Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**

OMB Nos. 1210-0110
1210-0089

2011

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A This return/report is for:
- [ ] a multiemployer plan;
- [ ] a multiple-employer plan; or
- [X] a single-employer plan;
- [ ] a DFE (specify) ____

B This return/report is:
- [ ] the first return/report;
- [ ] the final return/report;
- [ ] an amended return/report;
- [ ] a short plan year return/report (less than 12 months).

C If the plan is a collectively-bargained plan, check here. . . . . ▶ [ ]

D Check box if filing under:
- [X] Form 5558;
- [ ] automatic extension;
- [ ] the DFVC program;
- [ ] special extension (enter description)

Part II Basic Plan Information—enter all requested information

1a Name of plan
REX ENERGY OPERATING CORP. 401(K) PLAN

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 06/01/2005

2a Plan sponsor's name and address, including room or suite number (Employer, if for single-employer plan)

REX ENERGY OPERATING CORP.

476 ROLLING RIDGE DRIVE SUITE 300
STATE COLLEGE, PA 16801

2b Employer Identification Number (EIN)
20-2120390

2c Sponsor's telephone number
814-278-7267

2d Business code (see instructions)
211110

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/12/2012	CHRISTINA K. MARSHALL
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/12/2012	THOMAS C. STABLEY
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address (if same as plan sponsor, enter "Same")
REX ENERGY OPERATING CORP.

476 ROLLING RIDGE DRIVE SUITE 300
STATE COLLEGE, PA 16801

3b Administrator's EIN
20-2120390

3c Administrator's telephone number
814-278-7267

4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:

a Sponsor's name

4b EIN

4c PN

5	Total number of participants at the beginning of the plan year	**5**	211
6	Number of participants as of the end of the plan year (welfare plans complete only lines **6a, 6b, 6c,** and **6d**).		
a	Active participants	**6a**	192
b	Retired or separated participants receiving benefits	**6b**	1
c	Other retired or separated participants entitled to future benefits	**6c**	42
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	235
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	1
f	Total. Add lines **6d** and **6e**	**6f**	236
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	224
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	39
7	Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
2E 2F 2G 2J 2K 2S 2T 3D

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

9a Plan funding arrangement (check all that apply)

(1)		Insurance
(2)		Code section 412(e)(3) insurance contracts
(3)	X	Trust
(4)		General assets of the sponsor

9b Plan benefit arrangement (check all that apply)

(1)		Insurance
(2)		Code section 412(e)(3) insurance contracts
(3)	X	Trust
(4)		General assets of the sponsor

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

(1)	X	**R** (Retirement Plan Information)
(2)		**MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
(3)		**SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

(1)	X	**H** (Financial Information)
(2)		**I** (Financial Information – Small Plan)
(3)		**A** (Insurance Information)
(4)	X	**C** (Service Provider Information)
(5)		**D** (DFE/Participating Plan Information)
(6)		**G** (Financial Transaction Schedules)

SCHEDULE C (Form 5500)	Service Provider Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ **File as an attachment to Form 5500.**	**2011** **This Form is Open to Public Inspection.**

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan
REX ENERGY OPERATING CORP. 401(K) PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
REX ENERGY OPERATING CORP.

D Employer Identification Number (EIN)
20-2120390

Part I Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions).. . . . . [X] Yes [ ] No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

CAPITAL RESEARCH & MANAGEMENT CO.

95-1411037

(b) Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation

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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

CAPITAL RESEARCH & MANAGEMENT CO.

95-1411037

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
64 52 60 62 25 49 72	RECORDKEEPER	0	Yes [X] No [ ]	Yes [X] No [ ]	0	Yes [X] No [ ]

(a) Enter name and EIN or address (see instructions)

MORGAN STANLEY SMITH BARNEY

26-4310632

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
49 99	FINANCIAL PROFESSIONAL		Yes [X] No [ ]	Yes [X] No [ ]	308	Yes [X] No [ ]

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes [ ] No [ ]	Yes [ ] No [ ]		Yes [ ] No [ ]

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received $1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
MORGAN STANLEY SMITH BARNEY	49 99	308

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
AMERICAN FUNDS DISTRIBUTORS, INC. 95-2769620	ADDITIONAL COMPENSATION FROM AMERICAN FUNDS DISTRIBUTORS, INC. OF $307.73

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

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(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)

(complete as many entries as needed)

a	Name:	**b** EIN:
c	Position:	
d	Address:	**e** Telephone:

Explanation:

a	Name:	**b** EIN:
c	Position:	
d	Address:	**e** Telephone:

Explanation:

a	Name:	**b** EIN:
c	Position:	
d	Address:	**e** Telephone:

Explanation:

a	Name:	**b** EIN:
c	Position:	
d	Address:	**e** Telephone:

Explanation:

a	Name:	**b** EIN:
c	Position:	
d	Address:	**e** Telephone:

Explanation:

SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Financial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2011

This Form is Open to Public Inspection

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan
REX ENERGY OPERATING CORP. 401(K) PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
REX ENERGY OPERATING CORP.

D Employer Identification Number (EIN)
20-2120390

Part I Asset and Liability Statement

1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a	0	0
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	0	0
(2) Participant contributions	1b(2)	0	0
(3) Other	1b(3)	0	0
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	252452	129612
(2) U.S. Government securities	1c(2)	0	0
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)	0	0
(B) All other	1c(3)(B)	0	0
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)	0	0
(B) Common	1c(4)(B)	0	0
(5) Partnership/joint venture interests	1c(5)	0	0
(6) Real estate (other than employer real property)	1c(6)	0	0
(7) Loans (other than to participants)	1c(7)	0	0
(8) Participant loans	1c(8)	0	0
(9) Value of interest in common/collective trusts	1c(9)	0	0
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)	0	0
(12) Value of interest in 103-12 investment entities	1c(12)	0	0
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	2549565	3259654
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)	0	0

			(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:			
	(1) Employer securities	1d(1)	0	0
	(2) Employer real property	1d(2)	0	0
e	Buildings and other property used in plan operation	1e	0	0
f	Total assets (add all amounts in lines 1a through 1e)	1f	2802017	3389266
	Liabilities			
g	Benefit claims payable	1g	0	0
h	Operating payables	1h		
i	Acquisition indebtedness	1i	0	0
j	Other liabilities	1j	0	0
k	Total liabilities (add all amounts in lines 1g through1j)	1k	0	0
	Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	2802017	3389266

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

	Income		(a) Amount	(b) Total
a	**Contributions:**			
	(1) Received or receivable in cash from: **(A)** Employers	2a(1)(A)	407277	
	(B) Participants	2a(1)(B)	650768	
	(C) Others (including rollovers)	2a(1)(C)	92656	
	(2) Noncash contributions	2a(2)	0	
	(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		1150701
b	**Earnings on investments:**			
	(1) Interest:			
	(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	0	
	(B) U.S. Government securities	2b(1)(B)	0	
	(C) Corporate debt instruments	2b(1)(C)	0	
	(D) Loans (other than to participants)	2b(1)(D)	0	
	(E) Participant loans	2b(1)(E)	0	
	(F) Other	2b(1)(F)	0	
	(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		0
	(2) Dividends: **(A)** Preferred stock	2b(2)(A)	0	
	(B) Common stock	2b(2)(B)	0	
	(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	72225	
	(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		72225
	(3) Rents	2b(3)		0
	(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)	0	
	(B) Aggregate carrying amount (see instructions)	2b(4)(B)	0	
	(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		0

			(a) Amount	(b) Total
2b	**(5)** Unrealized appreciation (depreciation) of assets: **(A)** Real estate	2b(5)(A)	0	
	(B) Other	2b(5)(B)	0	
	(C) Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)**	2b(5)(C)		0
	(6) Net investment gain (loss) from common/collective trusts	2b(6)		0
	(7) Net investment gain (loss) from pooled separate accounts	2b(7)		0
	(8) Net investment gain (loss) from master trust investment accounts	2b(8)		0
	(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		0
	(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		-148183
c	Other income	2c		5
d	Total income. Add all **income** amounts in column (b) and enter total	2d		1074748
	Expenses			
e	Benefit payment and payments to provide benefits:			
	(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	486867	
	(2) To insurance carriers for the provision of benefits	2e(2)	0	
	(3) Other	2e(3)	0	
	(4) Total benefit payments. Add lines **2e(1)** through **(3)**	2e(4)		486867
f	Corrective distributions (see instructions)	2f		631
g	Certain deemed distributions of participant loans (see instructions)	2g		0
h	Interest expense	2h		0
i	Administrative expenses: **(1)** Professional fees	2i(1)	0	
	(2) Contract administrator fees	2i(2)	1	
	(3) Investment advisory and management fees	2i(3)	0	
	(4) Other	2i(4)	0	
	(5) Total administrative expenses. Add lines **2i(1)** through **(4)**	2i(5)		1
j	Total expenses. Add all **expense** amounts in column (b) and enter total	2j		487499
	Net Income and Reconciliation			
k	Net income (loss). Subtract line **2j** from line **2d**	2k		587249
l	Transfers of assets:			
	(1) To this plan	2l(1)		0
	(2) From this plan	2l(2)		0

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) [ ] Unqualified **(2)** [ ] Qualified **(3)** [X] Disclaimer **(4)** [ ] Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? [X] Yes [ ] No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: SF & COMPANY **(2)** EIN: 23-2708607

d The opinion of an independent qualified public accountant is **not attached** because:

(1) [ ] This form is filed for a CCT, PSA, or MTIA. **(2)** [ ] It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

		Yes	No	Amount
a	Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)	**4a**		X	
b	Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)	**4b**		X	
c	Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	**4c**		X	
d	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	**4d**		X	
e	Was this plan covered by a fidelity bond?	**4e**	X		338927
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	**4f**		X	
g	Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	**4g**		X	
h	Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	**4h**		X	
i	Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	**4i**	X		
j	Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	**4j**		X	
k	Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	**4k**		X	
l	Has the plan failed to provide any benefit when due under the plan?	**4l**		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	**4m**		X	
n	If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	**4n**		X	

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? If "Yes," enter the amount of any plan assets that reverted to the employer this year ☐ **Yes** ☒ **No** **Amount:**

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	**5b(2)** EIN(s)	**5b(3)** PN(s)

SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Retirement Plan Information

This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2011

This Form is Open to Public Inspection.

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan
REX ENERGY OPERATING CORP. 401(K) PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
REX ENERGY OPERATING CORP.

D Employer Identification Number (EIN)
20-2120390

Part I Distributions

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions 1 0

2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):

EIN(s): 20-3691658 _____

Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.

3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year. 3

Part II Funding Information (If the plan is not subject to the minimum funding requirements of section of 412 of the Internal Revenue Code or ERISA section 302, skip this Part)

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... ☐ Yes ☐ No ☐ N/A

If the plan is a defined benefit plan, go to line 8.

5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____

If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived) 6a

b Enter the amount contributed by the employer to the plan for this plan year 6b

c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount) 6c

If you completed line 6c, skip lines 8 and 9.

7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ..... ☐ Yes ☐ No ☐ N/A

8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ..... ☐ Yes ☐ No ☐ N/A

Part III Amendments

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box. ..... ☐ Increase ☐ Decrease ☐ Both ☐ No

Part IV ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ..... ☐ Yes ☐ No

11 a Does the ESOP hold any preferred stock? ..... ☐ Yes ☐ No

b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... ☐ Yes ☐ No

12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ..... ☐ Yes ☐ No

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

14 Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	**14a**	
b The plan year immediately preceding the current plan year	**14b**	
c The second preceding plan year	**14c**	

15 Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	**15a**	
b The corresponding number for the second preceding plan year	**15b**	

16 Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	**16a**	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	**16b**	

17 If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

18 If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

19 If the total number of participants is 1,000 or more, complete items (a) through (c)

a Enter the percentage of plan assets held as:
Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate item 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

REX ENERGY OPERATING CORP. 401(K) PLAN

FINANCIAL STATEMENTS
With Supplemental Schedule

YEARS ENDED DECEMBER 31, 2011 AND 2010

REX ENERGY OPERATING CORP. 401(K) PLAN

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SF&COMPANY
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INDEPENDENT AUDITORS' REPORT

To the Plan Administrator and Participants
Rex Energy Operating Corp. 401(k) Plan
476 Rolling Ridge Drive, Suite 300
State College, Pennsylvania 16801

We were engaged to audit the accompanying Statements of Net Assets Available for Benefits of **Rex Energy Operating Corp. 401(k) Plan** as of December 31, 2011 and 2010, and the related Statements of Changes in Net Assets Available for Benefits for the years then ended, and the supplemental schedule of Schedule H, Line 4i - Schedule of Assets (Held at End of Year) as of December 31, 2011. These financial statements and the supplemental schedule are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's *Rules and Regulations for Reporting and Disclosure* under the *Employee Retirement Income Security Act of 1974*, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by Capital Bank and Trust, the trustee of the Plan, except for comparing the information with the related information included in the financial statements and the supplemental schedule. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of and for the years ended December 31, 2011 and 2010, that the information provided to the plan administrator by the trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and the supplemental schedule taken as a whole. The supplemental schedule is presented for the purpose of additional analysis and is not a required part of the financial statements, but is required by the Department of Labor's *Rules and Regulations for Reporting and Disclosure* under the *Employee Retirement Income Security Act of 1974*. The form and content of the information included in the financial statements and the supplemental schedule, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's *Rules and Regulations for Reporting and Disclosure* under the *Employee Retirement Income Security Act of 1974.*

SF Company

State College, Pennsylvania
August 8, 2012

REX ENERGY OPERATING CORP. 401(K) PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

	December 31, 2011	December 31, 2010
ASSETS		
INVESTMENTS AT FAIR VALUE		
Mutual Funds	$ 3,389,266	$ 2,802,017
RECEIVABLES		
Employer Contributions	5,117	8,070
TOTAL ASSETS	3,394,383	2,810,087
LIABILITIES		
LIABILITIES		
Excess Contributions Refundable	0	1,234
NET ASSETS AVAILABLE FOR BENEFITS	$ 3,394,383	$ 2,808,853

See independent auditors' report and accompanying notes.

REX ENERGY OPERATING CORP. 401(K) PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

	Years Ended December 31,	
	2011	2010
ADDITIONS TO NET ASSETS ATTRIBUTED TO INVESTMENT GAIN (LOSS)		
Net Appreciation (Depreciation) in Fair Value of Investments	$ (148,122)	$ 237,431
Interest and Dividends	72,225	57,568
TOTAL INVESTMENT GAIN (LOSS)	(75,897)	294,999
CONTRIBUTIONS		
Participants	650,768	449,892
Employer - Net of Forfeitures of $68,577 and $2,277 for 2011 and 2010	404,265	318,764
Rollovers and Other	92,658	14,744
TOTAL CONTRIBUTIONS	1,147,691	783,400
TOTAL ADDITIONS TO NET ASSETS	1,071,794	1,078,399
DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO		
Benefits Paid to Participants	486,264	609,952
Corrective Distributions to Participants	0	7,537
TOTAL DEDUCTIONS FROM NET ASSETS	486,264	617,489
NET INCREASE IN NET ASSETS	585,530	460,910
NET ASSETS AVAILABLE FOR BENEFITS - BEGINNING	2,808,853	2,347,943
NET ASSETS AVAILABLE FOR BENEFITS - ENDING	$ 3,394,383	$ 2,808,853

See independent auditors' report and accompanying notes.

REX ENERGY OPERATING CORP. 401(K) PLAN

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010

1. DESCRIPTION OF PLAN

The following brief description of Rex Energy Operating Corp. 401(k) Plan (the Plan) provides only general information. Interested parties should refer to the Plan Document for a more complete description of the Plan's provisions.

General

The Plan, effective June 1, 2005, is a defined contribution plan covering all employees of Rex Energy Operating Corp. (the corporation and employer). Employees are eligible to participate in the Plan on the first day of the month following their "employment commencement date" as defined by the Plan. The Plan is subject to the provisions of the *Employee Retirement Income Security Act of 1974 (ERISA)*.

Contributions

Each year, participants may contribute, up to the maximum amount permitted under the Internal Revenue Code (IRC) of pretax annual compensation, as defined in the Plan. Participants, who have attained age fifty before the end of the Plan year, are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans. Participants direct the investment of their contributions into various investment options offered by the Plan. The Plan currently offers various mutual funds and a money market account as investment options for participants. Matching and profit sharing amounts may be contributed at the option of the corporation's board of directors and are invested in a portfolio of investments as directed by the participants. Contributions are subject to certain limitations. For the years ended December 31, 2011 and 2010, the corporation matched participants' deferrals at 100.0 percent of the first 5.0 percent of compensation. There were no discretionary profit sharing contributions made for each of the years ended December 31, 2011 and 2010.

Participant Accounts

Each participant's account is credited with the participant's contributions and allocations of (a) employer contributions and (b) Plan earnings and charged with an allocation of administrative expenses. Allocations are based on the participant's earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting

Participants are vested immediately in their contributions, plus actual earnings thereon. Vesting in the employer contributions portion of their accounts, plus actual earnings thereon, is based on years of continuous service. A participant is 100.0 percent vested after five years of credited service.

Years of Service With the Employer	Percent of Non-Forfeitable Accrued Benefits
1	20.0%
2	40.0%
3	60.0%
4	80.0%
5	100.0%

1. DESCRIPTION OF PLAN (Continued)

Notes Receivable from Participants

Notes receivable from participants are, presently, not allowed by the Plan.

Forfeited Accounts

At December 31, 2011 and 2010, forfeited non-vested accounts totaled $3,187 and $37,365, respectively. The forfeitures will be used to pay expenses of the Plan or reduce future employer contributions. Employer contributions were reduced by $68,577 and $2,277 from forfeited non-vested accounts during the years ended December 31, 2011 and 2010, respectively.

Payments of Benefits

Upon termination of service due to death, disability, or retirement, a participant may elect a distribution. Vested account balances of less than $5,000 are distributed in a lump sum amount. Vested account balances in excess of $5,000 can be distributed in either a lump sum distribution of the entire vested account balance or a distribution of a portion of the vested account balance.

The Plan adopted the automatic rollover provision to the rules governing qualified retirement plans as stated by the Economic Growth and Tax Relief Reconciliation Act (EGTRRA). These rules state that distributions in excess of $1,000 and not more than $5,000 can be made from the Plan without a participant's consent and are required to be rolled over into an individual retirement account (IRA) selected by the Plan's fiduciary. Terminated employees with a vested account balance greater than $5,000 can continue to participate in the Plan's investments and receive the benefits upon retirement or death.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements are prepared under the accrual basis of accounting.

Investment Valuation and Income Recognition

The Plan's investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (See Note 4 "Fair Value Measurements").

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) includes the Plan's gain (loss) on investments bought and sold, as well as held during the years.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that can affect the reported amounts of assets and liabilities and changes therein, and disclosures of contingent assets and liabilities. Accordingly, actual results could differ from those estimates.

Payments of Benefits

Benefits are recorded when paid.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Administrative Expenses

The majority of expenses to maintain the Plan are paid by the corporation. Effective for the Plan year beginning January 1, 2009, forfeitures can be used to pay expenses of the Plan. For the years ended December 31, 2011 and 2010, no administrative expenses were paid from forfeited non-vested accounts.

3. INFORMATION CERTIFIED BY THE TRUSTEE (UNAUDITED)

The plan administrator has elected the method of compliance as permitted by 29 CFR 2520.103-8 of the Department of Labor's *Rules and Regulations for Reporting and Disclosure* under *ERISA* as of and for the years ended December 31, 2011 and 2010. Accordingly, Capital Bank and Trust, the trustee of the Plan, has certified to the completeness and accuracy of all investments reported on the accompanying Statements of Net Assets Available for Benefits as of December 31, 2011 and 2010, and the supplemental schedule of Schedule H, Line 4i - Schedule of Assets (Held at End of Year) as of December 31, 2011, and the related investment activity reported on the Statements of Changes in Net Assets Available for Benefits for the years ended December 31, 2011 and 2010.

4. FAIR VALUE MEASUREMENTS

Financial Accounting Standards Board, Accounting Standards Codification (ASC) No. 820, *"Fair Value Measurements"* provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC No. 820 are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted market prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2: Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, inputs other than quoted prices that are observable for the asset or liability, and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level, within the fair value hierarchy, is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used as of and for the years ended December 31, 2011 and 2010.

Mutual Funds: Valued at the net asset value of shares held at year-end.

4. **FAIR VALUE MEASUREMENTS (Continued)**

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in different fair value measurements at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Plan's fair value measurements at December 31:

Mutual Funds	Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Other Unobservable Inputs Level 3	Total
	2011			
Target Date Funds	$ 1,377,208	$ 0	$ 0	$ 1,377,208
Growth Funds	982,814	0	0	982,814
Growth and Income Funds	475,912	0	0	475,912
Balanced Funds	234,788	0	0	234,788
Bond	188,932	0	0	188,932
Cash Equivalents	129,612	0	0	129,612
Total Investments at Fair Value	$ 3,389,266	$ 0	$ 0	$ 3,389,266
	2010			
Target Date Funds	$ 556,904	$ 0	$ 0	$ 556,904
Growth Funds	827,653	0	0	827,653
Growth and Income Funds	746,056	0	0	746,056
Balanced Funds	231,904	0	0	231,904
Bond	187,048	0	0	187,048
Cash Equivalents	252,452	0	0	252,452
Total Investments at Fair Value	$ 2,802,017	$ 0	$ 0	$ 2,802,017

REX ENERGY OPERATING CORP. 401(K) PLAN

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010

5. INVESTMENTS

The following table presents the investments that represent 5.0 percent or more of the Plan's net assets at December 31:

Mutual Funds		Units	2011	Units	2010
AMCAP Fund	*	0	$ 0	9,034	$ 169,303
American Balanced Fund		12,908	$ 234,789	12,948	$ 231,904
Capital World Growth and Income	*	5,047	$ 161,811	7,836	$ 279,454
EuroPacific Growth Fund	*	3,708	$ 128,099	5,034	$ 204,772
Growth Fund of America		14,571	$ 415,553	12,331	$ 372,267
Money Market Fund	*	129,605	$ 129,611	252,452	$ 252,452
Washington Mutual Fund	*	0	$ 0	5,394	$ 146,284
INVESCO Energy Fund - Class A		6,085	$ 231,102	4,192	$ 173,604
PIMCO Total Return Fund	*	10,896	$ 118,443	17,239	$ 187,048

Investments with an "*" did not represent 5.0 percent of the Plan's net assets in the current year, but are presented for comparative analysis.

During the years ended December 31, 2011 and 2010, the Plan's mutual funds (including the gain (loss) on mutual funds bought and sold, as well as held during the years) appreciated (depreciated) in value as follows:

	2011	2010
Realized Gain on Mutual Funds	$ 13,978	$ 29,709
Unrealized (Loss) Gain on Mutual Funds	(162,100)	207,722
Net Appreciation (Depreciation) in Fair Value of Investments	$ (148,122)	$ 237,431

6. RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following presents the net assets available for benefits per the financial statements compared to the net assets available for benefits reported on Form 5500 at December 31:

	2011	2010
Net Assets Available for Benefits per the Financial Statements	$ 3,394,383	$ 2,808,853
Employer Contributions Receivable	(5,117)	(8,070)
Excess Contributions Refundable	0	1,234
Net Assets Available for Benefits per the Form 5500	$ 3,389,266	$ 2,802,017

The following is a reconciliation of employer contributions per the financial statements compared to amounts reported on Form 5500 for the years ended December 31:

	2011	2010
Employer Contributions per the Financial Statements	$ 404,265	$ 318,764
Miscelleneous Adjustments or Corrections	59	(1,793)
Prior Year Employer Contribution Receivable	8,070	12,609
Employer Contributions Receivable	(5,117)	(8,070)
Employer Contributions per the Form 5500	$ 407,277	$ 321,510

6. RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500 (Continued)

The following is a reconciliation of corrective distributions per the financial statements for the years ended December 31, 2011 and 2010 compared to the Form 5500:

	2011	2010
Corrective Distributions per the Financial Statements	$ 0	$ 7,537
Prior Year Accrued Excess Contributions Refundable Paid	1,234	$ 21,186
Portion Classified as Benefit Payments	(603)	0
Excess Contributions Refundable	0	(1,234)
Corrective Distributions per the Form 5500	$ 631	$ 27,489

7. CORRECTIVE DISTRIBUTIONS

For the years ended December 31, 2011 and 2010, corrective distributions are recorded for amounts refundable by the Plan to participants for contributions made in excess of amounts allowed by the Internal Revenue Service (IRS).

8. PARTY-IN-INTEREST TRANSACTIONS

Rex Energy Operating Corp. is the plan sponsor and the fiduciary. The corporation qualifies as a party-in-interest to the Plan. As the sponsor and employer of the Plan's participants, employer matching contributions qualify as party-in-interest transactions. Such transactions are not prohibited by *ERISA*. The corporation, as the plan sponsor, pays custodial and administrative expenses, fidelity bond insurance, and annual auditing fees on behalf of the Plan. Such transactions are not prohibited by *ERISA*.

The Plan's participants are considered parties-in-interest. Participants' elective deferrals and benefit payments qualify as party-in-interest transactions. Such transactions are not prohibited by *ERISA*.

Capital Bank and Trust is the trustee of the Plan's assets. Capital Bank and Trust is the trustee for certain retirement and group benefit plans invested primarily in the American Funds Group of mutual funds. These transactions qualify as party-in-interest transactions. Transactions resulting in the Plan's assets being transferred to or used by a related party are prohibited under *ERISA*, unless a specific exemption exists. Investing the Plan's assets in the American Funds Group of mutual funds are exempt under Section 408(b)(8) and are not prohibited by *ERISA*.

9. PLAN TERMINATION

Although it has not expressed any intent to do so, the corporation has the right under the Plan to discontinue its contributions, at any time, and to terminate the Plan subject to the provisions of *ERISA*. In the event of Plan termination, participants will become 100.0 percent vested in the employer contribution portion of their account.

10. RISKS AND UNCERTAINTIES

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported on the Statements of Net Assets Available for Benefits.

11. TAX STATUS

The IRS has determined and informed the trustee by a letter, dated March 31, 2008, that the Plan and related trust are designed in accordance with applicable sections of the IRC. Although the Plan has been amended since receiving the opinion letter, the plan administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC and, therefore, believes that the Plan is qualified and the related trust is tax-exempt.

U.S. GAAP requires the management of the Plan to evaluate tax positions taken by the Plan and recognize a tax liability (or asset), if the Plan has taken an uncertain tax position that more likely than not would not be sustained upon examination by IRS. The Plan is subject to routine audits by taxing authorities; however, there are currently no audits for any tax periods in progress. The plan administrator believes it is no longer subject to income tax examinations for years prior to 2008.

12. PLAN AMENDMENTS

Effective January 1, 2010, the Plan was amended to address the Uniformed Services Employment and Reemployment Rights Act. The changes relate, but are not limited, to military service being considered service with the employer, benefits associated with wage continuation payments, and distributions for deemed severance of employment.

Effective January 1, 2011, the Plan was amended to include an automatic deferral feature. The corporation will automatically defer 2.0 percent of a participant's compensation on each payroll period and contribute that amount to the Plan as a "pre-tax" deferral, unless the participant makes a contrary election.

Effective January 1, 2012, the Plan was amended to cause employees of Water Solutions Holdings, LLC and Keystone Clearwater Solutions, LLC to be eligible to participate in the Plan.

13. SUBSEQUENT EVENTS

Management of the Plan has evaluated subsequent events through August 8, 2012, which is the date the financial statements were available to be issued. Management is not aware of any subsequent events that would require recognition or disclosure in the financial statements.

SUPPLEMENTAL SCHEDULE

REX ENERGY OPERATING CORP. 401(K) PLAN

EIN #20-2120390 - PLAN #001
PLAN YEAR DECEMBER 31, 2011
SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

(a)	(b) Identity of Issuer, Borrower, Lessor, or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral Par, or Maturity Value	(d) Cost	(e) Current Value
	American Funds			
*	2010 Target Date Fund	Mutual Fund	X	$ 17,529
*	2015 Target Date Fund	Mutual Fund	X	137,954
*	2020 Target Date Fund	Mutual Fund	X	133,173
*	2025 Target Date Fund	Mutual Fund	X	374,820
*	2030 Target Date Fund	Mutual Fund	X	168,895
*	2035 Target Date Fund	Mutual Fund	X	162,222
*	2040 Target Date Fund	Mutual Fund	X	87,328
*	2045 Target Date Fund	Mutual Fund	X	113,622
*	2050 Target Date Fund	Mutual Fund	X	166,297
*	2055 Target Date Fund	Mutual Fund	X	15,368
*	American Balanced Fund	Mutual Fund	X	234,789
*	American Mutual Fund	Mutual Fund	X	141,580
*	Capital World Growth and Income	Mutual Fund	X	161,811
*	Euro-Pacific Growth Fund	Mutual Fund	X	128,099
*	Growth Fund of America	Mutual Fund	X	415,553
*	High Income Trust	Mutual Fund	X	13,894
*	Money Market Fund	Mutual Fund	X	129,611
*	Short Term Bond of America	Mutual Fund	X	3,411
*	U.S. Government Securities Fund	Mutual Fund	X	4,683
	Federated Max Cap Index Fund	Mutual Fund	X	38,353
	Federated Mid Cap Index	Mutual Fund	X	83,134
	INVESCO Energy Fund - Class A	Mutual Fund	X	231,102
	INVESCO Real Estate Fund	Mutual Fund	X	134,168
	Oppenheimer Developing Market Fund	Mutual Fund	X	124,926
	PIMCO Total Return Fund	Mutual Fund	X	118,443
	Templeton Global Bond Fund	Mutual Fund	X	48,501
	Total			$ 3,389,266

X - Investments are participant directed and, therefore, cost information is not required.
* Indicates party-in-interest to the Plan.

ASSETS HELD FOR INVESTMENT PURPOSES

Rex Energy Operating Corp 401(k) Plan
01-JAN-11 to 31-DEC-11

INVESTMENT OPTION	MATURITY DATE	INTEREST RATE	COST OF ASSETS	CURRENT VALUE
1REREX			143,710.72	128,098.83
1RGAEX			428,402.77	415,553.12
1FMDCX			89,984.25	83,133.75
1IENAX			231,874.17	231,102.04
1ODMAX			148,981.85	124,926.08
1RMFEX			139,554.44	141,579.80
1RWIEX			176,630.87	161,811.32
1FMXSX			32,363.26	38,353.09
1IARAX			127,841.35	134,167.65
1RLBEX			225,051.58	234,788.55
1RITEX			14,671.94	13,894.04
1RAMEX			3,409.24	3,410.81
1RGVEX			4,742.59	4,682.94
1PTTAX			116,031.18	118,443.48
1TPINX			52,829.17	48,501.21
1RADXX			126,424.67	126,424.67
1RDATX			17,280.53	17,529.03
1RDBTX			140,035.85	137,953.62
1RDCTX			129,277.79	133,173.24
1RDDTX			396,335.62	374,819.52
1RDETX			173,050.32	168,894.96
1RDFTX			162,751.86	162,222.20
1RDGTX			87,658.64	87,328.45
1RDHTX			114,535.79	113,621.52
1RDITX			165,096.52	166,297.08
1RDJTX			15,882.71	15,368.38
			3,464,409.68	**3,386,079.38**
FORFEITURES			3,186.86	3,186.86

Attachment to Form 5500, Schedule H, Part 4, Item I
EIN # 202120390

ASSETS HELD FOR INVESTMENT PURPOSES

Rex Energy Operating Corp 401(k) Plan
01-JAN-11 to 31-DEC-11

INVESTMENT OPTION	MATURITY DATE	INTEREST RATE	COST OF ASSETS	CURRENT VALUE

LEGEND

INVESTMENT OPTION:

1REREX	American Funds EuroPacific Growth Fd R4	1RGAEX	American Funds Growth Fund of America R4
1FMDCX	Federated Mid Cap Index SS	1IENAX	INVESCO Energy Fund - A
1ODMAX	Oppenheimer Developing Market Fund - A	1RMFEX	American Funds American Mutual Fund R4
1RWIEX	American Funds Capital World Gr & Inc R4	1FMXSX	Federated Max Cap Index Fund SS
1IARAX	INVESCO Real Estate Fund - A	1RLBEX	American Funds American Balanced Fund R4
1RITEX	American Funds High Income Trust R4	1RAMEX	American Funds ST Bond of Amer R4
1RGVEX	American Funds US Govt Securities Fd R4	1PTTAX	PIMCO Total Return - A
1TPINX	Templeton Global Bond Fund - A	1RADXX	American Funds Money Market Fund R4
1RDATX	American Funds 2010 Target Date Fund R4	1RDBTX	American Funds 2015 Target Date Fund R4
1RDCTX	American Funds 2020 Target Date Fund R4	1RDDTX	American Funds 2025 Target Date Fund R4
1RDETX	American Funds 2030 Target Date Fund R4	1RDFTX	American Funds 2035 Target Date Fund R4
1RDGTX	American Funds 2040 Target Date Fund R4	1RDHTX	American Funds 2045 Target Date Fund R4
1RDITX	American Funds 2050 Target Date Fund R4	1RDJTX	American Funds 2055 Target Date Fund R4

COST OF ASSETS: The original cost of the assets in each investment option as of the last day of the plan year
CURRENT VALUE: The value of all assets in each investment option as of the last day of the plan year