

COMPANHIA DE SANEAMENTO BASICO DO ESTADO DE SAO PAULO-SABESP

Form 6-K

August 20, 2014

SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 6-K

REPORT OF FOREIGN ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16 OF THE
SECURITIES EXCHANGE ACT OF 1934

For August 15, 2014
(Commission File No. 1-31317)

Companhia de Saneamento Básico do Estado de São Paulo - SABESP
(Exact name of registrant as specified in its charter)

Basic Sanitation Company of the State of Sao Paulo - SABESP
(Translation of Registrant's name into English)

Rua Costa Carvalho, 300
São Paulo, S.P., 05429-900
Federative Republic of Brazil
(Address of Registrant's principal executive offices)

Indicate by check mark whether the registrant files or will file
annual reports under cover Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K
in paper as permitted by Regulation S-T Rule 101(b)(1) .

Indicate by check mark if the registrant is submitting the Form 6-K
in paper as permitted by Regulation S-T Rule 101(b)(7) .

Indicate by check mark whether the registrant by furnishing the
information contained in this Form is also thereby furnishing the
information to the Commission pursuant to Rule 12g3-2(b) under
the Securities Exchange Act of 1934.

Yes No

If "Yes" is marked, indicated below the file number assigned to the
registrant in connection with Rule 12g3-2(b):

SABESP announces 2Q14 results

São Paulo, August 14, 2014 - **Companhia de Saneamento Básico do Estado de São Paulo - SABESP** (BM&FBovespa: SBSP3; NYSE: SBS), one of the largest water and sewage services providers in the world based on the number of costumers, announces today its results for the **second quarter of 2014 (2Q14)**. The Company's operating and financial information, except when indicated otherwise is presented in Brazilian Reais, in accordance with the Brazilian Corporate Law. All comparisons in this release, unless otherwise stated, refer to the same period of 2013.

SBSP3: R\$
19.54/share

SBS: US\$ 8.65
(ADR=1 share)

Total shares:
683,509,869

Market value: R\$
13.4 billion

Closing quote:
08/14/2014

R\$ million

1. Financial highlights

(+) Gross operating revenue	2,224.02	2,307.4	(83.4)	(3.6)	4,668.44
(+) Construction revenue	678.7	656.9	21.8	3.31	210.01
(-) COFINS and PASEP taxes	148.6	168.0	(19.4)	(11.5)	332.3
(=) Net operating revenue	2,754.12	2,796.3	(42.2)	(1.5)	5,546.15
(-) Costs and expenses	1,650.81	1,438.3	212.5	14.83	166.42
(-) Construction costs	664.2	643.2	21.0	3.31	184.71
(+) Equity result	-	(0.1)	0.1	(100.0)	(0.3)
(+) Other operating revenue/expenses, net	5.2	1.5	3.7	246.7	(37.8)
(=) Earnings before financial result, income tax and social contribution	444.3	716.2	(271.9)	(38.0)	1,156.91
(+) Net financial	(21.6)	(207.3)	185.7	(89.6)	5.9
(=) Earnings before income tax and social contribution	422.7	508.9	(86.2)	(16.9)	1,162.81
(+) Income tax and social contribution	(120.3)	(147.2)	26.9	(18.3)	(382.8)
Net Income	302.4	361.7	(59.3)	(16.4)	780.0
Earnings per share* (R\$)	0.44	0.53			1.14

* Total shares = 683,509,869

Adjusted EBITDA Reconciliation (Non-accounting measures)

	R\$ million							
Net income	302.4	361.7	(59.3)	(16.4)	780.0	857.9	(77.9)	(9.1)
(+) Income tax and social contribution	120.3	147.2	(26.9)	(18.3)	382.8	413.5	(30.7)	(7.4)
(+) Net financial	21.6	207.3	(185.7)	(89.6)	(5.9)	179.9	(185.8)	(103.3)
(+) Other operating revenues/expenses, net	(5.2)	(1.5)	(3.7)	246.7	37.8	(10.3)	48.1	(467.0)
(=) Earnings before financial result (EBIT)*	439.1	714.7	(275.6)	(38.6)	1,194.71	1,441.0	(246.3)	(17.1)
(+) Depreciation and amortization	222.6	196.7	25.9	13.2	482.9	391.9	91.0	23.2
(=) Adjusted EBITDA **	661.7	911.4	(249.7)	(27.4)	1,677.61	1,832.9	(155.3)	(8.5)
(%) Adjusted EBITDA margin	24.0	32.6			30.2	33.7		

(*) Earnings before interest, income tax and social contribution.

(**) Adjusted EBITDA is net income before: (i) depreciation and amortization; (ii) income tax and social contribution; (iii) financial result; and (iv) other operating revenues/expenses, net.

In 2Q14, net operating revenue reached R\$ 2.8 billion; a 1.5% decrease compared to the same period of 2013.

Costs and expenses, including construction costs, totaled R\$ 2.3 billion, up 11.2% on the R\$ 2.1 billion recorded in 2Q13.

EBIT, in the amount of R\$ 439.1 million, dropped 38.6% from R\$ 714.7 million in 2Q13.

Adjusted EBITDA, in the amount of R\$ 661.7 million, dropped 27.4% from R\$ 911.4 million in 2Q13 (R\$ 1,677.6 million in the last 6 months and R\$ 3,851.3 million in the last 12 months).

The adjusted EBITDA margin was 24.0% in 2Q14, versus the 32.6% in 2Q13 (30.2% in the last 6 months and 33.7% in the last 12 months). Excluding construction revenues and construction costs, the adjusted EBITDA margin was 31.2% in 2Q14 (42.0% in 2Q13, 38.1% in the last 6 months and 42.6% in the last 12 months).

Net income totaled R\$ 302.4 million, 16.4% lower than the R\$ 361.7 million recorded in 2Q13.

2. Gross operating revenue

Gross operating revenue from water and sewage totaled R\$ 2.2 billion, a drop of R\$ 83.4 million or 3.6%, when compared to the R\$ 2.3 billion recorded in 2Q13.

The main factors that led to this variation were:

- Decrease of 1.8% in the Company's total billed volume (2.8% in water and 0.6% in sewage); and
- Payment of bonus, within the scope of the Corporate Program for Water Loss Reduction, with an R\$ 88.1 million impact.

The decreases mentioned above were partially offset by the 3.1% tariff adjustment since December 2013.

3. Construction revenue

Construction revenue increased R\$ 21.8 million or 3.3%, when compared to 2Q13. The variation was mainly due to higher investments in 2Q14.

4. Billed volume

The following tables show the water and sewage billed volume, quarter-on-quarter, and semester-on-semester, per customer category and region.

WATER AND SEWAGE BILLED VOLUME ⁽¹⁾ P

Residential
Commercial
Industrial
Public
Total retail
Wholesale
Total

Residential
Commercial
Industrial

Under the *Business Corporations Act* (Alberta), at least one quarter of our directors must be resident Canadians. Currently, our Board of Directors is comprised of

Any director may convene a meeting of directors. Other than in respect of a regular meeting, a minimum of 48 hours notice must be given before a meeting of directors. Every resolution submitted to a meeting of directors is decided by a vote of a majority of the directors participating in the meeting. In

Conflicts of Interest

A director or officer who is a party to a material contract or transaction or proposed material contract or transaction with us, or is a director or officer of, or a party to a material contract or transaction or proposed material contract or transaction with us, is required to disclose in writing to us or request to have entered in the minutes

A director who has a material interest in a material contract or transaction or proposed material contract or transaction with us cannot vote on any resolution of the board of directors relating to the contract or transaction is:

An arrangement by way of security for money lent to or obligations undertaken by him, or by a body corporate in which he has an interest

Table of Contents

A contract or transaction relating primarily to his remuneration as a director, officer, employee or agent of Gastar or an affiliate of Gastar

A contract or transaction for indemnity or insurance; or

A contract or transaction with an affiliate.

Subject to the provisions of the *Business Corporations Act* (Alberta), to the U.S. securities laws described below and to the Securities Purchase Agreement means of a loan, guarantee or otherwise to:

Any person on account of expenditures incurred or to be incurred on behalf of Gastar;

To employees of Gastar or any of its affiliates to enable or assist them to purchase accommodation for their occupation; and

In accordance with a share purchase or option plan.

The fact that a person is a director does not prevent us from providing him with such financial assistance if the director would otherwise qualify for it.

Under the U.S. securities laws, we are prohibited from directly or indirectly extending or maintaining credit, arranging for the extension of credit or renewing our directors or executive officers, except in certain circumstances.

Anti-takeover Laws

In Canada, takeover bids are governed by provincial corporate and securities laws and the rules of applicable stock exchanges. The following description of which Canadian corporate and securities laws apply does not purport to be complete and is subject, and qualified in its entirety by reference, to applicable provincial laws.

A party (the acquiror) who acquires beneficial ownership of, or control or direction over, 10% or more of the voting or equity securities of any class of a provincial regulatory authorities both a news release and a report containing the information prescribed by applicable securities laws. Subject to the below, the acquiror will be prohibited from purchasing any additional securities of the class of the target company previously acquired for a period commencing on the filing of the report and ending on the expiry of one business day following the filing of the report. This filing process and the associated restriction on further purchases of the securities of the same class. The restriction on further purchases does not apply to an acquiror that beneficially owns, or controls or directs, 20% or more of the securities of the same class.

In addition to the foregoing, certain other Canadian legislation may limit a Canadian or non-Canadian entity's ability to acquire control over or a significant interest in a company. Investment Canada Act (Canada). Issuers may also approve and adopt shareholder rights plans or other defensive tactics designed to be triggered upon the acquisition of a desirable take-over target.

Limitation of Liability and Indemnification

The following description of the indemnification provisions of the *Business Corporations Act* (Alberta) and of our bylaws, as amended, does not purport to be complete and is subject, and qualified in its entirety by reference, to the *Business Corporations Act* (Alberta) and the full text of our bylaws, each as amended.

Table of Contents

A company may liquidate and dissolve upon receiving the approval of the shareholders by special resolution at a meeting duly called and held. Approval of two-thirds of the votes cast by the shareholders present at the meeting or by proxy.

Upon shareholder approval of dissolution by special resolution and satisfaction of the other requirements of the Business Corporations Act (Alberta), Gasta assets remaining among our shareholders in accordance with their respective rights. Articles of Dissolution would then be sent to the Registrar appointed un issue a Certificate of Dissolution. The company would cease to exist on the date shown in the Certificate of Dissolution.

Listing

Our capital stock is listed on the NYSE Amex under the symbol GST . Any additional shares of capital stock that we issue will also be listed on the NYS

Transfer Agent and Registrar

The transfer agent and registrar for our capital stock is American Stock Transfer & Trust Company, at its principal office in New York at 6201 15th Avenue

Tax Issues

For a discussion of the material Canadian tax considerations, including withholding provisions and applicable treaties, associated with the ownership of our Consequences .

Other Canadian Laws Affecting U.S. Shareholders

There are no governmental laws, decrees or regulations in Canada relating to restrictions on the export or import of capital, or affecting the remittance of in Dividends paid to U.S. tax residents, however, are subject to a 15% withholding tax (or a 5% withholding tax for dividends if the shareholder is a corporati corporation) pursuant to Article X of the reciprocal tax treaty between Canada and the United States. Please see Material Income Tax Consequences .

There are no limitations specific to the rights of non-residents of Canada to hold or vote our common shares under the laws of Canada or the Province of A than those imposed by the Investment Canada Act (Canada) as discussed below.

Non-Canadian investors who acquire a controlling interest in us may be subject to the Investment Canada Act (Canada), which governs the basis on which Investment Canada Act (Canada), the acquisition of a majority of the voting interests of an entity (or of a majority of the undivided ownership interests in t be an acquisition of control of that entity. The acquisition of less than a majority but one-third or more of the voting common shares of a corporation (or of shares of the corporation) is presumed to be acquisition of control of that corporation unless it can be established that, on the acquisition, the corporation is voting common shares. The acquisition of less than one-third of the voting common shares of a corporation (or of an equivalent undivided ownership intere acquisition of control of that corporation.

Table of Contents

DESCRIPTION OF DEBT SECURITIES

We will issue our debt securities under an indenture among us, as issuer, the Trustee and any Subsidiary Guarantors. The debt securities will be governed by reference to the Trust Indenture Act of 1939. We, the Trustee and any Subsidiary Guarantors may enter into supplements to the Indenture from time-to-time under a separate Indenture containing subordination provisions. The identity of the Trustee, and any Subsidiary Guarantors, will be set forth in a prospectus. We describe the specific terms of any series of debt securities that we may issue that are covered by this prospectus.

This description is a summary of the material provisions of the debt securities and the Indentures. We urge you to read the forms of senior indenture and supplement which this prospectus is a part because those Indentures, and not this description, govern your rights as a holder of debt securities. References in this prospectus to us issue a series of debt securities. All references in this Description of Debt Securities to we, our, us or the like are to Gstar Exploration Ltd. and not to any of our subsidiaries.

General

The Debt Securities

Any series of debt securities that we issue:

Will be our general obligations;

Will be general obligations of any Subsidiary Guarantors that guarantee that series, if any; and

May be subordinated to our senior indebtedness, with any guarantees also being subordinated to any senior indebtedness.

The Indenture does not limit the total amount of debt securities that we may issue. We may issue debt securities under the Indenture from time-to-time in separate series.

We will prepare a prospectus supplement and either an indenture supplement or a resolution of our Board of Directors and accompanying officers. Each prospectus supplement will include specific terms relating to some or all of the following:

The form and title of the debt securities;

The total principal amount of the debt securities;

The date or dates on which the debt securities may be issued;

The portion of the principal amount which will be payable if the maturity of the debt securities is accelerated;

Any right we may have to defer payments of interest by extending the dates payments are due and whether interest on those deferred amounts will be paid in cash or by check;

The dates on which the principal and premium, if any, of the debt securities will be payable;

The interest rate which the debt securities will bear and the interest payment dates for the debt securities;

Any optional redemption provisions;

Any sinking fund or other provisions that would obligate us to repurchase or otherwise redeem the debt securities;

Table of Contents

Whether the debt securities are entitled to the benefits of any guarantees by any Subsidiary Guarantors;

Whether the debt securities may be issued in amounts other than \$1,000 each or multiples thereof;

Any changes to or additional Events of Default or covenants;

The subordination, if any, of the debt securities and any changes to the subordination provisions of the Indenture; and

Any other terms of the debt securities.

This description of debt securities will be deemed modified, amended or supplemented by any description of any series of debt securities set forth in a prospectus supplement.

The prospectus supplement will also describe any material U.S. federal income tax consequences or other special considerations regarding the applicable securities.

Debt securities with respect to which payments of principal, premium or interest are determined with reference to an index or formula, in any form, including interest rate, commodity, or commodities;

Debt securities with respect to which principal, premium or interest is payable in a foreign or composite currency;

Debt securities that are issued at a discount below their stated principal amount, bearing no interest or interest at a rate that at the time of issuance is below the market rate;

Variable rate debt securities that are exchangeable for fixed rate debt securities.

At our option, we may make interest payments by check mailed to the registered holders of any debt securities not in global form or, if so stated in the applicable prospectus supplement, to an account designated by the holder.

Unless otherwise provided in the applicable prospectus supplement, fully registered securities may be transferred or exchanged at the office of the Trustee or any other office in the United States, subject to the limitations provided in the Indenture, without the payment of any service charge, other than any applicable tax or governmental charges.

Any funds we pay to a paying agent for the payment of amounts due on any debt securities that remain unclaimed for two years will be returned to us, and any interest earned on such funds will be returned to us, at that time.

The Subsidiary Guarantees

Our payment obligations under any series of debt securities may be jointly and severally, fully and unconditionally guaranteed by one or more Subsidiary Guarantors. Each Subsidiary Guarantor will execute a notation of guarantee as further evidence of their guarantee. The applicable prospectus supplement will identify any Subsidiary Guarantors.

The obligations of each Subsidiary Guarantor under its guarantee of the debt securities will be limited to the maximum amount that will not result in the fraudulent conveyance or fraudulent transfer under federal or state law, after giving effect to:

All other contingent and fixed liabilities of the Subsidiary Guarantor; and

Any collections from or payments made by or on behalf of any other Subsidiary Guarantors in respect of the obligations of the Subsidiary

Table of Contents

The guarantee of any Subsidiary Guarantor may be released under certain circumstances. If no default has occurred and is continuing under the Indenture, a Guarantor will be unconditionally released and discharged from the guarantee:

Automatically upon any sale, exchange or transfer, to any person that is not our affiliate, of all of our direct or indirect equity interests in

Automatically upon the merger of the Subsidiary Guarantor into us or any other Subsidiary Guarantor or the liquidation and dissolution of

Upon our delivery of a written notice to the Trustee of the release of all guarantees by the Subsidiary Guarantor of any debt of ours for bonds or other debt securities, other than a release resulting from a payment of such guarantees.

If a series of debt securities is guaranteed by any Subsidiary Guarantors and is designated as subordinate to our senior indebtedness, then the guarantees by the Subsidiary Guarantors to substantially the same extent as the series is subordinated to our senior indebtedness. See Subordination .

Covenants

Reports

The Indenture contains the following covenant for the benefit of the holders of all series of debt securities:

So long as any debt securities are outstanding, we will:

For as long as we are required to file information with the SEC pursuant to the Securities Exchange Act of 1934, or the Exchange Act, file with the Trustee, within 30 days after we would be required to file with the SEC pursuant to the Exchange Act, the annual reports and of the information, documents and other reports which we are required to file with the SEC pursuant to the Exchange Act.

If we are not required to file information with the SEC pursuant to the Exchange Act, file with the Trustee, within 30 days after we would be required to file with the SEC pursuant to the Exchange Act, the Management's Discussion and Analysis of Financial Condition and Results of Operations, both comparable to what we would have been required to file with the SEC pursuant to the Exchange Act.

Other Covenants

A series of debt securities may contain additional financial and other covenants applicable to us and our subsidiaries. The applicable prospectus supplement to the Indenture specifically for the benefit of holders of a particular series.

Events of Default, Remedies and Notice

Events of Default

Each of the following events will be an Event of Default under the Indenture with respect to a series of debt securities:

Default in any payment of interest on any debt securities of that series when due that continues for 30 days;

Default in the payment of principal of or premium, if any, on any debt securities of that series when due at its stated maturity, upon redemption

Default in the payment of any sinking fund payment on any debt securities of that series when due;

Table of Contents

Failure by us or, if the series of debt securities is guaranteed by the Subsidiary Guarantors, by a Subsidiary Guarantor, to comply for 60 days with any supplement to the Indenture or any board resolution authorizing the issuance of that series;

Certain events of bankruptcy, insolvency or reorganization of us or, if the series of debt securities is guaranteed by the Subsidiary Guarantors,

If the series of debt securities is guaranteed by the Subsidiary Guarantors:

Any of the guarantees by the Subsidiary Guarantors ceases to be in full force and effect, except as otherwise provided in the Indenture;

Any of the guarantees by the Subsidiary Guarantors is declared null and void in a judicial proceeding; or

Any Subsidiary Guarantor denies or disaffirms its obligations under the Indenture or its guarantee.

Exercise of Remedies

If an Event of Default, other than an Event of Default with respect to us described in the fifth bullet point above, occurs and is continuing, the Trustee or the holders of a majority in principal amount of the outstanding debt securities of that series may declare the entire principal of, premium, if any, and accrued and unpaid interest, if any, on all the debt securities of that series to be immediately due and payable.

A default under the fourth bullet point above will not constitute an Event of Default until the Trustee or the holders of 25% in principal amount of the outstanding debt securities is guaranteed by any Subsidiary Guarantors, the Subsidiary Guarantors, of the default and such default is not cured (or waived) within 60 days after the date of the default.

If an Event of Default with respect to us described in the fifth bullet point above occurs and is continuing, the principal of, premium, if any, and accrued and unpaid interest, if any, on all the debt securities of that series shall become immediately due and payable without any declaration of acceleration or other act on the part of the Trustee or any holders.

The holders of a majority in principal amount of the outstanding debt securities of a series may rescind any declaration of acceleration by the Trustee or the holders of a majority in principal amount of the outstanding debt securities of that series.

Rescinding the declaration of acceleration would not conflict with any judgment or decree of a court of competent jurisdiction; and

All existing Events of Default with respect to that series have been cured or waived, other than the nonpayment of principal, premium, if any, and accrued and unpaid interest, if any, on all the debt securities of that series, which shall become due solely by the declaration of acceleration.

If an Event of Default occurs and is continuing, the Trustee will be under no obligation, except as otherwise provided in the Indenture, to exercise any of the remedies available to the Trustee or the holders unless such holders have offered to the Trustee reasonable indemnity or security against any costs, liability or expense. No holder may pursue any remedy, except to enforce the right to receive payment of principal, premium, if any, or interest when due, unless:

Such holder has previously given the Trustee notice that an Event of Default with respect to that series is continuing;

Holders of at least 25% in principal amount of the outstanding debt securities of that series have requested that the Trustee pursue the remedies available to the Trustee or the holders.

Table of Contents

Such holders have offered the Trustee reasonable indemnity or security against any cost, liability or expense;

The Trustee has not complied with such request within 60 days after the receipt of the request and the offer of indemnity or security; and

The holders of a majority in principal amount of the outstanding debt securities of that series have not given the Trustee a direction that, within such 60-day period.

The holders of a majority in principal amount of the outstanding debt securities of a series have the right, subject to certain restrictions, to direct the time, manner and place of payment of principal or interest, or to direct the amount of any such payment, available to the Trustee or of exercising any right or power conferred on the Trustee with respect to that series of debt securities. The Trustee, however, may not exercise any such right or power if the exercise of such right or power would:

Conflicts with law;

Is inconsistent with any provision of the Indenture;

The Trustee determines is unduly prejudicial to the rights of any other holder; or

Would involve the Trustee in personal liability.

Notice of Event of Default

Within 30 days after the occurrence of an Event of Default, we are required to give written notice to the Trustee and indicate the status of the default and whether we are in compliance with all covenants contained in the Indenture or whether any default or Event of Default has occurred during the previous year.

If an Event of Default occurs and is continuing and is known to the Trustee, the Trustee must mail to each holder a notice of the Event of Default by the latest date that the Trustee knows of the Event of Default. Except in the case of a default in the payment of principal, premium, if any, or interest with respect to any debt securities, the Board of Directors, the executive committee or a committee of directors or responsible officers of the Trustee in good faith determines that withholding such notice is in the best interests of the holders of the debt securities.

Amendments and Waivers

We may amend the Indenture without the consent of any holder of debt securities to:

Cure any ambiguity, omission, defect or inconsistency;

Convey, transfer, assign, mortgage or pledge any property to or with the Trustee;

Provide for the assumption by a successor of our obligations under the Indenture;

Add Subsidiary Guarantors with respect to any series of the debt securities;

Change or eliminate any restriction on the payment of principal of, or premium, if any, on any series of subordinated debt securities;

Secure any series of the debt securities or any related guarantee;

Add covenants for the benefit of the holders or surrender any right or power conferred upon us or any Subsidiary Guarantor;

21

Table of Contents

Make any change that does not adversely affect the rights under the Indenture of any holder;

Add or appoint a successor or separate Trustee;

Comply with any requirement of the SEC in connection with the qualification of the Indenture under the Trust Indenture Act; or

Establish the form or terms of any new series of debt securities.

In addition, we may amend the Indenture if the holders of a majority in principal amount of all debt securities of each series that would be affected under the Indenture, or each holder of outstanding debt securities of each series that would be affected, amend the Indenture to:

Reduce the percentage in principal amount of debt securities of any series whose holders must consent to an amendment;

Reduce the rate of or extend the time for payment of interest on any debt securities;

Reduce the principal of or extend the stated maturity of any debt securities;

Reduce any premium payable upon the redemption of any debt securities or change the time at which any debt securities may or shall be redeemed;

Make any debt securities payable in other than U.S. dollars;

Impair the right of any holder to receive payment of premium, if any, principal or interest with respect to such holder's debt securities or to enforce payment of such securities;

Impair the right of any holder to institute suit for the enforcement of any payment with respect to such holder's debt securities;

Release any security that has been granted in respect of the debt securities, other than in accordance with the Indenture;

Make any change in the amendment provisions which require each holder's consent;

Make any change in the waiver provisions; or

Release a Subsidiary Guarantor other than as provided in the Indenture or modify such Subsidiary Guarantor's guarantee in any manner. The consent of the holders is not necessary under the Indenture to approve the particular form of any proposed amendment. It is sufficient if such consent is obtained under the Indenture requiring the consent of the holders of any series of debt securities becomes effective, we are required to mail to all holders of such securities a copy of the proposed amendment. The failure to give, or any defect in, such notice to any holder, however, will not impair or affect the validity of the amendment with respect to other holders.

The holders of a majority in aggregate principal amount of the outstanding debt securities of each affected series, on behalf of all such holders, and subject to the terms of the Indenture, shall consent to any such amendment.

Compliance by us or a Subsidiary Guarantor with certain restrictive provisions of the Indenture; and

Any past default under the Indenture, subject to certain rights of the Trustee under the Indenture;

Except that such majority of holders may not waive a default:

In the payment of principal, premium, if any, or interest; or

In respect of a provision that under the Indenture cannot be amended without the consent of all holders of the series of debt securities that

Table of Contents

Defeasance

At any time, we may terminate, with respect to debt securities of a particular series, all our obligations under such series of debt securities and the Indenture. In the event of legal defeasance, however, we may not terminate certain of our obligations, including those:

Relating to the defeasance trust;

To register the transfer or exchange of the debt securities of that series;

To replace mutilated, destroyed, lost or stolen debt securities of that series; or

To maintain a registrar and paying agent in respect of the debt securities of that series.

If we exercise either our legal defeasance option or our covenant defeasance option, any subsidiary guarantee will terminate with respect to that series of debt securities.

At any time we may also effect a covenant defeasance, which means we have elected to terminate our obligations under:

Covenants applicable to a series of debt securities and described in the prospectus supplement applicable to such series, other than as described in the prospectus supplement;

The bankruptcy provisions with respect to the Subsidiary Guarantors, if any; and

The guarantee provision described under Events of Default above with respect to that series of debt securities.

We may exercise our legal defeasance option notwithstanding our prior exercise of our covenant defeasance option. If we exercise our legal defeasance option, the maturity of the affected series of debt securities will be accelerated because of an Event of Default with respect to that series. If we exercise our covenant defeasance option, payment of the affected series of debt securities will be accelerated because of an Event of Default specified in the fourth, fifth (with respect only to a Subsidiary Guarantor, if any) or sixth bullet points under Events of Default above or an Event of Default specified in the prospectus supplement.

In order to exercise either defeasance option, we must:

Irrevocably deposit in trust with the Trustee money or certain U.S. government obligations for the payment of principal, premium, if any, and interest, until the maturity of the affected series of debt securities, as the case may be;

Comply with certain other conditions, including that no default has occurred and is continuing after the deposit in trust; and

Deliver to the Trustee an opinion of counsel to the effect that holders of the series of debt securities will not recognize income, gain or loss on the series of debt securities in the event of legal defeasance and will be subject to federal income tax on the same amounts and in the same manner and at the same times as would have been the case had the series of debt securities not been subject to legal defeasance. In the case of legal defeasance only, such opinion of counsel must be based on a ruling of the Internal Revenue Service or other change in law.

Subordination

Debt securities of a series may be subordinated to our Senior Indebtedness, which we define generally to include any obligation created or assumed by us for the repayment of borrowed money and any guarantee therefor, whether outstanding or hereafter issued, unless, by

Table of Contents

the terms of the instrument creating or evidencing such obligation, it is provided that such obligation is subordinate or not superior in right of payment to the Subsidiary Guarantors), or to other obligations which are pari passu with or subordinated to the debt securities (or, if the series is guaranteed, the guaranteed subordinate in right of payment, to the extent and in the manner set forth in the Indenture and the prospectus supplement relating to such series, to the prior Guarantor that is designated as Senior Indebtedness with respect to the series.

The holders of Senior Indebtedness of ours or, if applicable, of a Subsidiary Guarantor, will receive payment in full of the Senior Indebtedness before holders of principal, premium, if any, or interest with respect to the subordinated debt securities upon any payment or distribution of our assets or, if applicable to any series, to creditors:

Upon a liquidation or dissolution of us or, if applicable to any series of outstanding debt securities, the Subsidiary Guarantors; or

In a bankruptcy, receivership or similar proceeding relating to us or, if applicable to any series of outstanding debt securities, to the Subsidiary Guarantors. Until the Senior Indebtedness is paid in full, any distribution to which holders of subordinated debt securities would otherwise be entitled will be made to the holders of subordinated debt securities may receive capital stock in us and any debt securities that are subordinated to Senior Indebtedness to at least the same extent as the Senior Indebtedness.

If we do not pay any principal, premium, if any, or interest with respect to Senior Indebtedness within any applicable grace period (including at maturity), or if the Senior Indebtedness is accelerated in accordance with its terms, we may not:

Make any payments of principal, premium, if any, or interest with respect to subordinated debt securities;

Make any deposit for the purpose of defeasance of the subordinated debt securities; or

Repurchase, redeem or otherwise retire any subordinated debt securities, except that in the case of subordinated debt securities that provide for sinking fund payments, we may repurchase, redeem or otherwise retire such securities to the Trustee in satisfaction of our sinking fund obligation, unless, and until,

The default has been cured or waived and any declaration of acceleration has been rescinded;

The Senior Indebtedness has been paid in full in cash; or

We and the Trustee receive written notice approving the payment from the representatives of each issue of Designated Senior Indebtedness. Generally, Designated Senior Indebtedness will include:

Any specified issue of Senior Indebtedness of at least \$50 million; and

Any other Senior Indebtedness that we may designate in respect of any series of subordinated debt securities.

During the continuance of any default, other than a default described in the immediately preceding paragraph, that may cause the maturity of any Designated Senior Indebtedness, or any notice required to effect such acceleration, or the expiration of any applicable grace periods, we may not pay the subordinated debt securities.

Table of Contents

Blockage Period . A Payment Blockage Period will commence on the receipt by us and the Trustee of written notice of the default called a Blockage Notice specifying an election to effect a Payment Blockage Period and will end 179 days thereafter.

The Payment Blockage Period may be terminated before its expiration:

By written notice from the person or persons who gave the Blockage Notice;

By repayment in full in cash of the Designated Senior Indebtedness with respect to which the Blockage Notice was given; or

If the default giving rise to the Payment Blockage Period is no longer continuing.

Unless the holders of the Designated Senior Indebtedness have accelerated the maturity of the Designated Senior Indebtedness, we may resume payments of principal during the Blockage Period.

Generally, not more than one Blockage Notice may be given in any period of 360 consecutive days. The total number of days during which any one or more Blockage Notices are given shall not aggregate of 179 days during any period of 360 consecutive days.

After all Senior Indebtedness is paid in full and until the subordinated debt securities are paid in full, holders of the subordinated debt securities shall be entitled to distributions applicable to Senior Indebtedness.

As a result of the subordination provisions described above, in the event of insolvency, the holders of Senior Indebtedness, as well as certain of our general and subordinated debt securities.

Book Entry, Delivery and Form

We may issue debt securities of a series in the form of one or more global certificates deposited with a depository. We expect that The Depository Trust Company may issue debt securities of a series in book-entry form, we will issue one or more global certificates that will be deposited with or on behalf of DTC and will not be transferred unless it is exchanged in whole or in part for a certificated security, except that DTC, its nominees and their successors may transfer a global certificate.

DTC will keep a computerized record of its participants, such as a broker, whose clients have purchased the debt securities. The participants will then keep records of their interests in global securities will be shown on, and transfers of beneficial interests in global securities will be made only through, records maintained by DTC.

DTC advises us that it is:

A limited-purpose trust company organized under the New York Banking Law;

A banking organization within the meaning of the New York Banking Law;

A member of the United States Federal Reserve System;

A clearing corporation within the meaning of the New York Uniform Commercial Code; and

A clearing agency registered under the provisions of Section 17A of the Exchange Act.

DTC is owned by a number of its participants and by the New York Stock Exchange, Inc. and the National Association of Securities Dealers, Inc. The rules and regulations of DTC are available on its website.

Table of Contents

DESCRIPTION OF RIGHTS

We may issue rights to purchase common shares or other securities. These rights may be issued independently or together with any other security offered in the rights in such offering. In connection with any offering of such rights, we may enter into a standby arrangement with one or more underwriters or other persons who may be required to purchase any securities remaining unsubscribed for after such offering.

Each series of rights will be issued under a separate rights agreement which we will enter into with a bank or trust company, as rights agent, all as set forth herein, solely as our agent in connection with the certificates relating to the rights and will not assume any obligation or relationship of agency or trust with any holder of the rights agreement and the rights certificates relating to each series of rights with the SEC and incorporate them by reference as an exhibit to the registration statement to issue a series of rights.

The applicable prospectus supplement will describe the specific terms of any offering of rights for which this prospectus is being delivered, including the following:

The date of determining the shareholders entitled to the rights distribution;

The number of rights issued or to be issued to each shareholder;

The exercise price payable for each share of debt securities, preferred shares, common shares or other securities upon the exercise of the rights;

The number and terms of the shares of common shares or other securities which may be purchased per each right;

The extent to which the rights are transferable;

The date on which the holder's ability to exercise the rights shall commence, and the date on which the rights shall expire;

The extent to which the rights may include an over-subscription privilege with respect to unsubscribed securities;

If applicable, the material terms of any standby underwriting or purchase arrangement entered into by us in connection with the offering of rights.

Any other terms of the rights, including the terms, procedures, conditions and limitations relating to the exchange and exercise of the rights. The description in the applicable prospectus supplement of any rights that we may offer will not necessarily be complete and will be qualified in its entirety by the applicable prospectus supplement and the registration statement filed with the SEC.

Table of Contents

PLAN OF DISTRIBUTION

We may sell or distribute the securities included in this prospectus (1) through underwriters, through agents or dealers, (2) in private transactions, (3) direct offering or (4) through a combination of any of these methods, each at market prices prevailing at the time of sale, at prices related to the prevailing market

In addition, we may sell some or all of the securities included in this prospectus through:

A block trade in which a broker-dealer may resell a portion of the block, as principal, in order to facilitate the transaction;

Purchases by a broker-dealer, as principal, and resale by the broker-dealer for its account; or

Ordinary brokerage transactions and transactions in which a broker solicits purchasers.

In addition, we may enter into option or other types of transactions that require us or them to deliver common shares to a broker-dealer, who will then resell into hedging transactions with respect to our securities. For example, we may:

Enter into transactions involving short sales of the common shares by broker-dealers;

Sell common shares short themselves and deliver the shares to close out short positions;

Enter into option or other types of transactions that require us to deliver common shares to a broker-dealer, who will then resell or transfer

Loan or pledge the common shares to a broker-dealer, who may sell the loaned shares or, in the event of default, sell the pledged shares.

At the time that any particular offering of securities is made, to the extent required by the Securities Act, a prospectus supplement will be distributed setting forth the terms of the securities being offered; the purchase price or initial public offering price of the securities; the names of any underwriters, dealers or agents; the net proceeds of the offering; any underwriting discounts, commissions and other items constituting compensation from us; any discounts, commissions or concessions allowed to or received by any underwriters, dealers or agents.

There is currently no market for any of the securities, other than the common shares listed on the NYSE Amex. If the securities are traded after their initial offering, the market for these securities will depend upon prevailing interest rates, the market for similar securities and other factors. While it is possible that an underwriter could inform us that it is obligated to do so, and any such market making could be discontinued at any time without notice. Therefore, we cannot assure you as to whether an active market will develop for these securities. We currently plan for the listing of these other securities on any securities exchange or on the National Association of Securities Dealers, Inc. automated quotation system described in the applicable prospectus supplement.

We may enter into derivative transactions with third parties, or sell securities not covered by this prospectus to third parties in privately negotiated transactions. In connection with those derivatives, the third parties may sell securities covered by this prospectus and the applicable prospectus supplement, including in short sale transactions. We may borrow from us or others to settle those sales or to close out any related open borrowings of stock, and may use securities received from us in settlement of those borrowings. The third party in such sale transactions will be an underwriter and, if not identified in this

Table of Contents

prospectus, will be identified in the applicable prospectus supplement (or a post-effective amendment). In addition, we may otherwise loan or pledge securities short using this prospectus. Such financial institution or other third party may transfer its economic short position to investors in our securities or

Underwriters or agents could make sales in privately negotiated transactions and/or any other method permitted by law, including sales deemed to be an a Securities Act, which includes sales made directly on or through the NYSE Amex, the existing trading markets for our common shares, or sales made to or

If underwriters are used in the sale, the underwriters will acquire the securities for their own account for resale to the public, either on a firm commitment basis from time-to-time in one or more transactions, including negotiated transactions, at a fixed public offering price or at varying prices determined at the time of underwriting syndicates represented by one or more managing underwriters or directly by one or more firms acting as underwriters. Unless we inform you otherwise, underwriters to purchase the securities will be subject to certain conditions. The underwriters may change from time-to-time any initial public offering price and dealers.

We may also make direct sales through subscription rights distributed to our existing shareholders on a pro rata basis, which may or may not be transferable. If the underlying securities are not subscribed for, we may then sell the unsubscribed securities directly to third parties or may engage the services of one or more persons to sell the unsubscribed securities to third parties.

If dealers are used in the sale of securities, we will sell the securities to them as principals. The dealers may then resell those securities to the public at varying prices. We will include in the prospectus supplement the names of the dealers and the terms of the transaction.

Securities may also be sold directly by us. In this case, no underwriters or agents would be involved.

We may sell the securities directly to institutional investors or others who may be deemed to be underwriters within the meaning of the Securities Act of 1933. We will include the terms of any such sales in the prospectus supplement.

We may also sell the securities through agents designated from time-to-time. In the prospectus supplement, we will name any agent involved in the offer and the amount payable to the agent. Unless we inform you otherwise in the prospectus supplement, any agent will agree to use its reasonable best efforts to solicit purchases of securities.

If a prospectus supplement so indicates, underwriters, brokers or dealers, in compliance with applicable law, may engage in transactions that stabilize, maintain or otherwise affect the market for the securities, which may be higher than the price that might otherwise prevail in the open market.

We will bear costs relating to all of the securities being registered under this registration statement of which this prospectus forms a part.

Any broker-dealers or other persons acting on our behalf that participate with us in the distribution of the shares may be deemed to be underwriters and any

Table of Contents

of the shares may be deemed to be underwriting discounts and commissions under the Securities Act of 1933, as amended. As of the date of this prospectus between any broker or dealer and us with respect to the offer or sale of the securities pursuant to this prospectus.

Pursuant to a requirement by the Financial Industry Regulatory Authority, or FINRA, the maximum commission or discount to be received by any FINRA member (8%) of the gross proceeds received by us for the sale of any securities being registered pursuant to SEC Rule 415 under the Securities Act of 1933 made under this prospectus will be received by FINRA members participating in the offering or affiliates or associated persons of such FINRA members, the maximum amount of which shall not exceed the amount of the offering under 5110(h).

We may have agreements with agents, underwriters, dealers and remarketing firms to indemnify them against certain civil liabilities, including liabilities under the Securities Act of 1933, and their affiliates, may engage in transactions with, or perform services for, us in the ordinary course of business. This includes commercial banking

Table of Contents

MATERIAL INCOME TAX CONSEQUENCES

A brief description of certain provisions of the tax treaty between Canada and the United States is included below, together with a brief discussion of certain provisions that are subject under existing laws and regulations of Canada and the United States. The consequences, if any, of state and local taxes are not considered. The reader is advised to seek the advice of their own tax advisors, tax counsel or accountants with respect to the applicability or effect on their own individual circumstances of not only the provisions of the tax treaty but also the provisions of the laws and regulations of Canada and the United States.

Canadian Federal Income Tax Consequences Associated with our Common Shares

General. The following is a summary of the principal Canadian federal income tax consequences generally applicable in respect of the ownership of our common shares. The consequences will vary according to the status of that holder as an individual, trust, corporation or member of a partnership, the jurisdiction in which that holder is resident, and, generally, that holder's particular circumstances. This summary is applicable only to holders who are resident in the United States and are subject to United States federal income tax on their common shares as capital property and do not (and will not) use or hold their common shares in, or in the course of, carrying on business in Canada. For purposes of this summary, a holder of common shares who does not reside in Canada.

The following general discussion in respect of taxation is based upon management's understanding of the rules. No opinion was requested by us, or has been requested, with respect to the income tax consequences described in the following discussion.

Dividend Withholding. We have not paid dividends on our common shares in any of the past three years and have no plans to pay dividends in the foreseeable future. We will continue to withhold from any dividends paid or deemed to be paid to our non-resident shareholders. However, shareholders resident in the United States and subject to United States federal income tax pursuant to the tax treaty between Canada and the United States. The withholding tax rate on the gross amount of dividends is reduced to 5% if the beneficial owner is the holder of our voting stock.

The amount of stock dividends paid to non-residents of Canada would be subject to withholding tax at the same rate as cash dividends. The amount of a stock dividend will be the amount by which our paid-up capital had increased by reason of the payment of such dividend. We will furnish additional tax information to shareholders in the event we pay a stock dividend.

Capital Gains. A non-resident who holds common shares as capital property generally will not be subject to Canadian taxes on capital gains realized on the disposition of such common shares as taxable Canadian property within the meaning of the *Income Tax Act* (Canada), and no relief is afforded under any applicable tax treaty. Common shares will be taxable Canadian property unless, at any time during the five-year period immediately preceding a disposition of such common shares, not less than 25% of the issued common shares were held by persons to whom the shareholder did not deal at arm's length, or to the shareholder together with such persons or unless the common shares were acquired by the holder or such persons who were themselves taxable Canadian property.

A non-resident shareholder whose common shares constitute taxable Canadian property and who is a resident of the United States for purposes of the tax treaty between Canada and the United States.

Table of Contents

be exempt from Canadian tax on any capital gain realized on a disposition of those common shares in any event, provided the common shares do not derive their value primarily from Canadian real property (including resource properties). Management is of the view that common shares do not derive their value primarily from Canadian real property.

Income Taxes Consequences Associated with our Common Shares, Preferred Shares, Debt Securities and Rights.

The applicable prospectus supplement will describe the material Canadian and United States federal income tax consequences to an investor who is a citizen or resident of the United States with respect to our common shares, preferred shares, debt securities or rights to purchase common shares or other securities, including whether payments of dividends, principal payments on debt securities or interest on debt securities will be subject to Canadian non-resident withholding tax and any consequences relating to any such amounts that are payable in a currency other than the Canadian dollar for United States federal income tax purposes or which contain early redemption provisions, or other special terms related to the securities.

VALIDITY OF THE SECURITIES

In connection with particular offerings of debt securities in the future, and if stated in the applicable prospectus supplement, the validity of those debt securities will be governed by the law of the State of Texas, and with respect to particular offerings of common shares, preferred shares and rights by Burnet Duckworth & Palmer LLP, Calgary, Alberta and/or other jurisdictions, by the law of the applicable jurisdiction. The underwriters or agents by counsel named in the applicable prospectus supplement.

EXPERTS

The consolidated financial statements as of December 31, 2008 and 2007 and for each of the three years in the period ended December 31, 2008 and management's discussion and analysis of financial reporting as of December 31, 2008 incorporated by reference in this prospectus, have been so incorporated in reliance on the reports of BDO Seidman LLP, an independent member firm of the BDO network, incorporated herein by reference, given on authority of said firm as experts in auditing and accounting.

Information incorporated by reference into this prospectus regarding our estimated quantities of natural gas and oil reserves was prepared by us. Our proved reserves incorporated by reference into this prospectus were prepared by Netherland, Sewell & Associates, Inc., independent petroleum engineers.

WHERE YOU CAN FIND MORE INFORMATION

We are incorporating by reference into this prospectus information we file with the SEC. This procedure means that we can disclose important information that we file with the SEC after the date of the initial registration statement and prior to the completion of this prospectus. Information we incorporate by reference is part of this prospectus and later information that we file with the SEC will automatically update and supersede the information contained in this prospectus. The information incorporated by reference below and any future filings made by us with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 (excluding any information incorporated by reference to certain exhibits furnished pursuant to Item 9.01 of any current report on Form 8-K with the SEC) after the date of the initial registration statement and prior to the completion of this prospectus until the offering under this registration statement is completed:

Our Quarterly Reports on Form 10-Q for the quarterly period ended March 31, 2009, filed with the SEC on May 11, 2009 (File No. 001-35894-00000003).

Table of Contents

Our Annual Report on Form 10-K for the year ended December 31, 2008, filed with the SEC on March 16, 2009 (File No. 001-32714), in
Proxy Statement on Schedule 14A filed with the SEC on April 30, 2009 (File No. 001-32714);

Our Current Reports on Form 8-K filed with the SEC on February 20, 2009, May 21, 2009, June 10, 2009, July 1, 2009, July 6, 2009 and
not filed pursuant to Item 2.02 or Item 7.01 of any Current Report on Form 8-K with the SEC) (each File No. 001-32714); and

Our Registration Statement on Form 8-A filed with the SEC on December 23, 2005 (File No. 001-32714).

You may request a copy of these filings at no cost by making written or telephone requests for copies to:

Gastar Exploration Ltd.

1331 Lamar Street, Suite 1080

Houston, Texas 77010

Attention: Michael A. Gerlich

Telephone: (713) 739-1800

Additionally, you may read and copy any materials that we have filed with the SEC at the SEC's Public Reference Room at 100 F Street, N.E., Room 1580
of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC maintains an internet site that contains reports, proxy and information state
is <http://www.sec.gov>. You can also obtain copies of the materials we file with the SEC from our website at <http://www.gastar.com>. The information on our

Table of Contents

**DISCLOSURE OF SEC POSITION ON INDEMNIFICATION
FOR SECURITIES ACT LIABILITIES**

The following description of the indemnification provisions of the *Business Corporations Act* (Alberta) and of our bylaws, as amended, does not purport to be a substitute for the *Business Corporations Act* (Alberta) and the full text of our bylaws, each as amended.

The Business Corporations Act (Alberta) allows us to, and our bylaws provide in part that we will, indemnify each of our directors and officers, former directors and officers of a body corporate of which we are or were a shareholder or creditor (each an Indemnified Person), and such Indemnified Person's liabilities reasonably incurred by such Indemnified Person in respect of any civil, criminal or administrative action or proceeding to which the Indemnified Person is or was a party, or that body corporate, if the Indemnified Person: (1) acted honestly and in good faith with a view to our best interests; and (2) in the case of a criminal proceeding, had reasonable grounds for believing that his conduct was lawful. As used above, costs, charges and expenses includes an amount paid in effect after the director or officer resigns his position or his position is terminated for any reason.

On December 13, 2006, the Board of Directors of the Company approved changes to the Company's bylaws. Such changes were to clarify the indemnification provisions as set forth in summary below:

Mandatory advancement of expenses to directors with respect to indemnification for proceedings;

Mandatory indemnification to directors, subject to court approval, for actions brought by or in the name of the Company;

Indemnification for expenses incurred in respect of threatened litigation; and

Entitlement to payment of attorneys fees that directors/officers incur in litigating with the Company their right to receive indemnity payments. The foregoing rights/entitlements are subject to the director/officer meeting the following standard of conduct:

- (a) The director/officer acting honestly and in good faith with a view to the best interests of the Company; and
- (b) In the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, the director/officer having reasonable grounds for believing that his conduct was lawful.

All bylaw changes approved by our Board of Directors were approved by our shareholders at our annual meeting of shareholders held in June 2007.

There is currently no pending material litigation or proceeding involving any of our directors, officers or employees for which indemnification is sought.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, the SEC has advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In that event, the payment by a registrant of expenses incurred or paid by a director, officer or controlling person of a registrant in the successful defense of any action, suit or proceeding, in connection with the securities being registered, that registrant will, unless in the opinion of its counsel the claim has been settled by compromise or otherwise, question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such question.

Entitlement to payment of attorneys fees that directors/officers incur in litigating with the Company their right to receive indemnity paym

II-1

Table of Contents

The foregoing rights/entitlements are subject to the director/officer meeting the following standard of conduct:

- (a) The director/officer acting honestly and in good faith with a view to the best interests of the Company; and
- (b) In the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, the director/officer having reason was lawful.

All bylaw changes approved by our Board of Directors were approved by our shareholders at our annual meeting of shareholders held in June 2007.

Item 16. Exhibits

The following documents are filed as exhibits to this registration statement.

Exhibit No.	Description
1.1*	Form of Underwriting Agreement
4.1**	Form of Common Share Certificate
4.2***	Form of Senior Indenture
4.3***	Form of Subordinated Indenture
4.4*	Form of Senior Debt Securities
4.5*	Form of Subordinated Debt Securities
4.6*	Form of Guarantee Agreement
4.7*	Form of Rights Agreement, including Form of Rights Certificate
4.8*	Form of certificate of designation of Preferred Shares
5.1***	Opinion of Burnet Duckworth & Palmer LLP, Calgary, Alberta, Canada, as to the legality of the common shares, preferred shares and rights
5.2***	Opinion of Vinson & Elkins L.L.P., United States counsel to the Company, as to the validity of the debt securities being registered
12.1***	Statement of Computation of Ratios of Earnings to Fixed Charges
23.1***	Consent of BDO Seidman, LLP
23.2***	Consent of Netherland, Sewell and Associates, Inc.
23.3***	Consent of Burnet Duckworth & Palmer LLP, Calgary, Alberta, Canada (included in Exhibit 5.1)
23.4***	Consent of Vinson & Elkins L.L.P. (included in Exhibit 5.2)
24.1***	Powers of Attorney (included on the signature page hereto)
25.1****	Statement of Eligibility of Trustee on Form T-1 (Senior Indenture)
25.2****	Statement of Eligibility of Trustee on Form T-1 (Subordinated Indenture)

* To be filed by amendment or as an exhibit to a current report on Form 8-K of the Registrant and incorporated by reference into this Registration

** Incorporated by reference to Exhibit 4.21 of the Company s Amendment No. 3 to Registration Statement on Form S-1/A (File No. 333-127498 2005.

*** Filed herewith.

**** To be filed in accordance with the requirements of Section 305(b)(2) of the Trust Indenture Act of 1939 and Rule 5b-3 thereunder.

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements of the Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Houston, State of Texas, on July 24, 2009.

GASTAR EXPLORACION

(Registrant)

By:

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints each of J. Russell Porter and Michael A. Gerlich, as his true and lawful agents, with full powers of substitution and re-substitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign any or all of the Registration Statement, including any filings pursuant to Rule 462(b) under the Securities Act of 1933, and to file the same, with all exhibits thereto, and to do all such other acts and things as may be required by the Securities and Exchange Commission, granting unto said attorney-in-fact and agent full power and authority to do and perform each and every act and thing requisite and necessary to carry out the above purposes, to the full extent of his or her power, might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent, or his substitute, may lawfully do or cause to be done in connection with the foregoing.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons on July 24, 2009 in the capacity indicated below:

Signature	
/s/ J. RUSSELL PORTER	Chairman, Chief Executive Officer,
J. Russell Porter	President (Principal Executive Officer)
/s/ MICHAEL A. GERLICH	Vice President and Chief Financial Officer
Michael A. Gerlich	(Principal Financial and Accounting Officer)
/s/ ROBERT D. PENNER	Director
Robert D. Penner	
/s/ JOHN R. ROONEY	Director
John R. Rooney	
/s/ JOHN M. SELSER SR.	Director
John M. Selser Sr.	

II-5

Table of Contents**INDEX TO EXHIBITS**

Exhibit No.	Description
1.1*	Form of Underwriting Agreement
4.1**	Form of Common Share Certificate
4.2***	Form of Senior Indenture
4.3***	Form of Subordinated Indenture
4.4*	Form of Senior Debt Securities
4.5*	Form of Subordinated Debt Securities
4.6*	Form of Guarantee Agreement
4.7*	Form of Rights Agreement, including Form of Rights Certificate
4.8*	Form of certificate of designation of Preferred Shares
5.1***	Opinion of Burnet Duckworth & Palmer LLP, Calgary, Alberta, Canada, as to the legality of the common shares, preferred shares and rights
5.2***	Opinion of Vinson & Elkins L.L.P., United States counsel to the Company, as to the validity of the debt securities being registered
12.1***	Statement of Computation of Ratios of Earnings to Fixed Charges
23.1***	Consent of BDO Seidman, LLP
23.2***	Consent of Netherland, Sewell and Associates, Inc.
23.3***	Consent of Burnet Duckworth & Palmer LLP, Calgary, Alberta, Canada (included in Exhibit 5.1)
23.4***	Consent of Vinson & Elkins L.L.P. (included in Exhibit 5.2)
24.1***	Powers of Attorney (included on the signature page hereto)
25.1****	Statement of Eligibility of Trustee on Form T-1 (Senior Indenture)
25.2****	Statement of Eligibility of Trustee on Form T-1 (Subordinated Indenture)

- * To be filed by amendment or as an exhibit to a current report on Form 8-K of the Registrant and incorporated by reference into this Registration Statement.
- ** Incorporated by reference to Exhibit 4.21 of the Company's Amendment No. 3 to Registration Statement on Form S-1/A (File No. 333-127498) 2005.
- *** Filed herewith.
- **** To be filed in accordance with the requirements of Section 305(b)(2) of the Trust Indenture Act of 1939 and Rule 5b-3 thereunder.