core STACK play acreage position by production, drilling and completing single wells per drilling unit in accordance with a delineation plan, remaining positioned to grow when prices recover, and maintaining financial liquidity. To this end, the Debtors executed additional drilling and exploration projects to identify and develop further reserves in STACK play areas at a low cost, including, most significantly, the DrillCo Venture described above.

37. Additionally, the Debtors began to more closely scrutinize their operating techniques and made extensive changes to attempt to lower drilling costs and increase production results. As described below, in August 2018, the Debtors ultimately decided to suspend their drilling and development program to preserve remaining liquidity while examining strategic alternatives. Finally, over the past three years, the Debtors have divested a range of non-core acreage holdings, including assets in the Appalachian Basin region of Pennsylvania and West Virginia, two non-core asset sales in the south STACK play, and the WEHLU assets, and consummated a number of at the market equity raises to enhance liquidity.

B. Financial Responses and the 2017 Refinancing.

38. The Debtors' distress came to an initial head in early 2016, when the Debtors were experiencing a liquidity crunch and facing a May 15 interest payment on their $325 million of legacy second lien note obligations. The Debtors engaged financial advisors to assist them in their review of strategic alternatives at this time, including a potential chapter 11 filing. The Debtors were ultimately able to avoid an early 2016 chapter 11 filing by raising equity financing sufficient to make the May 15, 2016 interest payment. The Debtors raised additional "at the market" equity capital to finance operations through the end of 2016 and early 2017.

39. The Debtors were cognizant, though, that these measures offered only a temporary solution as they faced the maturity of the entirety of their $325 million in legacy second lien obligations in May 2017. Accordingly, beginning in October 2016, the Debtors, with the assistance of their financial advisor Seaport Global ("Seaport"), commenced a process seeking proposals to address their existing capital structure, including comprehensive refinancings, controlling equity investments, and merger transactions. In connection with this process, Seaport reached out to over 40 potential third party investors and held management meetings with 13 of those potential investors. The Debtors ultimately received three comprehensive refinancing proposals (including Ares' proposal).

40. Through a highly competitive process, the Debtors ultimately selected the Ares proposal, based on a range of factors. Most significantly, the Ares proposal contemplated the highest degree of deleveraging, included a $50 million common equity investment (*i.e.*, investing behind the Debtors' existing preferred equity), and provided for effectively no financial covenants on the new debt, which would give the Debtors substantial flexibility to ride out the industry storm. The other two proposals lacked some or all of these characteristics. Seaport issued a fairness opinion in support of the Ares proposal.

41. On March 3, 2017, the Debtors consummated the 2017 Refinancing. As part of the 2017 Refinancing, Ares initially lent $250 million in first lien term loans, purchased $125 million in second lien convertible notes, and made a $50 million equity investment. Ares purchased an additional $75 million in incremental Notes on March 21, 2017. A portion of the incremental Notes were subsequently converted to equity on May 5, 2017 (shortly after the closing of the 2017 Refinancing), bringing Ares' total equity investment to $87.5 million. The Term Loan has accrued "payment-in-kind" interest since July 1, 2017, resulting in the approximately $283.9 million of principal Term Loan and $162.5 million of principal Notes balances outstanding today. The proceeds from the Term Loan, Notes, and Ares equity investment were used to fully repay the $69.2 million outstanding on the Debtors' legacy revolving facility and satisfy and discharge all $325 million of the Debtors' legacy second lien notes. After paying approximately $10.5 million in transaction costs, the Debtors were left with $78.1 million more cash on their balance sheet than before the 2017 Refinancing.

Obligation	Status Quo Amount Outstanding	Leverage	Adjustment	Pro Forma Amount Outstanding	Leverage	Rate	Maturity Date
Revolver	$69		($69)	$-		L + 200-300	Nov-17
First Lien Term Loan			250	250		8.500%	Mar-22
Second Lien Convertible Notes			163[7]	163[7]		6.000%	Mar-22
8.625% Senior Secured Notes	325		(325)	-		8.625%	May-18
Total Debt	$394	8.5x	$18	$413	8.9x		
Cash	14[8]		78	92			
Net Debt	$380	8.2x	($60)	$321	6.9x		
Series A Preferred	101			101		8.625%	
Series B Preferred	54			54		10.750%	
Net Debt & Preferred	$535	11.6x	($60)	$475	10.3x		

2017 EBITDA	$46

[7] The balance of the second lien convertible notes is pro forma to reflect subsequent $37.5 million equitization.

[8] The status quo cash value is implied based on closing cash balance less net incremental cash added in the 2017 Refinancing.

42. As a result of the 2017 Refinancing transactions, Ares became the Debtor's sole lender and largest common shareholder, today holding approximately 25.9 percent of the Debtors' outstanding common shares. Consistent with their level of common equity ownership, Ares has the authority to nominate two of the eight Board members (so long as Ares owns at least 15 percent of the total outstanding voting power of the Common Stock).

C. Post-2017 Refinancing Operational Challenges.

43. The Debtors intended for the 2017 Refinancing to allow them to weather the industry storm, further develop and prove out their acreage, and bridge to capital market access at a later and more opportune date. Due to certain post-2017 Refinancing operational challenges, however, the Debtors were not able to survive the downturn, as they had hoped.

44. As described above, the Debtors entered into the DrillCo Venture in October 2016, which continued through the first half of 2017 (at the same time the 2017 Refinancing closed). Early well production performance results on the first wells in the initial DrillCo Venture tranche were encouraging. In late 2016, the primary oilfield services completions provider for the Debtors and the DrillCo Venture elected to cease operating in the area. As a result, completion costs significantly increased due to fewer completion service providers in the area. The Debtors switched to a different completion provider and transitioned to a fracking method that eliminated a number of special additives, which was not anticipated to affect production performance.

45. These operational changes resulted in a marked decrease in well production performance, which the Debtors only realized after it had completed a number of DrillCo Venture wells using the new completion provider and technique. Due to the decrease in production performance, coupled with higher drilling and completion costs, the DrillCo Partner exercised its right to terminate the DrillCo Venture in July 2017, after the initial 20 wells were drilled. Without the participation of the DrillCo Partner (who bore 90 percent of the costs), the Debtors were forced

to proceed with their drilling program (to de-risk and hold-by-production their acreage) without a partner to pay a promoted share of the drilling and completion costs for the next 20 well tranche. The failure of the DrillCo Venture significantly stunted the Debtors' planned drilling activity and increased the capital required to continue drilling operations. The termination of the DrillCo Venture meant that the Debtors went from bearing 10 percent to 100 percent of the cost for any previously budgeted future second tranche wells.

46. In mid-2017, the Debtors made changes to certain senior management positions, corrected their drilling and completion technique deficiencies, and resumed limited operated drilling activities. While the Debtors were ultimately able to achieve the production levels consistent with what they had modeled at the time of the 2017 Refinancing, they were only able to do so through substantially higher-than-projected capital expenditures. The resulting capital burn was nearly ***$90 million*** greater than originally projected.

47. By early 2018, the Debtors were beginning to experience significant financial strain. On August 8, 2018, the Debtors suspended their operated drilling program to preserve liquidity and have since completed all previously drilled operated wells. Sitting still indefinitely, however, is not an option for the Debtors. E&P companies require constant capital investment in new drilling projects just to maintain production levels. Additionally, companies like the Debtors must invest capital to preserve their value by extending expiring leases, drilling wells, participating in non-operated well drilling with the goal of holding their acreage by production, and growing production, among other things. At this point, the Debtors cannot further reduce capital and operating expenditures without creating the risk for deterioration of the Company's core acreage and business. Absent access to the DIP/Exit Facility, the Debtors have essentially no ability to continue to run their businesses.

D. Exploration of Strategic Alternatives and Chapter 11 Filing.

48. In August 2017, facing operational drilling and completion challenges and declining liquidity, the Debtors retained Tudor, Pickering, Holt & Co. ("TPH") to assist the Board in its review of strategic alternatives. In September 2017, TPH commenced parallel processes seeking to sell the Debtors' non-core assets outside of the STACK region (*i.e.*, the WEHLU assets), as well as seeking comprehensive out-of-court merger or sale proposals for the Debtors' entire business. In connection with the WEHLU process, TPH reached out to 150 potential purchasers. In connection with the broader merger and sale process, TPH contacted 42 potential counterparties. Gastar received eight proposals in connection with the WEHLU process and ultimately closed a sale of the WEHLU assets in February 2018 for a purchase price of $107.5 million, before purchase adjustments. The Debtors did not receive any actionable proposals for their entire business during the parallel process.

49. Following the series of operational challenges and the suspension of their drilling program, and with an apparent lack of comprehensive merger or sale transactions to address their balance sheet, the Debtors found themselves in an untenable position. The Debtors lacked the liquidity to fund their ongoing operations even through the end of the year, much less a robust drilling program. Accordingly, the Board pursued comprehensive alternatives, including a potential chapter 11 filing, with the assistance of experienced legal advisors, Kirkland & Ellis LLP, and financial advisors, Perella Weinberg Partners LP ("PWP") and TPH.[9] In June 2018, PWP and TPH began contacting potential financial investors, many of whom had been contacted during the 2017 process and some of whom were existing holders of the Debtors' common equity.

[9] PWP and TPH are part of the same global financial services firm.

50. In parallel with these renewed marketing efforts, the Debtors also began discussions with Ares regarding an Ares-sponsored balance sheet restructuring. On July 20, 2018, Ares filed an updated Schedule 13D with the Securities Exchange Commission attaching a term sheet setting forth proposed terms for a balance sheet restructuring. On July 23, 2018, the Debtors publicly disclosed that the Board has formed a special committee to consider strategic alternatives and that the Debtors were considering the proposed Ares terms as well as other alternatives. Negotiations regarding the initial terms proposed by Ares would play out (and substantially evolve) over the next three months.

51. On August 1, 2018, after an extensive private marketing process, the Debtors issued a press release informing the market that it was embarking on a public process to try to address the Debtors' balance sheet and liabilities. The press release specifically stated that the Debtors were "considering potential strategic transactions, including financing, refinancing, sale, or merger transactions, and is encouraging proposals from existing stakeholders and interested third-parties." On August 21, 2018, the Debtors publicly filed and distributed a process letter inviting proposals and informing the public how any interested party could participate and make a proposal. The Debtors directly distributed the process letter initially to 95 potential financial and strategic investors and to an additional 17 potential financial and strategic investors over the following two weeks. The process letter established a Bid Deadline of October 1, 2018. Of the 112 parties contacted, 30 executed nondisclosure agreements and 12 participated in management presentations. The Debtors received three proposals from strategic investors by the Bid Deadline, none of which were actionable. These proposals were each contingent on a fundamental restructuring of the Debtors' balance sheet, including the restructuring or elimination of the Ares

debt and cancellation of the Debtors' preferred equity prior to or contemporaneously with a business combination.

52. Additionally, in the months preceding the Bid Deadline, the Debtors received communications from a number of their common and preferred equity holders. The Debtors encouraged these shareholders to participate in the ongoing marketing process and directed them to the process letter. No known shareholders participated in this process—despite multiple invitations—and the Debtors have not received any actionable restructuring proposals from existing equity holders.

53. Through extensive, arm's-length negotiations, the Debtors and Ares agreed to the terms of the restructuring set forth in the Restructuring Support Agreement. In light of the results of their public marketing process, and facing a dire liquidity outlook, the Debtors ultimately determined that the restructuring negotiated with Ares, which contains a number of valuable concessions by Ares and contemplates fully committed funding to facilitate the Debtors' restructuring and emergence from chapter 11, was the only viable path forward. Moreover, the Restructuring Support Agreement and Plan will allow the Debtors to swiftly emerge from chapter 11 with a capital structure that will facilitate necessary capital investment. The Debtors and Ares executed the Restructuring Support Agreement on October 26, 2018 and launched solicitation of the Plan shortly thereafter.

54. On October 26, 2018, the Debtors and Ares entered into the Restructuring Support Agreement and the Debtors launched solicitation of the Plan shortly thereafter. The Plan solicitation process concluded on October 30, 2018 with all impaired creditors voting to accept. On the Petition Date, the Debtors commenced these chapter 11 cases.

E. Efforts to Preserve Shareholder Option Value.

55. Throughout these processes, the Debtors sought to avoid a bankruptcy filing and maximize value for their shareholders. The 2017 Refinancing had given the company the flexibility and liquidity to continue to operate. Due to the capital intensive nature of the oil and gas industry, however, even mild operational missteps during a period of industry turmoil can have dire consequences. A combination of capital intensive needs, the unexpected increase in completion costs, and poorer than expected drilling results sapped the Debtors' liquidity sooner than expected.

56. Notably, the 2017 Refinancing benefited the Debtors' common and preferred shareholders. For the holders of the Debtors' common equity, the 2017 Refinancing allowed the Debtors to avoid defaults under their prior capital structure and eliminate their legacy second lien maturity, which could have resulted in an earlier chapter 11 filing. By staying out of chapter 11, the Debtors preserved shareholders' option value. Additionally, the Debtors declared and paid dividends to holders of Preferred Stock in the amount of $19.3 million in 2017 and $13.3 million in 2018.

57. Despite these efforts, against a historic industry downturn the Debtors could not avoid an in-court restructuring. The Debtors have received correspondences from common and preferred holders who argued, without support, that the Debtors could or should have done more to preserve their interests. As vividly demonstrated above, that is not the case. The Debtors have invited these shareholders (and indeed all other stakeholders in the Debtors and any and all potentially interested third parties) to make a restructuring proposal indicative of positive equity value. The Debtors have received no such proposal. The Restructuring Support Agreement represents the Debtors' only path forward at this time and provides for a recovery to holders of common and preferred equity that the market has indicated is greater than their entitlement. The

Debtors project to completely run out of liquidity in the near term and the DIP/Exit Financing is the only source of funding available. To avoid harm to the Debtors' business, or losing the value inherent in the Restructuring Support Agreement, the time for the Debtors to move forward is now.

V. Restructuring Support Agreement.

A. Restructuring Transactions and Proposed DIP Financing.

58. As part of the Restructuring Support Agreement, Ares has agreed to fund the DIP/Exit Financing. The DIP/Exit Financing provides the Debtors with postpetition financing in the form of a senior secured, superpriority delayed-draw term loan credit facility in the aggregate principal amount of $100 million. The DIP/Exit Financing also contemplates consensual use of Ares' collateral during the chapter 11 cases. Based on my knowledge and extensive discussions with Gastar's management team and advisors, I believe that the DIP/Exit Financing gives the Debtors sufficient liquidity to stabilize their operations and fund the administration of these chapter 11 cases as the Debtors seek to implement the restructuring embodied in the Restructuring Support Agreement and proceed expeditiously toward a value-maximizing resolution to these chapter 11 cases. Further, the Debtors have an immediate need for debtor-in-possession financing—including the initial $15 million draw under the DIP/Exit Financing—to fund operations and provide comfort to their employees and vendor constituencies. Moreover, based on extensive discussions with the Debtors' advisors, I understand that the DIP/Exit Financing is on the most favorable terms available in light of the circumstances of these chapter 11 cases and the current market for such financings.

59. Finally, I believe that a substantial benefit of the DIP/Exit Financing is that it will convert to new exit financing at emergence from chapter 11, with all undrawn commitment available to fund post-emergence cash needs of the Debtors. This provides a needed source of cash on emergence to fund operating needs and provides comfort to our employee and vendor

constituencies that the Debtors will be able to meet their obligations both during chapter 11 and upon emergence.

60. The Restructuring Support Agreement provides for the reorganization of the Debtors as a going concern with a deleveraged capital structure and sufficient liquidity to fund the Debtors' post-emergence business plan. In addition to funding the DIP/Exit Financing, under the Restructuring Support Agreement, Ares has agreed to further facilitate the Debtors' restructuring by agreeing to fully equitize the Notes and equitize a portion of the Term Loan, while agreeing to receive $200 million in new take-back, second lien notes. The Restructuring Support Agreement further contemplates that all general unsecured claims (including employee and vendor obligations) will be unimpaired and that holders of existing common and preferred equity in Gastar may receive new warrants convertible into up to 5 percent of the equity in reorganized Gastar if such equity holders do not seek official committee status or the appointment of a trustee or examiner, or object to or otherwise oppose the Debtors' restructuring efforts.

B. Proposed Confirmation Timeline.

61. The Restructuring Support Agreement requires that the Debtors proceed in accordance with the Milestones, including securing confirmation of the Plan within 60 days after the Petition Date. In light of the Debtors extensive prepetition marketing efforts, the Milestones provide more than sufficient time to administer these chapter 11 cases in a manner that gives all parties in interest a full and fair opportunity to participate in the process. Contemporaneously

herewith, the Debtors filed a scheduling motion seeking approval of the following confirmation schedule (including applicable Restructuring Support Agreement Milestones):

Event	Date	T+
Petition Date	October 31, 2018	T+0
Proposed Disclosure Statement/Plan Confirmation Objection Deadline	December 4, 2018	T+34
Proposed Disclosure Statement/Plan Confirmation Hearing	December 13, 2018	T+43
Confirmation Milestone	***December 30, 2018***	***T+60***
Maximum Effective Date Milestone	***January 19, 2019***	***T+80***

62. The Restructuring Support Agreement represents the successful culmination of months of restructuring efforts and a significant compromise and continued commitment to the Debtors' future by Ares. The Restructuring Support Agreement also gives the Debtors the best opportunity to recover from historically challenging operating conditions and kick-start their go-forward operations. Given the level of support among the Debtors' financial stakeholders, the fact that the Debtors' operational stakeholders will be paid in full (in some instances over time), and considering the challenging market backdrop, it is important to proceed efficiently to confirmation.

VI. First Day Motions.

63. Contemporaneously herewith, the Debtors have filed a number of First Day Motions seeking orders granting various forms of relief intended to stabilize the Debtors' business operations, facilitate the efficient administration of these chapter 11 cases, and expedite a swift and smooth restructuring of the Debtors' balance sheet. I have reviewed each of the First Day Motions. I believe that the relief requested in the First Day Motions is necessary to allow the Debtors to operate with minimal disruption during the pendency of these chapter 11 cases. A

description of the relief requested in and the facts supporting each of the First Day Motions is detailed in **Exhibit A** attached hereto.

[*Remainder of page intentionally left blank.*]

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing statements are true and correct to the best of my knowledge, information, and belief.

Dated: October 31, 2018

/s/ Michael A. Gerlich
Michael A. Gerlich
Chief Financial Officer and Senior Vice President
Gastar Exploration Inc.

Certificate of Service

I certify that on October 31, 2018, I caused a copy of the foregoing document to be served by the Electronic Case Filing System for the United States Bankruptcy Court for the Southern District of Texas.

/s/ Matthew D. Cavenaugh
Matthew D. Cavenaugh

Exhibit A

Evidentiary Support for First Day Motions

EVIDENTIARY SUPPORT FOR FIRST DAY MOTIONS[1]

I. Debtors' Emergency Motion for Entry of an Order (I) Directing Joint Administration of Chapter 11 Cases and (II) Granting Related Relief (the "Joint Administration Motion").

1. Pursuant to the Joint Administration Motion, the Debtors request entry of an order directing procedural consolidation and joint administration of these chapter 11 cases.

2. Given the integrated nature of the Debtors' operations, joint administration of these chapter 11 cases will provide significant administrative convenience without harming the substantive rights of any party in interest. Many of the motions, hearings, and orders in these chapter 11 cases will affect both Debtor entities. The entry of an order directing joint administration of these chapter 11 cases will reduce fees and costs by avoiding duplicative filings and objections.

3. I believe that parties in interest will not be harmed by the relief requested but instead that joint administration of these chapter 11 cases is in the best interests of the Debtors' estates, their creditors, and all other parties in interest, who will benefit from the cost reductions associated with the joint administration of these chapter 11 cases. Joint administration also will allow the United States Trustee for the Southern District of Texas (the "U.S. Trustee") and all parties in interest to monitor these chapter 11 cases with greater ease and efficiency. Accordingly, on behalf of the Debtors, I respectfully submit that the relief requested in the Joint Administration Motion should be approved by the Court.

[1] Capitalized terms used but not defined herein have the meanings given to them in the applicable First Day Motion.

II. Debtors' Emergency Motion for Entry of an Order (I) Authorizing Consolidated Creditors Lists, (II) Authorizing Redaction of Certain Personal Identification Information, and (III) Waiving the Requirement to File Equity Lists and Modifying Equity Holder Notice Requirements (the "Creditor Matrix Motion").

4. Pursuant to the Creditor Matrix Motion, the Debtors seek entry of an order (a) authorizing the Debtors to file a consolidated creditor matrix and list of the 20 largest general unsecured creditors in lieu of submitting separate mailing matrices and creditor lists for each Debtor, (b) waiving the requirement to file a list of equity security holders and modifying the requirements for provision of notice to such holders, and (c) authorizing the Debtors to redact certain personal identification information for individual creditors.

5. Although the list of creditors is usually filed on a debtor-by-debtor basis, in a complex chapter 11 bankruptcy case involving more than one debtor, the debtors may file a consolidated creditor matrix. Further, Debtor Gastar Exploration Inc. ("Gastar") is a publicly-held company, and Gastar's common stock has historically been listed on the NYSE American under the ticker symbol "GST." For this reason, preparing a list of equity holders with accurate names and last known addresses, and providing notices to all such parties of the commencement of these chapter 11 cases, would create undue expense and administrative burden without a corresponding benefit to the estates or parties in interest.

6. I believe that permitting the Debtors to maintain a single consolidated list of creditors, in lieu of filing a separate creditor matrix for each Debtor, will maximize the value of the Debtors' estates and is in the interests of all of the Debtors' stakeholders. The preparation of separate lists of creditors for each Debtor would be expensive, time consuming, and administratively burdensome. Accordingly, on behalf of the Debtors, I respectfully submit that the relief requested in the Creditor Matrix Motion should be approved by the Court.

III. Debtors' Emergency Application for Entry of an Order Appointing BMC Group, Inc. as Claims, Noticing, and Solicitation Agent, Effective *Nunc Pro Tunc* to the Petition Date (the "Claims Agent Application").

7. Pursuant to the Claims Agent Application, the Debtors seek entry of an order appointing BMC Group, Inc. as the claims, noticing, and solicitation agent (the "Claims and Balloting Agent") for the Debtors in their chapter 11 cases to (a) serve as the noticing agent to mail notices to the estates' creditors, equity security holders, and other parties in interest, (b) provide computerized claims, objection, and solicitation- and balloting-related services, and (c) assist the Debtors in claim and ballot processing and other administrative services with respect to these chapter 11 cases, in each case, pursuant to the terms of the engagement agreement, dated October 16, 2018, between the Debtors and BMC Group.

8. During the pendency of the case, the Debtors anticipate that, given the complexity of the Debtors' business and the anticipated number of claims, many parties will be entitled to notice and may file claims.

9. I believe that the appointment of BMC Group will provide the most effective and efficient means of ensuring creditors receive sufficient notice and have their claims adjudicated properly. Further, BMC Group will relieve the Debtors and/or the Clerk's Office of the administrative burden of noticing, administering claims, and soliciting and tabulating votes, and is in the best interests of both the Debtors' estates and their creditors. Accordingly, on behalf of the Debtors, I respectfully submit that the relief requested in the Claims Agent Application should be approved by the Court.

IV. Debtors' Emergency Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to Obtain Postpetition Secured Financing, (II) Granting Liens and Providing Superpriority Administrative Expense Claims, (III) Authorizing the Use of Cash Collateral, (IV) Granting Adequate Protection, (V) Modifying the Automatic Stay, (VI) Scheduling a Final Hearing, and (VII) Granting Related Relief (the "DIP Motion").

10. Pursuant to the DIP Motion, the Debtors seek entry of interim and final orders approving a new superpriority debtor-in-possession financing facility in an aggregate amount of approximately $383.9 million (the "DIP Facility") by and between the Debtors, certain funds affiliated with Ares Management LLC (collectively, the "DIP Lenders"), and Wilmington Trust, National Association, as administrative agent (in such capacity, the "DIP Agent," and together with the DIP Agent, the "DIP Secured Parties").

11. As of the Petition Date, Debtor Gastar is a borrower, and Debtor Northwest Property Ventures, LLC ("Northwest") is a guarantor, under that certain Third Amended and Restated Credit Agreement dated March 3, 2017, with approximately $283.9 million outstanding. Gastar is also a borrower, and Northwest is also a guarantor, under those certain convertible second lien secured issued under an indenture dated March 3, 2017, with approximately $162.5 million in principal outstanding, for a total aggregate principal amount of $446.4 million in total funded debt obligations outstanding as of the Petition Date. Gastar also has two series of preferred stock outstanding, with a stated aggregate liquidation preference of approximately $154.6 million. As of the Petition Date, the Debtors' total unrestricted cash balance is approximately $6.2 million, which I believe is insufficient to operate their enterprise and continue paying their debts as they come due.

12. The Debtors require immediate access to the DIP Facility in addition to continued use of the Prepetition Secured Parties' Cash Collateral. The Debtors' business is cash intensive, with significant daily costs required to satisfy obligations to vendors and employees. As such, and

due to their current limited liquidity, the Debtors require immediate access to the DIP Facility and the use of Cash Collateral to operate their business, preserve value, and avoid irreparable harm pending a final hearing.

13. The proposed $383.9 million DIP Facility shall be comprised of (a) $100 million in new money loans, $15 million of which would be available immediately, and (b) approximately $283.9 million in refinanced Term Loan Obligations. The DIP Facility will provide the Debtors with sufficient liquidity to stabilize and fund the Debtors' operations during these chapter 11 cases.

14. I believe the DIP Facility is the product of extensive, arm's-length negotiations with the DIP Lenders. The DIP Facility was preceded by a competitive marketing process designed to secure postpetition financing on the best available terms. As part of this process, Perella Weinberg Partners LP[2] and Tudor, Pickering, Holt & Co. LLC[3] solicited proposals for debtor-in-possession financing and indications of interest for an exit facility from 21 potential investors and interested parties. Each of these potential investors rejected the opportunity to provide alternative debtor-in-possession financing.

15. Simultaneously with the ongoing financing process, the Debtors continued to engage in restructuring discussions with certain of their secured creditors. With offers for DIP financing in hand, the Debtors, in consultation with their advisors, determined that seeking DIP financing from their secured creditors was in the best interests of the Debtors and all parties. On October 26, 2018, the Debtors executed the restructuring support agreement (the "RSA") with

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[2] The Debtors have also applied for authority to retain Perella Weinberg Partners LP as their investment banker and financial advisor. *See Debtors' Application for Entry of an Order Authorizing the Employment and Retention of Perella Weinberg Partners LP as Investment Banker and Financial Advisor for the Debtors and Debtors in Possession* Nunc Pro Tunc *to the Petition Date* (the "PWP Retention Application"), filed contemporaneously herewith.

[3] Tudor, Pickering, Holt & Co. LLC is an affiliate of Perella Weinberg Partners LP, and the Debtors have applied for authority to retain Tudor, Pickering, Holt & Co. LLC in the PWP Retention Application.

Ares Management LLC for a $383.9 million postpetition financing facility, substantially on the same terms as set forth in the DIP Motion and in the DIP Credit Agreement. The DIP Facility represent the culmination of a nearly 15 month-long marketing process and negotiations, and I believe provide the Debtors and their creditor constituencies with postpetition financing on the best available terms. In light of the foregoing, I do not believe that alternative sources of financing with terms as favorable as those of the DIP Facility are available to the Debtors. I believe the economic terms of the proposed DIP Facility are very competitive and reflect the market interest in providing the Debtors with postpetition financing.

16. I believe the requested relief is necessary to avoid the immediate and irreparable harm that would otherwise result if the Debtors were denied the liquidity that would be provided by the DIP Facility pursuant to the interim order and the final order. The liquidity provided by the DIP Facility will ensure the Debtors can continue to operate uninterrupted in the ordinary course of business and will provide the Debtors with sufficient time to bridge to a restructuring of their business. Accordingly, on behalf of the Debtors, I respectfully submit that the relief requested in the DIP Motion should be approved by the Court.

V. Debtors' Emergency Motion for Entry of an Order (I) Authorizing the Debtors to Continue to Operate Their Cash Management System and Maintain Existing Bank Accounts and (II) Granting Related Relief (the "Cash Management Motion").

17. Pursuant to the Cash Management Motion, the Debtors seek entry of an order authorizing the Debtors to continue to operate their cash management system and maintain their existing bank accounts, including honoring certain prepetition obligations related thereto.

18. The Debtors maintain an integrated, centralized cash management system (the "Cash Management System"), which is comparable to the centralized cash management systems used by similarly situated companies to manage the cash of operating units in a cost-effective, efficient manner. The Cash Management System is comprised of a total of six

active bank accounts at two different banks or financial institutions (the "Cash Management Banks"), and as of the Petition Date the Debtors have approximately $6.2 million on hand. The Debtors pay approximately $42,000 per year in monthly fees to their Cash Management Banks incurred in connection with the Debtors' accounts (the "Bank Fees"), and owe Bank Fees totaling approximately $3,500 as of the Petition Date.

19. The Debtors use the Cash Management System in the ordinary course of their business to collect, transfer, and disburse funds generated from their operations and to facilitate cash monitoring, forecasting, and reporting. The Debtors maintain daily oversight over the Cash Management System and implement cash management controls for entering, processing, and releasing funds. The Debtors have the capacity to track, and historically have tracked, payments and transfers of funds related to or on account of overriding royalties, working interest owners, and third parties. Further, all of the Debtors' Cash Management Banks have executed a Uniform Depository Agreement with, and are designated as authorized depositories by, the U.S. Trustee pursuant to the *Operating Guidelines and Reporting Requirements for Debtors in Possession and Trustees*.

20. I believe that the continuation of the Debtors' Cash Management System is essential to the Debtors' business. Requiring the Debtors to implement changes to the Cash Management System during these chapter 11 cases would be expensive, burdensome, and unnecessarily disruptive to the Debtors' operations. Importantly, the Cash Management System provides the Debtors with the ability to quickly create status reports on the location and amount of funds, which, in turn, allows management to track and control such funds, ensure cash availability, and reduce administrative costs through a centralized method of coordinating the collection and movement of funds. I believe that any disruption of the Cash Management System could have a

severe and adverse effect on the Debtors' restructuring efforts. Indeed, requiring the Debtors to adopt a new cash management system could adversely affect the Debtors' ability to maximize value. In contrast, I believe that maintaining the current Cash Management System will facilitate the Debtors' transition into chapter 11 by, among other things, minimizing delays in paying postpetition debts and eliminating administrative inefficiencies. Accordingly, on behalf of the Debtors, I respectfully submit that the relief requested in the Cash Management Motion should be approved by the Court.

VI. Debtors' Emergency Motion for Entry of an Order (I) Authorizing the Debtors to (A) Pay Prepetition Wages, Salaries, Other Compensation, and Reimbursable Expenses, and (B) Continue Employee Benefits Programs and (II) Granting Related Relief (the "Wages Motion").

21. Pursuant to the Wages Motion, the Debtors seek entry of an order authorizing, but not directing, the Debtors to (i) pay prepetition wages, salaries, other compensation, and reimbursable expenses, and (ii) continue employee benefits programs in the ordinary course of business, including payment of certain prepetition obligations related thereto.

22. The Debtors employ approximately 40 individuals on a full-time or part-time basis (the "Employees"). Approximately 9 Employees are paid on an hourly basis and approximately 31 Employees receive a salary. None of the Employees are subject to a collective bargaining agreement. The Debtors have a co-employment relationship with Insperity PEO Services, L.P. ("Insperity"), whereby Insperity serves as the legal co-employer of the Employees pursuant to a Client Service Agreement, and handles certain administrative responsibilities for human-resources related functions, including payroll, employee benefits, and payroll taxes (including the employer-paid portion of payroll taxes) for the Employees. The Debtor pays Insperity for the cost of Employee wages and benefits, as well as Insperity's fees for these services.

23. In addition to the Employees, the Debtors also retain from time to time specialized individuals as independent contractors (the "Independent Contractors"), who provide critical support to the Debtors' field operations. The Debtors currently retain approximately 21 Independent Contractors. The Independent Contractors are critical to the operation of the Debtors' business and support the efforts of the Debtors' Employees.

24. To minimize the personal hardship the Employees would suffer if employee obligations are not paid when due or as expected, the Debtors seek authority to pay and honor certain prepetition claims relating to, among other things, Unpaid Wages, Paid Time Off and Other Leave Benefits, Withholding Obligations, Reimbursable Expenses, Company Car Benefits, Health and Welfare Benefits, the 401(k) Plan, the KERP, Non-Employee Workforce Obligations, and other benefits that the Debtors have historically directly or indirectly provided to the Employees in the ordinary course of business (collectively, the "Employee Compensation and Benefits"). In addition, the Debtors also are seeking to pay all costs incident to the Employee Compensation and Benefits. The Debtors seek authority to continue to honor Employee Compensation and Benefits obligations in the ordinary course of business, including $140,000 in aggregate prepetition obligations.

25. The Debtors have funded payroll through the Petition Date and have pre-funded Compensation and Benefits for the next payroll. Therefore, the Debtors do not believe they owe Employees on account of accrued wages earned prepetition, and no employees are owed wages in excess of $12,850.

26. I believe the Employees provide the Debtors with services necessary to conduct the Debtors' business, and absent the payment of the Employee Compensation and Benefits owed to the Employees and Independent Contractors, the Debtors may experience workforce turnover and

instability at this critical time in these chapter 11 cases. The oil and gas industry is a highly specialized business that requires unique technical expertise. I believe that without these payments, the Debtors' workforce may become demoralized and unproductive because of the potential significant financial strain and other hardships the Employees and Independent Contractors may face. Such individuals may then elect to seek alternative employment opportunities.

27. Additionally, a significant portion of the value of the Debtors' business is tied to their workforce, which cannot be replaced without significant efforts—which efforts may not be successful given the overhang of these chapter 11 cases. Enterprise value may be materially impaired to the detriment of all stakeholders in such a scenario. I therefore believe that payment of the prepetition obligations with respect to the Employee Compensation and Benefits is a necessary and critical element of the Debtors' efforts to preserve value and will give the Debtors the greatest likelihood of retention of their workforce as the Debtors seek to operate their business in these chapter 11 cases. Accordingly, on behalf of the Debtors, I respectfully submit that the relief requested in the Wages Motion should be approved by the Court.

VII. Debtors' Emergency Motion for Entry of an Order (I) Approving the Debtors' Proposed Adequate Assurance of Payment for Future Utility Services, (II) Prohibiting Utility Companies from Altering, Refusing, or Discontinuing Services, (III) Approving the Debtors' Proposed Procedures for Resolving Additional Assurance Requests, and (IV) Granting Related Relief (the "Utilities Motion").

28. Pursuant to the Utilities Motion, the Debtors seek entry of an order (a) approving the Debtors' proposed adequate assurance of payment for future utility services, (b) prohibiting utility companies from altering, refusing, or discontinuing services, and (c) approving the Debtors' proposed procedures for resolving adequate assurance requests.

29. In connection with the operation of their business and management of their properties, the Debtors obtain electricity, natural gas, propane, telecommunications, water, waste

management (including sewer and trash), internet, cable, and other similar services (collectively, the "Utility Services") from a number of utility companies or brokers (the "Utility Companies"). On average, the Debtors pay approximately $35,000 each month for third-party Utility Services, calculated as a historical average payment for the six months preceding the Petition Date. To the best of the Debtors' knowledge, there are no defaults or arrearages with respect to the undisputed invoices for prepetition Utility Services. Accordingly, the Debtors estimate that their cost for Utility Services during the next 30 days (not including any deposits to be paid) will be approximately $35,000. To the best of the Debtors' knowledge, the Debtors do not have any existing prepayments with respect to any Utility companies.

30. I believe uninterrupted Utility Services are essential to the Debtors' ongoing business operations, and hence the overall success of these chapter 11 cases. Should any Utility Company refuse or discontinue service, even for a brief period, I believe the Debtors' business operations would be severely disrupted, and such disruption would jeopardize the Debtors' ability to manage their reorganization efforts. Therefore, it is essential that the Utility Services continue uninterrupted during these chapter 11 cases. Accordingly, on behalf of the Debtors, I respectfully submit that the relief requested in the Utilities Motion should be approved by the Court.

VIII. Debtors' Emergency Motion for Entry of an Order (I) Authorizing the Payment of Certain Prepetition Taxes and Fees and (II) Granting Related Relief (the "Taxes Motion").

31. Pursuant to the Taxes Motion, the Debtors seek entry of an order authorizing the Debtors to remit and pay certain prepetition taxes and fees that will become payable during the pendency of these chapter 11 cases. The Debtors estimate that approximately $883,000 in Taxes and Fees relating to the prepetition period will become due and owing to the Authorities after the Petition Date.

32. The Debtors collect, withhold, and incur sales, use, excise, income, withholding, franchise, severance, and property taxes, as well as other business, environmental, and regulatory fees (collectively, the "Taxes and Fees"). The Debtors remit the Taxes and Fees to various federal, state, and local governments, including taxing and licensing authorities. Taxes and Fees are remitted and paid by the Debtors through checks and electronic funds transfers that are processed through their banks and other financial institutions.

33. I believe that failing to pay the Taxes and Fees could materially disrupt the Debtors' business operations. The Authorities could initiate audits, suspend operations, file liens, or seek to lift the automatic stay, which would unnecessarily divert the Debtors' attention from the reorganization process. Further, unpaid Taxes and Fees may result in penalties, the accrual of interest, or both, which could negatively affect the Debtors' business. Finally, the U.S. Trustee requires that debtors pay all tax obligations arising after the Petition Date in full when due.

34. In light of the foregoing, I believe that the relief requested in the Taxes Motion is in the best interests of the Debtors' estates, their creditors, and all other parties in interest, and will enable the Debtors to continue to operate their business during these chapter 11 cases without disruption. Accordingly, on behalf of the Debtors, I respectfully submit that the relief requested in the Taxes Motion should be approved.

IX. Debtors' Emergency Motion for Entry of Interim and Final Orders (I) Authorizing Payment of (A) Obligations Owed to Holders of Mineral and Other Interests and Non-Op Working Interests, (B) Joint Interest Billings, and (C) Limiting Notice, and (II) Granting Related Relief (the "Royalty Payments Motion").

35. Pursuant to the Royalty Payments Motion, the Debtors seek entry of interim and final orders authorizing, but not directing, the payment or application of funds attributable to (i) Mineral and Other Interests and Non-Op Working Interests and (ii) JIBs.

A. Mineral and Other Interests and Non-Working Interests.

36. The Debtors operate and/or have working interests in approximately 248 gross and 114 net oil and gas production sites. In connection with these interests, the Debtors are obligated, pursuant to their oil and gas leases and certain other agreements, to remit to the lessors of the oil and gas leases and holders of certain other interests (collectively, the "Mineral and Other Interests") their share of revenue from the producing wells located on such leases (the "Royalties").

37. In their capacity as operator, the Debtors are also obligated to market oil and gas production on behalf of certain owners of non-operating working interests (the "Non-Op Working Interests"). Following the sale of the marketed production and the receipt of proceeds attributable thereto, the Debtors are obligated to remit to holders of Non-Op Working Interests their share of the proceeds, net of all applicable deductions.

38. The amount of Royalties owed to holders of Mineral and Other Interests in a given month is subject to variation due to many factors, including the specific terms of the Mineral and Other Interests, changes in ownership, and changes in the amount or type of minerals captured. The Debtors generally pay Royalties in an aggregate amount of approximately $5.9 million per month. In the 12 months preceding the Petition Date, the Debtors paid Royalties in an aggregate amount of approximately $64.2 million. These payments are remitted by the Debtors throughout the course of a given month. As a result of the time required to market and sell the production, and the significant accounting process required each month to accurately disburse the resulting proceeds, Royalties generally are paid approximately 28 days following the end of the month in which the underlying oil production has occurred and 56 days following the end of the month in which the underlying gas production has occurred.

39. The Debtors estimate that, as of the Petition Date, there is approximately $21.4 million[4] in outstanding Royalties and Non-Op Working Interests owed to holders of Mineral and Other Interests, approximately $8.1 million of which will become due and owing within the first 21 days of these chapter 11 cases.

40. I believe that failure to forward all required amounts to holders of Mineral and Other Interests and Non-Op Working Interests as and when due could have a material adverse effect upon the Debtors and their operations, including, without limitation, potential cancellation, forfeiture, or termination of oil and gas leases, penalties and interest, initiation of litigation, including turnover actions, conversion and constructive trust claims, and assertion of significant secured claims against property of the Debtors' estates, and, in certain circumstances, attempted removal of the Debtors as operator. I believe payment of Royalties in the ordinary course of business is in the best interests of the Debtors and their creditors.

B. Joint-Interest Billings.

41. Likewise, the Debtors hold Non-Op Working Interests in wells under various joint operating agreements. In such instances, the Debtors receive payments representing their share of production revenues and then reimburse the operators for their share of production costs through payment of joint-interest billings ("JIBs"). Rights to payment of JIBs are often secured under contractual lien rights or statutory lien rights in favor of the operator against the Debtors' interest in the well or are subject to recoupment and setoff.

[4] This amount includes approximately $10.2 million in "suspended funds" that are Royalties due and owing to certain holders of Mineral and Other Interests but are otherwise unpayable for a variety of reasons, including incorrect contact information, unmarketable title, and ongoing disputes over ownership of the underlying interest. Subject to applicable laws, when and to the extent the Debtors are provided evidence or sufficient notice that the issue preventing payment of the suspended funds to particular holders of Mineral and Other Interests is resolved, the Debtors will release the suspended funds in question.

42. The Debtors seek only to remit prepetition JIB payments in the ordinary course of business. As of the Petition Date, the Debtors estimate that there are approximately $9.2 million in JIB payments outstanding, of which approximately $5.7 million will become due and owing in the first 21 days of these chapter 11 cases.

43. I believe that failure to satisfy the prepetition JIBs as they become due will severely inhibit the Debtors' drilling and production operations, as production may completely cease for certain wells, or leases may be lost. The Debtors' ongoing operations depend, to a significant degree, on their relationship with the operators to whom JIB payments are owed. I believe that if these relationships are harmed, either through the nonpayment of JIBs as they become due or through the perceived difficulties of dealing with chapter 11 debtors, the Debtors may encounter particularized controversies with each counterparty, unnecessary costs and distractions, and corresponding harm to their business to the detriment of all parties. As a result, I believe that payment of prepetition JIBs is in the best interests of the Debtors, their estates, and all parties in interest, and should be approved.

44. In light of the foregoing, I believe the relief requested in the Royalty Payments Motion is critical to preserving the value of the Debtors' estates and will enable the Debtors to continue to operate their business in chapter 11 without disruption. Accordingly, on behalf of the Debtors, I respectfully submit that the relief requested in the Royalty Payments Motion should be approved by the Court.

X. Debtors' Emergency Motion for Entry of Interim and Final Orders (I) Approving Notification and Hearing Procedures for Certain Transfers of and Declarations of Worthlessness with Respect to Common Stock and Preferred Stock and (II) Granting Related Relief (the "Equity Trading Procedures Motion").

45. Pursuant to the Equity Trading Procedures Motion, the Debtors seek entry of interim and final orders (a) approving certain notification and hearing procedures related to certain

transfers of, or declarations of worthlessness with respect to, Debtor Gastar Exploration Inc.'s existing common stock or any Beneficial Ownership[5] therein (any such record or Beneficial Ownership of common stock, the "Common Stock");[6] (b) directing that any purchase, sale, other transfer of, or declaration of worthlessness with respect to Common Stock in violation of the those procedures shall be null and void *ab initio*.

46. As of June 30, 2018, the Debtors estimate that they have net operating losses in the amount of approximately $584.0 million (the "Tax Attributes"), and further estimate that they may generate additional Tax Attributes in the 2018 tax year.

47. The Tax Attributes are of significant value to the Debtors and their estates. I believe that an ownership change of Common Stock may negatively affect the Debtors' utilization of the Tax Attributes. I believe it is necessary to closely monitor certain transfers of Common Stock so as to be in a position to act expeditiously to prevent such transfers, if necessary, with the purpose of preserving the Tax Attributes. Certain transfers or worthless stock deductions with respect to Beneficial Ownership of Common Stock or Preferred Stock effected before the effective date of the Debtors' emergence from chapter 11 protection may trigger an "ownership change" for IRC purposes, severely endangering the Debtors' ability to utilize the Tax Attributes

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[5] "Beneficial Ownership" will be determined in accordance with the applicable rules of sections 382 and 383 of the Internal Revenue Code of 1986, 26 U.S.C. §§ 1–9834 as amended (the "IRC"), and the Treasury Regulations thereunder (other than Treasury Regulations Section 1.382-2T(h)(2)(i)(A)), and includes direct, indirect, and constructive ownership (*e.g.*, (1) a holding company would be considered to beneficially own all equity securities owned by its subsidiaries, (2) a partner in a partnership would be considered to beneficially own its proportionate share of any equity securities owned by such partnership, (3) an individual and such individual's family members may be treated as one individual, (4) persons and entities acting in concert to make a coordinated acquisition of equity securities may be treated as a single entity, and (5) a holder would be considered to beneficially own equity securities that such holder has an Option to acquire). An "Option" to acquire stock includes all interests described in Treasury Regulations Section 1.382-4(d)(9), including any contingent purchase right, warrant, convertible debt, put, call, stock subject to risk of forfeiture, contract to acquire stock, or similar interest, regardless of whether it is contingent or otherwise not currently exercisable.

[6] For the avoidance of doubt, the definition of Common Stock shall not include any securities issued in connection with a chapter 11 plan of reorganization of the Debtors.

and causing substantial damage to the Debtors' estates. The mechanical operation of the rules under section 382 of the IRC therefore makes it critical for the Debtors to preserve Tax Attributes. Accordingly, on behalf of the Debtors, I respectfully submit that the relief requested in the Equity Trading Procedures Motion should be approved by the Court.

XI. Debtors' Emergency Motion for Entry of an Order (A) Authorizing the Debtors to (I) Continue Insurance Coverage Entered into Prepetition and Satisfy Prepetition Obligations Related Thereto, (II) Renew, Amend, Supplement, Extend, or Purchase Insurance Policies, (III) Continue the Surety Bond Program, and (B) Granting Related Relief (the "Insurance Motion").

48. Pursuant to the Insurance Motion, the Debtors seek entry of an order authorizing the Debtors to (a) continue insurance coverage entered into prepetition and satisfy prepetition obligations related thereto in the ordinary course of business, (b) renew, supplement, or purchase insurance coverage in the ordinary course of business, and (c) continue and renew their surety bond program on an uninterrupted basis.

49. In the ordinary course of business, the Debtors maintain approximately 12 insurance policies (collectively, the "Insurance Policies") administered by multiple third-party insurance carriers. The Insurance Policies provide the Debtors with coverage for, among other things, property, general liability, automobile liability, excess umbrella liability, directors and officers liability, employment practices liability, fiduciary liability, well policy insurance, and pollution and environmental legal liability. The aggregate annual premium for the Insurance Policies is approximately $1.0 million, not including applicable taxes and surcharges, deductibles, broker and consulting fees, and commissions. As of the Petition Date, the Debtors do not believe they owe any amounts on account of the Insurance Policies.

50. I believe that continuation of the Insurance Policies and entry into new insurance policies and premium financing agreements, as required in the ordinary course of business, is essential to the preservation of the value of the Debtors' properties and assets. Moreover, in many

instances, insurance coverage is required by the regulations, laws, and contracts that govern the Debtors' commercial activities, including the requirement by the U.S. Trustee that a debtor maintain adequate coverage given the circumstances of its chapter 11 case.

51. The Debtors are also required to provide surety bonds to certain third parties in the ordinary course of business to secure the Debtors' payment or performance of certain obligations, including reclamation obligations. As of the Petition Date, the Debtors have 4 surety bonds totaling $135,000 outstanding. The annual premiums for the Debtors' bonds total approximately $1,890. As of the Petition Date, the Debtors do not believe that they owe any amounts to the Surety on account of the annual premiums or any other prepetition obligations.

52. Failing to provide, maintain, or timely replace their surety bonds will prevent the Debtors from complying with their state law obligations and undertaking essential functions related to their operations. To continue their business operations during the reorganization process, the Debtors must be able to provide financial assurance to state governments, regulatory agencies, and other third parties. The issuance of a surety bond shifts the risk of the Debtors' nonperformance or nonpayment from the Debtors to a surety, and the inability to provide, maintain, or timely replace their surety bonds will jeopardize the Debtors' ability to manage their reorganization efforts. Accordingly, on behalf of the Debtors, I respectfully submit that the relief requested in the Insurance Motion should be approved by the Court.

XII. Debtors' Emergency Motion for Entry of Interim and Final Orders Authorizing the Debtors to Pay Prepetition Claims in the Ordinary Course of Business (the "All Trade Motion").

53. Pursuant to the All Trade Motion, the Debtors seek entry of interim and final orders (a) authorizing, but not directing, the Debtors to pay allowed prepetition claims (collectively, the

"Accounts Payable Claims")[7] of certain general unsecured creditors and creditors whose Accounts Payable Claims may give rise to liens under certain state and federal laws, that are not Debtors or "affiliates" (as such term is defined in section 101(2) of the Bankruptcy Code) of the Debtors (collectively, the "Creditors") in the ordinary course of business, in an amount up to $10.6 million on an interim basis and all amounts upon entry of the Final Order. Additionally, the Debtors seek that the orders: (a) provide that if a Creditor is subject to a prepetition contract with the Debtors (the terms of such prepetition contract, the "Customary Terms"), the Debtors are authorized, but not directed, to condition payment of Accounts Payable Claims on a Creditor's maintenance or application, as applicable, of contractual terms during the pendency of these chapter 11 cases that are at least as favorable to the Debtors as those Customary Terms; and (b) require that if a Creditor, after receiving a payment under the Interim Order or Final Order, ceases to provide Customary Terms, then the Debtors may, in their sole discretion, deem such payment to apply instead to any postpetition amount that may be owing to such Creditor or treat such payment as an avoidable postpetition transfer of property.

54. The Creditors provide the Debtors with goods and services in the ordinary course of business, including, among other things, materials, equipment, or supplies used in the drilling, operating, or maintenance of oil and gas property and other basic business necessities for the operation of the Debtors' businesses. Correspondingly, the Debtors incur numerous fixed, liquidated, and undisputed payment obligations to the Creditors in the ordinary course of business that aggregated to approximately $163.3 million for the twelve months preceding the Petition Date.

[7] As used herein, the term "Accounts Payable Claims" includes no obligation the Debtors seek to pay under separate motion. Nothing contained herein is intended or should be construed as an admission as to the validity of any claim against the Debtors or a waiver of the Debtors' rights to dispute any asserted claim.

55. The following table contains descriptions of the Accounts Payable Claims, and the Debtors' estimate of the net amounts of the Accounts Payable Claims accrued as of the Petition Date, and, of those amounts, the net amounts that are due in the ordinary course of business within 25 days of the Petition Date.

Category	Description	Approximate Amount Accrued as of Petition Date	Approximate Amount Due Within 25 Days
Operating Expenses	Lease operating expenses on account of their working interests in the oil and gas leases and on behalf of the non-operating working interest owners	$10.0 million[8]	$5.0 million
Operated Drilling and Completion	Drilling and completion costs associated with the Debtors operated wells	$15.0 million[9]	$3.5 million
Land Costs	Costs associated with acquiring and maintaining mineral rights.	$1.5 million	$1.5 million
Legal, Operations, Financial, and Human Resources	Litigation accrual, legal firms and services, general operations and human resources services, labor relations and recruiting services, accounting, audit, tax, and other financial services	$2.1 million	$0.6 million
Total		**$28.6 million**	**$10.6 million**

A. Payment of Operating Expenses.

56. The Debtors are operators under the majority of their oil and gas leases. As operators, the Debtors are responsible for paying all of the lease operating expenses (the "Operating Expenses") on account of their working interests in the oil and gas leases and on

[8] As described below, approximately $3.0 million will be reimbursed by owners of non-operating working interests, $1.5 million of which is related to amounts to be paid during the interim period.

[9] As described below, approximately $2.6 million will be reimbursed by owners of non-operating working interests, $600,000 of which is related to amounts to be paid during the interim period.

behalf of the non-operating working interest owners. The Debtors seek reimbursement from non-operating interest owners for their *pro rata* share of the Operating Expenses.

57. Operating Expenses commonly include payments to third parties that perform labor or furnish or transport materials, equipment, or supplies used in the operating or maintenance of an oil and gas property. Operating Expenses typically are not uniform and are not entirely predictable on a month-to-month basis. In the twelve months preceding the Petition Date, the Debtors paid approximately $32.3 million in Operating Expenses, approximately $9.7 million of which was reimbursed by non-operating working interest owners. The Debtors have incurred as of the Petition Date and expect to continue to incur Operating Expenses in connection with drilled wells. Continued, timely payment of such Operating Expenses is necessary to preserve and maximize the value of the Debtors' existing wells.

58. I believe that failure to pay Operating Expenses could jeopardize the Debtors' ability to manage their reorganization efforts. Regardless of when an operator is reimbursed by non-operating working interest owners, the operator must continue to pay Operating Expenses in a timely fashion. Failure to pay Operating Expenses when due could result in, among other remedies, the operator's removal as operator under a joint operating agreement and/or the perfection and enforcement of liens on the Debtors' assets. Further, Creditors may be facing financial hardship in the severely distressed oil and gas sector or may be able to contract with competitors of the Debtors, and the Debtors' failure to pay Accounts Payable Claims may result in Creditors stopping work for or deliveries to the Debtors, which may severely disrupt the Debtors' businesses before the Debtors would be able to successfully bring an action in the Court to compel performance or otherwise enforce the automatic stay. Also, the Debtors interact with the Creditors pursuant to a variety of arrangements, including arrangements that are not executory

in nature. The counterparty of such an arrangement may not agree to continue to do business with the Debtors unless paid on account of prepetition amounts due from the Debtors and would be under no obligation to do so.

59. Material disruption to the Debtors' businesses that may result from nonpayment of the Accounts Payable Claims could threaten the Debtors' ability to consummate their restructuring. The goods and services the Creditors provide are absolutely necessary for the Debtors to conduct their business in the ordinary course, and it is prudent that the Debtors take any and all reasonable steps necessary to avoid imperiling the restructuring, including paying the Accounts Payable Claims, subject to the Creditors performing their obligations in accordance with Customary Terms. I therefore believe it is important that the Debtors obtain approval to pay prepetition Operating Expenses and to continue paying such Operating Expenses in the ordinary course of business on a postpetition basis.

B. Drilling and Completion Costs.

60. In the months preceding the Petition Date, the Debtors incurred costs associated with drilling and completing a number of oil and gas wells they operate. As the operators, the Debtors are responsible for paying all of the costs associated with drilling and completing a well (the "Drilling and Completion Costs") on account of their working interest in the oil and gas leases and on behalf of the non-operating working interest owners. The Debtors seek reimbursement from non-operating interest owners for their pro rata share of the Operating Expenses.

61. Drilling and Completion Costs commonly include payments to third parties that perform labor or furnish or transport materials, equipment, or supplies used in the drilling or completion of an oil and gas well.

62. In the twelve months preceding the Petition Date, the Debtors paid approximately $109.1 million in Drilling and Completion Costs, approximately $19.1 million of

which was reimbursed by non-operating working interest owners. The Debtors elected to suspend their drilling program commencing August 2018. Nonetheless, the Debtors, as of the Petition Date, have a significant amount of Drilling and Completion Costs that remain unpaid. Continued, timely payment of such Drilling and Completion Costs is necessary to preserve and maximize the value of the Debtors' existing wells and to allow the Debtors to commence drilling operations in a timely manner post emergence.

63. As of the Petition Date, the Debtors estimate that they have approximately $15.0 million of prepetition Drilling and Completion Costs outstanding, approximately $3.5 million of which will come due and owing within the first 25 days of these chapter 11 cases, and for which they will be reimbursed approximately $600,000 by owners of non-operating working interests. The Debtors request approval to pay up to $3.5 million of the prepetition Drilling and Completion Costs on an interim basis and to continue paying prepetition Drilling and Completion Costs in the ordinary course of business on a postpetition basis.

64. I believe that failure to pay Drilling and Completion Costs could jeopardize the Debtors' ability to manage their reorganization efforts. Failure to pay Drilling and Completion Costs when due could result in, among other remedies, the operator's removal as operator under the applicable joint operating agreement or similar arrangement or, as discussed in greater detail below, the perfection and enforcement of liens on the Debtors' assets.[10] Indeed, certain parties have already placed liens on the Debtors' assets on account of unpaid prepetition Drilling and Completion Costs. Continued, timely payment of such Drilling and Completion Costs is necessary to preserve and maximize the value of the Debtors' existing wells and to allow the Debtors to

[10] *See* Okla. St. Ann. tit. 42 § 144 (providing liens for any "person, corporation, or co-partnership" that performs labor or services or furnishes materials used in connection with any oil or gas well).

commence drilling operations in a timely manner post emergence. I therefore believe it is important that the Debtors obtain approval to pay prepetition Drilling and Completion Costs and to continue paying such Drilling and Completion Costs in the ordinary course of business on a postpetition basis.

C. Land Costs.

65. The Debtors incur costs associated with maintaining and acquiring good title to their mineral and royalty interests (the "Land Costs"). Land Costs include payments made to third parties who own property interests that are critical to the drilling, operating, or maintaining of an oil and gas property. Such payments can take the form of lump sum payments, rentals, extensions, minimum payments, or damage payments made to surface or mineral interest owners.

66. Land Costs are not uniform and are not entirely predictable on a month-to-month basis. In the twelve months preceding the Petition Date, the Debtors paid approximately $17.2 million in Land Costs. Preserving and maintaining oil and gas interests is necessary to preserve and maximize the value of the Debtors' existing wells.

67. As of the Petition Date, the Debtors estimate that they have approximately $1.5 million of prepetition Land Costs outstanding, approximately $1.5 million of which will come due and owing within the first 25 days of these chapter 11 cases. The Debtors request approval to pay up to $1.5 million of the prepetition Land Costs on an interim basis and to continue paying prepetition Land Costs in the ordinary course of business on a postpetition basis. I believe that failure to pay Land Costs could jeopardize the Debtors' ability to manage their reorganization efforts. Land Costs are incurred to preserve and maintain oil and gas interests and are necessary to preserve and maximize the value of the Debtors' existing wells. I therefore believe it is important that the Debtors obtain approval to pay prepetition Land Costs and to continue paying such Land Costs in the ordinary course of business on a postpetition basis.

D. Legal, Operations, Financial, and Human Resources.

68. In the normal course of business the Debtors incur costs associated with litigation, general operations, and human resources services, labor relations and recruiting services, accounting, audit, tax, legal, and other financial services all associated with running the day-to-day operations of an Oil and Gas Company (the "G&A Expenses").

69. In the twelve months preceding the Petition Date, the Debtors paid approximately $4.7 million in G&A Expenses. As of the Petition Date, the Debtors estimate that they have approximately $2.1 million of prepetition G&A Expenses outstanding, approximately $600,000 of which will come due and owing within the first 25 days of these chapter 11 cases.

70. I believe that failure to pay G&A Expenses could jeopardize the Debtors' ability to manage their reorganization efforts. G&A Expenses go to the heart of the Debtors' business operations, and maintaining the Debtors' core business is essential to preserving and maximizing the value of the Debtors' estates and allowing the Debtors to manage their reorganization efforts. I therefore believe it is important that the Debtors obtain approval to pay prepetition G&A Expenses and to continue paying such G&A Expenses in the ordinary course of business on a postpetition basis.

71. Accordingly, on behalf of the Debtors, I respectfully submit that the relief requested in the All Trade Motion should be approved by the Court.

[*Remainder of page intentionally left blank.*]

Exhibit B

Restructuring Support Agreement

THIS RESTRUCTURING SUPPORT AGREEMENT IS NOT AN OFFER WITH RESPECT TO ANY SECURITIES OR A SOLICITATION OF ACCEPTANCES OF A CHAPTER 11 PLAN WITHIN THE MEANING OF SECTION 1125 OF THE BANKRUPTCY CODE. ANY SUCH OFFER OR SOLICITATION WILL COMPLY WITH ALL APPLICABLE SECURITIES LAWS AND/OR PROVISIONS OF THE BANKRUPTCY CODE. NOTHING CONTAINED IN THIS RESTRUCTURING SUPPORT AGREEMENT SHALL BE AN ADMISSION OF FACT OR LIABILITY OR, UNTIL THE OCCURRENCE OF THE AGREEMENT EFFECTIVE DATE ON THE TERMS DESCRIBED IN THIS RESTRUCTURING SUPPORT AGREEMENT, DEEMED BINDING ON ANY OF THE PARTIES TO THIS RESTRUCTURING SUPPORT AGREEMENT.

RESTRUCTURING SUPPORT AGREEMENT

This Restructuring Support Agreement (this agreement, including all exhibits and schedules attached hereto, as each may be amended, restated, supplemented, or otherwise modified from time to time in accordance with the terms hereof, this "**Agreement**")[1] is made and entered into as of October 26, 2018, by and among the following parties (each of the parties described in Sub-Clauses (i), (ii), and (iii), a "**Party**" and, collectively, the "**Parties**"):

i. Gastar Exploration Inc. ("**Gastar**"); its undersigned subsidiary Northwest Property Ventures LLC; and any other future subsidiary of Gastar (each a "**Company Party**" and collectively, the "**Company**" or the "**Company Parties**");

ii. AF V Energy I Holdings, L.P., as a lender (the "**Consenting Term Lender**") party to the Third Amended and Restated Credit Agreement, dated March 3, 2017 (as amended, restated, modified, or supplemented from time to time, the "**Term Credit Agreement**"), by and among Gastar, as borrower, the guarantors specified in the Term Credit Agreement or in related transaction documentation, the lenders from time to time party thereto and Wilmington Trust, National Association, as administrative agent and collateral agent (solely in such capacities, the "**Term Agent**");

iii. the undersigned holders of notes (the "**Second Lien Notes**") issued pursuant to the Indenture dated March 3, 2017 (as amended, restated, modified or supplemented from time to time, the "**Second Lien Indenture**"), by and among Gastar, as issuer, the guarantors specified in the Second Lien Indenture or in related transaction documentation, and Wilmington Trust, National Association, as trustee and collateral agent (solely in such capacities, the "**Second Lien Trustee**") and any other holder of Second Lien Notes that may become party to this Agreement pursuant to Section 6 below (collectively, the "**Consenting Second Lien Noteholders**" and, together with the Consenting Term Lender, the "**Consenting Creditors**"); and

iv. the entities identified on Annex 1 to the Restructuring Term Sheet, in their capacities as holders of Gastar's outstanding common shares (such common shares, together with any and all outstanding and unexercised or unvested warrants, options or rights to acquire Gastar's currently outstanding equity, the "**Existing Common Equity**") (in

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[1] Capitalized terms used but not otherwise defined in this document have the meanings ascribed to such terms in the term sheet attached to this Agreement as **Exhibit A** (the "**Restructuring Term Sheet**"), subject to Section 2 hereof.

such capacities, the "**Ares Equity Holders**"; together with the Consenting Creditors, the "**Consenting Parties**").

RECITALS

WHEREAS, the Parties have engaged in good faith, arm's-length negotiations regarding the restructuring and recapitalization of the Company, including with respect to the Company's respective obligations under the Term Credit Agreement and the Second Lien Indenture;

WHEREAS, the Parties desire to effectuate a restructuring of the Company as set forth in the Restructuring Term Sheet. Such restructuring shall be implemented pursuant to a "prepackaged" chapter 11 plan of reorganization (as may be amended or supplemented from time to time in accordance with the terms of this Agreement, the "**Plan**") reflecting the Economic Terms set forth in Restructuring Term Sheet and the various transactions set forth in or contemplated by the Restructuring Term Sheet, the DIP Term Sheet (defined below) and the Exit Term Sheet (defined below) (collectively, the "**Restructuring Transaction**");

WHEREAS, the Company will commence solicitation of the Plan prior to the commencement of the Chapter 11 Cases. In connection with such solicitation, the Company shall prepare and deliver to all classes of claims entitled to vote on the Plan a disclosure statement relating to the Plan (as may be amended or supplemented from time to time in accordance with the terms of this Agreement, the "**Disclosure Statement**");

WHEREAS, the Company will commence voluntary cases under chapter 11 of the Bankruptcy Code[2] (the "**Chapter 11 Cases**") in the United States Bankruptcy Court for the Southern District of Texas (the "**Bankruptcy Court**");

WHEREAS, upon commencement of such Chapter 11 Cases, the Company will file the Plan and the Disclosure Statement, seek approval of the Disclosure Statement, and seek confirmation of the Plan, in each case, in accordance with the milestones and other terms set forth in the Restructuring Term Sheet;

WHEREAS, subject to the conditions set forth in this Agreement, certain Consenting Parties and/or their affiliates have agreed to provide, on a committed basis, the Company with superpriority debtor-in-possession financing (the "**DIP Facility**") on terms set forth in the term sheet attached to this Agreement as Exhibit D (the "**DIP Term Sheet**");

WHEREAS, among other things, the DIP Facility will fund the operations of the Company through the consummation of the Restructuring Transaction on the terms and subject to the conditions set forth in the DIP Term Sheet;

WHEREAS, subject to the conditions set forth in this Agreement, certain Consenting Parties and/or their affiliates have agreed to provide on a committed basis the Company with an exit financing term loan facility (the "**Exit Facility**") on the terms set forth in the term sheet

[2] "**Bankruptcy Code**" means title 11 of the United States Code, as amended.

attached to this Agreement as Exhibit E (the "**Exit Facility Term Sheet**" and, together with the DIP Term Sheet, the "**Term Sheets**"); and

WHEREAS, the following sets forth the agreement among the Parties concerning their respective rights and obligations in respect of the Restructuring Transaction.

NOW, THEREFORE, in consideration of the covenants and agreements contained in this Agreement, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Party, intending to be legally bound by this Agreement, agrees as follows:

AGREEMENT

Section 1. ***Agreement Effective Date***. This Agreement shall become effective and binding upon each of the Parties on the date: (a) each of the Company Parties has executed and delivered counterpart signature pages of this Agreement to counsel to the Consenting Parties; (b) holders of 100% of the aggregate principal amount of all claims outstanding under the Term Credit Agreement (any such claims, the "**Term Loan Claims**") have executed and delivered to the Company counterpart signature pages of this Agreement; (c) holders of 100% of the aggregate principal amount of all claims outstanding under the Second Lien Indenture (any such claims, the "**Second Lien Claims**") have executed and delivered to the Company counterpart signature pages of this Agreement; and (d) the Ares Equity Holders have executed and delivered to the Company counterpart signature pages of this Agreement (such date, the "**Agreement Effective Date**").

Section 2. ***Exhibits and Schedules Incorporated by Reference***. Each of the exhibits to this Agreement (including, but not limited to, the Restructuring Term Sheet, the DIP Term Sheet, and the Exit Facility Term Sheet) and any schedules or annexes to such exhibits (collectively, the "**Exhibits and Schedules**") is expressly incorporated into, and made a part of, this Agreement. As used in this Agreement, all references to this Agreement shall include the Exhibits and Schedules. In the event of any inconsistency between this Agreement (without reference to the Exhibits and Schedules) and the Exhibits and Schedules, this Agreement (without reference to the Exhibits and Schedules) shall govern.

Section 3. ***Definitive Documentation***.

(a) The definitive documents and agreements governing the Restructuring Transaction (collectively, the "**Definitive Documents**") shall consist of this Agreement and each of the following documents:

(i) the Plan (and all exhibits to the Plan);

(ii) the Disclosure Statement and the other solicitation materials in respect of the Plan (such materials, collectively, the "**Solicitation Materials**");

(iii) the order of the Bankruptcy Court (x) confirming the Plan, (y) approving the Disclosure Statement and Solicitation Materials as containing, among other things, "adequate information" as required by section 1125 of the Bankruptcy Code and (z) approving the prepetition and/or postpetition solicitation of the Plan (the "**Confirmation Order**");

(iv) all other documents that are contained in any supplements filed in connection with the Plan (collectively, the "**Plan Supplement**");

(v) (1) the interim order or orders authorizing the use of cash collateral and the DIP Facility (each, an "**Interim DIP Order**") and (2) the final order or orders authorizing the use of cash collateral and the DIP Facility (each, a "**Final DIP Order**" and together with each Interim DIP Order, collectively, the "**DIP Orders**");

(vi) the post-petition debtor-in-possession credit agreement (the "**DIP Credit Agreement**") for the DIP Facility to be entered into in accordance with the DIP Orders by the Company Parties, Wilmington Trust, National Association, as administrative agent, and the lenders party thereto, including any amendments, modifications, supplements thereto, and together with any related notes, certificates, agreements, security agreements, documents, and instruments (including any amendments, restatements, supplements, or modifications of any of the foregoing) related to or executed in connection therewith (together with the DIP Credit Agreement, collectively, the "**DIP Loan Documents**");

(vii) the agreements memorializing any exit financing facilities, including any amendments, modifications, supplements thereto, and together with any related notes, certificates, agreements, intercreditor agreements, security agreements, documents, and instruments (including any amendments, restatements, supplements, or modifications of any of the foregoing) related to or executed in connection with any exit financing (collectively, the "**Exit Financing Documents**");

(viii) any documents relating to the formation, organization or governance of any Company Party or the rights of holders or interests, directly or indirectly, in any Company Party (collectively, the "**Governance Documents**"); and

(ix) the Hedge Party Restructuring Support Agreement dated as of October 26, 2018 (including all exhibits and schedules attached thereto, as each may be amended, restated, supplemented, or otherwise modified from time to time, the "**Hedge RSA**") by and between the Company Parties and the Hedge Parties (as defined in the Hedge RSA), in their capacities as holders of claims arising under or related to the Debtors' prepetition hedging and/or swaps program (the "**Hedge Obligations**"), including any market-to-market liability outstanding as of the Petition Date or any net claims arising out of any termination thereof on or prior to the Petition Date).

(b) Certain of the Definitive Documents remain subject to negotiation and completion and shall, upon completion, contain terms, conditions, representations, warranties, and covenants consistent with the terms of this Agreement. Except as provided in the immediately succeeding sentence, all such Definitive Documents shall be in form and substance reasonably acceptable to the Company Parties and the Consenting Parties. Notwithstanding the foregoing, (i) the Plan, the Plan Supplement (but excluding any Governance Documents in such Plan Supplement), the Disclosure Statement, the DIP Orders, the DIP Loan Documents, and the Exit Financing Documents shall each be in form and substance satisfactory to the Consenting Parties and the Company Parties, each in their sole discretion, and (ii) each of the Governance Documents shall be in form and substance satisfactory solely to the Consenting Parties in their sole discretion.

Section 4. ***Milestones***. As provided in and subject to Section 5.02, the Company shall implement the Restructuring Transaction in accordance with, and within the time contemplated for the satisfaction of, the milestones set forth in the Restructuring Term Sheet (the "**Milestones**"). Each Milestone shall be subject to extension or waiver only in the sole discretion of the Consenting Parties.

Section 5. ***Commitments Regarding the Restructuring Transaction***.

5.01. Commitment of the Consenting Parties.

(a) From the Agreement Effective Date until the occurrence of a Termination Date (as defined in Section 12.05) applicable to the Consenting Parties, each of the Consenting Parties agrees (on a several but not joint basis) to:

(i) to the extent permitted to vote to accept or reject the Plan (and subject to the actual receipt by such Consenting Party of the Disclosure Statement and the Solicitation Materials, in each case, approved by the Bankruptcy Court as containing "adequate information" as such term is defined in section 1125 of the Bankruptcy Code), vote each of its claims against the Company (including each of its Term Loan Claims, Second Lien Claims, and any other claims against the Company (such claims the "**Debtor Claims**")) and any interests in the Company (such interests, the "**Debtor Interests**" and collectively with the Debtor Claims, the "**Debtor Claims/Interests**") to accept the Plan by delivering its duly executed and completed ballot(s) accepting the Plan on a timely basis;

(ii) negotiate in good faith the Definitive Documents and use reasonable best efforts to take any and all necessary and appropriate actions in furtherance of the Restructuring Transaction, the Plan and this Agreement;

(iii) use reasonable best efforts to support and take all actions necessary or appropriate to facilitate the solicitation, confirmation and consummation of the Restructuring Transaction and the Plan;

(iv) consent to and use reasonable best efforts to support the release, discharge, exculpation, and injunction provisions contained in the Definitive Documents and, if applicable, not "opt out" of such provisions in the Plan;

(v) not (A) object to or join in any objection to, and use reasonable best efforts to support approval of the Solicitation Materials, the Disclosure Statement Order, the DIP Orders, and the Confirmation Order, or (B) file any motion, pleading, or other document with the Bankruptcy Court or any other court (including any modifications or amendments thereof) that is not materially consistent with this Agreement or the Plan;

(vi) not change or withdraw (or cause to be changed or withdrawn) any vote(s) to accept the Plan. However, if a Termination Date occurs before consummation of the Restructuring Transaction, to the greatest extent permitted by law, all votes tendered by such Consenting Parties to accept the Plan shall be immediately revoked and deemed void *ab initio* in accordance with Section 12;

(vii) not (A) object to, delay, impede, or knowingly take any other action to interfere with the acceptance, implementation, or consummation of the Restructuring Transaction, (B) propose, file, support, or vote for any actual or proposed transaction involving any or all of (1) another financial and/or corporate restructuring of the Company, (2) the issuance, sale, or other disposition of any equity or debt interests, or any material assets, of the Company, or (3) a merger, acquisition, disposition, consolidation, business combination, joint venture, liquidation, dissolution, winding up, assignment for the benefit of creditors, recapitalization, refinancing, or similar transaction involving the Company, other than the Restructuring Transaction (each, an "**Alternative Transaction**"), or (C) support, encourage or direct any other person or entity to take any action prohibited by either (A) or (B) of this Section 5.01(a)(vii).

(b) Notwithstanding the foregoing, nothing in this Agreement and neither a vote to accept the Plan by any Consenting Party nor the acceptance of the Plan by any Consenting Party shall: (i) be construed to prohibit any Consenting Party from contesting whether any matter, fact, or thing is a breach of, or is inconsistent with, this Agreement or the other Definitive Documents, complying with applicable law, or exercising any rights (including any consent and approval rights contemplated under this Agreement or the other Definitive Documents) or remedies specifically reserved in this Agreement or the other Definitive Documents; (ii) be construed to prohibit or limit any Consenting Party from appearing as a party-in-interest in any matter to be adjudicated in the Chapter 11 Cases, so long as, during the period from the Agreement Effective Date until the occurrence of a Termination Date (as defined in Section 12.05) applicable to any Party (the "**Effective Period**"), such appearance and the positions advocated are not inconsistent with this Agreement; or (iii) impair or waive the rights of any Consenting Party to assert or raise any objection permitted under this Agreement in connection with any hearing on confirmation of the Plan or in the Bankruptcy Court. For the avoidance of doubt, any delay or other effect on consummation of the Restructuring Transaction contemplated by the Plan caused by a Consenting Party's opposition to: (x) any relief that is inconsistent (other than to a de minimis extent, but, in no event, if adverse to the Company Parties) with such Restructuring Transaction; (y) a motion by the Company to enter into, amend, modify, assume or reject an executory contract, lease, or other arrangement outside of the ordinary course of its business without obtaining the prior written consent of the Consenting Parties; or (z) any relief that is adverse to the interests of the Consenting Parties sought by the Company (or any other party) in violation of this Agreement, shall, in each case, not constitute a violation of this Agreement.

5.02. Commitment of the Company.

(a) From the Agreement Effective Date until the occurrence of a Termination Date applicable to the Company, the Company Parties agree, and agree to cause any of their direct and indirect subsidiaries to:

(i) negotiate in good faith all Definitive Documents and take any and all necessary and appropriate actions in furtherance of the Restructuring Transaction, the Plan, and this Agreement, including, but not limited to, the timely filing of the Plan, the Disclosure Statement, and any other pleadings or documents necessary to obtain confirmation of the Plan and approval of the Disclosure Statement with the Bankruptcy Court, the submission of verified declarations and other customary evidence in support of confirmation of the Plan and approval of

the Disclosure Statement, and making available any expert witnesses and key management of the Company for any and all proceedings involving the Plan and Disclosure Statement;

(ii) seek orders of the Bankruptcy Court in respect of the Restructuring Transaction, including approval of the Solicitation Materials, the Disclosure Statement Order, the DIP Orders, and the Confirmation Order;

(iii) support and seek to consummate the Restructuring Transaction in accordance with this Agreement within the time-frames contemplated under this Agreement and in compliance with each Milestone.

(iv) negotiate, execute and deliver any other agreements necessary to effectuate and consummate the Restructuring Transaction;

(v) use reasonable best efforts to obtain any and all regulatory and/or third-party approvals necessary or appropriate in connection with the Restructuring Transaction. For the avoidance of doubt, for purposes of the foregoing sentence and Section 12.02(c), "reasonable best efforts" with respect to an undertaking means the obligation to take all actions that a reasonable person desirous of achieving the result in question would use in similar circumstances to achieve such result as expeditiously as practicable, and shall include, without limitation, the obligation to incur costs, expend resources, engage advisors of recognized standing, and instruct such advisors to take all reasonable actions necessary or advisable to attain the applicable result that is the object of the undertaking in question;

(vi) pay the reasonable and documented fees and expenses of the Consenting Parties as set forth in Section 13 of this Agreement;

(vii) timely file an objection with the Bankruptcy Court to any motion filed with the Bankruptcy Court by a party seeking the entry of an order: (1) directing the appointment of a trustee or examiner (with expanded powers beyond those set forth in section 1106(a)(3) and (4) of the Bankruptcy Code); (2) converting any of the Chapter 11 Cases to a case under chapter 7 of the Bankruptcy Code; (3) dismissing any of the Chapter 11 Cases; or (4) modifying or terminating the Company's exclusive right to file and/or solicit acceptances of a plan of reorganization, as applicable;

(viii) support and use commercially reasonable efforts to consummate the DIP Facility pursuant to the DIP Orders and the DIP Loan Documents (including the refinancing of the Term Loans with the DIP Loans);

(ix) timely file a formal objection, in form and substance acceptable to the Consenting Parties, to any motion, application, or adversary proceeding: (A) challenging the validity, enforceability, perfection, or priority of, or seeking avoidance or subordination of, any portion of the Term Loan Claims or Second Lien Claims; or (B) asserting any other cause of action against and/or with respect or relating to such claims or the prepetition liens securing such claims;

(x) to the extent that any legal or structural impediment arises that would prevent, hinder, or delay the consummation of the transactions contemplated in this Agreement or the Plan, negotiate in good faith appropriate additional or alternative provisions to address any

such impediment that are consistent with this Agreement or otherwise acceptable to the Consenting Parties;

(xi) if the Company knows of a breach by any Company Party in respect of any of the obligations, representations, warranties, or covenants of the Company set forth in this Agreement, furnish prompt written notice (and in any event within two (2) calendar days of such knowledge) to the Consenting Parties and promptly take all reasonably available remedial action necessary to cure such breach by any such Company Party;

(xii) in consultation with the Consenting Parties, timely file a formal response to any motion or other pleading filed with the Bankruptcy Court by any party objecting to approval of the Solicitation Materials, the Disclosure Statement Order, the DIP Orders, the Confirmation Order, or any other Definitive Documents contemplated under this Agreement;

(xiii) operate their business in the ordinary course, taking into account the Restructuring Transaction;

(xiv) not enter into an executory contract, lease, or other arrangement outside of the ordinary course of its business without obtaining the prior written consent of the Consenting Parties;

(xv) not assume or reject any executory contract or unexpired lease without obtaining the prior written consent of the Consenting Parties.

(xvi) (A) not modify, amend, supplement, waive any portion of, or terminate the Plan or any other Definitive Documents, in whole or in part, in a manner inconsistent (other than to a de minimis extent, but, in no event, in a manner adverse to the Company Parties) with this Agreement, subject to Section 14 of this Agreement, and (B) take any and all reasonably necessary and appropriate actions in furtherance and support of the effectuation of the transactions contemplated by, and the performance of the terms set forth in, the Hedge RSA (including, without limitation, by complying with the obligations of the Company Parties under the Hedge RSA and seeking to cause the other parties to the Hedge RSA to satisfy their respective obligations under such agreement); and

(xvii) not directly or indirectly: (A) delay, impede, or take any other action to interfere with the acceptance, implementation, or consummation of the Restructuring Transaction, or otherwise take any action which would, or which would reasonably be expected to, breach or be inconsistent with this Agreement; or (B) support, encourage or direct any other person or entity to take any action referred to in this Section 5.02(a)(xvii).

(b) Notwithstanding the foregoing Section 5.02(a) or any other provision of this Agreement, without limiting the rights and obligations of the Parties under Section 12 (including, without limitation, the Company's termination rights under Section 12.02):

(i) Whether or not expressly so provided in this Agreement, the Company shall:

(A) promptly keep the Consenting Parties fully informed of, and reasonably consult with the Consenting Parties with respect to: (1) the status and satisfaction of (or failure to satisfy) each Milestone; (2) any proposal, offer or expression of interest the Company receives for an Alternative Transaction; (3) any negotiations or discussions described in clauses (A), (B), or (C) of the final proviso of Section 5.02(b)(ii); and (4) any proposed budget, business plan, forecast, projection or valuation of, or relating to, the Company;

(B) promptly (and, in any event, within one (1) business day) notify counsel to the Consenting Parties of the Company's receipt of any proposal, offer or expression of interest regarding any Alternative Transaction or any proposal, offer, or expression of interest from any Qualifying Prospective Bidder (as defined below). Any such notice shall include the material terms of such proposal, offer or expression of interest, including the identity of the person or group of persons involved, any written documentation evidencing such proposal, offer or expression of interest and any other information received relating to such proposal, offer or expression of interest; and

(C) promptly (and, in any event, within one (1) business day) inform counsel to the Consenting Parties of (x) any determination by the Company's board of directors (the "**Board**") (I) pursuant to Section 12.02(b) that its continued support of the Restructuring Transaction would be a breach of its fiduciary duties under applicable law; or (II) pursuant to Section 5.02(c) that it is entitled to take any material action inconsistent with this Agreement or that it is entitled to refrain from taking any material action required by this Agreement with respect to the Restructuring Transaction as a result of applicable law or applicable fiduciary obligations under applicable law or (y) any material changes to any of the matters contemplated in clauses (A) and (B) of this Section 5.02(b)(i) (the foregoing matters contemplated in this Section 5.02(b)(i) collectively, the "**Information Sharing and Consultation Rights**");

For purposes of Section 5.02(b)(i)(A), "promptly" shall mean at least three (3) business days in advance of the Company failing to attain any Milestone, the occurrence of any relevant development, acting or omitting to act with respect to any applicable matter or making any applicable decision or determination.

(ii) Immediately upon the Petition Date and thereafter, the Company: shall not (x) propose, file, seek, solicit, or support any Alternative Transaction, (y) induce or initiate any proposal, offer or expression of interest from any person or entity, or (z) enter into any agreement with, provide or otherwise make available any due diligence information (including, without limitation, through the provision of data site access) concerning the Company to, or engage in or

continue any discussions or negotiations with, any person or entity concerning any Alternative Transaction, except as set forth in this Agreement. Notwithstanding the foregoing:

(A) The Company shall be entitled to at any time to engage in any discussions or negotiations with any creditor or shareholder of the Company regarding any matter. However, any such creditor or shareholder must have entered into a non-disclosure agreement or otherwise be subject to a confidentiality obligation to the Company no less restrictive than the obligation imposed by the non-disclosure agreement in effect with the Consenting Parties. Any such discussions or negotiations shall be subject to the Information Sharing and Consultation Rights. In addition, notwithstanding the foregoing, in the event that any such discussions or negotiations relate to an Alternative Transaction, such discussions or negotiations shall in all respects be subject to the introductory paragraph of this Section 5.02(b)(ii), sub-clause (B) of this Section 5.02(b)(ii) and clauses (iii) and (iv) of this Section 5.02(b).

(B) Immediately upon the Petition Date and thereafter, the Company shall be entitled to engage in any discussions or negotiations with, including providing data site access and due diligence information concerning the Company to, any party from which the Company receives a proposal, offer or expression of interest with respect to an Alternative Transaction after the Petition Date, only if the Company reasonably believes it is reasonably likely that (A) such party will make an unconditional proposal (other than any required regulatory and/or court approvals) that is of higher value from the perspective of the Company's stakeholders than the Restructuring Transaction (a "**Potentially Superior Proposal**") and (B) failure to further engage with such party in respect of such proposal, offer, or expression of interest would be inconsistent with the fiduciary duties of the directors then serving on the Board or applicable law (the foregoing parties, the "**Qualifying Prospective Bidders**").

(iii) If the Company receives a Potentially Superior Proposal that did not result from a breach of Section 5.02(b) of this Agreement, then the Company may terminate this Agreement pursuant to Section 12.02(b) of this Agreement and enter into a definitive agreement with respect to such Potentially Superior Proposal. However, prior to any such termination: (A) the Company must provide the Consenting Parties with reasonable advance written notice (and, in any event, such notice shall be provided to the Consenting Parties not less than four (4) business days in advance) of the Company's intent to so terminate this Agreement; (B) the Company shall negotiate in good faith with the Consenting Parties, to the extent the Consenting Parties wish to negotiate, with respect to any revisions to the terms of the Restructuring Transaction contemplated by this Agreement proposed by the Consenting Parties; and (C) in determining whether it may still under the terms of this Section 5.02 terminate this Agreement, the Board shall take into account any changes to the terms of the Restructuring Transaction proposed by the Consenting Parties and any other information provided by the Consenting Parties in response to

such notice during such five business day period. Any amendment to the financial terms or conditions or other material terms of any such Potentially Superior Proposal will be deemed to be a new Potentially Superior Proposal for purposes of this Section 5.02(b), including with respect to the notice period referred to in this Section 5.02(b), except that the four (4) business day period shall be three (3) business days for such purposes.

(iv) The Company shall not enter into any confidentiality or other agreement with, or subject itself to any confidentiality or other obligation in favor of, a party interested in an Alternative Transaction unless such party consents to the Company identifying and providing to counsel to the Consenting Parties (under a reasonably acceptable confidentiality agreement) the information contemplated under this Section 5.02(b).

(c) Nothing in this Agreement shall require the Company, the Board or any other person or entity, after consulting with external counsel, to take any action or to refrain from taking any action with respect to the Restructuring Transaction to the extent taking or failing to take such action would be inconsistent with applicable law or its fiduciary obligations under applicable law. Provided the Board is acting consistent with its fiduciary obligations, any such action or inaction pursuant to this Section 5.02(c) shall not be deemed to constitute a breach of this Agreement.

5.03. Corporate Structuring Transactions. Notwithstanding anything to the contrary in this Agreement, the Company shall reasonably cooperate with the Consenting Parties to structure the Restructuring Transaction (x) in a tax-efficient manner designed to preserve the Company's favorable tax attributes for the benefit of the Company, as reorganized, and the new equity holders of the Company following the consummation of the Restructuring Transaction and (y) to enable the Company or its successor to emerge on the effective date of the Plan (the "Effective Date") in the organizational form, and with the tax structure and tax elections, requested or consented to by the Consenting Parties. Without limiting the foregoing, and subject to the prior consent of or at the express direction of the Consenting Parties, such tax related structuring may be effectuated through one or more of the following means (or such other means requested or consented to by the Consenting Parties): (a) on or prior to the Effective Date, the Company may effectuate internal corporate reorganizations (i) to preserve and/or house in a holding entity the Company's favorable tax attributes, including, without limitation, the Company's net operating losses, (ii) to contribute certain of the Company's assets, or the assets of any other Company Party, to one or more subsidiaries, (iii) to convert into, transfer its assets to or cause the equity interests in it to be transferred to, in each case, a limited liability company or a limited partnership, and/or (iv) as a result of which the Consenting Parties hold a portion of their equity interests in the reorganized Company through a corporation (the "Corporation") and another portion of such equity interests through a limited liability company or a limited partnership and (y) the New Warrants (as defined in the Term Sheet) are issued by the Corporation; (b) on or prior to the Agreement Effective Date, the Consenting Second Lien Noteholders may sell or assign their Second Lien Claims (or the rights to receive the new common stock that such holders would receive under the Plan on account of such Second Lien Claims) to third-party investors, subject to the terms of this Agreement; and (c) on or after the Agreement Effective Date, the Company may issue new preferred equity or common equity to third-party investors.

Section 6. ***Transfer of Debtor Claims/Interests.***

(a) During the Effective Period, no Consenting Party shall sell, assign, transfer, permit the participation in, or otherwise dispose of (each, a "**Transfer**") any ownership (including any beneficial ownership[3]) in the Debtor Claims/Interests to any party (other than to an Investment Affiliate[4] of such Consenting Party or to an entity that is controlled by or is under common control with such Consenting Party), unless the intended transferee executes and delivers to counsel to the Company and counsel to the Consenting Parties on the terms set forth below an executed form of the transfer agreement in the form attached to this Agreement as **Exhibit B** (a "**Transfer Agreement**") (a transferee that satisfies such requirements, a "**Permitted Transferee**," and such Transfer, a "**Permitted Transfer**"):

(b) Notwithstanding Section 6(a): (i) the foregoing provisions shall not preclude a Consenting Party from settling or delivering securities or bank debt that would otherwise be subject to the terms of this Agreement to settle any confirmed transaction pending as of the date of such Party's entry into this Agreement (subject to compliance with applicable securities laws and it being understood that such securities or bank debt so acquired and held (i.e., not as a part of a short transaction) shall be subject to the terms of this Agreement; and (ii) a Qualified Marketmaker[5] that acquires any Debtor Claims/Interests subject to this Agreement shall not be required to execute and deliver to counsel a Transfer Agreement in respect of such Debtor Claims/Interests if (A) such Qualified Marketmaker transfers such Debtor Claims/Interests (by purchase, sale, assignment, participation, or otherwise) within five (5) business days of its acquisition to a transferee that is an entity that is not an Affiliate, affiliated fund, or affiliated entity with a common investment advisor; (B) the transferee otherwise is a Permitted Transferee (including, for the avoidance of doubt, the requirement that such transferee execute a Transfer Agreement); and (C) the transfer otherwise is a Permitted Transfer.

(c) This Agreement shall in no way be construed to preclude any Consenting Party from acquiring additional Debtor Claims/Interests or effecting a Transfer of all or a portion of its Debtor Claims/Interests to an Investment Affiliate of such Consenting Party or an entity controlled by or under common control with such Consenting Party. However: (i) any such Consenting Party or entity that acquires Debtor Claims/Interests, as applicable, after the Agreement Effective Date shall promptly notify counsel to the Company of such acquisition including the amount of such acquisition, who shall then promptly notify counsel to the Consenting Parties; and (ii) such Debtor

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[3] As used in this Agreement, the term "**beneficial ownership**" means the direct or indirect economic ownership of, and/or the power, whether by contract or otherwise, to direct the exercise of the voting rights and the disposition of, the Debtor Claims/Interests or the right to acquire such claims or interests.

[4] As used in this Agreement, "**Investment Affiliate**" means and refers to any entity that (x) is organized by a holder of Debtor Claims/Interests or an affiliate thereof for the purpose of making equity or debt investments in one or more companies and/or is managed by, controlled by, or under common control with, a holder of Debtor Claims/Interests or an affiliate thereof, (y) is an "accredited investor" within the meaning of Rule 501(a)(1), (3) or (7) of Regulation D promulgated under the Securities Act and (z) is not a disqualified person under Rule 506(d) of Regulation D promulgated under the Securities Act.

[5] As used in this Agreement, the term "**Qualified Marketmaker**" means an entity that holds itself out to the public or the applicable private markets as standing ready in the ordinary course of business to purchase from customers and sell to customers claims of the Company (or enter with customers into long and short positions in claims against the Company), in its capacity as a dealer or market maker in claims against the Company.

Claims/Interests shall automatically and immediately upon acquisition by such Consenting Party or entity, as applicable, be deemed subject to the terms of this Agreement (regardless of when or whether notice of such acquisition is given to the Company or counsel to the Consenting Parties) and subsequent Transfers shall be subject to this Section 6.

(d) Upon the completion of any Transfer of Debtor Claims in accordance with this Section 6, the transferee shall be deemed a Consenting Party under this Agreement with respect to such transferred rights, obligations and claims and the transferor of such Debtor Claims shall be deemed to relinquish its rights and claims (and be released from its obligations under this Agreement) with respect to such transferred Debtor Claims.

(e) Any Transfer of any Debtor Claims/Interests made in violation of this Section 6 shall be void *ab initio* and of no force and effect and shall not create any obligation or liability of any Consenting Party or the Company to the purported transferee.

Section 7. ***Representations and Warranties of Consenting Parties.*** Each Consenting Party, severally, and not jointly, represents and warrants for itself and not any other person or entity that the following statements are true, correct, and complete, to the best of its actual knowledge, as of the date of this Agreement:

(a) it is the beneficial owner of the face amount of the Debtor Claims/Interests, or is the nominee, investment manager, or advisor for beneficial holders of the Debtor Claims/Interests, as reflected on such Consenting Party's signature page to this Agreement (such Debtor Claims/Interests, the "**Owned Debtor Claims/Interests**");

(b) such Debtor Claims/Interests are free and clear of any pledge, lien, security interest, charge, claim, equity, option, proxy, voting restriction, right of first refusal, or other limitation on disposition, transfer, or encumbrances of any kind, that would materially and adversely affect such Consenting Parties' ability to perform any of its obligations under this Agreement at the time such obligations are required to be performed;

(c) it has the full power and authority to act on behalf of, vote, and consent to matters concerning the Owned Debtor Claims/Interests;

(d) it is either (i) a qualified institutional buyer as defined in Rule 144A of the Securities Act, (ii) an institutional accredited investor (as defined in Rule 501(a)(1), (2), (3), or (7) under the Securities Act of 1933, as amended (the "**Securities Act**'), (iii) a Regulation S non-U.S. person, or (iv) the foreign equivalent of (i) or (ii) above.

Section 8. ***Representations and Warranties of the Company.*** Each Company Party, severally, and not jointly, represents and warrants for itself and not any other person or entity that the following statements are true, correct, and complete, to the best of its actual knowledge, as of the date of this Agreement and as of the Effective Date:

(a) none of the Company Parties or any of their subsidiaries is in violation or default of: (i) any provision of its respective organizational documents; (ii) the terms of any material indenture, contract, lease, mortgage, deed of trust, note agreement, loan agreement or other agreement, obligation, condition, covenant or instrument to which it is a party or bound or to which

its property is subject; or (iii) any statute, law, rule, regulation, judgment, order or decree applicable to the Company or any of its subsidiaries of any court, regulatory body, administrative agency, governmental body, arbitrator or other authority having jurisdiction over the Company or such subsidiary or any of its properties, as applicable, in any material respect;

(b) the Company is subject to and in full compliance with the reporting requirements of Section 13 or Section 15(d) of the Securities Exchange Act of 1934, as amended;

(c) the Gastar Exploration, Ltd. Employee Change of Control Severance Plan (the "CIC Severance Plan") has been duly terminated and the Company has no continuing obligations under the CIC Severance Plan;

(d) all employment and other agreements providing any party with a right to payment under the CIC Severance Plan have been duly terminated; and

(e) except as disclosed in the Company's periodic reports filed with the Securities and Exchange Commission or as set forth on **Schedule 1** to this Agreement, no Company Party has any material contingent liabilities, non-compete agreements, MFN agreements, continuing indemnification obligations or other material obligations (aside from the Hedge Obligations or those obligations under the Second Lien Notes or the Term Credit Agreement) that would be accelerated, or rights that would be lost, upon the occurrence of a change of control or the commencement of the Chapter 11 Cases.

Section 9. ***Mutual Representations and Warranties*.** Each (i) Consenting Party, severally, and not jointly, and (ii) Company Party, on a joint and several basis, represents and warrants for itself and not any other person or entity that the following statements are true, correct, and complete, to the best of its actual knowledge, as of the date of this Agreement:

9.01. Enforceability. It is validly existing and in good standing under the laws of the state of its organization. This Agreement is a legal, valid, and binding obligation of such Party, enforceable against it in accordance with its terms, except as enforcement may be limited by applicable laws relating to or limiting creditors' rights generally or by equitable principles relating to enforceability.

9.02. No Consent or Approval. Except as expressly provided in this Agreement, the Plan, the Restructuring Term Sheet, or the Bankruptcy Code, no consent or approval is required by any other person or entity in order for it to effectuate the Restructuring Transaction contemplated by, and perform the respective obligations under, this Agreement.

9.03. Power and Authority. Except as expressly provided in this Agreement and subject to applicable law, it has all requisite corporate or other power and authority to enter into, execute, and deliver this Agreement and to effectuate the Restructuring Transaction contemplated by, and perform its respective obligations under, this Agreement. Each of the Definitive Documents will be duly authorized and, assuming due authorization, execution and delivery of such Definitive Document by the other parties to such Definitive Document, when executed and delivered by each Party, will constitute a legal, valid, binding instrument enforceable against the Parties in accordance with its terms (subject, as to enforcement of remedies, to applicable bankruptcy,

reorganization, insolvency, moratorium or other laws affecting creditors' rights generally from time to time in effect and to general principles of equity).

9.04. Governmental Consents. Except as expressly set forth in this Agreement and with respect to the Company's execution and performance of this Agreement (and subject to any necessary Bankruptcy Court approval, if applicable, and/or regulatory approvals associated with the Restructuring Transaction), the execution, delivery, and performance by it of this Agreement does not, and shall not, require any registration or filing with consent or approval of, or notice to, or other action to, with or by, any federal, state, or other governmental authority or regulatory body.

9.05. No Conflicts. The execution, delivery, and performance of this Agreement does not and shall not: (a) conflict with any provision of law, rules, or regulations applicable to it or any of its subsidiaries in any material respect; (b) conflict with, breach, or result in a default under its certificate of incorporation, bylaws, or other organizational documents or those of any of its subsidiaries; or (c) conflict with, breach, or result in a default under any contractual obligation to which it is a party, which conflict, breach, or default, would have a material adverse effect on the Restructuring Transaction.

9.06. Fiduciary Duties. It has no actual knowledge of any event that, due to any fiduciary or similar duty to any other person or entity, would prevent it from taking any action required of it under this Agreement.

9.07. Other Representations. It has sufficient knowledge and experience to evaluate properly the terms and conditions of the Restructuring Term Sheet, the Plan, and this Agreement. It has been afforded the opportunity to consult with its legal and financial advisors with respect to its decision to execute this Agreement, and it has made its own analysis and decision to enter into this Agreement and otherwise investigated this matter to its full satisfaction.

Section 10. ***Acknowledgement***. Notwithstanding any other provision in this Agreement, this Agreement is not and shall not be deemed to be an offer with respect to any securities or solicitation of votes for the acceptance of a plan of reorganization for purposes of sections 1125 and 1126 of the Bankruptcy Code or otherwise. Any such offer or solicitation will be made only in compliance with all applicable securities laws and provisions of the Bankruptcy Code. The Company will not solicit acceptances of any Plan from Consenting Parties in any manner inconsistent with the Bankruptcy Code or applicable bankruptcy law.

Section 11. ***Cooperation and Support.***

(a) The Company shall provide the Consenting Parties with reasonable advance notice of and an opportunity to review and comment on all Definitive Documents and any related notices and instruments. Such Definitive Documents shall be subject to the consent and approval rights of the Company and the Consenting Parties set forth in Section 3 of this Agreement.

(b) At least five (5) days before the date on which the Company commences the Chapter 11 Cases in accordance with the terms of the Restructuring Term Sheet and this Agreement, the Consenting Parties shall be furnished with and have a reasonable opportunity to review and comment on the Company's drafts of the first-day pleadings (the "**First Day**

Pleadings"). The Company shall use commercially reasonable efforts to incorporate any comments of the Consenting Parties to the First Day Pleadings.

(c) Additionally, during the Effective Period, the Company will use commercially reasonable efforts to provide draft copies of any additional process letters as well as all material motions, pleadings, and documents other than the First Day Pleadings that the Company intends to file with the Bankruptcy Court, in each case, to counsel to the Consenting Parties at least two (2) days before the date on which Company intends to distribute or file such materials. To the extent such documents do not constitute Definitive Documents (which shall be subject to the consent and approval rights of the Company and the Consenting Parties as set forth in Section 3 of this Agreement), the Company shall consult in good faith with, and reasonably consider for incorporation any comments of, counsel to the Consenting Parties regarding the form and substance of such documents.

(d) The Company shall: (i) promptly (and, in any event, within five (5) business days) provide to the Consenting Parties' advisors timely, accurate and complete responses to all reasonable due diligence requests, including those relating to the Consenting Parties' evaluation of the Company's assets, liabilities, operations, businesses, finances, strategies, prospects, and affairs; and (ii) promptly (and, in any event, within three (3) business days) notify counsel to the Consenting Parties of any governmental or third party litigations, investigations, regulatory actions or hearings against or involving any of the Company Parties.

Section 12. ***Termination Events*.**

12.01. Consenting Party Termination Events. So long as the Consenting Parties have not failed to perform or comply in all material respects with the terms and conditions of this Agreement (unless such failure is the result of any act, omission or delay on the part of any Company Party in violation of its obligations under this Agreement), this Agreement may be terminated by the Consenting Parties pursuant to this Section 12.01 upon prior written notice delivered in accordance with Section 16.09 of this Agreement, upon the occurrence and continuation of any of the following events (each, a "**Consenting Party Termination Event**"):

(a) the failure to meet any of the Milestones unless: (i) such failure is the result of any act, omission, or delay on the part of the Consenting Parties in material violation of their obligations under this Agreement; or (ii) such Milestone previously has been waived by the Consenting Parties in accordance with Section 4;

(b) the occurrence of any act, event or omission that provides the Consenting Parties with a termination right specified in the Restructuring Term Sheet;

(c) the occurrence of a breach (other than a de minimis breach, but, in no event, a breach that is adverse to the Company Parties) of this Agreement by any Party other than the Consenting Parties. However, if such breach is capable of being cured, the breaching Party shall have ten (10) calendar days following written notice from the Consenting Parties of the occurrence thereof to cure such breach;

(d) the issuance by any governmental authority, including any regulatory authority, the Bankruptcy Court, or another court of competent jurisdiction, of any injunction, judgment, decree,

charge, ruling, or order that, in each case, would have the effect of preventing consummation of all or a material portion of the Restructuring Transaction. However, the Company shall have thirty (30) calendar days after issuance of such injunction, judgment, decree, charge, ruling, or order to obtain relief that would allow consummation of the Restructuring Transaction in a manner that does not prevent or diminish in a material way compliance with the terms of this Agreement;

(e) the (i) conversion of one or more of the Chapter 11 Cases of the Company Parties to a case under chapter 7 of the Bankruptcy Code, (ii) dismissal of one or more of the Chapter 11 Cases of the Company Parties, unless such conversion or dismissal, as applicable, is made with the prior written consent of the Consenting Parties, or (iii) appointment of a trustee, receiver, or examiner with expanded powers beyond those set forth in section 1106(a)(3) or (4) of the Bankruptcy Code in one or more of the Chapter 11 Cases;

(f) without the prior consent of the Consenting Parties, any Company Party: (i) amends, supplements, waives any portion of, terminates or modifies, or files a pleading seeking authority to amend, supplement, waive any portion of, terminate or modify, the Definitive Documents; (ii) suspends or revokes the Restructuring Transaction; or (iii) publicly announces its intention to take any such action specified in Sub-Clauses (i) and (ii) of this subsection. Notwithstanding the foregoing, all Definitive Documents shall remain subject to the consent and approval standards set forth in Section 3 of this Agreement, and, to the extent applicable, the additional obligations with respect to the Definitive Documents set forth in Section 5.02(a);

(g) any of the Definitive Documents do not comply with Section 3 of this Agreement or any other document or agreement necessary to consummate the Restructuring Transaction is not reasonably satisfactory to the Consenting Parties;

(h) any Company Party makes any filing in support of or seeking authority to, enters into an agreement with respect to or consummates, or announces its support for (i) any Alternative Transaction or that it will file any plan of reorganization other than the Plan, or (ii) the sale of any material assets (other than as provided for in the Plan), in each case, without the prior written consent of the Consenting Parties;

(i) the Bankruptcy Court enters any order authorizing the use of cash collateral or post-petition financing that is not consistent (other than to a de minimis extent, but, in no event, in a manner adverse to the Company Parties) with this Agreement or otherwise consented to by the Consenting Parties;

(j) the Company's failure to consummate the DIP Facility;

(k) the occurrence of any Event of Default under the DIP Loan Documents, or the DIP Orders, as applicable, that has not been cured (if susceptible to cure) or waived in accordance with the terms thereof;

(l) a breach by any Company Party of any representation or warranty of such Company Party set forth in Section 9 of this Agreement that has had, or would reasonably be expected to have, a material adverse effect on the consummation of the Restructuring Transaction that (to the extent curable) remains uncured for a period of ten (10) business days after the receipt by the Company of written notice and description of such breach from any other Party;

(m) any Company Party files a motion, application, or adversary proceeding (or any Company Party or other Party supports any such motion, application, or adversary proceeding filed or commence by any third party) (i) challenging the validity, enforceability, perfection, or priority of, or seeking avoidance or subordination of, the Term Loan Claims or the Second Lien Claims, or (ii) asserting any other cause of action against and/or with respect or relating to such claims or the prepetition liens securing such claims;

(n) any Company Party determines or announces that: (i) pursuant to Section 12.02(b) that its continued support of the Restructuring Transaction would be a breach of its fiduciary duties under applicable law; or (ii) pursuant to Section 5.02(c) that it is entitled to take any material action or that it is entitled to refrain from taking any material action with respect to the Restructuring Transaction as a result of applicable law or applicable fiduciary obligations under applicable law;

(o) any Company Party terminates its obligations under and in accordance with Section 12.02 of this Agreement;

(p) the Bankruptcy Court enters an order terminating any of the Company Parties' exclusive right to file a plan or plans of reorganization or to solicit acceptances of such plan or plans pursuant to section 1121 of the Bankruptcy Code;

(q) the DIP Orders or any of the orders confirming the Plan or approving the Disclosure Statement are reversed, stayed, dismissed, vacated, reconsidered, modified (other than to a de minimis extent, but, in no event, in a manner adverse to the Company Parties), or amended (other than to a de minimis extent, but, in no event, in a manner adverse to the Company Parties) without the consent of the Consenting Parties or a motion for reconsideration, reargument, or rehearing with respect to such orders has been filed and the Company has failed to timely object to such motion;

(r) the Bankruptcy Court enters an order denying confirmation of the Plan. However, the Consenting Parties may not exercise the termination right set forth in this Section 12.01(r) until five (5) business days after the entry of such order;

(s) the occurrence of a Maturity Date (as defined in the DIP Credit Agreement); or

(t) the date on which the Consenting Parties deliver a notice to the Company Parties (which notice may be in the form of an e-mail to counsel to the Company Parties) stating that the Consenting Parties are terminating the Agreement based on their due diligence investigation of the Company Parties and the Consenting Parties' conclusion that such investigation reveals information that, individually or in the aggregate, (a) has had or would reasonably be expected to have a material adverse effect on the financial condition, business, assets, properties, liabilities, operating results and/or operations of the Company Parties or (b) would, or would reasonably be expected to, prevent or materially impair the consummation of the Restructuring Transaction (any such termination, a "Diligence Termination"). For purposes of sub-clause (a) in the preceding sentence, the Parties acknowledge and agree that "material adverse effect" shall mean an adverse effect, individually or in the aggregate with one or more other adverse effects, that causes the Company Parties to expend or incur costs, expenses or other obligations, or suffer or incur a loss or diminution in value, equal to or greater than $1,000,000. Notwithstanding the foregoing, so

long as the Company has promptly and timely provided due diligence materials in response to reasonable requests for the same made by the Consenting Parties, the Consenting Parties may exercise the Diligence Termination only until the date that is fifteen (15) days following the Agreement Effective Date.

The Interim DIP Order will provide that the Consenting Parties are authorized to take any steps necessary (including, without limitation, sending any notice contemplated under this Agreement) to effectuate the termination of this Agreement notwithstanding section 362 of the Bankruptcy Code or any other applicable law. In the event of such termination, no cure period contained in this Agreement shall be extended pursuant to sections 108 or 365 of the Bankruptcy Code or any other applicable law without the prior written consent of the Consenting Parties. Following the commencement of the Chapter 11 Cases and until such time as the Interim DIP Order (which includes the foregoing provision) is entered, the occurrence of any Consenting Party Termination Event in this Section 12.01 shall result in the automatic termination of this Agreement five (5) days following such occurrence unless waived in writing by the Consenting Parties.

12.02. Company's Termination Events. So long as no Company Party has failed to perform or comply in all material respects with the terms and conditions of this Agreement (unless such failure is the result of any act, omission, or delay on the part of the Consenting Parties in violation of their obligations under this Agreement), the Company may terminate this Agreement as to all Parties upon prior written notice, delivered in accordance with Section 16.09 of this Agreement, upon the occurrence of any of the following events:

(a) A material breach by any of the Consenting Parties of any provision set forth in this Agreement that has had, or would reasonably be expected to have, a material adverse impact on the consummation of the Restructuring Transaction that (to the extent curable) remains uncured for a period of five (5) business days after the receipt by the Consenting Parties of notice of such material breach;

(b) after consultation with external counsel, the Board determines that proceeding with the Restructuring Transaction would be inconsistent with applicable law or its fiduciary duties under applicable law and that failure to terminate this Agreement would be inconsistent with the exercise of its fiduciary obligations or applicable law. However, the Company acknowledges that Section 5.02(b) of this Agreement applies to any deliberation regarding or decision to exercise its termination right set forth in this Section 12.02(b);

(c) the issuance by any governmental authority, including any regulatory authority, the Bankruptcy Court, or another court of competent jurisdiction, of any ruling or order enjoining the consummation of all or a material portion of the Restructuring Transaction, so long as the Company has made reasonable best efforts to cure, vacate, reverse, or have overruled such ruling or order prior to terminating this Agreement; or

(d) the Bankruptcy Court enters an order denying confirmation of the Plan. However, the Company may not exercise the termination right set forth in this Section 12.02(d) until five (5) business days after the entry of such order.

12.03. Mutual Termination. This Agreement, and the obligations of all Parties hereunder, may be terminated by mutual written agreement among each of the Company and the Consenting Parties.

12.04. Termination upon Completion of the Restructuring Transaction. This Agreement shall terminate automatically without any further required action or notice on the Effective Date.

12.05. Effect of Termination. The earliest date on which termination of this Agreement as to a Party is effective in accordance with Sections 12.01, 12.02, 12.03, and/or 12.04 shall be referred to as a "**Termination Date**." Upon the occurrence of a Termination Date as to a Party, this Agreement shall be of no further force or effect with respect to such Party. Each Party subject to such termination shall: (a) be released from its commitments, undertakings, and agreements under or related to this Agreement; (b) have the rights and remedies that it would have had, had it not entered into this Agreement; and (c) be entitled to take all actions, whether with respect to the Restructuring Transaction or otherwise, that it would have been entitled to take had it not entered into this Agreement. The termination of this Agreement with respect to any Party shall not relieve or absolve any Party of any liability for any breaches of this Agreement that preceded the termination of the Agreement. Upon the occurrence of a Termination Date with respect to the Consenting Parties, any and all consents or ballots tendered by such Consenting Parties shall be deemed, for all purposes, to be null and void *ab initio to the fullest extent permitted by law* and shall not be used in any manner in connection with the Restructuring Transaction or otherwise. Notwithstanding anything to the contrary in this Agreement, the foregoing shall not be construed to prohibit a Company Party or any of the Consenting Parties from contesting whether any such termination is in accordance with its terms or to seek enforcement of any rights under this Agreement that arose or existed before a Termination Date. Except as expressly provided in this Agreement, nothing in this Agreement is intended to, or does, in any manner waive, limit, impair, or restrict any right of any Consenting Party, or the ability of any Consenting Party, to protect and preserve its rights (including rights under this Agreement), remedies, and interests, including its claims against any Company Party or Consenting Party. Nothing in this Section 12.05 shall restrict any Company Party's right to terminate this Agreement in accordance with Section 12.02(b).

Section 13. ***Fees and Expenses***. Upon receipt of a request for payment, the Company shall promptly pay and reimburse all reasonable and documented fees and out-of-pocket fees and expenses of the Consenting Parties, including the fees and expenses of all attorneys, accountants, advisors, consultants, and other professionals of the Consenting Parties (regardless of whether such fees and expenses are incurred before or after the Petition Date).

Section 14. ***Amendments; Consents and Waivers***. This Agreement (including the Exhibits and Schedules), may not be modified, amended, or supplemented in any manner except in writing signed by the Company and each of the Consenting Parties. Any proposed modification, amendment, or supplement that is not approved by the requisite Parties as set forth above shall be ineffective and void ab initio. For the purposes of this Agreement and the Restructuring Term Sheet, notwithstanding anything to the contrary in this Agreement or the Restructuring Term Sheet any consent, waiver or exercise of discretion by the Consenting Parties required under the Agreement or the Restructuring Term Sheet will be effective only upon the consent, waiver or exercise of such discretion by the (i) the Required Lenders, (ii) the Required Noteholders, and (iii) the Ares Equity Holders.

Section 15. ***Fiduciary Duties***. Nothing in this Agreement shall create any fiduciary duty, or agent relationship, of any of the Consenting Parties to each other, the Company or any of the Company's creditors or other stakeholders.

Section 16. ***Miscellaneous*.**

16.01. Further Assurances. Subject to the other terms of this Agreement, the Parties agree to execute and deliver such other instruments and perform such acts, in addition to the matters in this Agreement specified, as may be reasonably appropriate or necessary, or as may be required by order of the Bankruptcy Court, from time to time, to effectuate the Restructuring Transaction, as applicable.

16.02. Complete Agreement. This Agreement (including the Exhibits and Schedules) constitutes the entire agreement among the Parties with respect to the subject matter of this Agreement and supersedes all prior negotiations, agreements, and understandings, whether oral or written, among the Parties with respect thereto.

16.03. Headings. The headings of all sections of this Agreement are inserted solely for the convenience of reference and are not a part of and are not intended to govern, limit, or aid in the construction or interpretation of any term or provision of this Agreement.

16.04. GOVERNING LAW; SUBMISSION TO JURISDICTION; SELECTION OF FORUM; WAIVER OF TRIAL BY JURY. THIS AGREEMENT IS TO BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND TO BE PERFORMED IN SUCH STATE, WITHOUT GIVING EFFECT TO THE CONFLICT OF LAWS PRINCIPLES THEREOF. Each Party to this Agreement agrees that it shall bring any action or proceeding in respect of any claim arising out of or related to this Agreement in either the United States District Court for the Southern District of New York or any New York state court (the "**Chosen Courts**"). Solely in connection with claims arising under this Agreement, each Party: (a) irrevocably submits to the exclusive jurisdiction of the Chosen Courts; (b) waives any objection to laying venue in any such action or proceeding in the Chosen Courts; and (c) waives any objection that the Chosen Courts are an inconvenient forum or do not have jurisdiction over any Party to this Agreement or constitutional authority to finally adjudicate the matter. Notwithstanding the foregoing, if the Company Parties commence the Chapter 11 Cases, then the Bankruptcy Court (or court of proper appellate jurisdiction) shall be the exclusive Chosen Court.

16.05. Trial by Jury Waiver. EACH PARTY TO THIS AGREEMENT IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

16.06. Execution of Agreement. This Agreement may be executed and delivered in any number of counterparts and by way of electronic signature and delivery. Each such counterpart, when executed and delivered, shall be deemed an original, and all of which together shall constitute the same agreement. Except as expressly provided in this Agreement, each individual executing

this Agreement on behalf of a Party has been duly authorized and empowered to execute and deliver this Agreement on behalf of said Party.

16.07. Interpretation and Rules of Construction. This Agreement is the product of good faith negotiations among the Company and the Consenting Parties. Consequently, this Agreement shall be enforced and interpreted in a neutral manner. Any presumption with regard to interpretation for or against any Party by reason of that Party having drafted or caused to be drafted this Agreement, or any portion of this Agreement, shall not be effective in regard to the interpretation of this Agreement. The Company and the Consenting Parties were each represented by counsel during the negotiations and drafting of this Agreement and continue to be represented by counsel. Accordingly, any rule of law or any legal decision that would provide any Party with a defense to the enforcement of the terms of this Agreement against such Party based upon lack of legal counsel, shall have no application and is expressly waived. In addition, this Agreement shall be interpreted in accordance with section 102 of the Bankruptcy Code. For the purposes of this Agreement, the term "including" shall mean "including, without limitation," whether or not so specified.

16.08. Successors and Assigns. This Agreement is intended to bind and inure to the benefit of the Parties and their respective successors and permitted assigns, as applicable. There are no third party beneficiaries under this Agreement, and the rights or obligations of any Party under this Agreement may not be assigned, delegated, or transferred to any other person or entity.

16.09. Notices. All notices hereunder shall be deemed given if in writing and delivered by electronic mail, courier, or registered or certified mail (return receipt requested) to the following addresses (or at such other addresses as shall be specified by like notice):

(a) if to a Company Party, to:

Gastar Exploration Inc.
1331 Lamar Street, Suite 650
Houston, TX 7710
Attention: Michael A. Gerlich
mgerlich@gastar.com

with copies (which shall not constitute notice) to:

Kirkland & Ellis LLP
300 North LaSalle Street
Chicago, IL 60654
Attention: Ross M. Kwasteniet, P.C.
ross.kwasteniet@kirkland.com
Douglas E. Bacon, P.C.
douglas.bacon@kirkland.com
John R. Luze
john.luze@kirkland.com

(b) if to the Consenting Parties, to:

The address set forth on each such Consenting Party's signature page (or as directed by any transferee of such Consenting Party), as the case may be.

With a copy to counsel to the Consenting Parties (which shall not constitute notice):

Milbank, Tweed, Hadley & McCloy LLP
2029 Century Park East, 33rd Floor
Los Angeles, CA 90067
Attention: Paul S. Aronzon
paronzon@milbank.com
Thomas R. Kreller
tkreller@milbank.com
Adam Moses
amoses@milbank.com

or such other address as may have been furnished by a Party to each of the other Parties by notice given in accordance with the requirements set forth above. Any notice given by delivery, mail (electronic or otherwise), or courier shall be effective when received. For purposes of this Agreement, any consents or approvals of the Consenting Parties may be provided by counsel to the Consenting Parties.

16.10. Waiver. If the Restructuring Transaction is not consummated, or if this Agreement is terminated for any reason, the Parties fully reserve any and all of their rights. Pursuant to Federal Rule of Evidence 408 and any other applicable rules of evidence, this Agreement and all negotiations relating to this Agreement shall not be admissible into evidence in any proceeding other than a proceeding to enforce its terms, pursue the consummation of the Restructuring Transaction, or the payment of damages to which a Party may be entitled under this Agreement.

16.11. Specific Performance. It is understood and agreed by the Parties that money damages would be an insufficient remedy for any breach of this Agreement by any Party. Consequently, each non-breaching Party shall be entitled to specific performance and injunctive or other equitable relief (without the posting of any bond and without proof of actual damages) as a remedy of any such breach, including an order of the Bankruptcy Court or other court of competent jurisdiction requiring any Party to comply promptly with any of its obligations hereunder.

16.12. Relationship Among Parties. Notwithstanding anything in this Agreement to the contrary, the agreements, representations, warranties, and obligations of the Consenting Parties under this Agreement are, in all respects, several and not joint, and are made in favor of the Company only and not in favor of or for the benefit of any other Consenting Party. The agreements, representations and obligations of the Company Parties under this Agreement are, in all respects, joint and several. No Party shall have any responsibility by virtue of this Agreement for any trading by any other Entity. Unless expressly stated in this Agreement, this Agreement shall be solely for the benefit of the Parties and no other person or entity shall be a third-party beneficiary of this Agreement. Any breach of this Agreement by a Consenting Party shall not result in liability for any other Consenting Party. No prior history, pattern, or practice of sharing

confidences among or between the Parties shall in any way affect or negate this Agreement. The Parties to this Agreement acknowledge that this Agreement does not constitute an agreement, arrangement, or understanding with respect to acting together for the purpose of acquiring, holding, voting, or disposing of any equity securities of the Company and the Consenting Parties do not constitute a "group" within the meaning of Rule 13d-5 under the Securities Exchange Act of 1934, as amended. No action taken by any Consenting Party pursuant to this Agreement shall be deemed to constitute or to create a presumption by any of the Parties that the Consenting Parties are in any way acting in concert or as such a "group."

16.13. Reservation of Rights.

(a) Except as expressly provided in this Agreement or the Restructuring Term Sheet, including Section 5.01 and Section 5.02 of this Agreement, nothing in this Agreement is intended to, or does, in any manner waive, limit, impair, or restrict the ability of any Party to protect, preserve, and assert its rights, remedies, defenses, claims and interests against or with respect to any of the other Parties.

(b) Without limiting Section 12.05 and Sub-Clause (a) of this Section 16.13 in any way, if the Plan is not consummated in the manner set forth, and on the timeline set forth, in this Agreement, or if this Agreement is terminated for any reason, nothing shall be construed in this Agreement as a waiver by any Party of any or all of such Party's rights, remedies, defenses, claims and interests. Each of the Parties expressly reserves and preserves any and all of its respective rights, remedies, defenses, claims, and interests, subject to Section 16.10 of this Agreement. This Agreement, the Plan, and any related document shall in no event be construed as or be deemed to be evidence of an admission or concession of any kind or nature by any Party, including, but not limited to, with respect to: (i) the valuation of any Company Party or any business of any Company Party; or (ii) the nature, priority, extent, validity and/or perfection of the Consenting Parties' respective liens on, claims against or interests in any Company Party's property or assets.

(c) Except as expressly set forth in this Agreement, nothing in this Agreement shall be deemed to be, or construed as, a waiver or release of: (i) any secured claim or any unsecured deficiency claim held by any Consenting Term Lender or any Consenting Second Lien Noteholder; (ii) any claim in respect of the Applicable Premium (as defined in the Term Credit Agreement) (a "**First Lien Make-Whole Claim**"); (iii) any claim in respect of damages from the breach of the "no-call" protections set forth in the Second Lien Indenture (including in section 4.04 of the Second Lien Indenture), including but not limited to amounts in respect of yield protection (a "**Second Lien Yield Protection Claim**"); (iv) the right of any Consenting Term Lender or any Consenting Second Lien Noteholder to assert any such secured claim, unsecured deficiency claim, First Lien Make-Whole Claim or Second Lien Yield Protection Claim, including but not limited to the right to credit bid all or a portion of any such claims in accordance with section 363(k) of the Bankruptcy Code; or (v) the right of any Consenting Term Lender or any Consenting Second Lien Noteholder to assert that its claims are fully secured or that it is entitled to payment in full from the collateral securing its claims. Subject to the express terms of this Agreement, any and all secured claims, unsecured deficiency claims, First Lien Make-Whole Claims or Second Lien Yield Protection Claims of any Consenting Term Lender or any Consenting Second Lien Noteholder and the rights to assert such secured claims, unsecured deficiency claims, First Lien Make-Whole Claims and Second Lien Yield Protection Claims are expressly reserved and preserved.

16.14. Severability and Construction. If any provision of this Agreement shall be held by a court of competent jurisdiction to be illegal, invalid, or unenforceable, the remaining provisions shall remain in full force and effect if the essential terms and conditions of this Agreement for each Party remain valid, binding, and enforceable.

16.15. Remedies Cumulative. All rights, powers, and remedies provided under this Agreement or otherwise available in respect of this Agreement at law or in equity shall be cumulative and not alternative. The exercise of any right, power, or remedy by any Party shall not preclude the simultaneous or later exercise of any other such right, power, or remedy by such Party.

16.16. Additional Parties. Without in any way limiting the requirements of Section 6 of this Agreement, additional holders of Debtor Claims/Interests may elect to become Parties to this Agreement upon execution and delivery to the other Parties of a Joinder Agreement in the form attached to this Agreement as **Exhibit C**. Each such additional Party shall (a) become a Consenting Party under this Agreement in accordance with the terms of this Agreement, (b) be bound by the terms and conditions of this Agreement, and (c) be deemed to make all representations and warranties contained in this Agreement as of the date of the execution and delivery of such Joinder Agreement.

16.17. Other Support Agreements. Until a Termination Date with respect to the Company, the Company shall not enter into any other restructuring support agreement related to a partial or total restructuring of the Company's balance sheet or assets unless such support agreement is consistent in all respects with the Restructuring Term Sheet and is acceptable to the Consenting Parties in their sole discretion.

16.18. Confidentiality. The terms of any existing confidentiality agreements executed by and among any of the Parties as of the date of this Agreement shall remain in full force and effect in accordance with their terms. Except as required by applicable law, rule, or regulation or as ordered by the Bankruptcy Court or other court of competent jurisdiction, no Party or its advisors shall disclose to any person or entity (including, for the avoidance of doubt, any other Party) the holdings information of any Consenting Party without such Consenting Party's prior written consent. However, the Company may publicly disclose the aggregate holdings of all Consenting Parties.

16.19. Consent Rights Preserved. Notwithstanding any provision in any order approving any First Day Pleading or any other order that grants the Company discretion to take any action that is subject to consent or approval rights of the Consenting Parties hereunder, the entry of such order shall not be deemed a waiver of such consent or approval rights hereunder.

16.20. Email Consents. Where a written consent, acceptance, approval, or waiver is required pursuant to or contemplated by this Agreement, such written consent, acceptance, approval, or waiver shall be deemed to have occurred if, by agreement between counsel to the Parties submitting and receiving such consent, acceptance, approval, or waiver, it is conveyed in writing (including electronic mail) between each such counsel without representations or warranties of any kind on behalf of such counsel.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the day and year first above written.

GASTAR EXPLORATION INC.

By: _____

NORTHWEST PROPERTY VENTURES LLC

By: _____

AF V ENERGY I AIV A1, L.P.
AF V ENERGY I AIV A2, L.P.
AF V ENERGY I AIV A3, L.P.
AF V ENERGY I AIV A4, L.P.
AF V ENERGY I AIV A5, L.P.
AF V ENERGY I AIV A6, L.P.
AF V ENERGY I AIV A7, L.P.
AF V ENERGY I AIV A8, L.P.
AF V ENERGY I AIV A9, L.P.
AF V ENERGY I AIV A10, L.P.
AF V ENERGY I AIV A11, L.P.
AF V ENERGY I AIV A12, L.P.
AF V ENERGY I AIV A13, L.P.
AF V ENERGY I AIV B1, L.P.,
as Ares Equity Holders

By: AF V ENERGY I AIV GP, L.P.
as general partner

By: _____

Name: Gary Levin
Title: Authorized Signer

Aggregate Amounts Beneficially Owned or Managed on Account of:	
Term Loan Claims (if any)	$ 0.00
Second Lien Claims (if any)	$ 0.00
Existing Common Equity (if any)	56,712,088 shares

AF V ENERGY I AIV A1, L.P.
AF V ENERGY I AIV A2, L.P.
AF V ENERGY I AIV A3, L.P.
AF V ENERGY I AIV A4, L.P.
AF V ENERGY I AIV A5, L.P.
AF V ENERGY I AIV A6, L.P.
AF V ENERGY I AIV A7, L.P.
AF V ENERGY I AIV A8, L.P.
AF V ENERGY I AIV A9, L.P.
AF V ENERGY I AIV A10, L.P.
AF V ENERGY I AIV A11, L.P.
AF V ENERGY I AIV A12, L.P.
AF V ENERGY I AIV A13, L.P.
AF V ENERGY I AIV B1, L.P.,
as Consenting Second Lien Noteholders

By: AF V ENERGY I AIV GP, L.P.
as general partner

By: _____

Name: Gary Levin
Title: Authorized Signer

Aggregate Amounts Beneficially Owned or Managed on Account of:	
Term Loan Claims (if any)	$ 0.00
Second Lien Claims (if any) in principal amount	$ 162,500,000.00
Existing Common Equity (if any)	0 shares

AF V ENERGY I HOLDINGS, L.P.,
as Consenting Term Lender

By: AF V Energy I AIV GP, L.P.,
as general partner

By: _____

Name: Gary Levin
Title: Authorized Signer

Aggregate Amounts Beneficially Owned or Managed on Account of:	
Term Loan Claims (if any) in principal amount @ 10/1/2018	$ 283,851,332.61
Second Lien Claims (if any)	$ 0.00
Existing Common Equity (if any)	0 shares

SCHEDULE 1 to
the Restructuring Support Agreement

EXHIBIT A to
the Restructuring Support Agreement

Restructuring Term Sheet

Execution Version

GASTAR EXPLORATION INC.

RESTRUCTURING TERM SHEET

October 26, 2018

This term sheet (the "Restructuring Term Sheet") summarizes the material terms and conditions of certain transactions in connection with a potential restructuring (the "Restructuring Transaction") of the capital structure and financial obligations of Gastar Exploration Inc., a Delaware corporation ("Gastar"), and its subsidiary. The regulatory, tax, accounting, and other legal and financial matters and effects related to the Restructuring Transaction have not been fully evaluated, and any such evaluation may affect the terms and structure of any Restructuring Transaction. This Restructuring Term Sheet is attached to and made a part of the Restructuring Support Agreement (as amended, modified or supplemented from time to time, the "RSA"), dated as of October 26, 2018, by and among the Company and the Consenting Parties (as each such term is defined below).

THIS RESTRUCTURING TERM SHEET DOES NOT CONSTITUTE (NOR SHALL IT BE CONSTRUED AS) AN OFFER OR PROPOSAL WITH RESPECT TO ANY SECURITIES OR A SOLICITATION OF ACCEPTANCES OR REJECTIONS AS TO ANY CHAPTER 11 PLAN. THE PARTIES TO THIS TERM SHEET ACKNOWLEDGE AND AGREE THAT ANY SUCH OFFER, PROPOSAL OR SOLICITATION, IF ANY, WILL BE MADE ONLY IN COMPLIANCE WITH APPLICABLE PROVISIONS OF ALL APPLICABLE LAW. THIS RESTRUCTURING TERM SHEET DOES NOT ADDRESS ALL TERMS THAT WOULD BE REQUIRED IN CONNECTION WITH ANY POTENTIAL RESTRUCTURING. THE ENTRY INTO OR THE CREATION OF ANY BINDING AGREEMENT AND THE TRANSACTIONS CONTEMPLATED IN THIS RESTRUCTURING TERM SHEET ARE SUBJECT IN ALL RESPECTS TO THE NEGOTIATION, EXECUTION AND DELIVERY OF DEFINITIVE DOCUMENTATION IN FORM AND SUBSTANCE CONSISTENT WITH THIS RESTRUCTURING TERM SHEET AND OTHERWISE ACCEPTABLE TO THE COMPANY AND THE CONSENTING PARTIES AS WELL AS THE SATISFACTORY COMPLETION OF DUE DILIGENCE BY THE CONSENTING PARTIES IN THEIR SOLE DISCRETION. THIS RESTRUCTURING TERM SHEET HAS BEEN PRODUCED FOR DISCUSSION AND SETTLEMENT PURPOSES ONLY. ACCORDINGLY, THIS TERM SHEET IS SUBJECT TO THE PROVISIONS OF RULE 408 OF THE FEDERAL RULES OF EVIDENCE AND OTHER SIMILAR APPLICABLE STATE AND FEDERAL RULES PROTECTING THE USE OR DISCLOSURE OF CONFIDENTIAL INFORMATION AND INFORMATION EXCHANGED IN THE CONTEXT OF SETTLEMENT DISCUSSIONS. THIS RESTRUCTURING TERM SHEET AND THE INFORMATION CONTAINED IN THIS RESTRUCTURING TERM SHEET ARE STRICTLY CONFIDENTIAL AND SHALL NOT BE SHARED WITH ANY OTHER PARTY ABSENT THE PRIOR WRITTEN CONSENT OF THE CONSENTING PARTIES OR THEIR COUNSEL.

OVERVIEW	
Parties to the Restructuring	**Company**: Gastar; Northwest Property Ventures LLC; and any other future subsidiaries of Gastar (collectively, the "Company").

	Term Lender: AF V Energy I Holdings, L.P., as a lender (the "Consenting Term Lender") under the Third Amended and Restated Credit Agreement, dated March 3, 2017 (as amended, restated, modified or supplemented from time to time, the "Term Credit Agreement"), by and among Gastar, as Borrower, the Guarantors specified in the Term Credit Agreement or in related transaction documentation, the Lenders from time to time party to the Term Credit Agreement and Wilmington Trust, National Association, as administrative agent (the "Term Agent"). **Second Lien Noteholders**: The entities identified on Annex 1 attached to this Restructuring Term Sheet, in their capacities as holders of the notes (the "Second Lien Notes") (in such capacities, the "Consenting Second Lien Noteholders") issued pursuant to the Indenture dated March 3, 2017 (as amended, restated, modified or supplemented from time to time, the "Second Lien Indenture"), by and among Gastar, as issuer, the Guarantors specified in the Second Lien Indenture or in related transaction documentation, and Wilmington Trust, National Association, as trustee and collateral agent (the "Second Lien Trustee"). **Ares Equity Holders**: The entities identified on Annex 1 attached to this Restructuring Term Sheet, in their capacities as holders of Gastar's outstanding common shares (such common shares, together with any and all outstanding and unexercised or unvested warrants, options or rights to acquire Gastar's currently outstanding equity, the "Existing Common Equity") (in such capacities, the "Ares Equity Holders"; together with the Consenting Term Lender and the Consenting Second Lien Noteholders, the "Consenting Parties"). The Company and each of the Consenting Parties is referred to in this Restructuring Term Sheet as a "Party", and they are collectively referred to in this Restructuring Term Sheet as the "Parties".
Restructuring Transaction Overview	The Restructuring Transaction shall be implemented pursuant to a "prepackaged" chapter 11 plan of reorganization (as may be amended or supplemented from time to time, the "Plan"), which shall provide for a balance sheet restructuring consistent with the Economic Terms (as defined below) and other terms set forth in this Restructuring Term Sheet. The Company shall commence cases (the "Chapter 11 Cases") under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Southern District of Texas (the "Bankruptcy Court") and file the Plan. The Plan will be subject to certain milestones (the "Milestones") set forth in this Restructuring Term Sheet. The Company will commence solicitation of the Plan prior to the commencement of the Chapter 11 Cases and, in any event, by no later than October 26, 2018. In connection with such solicitation, the Company shall prepare and deliver to all classes of claims

	entitled to vote on the Plan a disclosure statement relating to the Plan (as may be amended or supplemented from time to time, the "Disclosure Statement"). The Restructuring Transaction will be financed by: (i) consensual use of cash collateral; and (ii) an approximately $383.9 million superpriority debtor-in-possession financing to be provided by one or more of the Consenting Parties and/or affiliates thereof substantially on terms and subject to conditions set forth in the term sheet attached to the RSA as Exhibit D (the "DIP Term Sheet"). In accordance with the terms and conditions described in Section 5.02(b) of the RSA, the Economic Terms are subject to a Potentially Superior Proposal (as defined in the RSA). Each of the Milestones shall be subject to extension or waiver in the sole discretion of the Consenting Parties.
Economic Terms	The Plan shall provide for the following classification and principal economic treatment (the "Economic Terms") of claims against and interests in the Company, provided that a DIP Toggle Event[1] has not occurred: i. DIP Claims: On the effective date of the Chapter 11 Cases (the "Effective Date"), all obligations under the DIP Facility (including, but not limited to, any outstanding obligations relating to the Term Loan Refinancing) (collectively, the "DIP Claims") shall be treated as follows: a. *first*, the DIP Claims shall be refinanced in accordance with the treatment set forth below under the caption "Exit Facility; Refinancing of DIP Facility and Term Facility;" b. *second*, any amount of the DIP Claims that is not refinanced pursuant to clause (a) immediately above (such amount the "Remaining DIP Claims") shall be exchanged for its *pro rata* share of 100% of the new common equity of the reorganized Company (or a newly formed or other entity to be mutually agreed) (which equity may take the form of equity interest in a limited liability company or in a limited liability partnership or stock in a corporation, the "New Common Equity"), subject to dilution on account of, as applicable, the New Warrants (as defined below) and the Management Incentive Plan (as defined below).

[1] A "DIP Toggle Event" shall have occurred upon (a) the occurrence of an Event of Default (as defined in the DIP Term Sheet) and (b) the delivery to the Company and filing on the docket of the Chapter 11 Cases, in each case by the Majority DIP Lenders (as defined in the DIP Term Sheet) or DIP Agent at the direction of the Majority DIP Lenders, of a notice stating that the DIP Toggle Event has occurred. The notice referred to in the preceding sentence is referred to herein as a "DIP Toggle Notice."

For purposes of the treatment of the DIP Claims, "*pro rata*" shall mean the proportion of (i) the Remaining DIP Claims to (ii) the sum of (a) the Equitized Senior Obligations (as defined below), which amount, if a DIP Toggle Event has occurred, shall include the Senior Additional Amount (as defined below) for the purposes of this calculation, *plus* (b) the Second Lien Claims (as defined below), which amount, if a DIP Toggle Event has occurred, shall include the Second Lien Additional Amount (as defined below) for the purposes of this calculation, *plus*, solely upon the occurrence of a DIP Toggle Event, (c) the General Unsecured Claims (as defined below).

ii. Term Credit Agreement: On the Effective Date, all obligations under or in respect of the Term Credit Agreement (the "Term Loan Claims") shall be treated as follows:

a. *first*, the Term Loan Claims shall be refinanced as set forth below under the caption "Exit Facility; Refinancing of DIP Facility and Term Facility;"

b. *second*, any amount of the Term Loan Claims that is not refinanced pursuant to clause (a) immediately above (such amount, the "Remaining Term Loan Claims," together with the Remaining DIP Claims, the "Equitized Senior Obligations") shall be exchanged for its *pro rata* share of 100% of the New Common Equity, subject to dilution on account of, as applicable, the New Warrants and the Management Incentive Plan.

For purposes of the treatment of the Term Loan Claims, "*pro rata*" shall mean the proportion of (i) the Remaining Term Loan Claims, which amount, if a DIP Toggle Event has occurred, shall include the Senior Additional Amount for the purposes of this calculation, to (ii) the sum of (a) the Equitized Senior Obligations, which amount, if a DIP Toggle Event has occurred, shall include the Senior Additional Amount for the purposes of this calculation, *plus* (b) the Second Lien Claims, which amount, if a DIP Toggle Event has occurred, shall include the Second Lien Additional Amount for the purposes of this calculation, *plus*, solely upon the occurrence of a DIP Toggle Event, (c) the General Unsecured Claims.

iii. Second Lien Indenture: On the Effective Date, all obligations under or in respect of the Second Lien Indenture (the "Second Lien Claims") shall be exchanged for a *pro rata* share of 100% of the New Common Equity, subject to dilution on account of, as applicable, the New Warrants and the Management Incentive Plan.

For purposes of the treatment of the Second Lien Claims, "*pro rata*" shall mean the proportion of (i) the Second Lien Claims, which amount, if a DIP Toggle Event has occurred, shall include the Second Lien Additional Amount for the purposes of this calculation, to (ii) the sum of (a) the Equitized Senior Obligations (as defined below), which amount, if a DIP Toggle Event has occurred, shall include the Senior Additional Amount for the purposes of this calculation, *plus* (b) the Second Lien Claims, which amount, if a DIP Toggle Event has occurred, shall include the Second Lien Additional Amount for the purposes of this calculation, *plus*, solely upon the occurrence of a DIP Toggle Event, (c) the General Unsecured Claims.

iv. Administrative Claims: On the Effective Date, any claims incurred for a cost or expense of administration of the Chapter 11 Cases entitled to priority under sections 503(b), 507(a)(2), or 507(b) of the Bankruptcy Code ("Administrative Claims") shall receive payment in full in cash. For the avoidance of doubt, all claims arising from the provision of goods or services provided within the 20 days prior to the Petition Date (the "Reclamation Claims") shall be paid in the ordinary course of business during the pendency of the Chapter 11 Cases as permitted by section 503(b)(9) of the Bankruptcy Code. Notwithstanding the foregoing, the payments on account of such Reclamation Claims shall be subject to an aggregate cap of $2 million, after which any further payments on account of Reclamation Claims will be subject to the consent of the Consenting Parties in their sole discretion. If such consent is denied, any such Reclamation Claims will be treated as Administrative Claims to be paid as set forth above.

v. Hedging Bank Claims: Each holder of any net claims arising out of any termination of the Company's prepetition hedging or swap arrangements with Cargill, Inc. and NextEra Energy Marketing, LLC (the "Hedge Claims") shall receive cash in an amount equal to 100% of such holder's Hedge Claims (the "Hedge Claims Payment Amount"), payable in the following installments:

(a) on the Effective Date, an amount equal to the product of (i) the number of monthly settlement payments that would have occurred after the Hedge Termination Date and on or prior to the Effective Date had the Hedge Claims not been liquidated *divided* by 14 and (ii) the Hedge Claims Payment Amount; and

(b) the remaining amount of the Hedge Claims Payment Amount in equal monthly installments, with such

remaining amount to be paid in full by December 31, 2019, pursuant to a new secured note that will be secured by a security interest in the collateral securing the Hedge Claims as of the Petition Date (that is senior up to the Effective Date and *pari passu* with the First Lien Exit Facility (as defined below)) and otherwise on terms acceptable to the Company and the Consenting Parties.

vi. Statutory Lien Claims: Each holder of any net claims secured by statutory mechanics' or construction liens (the foregoing collectively, the "Statutory Lien Claims") shall receive: (a) on the Effective Date, cash in an amount equal to 50% of the allowed amount of such holder's net claims (the "Initial Distribution"); and (b) on the date that is six months following the Effective Date, cash in an amount equal to 50% of the allowed amount of such holder's net claims. The prepetition liens securing any such Statutory Lien Claims shall be automatically released and discharged on the Effective Date without the requirement of any further notice, demand or order of the Bankruptcy Court or any other court or any action by any party. Immediately upon payment of the Initial Distribution, each holder of Statutory Lien Claims shall take all commercially reasonable actions to effectuate and document the release of such prepetition liens securing such Statutory Lien Claims in accordance with applicable non-bankruptcy law.

vii. Other Secured Claims: On the Effective Date, Other Secured Claims (as defined below) shall receive, in full and final satisfaction of such claims, either (a) payment in full in cash, (b) delivery of the collateral securing any such claim and payment of any interest required under section 506(b) of the Bankruptcy Code, (c) reinstatement of such claim under section 1124 of the Bankruptcy Code, (d) other treatment rendering such claim unimpaired or (e) the indubitable equivalent of such claim.[2]

viii. Priority Tax Claims: On the Effective Date, any claim of governmental units of the type described in section 507(a)(8) of the Bankruptcy Code ("Priority Tax Claims") shall receive payment in full in cash or otherwise receive

[2] "Other Secured Claims" means any claim against the Company (other than the Term Loan Claims, the Second Lien Claims, the Hedge Claims and the Statutory Lien Claims) that is: (a) secured by a lien on property in which the Company has an interest, which lien is valid, perfected, and enforceable pursuant to applicable law or by reason of a Bankruptcy Court order, or that is subject to setoff pursuant to section 553 of the Bankruptcy Code, to the extent of the value of the creditor's interest in the Company's interest in such property or to the extent of the amount subject to setoff, as applicable, as determined pursuant to section 506(a) of the Bankruptcy Code; or (b) allowed pursuant to the Plan, or separate order of the Bankruptcy Court, as a secured claim.

	treatment consistent with the provisions of section 1129(a)(9) of the Bankruptcy Code. ix. Other Priority Claims: On the Effective Date, any claims, other than Administrative Claims or Priority Tax Claims, entitled to priority in right of payment under section 507(a) of the Bankruptcy Code (the "Other Priority Claims") shall be paid in full in cash. x. General Unsecured Claims: Each holder of a general unsecured claim (the "General Unsecured Claims") (if and to the extent any such General Unsecured Claim has not been paid, including in connection with any "critical vendor" or "first day" orders of the Bankruptcy Court) shall receive cash in an amount equal to such General Unsecured Claim on the later of: (a) the Effective Date; or (b) the date due in the ordinary course of business in accordance with the terms and conditions of the particular transaction, contract or other arrangement giving rise to such General Unsecured Claim. xi. Existing Preferred Equity: Holders of Gastar's current outstanding preferred equity shares (the "Existing Preferred Equity") shall receive their *pro rata* share of 100% of the New Preferred Warrants (as defined below), which New Preferred Warrants shall be convertible into up to 2.5% of the number of shares, units or equity interests (as the case may be based how the New Common Equity is denominated) of the New Common Equity outstanding on the Effective Date. Notwithstanding the foregoing, holders of Existing Preferred Equity will not receive any New Warrants if any holder or holders of Existing Common Equity or Existing Preferred Equity seek official committee status or the appointment of a trustee or examiner, or object to or otherwise oppose the consummation of the Restructuring Transaction, the confirmation of the Plan by the Bankruptcy Court or the approval of the DIP Facility by the Bankruptcy Court. xii. Existing Common Equity: Holders of Existing Common Equity shall receive their *pro rata* share of 100% of the New Common Warrants (as defined below), which New Common Warrants shall be convertible into up to 2.5% of the number of shares, units or equity interests (as the case may be based how the New Common Equity is denominated) of the New Common Equity outstanding on the Effective Date. Notwithstanding the foregoing, holders of Existing Common Equity will not receive any New Warrants if any holder or holders of Existing Common Equity or Existing Preferred Equity seek official committee

status or the appointment of a trustee or examiner, or object to or otherwise oppose the consummation of the Restructuring Transaction, the confirmation of the Plan by the Bankruptcy Court or the approval of the DIP Facility by the Bankruptcy Court.

xiii. Intercompany Claims and Interests: Any intercompany claims or interests shall be, at the option of the Company and with the consent of the Consenting Parties (such consent not to be unreasonably withheld, conditioned or delayed), either reinstated or canceled and released without any distribution.

Notwithstanding the foregoing, in the event that a DIP Toggle Event has occurred, each holder of General Unsecured Claims, Existing Preferred Equity, or Existing Common Equity shall receive under the Plan the treatment described below, which shall constitute the Economic Terms as to such holders:

i. General Unsecured Claims: Each holder of a General Unsecured Claim (if and to the extent any such General Unsecured Claim has not been paid, including in connection with any "critical vendor" or "first day" orders of the Bankruptcy Court) shall receive its *pro rata* share of 100% of the New Common Equity, subject to dilution on account of the Management Incentive Plan.

For purposes of the treatment of the General Unsecured Claims in the event a DIP Toggle Event has occurred, "*pro rata*" shall mean the proportion of (i) the General Unsecured Claims to (ii) the sum of (a) the Equitized Senior Obligations, which amount shall include the Senior Additional Amount for the purposes of this calculation, *plus* (b) the Second Lien Claims, which amount shall include the Second Lien Additional Amount for the purposes of this calculation, *plus* (c) the General Unsecured Claims.

ii. Existing Preferred Equity: The Existing Preferred Equity shall be canceled, released, and extinguished as of the Effective Date, and will be of no further force or effect, and holders of Existing Preferred Equity will not receive any distribution on account of such Existing Preferred Equity.

iii. Existing Common Equity: The Existing Common Equity shall be canceled, released, and extinguished as of the Effective Date, and will be of no further force or effect, and holders of Existing Common Equity will not receive any distribution on account of such Existing Common Equity.

For the avoidance of doubt, treatment of all other claims or interests described above other than General Unsecured Claims, Existing Preferred Equity, or Existing Common Equity shall not receive

	different treatment in the event that a DIP Toggle Event has occurred. Each holder of an allowed claim or interest, as applicable, shall receive under the Plan the treatment described above (or less favorable treatment that may be agreed by the Company and the holder of such allowed claim or interest) in full and final satisfaction, settlement, release, and discharge of and in exchange for such holder's allowed claim or interest. Any action to be taken by the Company on the Effective Date may be taken on the Effective Date or as soon as is reasonably practicable thereafter. Notwithstanding the foregoing, in any Chapter 11 Cases, in no event shall any claim or interest that is not an allowed claim or interest pursuant to the Bankruptcy Code be entitled to any consideration whatsoever on account of such claim. Additionally, if the holder of any claim or interest has agreed with the Company to less favorable treatment on account of such claim than is set forth above, the holder of such claim or interest will receive such less favorable treatment.
Plan Voting	Only the holders of Term Loan Claims, the Second Lien Claims, the Hedge Claims and the Statutory Lien Claims shall be entitled to vote on the Plan. For the avoidance of doubt, holders of Existing Preferred Equity and/or Existing Common Equity shall be deemed to reject the Plan.
Exit Facility; Refinancing of DIP Facility and Term Facility	On the Effective Date, the Consenting Parties shall provide to the reorganized Company (or a newly formed or other entity to be mutually agreed) (the "Borrower") either through new money loans or a debt-for debt exchange (at the election of the Consenting Parties): (i) a $100 million first lien secured delayed draw term loan facility comprised of (a) term loans equal to the portion of the New Money Loans (as defined in the DIP Term Sheet) outstanding under the DIP Facility and (b) term loan commitments consisting of DIP Claims in an amount equal to any undrawn New Money Loan commitments under the DIP Facility (the "First Lien Exit Facility"); and (ii) a $200 million second lien secured term loan facility (the "Second Lien Exit Facility"; and together with the First Lien Exit Facility, collectively, the "Exit Facility"). Pursuant to the Exit Facility, and subject to, the terms and conditions set forth in the term sheet attached to the RSA as Exhibit E (the "Exit Facility Term Sheet") and the definitive documents memorializing such facility: (a) a portion of the First Lien Exit Facility in an amount equal to the undrawn portion of the DIP Facility

	immediately prior to the consummation of the Restructuring Transaction shall be available to the Borrower for working capital, subject to and in accordance with the Exit Facility Term Sheet and the terms of the definitive documentation governing the First Lien Exit Facility; (b) the balance of the First Lien Exit Facility shall be treated as satisfying on a dollar-for-dollar basis *first*, the outstanding DIP Claims and *second*, solely to the extent that all DIP Claims have been fully repaid, the Term Loan Claims; and (c) the Second Lien Exit Facility shall be treated as satisfying on a dollar-for-dollar basis *first*, any outstanding DIP Claims remaining after application of the First Lien Exit Facility and *second*, solely to the extent that all DIP Claims have been fully repaid, the Term Loan Claims. Any portion of the DIP Claims or the Term Loan Claims that is not refinanced pursuant to the Exit Facility shall receive the treatment for Remaining DIP Claims and Remaining Term Loan Claims, respectively, set forth above under the caption "Economic Terms". The First Lien Exit Facility and the Second Lien Exit Facility shall be secured by (subject to permitted liens to be mutually agreed), respectively, first priority and second priority liens on the Credit Parties' (as defined in the Exit Term Sheet) assets. Notwithstanding the foregoing, the Consenting Parties shall have the right, exercisable in their sole discretion, to (i) replace the First Lien Exit Facility with a $100 million reserve based lending facility from a third party financing source on or prior to the Effective Date; and (ii) to reduce the principal amount of the Second Lien Exit Facility in such amount as they may determine on or prior to the Effective Date.
Management Incentive Plan	On the Effective Date, the Company shall reserve shares, units or equity interests (as the case may be based how the New Common Equity is denominated) of New Common Equity to be available for grant from time to time to employees of the reorganized business of the Company pursuant to a management incentive plan (the "Management Incentive Plan") in an aggregate amount equal to 10% of the New Common Equity, on a fully diluted, fully distributed basis. All terms, conditions, allocations, securities types, exercise prices and grants of individual awards under the Management Incentive Plan shall be subject to the approval of the new Board of Directors (the "New Board") of the parent entity holding the reorganized business of the Company following the consummation of the Restructuring Transaction. Notwithstanding the foregoing, (i) no awards under the Management Incentive Plan

	shall vest on confirmation of the Plan and (ii) the amount of awards permitted to be granted under the Management Incentive Plan each year will be subject to limitations to be determined by the New Board so that the award of grants will be staggered over a period of time.
Restructuring Support Agreement	The Company and the Consenting Parties shall execute the RSA. The RSA shall contain customary terms and conditions for an agreement of its type, including, without limitation, terms evidencing the obligation of the parties to such agreement to support the consummation of the Restructuring Transaction.
Information Sharing and Consultation Rights	Notwithstanding anything to the contrary in this Restructuring Term Sheet, whether or not expressly so provided in this Restructuring Term Sheet, each of the following matters shall be subject to the Information Sharing and Consultation Rights: (i) the status and satisfaction of (or failure to satisfy) each Milestone; (ii) any proposal, offer or expression of interest the Company receives for an Alternative Transaction (as defined in the RSA); and (iii) any proposed budget, business plan, forecast, projection or valuation of, or relating to, the Company. As used in this Restructuring Term Sheet, the "Information Sharing and Consultation Rights" shall have the meaning set forth in the RSA.
Milestones	The Consenting Parties' support for the Restructuring Transaction shall be subject to the timely satisfaction of the following Milestones:[3] • The Company shall have commenced the solicitation of the Plan by no later than October 26, 2018. • The Company shall have concluded the solicitation of the Plan by no later than October 31, 2018. • The Company shall have commenced the Chapter 11 Cases in the Bankruptcy Court by no later than October 31, 2018. • On the date of the commencement of the Chapter 11 Cases (the "Petition Date"), the Company shall have filed (i) the Plan, (ii) the Disclosure Statement, and (iii) a motion for approval of the Disclosure Statement and solicitation procedures and to set a hearing to consider confirmation of the Plan.

[3] To the extent a Milestone falls within a Holiday Period then such milestone shall be extended by three (3) business days after the end of the Holiday Period. "Holiday Period" shall mean the period from November 19, 2018 through and including November 23, 2018 and the period from December 24, 2018 through and including January 4, 2018.

	• Within five (5) days following the Petition Date, the Bankruptcy Court shall have entered the interim order approving the DIP Facility (the "Interim Order"). • Within thirty (30) days following the Petition Date, the Bankruptcy Court shall have entered the final order approving the DIP Facility. • Within sixty (60) days following the Petition Date, the Bankruptcy Court shall have entered an order approving the Disclosure Statement and confirming the Plan (the "Confirmation Order"). • Within twenty (20) days following the entry of the Confirmation Order, the Plan shall have been consummated. The Company shall use its best efforts to cause each of the Milestones to be timely attained. However, in the event that any Milestone is not timely attained, the use by the Company of such best efforts shall in no event relieve it of its obligation hereunder to have caused such Milestone to be timely attained. The failure to attain any Milestone shall give the Consenting Parties the right to terminate the RSA in accordance with the terms of the RSA.
Credit Bidding	Upon the direction of the DIP Lenders (as defined in the DIP Term Sheet), the Term Lender and the Second Lien Noteholders, as applicable, in their sole discretion, the administrative agent under the DIP Facility (the "DIP Agent"), the Term Agent and the Second Lien Trustee or their respective designees shall have the right to credit bid all or a portion of the of DIP Claims, the Term Loan Claims or the Second Lien Claims, respectively, in accordance with section 363(k) of the Bankruptcy Code.
Debtor-in-Possession Financing	Subject to the terms and conditions set forth in the DIP Term Sheet, certain of the Consenting Parties and/or their affiliates will be lenders under a new superpriority debtor-in-possession financing (the "DIP Facility") in an aggregate amount of approximately $383.9 million, which shall include up to $100 million in new money financing, to the extent necessary to fund the Company through to the consummation of the Restructuring Transaction. Subject to the terms and conditions set forth in the DIP Term Sheet, the new money proceeds of the DIP Facility shall be used by the Company, among other things, for general working capital purposes and to fund the administration of the Chapter 11 Cases, in each case, in accordance with a budget agreed to by the DIP Lenders (the "DIP Budget"). In addition, at the election of the Consenting Parties, approximately $283.9 million of Term Loan Claims (consisting of the outstanding principal amount and accrued but unpaid interest under the Term Credit Agreement as of the Petition Date) shall either (i) be refinanced on a dollar-for-dollar basis in cash with

	proceeds of the DIP Facility or (ii) be exchanged on a dollar-for-dollar basis for an equal interest in the DIP Facility (the "Term Loan Refinancing"). The DIP Facility shall contain other customary terms and conditions consistent with the DIP Term Sheet and otherwise be, in form and substance, acceptable to the Company and the Consenting Parties.
New Preferred Warrants	On the Effective Date, subject to the conditions set forth above in the Economic Terms relating to the treatment of the Existing Preferred Equity, the Company will issue 3-year warrants exercisable for cash (and in no event exercisable on a cashless basis) into up to 2.5% of the number of shares, units or equity interests (as the case may be based how the New Common Equity is denominated) of the New Common Equity outstanding on the Effective Date with a strike price equal to, as of any applicable date of determination, (i) (A) the amount of the Second Lien Claims outstanding as of immediately prior to the effectiveness of the Restructuring Transaction plus (B) the amount of interest that would have accrued (assuming such interest is compounded on each March 1, June 1, September 1 and December 1) on the sum of such Second Lien Claims and $23,369,951.46 (the "Second Lien Additional Amount") through such date if the Second Lien Notes (plus the Second Lien Additional Amount) had been outstanding after the Effective Date and through such date plus (C) the amount of the Equitized Senior Obligations plus (D) the amount of interest that would have accrued on the sum of such Equitized Senior Obligations and $50,541,158.61 (the "Senior Additional Amount") through such date if the Equitized Senior Obligations (plus the Senior Additional Amount) had remained outstanding in accordance with their terms after the Effective Date and through such date (assuming such interest is compounded on each March 31, June 30, September 30 and December 31), plus (E) $73,911,110.07, divided by (ii) the number of shares, units or equity interests (as the case may be based how the New Common Equity is denominated) of New Common Equity issued under the Plan on the Effective Date (the "New Preferred Warrants"). The foregoing is subject in its entirety to the terms and conditions set forth below in "Parameters Relating to the Issuance of the New Warrants."
New Common Warrants	On the Effective Date, subject to the conditions set forth above in the Economic Terms relating to the treatment of the Existing Common Equity, the Company will issue 3-year warrants exercisable for cash (and in no event exercisable on a cashless basis) into up to 2.5% of the number of shares, units or equity interests (as the case may be based how the New Common Equity is denominated) of the New Common Equity outstanding on the Effective Date with a strike price equal to, as of any applicable date

	of determination, (i) (A) the amount of the Second Lien Claims outstanding as of immediately prior to the effectiveness of the Restructuring Transaction plus (B) the amount of interest that would have accrued (assuming such interest is compounded on each March 1, June 1, September 1 and December 1) on the sum of such Second Lien Claims and the Second Lien Additional Amount through such date if the Second Lien Notes (plus the Second Lien Additional Amount) had remained outstanding after the Effective Date and through such date plus (C) the amount of the Equitized Senior Obligations plus (D) the amount of interest that would have accrued on the sum of such Equitized Senior Obligations and the Senior Additional Amount through such date if the Equitized Senior Obligations (plus the Second Lien Additional Amount) had remained outstanding in accordance with their terms after the Effective Date and through such date (assuming such interest is compounded on each March 31, June 30, September 30 and December 31) plus (E) the aggregate liquidation preference of the Existing Preferred Equity as of immediately prior to the effectiveness of the Restructuring Transaction plus (F) the amount of dividends that would have accrued on such Existing Preferred Equity through such date if the Existing Preferred Equity had remained outstanding after the Effective Date and through such date, plus (G) $73,911,110.07, divided by (ii) the number of shares, units or equity interests (as the case may be based how the New Common Equity is denominated) of New Common Equity issued under the Plan on the Effective Date (the "New Common Warrants", and together with the New Preferred Warrants, the "New Warrants"). The foregoing is subject in its entirety to the terms and conditions set forth below in "Parameters Relating to the Issuance of the New Warrants."
Parameters Relating to the Issuance of the New Warrants	The issuance of the New Warrants shall be conditioned upon each of the following: (i) the holders of the New Warrants holding passive positions (i.e., no minority governance, registration, or similar rights) following such issuance, and any exercise, of the New Warrants; (ii) such issuance of the New Warrants being exempt from the registration requirements under the Securities Act of 1933 (the "Securities Act") and any other applicable federal, state or other securities laws; (iii) in no event shall any fractional New Warrants be required to be issued; (iv) such issuance of New Warrants not resulting in any of the entities holding the reorganized business of the Company following the consummation of the Restructuring Transaction being required to be a publicly held company or otherwise being required to make or file public periodic reports pursuant to any applicable federal, state or other securities laws or otherwise (a "Reporting Triggering Event"); and (v) in no

	event shall any New Warrants be required to be issued to any competitors of the Company. Notwithstanding the foregoing, in the event that the issuance of the New Warrants in accordance with the terms set forth in "New Preferred Warrants" and "New Common Warrants" above would result in the issuance of fractional New Warrants, the occurrence of a Reporting Triggering Event or the issuance of New Warrants to a competitor of the Company, then, although such issuances would not be required to be effected pursuant to this Term Sheet as a result of the failure of, as applicable, the condition set forth in clause (iii), clause (iv) and/or clause (v) of the immediately preceding paragraph, the Consenting Parties shall nevertheless, in their sole discretion, be entitled to elect (a "Cash-Out Election"): (a) in the case of the failure of the condition set forth in such clause (iii) and/or the condition set forth in such clause (iv), to direct that any holder or holders of Existing Preferred Equity and any holders or holders of Existing Common Equity designated by the Consenting Parties (the designation of such holders to be made in the sole discretion of the Consenting Parties, taking into account the purpose of preventing the issuance of fractional New Warrants and/or the occurrence of a Reporting Triggering Event, as the case may be) shall receive instead of New Warrants a distribution of cash in an amount equal to the Value (as defined below) of the New Warrants such holders would have otherwise received but for the failure of the applicable conditions(s) (the "Category I Unavailable Warrants"); and/or (b) in the case of the failure of the condition set forth in such clause (v), direct that such holders of Existing Preferred Equity and holders of Existing Common Equity that are competitors of the Company shall be entitled to a distribution of cash in an amount equal to the Value of the New Warrants such holders would have otherwise received but for the failure of the applicable condition (the "Category II Unavailable Warrants," and together with the Category I Unavailable Warrants, the "Unavailable Warrants"). In the event that the Consenting Parties make any Cash-Out Election(s), then the amount of New Warrants granted pursuant to "New Preferred Warrants" and "New Common Warrants," as applicable, shall be reduced by the amount of Unavailable Warrants. For purposes of the foregoing, "Value" means the value of the applicable New Preferred Warrants or New Common Warrants, as the case may be, as reasonably determined by the Company and the Consenting Parties using the Black Scholes model or such other valuation methodology as is customary for valuations of this type.

	The New Warrants will not be registered under the Securities Act or any other applicable federal, state or other securities laws. The New Warrants will be transferable subject to restrictions pursuant to applicable federal, state and other securities laws. Such New Warrants shall only be transferable to: (a) "qualified institutional buyers" within the meaning of Rule 144A promulgated under the Securities Act; and (b) "accredited investors" within the meaning of Rule 501(a)(1), (2), (3) or (7) of Regulation D promulgated under the Securities Act who are not disqualified persons under Rule 506(d) of Regulation D promulgated under the Securities Act. The New Warrants will also be subject to restrictions: (i) designed to prevent the occurrence of circumstances that are reasonably expected by the Consenting Parties to require registration or qualification of the New Warrants pursuant to federal, state or other securities laws, or require the Consenting Parties to make or file public periodic reports pursuant to any applicable federal, state or other securities laws or otherwise; and (ii) on transfers that would subject the Consenting Parties to regulation under the Investment Company Act of 1940, the Investment Advisers Act of 1940 or the U.S. Employee Retirement Income Security Act of 1974, each as amended; (iii) as specified in the definitive warrant agreement (the "Warrant Agreement") pursuant to which the New Warrants will be issued; and (iv) on transfers to competitors. All holders of New Common Equity issued or issuable upon the exercise of the New Warrants shall be required to become parties to a stockholders or similar agreement with respect to the post-emergence equity in the entities holding the reorganized business of the Company (the "Stockholders Agreement"). The Warrant Agreement and the Stockholders Agreement shall each be in form and substance acceptable to the Consenting Parties. In the event that a Sale (as defined below) is consummated prior to the 3-year anniversary of the Effective Date, any Warrants then remaining outstanding and unexercised shall expire worthless and will automatically be cancelled for no further consideration. For the avoidance of doubt, no holder of Warrants shall be entitled to the fair market value of the New Warrants (using the Black Scholes model or otherwise) in connection with a Sale, but shall have the right to exercise the New Warrants at any time prior to such Sale. The Company shall provide the holders of the New Warrants with five (5) business days' prior written notice of a Sale. The term "Sale" applies to any transaction with respect to the Company (or

	any successor to the Company) and/or its subsidiaries taken as a whole and means (i) any consolidation, (ii) any merger, (iii) any disposition, transfer, conveyance or sale of all or a majority of the assets or equity interests, (iv) any transaction in which the holders of equity interests are entitled to receive (either directly or upon subsequent liquidation) cash, securities or other property with respect to, or in exchange for, such equity interests and/or (v) any transaction similar to the foregoing. Notwithstanding anything to the contrary in this Term Sheet, neither the Company nor any of the entities holding the reorganized business of the Company following the consummation of the Restructuring Transaction shall be required to take any action that would result in the Company or such entity, as the case may be, being required to make or file public periodic reports pursuant to any applicable federal, state or other securities laws or otherwise.
Release	Except as expressly set forth in this Restructuring Term Sheet or the definitive documentation for the Restructuring Transaction (the "Definitive Documentation"), the Definitive Documentation shall include full customary debtor and "third party" releases from liability in favor of the Company, each of the DIP Lenders, the DIP Agent, the Consenting Parties, the Term Agent, the Second Lien Trustee, and each of their respective directors, officers, funds, affiliates, members, employees, partners, managers, investment advisors, agents, representatives, principals, consultants, attorneys, professional advisors, heirs, executors, successors and assigns (each in their capacity as such). The releases will cover any claims and causes of action related to or in connection with the Company, the Company's out-of-court restructuring efforts, the RSA, the Plan, the Restructuring Transaction or the obligations under the DIP Facility, the Term Credit Agreement, the Second Lien Indenture, the Existing Preferred Equity or the Existing Common Equity. The releases described in this section shall contain a carve-out for actual fraud or fraud grounded in deliberate recklessness. For the avoidance of doubt, any claims in respect of avoidance actions against the Consenting Parties shall be released. Nothing in the foregoing shall result in any current or former members of the board of directors of the Company (the "Existing Board") or any current or former officers of the Company waiving any indemnification claims against the Company or any of its insurance carriers or any rights as beneficiaries of any insurance policies.
Board of Directors	The New Board shall consist of five (5) members. All of the directors for the initial term following the consummation of the Restructuring Transaction shall be selected by the Consenting Parties. In subsequent terms, the directors shall be selected in accordance with the organizational documents of the parent entity holding the reorganized business of the Company.

Senior Officers	Upon the consummation of the Restructuring Transaction, the Company's existing senior officers shall continue to serve in their current capacities at the pleasure of the New Board.
Employment Agreements	TBD.
Executory Contracts	The Company shall not enter into an executory contract, lease, or other arrangement outside of the ordinary course of its business without obtaining the prior written consent of the Consenting Parties. The Company shall not assume or reject any executory contract or unexpired lease without obtaining the prior written consent of the Consenting Parties.
Amended Articles & Bylaws	Any existing organizational and corporate governance documents of the entities holding the reorganized business of the Company after giving effect to the Restructuring Transaction shall be subject to amendments and modifications customary in connection with transactions similar to the Restructuring Transaction.
Public / Private Status of Company	The entities holding the reorganized business of the Company shall be privately held and shall not be subject to any United States Securities and Exchange Commission reporting obligations.
Registration Rights	The reorganized Company shall remain a privately held company and will not be required to register any of its post-emergence equity (including, without limitation, the New Common Equity or the New Warrants) for resale under the Securities Act or any other applicable federal, state or other securities laws or to offer to exchange any of such post-emergence equity for securities registered under the Securities Act or any other applicable federal, state or other securities laws.
Fees & Expenses / Expense Reimbursement	The Company shall promptly upon receipt of a request for payment thereof, pay all reasonable and documented out-of-pocket fees and expenses of the Consenting Parties as they are incurred, including but not limited to, the fees and expenses of their legal, financial and other advisors.
Tax, Securities, and Corporate Matters / Related Structure Considerations	The transactions discussed in this Restructuring Term Sheet are subject to ongoing tax diligence, securities compliance, and other corporate review. The Company shall reasonably cooperate with the Consenting Parties to structure the Restructuring Transaction to enable the Company or its successor to emerge on the Effective Date in the organizational form, and with the tax structure and tax elections, requested or consented to by the Consenting Parties. Without limiting the foregoing, if requested by the Consenting Parties, the Company shall effectuate an internal corporate reorganization (i) to

	convert into, transfer all or a portion of its assets to or cause all or a portion of the equity interests in it to be transferred to, in each case, a limited liability company or a limited partnership, or (ii) as a result of which (x) the Consenting Parties hold a portion of their equity interests in the reorganized Company through a corporation (the "Corporation") and another portion of such equity interests through a limited liability company or a limited partnership and (y) the New Warrants are issued by the Corporation.
Definitive Documentation	The Definitive Documentation and other material agreements relating to the Restructuring Transaction, any Plan or accompanying Disclosure Statement, any of the documents or materials identified in the "Milestones" section of this Restructuring Term Sheet, and any forms of orders submitted to the Bankruptcy Court shall: (i) be consistent with this Restructuring Term Sheet, (ii) be subject to the consent and approval standards set forth in the Restructuring Term Sheet, and (iii) contain such other terms and conditions as are customary for transactions of this type.
Required Lenders / Required Noteholders	For the purposes of this Restructuring Term Sheet, any consent, waiver or exercise of discretion of the Consenting Parties will be effective only upon the consent of the Required Lenders, the Required Noteholders and the Ares Equity Holders. "Required Lenders" means, as of any date of determination, Term Lenders holding a majority of the outstanding principal amount of the Term Loan Claims held by the Term Lenders in the aggregate. "Required Noteholders" means, as of any date of determination, Second Lien Noteholders holding a majority of the outstanding principal amount of the Second Lien Claims held by the Second Lien Noteholders in the aggregate.

Annex 1

Consenting Second Lien Noteholders and Ares Equity Holders

Consenting Second Lien Noteholders

AF V ENERGY I AIV A1, L.P.
AF V ENERGY I AIV A2, L.P.
AF V ENERGY I AIV A3, L.P.
AF V ENERGY I AIV A4, L.P.
AF V ENERGY I AIV A5, L.P.
AF V ENERGY I AIV A6, L.P.
AF V ENERGY I AIV A7, L.P.
AF V ENERGY I AIV A8, L.P.
AF V ENERGY I AIV A9, L.P.
AF V ENERGY I AIV A10, L.P.
AF V ENERGY I AIV A11, L.P.
AF V ENERGY I AIV A12, L.P.
AF V ENERGY I AIV A13, L.P.
AF V ENERGY I AIV B1, L.P.

Ares Equity Holders

AF V ENERGY I AIV A1, L.P.
AF V ENERGY I AIV A2, L.P.
AF V ENERGY I AIV A3, L.P.
AF V ENERGY I AIV A4, L.P.
AF V ENERGY I AIV A5, L.P.
AF V ENERGY I AIV A6, L.P.
AF V ENERGY I AIV A7, L.P.
AF V ENERGY I AIV A8, L.P.
AF V ENERGY I AIV A9, L.P.
AF V ENERGY I AIV A10, L.P.
AF V ENERGY I AIV A11, L.P.
AF V ENERGY I AIV A12, L.P.
AF V ENERGY I AIV A13, L.P.
AF V ENERGY I AIV B1, L.P.

EXHIBIT B to
the Restructuring Support Agreement

Form of Transfer Agreement and Joinder

Transfer Agreement and Joinder

The undersigned ("**Transferee**") hereby acknowledges that it has read and understands the Restructuring Support Agreement, dated as of _____ (the "**Agreement**"),[6] by and among Gastar, its direct and indirect subsidiaries bound thereto and Northwest Property Ventures LLC, and certain other parties, including the transferor to the Transferee of any [Debtor Claims/Interests] (each such transferor, a "**Transferor**"), and agrees to be bound by the terms and conditions of the Agreement to the extent the Transferor was thereby bound, and shall be deemed a "**Consenting Party**" and a "**Party**" under the terms of the Agreement.

The Transferee specifically agrees to be bound by the terms and conditions of the Agreement and makes all representations and warranties contained in the Agreement as of the date of the Transfer, including the agreement to be bound by the vote of the Transferor if such vote was cast before the effectiveness of the Transfer discussed in this Transfer Agreement and Joinder.

Date Executed:

_____
Name:
Title:

Address:

E-mail address(es):
Telephone:
Facsimile:

Aggregate Amounts Beneficially Owned or Managed on Account of:	
Term Loan Claims (if any)	$[__]
Second Lien Claims (if any)	$[__]
[Preferred Stock Claims] (if any)	[__] shares
[Existing Common Equity] (if any)]	[__] shares

[6] Capitalized terms not used but not otherwise defined in this Transfer Agreement and Joinder shall have the meanings ascribed to such terms in the Agreement.

EXHIBIT C to
the Restructuring Support Agreement

Form of Joinder Agreement

Joinder Agreement

The undersigned ("**Joining Party**") hereby acknowledges that it has read and understands the Restructuring Support Agreement, dated as of _____ (the "**Agreement**"),[7] by and among Gastar, its direct and indirect subsidiaries bound thereto and Northwest Property Ventures LLC, the Consenting Parties, and certain other parties, and agrees to be bound by the terms and conditions of the Agreement, and shall be deemed a "**Consenting Party**" and a "**Party**" under the terms of the Agreement.

The Joining Party specifically agrees to be bound by the terms and conditions of the Agreement and makes all representations and warranties contained in the Agreement as of the date of this Joinder Agreement.

Date Executed:

_____
Name:
Title:

Address:

E-mail address(es):
Telephone:
Facsimile:

Aggregate Amounts Beneficially Owned or Managed on Account of:	
ABL Revolver Claims (if any)	$[__]
ABL Term Loan Claims (if any)	$[__]
Term Loan Claims (if any)	$[__]
Unsecured Note Claims (if any)	$[__]
Existing Common Stock (if any)	[__] shares

[7] Capitalized terms not used but not otherwise defined in this Joinder Agreement shall have the meanings ascribed to such terms in the Agreement.

EXHIBIT D to
the Restructuring Support Agreement

DIP Term Sheet

EXECUTION VERSION

DIP TERM SHEET

GASTAR EXPLORATION INC.[1]

This term sheet (this "***DIP Term Sheet***") is a summary of indicative terms and conditions for a proposed DIP term loan financing (the "***DIP Facility***") that is materially consistent with the terms and conditions as set forth in this DIP Term Sheet and otherwise acceptable in form and substance to the Debtors and the DIP Lenders (each as defined below).

This DIP Term Sheet is non-binding and is being presented for discussion and settlement purposes only. Consequently, this DIP Term Sheet is entitled to protection from any use or disclosure to any person or entity pursuant to Federal Rule of Evidence 408 and any other rules or laws of similar import. This DIP Term Sheet does not purport to summarize all of the terms, conditions, covenants and other provisions that may be contained in the fully negotiated and executed definitive documentation in connection with the DIP Facility. Among other things, the transactions described in this DIP Term Sheet are subject in all respects to: (i) internal authorization and approval by the appropriate credit committee of the DIP Lenders; (ii) the execution and delivery of definitive documentation satisfactory in form and substance to the Debtors and the DIP Lenders; (iii) satisfaction or waiver of the conditions precedent set forth in this DIP Term Sheet; (iv) approval by the Bankruptcy Court (as defined below); and (iv) the satisfactory completion of diligence by the DIP Lenders in their sole discretion. This DIP Term Sheet does not constitute a commitment to lend or to provide or arrange any other financing; such an obligation would arise only under a fully negotiated commitment letter if executed by all parties thereto in accordance with its terms.

This DIP Term Sheet and the information contained in this DIP Term Sheet shall remain strictly confidential and may not be shared with any person or entity (other than the Debtors, the DIP Lenders and their respective professionals), unless otherwise consented to by the Debtors or the DIP Lenders, as applicable.

Parties	**Debtors**: Gastar Exploration Inc. ("***Gastar***"), Northwest Property Ventures LLC, and any other current or future subsidiaries of Gastar, as debtors-in-possession (collectively, the "***Debtors***") in the cases to be filed under Chapter 11 of the Bankruptcy Code (the "***Chapter 11 Cases***") in the United States Bankruptcy Court for the Southern District of Texas (the "***Bankruptcy Court***"). The date of commencement of the Chapter 11 Cases is referred to in this DIP Term Sheet as the "***Petition Date***". **Borrower**: Gastar. **Guarantors**: Each of the Debtors (other than Gastar) and each other subsidiary of Gastar that guaranteed the Term Facility (as defined below) or the Second Lien Notes (as defined below) (collectively, the "***Guarantors***"). All obligations of the Borrower under the DIP Facility will be unconditionally guaranteed on a joint and several basis by the Guarantors, and each Guarantor that is a Debtor shall be deemed to have guaranteed the DIP Obligations (as defined below) pursuant to the Interim Order (as defined below).

[1] This DIP Term Sheet, the terms and provisions set forth in this DIP Term Sheet, and the transactions contemplated by this DIP Term Sheet are in all respects subject to, and may be further revised, modified or changed following, the completion of due diligence by the DIP Lenders (as defined below) and their professionals.

	DIP Lenders: Funds managed or controlled by Ares Management, L.P. (together with their successors and permitted assigns, collectively, the "***DIP Lenders***"). **DIP Agent**: Wilmington Trust, National Association (the "***DIP Agent***"), shall act as administrative agent for the DIP Lenders under the DIP Facility.
Existing Debt Arrangements	**Term Loan Facility**: The Third Amended and Restated Credit Agreement, dated March 3, 2017 (the "***Term Credit Agreement***"), by and between Gastar, as Borrower, the Guarantors party thereto, the Lenders (the "***Term Lenders***") from time to time party thereto and Wilmington Trust, National Association, as administrative agent (the "***Term Agent***") (as amended, supplemented or otherwise modified prior to the date hereof, and including all exhibits and guarantee, security and other ancillary documentation in respect thereof, the "***Term Facility***"; all payment Obligations (as defined in the Term Credit Agreement), under or related to the Term Facility, collectively, the "***Term Obligations***"). **Second Lien Notes**: Those certain notes issued pursuant to the Indenture dated March 3, 2017 (the "***Second Lien Indenture***"), by and between Gastar, as Issuer, the Guarantors party thereto, and Wilmington Trust, National Association, as trustee and collateral agent (the "***Second Lien Trustee***") (as amended, supplemented or otherwise modified prior to the date hereof, and including all exhibits and guarantee, security and other ancillary documentation in respect thereof, the "***Second Lien Notes***"; all payment Obligations (as defined in the Second Lien Indenture), under or related to the Second Lien Notes, collectively, the "***Second Lien Obligations***").
DIP Facility	As described in greater detail below, the proceeds of the DIP Facility will be used by the Debtors: (i) subject to the Budget (as defined below) for working capital purposes and funding the administration of the Chapter 11 Cases; and (ii) to effectuate the Term Facility Refinancing (as defined below). The DIP Facility shall be comprised of term loans in an aggregate amount of approximately $383.9 million (the "***DIP Loans***") and shall consist of the following: (a) $100 million of new money loans (the "***New Money Loans***"); and (b) approximately $283.9 million of refinanced Term Obligations consisting of outstanding principal and accrued and unpaid interest under the Term Facility as of the Petition Date (the "***Roll-up Loans***") pursuant to the Term Facility Refinancing. The DIP Facility and all instruments and documents executed at any time in connection therewith, together with the DIP Orders (as defined below), shall be referred to collectively as the "***DIP Loan Documents***." Amounts repaid or prepaid in respect of DIP Loans may not be reborrowed.

	Upon entry of and subject to a Bankruptcy Court order granting interim approval of the DIP Facility (such order to be in form and substance satisfactory to the Debtors in their reasonable discretion and the DIP Lenders in their sole discretion, the "***Interim Order***") and subject to satisfaction (or waiver) of the additional Conditions Precedent (defined below) and the draw limitations set forth in the last sentence of this paragraph and so long as consistent with the Budget, up to $15 million of the New Money Loans (the "***Interim DIP Tranche***") may be drawn by the Borrower upon three business days' notice in one or more draws in an amount that is not less than $2,500,000 for the initial draw and not less than $500,000 for each subsequent draw (or, if less, in the amount of the entire unused balance of the Interim DIP Tranche). Notwithstanding the foregoing or anything to the contrary in this DIP Term Sheet, (i) draws under the Interim DIP Tranche shall be limited to no more than one draw per week and (ii) no draw under the Interim DIP Tranche shall in any event exceed the amount actually needed by the Borrower at the applicable time of determination (taking into account the Borrower's cash on hand at such time) to fund the Chapter 11 Cases and/or the Borrower's working capital needs (after giving effect to a $5 million cash minimum liquidity floor, which the Debtors shall be permitted to maintain at all times during the pendency of the Chapter 11 Cases), in each case, over the immediately succeeding 14-day period (any such applicable period, a "***Forward Period***") in the amounts expressly provided for in the Budget for such Forward Period, net of (and without duplicating) any amounts previously drawn under the DIP Facility in respect of amounts provided for in the Budget for such Forward Period. Upon entry of and subject to a Bankruptcy Court order granting final approval of the DIP Facility (such order to be in form and substance satisfactory to the Debtors in their reasonable discretion and the DIP Lenders in their sole discretion, the "***Final Order***" and together with the Interim Order, collectively, the "***DIP Orders***") and subject to the terms and conditions of the DIP Loan Documents and the draw limitations set forth in the last sentence of this paragraph and so long as consistent with the Budget, up to an amount equal to $100 million of New Money Loans, minus the amount of New Money Loans previously drawn by the Debtors prior to such date (the resulting amount, the ***"Final DIP Tranche***") may be drawn by the Borrower upon three business days' notice in one or more draws in an amount not less than $500,000 for each draw (or, if less, in the amount of the entire unused balance of the Final DIP Tranche). Notwithstanding the foregoing or anything to the contrary in this DIP Term Sheet, (a) draws under the Final DIP Tranche shall be limited to no more than one draw per week and (b) no draw under the Final DIP Tranche shall in any event exceed the amount actually needed by the Borrower at the applicable time of determination (taking into account the Borrower's

	cash on hand at such time) to fund the Chapter 11 Cases and/or the Borrower's working capital needs, in each case, over the immediately succeeding Forward Period in the amounts expressly provided for in the Budget for such Forward Period, net of (and without duplicating) any amounts previously drawn under the DIP Facility in respect of amounts provided for in the Budget for such Forward Period. Upon entry of and subject to the Final Order and subject to the terms and conditions of the DIP Loan Documents and the Debtors having demonstrated to the reasonable satisfaction of the DIP Lenders acting in good faith, the bona fide need of the Debtors for such additional liquidity to preserve lease operating rights in response to actions taken or proposed to be taken by third parties (the "***Operating Rights Preservation Activities***") and subject to the draw limitations set forth in the last sentence of this paragraph, up to an amount equal to $100 million of New Money Loans, *minus* any amounts of New Money Loans previously drawn by the Debtors prior to such date (the "***Reserve DIP Tranche***") may be drawn by the Borrower upon three business days' notice in one or more draws in an amount not less than $500,000 for each draw (or, if less, in the entire amount of the unused balance of the Reserve DIP Tranche). Notwithstanding the foregoing or anything to the contrary in this DIP Term Sheet, (i) draws under the Reserve DIP Tranche shall be limited to no more than one draw per week and (ii) no draw under the Reserve DIP Tranche shall in any event exceed the amount actually needed by the Borrower at the applicable time of determination (taking into account the Borrower's cash on hand at such time) to fund Operating Rights Preservation Activities over the immediately succeeding Forward Period in the amounts expressly approved by the DIP Lenders for such Forward Period, net of (and without duplicating) any amounts previously drawn under the DIP Facility in respect of amounts so approved by the DIP Lenders for such Forward Period. The date of entry of the Interim Order and satisfaction of the other Conditions Precedent is referred to hereunder as the "***Closing Date.***"
DIP Liens and Superpriority Status	Subject to a "carve-out" as set forth on Exhibit A to this DIP Term Sheet (the "***Carve-Out***") and liens securing obligations owed to the Debtors' hedge counterparties (the "***Hedge Carve-Out***"), the DIP Facility and all obligations of the Debtors to the DIP Lenders and the DIP Agent under the DIP Loan Documents (collectively, the "***DIP Obligations***") shall at all times be secured: (a) pursuant to Bankruptcy Code section 364(d) of the Bankruptcy Code, by first priority priming liens on all encumbered assets of the Debtors (whether existing as of the Petition Date or after-acquired, tangible or intangible, and comprising real or personal property), which liens shall prime all other liens and claims, including the liens securing the Term Obligations and the Second Lien Obligations but excluding the items addressed in clause (c) below; (b) pursuant to Bankruptcy Code section 364(c)(2),

	first priority liens on all unencumbered assets of the Debtors (whether existing as of the Petition Date or after-acquired, tangible or intangible, and comprising real or personal property) including, upon entry of the Final Order, any causes of action under Bankruptcy Code sections 502(d), 544, 545, 547, 548, 549, 550 or 553 or any other avoidance actions under the Bankruptcy Code or applicable non-bankruptcy law and the proceeds thereof ("***Avoidance Actions***") and (c) pursuant to the Bankruptcy Code 364(c)(3), junior-priority liens on all assets of the Debtors to the extent that such assets are subject to valid, perfected and unavoidable Permitted Liens (as such term shall be defined under the DIP Loan Documents) in favor of third parties that were in existence immediately prior to the Petition Date, or to valid and unavoidable Permitted Liens in favor of third parties that were in existence immediately prior to the Petition Date that were perfected subsequent to the Petition Date as permitted by Section 546(b) of the Bankruptcy Code (other than the existing liens and claims in respect of the Term Obligations and the Second Lien Obligations, which existing liens and claims will be primed by the liens described in clause (a) above) (such liens and security interests, collectively, the "***DIP Liens***"). Subject to the Carve-Out, the DIP Obligations shall be allowed superpriority claims, pursuant to Bankruptcy Code section 364(c)(1), with priority over all other claims (including claims otherwise having priority under section 507 of the Bankruptcy Code or otherwise).
Use of Proceeds; Carve-Out	Subject to the terms and conditions in this DIP Term Sheet, the proceeds of the DIP Facility shall be used only (x) to effect the Term Facility Refinancing and (y) otherwise in accordance with the terms of the Budget (other than with respect to the Reserve DIP Tranche, which may not be reflected in the Budget) and the DIP Loan Documents. Permitted uses for such funds shall include: (i) to pay (x) all fees due to DIP Lenders and the DIP Agent under the DIP Loan Documents and (y) all reasonable pre- and post-petition professional fees and expenses (including legal, financial advisor, appraisal and valuation-related fees and expenses) incurred by the DIP Lenders and the DIP Agent, including, without limitation, those incurred in connection with the preparation, negotiation, documentation and court approval of the documentation and transactions contemplated by this DIP Term Sheet; (ii) to provide working capital to the Debtors and to fund the Debtors' general corporate purposes (but not, for the avoidance of doubt, any equityholder or other affiliate of the Debtors except as expressly set forth in this DIP Term Sheet or the DIP Loan Documents);

	(iii) fund the fees, costs and expenses of administration of the Chapter 11 Cases (including the Carve-Out); and (iv) to pay amounts in respect of the adequate protection provided to the Term Facility Secured Parties (as defined below) and the Second Lien Secured Parties (as defined below). Notwithstanding the foregoing, during the period between entry of the Interim Order and entry of the Final Order, the proceeds of the DIP Facility shall not be used in connection with the payment of any fees or expenses incurred by any professional retained (or to be retained) in these Chapter 11 Cases. The liens securing the DIP Obligations, the DIP Obligations status as "super-priority" claims, the "super-priority" claims and liens constituting the Term Facility Adequate Protection Claims (as defined below), and the liens securing the Term Obligations shall be subject to the Carve-Out and the Hedge Carve-Out.
Use of Cash Collateral	The Debtors shall be entitled to use cash collateral of the DIP Agent, the Term Agent and the Second Lien Trustee (the "***Cash Collateral***") in accordance with the Budget and DIP Loan Documents.
Limitations on Use of DIP Proceeds and Cash Collateral	The DIP Loan Documents shall provide customary and regular restrictions on the Debtors' use of Cash Collateral, the proceeds of the DIP Facility, and the collateral therefor. Those restrictions shall, without limitation, include: (i) financing any investigation (including discovery proceedings), initiation or prosecution of any adversary action, suit, arbitration, proceeding, application, motion or other litigation of any type adverse to the DIP Agent or the DIP Lenders, the Term Facility Secured Parties, the Second Lien Secured Parties, or any of their respective Related Persons,[2] or their respective rights and remedies under or in respect of the DIP Facility, the Term Facility, the Second Lien Notes, or any interim or final order with respect to the DIP Facility and the adequate protection granted to the Term Facility Secured Parties and the Second Lien Secured Parties; (ii) financing any action with respect to (a) the Term Facility or the Term Facility Secured Parties, (b) the Second Lien Notes or the Second Lien Secured Parties, (c) any claims, demands, liabilities, responsibilities, disputes, remedies, causes of action, indebtedness or obligations, or (d) the Debtors' Stipulations (as defined below);

[2] "***Related Persons***" means any person's or entity's respective directors, officers, funds, affiliates, members, employees, partners, managers, investment advisors, agents, representatives, principals, attorneys, consultants, professional advisors, heirs, executors, successors and assigns (each in their capacity as such).

	(iii) any purpose that is (a) prohibited under the Bankruptcy Code, the Interim Order, the Final Order or the DIP Loan Documents or (b) not expressly provided for in the Budget; and (iv) making any payment in settlement of any claim, action or proceeding, before any court, arbitrator or other governmental body, which payment is not provided for in the Budget, without the prior written consent of the DIP Lenders holding at least 50.1% of the total DIP Loans and DIP Commitments (the "***Majority DIP Lenders***"). Notwithstanding the foregoing, advisors to the official unsecured creditors' committee, if one is appointed with regard to the Chapter 11 Cases, may investigate the liens granted pursuant to, or any claims under or causes of action with respect to, the Term Facility or the Second Lien Notes at an aggregate expense for such investigation not to exceed $25,000. Further, no portion of such amount may be used to prosecute or support any claims.
Term Facility Refinancing	Subject to entry of the Final Order, approximately $283.9 million in outstanding Term Obligations consisting of principal and accrued and unpaid interest under the Term Facility as of the Petition Date will be repaid from the proceeds of the DIP Loans (the "***Term Facility Refinancing***").
Adequate Protection	**Adequate Protection for Term Facility**: The Term Agent and the Term Lenders (collectively, the "***Term Facility Secured Parties***") shall be entitled to adequate protection of their interests in the Collateral (as defined in the Term Credit Agreement, the "***Term Facility Collateral***"). Such adequate protection shall be in an amount equal to the aggregate diminution in the value of their interests in the Term Facility Collateral (the "***Term Facility Adequate Protection Claims***") in the form of: (i) a senior perfected replacement lien on all Term Facility Collateral, including any such assets of the Debtors' estates existing as of the Petition Date or thereafter acquired, and all proceeds thereof, to secure the Term Facility Adequate Protection Claims, senior to all other liens on such Term Facility Collateral (other than the DIP Liens), subject to the Carve-Out and the Hedge Carve-Out; (ii) additional perfected liens on all assets of the Debtors that do not constitute Term Facility Collateral but constitute collateral for the DIP Facility (including, for the avoidance of doubt, any Avoidance Actions and the proceeds thereof upon the entry of the Final Order), senior to all other liens on such collateral (other than the DIP Liens), subject to the Carve-Out and the Hedge Carve-Out (together with the adequate protection liens granted to the Term Facility Secured Parties in clause (i)

	immediately above, the "***Term Facility Adequate Protection Liens***"); (iii) superpriority claims as provided in section 507(b) in the amount of any Term Facility Adequate Protection Claims, with priority over all other superpriority and administrative expense claims except the Carve-Out, the Hedge Carve-Out and the DIP Obligations; (iv) within three (3) business days following the initial funding of the DIP Loans, payment in cash of all accrued and unpaid reasonable pre-petition fees and expenses of the Term Facility Secured Parties (including, but not limited to, fees and expenses of their advisors); and (v) after entry of the Interim Order, monthly payment in cash of the reasonable and documented costs, fees and expenses of the Term Facility Secured Parties (including, but not limited, to fees and expenses of their advisors) in accordance with the Term Credit Agreement. All interest on the Term Facility, including accrued and unpaid interest as of the Petition Date and interest accruing thereafter, shall not be paid currently, but shall continue to accrue at the non-default rate. To the extent permitted under the Bankruptcy Code and by the Bankruptcy Court, all such interest shall be deemed part of the Term Facility Secured Parties' secured claim for all purposes, including for purposes of any credit bid under section 363(k) of the Bankruptcy Code. **Adequate Protection for Second Lien Notes**: The Second Lien Trustee and the holders of the Second Lien Notes (the "***Second Lien Secured Parties***") shall be entitled to adequate protection of their interests in the Collateral (as defined in the Second Lien Indenture, the "***Second Lien Collateral***"). Such adequate protection shall be in an amount equal to the aggregate diminution in the value of their interests in the Second Lien Collateral (the "***Second Lien Adequate Protection Claims***") in the form of: (i) a senior perfected replacement lien on all the Second Lien Collateral, including any such assets of the Debtors' estates existing as of the Petition Date or thereafter acquired, and all proceeds thereof, to secure the Second Lien Adequate Protection Claims, senior to all other liens on such Second Lien Collateral (other than the liens thereon securing the DIP Facility, the Term Obligations, or the Term Facility Adequate Protection Claims), subject to the Carve-Out and the Hedge Carve-Out; (ii) additional perfected liens on all assets of the Debtors that do not constitute Second Lien Collateral (including, for the avoidance of doubt, any Avoidance Actions and the proceeds

	thereof upon the entry of the Final Order), senior to all other liens on such collateral (other than the DIP Liens, the liens securing the Term Obligations, the Term Facility Adequate Protection Liens, and the Term Facility Adequate Protection Claims), subject to the Carve-Out and the Hedge Carve-Out; (iii) superpriority claims as provided in section 507(b) in the amount of any Second Lien Adequate Protection Claims, with priority over all other superpriority and administrative expense claims except the Carve-Out, the Hedge Carve-Out, the DIP Obligations, the Term Obligations, the Term Facility Adequate Protection Claims, and the Term Facility Adequate Protection Liens; (iv) within three (3) business days following the initial funding of the DIP Loans, payment in cash of all accrued and unpaid reasonable pre-petition fees and expenses of the Second Lien Secured Parties (including, but not limited to, fees and expenses of their advisors); and (v) after entry of the Interim Order, monthly payment in cash of the reasonable and documented costs, fees and expenses of the Second Lien Secured Parties (including, but not limited, fees and expenses of their advisors) in accordance with the Second Lien Indenture. All interest on the Second Lien Notes, including accrued and unpaid interest as of the Petition Date and interest accruing thereafter, shall not be paid currently, but shall continue to accrue at the non-default rate. To the extent permitted under the Bankruptcy Code and by the Bankruptcy Court, all such interest shall be deemed part of the Second Lien Secured Parties' secured claim for all purposes, including for purposes of any credit bid under section 363(k) of the Bankruptcy Code.
Scheduled Maturity Date	The earliest of (i) thirty (30) days following the Petition Date if the Final Order shall not have been entered by such date, (ii) the effective date of an Acceptable Plan,[3] (iii) February 15, 2019 and (iv) the date that all DIP Loans shall become due and payable in full in accordance with the terms of the DIP Facility, including due to acceleration (whether voluntary or involuntary). For the avoidance of doubt, upon the maturity of the DIP Obligations, certain of the DIP Obligations shall, under the circumstances provided for in the restructuring term sheet (the "***Restructuring Term Sheet***") attached to the Restructuring Support Agreement dated as of October 26, 2018 (the "***RSA***"), be rolled-over into an exit facility as more thoroughly described in the Restructuring Term Sheet.

[3] "***Acceptable Plan***" means a plan of reorganization that contains the terms and conditions set forth in the RSA Term Sheet and which is otherwise acceptable to the DIP Lenders in their sole discretion.

Interest Rate	The DIP Loans will bear interest at a rate of adjusted LIBOR (subject to a 2.0% floor) plus 7.5% per annum and such interest rate shall increase to adjusted LIBOR (subject to a 2.0% floor) plus 10.0% for DIP Loans outstanding in excess of 90 days. Interest on the New Money Loans shall be paid in cash monthly and upon any repayment or prepayment. Interest on the Roll-up Loans shall be paid in kind and any reference to "principal amount" of the Roll-up Loans shall include any interest so capitalized and added to the principal amount thereof. Notwithstanding the foregoing, upon the occurrence of any Event of Default under the DIP Facility, and upon written notice from the Majority DIP Lenders, such interest rate margin in respect of the DIP Loans shall automatically increase as of the date of the occurrence of the Event of Default by an additional 3.0% per annum (the "***Default Rate***"). A customary alternate base rate option will be available (or required) as an alternative to adjusted LIBOR. Interest shall be due and payable on (a) the last day of each interest period for DIP Loans bearing interest at LIBOR and (b) the last business day of each month for DIP Loans bearing interest at an alternate base rate.
Upfront/Arrangement Fee	An upfront and arrangement fee in an aggregate amount equal to 1.75% of the aggregate principal amount of the New Money Loans shall be due and payable to the DIP Lenders in cash on the initial funding date of the New Money Loans.
Commitment Yield Enhancement	A commitment yield enhancement in an amount equal to 1.75% of the aggregate principal amount of the New Money Loans shall be due and payable to the DIP Lenders in cash on the initial funding date of the New Money Loans.
Budget; Permitted Variances	Prior to the commencement of the Chapter 11 Cases, the DIP Lenders shall receive an initial 13-week budget commencing with the week during which the Petition Date shall occur. The budget shall contain line items of sufficient detail to reflect the Debtors' consolidated projected receipts and disbursements for such 13-week period, as set forth on a week-by-week basis. The 13-week budget shall be in form and substance satisfactory to the Majority DIP Lenders in their sole discretion (the "***Initial Budget***"). The Budget (as defined below) shall also contain line items of sufficient detail to reflect the Debtors' consolidated projected professional fees (the "***Professional Fees Estimate***") and royalty obligations (the "***Royalty Estimate***"). The Debtors shall provide a new budget to the DIP Lenders on the Thursday of each week, beginning with the Thursday of the second full week after the Petition Date. Once delivered and approved by the Majority DIP Lenders in their sole discretion, each subsequent budget shall become the new budget (together with the Initial Budget, each such subsequent budget, the "***Budget***"). To the extent such subsequent budget is not approved by the Majority DIP Lenders, the existing

	budget shall remain as the Budget. Commencing on the Thursday of the second full week after the Petition Date, the Debtors shall deliver to the DIP Lenders on the Thursday of each calendar week (a) a variance report comparing actual cash disbursements for the preceding Testing Period (as defined below) to the projected cash disbursements for such Testing Period as set forth in the Budget and (b) a variance report comparing actual cash receipts for the preceding Testing Period to the projected cash receipts for such Testing Period as set forth in the Budget, in each case such variance reports to be certified by the chief financial officer of the Debtors (the variance test described in the foregoing clauses (a) and (b), the "***Budget Test***"). The Budget Test shall not include a test on the Professional Fees Estimate. "***Testing Period***" means (a) with respect to the initial Budget Test, the Petition Date through and including the last day of the first full week after the Petition Date and (b) with respect to each subsequent Budget Test, the first day after the end of the immediately preceding week through and including the last day of the same calendar week. "***Permitted Variance***" means for any Testing Period, a variance of not more than (a) 20% less than the amount in the Budget for the operating receipts for such Testing Period measured on a line-by-line basis after giving effect to any Operating Receipt Carryforward (as defined below) and (b) 10% more than the amount in the Budget for the operating disbursements measured on a line-by-line basis after giving effect to any Operating Disbursement Carryforward (as defined below). Additional variances, if any, from the Budget shall be subject to the written consent of the Majority DIP Lenders in their sole discretion. An "***Operating Receipt Carryforward***" is the amount by which the amount of actual cash receipts received in a Testing Period exceeds the amount of any projected cash receipts set forth in the Budget for such Testing Period, which amounts shall carry forward into the next seceding Testing Period. An "***Operating Disbursement Carryforward***" is the amount of any projected cash disbursements set forth in the Budget for a Testing Period not expended in such Testing Period, which amounts shall carry forward into the next seceding Testing Period. Substantially concurrently with the delivery of the applicable variance report, the Debtors shall deliver to the DIP Lenders a "flash" cash report detailing all cash and cash equivalents of each of the Debtors (broken out by entity) as of the close of business of the last business day of the prior week.

Conditions Precedent to Funding	The obligation of each DIP Lender to fund the DIP Loans on the Closing Date or thereafter is subject to the Debtors' satisfaction, or waiver by the Majority DIP Lenders, of all conditions set forth below (the "***Conditions Precedent***"): 1. The Interim Order shall have been entered by the Bankruptcy Court in the Chapter 11 Cases and shall have been in form and substance consistent with this DIP Term Sheet and otherwise satisfactory to the Debtors in their reasonable discretion and the Majority DIP Lenders in their sole discretion. The Interim Order shall be in full force and effect and shall not have been vacated, stayed, revised, modified or amended in any manner without the prior written consent of the Majority DIP Lenders in their sole discretion. 2. All orders entered by the Bankruptcy Court, including orders pertaining to cash management and adequate protection and all other motions and documents filed or to be filed with, and submitted to, the Bankruptcy Court in connection therewith, shall be in form and substance reasonably satisfactory to the Majority DIP Lenders. With respect to any provisions that affect the rights or duties of the DIP Agent, the orders shall be in form and substance reasonably satisfactory to the DIP Agent. 3. With respect to any borrowings to occur later than thirty (30) days following the Petition Date, the Final Order shall have been entered by the Bankruptcy Court no later than thirty (30) days following the Petition Date and the DIP Agent shall have received a true and complete copy of such order. Such order shall be consistent with the DIP Term Sheet and otherwise in form and substance satisfactory to the Debtors in their reasonable discretion and the Majority DIP Lenders (and with respect to any provisions that affect the rights or duties of the DIP Agent, the DIP Agent) in their sole discretion. The Final Order shall be in full force and effect, and shall not have been reversed, modified, amended, stayed or vacated absent prior written consent of the Majority DIP Lenders (and with respect to any provisions that affect the rights or duties of the DIP Agent, the DIP Agent) in their sole discretion. 4. Except as disclosed to the DIP Lenders in writing, since the Petition Date, no event, circumstance or change shall have occurred that has caused, or would reasonably be expected to cause, or evidences, either in any case or in the aggregate, a material adverse effect (to be defined as mutually agreed in the DIP Loan Documents, a "***Material Adverse Effect***").

	5. Other than the Chapter 11 Cases (and, except as otherwise provided herein, any objections, claims, actions, suits, investigations, litigation, or proceedings that may be commenced or pursued therein), there shall exist no claim, action, suit, investigation, litigation or proceeding, pending in any court or before any arbitrator or governmental instrumentality (a) which relates to the DIP Facility or the transactions contemplated thereby or (b) except for claims, actions, suits, investigations, litigation or proceedings (i) disclosed in a schedule to the DIP Loan Documents or (ii) otherwise stayed by 11 U.S.C. § 362. 6. The DIP Lenders shall have received executed originals of each guaranty and pledge agreement required under the DIP Loan Documents. Subject to the entry of the Interim Order or Final Order, as applicable, each such agreement shall be in full force and effect. 7. No trustee, examiner or receiver shall have been appointed or designated with respect to the Debtors or their business, properties or assets. 8. The DIP Lenders shall have received the Budget, which shall be in form and substance acceptable to the DIP Lenders in their sole discretion, and such other information (financial or otherwise) as the DIP Lenders may reasonably request. The Debtors shall be in compliance with the Budget. 9. No default or event of default under the DIP Loan Documents shall have occurred and be continuing. 10. The Debtors shall have delivered a funding notice in the form required by the DIP Loan Documents. 11. The Debtors shall be in compliance with the Interim Order or, if applicable, the Final Order in all respects and each other Bankruptcy Court order in all material respects. 12. All reasonable and documented fees and expenses of the DIP Agent and the DIP Lenders (including, but not limited to, the fees and expenses of their advisors) shall have been satisfied. 13. The representations and warranties contained in the DIP Loan Documents shall be true and correct in all material respects (unless otherwise qualified by materiality in which case such representations and warranties shall be true and correct in all respects) on and as of such date, as though made on and as of such date, except to the extent that any such representation or warranty expressly relates to an earlier date (in which case such

	representation or warranty shall be true and correct in all material respects (unless otherwise qualified by materiality in which case such representations and warranties shall be true and correct in all respects) on and as of such earlier date).
Covenants	The DIP Facility shall contain the financial, negative and affirmative covenants set forth below (subject to exceptions and qualifiers) that are ordinary and customary in debtor-in-possession financings of this type acceptable to the Debtors in their reasonable discretion and the Majority DIP Lenders in their sole discretion: (i) delivery of the Budget and variance reports as set forth in the "Budget; Permitted Variances" section and compliance with the Budget Test subject to the Permitted Variance, in accordance with the terms of this DIP Term Sheet and the DIP Loan Documents; (ii) delivery of information (financial or otherwise) reasonably requested by the DIP Lenders and commercially reasonable access to management subject to customary prior notice; (iii) delivery to the DIP Lenders and their counsel with reasonable prior notice and an opportunity to comment, copies of all pleadings, motions, applications, judicial information, financial information and other documents filed by or on behalf of the Debtors with the Bankruptcy Court in the Chapter 11 Cases, or distributed by or on behalf of the Debtors to any official committee appointed in the Chapter 11 Cases; (iv) support and seek to consummate the Restructuring Transaction (as defined in the RSA) in accordance with the RSA within the time-frames contemplated under the RSA and in compliance with each Milestone (as defined in the RSA); (v) restrictions on the granting of liens, the issuing of guarantees and the incurrence of other obligations (including the refinancing of any obligations); (vi) without the Majority DIP Lenders' consent (in their sole discretion), a prohibition on the Debtors, proposing, filing, consenting to, cooperating with, soliciting votes with respect to, acquiescing to, or supporting any chapter 11 plan or debtor in possession financing unless: (i) such plan or financing would, on the date of its effectiveness, pay in full in cash all DIP Obligations, all Term Obligations and

	all Second Lien Obligations; or (ii) such plan is an Acceptable Plan; (vii) make or permit to be made any change, amendment or modification, or any application or motion for any change, amendment or modification, to any DIP Order, without the written consent of the Majority DIP Lenders in their sole discretion (which consent may be granted through email); (viii) except as otherwise permitted pursuant to the DIP Orders, (A) assume or reject any executory contract or unexpired lease without the consent of the Majority DIP Lenders or (B) consent to termination or reduction of any exclusivity period or fail to object to any motion seeking to terminate or reduce any exclusivity period other than a motion filed by or with the written consent of the Majority DIP Lenders (which consent may be granted through email); (ix) assert any right of subrogation or contribution against any other obligor under the DIP Facility until all borrowings under the DIP Facility are paid in full and the commitments are terminated; and (x) the existing covenants in the Term Credit Agreement, which shall be modified as appropriate for the purposes of the DIP Facility in a manner satisfactory to the Debtors in their reasonable discretion and the DIP Lenders in their sole discretion. The Debtors shall not amend, modify, or assign, without the prior written consent of the Majority DIP Lenders any of their respective material agreements (each as in effect on the date hereof).
Representations and Warranties	The DIP Loan Documents shall only contain representations and warranties customary for transactions and debtors of this type, which shall be limited to priority, collateral, the DIP Orders, the DIP Loan Documents, the Budget, prepetition indebtedness, use of proceeds and the representations and warranties set forth in the Term Credit Agreement, as appropriate and as modified to reflect the debtor-in-possession nature of the financing, as such representations and warranties may be modified or waived form time to time at the discretion of the Majority DIP Lenders in their sole discretion.
Prepayments	**Voluntary Prepayment**: At any time prior to maturity, the Debtors may voluntarily prepay the DIP Loans in full or in part. Any such prepayment shall be made with all accrued interest, fees, the Make-Whole Amount (as defined and calculated in the Term Credit Agreement), if any, and other amounts outstanding in respect to such prepaid DIP Loans.

	Mandatory Prepayment: Customary for transactions of this type, including without limitation: 100% of the net cash proceeds of (i) any non-ordinary course asset sales above $25,000 individually or in the aggregate, (ii) insurance/condemnation events above $25,000 individually or in the aggregate (the prepayments set forth in the foregoing clause (i) or (ii), collectively, the "***Excluded Make-Whole Prepayments***") and (iii) any incurrence of indebtedness not otherwise permitted under the DIP Loan Documents. The Debtors shall make such mandatory prepayments within three (3) business days following the Debtors' receipt of any such net cash proceeds. **Make-Whole Amount**: Whether voluntary or mandatory, and with respect to each repayment or prepayment of the DIP Loans, any acceleration of the DIP Loans or any other satisfaction or discharge of the DIP Loans prior to February 15, 2019, the Borrower shall pay to the DIP Agent, for the ratable benefit of the DIP Lenders, with respect to the amount of the DIP Loans repaid, prepaid, accelerated, satisfied or discharged, in each case, concurrently with such repayment, prepayment, acceleration, satisfaction or discharge, an amount equal to the Make Whole Amount. Notwithstanding the foregoing, no Make-Whole Amount shall be payable (a) with respect to any Excluded Make-Whole Prepayments, which shall not include, for the avoidance of doubt, and prepayment in connection with a sale pursuant to section 363 of the Bankruptcy Code, or (b) if the DIP Loans are repaid and otherwise satisfied pursuant to the Acceptable Plan.
Events of Default	The following will constitute events of default ("***Events of Default***" and each an "***Event of Default***") under the DIP Loan Documents (in each case, subject to cure periods and materiality qualifiers customary for transactions and debtors of this type as agreed to by the Debtors, DIP Lenders and the DIP Agent): (i) "Events of Default" as defined in and consistent with the Term Facility shall be included in the DIP Loan Documentation, *mutatis mutandis* for the DIP Loan Obligations (and only to the extent applicable to the DIP Loan Obligations), other than any such "Events of Default" in respect of insolvency or the filing of the Chapter 11 Cases contemplated hereunder; (ii) appointment of a chief restructuring officer or any equivalent officer that is not reasonably satisfactory to the Majority DIP Lenders; (iii) appointment of a trustee or examiner in the Chapter 11 Cases or appointment of a receiver; (iv) the Bankruptcy Court shall have entered an order with respect to any of the Chapter 11 Cases converting such

	Chapter 11 Cases to a case or cases under Chapter 7 of the Bankruptcy Code; (v) an order shall be entered by the Bankruptcy Court without the written consent of the Majority DIP Lenders (which may be withheld in their sole discretion) permitting (A) the incurrence of any debt (including any guaranty or refinancing) or lien by any Debtor (excepting any Permitted Debt and/or Permitted Liens as such terms shall be defined under the DIP Loan Documents) or (B) any administrative expense or any claim to have administrative priority as to the Debtors equal or superior to the priority of the Chapter 11 Cases (other than the Carve-Out and the Hedge Carve-Out); (vi) without the Majority DIP Lenders' consent, the Debtors shall have proposed, filed, solicited, consented to, cooperated with, acquiesced to, or supported any chapter 11 plan or debtor in possession financing unless: (i) such plan or financing would, on the date of its effectiveness, pay in full in cash all DIP Obligations, all Term Obligations and all Second Lien Obligations; or (ii) such plan is an Acceptable Plan; (vii) the Debtors shall have breached any of the Debtors' Stipulations; (viii) the Debtors shall file a motion seeking, or the Bankruptcy Court shall enter, an order granting any third party relief from the stay applicable to any third party to the extent the claim of such third party is in excess of $500,000; (ix) the Debtors shall file a motion seeking, or the Bankruptcy Court shall enter, an order approving payment of any prepetition claim other than (A) as provided for in the "first-day orders" or "second-day orders," (B) as contemplated by the Budget (subject to the Permitted Variance) or (C) otherwise consented to by the Majority DIP Lenders (which consent may be withheld in their sole discretion); (x) an order shall be entered by the Bankruptcy Court dismissing any of the Chapter 11 Cases which does not contain a provision for payment in full of the DIP Obligations, the Term Obligations and the Second Lien Obligations; (xi) the termination of the Debtors' exclusive period to file or solicit acceptance of a plan; (xii) any Debtor shall fail to execute and deliver to the DIP Agent any agreement, financing statement, trademark

	filing, copyright filing, mortgages, notices of lien or similar instruments or other documents that the DIP Agent or the DIP Lenders may reasonably request from time to time to more fully evidence, confirm, validate, perfect, preserve and enforce the liens created in favor of the DIP Agent, and such failure shall continue unremedied for a period of ten days; (xiii) (A) any Debtor shall attempt to invalidate, reduce or otherwise impair the DIP Liens or security interests of the DIP Agent or the DIP Lenders, claims or rights against such person or to subject any collateral to assessment pursuant to section 506(c) of the Bankruptcy Code, (B) the DIP Liens or security interest created by the collateral documents or the DIP Orders shall for any reason cease to be valid or (C) any action is commenced by the Debtors which contests the validity, perfection or enforceability of any of the DIP Liens or security interests of the DIP Agent; (xiv) the Acceptable Plan (including any exit financing) or confirmation order approving the same is not in form or substance satisfactory to the Majority DIP Lenders in their sole discretion; (xv) the Acceptable Plan is withdrawn, terminated, amended, supplemented or otherwise modified, in each case, without the prior written consent of the Majority DIP Lenders in their sole discretion; (xvi) any Debtor shall seek to, or shall support any other person's motion to, disallow the DIP Lenders' claim in respect of the DIP Obligations or contest any provision of any DIP Loan Document or any material provision of any DIP Loan Document shall cease to be effective; (xvii) the initiation by the Debtors, any statutory committee appointed in the Chapter 11 Cases, any trustee, any examiner or any other party in interest of any contested matter or adversary proceeding in respect of any of the DIP Facility, the DIP Obligations, the DIP Agent, the DIP Lenders, the Term Facility, the Term Obligations, the Term Facility Secured Parties, the Second Lien Notes, the Second Lien Obligations, the Second Lien Secured Parties, including, but not limited to, any actions pursuant to chapter 5 of the Bankruptcy Code, in each case, except as may otherwise be permitted under the Interim Order or Final Order; (xviii) the violation of any term, provision or condition in the Interim Order or the Final Order; the Interim Order or the Final Order is amended, supplemented, reversed, vacated

	or otherwise modified without the prior written consent of the Majority DIP Lenders (and with respect to amendments, modifications or supplements that affect the rights or duties of the DIP Agent, the DIP Agent); (xix) an application for any of the orders described in clause (v) or (xviii) shall be made by a person other than the Debtors and such application is not contested by the Debtors in good faith or the relief requested is not withdrawn, dismissed or denied within 30 day after filing or any person obtains a final order under section 506(c) of the Bankruptcy Code against the DIP Agent or obtain a final order adverse to the DIP Agent or the DIP Lenders or any of their respective rights and remedies under the DIP Loan Documents or in the collateral; and (xx) the occurrence of a default under or termination of the RSA. Upon the occurrence and during the continuation of an Event of Default, the Majority DIP Lenders or the DIP Agent at the direction of the Majority DIP Lenders may immediately (a) deliver a notice of an Event of Default to Debtors and (b) terminate any commitments of each DIP Lender. In addition, upon the occurrence and during the continuation of an Event of Default, upon three (3) business days prior written notice to the Debtors from the Majority DIP Lenders or the DIP Agent at the direction of the Majority DIP Lenders, (a) the DIP Obligations shall accelerate and (b) the automatic stay of Section 362 of the Bankruptcy Code shall be terminated without order of the Bankruptcy Court, without the need for filing any motion for relief from the automatic stay or any other pleading, for the purpose of permitting the DIP Lenders to exercise any or all of their rights and remedies set forth in the DIP Orders or the DIP Loan Documents, including without limitation: (i) directing the DIP Agent to foreclose on the Collateral and (ii) moving the Bankruptcy Court (on shortened notice) to appoint a chief restructuring officer for the Debtors, which the Debtors shall agree not to oppose such motion. In addition, upon an Event of Default, the DIP Lenders (or the DIP Agent at the direction of the Majority DIP Lenders) may file a motion to seek to terminate or modify the Debtors' plan exclusivity periods under Bankruptcy Code section 1121(d) and have such motion heard on shortened notice. Upon the occurrence of an Event of Default, the DIP Lenders also shall have the right to deliver to the Debtors a DIP Toggle Notice (as defined in the Restructuring Term Sheet). Upon the delivery of a DIP Toggle Notice, the Debtors shall continue to pursue the Acceptable Plan in accordance with the RSA and the milestones set forth therein. The delivery of the DIP Toggle Notice shall not be, and shall not be

	deemed, a waiver of any Event of Default (including, but not limited to, any Event of Default on which the DIP Toggle Notice is based) or any rights or remedies of the DIP Agent or the DIP Lenders in respect of any Event of Default (including the right to terminate the DIP Facility and accelerate the DIP Loans). All such rights and remedies shall be reserved and preserved and the DIP Agent or the DIP Lenders, as applicable, may exercise such rights and remedies (including the right to terminate the DIP Facility and accelerate the DIP Loans) following the delivery of a DIP Toggle Notice.
DIP Orders	The DIP Orders shall be consistent with this Term Sheet and shall otherwise be in form and substance satisfactory to the Debtors in their reasonable discretion and the Majority DIP Lenders in their sole discretion. Among other things, the DIP Orders shall provide and/or contain: (i) stipulations from the Debtors as to the validity, perfection, amount and priority of the Term Obligations, the Second Lien Obligations and the respective liens and security interests securing such obligations; (ii) indemnifications for the DIP Agent, the DIP Lenders and each of their respective Related Persons as set forth below; (iii) subject to the entry of the Final Order, full waivers of (A) the ability to surcharge the collateral securing the Term Facility and the Second Lien Notes under section 506(c) of the Bankruptcy Code or otherwise, (B) the ability to apply the "equities of the case exception" under section 552(b) of the Bankruptcy Code; and (C) the application of the doctrine of marshalling; (iv) payment of all reasonable and documented out-of-pocket expenses (pre- or post-petition) of the DIP Agent, the DIP Lenders, the Term Facility Secured Parties and the Notes Secured Parties, including the reasonable and documented fees and expenses of their advisors (as set forth in this DIP Term Sheet), including all Term Facility Adequate Protection Claims and all Second Lien Adequate Protection Claims; (v) that the net proceeds from any non-ordinary course sale of collateral securing the DIP Obligations, the Term Obligations or the Second Lien Obligations shall above the threshold set forth above be used by the Debtors to repay such obligations; (vi) other than Permitted Debt or Permitted Liens (as such terms are to be defined in the DIP Loan Documents), that the Majority DIP Lenders' consent in their sole discretion is required for any debt (including any guaranty or

	refinancing) to be incurred or lien to be granted by any Debtor; (vii) that, without the Majority DIP Lenders' consent (which may be withheld in their sole discretion), the Debtors shall not propose, file, consent to, cooperate with, solicit votes with respect to, acquiesce to, or support any chapter 11 plan or debtor in possession financing unless (A) such plan or financing would, on the date of its effectiveness, pay in full in cash all DIP Obligations, all Term Obligations and all Second Lien Obligations or (B) such plan is an Acceptable Plan; (viii) that the Debtors shall not directly or indirectly take any action that is inconsistent with, or that would unreasonably delay or impede approval of, any of this DIP Term Sheet, the DIP Facility or the DIP Loan Documents, which actions include, without limitation, directly or indirectly soliciting, encouraging, initiating, joining, and/or supporting any offer or proposal from, entering into any agreement with, and/or engaging in any discussions or negotiations with, any person concerning any actual or proposed transaction involving any or all of (A) a financial and/or corporate restructuring of any Debtor not supported by the DIP Lenders, (B) another debtor-in-possession financing facility (other than a financing that pays the DIP Obligations, the Term Obligations and the Second Lien Obligations in full in cash), (C) the issuance, sale, or other disposition of any equity or debt interests, or any material assets, of any Debtor, or (D) a merger, consolidation, business combination, liquidation, recapitalization, refinancing, sale of substantially all assets, or similar transaction involving any Debtor; (ix) that the DIP Orders are binding on the Debtors, their estates, all parties in interest, any statutory committee appointed in the Chapter 11 Cases, any successor in interest in the Chapter 11 Cases or to the Debtors, including, but not limited to, any trustee appointed in the Chapter 11 Cases or any subsequent cases under chapter 7 of the Bankruptcy Code, and any examiner; and (x) that upon the direction of the DIP Lenders, the Term Lenders and the holders of the Second Lien Notes, as applicable, each in their sole discretion, the DIP Agent, the Term Agent and the Second Lien Trustee or any of their respective designees shall have the right to credit bid all or a portion of the DIP Obligations, the Term Obligations or the Second Lien Obligations, respectively, in accordance with section 363(k) of the Bankruptcy Code.

	The stipulations, acknowledgements, and agreements of the Debtors set forth in this section are referred to collectively as the "***Debtors' Stipulations***". For the avoidance of doubt, nothing in this DIP Term Sheet or the DIP Orders shall be deemed a waiver of any of the Debtors', the Term Facility Secured Parties' or the Second Lien Secured Parties' respective rights, remedies, claims or defenses, including, but not limited to, any rights, remedies, claims or defenses under the Term Loan Documents, the Second Lien Documents, or under applicable law (including, but not limited to, any claims under Bankruptcy Code section 506(b)). The DIP Orders shall provide that all such rights, remedies, claims and defenses of the Term Facility Secured Parties and the Second Lien Secured Parties, as applicable, are expressly reserved and preserved and may be asserted by the Term Facility Secured Parties and the Second Lien Secured Parties, as applicable, at any time during the Chapter 11 Cases. The Debtors' Stipulations concerning the extent, validity, priority, perfection, enforceability and non-avoidance of the Term Obligations, the Second Lien Obligations and the liens and security interests securing such obligations, respectively, shall: (i) be binding on the Debtors, their estates, all parties in interest, any statutory committee appointed in the Chapter 11 Cases, any successor in interest in the Chapter 11 Cases or to the Debtors, including, but not limited to, any trustee appointed in the Chapter 11 Cases or any subsequent cases under chapter 7 of the Bankruptcy Code, and any examiner; and (ii) subject to a "Challenge Period" to be determined.
Amendments, Waivers and Modifications	The consent of the Majority DIP Lenders shall be required to amend, waive or modify the DIP Facility or any of the DIP Loan Documents. Notwithstanding the foregoing, certain matters shall be subject to an "affected lender" consent.
Assignments and Participations	The DIP Loan Documents shall include customary rights of assignment and participation rights, including the Debtors' right to consent to assignments unless an event of default has occurred and is continuing.
Indemnity	The Debtors shall, jointly and severally, indemnify and hold harmless the DIP Agent (and any sub-agent thereof), each of the DIP Lenders, and each of their respective Related Persons (each, an "***Indemnified Person***") from and against all any and all claims arising in respect of the DIP Facility. Such indemnified claims shall include, without limitation, crossclaims, counterclaims, rights of set-off and recoupment), losses, liabilities, actions, causes of action, suits, debts, accounts, interests, liens, promises, warranties, damages and consequential damages, demands, agreements, bonds, bills, specialties, covenants, controversies, variances, trespasses, judgments, executions, costs, expenses or claims of whatsoever nature and kind. The Indemnified Persons shall be indemnified from such claims, whether known or unknown, whether now existing or hereafter

	arising, whether arising at law or in equity, or whether foreseen or unforeseen,[4] in connection with any investigation, litigation or proceeding, or the preparation of any defense with respect thereto, arising out of or relating to the DIP Facility except to the extent arising from any dispute solely among Indemnified Persons which does not arise out of any act or omission of the Debtors (other than any proceeding against any Indemnified Person solely in its capacity or in fulfilling its role as DIP Agent or similar role). Notwithstanding the foregoing, no Indemnified Person will be indemnified for any cost, expense or liability to the extent determined in the final, non-appealable judgment of a court of competent jurisdiction to have resulted from the fraud, gross negligence or willful misconduct of such Indemnified Person or a material breach by such Indemnified Person of any of its obligations in respect of the DIP Facility.
Governing Law	New York, except to the extent preempted by federal bankruptcy laws. The DIP Loan Documents will provide that the Debtors will submit to the non-exclusive jurisdiction and venue of the Bankruptcy Court, or in the event that the Bankruptcy Court does not have or does not exercise jurisdiction, then in any state or federal court of competent jurisdiction in the State of New York; and shall waive any right to trial by jury.

[4] This includes, without limitation, as to the DIP Agent and the DIP Lenders, in each case, the reasonable and documented out-of-pocket fees and disbursements of one primary counsel and one local counsel in each relevant jurisdiction and, if necessary, a single special counsel for each relevant specialty and, in the case of a conflict of interest, one additional counsel in each jurisdiction to such affected parties similarly situated and, in the case of other Indemnified Persons, the reasonable and documented out-of-pocket fees and disbursements of one primary counsel and one local counsel in each relevant jurisdiction and, in the case of a conflict of interest, one additional counsel in each jurisdiction to such affected parties similarly situated.

EXHIBIT A to
the DIP Term Sheet

Carve-Out Language

1. Carve Out.

(a) Carve Out. As used in this [Final/Interim] Order, the "Carve Out" means the sum of (i) all fees required to be paid to the Clerk of the Court and to the Office of the United States Trustee under section 1930(a) of title 28 of the United States Code plus interest at the statutory rate (without regard to the notice set forth in (iii) below); (ii) all reasonable fees and expenses up to $50,000 incurred by a trustee under section 726(b) of the Bankruptcy Code (without regard to the notice set forth in (iii) below); (iii) to the extent allowed at any time, whether by interim order, procedural order, or otherwise, all unpaid fees and expenses (the "Allowed Professional Fees") incurred by persons or firms retained by the Debtors pursuant to section 327, 328, or 363 of the Bankruptcy Code (the "Debtor Professionals") and the Creditors' Committee (if any) pursuant to section 328 or 1103 of the Bankruptcy Code (the "Committee Professionals" and, together with the Debtor Professionals, the "Professional Persons") at any time before or on the first business day following delivery by the DIP Agent or the Majority DIP Lenders of a Carve Out Trigger Notice (as defined below), whether allowed by the Court prior to or after delivery of a Carve Out Trigger Notice; and (iv) Allowed Professional Fees of Professional Persons in an aggregate amount not to exceed $350,000 incurred after the first business day following delivery by the DIP Agent or the Majority DIP Lenders of the Carve Out Trigger Notice, to the extent allowed at any time, whether by interim order, procedural order, or otherwise (the amounts set forth in this clause (iv) being the "Post-Carve Out Trigger Notice Cap"). For purposes of the foregoing, "Carve Out Trigger Notice" shall mean a written notice delivered by email (or other electronic means) by the DIP Agent or the Majority DIP Lenders (or by counsel to either of the foregoing) to the Debtors, their lead restructuring counsel, the U.S. Trustee, and counsel to the Creditors' Committee (if any), which notice may be delivered following the occurrence and during

the continuation of an Event of Default and acceleration of the DIP Obligations under the DIP Facility, stating that the Post-Carve Out Trigger Notice Cap has been invoked.

(b) Carve Out Reserves. On the day on which a Carve Out Trigger Notice is given by the DIP Agent to the Debtors with a copy to counsel to the Creditors' Committee (if any) (the "Termination Declaration Date"), the Carve Out Trigger Notice shall (i) be deemed a draw request and notice of borrowing by the Debtors for New Money Loans under the Final DIP Tranche (each, as defined in the DIP Loan Documents) (on a pro rata basis based on the then outstanding DIP Loans), in an amount equal to the then unpaid amounts of the Allowed Professional Fees (any such amounts actually advanced shall constitute DIP Loans) and (ii) also constitute a demand to the Debtors to utilize all cash on hand as of such date and any available cash thereafter held by any Debtor to fund a reserve in an amount equal to the then unpaid amounts of the Allowed Professional Fees. The Debtors shall deposit and hold such amounts in a segregated account at or in the name of the DIP Agent in trust to pay such then unpaid Allowed Professional Fees (the "Pre-Carve Out Trigger Notice Reserve") prior to any and all other claims. On the Termination Declaration Date, the Carve Out Trigger Notice shall also (i) be deemed a request by the Debtors for New Money Loans under the Final DIP Tranche (on a pro rata basis based on the then outstanding DIP Loans), in an amount equal to the Post-Carve Out Trigger Notice Cap (any such amounts actually advanced shall constitute DIP Loans) and (ii) constitute a demand to the Debtors to utilize all cash on hand as of such date and any available cash thereafter held by any Debtor, after funding the Pre-Carve Out Trigger Notice Reserve, to fund a reserve in an amount equal to the Post-Carve Out Trigger Notice Cap. The Debtors shall deposit and hold such amounts in a segregated account at or in the name of the DIP Agent in trust to pay such Allowed Professional Fees benefiting from the Post-Carve Out Trigger Notice Cap (the "Post-Carve Out Trigger Notice

Reserve" and, together with the Pre-Carve Out Trigger Notice Reserve, the "Carve Out Reserves") prior to any and all other claims. On the first business day after the DIP Agent gives such notice to such DIP Lenders (as defined in the DIP Loan Documents), notwithstanding anything in the DIP Loan Documents to the contrary, including with respect to the existence of a Default (as defined in the DIP Loan Documents) or Event of Default, the failure of the Debtors to satisfy any or all of the conditions precedent for borrowing of New Money Loans under the Final DIP Tranche under the DIP Facility, any termination of the DIP Facility following an Event of Default, or the occurrence of the Maturity Date, each DIP Lender (on a pro rata basis based on the then outstanding DIP Loans) shall make available to the DIP Agent such DIP Lender's pro rata share with respect to such borrowing in accordance with the DIP Loan Documents. All funds in the Pre-Carve Out Trigger Notice Reserve shall be used first to pay the obligations set forth in clauses (i) through (iii) of the definition of Carve Out set forth above (the "Pre-Carve Out Amounts"), but not, for the avoidance of doubt, the Post-Carve Out Trigger Notice Cap, until paid in full, and then, to the extent the Pre-Carve Out Trigger Notice Reserve has not been reduced to zero, to pay the DIP Agent for the benefit of the DIP Lenders, unless the DIP Obligations have been indefeasibly paid in full, in cash, and all DIP Loans have been terminated, in which case any such excess shall be paid to the holders of Term Obligations and Second Lien Obligations in accordance with their rights and priorities as of the Petition Date. All funds in the Post-Carve Out Trigger Notice Reserve shall be used first to pay the obligations set forth in clause (iv) of the definition of Carve Out set forth above (the "Post-Carve Out Amounts"), and then, to the extent the Post-Carve Out Trigger Notice Reserve has not been reduced to zero, to pay the DIP Agent for the benefit of the DIP Lenders, unless the DIP Obligations have been indefeasibly paid in full, in cash, and all DIP Loans have been terminated, in which case any such excess shall be paid to the holders of Term

Obligations and Second Lien Obligations in accordance with their rights and priorities as of the Petition Date. Notwithstanding anything to the contrary in the DIP Loan Documents, or this [Final/Interim] Order, if either of the Carve Out Reserves is not funded in full in the amounts set forth in this paragraph [●], then, any excess funds in either of the Carve Out Reserves following the payment of the Pre-Carve Out Amounts and Post-Carve Out Amounts, respectively, shall be used to fund the other Carve Out Reserve, up to the applicable amount set forth in this paragraph [●], prior to making any payments to the DIP Agent or the holders of Term Obligations and Second Lien Obligations, as applicable. Notwithstanding anything to the contrary in the DIP Loan Documents or this [Final/Interim] Order, following delivery of a Carve Out Trigger Notice, the DIP Agent, the Term Agent, and the Second Lien Trustee shall not sweep or foreclose on cash (including cash received as a result of the sale or other disposition of any assets) of the Debtors until the Carve Out Reserves have been fully funded, but shall have a security interest in any residual interest in the Carve Out Reserves, with any excess paid to the DIP Agent for application in accordance with the DIP Loan Documents. Further, notwithstanding anything to the contrary in this [Final/Interim] Order, (i) disbursements by the Debtors from the Carve Out Reserves shall not constitute DIP Loans (as defined in the DIP Loan Documents) or increase or reduce the DIP Obligations, (ii) the failure of the Carve Out Reserves to satisfy in full the Allowed Professional Fees shall not affect the priority of the Carve Out, and (iii) in no way shall the Budget, Carve Out, Post-Carve Out Trigger Notice Cap, Carve Out Reserves, or any of the foregoing be construed as a cap or limitation on the amount of the Allowed Professional Fees due and payable by the Debtors. For the avoidance of doubt and notwithstanding anything to the contrary in this [Final/Interim] Order, the DIP Facility, or in the Term Facility or Second Lien Notes, the Carve Out shall be senior to all liens and claims securing the DIP Facility, the Term Facility Adequate

Protection Claims, and the Second Lien Adequate Protection Claims, and any and all other forms of adequate protection, liens, or claims securing the DIP Obligations, the Term Obligations, or the Second Lien Obligations.

(c) Payment of Allowed Professional Fees Prior to the Termination Declaration Date. Any payment or reimbursement made prior to the occurrence of the Termination Declaration Date in respect of any Allowed Professional Fees shall not reduce the Carve Out.

(d) No Direct Obligation To Pay Allowed Professional Fees. None of the DIP Agent, DIP Lenders, Term Lenders, the holders of Second Lien Notes, the Term Agent, or the Second Lien Trustee shall be responsible for the payment or reimbursement of any fees or disbursements of any Professional Person incurred in connection with the Chapter 11 Cases or any successor cases under any chapter of the Bankruptcy Code. Nothing in this [Interim/Final] Order or otherwise shall be construed to obligate the DIP Agent, the DIP Lenders, the Term Lenders, the holders of Second Lien Notes, the Term Agent, or the Second Lien Trustee in any way, to pay compensation to, or to reimburse expenses of, any Professional Person or to guarantee that the Debtors have sufficient funds to pay such compensation or reimbursement.

(e) Payment of Carve Out On or After the Termination Declaration Date. Any payment or reimbursement made on or after the occurrence of the Termination Declaration Date in respect of any Allowed Professional Fees shall permanently reduce the Carve Out on a dollar-for-dollar basis. Any funding of the Carve Out shall be added to, and made a part of, the DIP Obligations secured by the DIP Facility collateral and shall be otherwise entitled to the protections granted under this [Final/Interim] Order, the DIP Loan Documents, the Bankruptcy Code, and applicable law.

EXHIBIT E to
the Restructuring Support Agreement

Exit Facility Term Sheet

Execution Version

EXIT FACILITY TERM SHEET

GASTAR EXPLORATION INC.[1]

This exit facility term sheet (this "***Exit Facility Term Sheet***") is a summary of indicative terms and conditions for a proposed exit facility term loan financing that is materially consistent with the terms and conditions as set forth in this Exit Facility Term Sheet and otherwise acceptable in form and substance to the Credit Parties and the Exit Lenders (each as defined below).

This Exit Facility Term Sheet is non-binding and is being presented for discussion and settlement purposes only. Consequently, this Exit Facility Term Sheet is entitled to protection from any use or disclosure to any person or entity pursuant to Federal Rule of Evidence 408 and any other rules or laws of similar import. This Exit Facility Term Sheet does not purport to summarize all of the terms, conditions, covenants and other provisions that may be contained in the fully negotiated and executed definitive documentation in connection with the Exit Facility (the "***Exit Facility Documentation***"). The transactions described in this Exit Facility Term Sheet are subject in all respects to, among other things, internal authorization and approval by the appropriate credit committees of the Exit Lenders, the execution and delivery of Exit Facility Documentation satisfactory in form and substance to the Credit Parties and the Exit Lenders, satisfaction or waiver of the conditions precedent set forth in such Exit Facility Documentation, approval by the Bankruptcy Court (as defined below), and the satisfactory completion of diligence by the Exit Lenders in their sole discretion. This Exit Facility Term Sheet does not constitute a commitment to lend or to provide or arrange any other financing; such an obligation would arise only under a fully negotiated commitment letter if executed by all parties thereto in accordance with its terms.

This Exit Facility Term Sheet and the information contained in this Exit Facility Term Sheet shall remain strictly confidential and may not be shared with any person or entity (other than the Credit Parties, the Exit Lenders and their respective professionals), unless otherwise consented to by the Credit Parties or the Exit Lenders, as applicable.

Borrower	An entity to be mutually agreed (the "***Borrower***").
Holdings	To the extent a structure is mutually agreed whereby the equity of the Borrower is wholly-owned by a holding company, such holding company ("***Holdings***").
Guarantors	Holdings, if any, Northwest Property Ventures LLC, Gastar Exploration Inc. (to the extent it is not the Borrower and as mutually agreed), and each other subsidiary of Holdings (other than the Borrower) (collectively, the "***Guarantors***" and together with the Borrower, the "***Credit Parties***").
Exit Lenders	Funds managed or controlled by Ares Management, L.P. (collectively, the "***Exit Lenders***").
Exit Facility	(a) A $100 million secured delayed draw term loan facility (the "***First Lien Exit Facility***") comprised of (i) term loans consisting of DIP Claims (as defined in the RSA) that constitute New Money Loans (as defined in the DIP Term Sheet (as defined in the RSA)) funded under the DIP Facility (as defined in the RSA) and deemed funded under the First Lien Exit Facility on the Closing Date and (ii) term loan commitments consisting of

[1] This Exit Facility Term Sheet, the terms and provisions set forth in this Exit Facility Term Sheet, and the transactions contemplated by this Exit Facility Term Sheet are in all respects subject to, and may be further revised, modified or changed following, the completion of due diligence by the Exit Lenders and their professionals.

	DIP Claims in an amount equal to any undrawn commitment under the DIP Facility and (b) a secured term loan facility (the "***Second Lien Exit Facility***" and together with the First Lien Exit Facility, collectively, the "***Exit Facility***") comprised of up to $200 million (as such amount may be reduced by the Exit Lenders in their sole discretion on or prior to the effective date of the Plan (the "***Effective Date***")) in aggregate principal amount of term loans deemed funded on the Closing Date consisting of DIP Claims and Term Loan Claims (as defined in the RSA) (the loans under the First Lien Exit Facility and the Second Lien Exit Facility, collectively, the "***Exit Loans***"). The Exit Loans may not be reborrowed once repaid. The "***Plan***" means the Plan (as defined in the RSA), which is a Chapter 11 Plan of Reorganization and a related disclosure statement of the Credit Parties to be filed with the United States Bankruptcy Court for the District of Delaware (the "***Bankruptcy Court***"). The reorganization contemplated by the Plan is referred to herein as the "***Reorganization***."
Administrative and Collateral Agent	Wilmington Trust, National Association (the "***Administrative Agent***").
Use of Proceeds	The proceeds of the Exit Facility will be used to refinance on the Closing Date a portion of the outstanding obligations under the DIP Facility as of the Effective Date and refinance indebtedness under and replace the commitments under the Credit Parties' Term Facility. The First Lien Exit Facility shall provide for commitments for future term loans to fund general working capital and for other general corporate purposes after emergence from Chapter 11 on terms to be mutually agreed and in an amount equal to the undrawn commitments under the DIP Facility as of the Effective Date.
Closing Date	The date on which the Exit Loans are issued under the Exit Facility and the Reorganization is consummated in all material respects pursuant to the Plan (the "***Closing Date***").
Maturity	The date that is mutually agreed but in any event no less than 5 years or greater than 7 years after the Closing Date (the "***Maturity Date***").
Collateral	The First Lien Exit Facility will be secured by a perfected first-priority (subject to the pari passu liens securing obligations owed to the Credit Parties' hedge counterparties and other permitted liens to be mutually agreed) security interest in and lien on substantially all of the Credit Parties' tangible and intangible assets (collectively, the "***Collateral***"), with materiality thresholds and exceptions consistent with those in the Pledge and Security Agreement (as defined in the Term Credit Agreement (as defined in the RSA)), including, without limitation, (i) 100% of the stock, membership or partnership interests of the Borrower (so long as Holdings wholly-owns the equity of the Borrower), each Guarantor (other than Holdings) and each subsidiary of the foregoing, (ii) all of the Credit Parties' deposit, securities and commodities accounts, in each case, subject to certain exceptions consistent with those in the Pledge and Security Agreement and subject to control agreements, and (iii) oil and gas properties of the Credit Parties comprising not less than each of (a) 90% of the PV10 of the proved reserves attributable to such properties of the

Credit Parties and (b) 90% of the net acres of such properties of the Credit Parties with no associated proved reserves; in each case, subject to mutually agreed exceptions for "excluded property" consistent with those in the existing Security Documents (as defined in the Term Credit Agreement). The Second Lien Exit Facility will be secured by a perfected second-priority security interest in and lien on the Collateral. All such security interests in personal property and all liens on oil and gas properties and other real property will be created in accordance with the Exit Facility Documentation.

Conditions to Closing

Usual and customary for facilities of this type, including, without limitation, the following:

A. The negotiation, execution and delivery of the Exit Facility Documentation substantially consistent with the terms set forth in this Exit Facility Term Sheet and otherwise satisfactory to the Exit Lenders in their sole discretion.

B. The satisfaction of the Exit Lenders in their sole discretion with:

- the Plan; and
- the terms, entry and effectiveness of a confirmation order with respect to the Plan.

C. The Reorganization shall have been consummated in accordance with the Plan in all material respects (all conditions set forth therein having been satisfied or waived (with any such waiver having been approved by the Exit Lenders in their sole discretion)), substantial consummation (as defined in Section 1101 of the Bankruptcy Code) of the Plan in accordance with its terms in all material respects shall have occurred substantially contemporaneously with the closing of the Exit Facility and such closing shall have occurred not later than February 15, 2019.

D. The Exit Lenders shall be satisfied in their sole discretion that, on the Closing Date, immediately after giving effect to the consummation of the Plan, the issuance of the Exit Loans to occur on the Closing Date and any other transactions to occur on the Closing Date, the Credit Parties and their subsidiaries shall have outstanding no indebtedness for borrowed money other than indebtedness outstanding under the Exit Facility and any additional indebtedness (including but not limited to capital leases and obligations owed to the Credit Parties' hedge counterparties) on terms and conditions (including as to structure and amount) satisfactory to the Exit Lenders in their sole discretion.

E. Delivery of evidence that all required insurance has been maintained and that the Administrative Agent (as defined below) has been named as loss payee and additional insured. To the extent the Borrower is not able to deliver endorsements pursuant to this clause (E) by the Closing Date after having used commercially reasonable efforts to do so, such endorsements shall be delivered within 30 days after the

Closing Date (or such longer time as the majority of the Exit Lenders may agree).

F. Accuracy of representations and warranties contained in the Exit Facility Documentation in all material respects (or, in the case of representations and warranties that are qualified by materiality, in all respects) on the Closing Date (except to the extent such representations and warranties expressly relate to an earlier date, in which case they shall be true and correct in all material respects as of such earlier date (or, in the case of representations and warranties that are qualified by materiality, in all respects)) and absence of default and Event of Default under the Exit Facility Documentation.

G. Compliance with customary documentation conditions, including the delivery of customary legal opinions and closing certificates (including a customary solvency certificate), good standing certificates and certified organizational documents, in each case, in form and substance reasonably satisfactory to the Exit Lenders and the Administrative Agent.

H. The Administrative Agent shall have a perfected first-priority (subject to permitted liens to be mutually agreed) lien on substantially all of the assets of the Credit Parties, subject to any agreed post-closing perfection requirements.

I. Receipt by the Administrative Agent of reasonably satisfactory results of customary lien searches.

J. Receipt and satisfactory review by the Administrative Agent of (i) the Borrower's audited financial statements for the most recent fiscal year ending at least 90 days prior to the Closing Date, (ii) the Borrower's unaudited financial statements for the most recent fiscal quarter ending at least 60 days prior to the Closing Date and (iii) pro forma financial statements of the Borrower (after giving effect to the transactions contemplated in the Plan and this Exit Facility Term Sheet).

K. Receipt and satisfactory review of the reserve reports (i) dated as of the most recent date required by the Term Credit Agreement and prepared by Wright & Company, Inc. or other engineering firm acceptable to the Exit Lenders and (ii) dated as of the most recent date required by the Term Credit Agreement and prepared internally by the Borrower, together with certification by the Borrower as to accuracy, title and, except as otherwise disclosed, absence of gas imbalances or take-or-pay or other prepayments.

L. Satisfactory title information as required by the Exit Lenders on at least 90% of the PV10 of the oil and gas properties of the Credit Parties.

M. Receipt of mortgages and security agreements providing perfected first-priority (subject to permitted liens to be mutually agreed) or second-priority, as applicable, security interests in and liens on all assets of the Credit Parties, including, as applicable, not less than each

of (i) 90% of the PV10 of the proved reserves attributable to the oil and gas properties of the Credit Parties and (ii) 90% of the net acres of oil and gas properties of the Credit Parties with no associated proved reserves.

N. All requisite governmental and third party approvals shall have been obtained, and there shall be no material litigation, governmental, administrative or judicial action against the Credit Parties, except as otherwise disclosed pursuant to the Credit Parties' public disclosures or to the Exit Lenders in writing prior to the Closing Date.

O. Delivery of all documentation and other information required by bank regulatory authorities under applicable "know-your-customer", anti-money laundering rules and regulations, and the Patriot Act, to the extent requested at least 5 business days prior to the Closing Date.

P. To the extent invoiced at least one business day prior to the Closing Date, payment by the Borrower on or before the Closing Date of (i) the reasonable and documented out-of-pocket fees and expenses of the Administrative Agent (including the fees and expenses of one outside counsel to the Administrative Agent), and (ii) the fees and expenses of Milbank, Tweed, Hadley & McCloy LLP, in connection with the transaction hereunder due on such date.

Q. No default or event of default under the DIP Facility.

R. No material adverse change from the date of the RSA until closing (excluding the pendency of the Chapter 11 Cases).

Interest Rate	At the election of the Borrower, either (a) Adjusted LIBOR Rate plus 6.00% *per annum* (subject to a 2.00% LIBOR floor) if paid in cash or (b) Adjusted LIBOR Rate plus 8.00% *per annum* (subject to a 2.00% LIBOR floor) if paid in kind, in each case, payable quarterly. During the continuance of an event of default, past due amounts under the Exit Facility will bear interest at an additional 3.00% *per annum* above the interest rate otherwise applicable.
Upfront/Arrangement Fee	None.
Scheduled Amortization	None. The unpaid principal amount of the Exit Loans shall be repaid in full on the Maturity Date.
Call Protection	None.
Mandatory Prepayments	The Exit Loans shall be prepaid with: (i) 100% of the net cash proceeds of non-ordinary course asset sales or casualty or condemnation events (subject to reinvestment rights and baskets and exclusions to be agreed); and (ii) 100% of the proceeds of debt incurrences (other than debt permitted under the Exit Facility Documentation).
Financial Covenants	None.

Exit Facility Documentation	The Exit Facility Documentation shall contain representations and warranties, affirmative covenants, negative covenants and events of default usual and customary for transactions of this type and with materiality, thresholds and exceptions, in each case, consistent with the existing Loan Documents as mutually agreed. Terms not expressly set forth in this Exit Facility Term Sheet will (i) be negotiated in good faith within a reasonable time period to be determined based on the expected Closing Date and (ii) contain such other terms as the Credit Parties and the Exit Lenders shall agree (given due regard to the operations, size, industry (and risks and trends associated therewith), geographic locations and businesses of the Credit Parties). The definitive documentation for the Term Credit Agreement will be used as a starting point for the Exit Facility Documentation.
Expenses and Indemnification	Usual and customary for facilities of this type and consistent with the existing Loan Documents.
Governing Law	State of New York.

Exhibit C

Hedge Party Restructuring Support Agreement

THIS HEDGE PARTY RESTRUCTURING SUPPORT AGREEMENT IS NOT AN OFFER WITH RESPECT TO ANY SECURITIES OR A SOLICITATION OF ACCEPTANCES OF A CHAPTER 11 PLAN WITHIN THE MEANING OF SECTION 1125 OF THE BANKRUPTCY CODE. ANY SUCH OFFER OR SOLICITATION WILL COMPLY WITH ALL APPLICABLE SECURITIES LAWS AND/OR PROVISIONS OF THE BANKRUPTCY CODE. NOTHING CONTAINED IN THIS HEDGE PARTY RESTRUCTURING SUPPORT AGREEMENT SHALL BE AN ADMISSION OF FACT OR LIABILITY OR, UNTIL THE OCCURRENCE OF THE AGREEMENT EFFECTIVE DATE ON THE TERMS DESCRIBED IN THIS HEDGE PARTY RESTRUCTURING SUPPORT AGREEMENT, DEEMED BINDING ON ANY OF THE PARTIES TO THIS HEDGE PARTY RESTRUCTURING SUPPORT AGREEMENT.

HEDGE PARTY RESTRUCTURING SUPPORT AGREEMENT

This Hedge Party Restructuring Support Agreement (this agreement, including all exhibits and schedules attached hereto, as each may be amended, restated, supplemented, or otherwise modified from time to time in accordance with the terms hereof, this "**Agreement**")[1] is made and entered into as of October 26, 2018, by and among the following parties (each of the parties described in Sub-Clauses (i) and (ii), a "**Party**" and, collectively, the "**Parties**"):

i. Gastar Exploration Inc. ("**Gastar**"); its undersigned subsidiary Northwest Property Ventures LLC; and any other future subsidiary of Gastar (each a "**Company Party**" and collectively, the "**Company**" or the "**Company Parties**"); and

ii. the entities Cargill, Inc. and NextEra Energy Marketing, LLC (each a "**Hedge Party**," and collectively, the "**Hedge Parties**") in their capacities as holders of claims arising under or related to the prepetition transactions entered into by such Hedge Party with Gastar under the applicable Initial Swap Party ISDA (as defined in the Hedge Party Term Sheet), including all liabilities and obligations of the Company outstanding as of the date of commencement of the Chapter 11 Cases (the "**Petition Date**") and any claims of such Hedge Party arising out of any termination thereof (such claims, with respect to each Hedge Party individually or with respect to the Hedge Parties collectively, as the context requires, the "**Hedge Claims**").

RECITALS

WHEREAS, the Parties have engaged in good faith, arm's-length negotiations regarding the treatment of the Hedge Claims in connection with the restructuring and recapitalization of the Company;

WHEREAS, to implement the Restructuring Transaction (as defined in the Hedge Party Term Sheet), the Company intends to commence voluntary cases under chapter 11 of the

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[1] Capitalized terms used but not otherwise defined in this document have the meanings ascribed to such terms in the term sheet attached to this Agreement as **Exhibit A** (the "**Hedge Party Term Sheet**"), subject to Section 2 hereof.

Bankruptcy Code[2] (the "**Chapter 11 Cases**") in the United States Bankruptcy Court for the Southern District of Texas (the "**Bankruptcy Court**");

WHEREAS, the Company intends to pursue the Restructuring Transaction in accordance with a prepackaged chapter 11 plan of reorganization (the "**Plan**") and a related disclosure statement (as may be amended or supplemented from time to time in accordance with the terms of this Agreement, the "**Disclosure Statement**");

WHEREAS, the following sets forth the agreement among the Parties concerning their respective rights and obligations in respect of the Transaction.

NOW, THEREFORE, in consideration of the covenants and agreements contained in this Agreement, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Party, intending to be legally bound by this Agreement, agrees as follows:

AGREEMENT

Section 1. ***Agreement Effective Date***. This Agreement shall become effective and binding upon each of the Parties on the date: (a) each of the Company Parties has executed and delivered counterpart signature pages of this Agreement to the Hedge Parties; and (b) each of the Hedge Parties has executed and delivered counterpart signature pages of this Agreement to counsel to the Company Parties (such date, the "**Agreement Effective Date**").

Section 2. ***Exhibits and Schedules Incorporated by Reference***. Each of the exhibits to this Agreement (including, but not limited to, the Hedge Party Term Sheet) and any schedules or annexes to such exhibits (collectively, the "**Exhibits and Schedules**")) is expressly incorporated into, and made a part of, this Agreement. As used in this Agreement, all references to this Agreement shall include the Exhibits and Schedules. In the event of any inconsistency between this Agreement (without reference to the Exhibits and Schedules) and the Exhibits and Schedules, this Agreement (without reference to the Exhibits and Schedules) shall govern.

Section 3. ***Definitive Documentation***.

(a) The definitive documents and agreements governing the Restructuring Transaction (collectively, the "**Definitive Documents**") shall consist of this Agreement and each of the following documents:

(i) the Plan (and all exhibits to the Plan);

(ii) the order confirming the Plan (the "**Confirmation Order**");

(iii) the Disclosure Statement, the other solicitation materials in respect of the Plan (such materials, collectively, the "**Solicitation Materials**");

[2] "**Bankruptcy Code**" means title 11 of the United States Code, as amended.

(iv) the interim and final orders approving use of cash collateral and debtor-in-possession financing (the "**DIP Orders**");

(v) the Hedge Party Secured Note (as defined in the Hedge Party Term Sheet), which shall be contained in the supplement to the Plan to be filed in the Chapter 11 Cases; and

(vi) the Intercreditor Agreement (as defined in the Hedge Party Term Sheet).

(b) Certain of the Definitive Documents remain subject to negotiation and completion and shall, upon completion, contain terms, conditions, representations, warranties, and covenants consistent with the terms of this Agreement. The provisions regarding treatment of the Hedge Claims under the Plan or any other provisions of the Definitive Documents that will have a material adverse affect on the rights of the Hedge Parties shall be in form and substance acceptable to the Company Parties and the Hedge Parties.

Section 4. ***Commitments Regarding the Restructuring Transaction***.

4.01. Commitment of the Hedge Parties.

(a) From the Agreement Effective Date until the termination of this Agreement in accordance with the terms hereof, each of the Hedge Parties agrees to:

(i) vote each of its claims, including the Hedge Claims, against the Company to accept the Plan by delivering its duly executed and completed ballot(s) accepting the Plan on a timely basis;

(ii) negotiate in good faith the Definitive Documents and use commercially reasonable efforts to take any and all necessary and appropriate actions in furtherance of the Restructuring Transaction and the Plan (if applicable) and this Agreement;

(iii) use commercially reasonable efforts to support and take all actions necessary or appropriate to facilitate the solicitation, confirmation and consummation of the Restructuring Transaction and the Plan (if applicable);

(iv) consent to and use commercially reasonable efforts to support the release, discharge, exculpation, and injunction provisions contained in the Definitive Documents and, if applicable, not "opt out" of such provisions in the Plan;

(v) not (A) object to or join in any objection to the Confirmation Order, or (B) file any motion, pleading, or other document with the Bankruptcy Court or any other court (including any modifications or amendments thereof) that is not materially consistent with this Agreement or the Plan;

(vi) not change or withdraw (or cause to be changed or withdrawn) any vote(s) to accept the Plan;

(vii) not transfer any of their Hedge Claims prior to the effective date of the Plan to any party that is not a Hedge Party; and

(viii) not (A) object to, delay, impede, or knowingly take any other action to interfere with the acceptance, implementation, or consummation of the Restructuring Transaction, (B) propose, file, support, or vote for any actual or proposed transaction involving any or all of (1) another financial and/or corporate restructuring of the Company, (2) the issuance, sale, or other disposition of any equity or debt interests, or any material assets, of the Company, or (3) a merger, consolidation, business combination, joint venture, liquidation, dissolution, winding up, assignment for the benefit of creditors, recapitalization, refinancing, or similar transaction involving the Company, other than the Restructuring Transaction, or (C) exercise any right or remedy for the enforcement, collection, or recovery of any Debtor Claims/Interests, or (D) support, encourage or direct any other person or entity to take any such action.

(b) Notwithstanding the foregoing, nothing in this Agreement and neither a vote to accept the Plan by any Hedge Party nor the acceptance of the Plan by any Hedge Party shall: (i) be construed to prohibit any Hedge Party from contesting whether any matter, fact, or thing is a breach of, or is inconsistent with, this Agreement or the other Definitive Documents, complying with applicable law or exercising any rights (including any consent and approval rights contemplated under this Agreement or the other Definitive Documents) or remedies specifically reserved in this Agreement or the other Definitive Documents; (ii) be construed to prohibit or limit any Hedge Party from appearing as a party-in-interest in any matter to be adjudicated in the Chapter 11 Cases, so long as, during the Effective Period, such appearance and the positions advocated are not inconsistent with this Agreement; or (iii) impair or waive the rights of any Hedge Party to assert or raise any objection permitted under this Agreement in connection with any hearing on confirmation of the Plan or in the Bankruptcy Court.

4.02. Commitment of the Company.

(a) From the Agreement Effective Date until the termination of this Agreement in accordance with the terms hereof, each of the Company Parties agrees to:

(i) negotiate in good faith all Definitive Documents and take any and all reasonably necessary and appropriate actions in furtherance of the Restructuring Transaction, the Plan (if applicable), and this Agreement;

(ii) use reasonable best efforts to obtain orders of the Bankruptcy Court in respect of the Restructuring Transaction, including the Confirmation Order;

(iii) support and use reasonable best efforts to consummate the Restructuring Transaction in accordance with this Agreement within the time-frames contemplated under this Agreement.

(iv) use reasonable best efforts to negotiate, execute and deliver any other agreements necessary to effectuate and consummate the Restructuring Transaction;

(v) use commercially reasonable efforts to obtain any and all regulatory and/or third-party approvals necessary or appropriate in connection with the Restructuring Transaction;

(vi) pay the reasonable and documented fees and expenses of the Hedge Parties as set forth in Section 9 of this Agreement;

(vii) not object to or join in any objection to, on any grounds, including but not limited to, avoidance, disallowance, expungement, recharacterization, subordination, or otherwise, the Hedge Claims;

(viii) timely file an objection or response with the Bankruptcy Court to any motion, or other pleading, filed with the Bankruptcy Court by a party seeking the entry of an order: (1) directing the appointment of a trustee or examiner (with expanded powers beyond those set forth in section 1106(a)(3) and (4) of the Bankruptcy Code); (2) converting any of the Chapter 11 Cases to a case under chapter 7 of the Bankruptcy Code; (3) dismissing any of the Chapter 11 Cases; (4) modifying or terminating the Company's exclusive right to file and/or solicit acceptances of a plan of reorganization, as applicable; or (5) objecting to the Hedge Claims; and

(ix) not directly or indirectly: (A) delay, impede, or take any other action to interfere with the acceptance, implementation, or consummation of the Restructuring Transaction, or otherwise take any action which would, or which would reasonably be expected to, breach or be inconsistent with this Agreement; or (B) support, encourage or direct any other person or entity to take any action referred to in this Section 4.02(a)(ix).

(b) Nothing in this Agreement shall require the Company, the Board or any other person or entity, after consulting with counsel, to take any action or to refrain from taking any action with respect to the Restructuring Transaction to the extent taking or failing to take such action would be inconsistent with applicable law or its fiduciary obligations under applicable law.

Section 5. ***Representations and Warranties of Hedge Parties.*** Each Hedge Party, severally, and not jointly, represents and warrants for itself and not any other person or entity that the following statements are true, correct, and complete, to the best of its actual knowledge, as of the date of this Agreement and the Hedge Termination Date (as defined in the Hedge Party Term Sheet):

(a) it is the owner of the Hedge Claims;

(b) such Hedge Claims are free and clear of any pledge, lien, security interest, charge, claim, equity, option, proxy, voting restriction, right of first refusal, or other limitation on disposition, transfer, or encumbrances of any kind, that would materially and adversely affect such Hedge Party's ability to perform any of its obligations under this Agreement at the time such obligations are required to be performed; and

(c) it has the full power and authority to act on behalf of, vote, and consent to matters concerning such Hedge Claims.

Section 6. ***Mutual Representations and Warranties*.** Each (i) Hedge Party, severally, and not jointly, and (ii) Company Party, on a joint and several basis, represents and warrants for itself and not any other person or entity that the following statements are true, correct, and complete, to the best of its actual knowledge, as of the date of this Agreement:

6.01. Enforceability. It is validly existing and in good standing under the laws of the state of its organization. This Agreement is a legal, valid, and binding obligation of such Party, enforceable against it in accordance with its terms, except as enforcement may be limited by applicable laws relating to or limiting creditors' rights generally or by equitable principles relating to enforceability.

6.02. No Consent or Approval. Except as expressly provided in this Agreement, the Plan (if applicable), the Hedge Party Term Sheet, or the Bankruptcy Code, no consent or approval is required by any other person or entity in order for it to effectuate the Restructuring Transaction contemplated by, and perform the respective obligations under, this Agreement.

6.03. Power and Authority. Except as expressly provided in this Agreement and subject to applicable law, it has all requisite corporate or other power and authority to enter into, execute, and deliver this Agreement and to effectuate the Restructuring Transaction contemplated by, and perform its respective obligations under, this Agreement. Each of the Definitive Documents will be duly authorized and, assuming due authorization, execution and delivery of such Definitive Document by the other parties to such Definitive Document, when executed and delivered by each Party, will constitute a legal, valid, binding instrument enforceable against the Parties in accordance with its terms (subject, as to enforcement of remedies, to applicable bankruptcy, reorganization, insolvency, moratorium or other laws affecting creditors' rights generally from time to time in effect and to general principles of equity).

6.04. Other Representations. Each Party represents and warrants that it has sufficient knowledge and experience to evaluate properly the terms and conditions of the Restructuring Term Sheet, the Plan (if applicable), and this Agreement. Each Party further represents and warrants that it has been afforded the opportunity to consult with its legal and financial advisors with respect to its decision to execute this Agreement, and it has made its own analysis and decision to enter into this Agreement and otherwise investigated this matter to its full satisfaction.

Section 7. ***Cooperation and Support.*** The Company shall provide the Hedge Parties with reasonable advance notice of and an opportunity to review and comment on each Definitive Document. The form and substance of such Definitive Document shall be subject to the consent and approval rights of the Company and the Hedge Parties set forth in Section 3 of the Restructuring Support Agreement.

Section 8. ***Termination Events*.**

8.01. Hedge Party Termination Events. With respect to any Hedge Party, so long as such Hedge Party has not failed to perform or comply in all material respects with the terms and conditions of this Agreement (unless such failure is the result of any act, omission or delay on

the part of any Company Party in violation of its obligations under this Agreement), this Agreement may be terminated by such Hedge Party as to such Hedge Party pursuant to this Section 8.01 upon prior written notice delivered in accordance with this Agreement, upon the occurrence and continuation of any of the following events:

(a) the occurrence of a material breach of this Agreement by any Party other than the terminating Hedge Party. However, if such breach is capable of being cured, the breaching Party shall have five (5) business days following written notice from such Hedge Party of the occurrence thereof to cure such breach;

(b) the (i) conversion of one or more of the Chapter 11 Cases of the Company Parties to a case under chapter 7 of the Bankruptcy Code, (ii) dismissal of one or more of the Chapter 11 Cases of the Company Parties, unless such conversion or dismissal, as applicable, is made with the prior written consent of such Hedge Party, or (iii) appointment of a trustee, receiver, or examiner with expanded powers beyond those set forth in section 1106(a)(3) or (4) of the Bankruptcy Code in one or more of the Chapter 11 Cases;

(c) any of the Definitive Documents do not comply with Section 3 of this Agreement;

(d) a material breach by any Company Party of any representation or warranty of such Company Party set forth in Section 6 of this Agreement that could reasonably be expected to have a material adverse impact on the consummation of the Restructuring Transaction that (to the extent curable) remains uncured for a period of ten (10) business days after the receipt by the Company of written notice and description of such breach from any other Party;

(e) any Company Party terminates its obligations under and in accordance with Section 8.02 of this Agreement;

(f) the failure to meet any of the Milestones unless: (i) such failure is the result of any act, omission, or delay on the part of such Hedge Party in material violation of its obligations under this Agreement; or (ii) such Milestone previously has been waived by such Hedge Party; or

(g) any other Hedge Party terminates its obligations under and in accordance with this Section 8.01.

8.02. Company's Termination Events. So long as no Company Party has failed to perform or comply in all material respects with the terms and conditions of this Agreement (unless such failure is the result of any act, omission, or delay on the part of the Hedge Parties in violation of their obligations under this Agreement), the Company may terminate this Agreement as to all Parties upon prior written notice, delivered in accordance with Section 11.09 of this Agreement, upon the occurrence of any of the following events:

(a) A material breach by any of the Hedge Parties of any provision set forth in this Agreement that has an adverse effect on the Company and that (to the extent curable) remains uncured for a period of five (5) business days after the receipt by the Hedge Parties of notice of such material breach;

(b) the Board determines, after consulting with counsel, that proceeding with the Restructuring Transaction would be inconsistent with its fiduciary duties or applicable law and that failure to terminate this Agreement would be inconsistent with the exercise of its fiduciary obligations or applicable law; or

(c) the Bankruptcy Court enters an order denying confirmation of the Plan.

8.03. Mutual Termination. This Agreement, and the obligations of all Parties hereunder, may be terminated by mutual written agreement among each of the Company and the Hedge Parties.

8.04. Termination upon Completion of the Restructuring Transaction. This Agreement shall terminate automatically without any further required action or notice on the effective date of the Plan.

8.05. Effect of Termination. Upon the termination of this Agreement as to a Party, this Agreement shall be of no further force or effect with respect to such Party. Each Party subject to such termination shall: (a) be released from its commitments, undertakings, and agreements under or related to this Agreement; (b) have the rights and remedies that it would have had, had it not entered into this Agreement; and (c) be entitled to take all actions, whether with respect to the Restructuring Transaction or otherwise, that it would have been entitled to take had it not entered into this Agreement. The termination of this Agreement with respect to any Party shall not relieve or absolve any Party of any liability for any breaches of this Agreement that preceded the termination of the Agreement.

Section 9. ***Fees and Expenses***. Upon receipt of a request for payment, the Company shall promptly pay and reimburse all reasonable and documented fees and out-of-pocket fees and expenses of the Hedge Parties, including the fees and expenses of all attorneys, accountants, advisors, consultants, and other professionals of the Hedge Parties (regardless of whether such fees and expenses are incurred before or after the Petition Date).

Section 10. ***Amendments; Consents and Waivers***. This Agreement (including the Exhibits and Schedules), may not be modified, amended, or supplemented in any manner except in writing signed by the Company and each of the Hedge Parties. Any proposed modification, amendment, or supplement that is not approved by the requisite Parties as set forth above shall be ineffective and void *ab initio*.

Section 11. ***Miscellaneous*.**

11.01. Further Assurances. Subject to the other terms of this Agreement, the Parties agree to execute and deliver such other instruments and perform such acts, in addition to the matters in this Agreement specified, as may be reasonably appropriate or necessary, or as may be required by order of the Bankruptcy Court, from time to time, to effectuate the Restructuring Transaction, as applicable.

11.02. Complete Agreement. This Agreement (including the Exhibits and Schedules) constitutes the entire agreement among the Parties with respect to the subject matter of this

Agreement and supersedes all prior negotiations, agreements, and understandings, whether oral or written, among the Parties with respect thereto.

11.03. Headings. The headings of all sections of this Agreement are inserted solely for the convenience of reference and are not a part of and are not intended to govern, limit, or aid in the construction or interpretation of any term or provision of this Agreement.

11.04. GOVERNING LAW; SUBMISSION TO JURISDICTION; SELECTION OF FORUM; WAIVER OF TRIAL BY JURY. THIS AGREEMENT IS TO BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND TO BE PERFORMED IN SUCH STATE, WITHOUT GIVING EFFECT TO THE CONFLICT OF LAWS PRINCIPLES THEREOF. Each Party to this Agreement agrees that it shall bring any action or proceeding in respect of any claim arising out of or related to this Agreement in either the United States District Court for the Southern District of New York or any New York state court (the "**Chosen Courts**"). Solely in connection with claims arising under this Agreement, each Party: (a) irrevocably submits to the exclusive jurisdiction of the Chosen Courts; (b) waives any objection to laying venue in any such action or proceeding in the Chosen Courts; and (c) waives any objection that the Chosen Courts are an inconvenient forum or do not have jurisdiction over any Party to this Agreement or constitutional authority to finally adjudicate the matter. Notwithstanding the foregoing, if the Company Parties commence the Chapter 11 Cases, then the Bankruptcy Court (or court of proper appellate jurisdiction) shall be the exclusive Chosen Court.

11.05. Trial by Jury Waiver. EACH PARTY TO THIS AGREEMENT IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

11.06. Execution of Agreement. This Agreement may be executed and delivered in any number of counterparts and by way of electronic signature and delivery. Each such counterpart, when executed and delivered, shall be deemed an original, and all of which together shall constitute the same agreement. Except as expressly provided in this Agreement, each individual executing this Agreement on behalf of a Party has been duly authorized and empowered to execute and deliver this Agreement on behalf of said Party.

11.07. Interpretation and Rules of Construction. This Agreement is the product of good faith negotiations among the Company and the Hedge Parties. Consequently, this Agreement shall be enforced and interpreted in a neutral manner. Any presumption with regard to interpretation for or against any Party by reason of that Party having drafted or caused to be drafted this Agreement, or any portion of this Agreement, shall not be effective in regard to the interpretation of this Agreement. The Company and the Hedge Parties were each represented by counsel during the negotiations and drafting of this Agreement and continue to be represented by counsel. Accordingly, any rule of law or any legal decision that would provide any Party with a defense to the enforcement of the terms of this Agreement against such Party based upon lack of legal counsel, shall have no application and is expressly waived. In addition, this Agreement shall be interpreted in accordance with section 102 of the Bankruptcy Code. For the purposes of

this Agreement, the term "including" shall mean "including, without limitation," whether or not so specified.

11.08. Successors and Assigns. This Agreement is intended to bind and inure to the benefit of the Parties and their respective successors and permitted assigns, as applicable. There are no third party beneficiaries under this Agreement, and the rights or obligations of any Party under this Agreement may not be assigned, delegated, or transferred to any other person or entity.

11.09. Notices. All notices hereunder shall be deemed given if in writing and delivered by electronic mail, courier, or registered or certified mail (return receipt requested) to the following addresses (or at such other addresses as shall be specified by like notice):

(a) if to a Company Party, to:

Gastar Exploration Inc.
1331 Lamar Street, Suite 650
Houston, TX 7710
Attention: Michael A. Gerlich
mgerlich@gastar.com
Heather Rhodes
hrhodes@gastar.com
with copies (which shall not constitute notice) to:

Kirkland & Ellis LLP
300 North LaSalle Street
Chicago, IL 60654
Attention: Ross M. Kwasteniet, P.C.
ross.kwasteniet@kirkland.com
Douglas E. Bacon, P.C.
douglas.bacon@kirkland.com
John R. Luze
john.luze@kirkland.com

(b) if to NextEra Energy Marketing, LLC, to:

NextEra Energy Marketing, LLC
700 Universe Blvd.
Juno Beach, Florida 33408
Attn: Credit Department
Fax: 561-694-7642

With a copy to counsel to the Hedge Parties (which shall not constitute notice):

Attn: Legal Department – Contracts Group
Fax: 561-694-7504

(c) if to Cargill, Inc., to:

Cargill, Incorporated
Cargill Risk Management
840 West Sam Houston Parkway North, Suite 300
Houston, TX 77024
Attention: Tyler R Smith
Fax: 952-367-0849
Email: Tyler_Smith_1@Cargill.com

or such other address as may have been furnished by a Party to each of the other Parties by notice given in accordance with the requirements set forth above. Any notice given by delivery, mail (electronic or otherwise), or courier shall be effective when received. For purposes of this Agreement, any consents or approvals of the Hedge Parties may be provided by counsel to the Hedge Parties.

11.10. Waiver. If the Restructuring Transaction is not consummated, or if this Agreement is terminated for any reason, the Parties fully reserve any and all of their rights. Pursuant to Federal Rule of Evidence 408 and any other applicable rules of evidence, this Agreement and all negotiations relating to this Agreement shall not be admissible into evidence in any proceeding other than a proceeding to enforce its terms, pursue the consummation of the Restructuring Transaction, or the payment of damages to which a Party may be entitled under this Agreement.

11.11. Specific Performance. It is understood and agreed by the Parties that money damages would be an insufficient remedy for any breach of this Agreement by any Party. Consequently, each non-breaching Party shall be entitled to specific performance and injunctive or other equitable relief (without the posting of any bond and without proof of actual damages) as a remedy of any such breach, including an order of the Bankruptcy Court or other court of competent jurisdiction requiring any Party to comply promptly with any of its obligations hereunder.

11.12. Severability and Construction. If any provision of this Agreement shall be held by a court of competent jurisdiction to be illegal, invalid, or unenforceable, the remaining provisions shall remain in full force and effect if the essential terms and conditions of this Agreement for each Party remain valid, binding, and enforceable.

11.13. Remedies Cumulative. All rights, powers, and remedies provided under this Agreement or otherwise available in respect of this Agreement at law or in equity shall be cumulative and not alternative. The exercise of any right, power, or remedy by any Party shall not preclude the simultaneous or later exercise of any other such right, power, or remedy by such Party.

11.14. Email Consents. Where a written consent, acceptance, approval, or waiver is required pursuant to or contemplated by this Agreement, such written consent, acceptance, approval, or waiver shall be deemed to have occurred if, by agreement between counsel to the Parties submitting and receiving such consent, acceptance, approval, or waiver, it is conveyed in writing (including electronic mail) between each such counsel without representations or warranties of any kind on behalf of such counsel.

[*Remainder of page intentionally left blank.*]

IN WITNESS WHEREOF, the Parties have executed this Agreement on the day and year first above written.

Company Parties:

GASTAR EXPLORATION INC.

By: _____

Name: **Michael A. Gerlich**
Title: **Gastar Exploration Inc.**
Sr Vice President and CFO

NORTHWEST PROPERTY VENTURES LLC

By: _____

Name: **Michael A. Gerlich**
Title: **Gastar Exploration Inc.**
Sr Vice President and CFO

Hedge Parties:

NEXTERA ENERGY MARKETING, LLC

By: _____

Name: Lawrence Silverstein
Title: Senior Vice President and Managing Director Nextera Energy Marketing, LLC

Legal Review Completed

CREDIT

CARGILL, INCORPORATED

By: _____

Name:
Title:

Hedge Parties:

NEXTERA ENERGY MARKETING, LLC

By:_____

Name:
Title:

CARGILL, INCORPORATED

By: _____

Name: Tyler R Smith
Title: Authorized Signer

EXHIBIT A to
the Hedge Party Restructuring Support Agreement
Hedge Party Term Sheet

Execution Version

GASTAR EXPLORATION INC.

HEDGE PARTY TERM SHEET

October 26, 2018

This term sheet (the "Hedge Party Term Sheet") summarizes the material terms and conditions of certain transactions in connection with an in-court restructuring (the "Restructuring Transaction") of the capital structure and financial obligations of Gastar Exploration Inc., a Delaware corporation ("Gastar"), and its subsidiary related to the obligations of Gastar under the applicable Initial Swap Party ISDAs (as defined in the hereinafter defined Existing Intercreditor Agreement, the "Initial Swap Party ISDAs")) entered into between Gastar and each of the Hedge Parties (as defined below). This Hedge Party Term Sheet is attached to and made a part of the Hedge Party Restructuring Support Agreement (as amended, modified or supplemented from time to time, the "Hedge Party RSA"),[1] dated as of October 26, 2018, by and among the Company and the Hedge Parties (as each such term is defined below).

THIS HEDGE PARTY TERM SHEET DOES NOT CONSTITUTE (NOR SHALL IT BE CONSTRUED AS) AN OFFER OR PROPOSAL WITH RESPECT TO ANY SECURITIES OR A SOLICITATION OF ACCEPTANCES OR REJECTIONS AS TO ANY CHAPTER 11 PLAN. THE PARTIES TO THIS TERM SHEET ACKNOWLEDGE AND AGREE THAT ANY SUCH OFFER, PROPOSAL OR SOLICITATION, IF ANY, WILL BE MADE ONLY IN COMPLIANCE WITH APPLICABLE PROVISIONS OF ALL APPLICABLE LAW. THIS HEDGE PARTY TERM SHEET DOES NOT ADDRESS ALL TERMS THAT WOULD BE REQUIRED IN CONNECTION WITH ANY RESTRUCTURING TRANSACTION.

OVERVIEW	
Parties to the Restructuring	**Company**: Gastar; Northwest Property Ventures, LLC; and any other future subsidiaries of Gastar (collectively, the "Company"). **Hedge Parties**: Each of Cargill, Inc. ("Cargill") and NextEra Energy Marketing, LLC ("NextEra", and together with Cargill, the "Hedge Parties"), in its capacity as holder of claims arising under or related to the Company's prepetition transactions entered into by such Hedge Party with any Company Party under the applicable Initial Swap Party ISDA, including all liabilities and other obligations of the Company outstanding as of the date of commencement of the Chapter 11 Cases (the "Petition Date") and all claims of the applicable Hedge Party arising out of the termination thereof (such claims, with respect to any Hedge Party individually or with respect to the Hedge Parties collectively, as the context requires, the "Hedge Claims"). The Company and the each of the Hedge Parties is referred to in

[1] Capitalized terms used but not defined herein have the meaning given to them in the Hedge Party RSA.

	this Hedge Party Term Sheet as a "Party", and they are collectively referred to in this Restructuring Term Sheet as the "Parties".
Treatment of Hedge Claims	The Restructuring Transaction will be implemented pursuant to the Chapter 11 Cases on the terms set forth in the Plan. The Plan shall provide that, on the effective date of the Plan (the "Effective Date"), each holder of Hedge Claims shall receive cash in an amount equal to 100% of such holder's Hedge Claims (the "Hedge Claims Payment Amount"), payable in the following installments: (i) on the Effective Date, an amount (the "Catch-Up Payment Amount") equal to the product of: (a) the number of monthly settlement payments that would have occurred after the Hedge Termination Date and on or prior to the Effective Date had the Hedge Claims not been liquidated *divided by* 14; and (b) the Hedge Claims Payment Amount; and (ii) the remaining amount of the Hedge Claims Payment Amount owed to each Hedge Party in equal monthly installments with such remaining amount to be paid in full by December 31, 2019 pursuant to new secured notes issued to each Hedge Party (such notes, the "Hedge Party Secured Notes") that will be secured by an uncapped first priority security interest in and lien on the Collateral (as defined below), which security interest and lien shall rank *pari passu* with the liens granted to the holders of the senior-most creditors (with respect to debt for borrowed money) of the Company (which, for the avoidance of doubt, may be the creditors under the first lien exit facility after the Effective Date (the "Exit Facility") to be provided on the Effective Date by funds affiliated with Ares Management, L.P. ("Ares") under the Plan). Funds in the Exit Facility will be available to make payments under the Hedge Party Secured Notes. Each holder of Hedge Claims shall receive under the Plan the treatment described above in full and final satisfaction, settlement, release, and discharge of and in exchange for such holder's Hedge Claims. Any action to be taken by the Company on the Effective Date may be taken on the Effective Date or as soon as is reasonably practicable thereafter. Prior to the Effective Date but after effectiveness of the DIP Orders (as defined in the Hedge Party RSA), the Hedge Claims shall be secured by a first priority lien on the same collateral securing the hedge and swap transactions between the Company Parties and the Hedge Parties as of the date of the Hedge Party

	RSA in accordance with the Existing Intercreditor Agreement and Security Instruments (as defined in the hereinafter defined Existing Intercreditor Agreement). The Hedge Parties' existing senior secured liens and security interests shall be acknowledged and preserved in the DIP Order, and shall not be primed. Prior to the effectiveness of the DIP Orders, the Hedge Claims shall be secured by the liens on and security interests in the Collateral (as defined in the Existing Intercreditor Agreement), in accordance with the terms of the Existing Intercreditor Agreement and Security Instruments.
Liquidation of Hedge Claims	On or as soon as practicable following the Petition Date (the "Hedge Termination Date"), each Hedge Party shall exercise its rights under the Initial Swap Party ISDA to which it is a party to terminate all of the transactions in effect under such Initial Swap Party ISDA in accordance with the terms of such Initial Swap Party ISDA and such transactions. Upon the designation of an early termination date under the Initial Swap Party ISDAs, the Hedge Parties shall take all steps necessary to liquidate the Hedge Claims. The Hedge Claims will be allowed in full in the Chapter 11 Cases and such amounts will be fully secured and treated as a secured claim as set forth in the Plan in accordance with this Hedge Party Term Sheet.
Milestones	The Hedge Parties' support for the transactions described in this Hedge Party Term Sheet is contingent on the Company commencing the Chapter 11 Cases by no later than November 20, 2018 and securing confirmation of the Plan and the Plan having gone effective by no later than 180 days after the Petition Date (collectively, the "Milestones").
Release	The Definitive Documentation, including the Plan, shall include full customary debtor and "third party" releases from liability in favor of the Company, each of the Hedge Parties, and each of their respective directors, officers, funds, affiliates, members, employees, partners, managers, investment advisors, agents, representatives, principals, consultants, attorneys, professional advisors, heirs, executors, successors and assigns (each in their capacity as such).
Collateral	On and after the Effective Date, the Hedge Party Secured Notes will be secured by an uncapped, first priority lien on and security interest in the collateral that secures the Exit Facility that ranks *pari passu* with the liens granted to the holders of the senior-most creditors (with respect to debt for borrowed money) of the Company Parties (which, for the avoidance of doubt, may be the creditors under the Exit Facility after the Effective Date).

	For the avoidance of doubt, subject to certain thresholds and exceptions to be agreed among the Company and Ares, the Exit Facility and Hedge Claims will be secured by a perfected first-priority security interest in and lien on substantially all of the Company's tangible and intangible assets (collectively, the "Collateral"), including, without limitation, (i) all of the Company's deposit, securities and commodities accounts, in each case, subject to certain customary exceptions and subject to control agreements, and (ii) oil and gas properties of the Company comprising not less than each of (a) 90% of the PV10 of the proved reserves attributable to such properties of the Company and (b) 90% of the net acres of such properties with no associated proved reserves of the Company, in each case, subject to exceptions for "excluded property" to be agreed among the Company and Ares.
Repayment Terms	The initial principal amount of each Hedge Party Secured Note shall be equal to the difference between (i) the full amount of the applicable Hedge Claims Payment Amount and (ii) the applicable Catch-Up Payment Amount. Pursuant to the Hedge Party Secured Notes, the Company shall pay to each Hedge Party an amount equal to the Catch-Up Payment Amount applicable to such Hedge Party on the Effective Date and then on the first business day of each month thereafter in equal monthly installments until the initial principal amount of the Hedge Party Secured Note is paid in full, which shall occur by no later than December 31, 2019. Except as provided below, no Hedge Party Secured Note will accrue interest. Any payments made in respect of any Hedge Party Secured Note shall be made to the Hedge Parties pro rata in accordance with each Hedge Party's proportionate share of the total amount of Hedge Claims.
Default Interest	In the event that the Company fails to satisfy any of its payment obligations under any Hedge Party Secured Note, and such failure remains unremedied for a period of five business days, the Hedge Party Secured Note will accrue interest at a rate of 5% per annum until such time as such payment default has been remedied (including payment of all such accrued interest). The balance of the Hedge Parties' rights and remedies upon the occurrence of a payment default will be governed by the Intercreditor Agreement (as defined below). If the Company fails to cure any payment default within 30 calendar days of the original payment date, it shall be an event of default under the Hedge Party Secured Note.
Intercreditor Agreement	The Hedge Party Secured Notes will be subject to an intercreditor agreement (the "Intercreditor Agreement") by and among the Hedge Parties, the Company, and the administrative and collateral

	agent under the Exit Facility (the "Exit Facility Agent"). The terms of the Intercreditor Agreement shall be in form and substance substantially similar to the terms contained in that certain Intercreditor Agreement (the "Existing Intercreditor Agreement"), dated as of March 3, 2017, by and between, among others, the Hedge Parties, the Company, and Wilmington Trust, National Association, in its capacity as administrative and collateral agent under the Company's existing first lien term loan credit agreement and otherwise in form and substance acceptable to the Company, the Hedge Parties, and the Exit Facility Agent. Upon the occurrence of a payment default or other event of default under any Hedge Party Secured Note, the applicable Hedge Party shall have rights substantially similar to the rights and remedies arising under the Existing Intercreditor Agreement, including the rights and remedies of a Hedge Party arising upon the occurrence of a "Triggering Event". None of the Hedge Party Secured Notes, the Intercreditor Agreement, or the Plan shall contain any restriction on any refinancing of the Exit Facility so long as (a) the indebtedness evidenced by the Hedge Party Secured Notes is permitted by such refinancing debt, (b) the Hedge Party Secured Notes continue to be secured by an uncapped, first priority lien on and security interest in the collateral that secures the Exit Facility that ranks *pari passu* with the liens granted to the holders of the senior-most creditors (with respect to debt for borrowed money) of the Company Parties (which, for the avoidance of doubt, may be the creditors under the Exit Facility after the Effective Date) and on a senior basis during any bankruptcy filing period, and (c) in connection with such refinancing facility, the new lenders either execute a joinder to the Intercreditor Agreement or enter into a new intercreditor agreement that is either (i) substantially similar to the Intercreditor Agreement, or (ii) not materially less advantageous to the Hedge Parties than the Intercreditor Agreement and does not have the effect of disproportionately disadvantaging or otherwise discriminating against any Hedge Party, or the Hedge Parties as a whole, as compared to the Intercreditor Agreement. The Intercreditor Agreement shall contain (a) an agreement to such effect by the Hedge Parties and (b) a consent to any such refinancing by the Hedge Parties.
Definitive Documentation	Each Hedge Party Secured Note shall: (a) contain standard representations and warranties for senior secured credit agreements; (b) contain standard affirmative and negative covenants related to payment and otherwise standard for senior secured credit agreements; (c) contain standard events of default for senior secured credit agreements, (d) be consistent with this

	Hedge Party Term Sheet; and (e) otherwise be in form and substance acceptable to the Hedge Parties and the Company; provided that such representations, warranties, covenants and events of default shall be no more burdensome (from the Company's perspective) than the representations, warranties, covenants and events of default in the documents memorializing the Exit Facility.