

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

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

Date of report (Date of earliest event reported): April 30, 2020

GULFPORT ENERGY CORPORATION
(Exact Name of Registrant as Specified in Charter)

Delaware
(State or other jurisdiction
of incorporation)

000-19514
(Commission File Number)

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

3001 Quail Springs Parkway
Oklahoma City, Oklahoma
(Address of principal executive offices)

73134
(Zip code)

(405) 252-4600
(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class | Trading Symbol | Name of each exchange on which registered |
|-------------------------------------------------|-----------------------|--------------------------------------------------|
| Common stock, par value \$0.01 per share | GPOR | Nasdaq Global Select Market |

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

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

Securities registered pursuant to Section 12(b) of the Act:

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

Emerging growth company

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

Item 1.01. Entry into a Material Definitive Agreement.

The information set forth in Item 3.03 of this Current Report is incorporated into this Item 1.01 by reference.

Item 3.03. Material Modification to Rights of Security Holders.

The Tax Benefits Preservation Plan. On April 30, 2020, the board of directors (the “Board”) of Gulfport Energy Corporation (the “Company”) declared a dividend distribution of one right (a “Right”) for each outstanding share of Company common stock, par value \$0.01 per share (the “Common Stock”) to stockholders of record at the close of business on May 15, 2020 (the “Record Date”). Each Right entitles its holder, under the circumstances described below, to purchase from the Company one one-thousandth of a share of Series B Junior Participating Preferred Stock of the Company, par value \$0.01 per share (the “Preferred Stock”), at an exercise price of \$8.00 per Right, subject to adjustment. The description and terms of the Rights are set forth in the tax benefits preservation plan (the “Tax Benefits Preservation Plan”), dated as of April 30, 2020, between the Company and Computershare Trust Company, N.A., as rights agent (and any successor rights agent, the “Rights Agent”).

The Company adopted the Tax Benefits Preservation Plan in order to protect shareholder value against a possible limitation on the Company’s ability to use its tax net operating losses (the “NOLs”) and certain other tax benefits to reduce potential future U.S. federal income tax obligations. The NOLs are a valuable asset to the Company, which may inure to the benefit of the Company and its stockholders. However, if the Company experiences an “ownership change,” as defined in Section 382 of the Internal Revenue Code of 1986, as amended (the “Code”), its ability to fully utilize the NOLs and certain other tax benefits will be substantially limited and the timing of the usage of the NOLs and such other benefits could be substantially delayed, which could significantly impair the value of those assets. Generally, an “ownership change” occurs if the percentage of the Company’s stock owned by one or more of its “five-percent shareholders” (as such term is defined in Section 382 of the Code) increases by more than 50 percentage points over the lowest percentage of stock owned by such stockholder or stockholders at any time over a three-year period. The Tax Benefits Preservation Plan is intended to prevent against such an “ownership change” by deterring any person or group from acquiring beneficial ownership of 4.9% or more of the Company’s securities.

The Rights. Initially, the Rights are associated with shares of Common Stock and evidenced by Common Stock certificates or, in the case of uncertificated shares of Common Stock, the book-entry account that evidences record ownership of such shares, which will contain a notation incorporating the Tax Benefits Preservation Plan by reference, and are transferable with and only with the underlying shares of Common Stock. New Rights will attach to any shares of Common Stock that become outstanding after the Record Date and prior to the earlier of the Distribution Time (as defined below) and the Expiration Time (as defined below).

Separation and Distribution of Rights; Exercisability. Subject to certain exceptions, the Rights become exercisable and trade separately from Common Stock only upon the “Distribution Time,” which occurs upon the earlier of:

- the close of business on the tenth (10th) day after the “Stock Acquisition Date,” which is (a) the first date of public announcement that a person or group of affiliated or associated persons (with certain exceptions, an “Acquiring Person”) has acquired, or obtained the right or obligation to acquire, beneficial ownership of 4.9% or more of the outstanding shares of Common Stock (with certain exceptions) or (b) such other date, as determined by the Board, on which a person or group has become an Acquiring Person, or
- the close of business on the tenth (10th) business day (or later date as may be determined by the Board prior to such time as any person or group becomes an Acquiring Person) following the commencement of a tender offer or exchange offer which, if consummated, would result in a person or group becoming an Acquiring Person.

Any existing stockholder or group that beneficially owns 4.9% or more of Common Stock has been grandfathered at its current ownership level, but the Rights will not be exercisable if, at any time after the announcement of the Tax Benefits Preservation Plan, such stockholder or group increases its ownership of Common Stock by one share of Common Stock. Certain synthetic interests in securities created by derivative positions, whether or not such interests are considered to be ownership of the underlying Common Stock or are reportable for purposes of Regulation 13D of the Securities Exchange Act of 1934, as amended, are treated as beneficial ownership of the number of shares of Common Stock equivalent to the economic exposure created by the derivative position, to the extent actual shares of Common Stock are directly or indirectly held by counterparties to the derivatives contracts.

Until the earlier of the Distribution Time and the Expiration Time, the surrender for transfer of any shares of Common Stock will also constitute the transfer of the Rights associated with those shares. As soon as practicable after the Distribution Time, separate rights certificates will be mailed to holders of record of Common Stock as of the close of business on the Distribution Time. From and after the Distribution Time, the separate rights certificates alone will represent the Rights. Except as otherwise provided in the Tax Benefits Preservation Plan, only shares of Common Stock issued prior to the Distribution Time will be issued with Rights.

The Rights are not exercisable until the Distribution Time.

Expiration Time. The Rights will expire on the earliest to occur of (1) the close of business on April 29, 2021 (the Final Expiration Time"), (2) the time at which the Rights are redeemed or exchanged by the Company (as described below), (3) upon the closing of any merger or other acquisition transaction involving the Company pursuant to a merger or other acquisition agreement that has been approved by the Board before any person or group becomes an Acquiring Person and (4) the time at which the Board determines that the NOLs are utilized in all material respects or that an ownership change under Section 382 would not adversely impact in any material respect the time period in which the Company could use the NOLs or materially impair the amount of NOLs that could be used by the Company in any particular time period, for applicable tax purposes (the earliest of (1), (2), (3) and (4) being herein referred to as the Expiration Time").

Flip-in Event. In the event that any person or group (other than certain exempt persons) becomes an Acquiring Person (a Flip-in Event"), each holder of a Right (other than any Acquiring Person and certain related parties, whose Rights automatically become null and void) will have the right to receive, upon exercise, shares of Common Stock having a value equal to two times the exercise price of the Right.

For example, at an exercise price of \$8.00 per Right, each Right not owned by an Acquiring Person (or by certain related parties) following a Flip-in Event will entitle its holder to purchase \$16.00 worth of shares of Common Stock (or other consideration, as noted above) for \$8.00. Assuming that Common Stock had a per share value of \$2.23 at that time, the holder of each valid Right would be entitled to purchase 7.17 shares of Common Stock for \$1.12 per share.

Flip-over Event. In the event that, at any time following the Stock Acquisition Date, any of the following occurs (each, a “Flip-over Event”):

- the Company consolidates with, or merges with and into, any other entity, and the Company is not the continuing or surviving entity;
- any entity engages in a share exchange with or consolidates with, or merges with or into, the Company, and the Company is the continuing or surviving entity and, in connection with such share exchange, consolidation or merger, all or part of the outstanding shares of Common Stock are changed into or exchanged for stock or other securities of any other entity or cash or any other property; or
- the Company sells or otherwise transfers, in one transaction or a series of related transactions, fifty percent (50%) or more of the Company’s assets, cash flow or earning power,

each holder of a Right (except Rights which previously have been voided as described above) will have the right to receive, upon exercise, common stock of the acquiring company having a value equal to two times the exercise price of the Right.

Preferred Share Provisions. Each share of Preferred Stock, if issued: will not be redeemable, will entitle the holder thereof, when, as and if declared, to quarterly dividend payments equal to the greater of \$1,000 per share and 1,000 times the amount of all cash dividends plus 1,000 times the amount of non-cash dividends or other distributions paid on one share of Common Stock, will entitle the holder thereof to receive \$1,000 plus accrued and unpaid dividends per share upon liquidation, will have the same voting power as 1,000 shares of Common Stock and, if shares of Common Stock are exchanged via merger, consolidation or a similar transaction, will entitle the holder thereof to a per share payment equal to the payment made on 1,000 shares of Common Stock.

Anti-dilution Adjustments. The exercise price payable and the number of shares of Preferred Stock or other securities or property issuable, upon exercise of the Rights are subject to adjustment from time to time to prevent dilution:

- in the event of a stock dividend on, or a subdivision, combination or reclassification of, the Preferred Stock,
- if holders of the Preferred Stock are granted certain rights, options or warrants to subscribe for Preferred Stock or convertible securities at less than the current market price of the Preferred Stock or
- upon the distribution to holders of the Preferred Stock of evidences of indebtedness or assets (excluding regular quarterly cash dividends) or of subscription rights or warrants (other than those referred to above).

With certain exceptions, no adjustment in the exercise price will be required until cumulative adjustments amount to at least one percent (1%) of the exercise price. No fractional shares of Preferred Stock will be issued and, in lieu thereof, an adjustment in cash will be made based on the market price of the Preferred Stock on the last trading day prior to the date of exercise.

Redemption; Exchange. At any time prior to the earlier of (1) the Stock Acquisition Date and (2) the Final Expiration Time, the Company may redeem the Rights in whole, but not in part, at a price of \$0.001 per Right (subject to adjustment and payable in cash, Common Stock or other consideration deemed appropriate by the Board). Immediately upon the action of the Board authorizing any redemption, the Rights will terminate and the only right of the holders of Rights will be to receive the redemption price. At any time after any person or group becomes an Acquiring Person and prior to the acquisition by the Acquiring Person of fifty percent (50%) or more of the outstanding shares of Common Stock, the Company may exchange the Rights (other than Rights owned by the Acquiring Person, which will have become null and void), in whole or in part, at an exchange ratio of one share of Common Stock, or one one-thousandth of a share of Preferred Stock (or of a share of a class or series of the Company’s preferred stock having equivalent rights, preferences and privileges), per Right (subject to adjustment).

Exemption Requests. The Board may exempt certain persons from the 4.9% ownership threshold if the Board determines that their beneficial ownership of more than 4.9% of Common Stock will not jeopardize the availability of the Company's NOLs. A person may also request that the Board exempt a transaction that would cause such person to become the beneficial owner of 4.9% or more of Common Stock.

No Rights as Stockholder. Until a Right is exercised, its holder will have no rights as a stockholder of the Company, including, without limitation, the right to vote or to receive dividends.

Amendment of the Tax Benefits Preservation Plan. The Company and the Rights Agent may from time to time amend or supplement the Tax Benefits Preservation Plan without the consent of the holders of the Rights. However, on or after the Stock Acquisition Date, no amendment can materially adversely affect the interests of the holders of the Rights (other than the Acquiring Person, certain related parties thereof or any transferee of the foregoing persons).

* * *

The foregoing description of the Tax Benefits Preservation Plan and the Rights does not purport to be complete and is qualified in its entirety by reference to the Tax Benefits Preservation Plan, which is filed as Exhibit 4.1 to this Current Report and is incorporated herein by reference.

Item 5.03. Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.

In connection with the adoption of the Tax Benefits Preservation Plan described in Item 3.03 of this Current Report, the Board approved a Certificate of Designation of Series B Junior Participating Preferred Stock, which designates the rights, preferences and privileges of 200,000 shares of a series of the Company's preferred stock, par value \$0.01 per share, designated as Series B Junior Participating Preferred Stock. The information set forth in Item 3.03 of this Current Report is incorporated into this Item 5.03 by reference.

The Certificate of Designation was filed with the Delaware Secretary of State on April 30, 2020. A copy of the Certificate of Designation has been filed as Exhibit 3.1 to this Current Report and is incorporated herein by reference.

Item 7.01. Regulation FD Disclosure.

On April 30, 2020, the Company issued a press release announcing the adoption of the Tax Benefits Preservation Plan. A copy of that press release is furnished as Exhibit 99.1 to this Current Report and incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits

| Number | Exhibit |
|---------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 3.1 | Certificate of Designation of the Series B Junior Participating Preferred Stock of the Company, dated April 30, 2020 (incorporated by reference to Exhibit 3.1 to the Company's Registration Statement on Form 8-A, filed with the Securities and Exchange Commission on April 30, 2020, File No. 000-19514) |
| 4.1 | Tax Benefits Preservation Plan, dated as of April 30, 2020, between Gulfport Energy Corporation as the Company, and Computershare Trust Company, N.A. as Rights Agent (which includes the Form of Rights Certificate as Exhibit B thereto) (incorporated by reference to Exhibit 4.1 to the Company's Registration Statement on Form 8-A, filed with the Securities and Exchange Commission on April 30, 2020, File No. 000-19514) |
| 99.1 | Press Release issued by the Company on April 30, 2020 |
| 104 | Cover Page Interactive Data File (embedded within the Inline XBRL document) |

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: April 30, 2020

By: /s/ Quentin Hicks
Quentin Hicks
Executive Vice President &
Chief Financial Officer

Gulfport Adopts Tax Benefits Preservation Plan to Protect NOL Tax Assets

OKLAHOMA CITY, April 30, 2020 (GLOBE NEWSWIRE) – Gulfport Energy Corporation (NASDAQ: GPOR) (“Gulfport”), today announced that its Board of Directors (the “Board”) has unanimously adopted a tax benefits preservation plan (the “Tax Benefits Preservation Plan”) to protect the ability of Gulfport to use its tax net operating losses (“NOLs”) under Section 382 of the Internal Revenue Code (the “Code”) to reduce its future tax liabilities.

As of December 31, 2019, Gulfport had approximately \$1.3 billion of federal NOLs available to offset its future taxable income. Gulfport’s ability to use these NOLs would be substantially limited if Gulfport experienced an “ownership change” within the meaning of Section 382 of the Code. Generally, an “ownership change” occurs if the percentage of the Company’s stock owned by one or more of its “five-percent shareholders” (as such term is defined in Section 382 of the Code) increases by more than 50 percentage points over a three-year period. In light of the recent high volatility and trading volumes in the Company’s stock in the midst of the current market disruptions, Gulfport determined to adopt the Tax Benefits Preservation Plan to prevent an inadvertent impairment of its NOLs. The Tax Benefits Preservation Plan is similar to plans adopted by other companies with significant NOLs.

The Tax Benefits Preservation Plan will expire on the close of business on April 29, 2021.

Pursuant to the Tax Benefits Preservation Plan, Gulfport will issue, by means of a dividend, one preferred share purchase right for each outstanding share of Gulfport common stock to shareholders of record on the close of business on May 15, 2020. Initially, these rights will not be exercisable and will trade with, and be represented by, the shares of Gulfport common stock.

Under the Tax Benefits Preservation Plan, the rights generally become exercisable only if a person or group (an “acquiring person”) acquires beneficial ownership of 4.9% or more of the outstanding shares of Gulfport common stock in a transaction not approved by the Board. In that situation, each holder of a right (other than the acquiring person, whose rights) will be entitled to purchase, at the then-current exercise price, additional shares of Gulfport common stock at a 50% discount. Alternatively, the Board, at its option, may exchange each right (other than rights held by the acquiring person) in whole or in part, at an exchange ratio of one share of Gulfport common stock per outstanding right, subject to adjustment. Except as provided in the Tax Benefits Preservation Plan, the Board is entitled to redeem the rights at \$0.001 per right.

If a person or group beneficially owns 4.9% or more of the outstanding shares prior to today’s announcement of the Tax Benefits Preservation Plan, then such person’s or group’s existing ownership percentage will be grandfathered. However, grandfathered shareholders will generally not be permitted to acquire additional shares.

The Tax Benefits Preservation Plan allows the Board to exempt certain persons and transactions from the provisions of the Tax Benefits Preservation Plan if the Board determines that doing so would not jeopardize the availability of the NOLs.

Additional information regarding the Tax Benefits Preservation Plan will be contained in a current report on Form 8-K to be filed by Gulfport with the U.S. Securities and Exchange Commission.

Sidley Austin LLP is acting as legal counsel to Gulfport.

About Gulfport

Gulfport is an independent natural gas and oil company focused on the exploration and development of natural gas and oil properties in North America and is one of the largest producers of natural gas in the contiguous United States. Headquartered in Oklahoma City, Gulfport holds significant acreage positions in the Utica Shale of Eastern Ohio and the SCOOP Woodford and SCOOP Springer plays in Oklahoma. In addition, Gulfport has an approximately 22% equity interest in Mammoth Energy Services, Inc. (NASDAQ:TUSK) and has a position in the Alberta Oil Sands in Canada through its 25% interest in Grizzly Oil Sands ULC. For more information, please visit www.gulfportenergy.com.

Forward-Looking Statements

This press release includes “forward-looking statements” for purposes of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Exchange Act of 1934, as amended. 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 are forward-looking statements, including, without limitation, statements regarding Gulfport’s ability to utilize and realize the value of its NOLs and how they could be substantially limited if Gulfport experienced an “ownership change” as defined in Section 382 of the Code, whether the Tax Benefits Preservation Plan will reduce the likelihood of such an unintended ownership change from occurring, the potential impact of the utilization of the NOLs on Gulfport’s free cash generation and the potential impact of distribution of the rights on Gulfport’s financial conditions and results of operations. 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, many of which are beyond the control of Gulfport, that could cause actual results to differ materially from the results discussed in the forward-looking statements, including, without limitation, federal and state tax legislation and unreported buying and selling activity by Gulfport shareholders. Information concerning these and other factors can be found in Gulfport’s filings with the U.S. Securities and Exchange Commission, including its Forms 10-K, 10-Q and 8-K. Consequently, all of the forward-looking statements made in this press 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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