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

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**FORM 8-K**

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**CURRENT REPORT**  
Pursuant to Section 13 or 15(d)  
of the Securities Exchange Act of 1934

Date of report (Date of earliest event reported): January 29, 2014

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**GULFPORT ENERGY CORPORATION**

(Exact Name of Registrant as Specified in Charter)

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

**000-19514**  
(Commission  
File Number)

**73-1521290**  
(I.R.S. Employer  
Identification Number)

**14313 North May Avenue**  
**Suite 100**  
**Oklahoma City, OK**  
(Address of principal executive offices)

**73134**  
(Zip code)

**(405) 848-8807**  
(Registrant's telephone number, including area code)

**Not Applicable**  
(Former name or former address, if changed since last report)

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Check the appropriate box below if the Form 8-K is intended to simultaneously satisfy the filing obligation of the Registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act
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**Item 1.01. Entry Into a Material Definitive Agreement.**

On January 29, 2014, Gulfport Energy Corporation (the "Company") announced that James D. Palm, the Company's Chief Executive Officer and a member of its Board of Directors (the "Board"), informed the Company of his decision to retire from all positions he holds with the Company, effective as of February 15, 2014 (the "Retirement Date"). In connection with Mr. Palm's retirement, the Company entered into a separation and release agreement with Mr. Palm, dated as of January 31, 2014 (the "Separation Agreement"), pursuant to which Mr. Palm has agreed, among other things, to provide such advice and transition assistance to the Board and management of the Company as may be requested by the Company from time to time and not to compete with the Company, in each case for a period of three years commencing on the Retirement Date (the "Non-Compete Period").

Under the Separation Agreement, the Company agreed to provide Mr. Palm with certain compensation and benefits in satisfaction of all contractual obligations under Mr. Palm's existing employment agreement with the Company and in exchange for the non-competition obligations and the transition services to be provided by Mr. Palm to the Company during the Non-Compete Period, including: (i) all of Mr. Palm's accrued but unpaid salary and unreimbursed expenses through the Retirement Date, (ii) health care benefits for Mr. Palm and his dependents for up to eighteen (18) months following the Retirement Date, (iii) a lump-sum cash payment of \$1,800,000, (iv) \$200,000 per year for a period of three years in consulting and non-competition fees, payable in arrears in three equal annual installments beginning on February 15, 2015 and (v) a restricted stock unit award for 80,000 shares of the Company's common stock, which will vest in three substantially equal annual installments beginning on the first anniversary of the Retirement Date, provided, however, that the payments specified in clause (iv) and the vesting of common stock specified in clause (v) are contingent upon Mr. Palm's compliance with his obligations under the Separation Agreement and in the event of a violation of these obligations any unpaid payments and unvested common stock will be forfeited. In addition, under the Separation Agreement, all unvested stock options, restricted stock or any other equity awards that had previously been granted to Mr. Palm will become fully vested as of the Retirement Date.

Under the Separation Agreement, Mr. Palm is subject to certain covenants regarding non-competition, ownership of inventions, confidentiality and non-solicitation. The Separation Agreement also contains customary waiver and release provisions pursuant to which Mr. Palm waived, released and discharged the Company and certain other related parties from any and all claims that Mr. Palm may have had against the Company or such other parties as of the date of the Separation Agreement.

The preceding summary of the Separation Agreement is qualified in its entirety by reference to the full text of such agreement, a copy of which is attached as Exhibit 10.1 hereto and incorporated herein by reference.

A copy of the press release issued by the Company on January 29, 2014 regarding Mr. Palm's impending retirement is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

**Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

The information set forth in Item 1.01 above regarding the impending retirement of James D. Palm, the Company's Chief Executive Officer and a member of the Board, is incorporated herein by reference.

As indicated in the Company's January 29, 2014 press release regarding Mr. Palm's retirement, Michael G. Moore, the Company's President and Chief Financial Officer, will assume management responsibilities associated with the office and act as interim Chief Executive Officer.

**Item 9.01. Financial Statements and Exhibits**

(d) *Exhibits*

<u>Number</u>	<u>Exhibit</u>
10.1	Separation and Release Agreement, dated as of January 31, 2014, by and between the Company and James D. Palm.
99.1	Press release, dated January 29, 2014, entitled "Gulfport Energy Corporation Announces Executive Retirement."

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**SIGNATURE**

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

GULFPORT ENERGY CORPORATION

Date: February 4, 2014

By: /s/ MICHAEL G. MOORE

Michael G. Moore  
President and Chief Financial Officer

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**Exhibit Index**

**Number**

**Exhibit**

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|------|---|
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**SEPARATION AND RELEASE AGREEMENT**

This Separation and Release Agreement (this “**Agreement**”) dated as of January 31, 2014, will be effective as of the lapse of the Revocation Period set forth in Section 9 hereof (the “**Effective Date**”), and is made and entered into by and between James D. Palm (“**Executive**” or “**you**”) and Gulfport Energy Corporation, a Delaware corporation (“**Gulfport**” or the “**Company**”).

**RECITALS:**

WHEREAS, Executive has been employed by Gulfport as its Chief Executive Officer pursuant to the terms of an employment agreement dated November 7, 2012 (the “**Employment Agreement**”);

WHEREAS, you and the Company desire an appropriate strategy for you to retire and amicably end your career with the Company;

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth, the parties hereto agree as follows:

1. **Retirement as Chief Executive Officer and Director.** Effective as of the close of business on February 15, 2014 (the “**Retirement Date**”), you will resign as the Company’s Chief Executive Officer, as a member of the Company’s board of directors, and from all other positions that you hold as an officer, employee or director of the Company and its affiliates. Your status as a corporate officer, director or any fiduciary position (including as a fiduciary of any employee benefit plans sponsored by the Company or any affiliate) with the Company and all affiliates will end on the Retirement Date and you hereby agree to submit your written resignation from any such offices and positions upon request on or after the Retirement Date, effective as of the Retirement Date.

2. **Transition Consulting Services.** Commencing on the Retirement Date and continuing through the Last Service Date (defined below), Executive Agrees to provide such advice and transition assistance to the Board and management of Company as may be designated from time to time by the Company (hereinafter, the “**Services**”). The period between the Retirement Date and the Last Service Date is hereinafter referred to as the “**Transition Period**”). During the Transition Period, you agree to spend sufficient time on Company matters so as to facilitate an orderly transition of responsibilities to the new CEO and the Board and to make yourself available up to 25 hours per month to attend to Company matters as requested. Such services will be performed on mutually agreed upon dates and such advisory services will not unreasonably interfere with your other business or personal activities. In providing the Services during the Transition period, you will be an independent contractor to the Company and will not be considered for any purpose to be an employee or agent of the Company and will not have the authority to speak on behalf of or bind the Company. However, all compensation under this Agreement, including any compensation attributable to the Services will be subject to tax withholding by the Company. The Company may terminate this Agreement immediately and without prior notice if Executive refuses to or is unable to perform the Services or is in breach of any material provision of this Agreement. Executive’s “**Last Service Date**” will be the last day of service as a consultant during the period starting on the Retirement Date and ending on the third anniversary of the Retirement Date, or such earlier termination date.

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**3. Non-Competition.** Due to Executive's position with and relationship to the Company and its affiliates, Executive has been responsible for developing and maintaining (in whole or in part) the goodwill of the Company and its affiliates. In the course of your employment by Company, you have had, and/or shall have, access to confidential or proprietary data or information of the Company and/or any affiliates of Company. The Company is an independent oil and natural gas exploration and production company with its principal oil and natural gas properties located in the West Cote Blanche Bay and Hackberry fields in Louisiana, the State of Ohio and in the Niobrara Formation in Colorado and equity interests in companies with oil and natural gas properties located in the Permian Basin in Texas and the Canadian Oil Sands (the foregoing state (in the case of Ohio), regions and/or formations, together with the States of West Virginia and Pennsylvania, which are areas of expected future development in connection with the Company's Ohio activities, are collectively referred to as the "**Restricted Territory**") and all manner of oil and natural gas exploration and development operations are collectively referred to as the "**Restricted Business**"). To protect the Company and its affiliates' trade secrets and relationships and goodwill with customers, during the period starting on the Retirement Date and ending on the third anniversary of the termination of Executive's employment with the Company (the "**Restriction Period**"), Executive shall not in any manner within the Restricted Territory, directly or indirectly, participate or engage in, or manage, operate, consult with, render services for or represent or own, directly or indirectly, alone or as a partner, joint venturer, member, equity holder, employee, officer, director or otherwise, any entity that is engaged in, the Restricted Business, including without limitation, American Energy Partners, LP, or any affiliate or subsidiary entity directly or indirectly controlled by or under common control with American Energy Partners, LP or in which Aubrey McClendon has a significant involvement as an officer, director, partner, member or equity holder or investor. Notwithstanding the foregoing, this Section 3 shall not restrict Executive from any of the following:

3.1 passive ownership of one percent (1%) or less of any (a) entity whose securities have been registered under the Securities Act of 1933, as amended, or Section 12 of the Securities Exchange Act of 1934, as amended or (b) institutionally sponsored private debt or equity investment fund with over \$100,000,000 in assets under management in which such Member does not have the ability to control or exercise any managerial influence over such fund;

3.2 (a) passive ownership of any real estate investment property or (b) passive investments not involved in the Restricted Business having a value less than \$2,500,000 in each individual instance; or

3.3 active or passive involvement in oil and natural gas exploration and production outside the Restricted Territory.

**4. Compensation.** In exchange for your transition consulting services and non-competition obligations described above and satisfaction of all contractual obligations under the terms of the Employment Agreement, you will receive the following compensation and benefit treatment:

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#### 4.1 **Payments.**

(a) *Base Salary; Accrued Obligations.* Through the Retirement Date, you will receive payment in respect of your accrued and unused vacation, accrued but unpaid base salary through the Retirement Date and reimbursement of unreimbursed business expenses for which substantiation has been submitted in accordance with the Company's policies and procedures (collectively, the "**Accrued Obligations**").

(b) *COBRA.* You will be offered the opportunity to receive continuation coverage for yourself and your eligible dependents under the Company's medical and dental plans pursuant to the provisions of the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("**COBRA**") following the Retirement Date. Following the Retirement Date, the Company will pay the premiums to continue to cover Executive's and any of your eligible dependents' medical and dental benefit coverage under COBRA (provided that Executive is eligible and timely elects COBRA coverage) until the earlier of eighteen (18) months after Executive's separation from service on the Retirement Date and the first date that Executive and Executive's eligible dependents are covered under another employer's program or the Company is no longer obligated to offer COBRA continuation coverage to Executive (the "**COBRA Subsidy Payment**"); provided, however, that, if the payment by the Company of the COBRA Subsidy Payment would cause the imposition of any tax or other adverse consequences on the Company under Section 4980D of the Internal Revenue Code of 1986, as amended (the "**Code**"), and the regulations thereunder, including without limitation, Section 9815(b) of the Code, the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), the Affordable Care Act, Section 2716 of the Public Health Service Act or other applicable law, the parties agree to negotiate in good faith an alternative arrangement for providing such benefits in an economically neutral manner which does not cause the imposition of such tax and adverse consequences, and if reasonably determined by the Company's counsel or accountants that such alternative arrangement is not viable because the cost to the Company will exceed \$20,000 (including the direct cost of providing such benefits to Executive and the imposition of any tax or other adverse consequences on the Company under Section 4980D of the Code), then no such COBRA Subsidy Payments will be due or be made on behalf of Executive.

(c) *Severance Pay.* You will be entitled to a lump sum payment of severance in an amount equal to \$1,800,000, which is equivalent to two years times the sum of (1) your annual Base Salary and (2) Minimum Annual Bonus ("**Severance Pay**").

(d) *Consulting and Non-Competition Fees.* As consideration for your agreement to provide transition consulting services under Section 2 and your agreement not to compete under Section 3, you will receive consulting and non-competition fees at an annual rate of \$200,000 per year, payable in arrears in three annual installments on February 15, 2015, February 15, 2016 and February 15, 2017, subject to the requirements of Section 5. Executive will be paid the consulting and non-competition fees due and payable each year through the end of the Restriction Period or earlier termination of the Agreement. In the event of the Executive's death or upon the occurrence of a change in control event (as defined in Treas. Reg. §1.409A-3(i)(5)(iv)), the amount of any

remaining consulting and non-competition fees will be accelerated and will be paid to the Executive, or in the event of death to the Executive's surviving spouse or to Executive's estate if there is no surviving spouse, on the 60<sup>th</sup> day following the executive's death or on the 5<sup>th</sup> business day following a change in control event.

4.2 **Equity Awards.** All unvested stock options, restricted stock or other equity compensation granted to Executive prior to the Retirement Date will fully vest as of the Retirement Date. In addition, as additional consideration for your agreement to provide transition consulting services under Section 2 and your agreement not to compete under Section 3, Executive will receive a Restricted Stock Unit Award in the amount of 80,000 shares of Company common stock that will vest and be settled as follows:

<u>Vesting Date Based on Anniversary of Retirement Date</u>	<u>Vested Shares</u>	<u>Settlement Date</u>
1 <sup>st</sup> Anniversary	26,666	15 days after Vesting Date
2 <sup>nd</sup> Anniversary	26,666	15 days after Vesting Date
3 <sup>rd</sup> Anniversary	26,668	15 days after Vesting Date

In the event of the Executive's death or upon the occurrence of a change in control event (as defined in Treas. Reg. §1.409A-3(i)(5)(iv)), the amount of any remaining unvested equity awards will be accelerated and will be paid to the Executive, or in the event of death to the Executive's surviving spouse or to Executive's estate if there is no surviving spouse, on the 60<sup>th</sup> day following the executive's death or on the fifth business day following a change in control event.

4.3 **Other Compensation Matters.** Notwithstanding anything to the contrary contained in this Agreement (including the Release set forth in Section 7 hereof), you hereby acknowledge that, in connection with your retirement and ceasing to be an employee of the Company, you will not be entitled to receive from the Company or an affiliate (i) any additional severance pay or benefits except as provided in Section 4.1 and Section 4.2, or (ii) any retiree termination welfare benefits (other than health care continuation coverage that you may be entitled to elect pursuant to Section 4980B of the Code and except as provided in Section 4.1(b)), in each case including, but not limited to any severance pay or benefits pursuant to the Employment Agreement. Your participation in all Company perquisites will cease as of the Retirement Date.

5. **Restrictive Covenants.** The provisions of Section 4, Section 8, Section 9, and Section 10 of the Employment Agreement will survive the termination of your employment and are incorporated in this Section 5 by reference (the "**Restrictive Covenants**"). Payments to you under Section 4.1 and Section 4.2 will be conditioned on your continued compliance with the provisions of the Restrictive Covenants and the provisions of this Agreement. In the event of any violation by you of the Restrictive Covenants or the provisions of this Agreement, no further payments will be made under Section 4.1 and no additional vesting will occur under Section 4.2. Your right to any unpaid payments under Section 4.1 and any unvested equity awards under Section 4.2 will be forfeited.



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**6. Cooperation.** In order to ensure a smooth transition from Executive's employment with Company, Executive agrees to provide reasonable assistance to and cooperation with Company following the Retirement Date in connection with any Company matters for which Executive had knowledge or responsibility while employed by Company. If Company is involved in any legal action or investigation after Executive's Retirement Date relating to events which occurred during Executive's employment, Executive will cooperate with the Company to the fullest extent possible in the preparation, prosecution, or defense of the Company's case, including, but not limited to, the execution of affidavits or documents or providing information requested by the Company. Company will reimburse Executive for reasonable pre-approved out-of-pocket expenses and reasonable pre-approved compensation (if Executive is no longer receiving consulting and non-competition fees), taking into consideration Executive's base salary at the Retirement Date, for time related to such assistance.

**7. Release.** You hereby acknowledge that the Company's obligations under Section 4 hereof are in excess of any payments or benefits to which you are entitled under law, contract or otherwise and are contingent upon your timely execution of, and failure to revoke this Agreement, including the release of claims set forth in this Section 7 (the "**Release**"). In the event that you do not timely execute the Agreement or if you timely revoke the Agreement as described below, the Company will have no obligations to you under this Agreement. For purposes of this Section 7, "**Releasees**" include the Company and its affiliated companies and their officers, directors, shareholders, employees, agents, representatives, plans, trusts, administrators, fiduciaries, insurance companies, successors, and assigns.

7.1 You, on behalf of yourself and your personal and legal representatives, heirs, executors, successors and assigns, hereby acknowledge full and complete satisfaction of, and fully and forever waive, release, and discharge Releasees from any and all claims, causes of action, demands, liabilities, damages, obligations, and debts (collectively referenced as "**Claims**"), of every kind and nature, whether known or unknown, suspected or unsuspected, that you hold as of the date you sign this Agreement, or at any time previously held against any Releasee, arising out of any matter whatsoever (with the exception of breach of this Agreement). This release specifically includes, but is not limited to, any and all Claims:

(a) Arising out of or in any way related to your employment with or separation of employment from the Company, or any contract or agreement between you and the Company or the termination thereof;

(b) Arising out of or in any way related to any treatment of Executive by any of the Releasees, which shall include, without limitation, any treatment or decisions with respect to hiring, placement, promotion, discipline, work hours, demotion, transfer, termination, compensation, performance review, or training; (iv) any statements or alleged statements by the Company or any of the Releasees regarding Executive, whether oral or in writing; (v) any damages or injury that Executive may have suffered, including without limitation, emotional or physical injury, compensatory damages, or lost wages; or (vi) employment discrimination, which shall include, without limitation, any individual or class claims of discrimination on the basis of age, disability, sex, race, religion, national origin, citizenship status, marital status, sexual preference, or any other basis whatsoever.

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(c) Arising under or based on the Equal Pay Act of 1963 (EPA); Title VII of the Civil Rights Act of 1964, as amended (Title VII); Section 1981 of the Civil Rights Act of 1866 (42 U.S.C. §1981); the Civil Rights Act of 1991 (42 U.S.C. §1981a); the Americans with Disabilities Act of 1990, as amended (ADA); the Family and Medical Leave Act of 1993, as amended (FMLA); the Genetic Information Nondiscrimination Act of 2008 (GINA); the National Labor Relations Act (NLRA); the Worker Adjustment and Retraining Notification Act of 1988 (WARN); the Uniform Services Employment and Reemployment Rights Act (USERRA); the Rehabilitation Act of 1973; the Occupational Safety and Health Act (OSHA); the Employee Retirement Income Security Act of 1974 (ERISA) (except claims for vested benefits, if any, to which you are legally entitled); the False Claims Act; Title VIII of the Corporate and Criminal Fraud and Accountability Act, as amended (18 U.S.C. §1514A) (Sarbanes-Oxley Act); the federal Whistleblower Protection Act and any state whistleblower protection statute(s); or any other fair employment practices statute(s) of any state;

(d) Arising under or based on any other federal, state, county or local law, statute, ordinance, decision, order, policy or regulation prohibiting employment discrimination; providing for the payment of wages or benefits (including overtime and workers' compensation); or otherwise creating rights or claims for employees, including, but not limited to, any and all claims alleging breach of public policy; the implied obligation of good faith and fair dealing; or any express, implied, oral or written contract, handbook, manual, policy statement or employment practice, including, but not limited to, the Employment Agreement; or alleging misrepresentation; defamation; libel; slander; interference with contractual relations; intentional or negligent infliction of emotional distress; invasion of privacy; assault; battery; fraud; negligence; harassment; retaliation; or wrongful discharge; and

(e) Arising under or based on the Age Discrimination in Employment Act of 1967 ("**ADEA**"), as amended by the Older Workers Benefit Protection Act ("**OWBPA**"), and alleging a violation thereof by any Releasee, at any time prior to the date you sign this Agreement.

7.2 You agree that, except as set forth in this Agreement, you are not entitled to any payment or benefits from any of the Releasees, including, but not limited to, any payments or benefits under any plan, program or agreement with any Releasee, including, but not limited to, the Employment Agreement.

7.3 Nothing contained in this Release will (i) release any claim that cannot be waived under applicable law, (ii) release your rights to any benefits under any employee welfare benefit plan of the Company, the 401(k) Plan or with respect to the right to elect health care continuation under COBRA, (iii) release any entitlement to or with respect to indemnification which you may have pursuant to the Company's bylaws, any policy of insurance maintained by the Company or otherwise under law, or (iv) be construed to release your rights under this Agreement or be construed to prohibit or restrict you in any manner from bringing appropriate proceedings to enforce this Agreement. You acknowledge that your execution of this Agreement terminates any claims you previously held to any and all compensation and employee benefits, other than those specifically identified in this Agreement.

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7.4 By signing this Agreement, you represent that you have not commenced or joined in any claim, charge, action or proceeding whatsoever against any of the Releasees arising out of or relating to any of the matters set forth in this paragraph 6. You further represent that you will not be entitled to any personal recovery in any action or proceeding that may be commenced on your behalf arising out of the matters released hereby.

## 8. General Provisions.

8.1 **Severability.** It is the desire and intent of the parties that the provisions of this Agreement will be enforced to the fullest extent permissible. In the event that any one or more of the provisions of this Agreement will be held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remainder of this Agreement will remain valid and enforceable and continue in full force and effect to the fullest extent consistent with law. Moreover, if any one or more of the provisions contained in this Agreement is held to be excessively broad as to duration, scope, activity or subject, such provisions will be construed by limiting and reducing them so as to be enforceable to the maximum extent compatible with applicable law.

8.2 **No Admission.** By entering into this Agreement, the parties do not admit to, and expressly deny, any wrongdoing.

8.3 **Return of Property.** You agree to return to the Company, on or prior to the Retirement Date, all files, records, documents, reports, computers and other property of the Company in your possession or control, including, but not limited to, any documents or other materials containing Confidential Information, and you further agree that you will not keep, transfer or use any copies or excerpts of the foregoing items. The Company agrees to transfer title to and Executive will be entitled to retain the Company provided automobile currently provided for his use.

8.4 **Notices.** Any and all notices, requests, demands and other communications provided for by this Agreement will be in writing and will be effective when delivered in person, consigned to a reputable national or international courier service (including Federal Express), and addressed to you at your last known address on the books of the Company or, in the case of the Company, at the Company's principal place of business, attention of the President of the Company, or to such other address as either party may specify by notice to the other actually received.

8.5 **Successors and Assigns.** This Agreement is personal to you and, without the prior written consent of the Company, will not be assignable by you otherwise than by will or the laws of descent and distribution. This Agreement will inure to the benefit of and be enforceable by your legal representatives. This Agreement will inure to the benefit of and be binding upon the Company and its successors and assigns.

8.6 **Governing Law; Captions; Amendment.** This Agreement will be governed by, and construed in accordance with, the laws of the State of Oklahoma, without reference to principles of conflict of laws. The captions of this Agreement are not part of the provisions hereof and will have no force or effect. This Agreement may not be amended or modified except by a written agreement executed by the parties hereto or their respective successors and legal representatives.

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8.7 **Code Section 409A Compliance.** The Company and you each hereby affirm that it is their mutual view that the provision of payments and benefits described or referenced herein are either exempt from or intended to be in compliance with the requirements of Section 409A of the Code and the Treasury regulations relating thereto (“**Section 409A**”) and that each party’s tax reporting will be completed in a manner consistent with such view. The Company and you each agree that upon the Retirement Date, you will experience a “separation from service” for purposes of Section 409A. Any payments that qualify for the “short-term deferral” exception or another exception under Section 409A will be paid under the applicable exception. For purposes of the limitations on nonqualified deferred compensation under Section 409A of the Code, each payment of compensation under this Agreement will be treated as a separate payment of compensation. Notwithstanding anything contained herein to the contrary, to the extent required in order to avoid accelerated taxation and/or tax penalties under Section 409A, consulting and noncompetition fee amounts in Section 4.1(d) that would otherwise be payable pursuant to this Agreement on account of separation from service during the six-month period immediately following the Retirement Date will instead be paid on the first business day after the date that is six months following the Retirement Date (or death, if earlier). Notwithstanding anything to the contrary in this Agreement, all reimbursements and in-kind benefits provided under this Agreement will be made or provided in accordance with the requirements of Section 409A of the Code, including, where applicable, the requirement that (x) the amount of expenses eligible for reimbursement, or in kind benefits provided, during a calendar year may not affect the expenses eligible for reimbursement, or in kind benefits to be provided, in any other calendar year; (y) the reimbursement of an eligible expense will be made no later than the last day of the calendar year following the year in which the expense is incurred; and (z) the right to reimbursement or in kind benefits is not subject to liquidation or exchange for another benefit. Neither the Company nor its affiliates will be liable in any manner for any federal, state or local income or excise taxes (including but not limited to any taxes under Sections 409A of the Code), or penalties or interest with respect thereto, as a result of the payment of any compensation or benefits hereunder or the inclusion of any such compensation or benefits or the value thereof in your income. You acknowledge and agree that the Company will not be responsible for any additional taxes or penalties resulting from the application of Section 409A.

8.8 **Withholding.** Notwithstanding any other provision of this Agreement, the Company may withhold from amounts payable under this Agreement all amounts that are required or authorized to be withheld, including, but not limited to, federal, state, local and foreign taxes to be withheld by applicable laws or regulations.

8.9 **Preparation of Agreement.** This Agreement will be interpreted in accordance with the plain meaning of its terms and not strictly for or against any of the parties hereto. Regardless of which party initially drafted this Agreement, it will not be construed against any one party, and will be construed and enforced as a mutually-prepared document.

8.10 **Entire Agreement.** This Agreement constitutes the entire agreement between you and the Company with respect to the subjects addressed herein, and together with the Restrictive Covenants that survive in the Employment agreement, supersede all prior agreements, understandings and representations, written or oral, with respect to those subjects, including, but not limited to the, Employment Agreement. Without limiting the generality of the foregoing, you acknowledge that the Employment Agreement (other than the Restrictive Covenants that survive pursuant to Section 5 hereof) will be terminated upon the effectiveness of this Agreement.

8.11 **Legal Fees.** The Company will reimburse you for the legal fees, incurred by you in connection with the negotiation and execution of this Agreement, up to a maximum of \$5,000. Such reimbursement will be made by the Company within twenty business days of your submission to the Company of an invoice or invoices from counsel, which submission will be made no later than March 1, 2014.

8.12 **Counterparts.** This Agreement may be executed in counterparts, each of which will be deemed an original, and which together will be deemed to be one and the same instrument.

9. **Consultation with Attorney; Voluntary Agreement.** You understand and agree that you have the right and have been given the opportunity to review this Agreement and, specifically, the Release set forth in Section 7 above, with an attorney of your choice. You also understand and agree that you are under no obligation to consent to the Release. You acknowledge that you have read this Agreement and the Release and understand their terms and that you enter into this Agreement freely, voluntarily, and without coercion. You acknowledge that you have been given at least twenty-one (21) days during which to review and consider the provisions of this Agreement and, specifically, the Release set forth in Section 7 above, although you may sign and return it sooner if you so desire. You further acknowledge that you have been advised by the Company that you have the right to revoke this Agreement for a period of seven (7) days after signing it (the “**Revocation Period**”). You acknowledge and agree that, if you wish to revoke this Agreement, you must do so in a writing, signed by you and received by the Company to the attention of Michael Moore, President, no later than 5:00 p.m. Central Time on the seventh (7th) day of the Revocation Period. If no such revocation occurs, the General Release and this Agreement will become effective on the eighth (8th) day following your execution of this Agreement. You further acknowledge and agree that, in the event that you revoke this Agreement, it will have no force or effect.

10. **Other Representations.** You agree to execute such documents and take such actions as may be necessary or desirable to further effectuate the foregoing. Executive, by his initials set forth below, acknowledges and agrees that he was given a copy of this Agreement on the day of January, 2014, to review and consider execution of the terms and conditions contained herein.

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Executive's Initials

[Signature page follows]

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**READ CAREFULLY BEFORE SIGNING**

**THIS SEPARATION AND RELEASE AGREEMENT INCLUDES A RELEASE OF ALL KNOWN AND UNKNOWN CLAIMS AND A WAIVER OF YOUR RIGHTS UNDER THE AGE DISCRIMINATION IN EMPLOYMENT ACT AS WELL AS OTHER FEDERAL, STATE AND LOCAL LAWS PROTECTING EMPLOYEE RIGHTS. IF YOU SIGN THIS AGREEMENT, YOU ARE WAIVING ALL OF YOUR RIGHTS TO ASSERT ANY CLAIMS UNDER THESE LAWS. PLEASE READ THIS AGREEMENT CAREFULLY AND SEEK THE ADVICE OF AN ATTORNEY REGARDING THE LEGAL EFFECT OF SIGNING THIS AGREEMENT.**

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year written opposite their signature.

***“Executive”***

Date: January 31, 2014

/s/ James D. Palm \_\_\_\_\_

James D. Palm, an individual

***“Company”***

Gulfport Energy Corporation

Date: January 31, 2014

By: /s/ Michael G. Moore \_\_\_\_\_

Michael Moore, President



## Press Release

### Gulfport Energy Corporation Announces Executive Retirement

**OKLAHOMA CITY** (January 29, 2014) Gulfport Energy Corporation (NASDAQ: GPOR) (“Gulfport” or the “Company”) today announced that James Palm, the Company’s Chief Executive Officer, has informed Gulfport of his decision to retire from the Company on February 15, 2014. In addition, Mr. Palm will resign from the Company’s Board of Directors effective February 15, 2014.

David L. Houston, Chairman of the Board, commented, “Jim’s exceptional leadership has been a key contributor to the success of Gulfport. Gulfport’s executive team has done a remarkable job at creating value for our stockholders and I am proud of the accomplishments we achieved together through the years. On behalf of the Board and the Company, I would like to thank Jim for his many years of service and I wish him the best in his personal and professional endeavors.”

James Palm, Gulfport’s Chief Executive Officer, said, “It has been an honor to spend the last eight years as the Chief Executive Officer of Gulfport. I am extremely proud of Gulfport’s evolution as a company. When I joined Gulfport, the Company had a market capitalization of \$200 million and was trading in the over-the-counter market. Today, the Company has a market capitalization of nearly \$5 billion and trades on the NASDAQ Global Select Market. Gulfport has been transformed from a Southern Louisiana pure play to a Company with substantial assets in the heart of the Utica Shale and interests in the Permian Basin and Canadian Oil Sands. Gulfport is strongly capitalized and well positioned for continued growth and success. I feel privileged to have worked beside an outstanding management team and exceptional employees and will continue to be an avid supporter and stockholder of the Company.”

Gulfport’s Board of Directors has begun a search for Mr. Palm’s successor. The Board intends to conduct a review of both internal and external candidates. During this interim period, Michael Moore, the Company’s President and Chief Financial Officer, will assume management responsibilities associated with the office and act as interim Chief Executive Officer pending the conclusion of the Board’s search.

### About Gulfport

Gulfport is an Oklahoma City-based independent oil and natural gas exploration and production company with its principal producing properties located in the Utica Shale of Eastern Ohio and along the Louisiana Gulf Coast. In addition, Gulfport holds a sizeable acreage position in the Alberta Oil Sands in Canada through its 24.9% interest in Grizzly Oil Sands ULC, has an equity interest in Diamondback Energy Inc., a NASDAQ Global Select Market listed company, and has an interest in an entity that operates in Southeast Asia, including the Phu Horm gas field in Thailand.

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## **Forward Looking Statements**

This press release includes “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). All statements, other than statements of historical facts, included in this press release that address activities, events or developments that Gulfport expects or anticipates will or may occur in the future, future capital expenditures (including the amount and nature thereof), business strategy and measures to implement strategy, competitive strength, goals, expansion and growth of Gulfport’s business and operations, plans, market conditions, references to future success, reference to intentions as to future matters and other such matters are forward-looking statements. These statements are based on certain assumptions and analyses made by Gulfport in light of its experience and its perception of historical trends, current conditions and expected future developments as well as other factors it believes are appropriate in the circumstances. However, whether actual results and developments will conform with Gulfport’s expectations and predictions is subject to a number of risks and uncertainties, general economic, market, credit or business conditions; the opportunities (or lack thereof) that may be presented to and pursued by Gulfport; competitive actions by other oil and gas companies; changes in laws or regulations; and other factors, many of which are beyond the control of Gulfport. Information concerning these and other factors can be found in the Company’s filings with the Securities and Exchange Commission, including its Forms 10-K, 10-Q and 8-K. Consequently, all of the forward-looking statements made in this news release are qualified by these cautionary statements and there can be no assurances that the actual results or developments anticipated by Gulfport will be realized, or even if realized, that they will have the expected consequences to or effects on Gulfport, its business or operations. Gulfport has no intention, and disclaims any obligation, to update or revise any forward-looking statements, whether as a result of new information, future results or otherwise.

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