

REX ENERGY CORPORATION

CORPORATE GOVERNANCE GUIDELINES

The Board of Directors (the “Board”) of Rex Energy Corporation (the “Company”) has adopted the following corporate governance guidelines. These guidelines should be interpreted in the context of all applicable laws and the Company’s certificate of incorporation, bylaws, the charters of the committees of the Board and other corporate governance documents. The governance structure of the Company is intended to be a flexible framework within which the Board may conduct its business and a working structure for principled actions and appropriate monitoring of both compliance and performance.

A. Composition of the Board

1. Size of the Board

Consistent with the bylaws of the Company, the Board believes that the size of the Board generally should be within a range of five to eleven directors. A somewhat larger size may be appropriate, in the discretion of the Board from time to time, in order to accommodate the availability of one or more outstanding candidates.

2. Board Membership Criteria

The Nominating and Governance Committee is responsible for articulating and refining specific criteria for Board membership to supplement the more general criteria set forth in its charter and in these guidelines regarding such matters as integrity, independence, diligence, expertise and the like. Also, the Nominating and Governance Committee is responsible for evaluating on an ongoing basis all directors and director candidates based on such general and specific criteria and for seeking to assure that specific skills, qualifications, attributes, experiences (whether in business or in other areas such as public service, academia or scientific communities), diversity (diversity being broadly construed to mean a variety of opinions, perspectives, experiences and backgrounds, such as gender, race and ethnic differences, as well as other differentiating characteristics, all in the context of what the Nominating and Governance Committee deems to be the requirements and needs of the Board members at any particular point in time) and other characteristics that are needed to increase the Board’s effectiveness are possessed by an appropriate combination of directors.

3. Proportion and Determination of Independent Directors

The Board believes that as a matter of policy, independent directors (as defined herein) should comprise at least a majority of the Board. This will not, however, prevent the Board from taking actions that are otherwise valid under applicable law, rules or regulations and the Company’s certificate of incorporation and bylaws if, due to a temporary vacancy or vacancies on the Board or due to a director ceasing to be independent due to circumstances beyond his or her reasonable control, there are fewer than the intended proportion of independent directors. Any failure of the Board to be composed of a majority of independent directors shall be remedied as soon as practicable.

In accordance with the Nasdaq Stock Market’s (“Nasdaq”) rules and regulations, a majority of the Board shall be composed of independent directors and the Audit Committee, Nominating and

Governance Committee, and Compensation Committee shall each consist of three or more independent directors.

(a) Independence Generally

An “independent director” is a person other than an executive officer or employee of the Company or its subsidiaries or any other individual having a relationship which, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. The Board will consider all facts and circumstances in making a determination of independence for each director and may consider, as appropriate, imposing independence requirements more stringent than those required by Nasdaq. A director shall not be considered “independent” if such director is excluded from the definition of “independent director” under the Nasdaq Listing Rules.

(b) Additional Independence and Other Criteria for Audit Committee Members

(1) Special Qualifications

In addition to being an independent director and satisfying the independence requirements set forth in Rule 10(A) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), each member of the Audit Committee must not, except in his or her capacity as a member of the Audit Committee, the Board, any other Board committee of the Company, or any of its consolidated majority-owned subsidiaries: (1) accept, directly or indirectly, any consulting, advisory or other compensatory fee from the Company; or (2) be an affiliated person of the Company or any subsidiary thereof.

Each member of the Audit Committee shall not have participated in the preparation of the financial statements of the Company or any current subsidiary of the Company at any time during the past three years. Each member of the Audit Committee shall be able to read and understand fundamental financial statements, including a company’s balance sheet, income statement, and cash flow statement. At least one member of the Audit Committee must have past employment experience in finance or accounting, requisite professional certification in accounting, or any other comparable experience or background which results in the individual’s financial sophistication, including being or having been a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities.

- In addition, at least one member of the Audit Committee, in the judgment of the Board, shall be an “audit committee financial expert” as defined by the rules and regulations of the SEC. The designation or identification of a person as an “audit committee financial expert” shall not (a) impose on such person any duties, obligations or liability that are greater than the duties, obligations and liability imposed on such person as a member of the Committee and the Board in the absence of such designation or identification, and (b) affect the duties, obligations or liability of any other member of the Committee or the Board.

(2) Special Limitation

If an Audit Committee member simultaneously serves on the audit committee of more than three public companies, the Board must determine that such simultaneous service

would not impair such member's ability to serve effectively on the Company's Audit Committee.

(c) Materiality Determination Based on Facts and Circumstances

In assessing the materiality of any director's or director nominee's relationship with the Company (other than the automatic exclusions from independence described above), the Board will consider all relevant facts and circumstances. Material relationships can include, but are not limited to, commercial, industrial, banking, consulting, legal, accounting, charitable and familial relationships. The Board should evaluate materiality not only from the perspective of a director or director nominee, but also from that of persons or organizations with which the director or director nominee has a relationship. The Board may adopt categorical standards to assist it in making determinations of independence.

4. Selection of Directors

The Board and Nominating and Governance Committee should be responsible, in actual practice and not merely as a procedural formality, for selecting nominees to serve as members of the Board and in recommending them for election by the Company's stockholders. The Board has delegated the selection and initial evaluation of potential director nominees to the Nominating and Governance Committee, which process will include direct input from the Chairman of the Board, the Presiding Independent Director (if applicable), and the Chief Executive Officer.

The Board shall be responsible for determining the qualification of an individual to serve on the Audit Committee as a designated "audit committee financial expert," as required by applicable rules and regulations of the SEC under Section 407 of the Sarbanes-Oxley Act. In light of this responsibility of the Board, the Nominating and Governance Committee shall coordinate closely with the Board in screening any new candidate and in evaluating whether to re-nominate any existing director who may serve in this capacity.

Unless the Board determines otherwise, the invitation for appointment to the Board or to be nominated for election to the Board by the Company's stockholders should be extended by the Board itself, through its Chairman of the Board, the Chairman of the Nominating and Governance Committee, and the Chief Executive Officer of the Company.

5. Directors Who Change Their Corporate Affiliations

Any director who changes or has agreed to change his or her employer or business association or otherwise has a significant change or has agreed to a significant change in job responsibilities, or who accepts or intends to accept a directorship with another company that he or she did not hold when such director was most recently elected to the Board, shall give prompt notice to the Board, specifying the details of such change in employment or acceptance of a director position with another company. Any such director shall indicate in the notice to the Board such director's willingness to submit his or her resignation from the Board and from each Board committee on which such director serves in the event that the Board, through the Nominating and Governance Committee, determines that it is not appropriate for such director to continue to serve on the Board or any committee.

The Board, through the Nominating and Governance Committee, will review the continued appropriateness of such director's membership on the Board and each applicable Board

committee, taking into account all relevant factors and the rules and regulations of the SEC and Nasdaq. In the event that it is determined that it is inappropriate for the director to continue on the Board or any committee, the Board shall request that the affected director submit his or her resignation from the Board or any such committee, as the case may be. In some instances, it may be appropriate for such person to be replaced as a member of one or more Board committees even if such person is retained as a director.

6. No Pre-Determined Term Limits

In lieu of pre-determined term limits for directors, the Nominating and Governance Committee will evaluate each director's continued services on the Board in connection with each annual decision regarding whether such director should be re-nominated to the Board and at such other times as may be appropriate in particular circumstances. The Board believes the Company benefits from the contributions of directors who have developed, over time, increasing insight into the Company. In connection with each annual decision regarding re-nominations, each director should be given an opportunity to confirm his or her desire to continue as a member of the Board.

7. Retirement Age

A retirement age of 75 is generally considered appropriate for the Company's directors (i.e., a director should not generally stand for re-election at the Company's next annual stockholder meeting after reaching the age of 75), but the Board may decide in its sole discretion as it deems necessary or appropriate to defer retirement on an annual basis after a director reaches age 75.

B. Board Leadership

1. Selection of Chairman and Chief Executive Officer

The Board should have flexibility to decide whether it is necessary or appropriate for the Company at a given point in time for the roles of Chief Executive Officer and Chairman of the Board to be separate or combined, and, if separate, whether the Chairman should be selected from the independent directors or be an employee.

2. Presiding Independent Director

Whenever the Chairman of the Board is not an independent director, the independent directors may designate among themselves a Presiding Independent Director who will preside at any executive sessions or separate meetings of the independent directors held pursuant to Section G.3 of these guidelines. In the event the independent directors do not designate a Presiding Independent Director (when the Chairman of the Board is not an independent director), the Chairman of the Nominating and Governance Committee shall be the Presiding Independent Director. The Presiding Independent Director, if there is one, shall be identified as such in the Company's annual proxy statement to facilitate communications by stockholders and employees with the independent directors. The Presiding Independent Director also may be responsible for representing the independent directors with respect to certain matters as to which the views of the independent directors are sought pursuant to specific provisions of these guidelines or otherwise in a manner consistent with these guidelines and with such other responsibilities that the independent directors as a whole might designate from time to time.

C. Board Compensation and Performance

1. Board Compensation Review

It is appropriate for the staff of the Company, or, at the direction of the Compensation Committee, any independent compensation consultant engaged by the committee, to report periodically to the committee regarding the status of the Company's Board compensation in relation to other comparable U.S. companies, which may include information on peer group and industry practices. As part of a director's total compensation and to create a direct linkage with corporate performance, the Board believes that a meaningful portion of a director's compensation should be provided in, or otherwise based on, the long-term performance of the Company's common stock.

Changes in Board compensation, if any, should come at the recommendation of the Compensation Committee, but with full discussion and concurrence by the Board.

2. Assessing the Performance of the Board as a Whole

The Nominating and Governance Committee will report annually to the Board regarding that committee's assessment of the performance of the Board as a whole. This report will be discussed with the full Board. The Nominating and Governance Committee is responsible for coordinating and overseeing the annual Board evaluation process in accordance with the charter and principles of that committee, and the assessment should specifically address areas of concern of the Board and/or Company management that have been brought to that committee's attention. The purpose of this assessment is to increase the effectiveness of the Board as a whole, not to focus on the individual Board members. (As contemplated by Section A.2 of these guidelines a separate assessment of each individual director also will be made annually by the Nominating and Governance Committee when deciding whether to nominate such director for reelection to the Board.)

D. Board of Director's Responsibilities

The Board represents the stockholders' interest in perpetuating a successful business and optimizing long-term financial results in a manner consistent with applicable legal requirements and ethical considerations. The Board is responsible for identifying and taking reasonable actions to help assure that the Company is managed in a way designed to achieve this result. Consistent with the importance of the Board's responsibilities, each director is expected to take a proactive, focused approach to his or her position to be familiar with the Company's business and public disclosures, to review in advance of Board meetings all related materials distributed to the Board and to attend and participate in meetings of the Board and meetings of any committee of which such director is a member.

1. Selection, Evaluation and Retention of Chief Executive Officer and Oversight of Selection and Performance of Other Executive Officers

The Board, with assistance from the Nominating and Governance Committee and the Compensation Committee, has the responsibility to select, evaluate the performance of and make decisions about the retention of the Chief Executive Officer, to oversee the selection and evaluation of the performance of other executive officers, to plan for management succession, and to monitor on a regular basis the effectiveness and execution of management strategies and decisions in optimizing the Company's long-term financial results in a manner consistent with

applicable legal requirements and ethical considerations. The Compensation Committee has the responsibility to evaluate the compensation and determine the amounts and individual elements of total compensation for (a) the Chief Executive Officer and (b) other executive officers of the Company (with the input of the Chief Executive Officer).

2. Understanding, Reviewing and Monitoring Implementation of Strategic Plans and Annual Operating Plans and Budgets

The Board is responsible for overseeing and understanding the Company's strategic plans from inception through development and execution and should regularly monitor implementation of such plans to determine whether they are being implemented effectively and whether any changes may be necessary or appropriate. The Board also is responsible for overseeing and understanding the Company's annual operating plans and annual budgets and for monitoring whether these plans are being implemented effectively and within budgetary limits.

3. Selection and Oversight of Independent Auditors; Oversight of Financial Statements

The Audit Committee of the Board has sole responsibility to appoint, compensate and replace the Company's independent registered public accounting firm that audits the Company's financial statements and to pre-approve the engagement terms and the provision of any audit and non-audit services performed by such accounting firm for the Company. The Audit Committee will have direct responsibility, and the Board will have a corresponding and supplemental responsibility, for monitoring the performance of such accounting firm and guarding against any compromise of its independence, as well as overseeing the financial statements prepared by management, with the goal of assuring that they fairly present the Company's financial condition, results of operations, cash flows and related risks in a clear and understandable way.

4. Advising Management on Significant Issues

The Board is responsible for utilizing the broad range of experiences and perspectives of directors to advise and counsel management, both in meetings and in informal consultations, on significant issues facing the Company.

5. Review and Approval of Significant Company Actions and Certain Other Matters

The Board is responsible under applicable state corporate law to review and approve significant actions by the Company, including election of executive officers, declaration of dividends and major transactions. In addition, the Board is responsible for approving certain actions by the Company as set forth in these guidelines and any other Company policies that may be adopted from time to time by the Board, or as otherwise required by law or by any applicable national securities exchange on which the Company's securities are listed.

6. Nominating Directors and Committee Members and Overseeing Effective Corporate Governance

The Board and the Nominating and Governance Committee are responsible for (a) evaluating and nominating directors and members of Board committees, (b) overseeing the structure and practices of the Board and the committees and (c) overseeing other corporate governance matters, as more fully set forth in these guidelines and the charter of the Nominating and Governance Committee.

7. Consideration of Other Constituencies

In addition to fulfilling its obligation to increase stockholder value, the Board should consider the impact of various actions and decisions on the Company's customers, employees, suppliers and the communities where it operates.

E. Management's Responsibilities

Management is responsible for operating the Company in an effective, ethical and legal manner designed to produce value for the Company's stockholders consistent with the Company's policies and standards, including these guidelines. Management also is responsible for enforcing and complying with mandatory provisions of the Company's policies and standards. Senior management is responsible for understanding the Company's income-producing activities and the material risks related to the Company and its industry.

1. Financial Statements and Disclosures

Management is responsible for producing, under the oversight of the Board and the Audit Committee, financial statements that fairly present the Company's financial condition, results of operations, cash flows and related risks in a clear and understandable way, for making timely and complete disclosures to investors, and for keeping the Board and the appropriate committees of the Board well-informed on a timely basis as to all matters of significance to the Company.

2. Strategic Planning

The Chief Executive Officer and senior management are responsible for developing and presenting to the Board the Company's strategic plans and for implementing those plans as approved by the Board.

3. Annual Operating Plans and Budgets

The Chief Executive Officer and senior management are responsible for developing and presenting to the Board the Company's annual operating plans and annual budgets and for implementing those plans and budgets as approved by the Board.

4. Effective Management and Organizational Structure

The Chief Executive Officer and senior management are responsible for selecting qualified members of management and for implementing and working within an effective organizational structure appropriate for the Company's particular circumstances.

5. Setting a Strong Ethical "Tone at the Top"

Senior management, and especially the Chief Executive Officer, are responsible for setting a "tone at the top" of integrity, ethics and compliance, on the part of all persons associated with the Company, with applicable legal requirements and with these guidelines, the Company's Code of Business Conduct and Ethics and other policies and standards.

6. Internal Controls and Procedures

Senior management is responsible for establishing and maintaining an adequate system of internal controls and procedures to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

7. Disclosure Controls and Procedures

Senior management is also responsible for establishing, maintaining and evaluating the Company's "disclosure controls and procedures." The term "disclosure controls and procedures" means controls and other procedures of the Company that are designed to ensure that information required to be disclosed by the Company in the reports filed by it under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. "Disclosure controls and procedures" include, without limitation, controls and procedures designed to ensure that information required to be disclosed by the Company in the reports it files under the Securities Exchange Act is accumulated and communicated to the Company's management, including its principal executive and financial officers, to allow timely decisions regarding required disclosure.

F. Board Relationship to Senior Management

1. Regular Attendance of Non-Director/Executive Officers at Board Meetings

Except as otherwise determined in particular circumstances by the Chairman of the Board, the Chief Executive Officer or the Presiding Independent Director, the Board welcomes the regular attendance at each Board meeting of the Company's executive officers who are not members of the Board.

2. Board Access to Senior Management

The Board (meeting as a whole, as well as the independent directors meeting separately and each director individually) and each Board committee will have complete access to the Company's management.

The Board encourages the executive officers to bring non-executive managers to Board meetings, from time to time, who (a) can provide additional insight into the items being discussed because of personal involvement in these areas, or (b) represent non-executive managers with future potential that the senior management believes should be given exposure to the Board.

3. Board's Interaction with Institutional Investors, Press and Customers

The Board believes that the Company's management has the authority and responsibility to appoint the public spokesperson for the Company. Individual members of the Board may, from time to time at the request of the management, meet or otherwise communicate with various constituencies that are involved with the Company. If comments from the Board are necessary or appropriate, they should, in most circumstances, come from the Chairman of the Board.

G. Meeting Procedures

1. Selection of Agenda Items for Board Meetings

The Chairman of the Board and the Chief Executive Officer (if the Chairman is not the Chief Executive Officer) will establish the agenda for each Board meeting and will include in each such agenda any item submitted by any separate Presiding Independent Director.

Each Board member is free to suggest the inclusion of item(s) on the agenda.

2. Board Materials Distributed in Advanced

Management shall be responsible for assuring that, as a general rule, information and data that are important to the Board's understanding of the Company's business and to all matters expected to be considered and acted upon by the Board be distributed in writing to the Board sufficiently in advance of each Board meeting and each action to be taken by written consent to provide the directors a reasonable time to review and evaluate such information and data. Management will make every attempt to see that this material is as concise as feasible, while still providing sufficient information to permit the Board to be appropriately informed of material matters to be considered at each Board meeting or other Board action.

It is recognized that circumstances will arise when it is not feasible to provide information relating to certain agenda items in advance (or at least not very much in advance) of a Board meeting or an action to be taken by written consent. In such event, reasonable steps shall be taken (which may include extending the length of the Board meeting to allow more discussion, adjourning the meeting for a brief period to allow directors time to review such information, deferring a vote until a follow-up telephonic meeting, or other measures as appropriate) to permit the directors to become reasonably informed as to the matter before voting on it.

As a general rule, presentations on specific subjects also should be sent to the Board members in advance so that Board meeting time may be conserved and discussion time focused on questions that the Board has about the material. On those occasions in which the subject matter is too sensitive to distribute in written form, there will be an opportunity for full discussion of the presentation at the meeting.

3. Separate "Executive Session" Meetings of Independent Directors

The independent directors (as defined in Section A.3 of these guidelines) shall meet separately from the other directors in regularly scheduled executive sessions (at least twice per year), without the presence of management directors or executives officers of the Company. Such regularly scheduled separate meetings shall be held at such times as may be determined by the Chairman of the Board (if he or she is an independent director) or by any independent director then serving as a Presiding Independent Director.

H. Committee Matters

1. Number, Structure and Independence of Committees

The Board shall have an Audit Committee, a Compensation Committee, and a Nominating and Governance Committee, which shall have the respective responsibilities described in their charters. In addition, the Board may, from time to time appoint one or more additional

committees, such as an Executive Committee. To the extent the Executive Committee is taking action solely on a matter expressly delegated to it by the Board, consistent with the provisions of these guidelines and applicable law, such as fixing the price and other terms within parameters set by the Board for securities to be sold in a public offering by the Company, the Executive Committee need not include any independent directors. Except as provided in the preceding sentence, any additional committee shall have at least enough independent directors to satisfy the same proportion of independent directors to non-independent directors that applies to the entire Board pursuant to Section A.3, subject to the same flexibility contained in such section to take effective actions when such proportion is not satisfied due to temporary vacancies or a director ceasing to be independent. If and when the Board appoints any such additional committee, the Board shall, by resolution or otherwise, clearly define in writing the responsibilities of such committee.

2. Assignment and Rotation of Committee Members

The Nominating and Governance Committee is responsible, after consultation with the Chief Executive Officer and with consideration of the desires of individual Board members, for the assignment of Board members to various committees.

Consideration will be given to rotating committee members periodically, but the Board does not believe that such a rotation should be mandated as a policy because there may be reasons at a given point in time to maintain an individual director's committee membership for a longer period.

3. Frequency and Length of Committee Meetings

Subject to any requirements in the applicable committee charter regarding the frequency of committee meetings or these guidelines, each committee chairman (or individual acting in a similar capacity), in consultation with committee members, will determine the frequency and length of the meetings of the committee.

4. Committee Agenda, Background Materials and Reports

The Chairman of each Board committee, in consultation with the appropriate members of management and staff, will develop the committee's agenda. Management will be responsible for assuring that, as a general rule, information and data that are important to the committee's understanding of the matters within the committee's authority and the matters to be considered and acted upon by a committee are distributed to each member of such committee sufficiently in advance of each such meeting or action taken by written consent to provide a reasonable time for review and evaluation of such information and data. The other provisions applicable under Section G.2 of these guidelines regarding distribution of Board materials in advance shall apply equally to distribution of committee materials in advance. The agenda for each committee meeting shall be distributed to other members of the Board at the same time it is distributed to committee members.

At each Board meeting, the chairman of each committee or his or her delegate shall report the matters considered and acted upon by such committee at each meeting or by written consent since the preceding Board meeting, except to the extent the non-members of the committee were present when the action was taken, made aware of the action by management, or the action was covered in a previous report to the full Board, and shall be available to answer any questions the other directors may have regarding the matters considered and actions taken by such committee.

I. Miscellaneous

1. Resources

The Board (and Board committees to the extent so provided in the applicable committee charters or otherwise authorized by the Board) may use reasonable amounts of time of the Company's internal and independent accountants, internal and outside lawyers and other internal staff and also shall have the authority to hire independent accounting experts, lawyers and other consultants to assist and advise the Board (and any of its committees that are authorized to seek such advice and assistance) in connection with its responsibilities. The Board (and any such committees) shall keep the Company's accounting and finance department advised as to the general range of anticipated expenses for outside consultants hired by the Board (or such committees).

2. Reliance

Each director is entitled to rely in good faith on (a) corporate records, corporate officers, corporate employees or board committees and (b) any other person selected with reasonable care as to matters reasonably believed to be within the person's professional or expert competence. The Board shall assess the qualifications of all such persons on whom it relies, shall inquire as to the processes used by such persons to reach their decisions, prepare their reports and make their recommendations and also shall inquire as to the substance of such matters, and shall hold such persons accountable for any follow-up reasonably needed to satisfy the Board.

3. Director Orientation and Continuing Education

Each new director shall be given a thorough orientation with respect to his or her duties as a director, including: (a) copies of these guidelines; (b) meetings with the Company's Chief Executive Officer, Chief Financial Officer and General Counsel; and (c) except to the extent unnecessary for any director who is an executive officer of the Company, background material with respect to the Company, its business and issues of particular significance to the Company, meetings with the senior management and visits to Company facilities and offices. Each new director and each new member of any Board committee also shall cooperate in fulfilling any additional orientation guidelines that may be recommended generally or on an ad hoc basis by the Nominating and Governance Committee to help assure that such director has the necessary skills to perform his or her responsibilities as a director and/or member of any Board committee.

Each director also shall cooperate in fulfilling all applicable continuing education guidelines, if any, established and periodically updated by the Nominating and Governance Committee.

4. Disclosure of these Guidelines

These guidelines, the Board committee charters and any code or codes of business conduct and ethics, will be posted on the Company's website and also will be available in print to any stockholder requesting it by following the procedures set forth in the Company's proxy statement. Such availability on the Company's website and in print will be noted in the Company's annual report to stockholders.

5. Code of Business Conduct and Ethics

The Company will maintain, and the Audit Committee will oversee compliance with, a code or codes of business conduct and ethics. As of the date of these guidelines, the Company currently has a Code of Business Conduct and Ethics.