

Edgar Filing: GASTAR EXPLORATION LTD - Form SC 13G

GASTAR EXPLORATION LTD  
Form SC 13G  
December 14, 2006

SECURITIES & EXCHANGE COMMISSION  
Washington, D.C. 20549  
-----

SCHEDULE 13G\*  
(Rule 13d-102)

INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT  
TO RULES 13d-1(b), (c) AND (d) AND AMENDMENTS THERETO FILED  
PURSUANT TO 13d-2(b)

Gastar Exploration Ltd.  
(Name of Issuer)

Common Stock  
(Title of Class of Securities)

367299104  
(CUSIP Number)

November 17, 2006  
(Date of event which requires filing of this statement)

Check the appropriate box to designate the rule pursuant to which this  
Schedule 13G is filed:

- Rule 13d-1(b)
- Rule 13d-1(c)
- Rule 13d-1(d)

(Page 1 of 13 Pages)

-----  
\*The remainder of this cover page shall be filled out for a reporting  
person's initial filing on this form with respect to the subject class of  
securities, and for any subsequent amendment containing information which would  
alter the disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be  
deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act  
of 1934 ("Act") or otherwise subject to the liabilities of that section of the  
Act but shall be subject to all other provisions of the Act (however, see the  
Notes).

CUSIP No. 367299104

13G

Page 2 of 13 Pages

-----  
(1) NAMES OF REPORTING PERSONS

Edgar Filing: GASTAR EXPLORATION LTD - Form SC 13G

I.R.S. IDENTIFICATION NO.  
OF ABOVE PERSONS (ENTITIES ONLY)

Ospraie Management, LLC

-----

(2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP \*\* (a) [ ]  
(b) [X]

-----

(3) SEC USE ONLY

-----

(4) CITIZENSHIP OR PLACE OF ORGANIZATION  
Delaware

-----

NUMBER OF (5) SOLE VOTING POWER -0-  
SHARES -----

BENEFICIALLY (6) SHARED VOTING POWER 12,308,100  
OWNED BY -----

EACH (7) SOLE DISPOSITIVE POWER -0-  
REPORTING -----

PERSON WITH (8) SHARED DISPOSITIVE POWER 12,308,100  
-----

(9) AGGREGATE AMOUNT BENEFICIALLY OWNED  
BY EACH REPORTING PERSON 12,308,100  
-----

(10) CHECK BOX IF THE AGGREGATE AMOUNT  
IN ROW (9) EXCLUDES CERTAIN SHARES \*\* [ ]  
-----

(11) PERCENT OF CLASS REPRESENTED  
BY AMOUNT IN ROW (9) 6.4%  
-----

(12) TYPE OF REPORTING PERSON \*\* OO  
-----

CUSIP No. 367299104

13G

Page 3 of 13 Pages

-----

(1) NAMES OF REPORTING PERSONS  
I.R.S. IDENTIFICATION NO.  
OF ABOVE PERSONS (ENTITIES ONLY)  
Ospraie Holding I, L.P.

-----

(2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP \*\* (a) [ ]  
(b) [X]

-----

(3) SEC USE ONLY

-----

Edgar Filing: GASTAR EXPLORATION LTD - Form SC 13G

(4) CITIZENSHIP OR PLACE OF ORGANIZATION  
Delaware

-----  
NUMBER OF (5) SOLE VOTING POWER -0-  
SHARES -----  
BENEFICIALLY (6) SHARED VOTING POWER 12,308,100  
OWNED BY -----  
EACH (7) SOLE DISPOSITIVE POWER -0-  
REPORTING -----  
PERSON WITH (8) SHARED DISPOSITIVE POWER 12,308,100  
-----

(9) AGGREGATE AMOUNT BENEFICIALLY OWNED  
BY EACH REPORTING PERSON 12,308,100  
-----

(10) CHECK BOX IF THE AGGREGATE AMOUNT  
IN ROW (9) EXCLUDES CERTAIN SHARES \*\* [ ]  
-----

(11) PERCENT OF CLASS REPRESENTED  
BY AMOUNT IN ROW (9) 6.4%  
-----

(12) TYPE OF REPORTING PERSON \*\* PN  
-----

CUSIP No. 367299104 13G Page 4 of 13 Pages

-----  
(1) NAMES OF REPORTING PERSONS  
I.R.S. IDENTIFICATION NO.  
OF ABOVE PERSONS (ENTITIES ONLY) Ospraie Management, Inc.  
-----

(2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP \*\*  
(a) [ ]  
(b) [X]  
-----

(3) SEC USE ONLY  
-----

(4) CITIZENSHIP OR PLACE OF ORGANIZATION  
Delaware

-----  
NUMBER OF (5) SOLE VOTING POWER -0-  
SHARES -----  
BENEFICIALLY (6) SHARED VOTING POWER 12,308,100  
OWNED BY -----

Edgar Filing: GASTAR EXPLORATION LTD - Form SC 13G

EACH (7) SOLE DISPOSITIVE POWER -0-

REPORTING -----

PERSON WITH (8) SHARED DISPOSITIVE POWER 12,308,100

-----

(9) AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 12,308,100

-----

(10) CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES \*\* [ ]

-----

(11) PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9) 6.4%

-----

(12) TYPE OF REPORTING PERSON \*\* CO

-----

CUSIP No. 367299104

13G

Page 5 of 13 Pages

-----

(1) NAMES OF REPORTING PERSONS I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY) Ospraie Advisors, L.P.

-----

(2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP \*\* (a) [ ] (b) [X]

-----

(3) SEC USE ONLY

-----

(4) CITIZENSHIP OR PLACE OF ORGANIZATION Delaware

-----

NUMBER OF (5) SOLE VOTING POWER -0-

SHARES -----

BENEFICIALLY (6) SHARED VOTING POWER 5,239,207

OWNED BY -----

EACH (7) SOLE DISPOSITIVE POWER -0-

REPORTING -----

PERSON WITH (8) SHARED DISPOSITIVE POWER 5,239,207

-----

(9) AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 5,239,207

-----

Edgar Filing: GASTAR EXPLORATION LTD - Form SC 13G

(10) CHECK BOX IF THE AGGREGATE AMOUNT  
IN ROW (9) EXCLUDES CERTAIN SHARES \*\* [ ]

(11) PERCENT OF CLASS REPRESENTED  
BY AMOUNT IN ROW (9) 2.7%

(12) TYPE OF REPORTING PERSON \*\*  
PN

CUSIP No. 367299104

13G

Page 6 of 13 Pages

(1) NAMES OF REPORTING PERSONS  
I.R.S. IDENTIFICATION NO.  
OF ABOVE PERSONS (ENTITIES ONLY) Ospraie Advisors, LLC

(2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP \*\*  
(a) [ ]  
(b) [X]

(3) SEC USE ONLY

(4) CITIZENSHIP OR PLACE OF ORGANIZATION  
Delaware

NUMBER OF (5) SOLE VOTING POWER  
SHARES -0-

BENEFICIALLY (6) SHARED VOTING POWER  
OWNED BY 5,239,207

EACH (7) SOLE DISPOSITIVE POWER  
REPORTING -0-

PERSON WITH (8) SHARED DISPOSITIVE POWER  
5,239,207

(9) AGGREGATE AMOUNT BENEFICIALLY OWNED  
BY EACH REPORTING PERSON 5,239,207

(10) CHECK BOX IF THE AGGREGATE AMOUNT  
IN ROW (9) EXCLUDES CERTAIN SHARES \*\* [ ]

(11) PERCENT OF CLASS REPRESENTED  
BY AMOUNT IN ROW (9) 2.7%

(12) TYPE OF REPORTING PERSON \*\*  
OO

Edgar Filing: GASTAR EXPLORATION LTD - Form SC 13G

CUSIP No. 367299104

13G

Page 7 of 13 Pages

-----

(1) NAMES OF REPORTING PERSONS  
I.R.S. IDENTIFICATION NO.  
OF ABOVE PERSONS (ENTITIES ONLY) Dwight Anderson

-----

(2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP \*\* (a) [ ]  
(b) [X]

-----

(3) SEC USE ONLY

-----

(4) CITIZENSHIP OR PLACE OF ORGANIZATION  
United States

-----

NUMBER OF	(5) SOLE VOTING POWER	-0-
SHARES	-----	-----
BENEFICIALLY	(6) SHARED VOTING POWER	12,308,100
OWNED BY	-----	-----
EACH	(7) SOLE DISPOSITIVE POWER	-0-
REPORTING	-----	-----
PERSON WITH	(8) SHARED DISPOSITIVE POWER	12,308,100
	-----	-----
	(9) AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON	12,308,100
	-----	-----
	(10) CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES **	[ ]
	-----	-----
	(11) PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)	6.4%
	-----	-----
	(12) TYPE OF REPORTING PERSON **	IN
	-----	-----

CUSIP No. 367299104

13G

Page 8 of 13 Pages

-----

(1) NAMES OF REPORTING PERSONS  
I.R.S. IDENTIFICATION NO.  
OF ABOVE PERSONS (ENTITIES ONLY) John Duryea

Edgar Filing: GASTAR EXPLORATION LTD - Form SC 13G

-----

(2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP \*\* (a) [ ]  
 (b) [X]

-----

(3) SEC USE ONLY

-----

(4) CITIZENSHIP OR PLACE OF ORGANIZATION  
 United States

-----

NUMBER OF (5) SOLE VOTING POWER -0-  
 SHARES -----

BENEFICIALLY (6) SHARED VOTING POWER 5,239,207  
 OWNED BY -----

EACH (7) SOLE DISPOSITIVE POWER -0-  
 REPORTING -----

PERSON WITH (8) SHARED DISPOSITIVE POWER 5,239,207  
 -----

(9) AGGREGATE AMOUNT BENEFICIALLY OWNED  
 BY EACH REPORTING PERSON 5,239,207

-----

(10) CHECK BOX IF THE AGGREGATE AMOUNT  
 IN ROW (9) EXCLUDES CERTAIN SHARES \*\* [ ]

-----

(11) PERCENT OF CLASS REPRESENTED  
 BY AMOUNT IN ROW (9) 2.7%

-----

(12) TYPE OF REPORTING PERSON \*\* IN  
 -----

CUSIP No. 367299104 13G Page 9 of 13 Pages

Item 1(a). Name of Issuer:

The name of the issuer is Gastar Exploration Ltd. (the "Company").

Item 1(b). Address of Issuer's Principal Executive Offices:

The Company's principal executive offices are located at 1331 Lamar Street, Suite 1080, Houston, Texas 77010.

Item 2(a). Name of Person Filing:

This statement is filed by:

- (i) Ospraie Management, LLC, a Delaware limited liability company ("Investment Manager"), which serves (a) as investment manager to The Ospraie Portfolio Ltd.

## Edgar Filing: GASTAR EXPLORATION LTD - Form SC 13G

- ("Portfolio"), a Cayman Islands exempted company, with respect to the shares of Common Stock (as defined in Item 2(d) below) directly owned by Portfolio, and (b) as managing member of Advisors LLC (as defined below), with respect to the shares of Common Stock directly owned by Ospraie Special Opportunities Master Holdings Ltd. ("Master Holdings"), a Cayman Islands exempted company;
- (ii) Ospraie Holding I, L.P., a Delaware limited partnership ("Ospraie Holding"), which serves as the managing member of Investment Manager, with respect to the shares of Common Stock directly owned by Portfolio and Master Holdings;
  - (iii) Ospraie Management, Inc., a Delaware corporation ("Ospraie Management"), which serves as the general partner of Ospraie Holding, with respect to the shares of Common Stock directly owned by Portfolio and Master Holdings;
  - (iv) Ospraie Advisors, L.P., a Delaware limited partnership ("Advisors LP"), which serves as the investment manager to Master Holdings with respect to the shares of Common Stock directly owned by Master Holdings;
  - (v) Ospraie Advisors, LLC, a Delaware limited liability company ("Advisors LLC"), which serves as the general partner of Ospraie Advisors, L.P., with respect to the shares of Common Stock directly owned by Master Holdings;
  - (vi) Dwight Anderson ("Mr. Anderson"), the sole shareholder of Ospraie Management, with respect to the shares of Common Stock held by Portfolio and Master Holdings; and
  - (vii) John Duryea ("Mr. Duryea"), a portfolio manager of Advisors LP, with respect to the shares of Common Stock held by Master Holdings.

The foregoing persons are hereinafter sometimes collectively referred to as the "Reporting Persons." Any disclosures herein with respect to persons other than the Reporting Persons are made on information and belief after making inquiry to the appropriate party.

Item 2(b). Address of Principal Business Office or, if None, Residence:

The address of the business office of each of the Reporting Persons is 320 Park Avenue, 27th Floor, New York, New York 10022, U.S.A.

CUSIP No. 367299104

13G

Page 10 of 13 Pages

Item 2(c). Citizenship:

Investment Manager is a limited liability company organized under the laws of the State of Delaware. Ospraie Holding is a limited partnership organized under the laws of the State of Delaware. Ospraie Management is a corporation organized under the laws of the State of Delaware. Advisors LP is a limited partnership organized under the laws of the State of Delaware. Advisors LLC is a limited liability company organized under the laws of the State of Delaware. Mr. Anderson is a United States citizen. Mr. Duryea is a United States citizen.

Item 2(d). Title of Class of Securities:

Gastar Exploration Ltd., common stock, no par value per share (the "Common Stock").

Item 2(e). CUSIP Number:



Edgar Filing: GASTAR EXPLORATION LTD - Form SC 13G

367299104

Item 3. If this statement is filed pursuant to Rules 13d-1(b) or 13d-2(b) or (c), check whether the person filing is a:

- (a)  Broker or dealer registered under Section 15 of the Act,
- (b)  Bank as defined in Section 3(a)(6) of the Act,
- (c)  Insurance Company as defined in Section 3(a)(19) of the Act,
- (d)  Investment Company registered under Section 8 of the Investment Company Act of 1940,
- (e)  Investment Adviser in accordance with Rule 13d-1(b)(1)(ii)(E),
- (f)  Employee Benefit Plan or Endowment Fund in accordance with 13d-1(b)(1)(ii)(F),
- (g)  Parent Holding Company or control person in accordance with Rule 13d-1(b)(1)(ii)(G),
- (h)  Savings Association as defined in Section 3(b) of the Federal Deposit Insurance Act,
- (i)  Church Plan that is excluded from the definition of an investment company under Section 3(c)(14) of the Investment Company Act of 1940,
- (j)  Group, in accordance with Rule 13d-1(b)(1)(ii)(J).

If this statement is filed pursuant to Rule 13d-1(c), check the box.

CUSIP No. 367299104

13G

Page 11 of 13 Pages

Item 4. Ownership.

A. Ospraie Management, LLC

- (a) Amount beneficially owned: 12,308,100 shares of Common Stock.
- (b) Percent of class: 6.4% The percentages used herein and in the rest of Item 4 are calculated based upon the 193,165,436 shares of Common Stock issued and outstanding as of November 20, 2006 as reflected in the Company's Form 424B3, dated November 15, 2006, and Form 8-K, dated November 20, 2006.
- (c) Number of shares as to which such person has:
  - (i) Sole power to vote or direct the vote: -0-
  - (ii) Shared power to vote or direct the vote: 12,308,100
  - (iii) Sole power to dispose or direct the disposition: -0-
  - (iv) Shared power to dispose or direct the disposition: 12,308,100

B. Ospraie Holding I, L.P.

- (a) Amount beneficially owned: 12,308,100 shares of Common Stock.
- (b) Percent of class: 6.4%
- (c) Number of shares as to which such person has:
  - (i) Sole power to vote or direct the vote: -0-
  - (ii) Shared power to vote or direct the vote: 12,308,100

Edgar Filing: GASTAR EXPLORATION LTD - Form SC 13G

- (iii) Sole power to dispose or direct the disposition: -0-
- (iv) Shared power to dispose or direct the disposition:  
12,308,100

B. Ospraie Management, Inc.

- (a) Amount beneficially owned: 12,308,100 shares of Common Stock.
- (b) Percent of class: 6.4%
- (c) Number of shares as to which such person has:
  - (i) Sole power to vote or direct the vote: -0-
  - (ii) Shared power to vote or direct the vote: 12,308,100
  - (iii) Sole power to dispose or direct the disposition: -0-
  - (iv) Shared power to dispose or direct the disposition:  
12,308,100

C. Ospraie Advisors, L.P.

- (a) Amount beneficially owned: 5,239,207 shares of Common Stock.
- (b) Percent of class: 2.7%
- (c) Number of shares as to which such person has:
  - (i) Sole power to vote or direct the vote: -0-
  - (ii) Shared power to vote or direct the vote: 5,239,207
  - (iii) Sole power to dispose or direct the disposition: -0-
  - (iv) Shared power to dispose or direct the disposition:  
5,239,207

D. Ospraie Advisors, LLC

- (a) Amount beneficially owned: 5,239,207 shares of Common Stock.
- (b) Percent of class: 2.7%
- (c) Number of shares as to which such person has:
  - (i) Sole power to vote or direct the vote: -0-
  - (ii) Shared power to vote or direct the vote: 5,239,207
  - (iii) Sole power to dispose or direct the disposition: -0-
  - (iv) Shared power to dispose or direct the disposition:  
5,239,207

E. Dwight Anderson

- (a) Amount beneficially owned: 12,308,100 shares of Common Stock.
- (b) Percent of class: 6.4%

CUSIP No. 367299104

13G

Page 12 of 13 Pages

- (c) Number of shares as to which such person has:
  - (i) Sole power to vote or direct the vote: -0-
  - (ii) Shared power to vote or direct the vote: 12,308,100
  - (iii) Sole power to dispose or direct the disposition: -0-
  - (iv) Shared power to dispose or direct the disposition:  
12,308,100

F. John Duryea

- (a) Amount beneficially owned: 5,239,207 shares of Common Stock.
- (b) Percent of class: 2.7%
- (c) Number of shares as to which such person has:
  - (i) Sole power to vote or direct the vote: -0-
  - (ii) Shared power to vote or direct the vote: 5,239,207
  - (iii) Sole power to dispose or direct the disposition: -0-
  - (iv) Shared power to dispose or direct the disposition:  
5,239,207

Item 5. Ownership of Five Percent or Less of a Class.

Not applicable.

Edgar Filing: GASTAR EXPLORATION LTD - Form SC 13G

Item 6. Ownership of More than Five Percent on Behalf of Another Person.

Investment Manager, in its capacity as the investment manager to Portfolio, has the power to direct the investment activities of Portfolio, including decisions with respect to the disposition of the proceeds from the sale of Common Stock, and is the managing member of Advisors LLC and in that capacity directs its operations. Ospraie Holding is the managing member of the Investment Manager and in that capacity directs its operations. Ospraie Management is the general partner of Ospraie Holding and in that capacity directs its operations. Advisors LP, in its capacity as the investment manager to Master Holdings, has the power to direct the investment activities of Master Holdings, including decisions with respect to the disposition of the proceeds from the sale of Common Stock. Advisors LLC is the general partner of Advisors LP and in that capacity directs its operations. Mr. Anderson is the president and sole shareholder of Ospraie Management and in that capacity, directs its operations. Mr. Duryea is a portfolio manager of Advisors LP and in that capacity has the power to direct the investment activities of Master Holdings. The shareholders of Portfolio and Master Holdings have the right to participate in the dividends from, or proceeds from the sale of, the shares of Common Stock held by Portfolio and Master Holdings, respectively, in accordance with their ownership interests in Portfolio and Master Holdings, respectively.

Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on by the Parent Holding Company or Control Person.

Not applicable.

Item 8. Identification and Classification of Members of the Group.

See Item 2.

Item 9. Notice of Dissolution of Group.

Not applicable.

Item 10. Certification.

Each of the Reporting Persons hereby makes the following certification:

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

CUSIP No. 367299104

13G

Page 13 of 13 Pages

SIGNATURES

After reasonable inquiry and to the best of our knowledge and belief, the undersigned certify that the information set forth in this statement is true, complete and correct.

DATED: December 14, 2006

OSPRAIE MANAGEMENT, LLC  
By: Ospraie Holding I, L.P.,  
its Managing Member

Edgar Filing: GASTAR EXPLORATION LTD - Form SC 13G

By: Ospraie Management, Inc.,  
its General Partner

By: /s/ Michael Fischer  
-----  
Michael Fischer  
Authorized Signatory

OSPRAIE HOLDING I, L.P.  
By: Ospraie Management, Inc.,  
its General Partner

By: /s/ Michael Fischer  
-----  
Michael Fischer  
Authorized Signatory

OSPRAIE MANAGEMENT, INC.,

By: /s/ Michael Fischer  
-----  
Michael Fischer  
Authorized Signatory

OSPRAIE ADVISORS, L.P.

By: Ospraie Advisors, LLC,  
its General Partner

By: Ospraie Management, LLC,  
its Managing Member

By: Ospraie Holding I, L.P.,  
its Managing Member

By: Ospraie Management, Inc.,  
its General Partner

By: /s/ Michael Fischer  
-----  
Michael Fischer  
Authorized Signatory

OSPRAIE ADVISORS, LLC

By: Ospraie Management, LLC,  
its Managing Member

By: Ospraie Holding I, L.P.,  
its Managing Member

By: Ospraie Management, Inc.,  
its General Partner

By: /s/ Michael Fischer  
-----  
Michael Fischer  
Authorized Signatory

DWIGHT ANDERSON

Edgar Filing: GASTAR EXPLORATION LTD - Form SC 13G

By: /s/ Michael Fischer

-----  
Michael Fischer, Attorney-in-fact

JOHN DURYEA

By: /s/ Michael Fischer

-----  
Michael Fischer, Attorney-in-fact

EXHIBIT INDEX

- Exhibit 99.1 - Power of Attorney, dated December 13, 2006, granted by Dwight Anderson in favor of Kirk Rule, Eric Vincent and Michael Fischer.
  
- Exhibit 99.2 - Power of Attorney, dated December 13, 2006, granted by John Duryea in favor of Kirk Rule, Eric Vincent and Michael Fischer.