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

2012

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

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; include room or suite number (employer, if for a 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.	07/30/2013	CHRISTINA K. MARSHALL
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	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

Preparer's name (including firm name, if applicable) and address; include room or suite number. (optional)

Preparer's telephone number (optional)

3a Plan administrator's name and address [X] Same as Plan Sponsor Name [ ] Same as Plan Sponsor Address

3b Administrator's EIN

3c Administrator's telephone number

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**	261
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**	304
b	Retired or separated participants receiving benefits	**6b**	5
c	Other retired or separated participants entitled to future benefits	**6c**	65
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	374
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	1
f	Total. Add lines **6d** and **6e**	**6f**	375
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	348
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	59
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 Characteristics Codes in the instructions:
2E 2F 2G 2J 2K 2S 2T 3D 3H

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics 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)	[ ]	0	**A** (Insurance Information)
(4)	[X]		**C** (Service Provider Information)
(5)	[ ]		**D** (DFE/Participating Plan Information)
(6)	[ ]		**G** (Financial Transaction Schedules)

SCHEDULE C
(Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Service Provider Information

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.**

OMB No. 1210-0110

2012

This Form is Open to Public Inspection.

For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

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)

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	0	Yes [X] No [ ]	Yes [X] No [ ]	366	Yes [X] No [ ]

(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)

(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	28

(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 $28.17

(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

(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

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

2012

This Form is Open to Public Inspection

For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

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)	129612	280984
(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)	3259654	4848724
(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	3389266	5129708
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	3389266	5129708

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)	576624	
(B) Participants	2a(1)(B)	884225	
(C) Others (including rollovers)	2a(1)(C)	117864	
(2) Noncash contributions	2a(2)	0	
(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		1578713
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)	128970	
(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		128970
(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
(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

		(a) Amount	(b) Total
(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)		413191
c Other income	2c		510
d Total income. Add all **income** amounts in column (b) and enter total	2d		2121384
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	380942	
(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)		380942
f Corrective distributions (see instructions)	2f		0
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)	0	
(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)		0
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		380942
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		1740442
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

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 lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 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	

			Yes	No	Amount
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		500000
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			

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)

Part V Trust Information (optional)

6a Name of trust	**6b** Trust's EIN

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

2012

This Form is Open to Public Inspection.

For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

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 lines 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 lines 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 lines 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 lines 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 lines 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 lines 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 line 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 lines (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 line 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, 2012 AND 2011

SF&COMPANY CPAS AND BUSINESS ADVISORS

REX ENERGY OPERATING CORP. 401(K) PLAN

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Seligman, Friedman & Company, P.C.
SF&COMPANY
CPAS AND BUSINESS ADVISORS

1027 Mumma Road, Wormleysburg, PA 17043
T 717.761.0211 F 717.975.9750

1423 N. Atherton Street, State College, PA 16803
T 814.238.8474 F 814.234.3523

235 St. Charles Way, Suite 250, York, PA 17402
T 717.741.0004 F 717.741.0361

73 E. Forrest Avenue, Shrewsbury, PA 17361
T 717.227.0004 F 717.227.0052

info@sfc-cpa.com
www.sfc-cpa.com

INDEPENDENT AUDITORS' REPORT

To the Plan Administrator and Participants
Rex Energy Operating Corp. 401(k) Plan
366 Walker Drive
State College, PA 16801

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of **Rex Energy Operating Corp. 401(k) Plan**, which comprise the Statements of Net Assets Available for Benefits as of December 31, 2012 and 2011, and the related Statements of Changes in Net Assets Available for Benefits for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

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 such information with the related information included in the financial statements. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions.

Basis for Disclaimer of Opinion (Continued)

The plan administrator has obtained a certification from the trustee as of December 31, 2012 and 2011, and for the years then ended, that the information provided to the plan administrator by the trustee is complete and accurate.

Disclaimer of Opinion

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

Other Matter

The supplemental schedule of Schedule H, Line 4i - Schedule of Assets (Held at End of Year) as of December 31, 2012 are required by the Department of Labor's *Rules and Regulations for Reporting and Disclosure* under the *Employee Retirement Income Security Act of 1974* and are presented for the purpose of additional analysis and are not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on the supplemental schedule.

Report on Form and Content in Compliance With DOL Rules and Regulations

The form and content of the information included in the financial statements and 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.*

State College, Pennsylvania
July 17, 2013

REX ENERGY OPERATING CORP. 401(K) PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

	December 31,	
	2012	2011
ASSETS		
INVESTMENTS AT FAIR VALUE		
Mutual Funds	$ 5,129,708	$ 3,389,266
RECEIVABLES		
Employer Contributions	6,747	5,117
TOTAL ASSETS	5,136,455	3,394,383
LIABILITIES		
LIABILITIES	0	0
NET ASSETS AVAILABLE FOR BENEFITS	$ 5,136,455	$ 3,394,383

See independent auditors' report and accompanying notes.

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REX ENERGY OPERATING CORP. 401(K) PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

	Years Ended December 31,	
	2012	**2011**
ADDITIONS TO NET ASSETS ATTRIBUTED TO INVESTMENT GAIN (LOSS)		
Net Appreciation (Depreciation) in Fair Value of Investments	$ 413,191	$ (148,122)
Interest and Dividends	128,970	72,225
TOTAL INVESTMENT GAIN (LOSS)	542,161	(75,897)
CONTRIBUTIONS		
Participants	884,225	650,768
Employer - Net of Forfeitures of $48,753 and $68,577 for 2012 and 2011	578,254	404,265
Rollovers and Other	118,374	92,658
TOTAL CONTRIBUTIONS	1,580,853	1,147,691
TOTAL ADDITIONS TO NET ASSETS	2,123,014	1,071,794
DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO		
Benefits Paid to Participants	380,942	486,264
NET INCREASE IN NET ASSETS	1,742,072	585,530
NET ASSETS AVAILABLE FOR BENEFITS - BEGINNING	3,394,383	2,808,853
NET ASSETS AVAILABLE FOR BENEFITS - ENDING	$ 5,136,455	$ 3,394,383

See independent auditors' report and accompanying notes.

REX ENERGY OPERATING CORP. 401(K) PLAN

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011

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)*. Management is responsible for the oversight of the Plan. The benefits committee determines the appropriateness of the Plan's investment offerings and monitors investment performance.

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 (rollover). Participants direct the investment of their contributions into various investment options offered by the Plan. The Plan includes an auto-enrollment provision whereby all newly eligible employees are automatically enrolled in the Plan unless they affirmatively elect not to participate in the Plan. Automatically enrolled participants have their deferral rate set at 2.0 percent of eligible compensation and their contributions are invested in the appropriate target date fund until changed by the participant. The automatic deferral rate has scheduled increases of 1.0 percent each year beginning in the third year of application to a participant through year five. 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, 2012 and 2011, 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 during each of the years ended December 31, 2012 and 2011.

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 that are paid by the plan. Allocations are based on the participant's earnings, account balances, or specific participant transactions, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

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REX ENERGY OPERATING CORP. 401(K) PLAN

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011

1. DESCRIPTION OF PLAN (Continued)

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%

Notes Receivable from Participants

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

Forfeited Accounts

At December 31, 2012 and 2011, forfeited non-vested accounts totaled $1,133 and $3,187, respectively. The forfeitures will be used to pay expenses of the Plan or reduce future employer contributions. Employer contributions were reduced by $48,753 and $68,577 from forfeited non-vested accounts during the years ended December 31, 2012 and 2011, 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.

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REX ENERGY OPERATING CORP. 401(K) PLAN

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements are prepared on 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. The Plan's benefits committee determines the Plan's valuation policies utilizing information provided by the investment advisors and trustee (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 and depreciation includes the Plan's gains and losses 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, disclosure of contingent assets and liabilities, and changes therein. Accordingly, actual results could differ from those estimates.

Payments of Benefits

Benefits are recorded when paid.

Administrative Expenses

The majority of expenses to maintain the Plan are paid by the corporation. Forfeitures can be used to pay expenses of the Plan. For the years ended December 31, 2012 and 2011, no administrative expenses were paid from forfeited non-vested accounts. Investment related expenses are included in net appreciation (depreciation) in fair value of investments.

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, 2012 and 2011. 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, 2012 and 2011, and the supplemental schedule of Schedule H, Line 4i - Schedule of Assets (Held at End of Year) as of December 31, 2012, and the related investment activity reported on the Statements of Changes in Net Assets Available for Benefits for the years ended December 31, 2012 and 2011.

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4. FAIR VALUE MEASUREMENTS

The framework for measuring fair value 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) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under Financial Accounting Standards Board, Accounting Standards Codification (ASC) No. 820, *"Fair Value Measurements"* 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 or 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, 2012 and 2011.

***Mutual Funds*:** Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

4. FAIR VALUE MEASUREMENTS (Continued)

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

	Assets at Fair Value as of December 31, 2012			
Mutual Funds	**Level 1**	**Level 2**	**Level 3**	**Total**
Target Date Funds	$ 2,316,845	$ 0	$ 0	$ 2,316,845
Growth Funds	1,221,941	0	0	1,221,941
Growth and Income Funds	694,880	0	0	694,880
Balanced Funds	329,633	0	0	329,633
Bond	285,424	0	0	285,424
Cash Equivalents	280,985	0	0	280,985
Total Assets at Fair Value	$ 5,129,708	$ 0	$ 0	$ 5,129,708

	Assets at Fair Value as of December 31, 2011			
Mutual Funds	**Level 1**	**Level 2**	**Level 3**	**Total**
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 Assets at Fair Value	$ 3,389,266	$ 0	$ 0	$ 3,389,266

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	**Shares**	**2012**	**Shares**	**2011**
2025 Target Date Fund	59,706	$ 588,703	42,545	$ 374,820
2030 Target Date Fund	27,101	$ 273,450	18,850	$ 168,895
2035 Target Date Fund	27,883	$ 280,225	18,248	$ 162,222
2045 Target Date Fund	27,906	$ 282,963	12,709	$ 113,622
2050 Target Date Fund	29,509	$ 293,617	18,984	$ 166,297
American Balanced Fund	16,182	$ 329,633	12,908	$ 234,789
Growth Fund of America	17,289	$ 590,090	14,571	$ 415,553
Money Market Fund	280,985	$ 280,985 *	129,605	$ 129,611
INVESCO Energy Fund - Class A *	4,171	$ 156,146	6,085	$ 231,102

5. INVESTMENTS (Continued)

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

During the years ended December 31, 2012 and 2011, the Plan's mutual funds (including the gain or loss on mutual funds bought and sold, as well as held during the years) appreciated (depreciated) in value as follows:

	2012	2011
Realized Gain on Mutual Funds	$ 21,711	$ 13,978
Unrealized Gain (Loss) on Mutual Funds	391,480	(162,100)
Net Appreciation (Depreciation) in Fair Value of Investments	$ 413,191	$ (148,122)

6. RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following table 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:

	2012	2011
Net Assets Available for Benefits per the Financial Statements	$ 5,136,455	$ 3,394,383
Employer Contributions Receivable	(6,747)	(5,117)
Net Assets Available for Benefits per the Form 5500	$ 5,129,708	$ 3,389,266

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

	2012	2011
Employer Contributions per the Financial Statements	$ 578,254	$ 404,265
Miscellaneous Adjustments or Corrections	0	59
Prior Year Employer Contribution Receivable	5,117	8,070
Employer Contributions Receivable	(6,747)	(5,117)
Employer Contributions per the Form 5500	$ 576,624	$ 407,277

The following table is a reconciliation of corrective distributions per the financial statements for the years ended December 31, 2012 and 2011 compared to the Form 5500:

	2012	2011
Prior Year Accrued Excess Contributions Refundable Paid	0	$ 1,234
Portion Classified as Benefit Payments	0	(603)
Corrective Distributions per the Form 5500	$ 0	$ 631

REX ENERGY OPERATING CORP. 401(K) PLAN

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011

7. CORRECTIVE DISTRIBUTIONS

For the year ended December 31, 2011, 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). There were no excess contributions remitted for the year ended December 31, 2012.

8. RELATED-PARTY TRANSACTIONS AND 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 plan 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.*

Certain Plan investments are shares of mutual funds managed by Capital Bank and Trust, the trustee, as defined by the Plan and, therefore, these transactions qualify as party-in-interest transactions. Fees incurred by the Plan for the investment management services are included in net appreciation in fair value of the investment, as they are paid through revenue sharing, rather than a direct payment. The corporation pays directly any other fees related to the Plan's operations. 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 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 their employer contributions.

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.

SF&COMPANY CPAS AND BUSINESS ADVISORS

REX ENERGY OPERATING CORP. 401(K) PLAN

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011

11. TAX STATUS

The Internal Revenue Service (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.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain tax position that more likely than not would not be sustained upon examination by the 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 2009.

12. PLAN AMENDMENTS

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 and restated 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 July 17, 2013, 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.

SF&COMPANY CPAS AND BUSINESS ADVISORS

SUPPLEMENTAL SCHEDULE

REX ENERGY OPERATING CORP. 401(K) PLAN

EIN #20-2120390 - PLAN #001
PLAN YEAR DECEMBER 31, 2012
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	$ 23,371
*	2015 Target Date Fund	Mutual Fund	X	108,219
*	2020 Target Date Fund	Mutual Fund	X	170,505
*	2025 Target Date Fund	Mutual Fund	X	588,703
*	2030 Target Date Fund	Mutual Fund	X	273,450
*	2035 Target Date Fund	Mutual Fund	X	280,225
*	2040 Target Date Fund	Mutual Fund	X	187,165
*	2045 Target Date Fund	Mutual Fund	X	282,963
*	2050 Target Date Fund	Mutual Fund	X	293,617
*	2055 Target Date Fund	Mutual Fund	X	108,627
*	American Balanced Fund	Mutual Fund	X	329,633
*	American Mutual Fund	Mutual Fund	X	211,754
*	Capital World Growth and Income	Mutual Fund	X	221,284
*	Euro-Pacific Growth Fund	Mutual Fund	X	175,994
*	Growth Fund of America	Mutual Fund	X	590,090
*	High Income Trust	Mutual Fund	X	24,726
*	Money Market Fund	Mutual Fund	X	280,985
*	Short Term Bond of America	Mutual Fund	X	3,434
*	U.S. Government Securities Fund	Mutual Fund	X	9,417
	Federated Max Cap Index Fund	Mutual Fund	X	68,416
	Federated Mid Cap Index	Mutual Fund	X	112,397
	INVESCO Energy Fund - Class A	Mutual Fund	X	156,146
	INVESCO Real Estate Fund	Mutual Fund	X	193,426
	Oppenheimer Devel. Market Fund	Mutual Fund	X	187,314
	PIMCO Total Return Fund	Mutual Fund	X	168,690
	Templeton Global Bond Fund	Mutual Fund	X	79,157
	Total			$ 5,129,708

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

ASSETS HELD FOR INVESTMENT PURPOSES

Rex Energy Operating Corp 401(k) Plan
01-JAN-12 to 31-DEC-12

INVESTMENT OPTION	MATURITY DATE	INTEREST RATE	COST OF ASSETS	CURRENT VALUE
1REREX			167,644.12	175,993.76
1RGAEX			518,971.39	590,090.36
1FMDCX			108,112.34	112,396.67
1IENAX			159,665.81	156,146.02
1ODMAX			183,054.48	187,314.22
1RMFEX			195,623.21	211,753.59
1RWIEX			208,425.83	221,284.07
1FMXSX			62,044.82	68,415.57
1IARAX			181,163.09	193,426.43
1RLBEX			291,838.41	329,632.70
1RITEX			24,284.59	24,725.94
1RAMEX			3,436.35	3,434.21
1RGVEX			9,652.00	9,416.58
1PTTAX			163,652.92	168,690.46
1TPINX			78,951.77	79,157.22
1RADXX			279,850.83	279,850.83
1RDATX			22,048.66	23,371.09
1RDBTX			105,957.17	108,219.32
1RDCTX			161,928.94	170,505.44
1RDDTX			561,311.70	588,703.01
1RDETX			257,241.37	273,449.46
1RDFTX			256,979.21	280,225.12
1RDGTX			174,216.21	187,164.67
1RDHTX			264,218.68	282,962.90
1RDITX			269,297.85	293,617.04
1RDJTX			104,843.68	108,627.45
			4,814,415.43	**5,128,574.13**
FORFEITURES			1,133.45	1,133.45

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-12 to 31-DEC-12

INVESTMENT OPTION	MATURITY DATE	INTEREST RATE	COST OF ASSETS	CURRENT VALUE

LEGEND

INVESTMENT OPTION:

1REREX	American Funds EuroPacific Gr R4	1RGAEX	American Funds Growth Fund of Amer R4
1FMDCX	Federated Mid-Cap Index Svc	1IENAX	INVESCO Energy Fund - A
1ODMAX	Oppenheimer Developing Markets A	1RMFEX	American Funds American Mutual R4
1RWIEX	American Funds Capital World G/I R4	1FMXSX	Federated Max-Cap Index Svc
1IARAX	Invesco Real Estate A	1RLBEX	American Funds American Balanced R4
1RITEX	American Funds American Hi Inc Tr R4	1RAMEX	American Funds ST Bd Fd of America R4
1RGVEX	American Funds US Government Sec R4	1PTTAX	PIMCO Total Return A
1TPINX	Templeton Global Bond 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 Trgt Date Ret 2055 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