

REX ENERGY CORPORATION

AUDIT COMMITTEE CHARTER

(As adopted by the Board of Directors on December 13, 2011)

1. Purpose and Scope

The purpose of the Audit Committee (the “Committee”) of the Board of Directors (the “Board”) of Rex Energy Corporation (the “Company”) is to assist the Board in fulfilling its responsibilities with respect to matters involving the accounting, financial reporting, and internal control functions of the Company and its subsidiaries. This will include assisting the Board in overseeing: (a) the integrity of the Company’s accounting and financial reporting process and the audits of the financial statements of the Company, (b) the Company’s compliance with legal and regulatory requirements, (c) the independent auditor’s qualifications, independence and performance, and (d) the performance and effectiveness of the Company’s internal audit functions. The Committee also will prepare the audit committee report that the rules of the Securities and Exchange Commission (the “SEC”) require to be included in the Company’s annual proxy statement. The Committee also will oversee and periodically review the accounting and financial reporting process, the system of internal controls and the audit process, and will oversee the Company’s process for monitoring compliance with the Company’s policies and Code of Business Conduct and Ethics.

2. Membership and Qualification

The size of the Committee shall be determined by the Board, but shall consist of no fewer than three members. Each Committee member shall meet the independence and experience criteria of (a) the listing requirements of the Nasdaq Marketplace (“Nasdaq”), (b) Section 301 of the Sarbanes-Oxley Act of 2002, (c) Item 407 of Regulation S-K promulgated by the SEC, and (d) Rule 10A-3 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), each as such requirements are interpreted by the Board in its business judgment. For purposes of this Charter, a director shall be considered “independent” as defined in and determined pursuant to Nasdaq’s rules and regulations and the Company’s Corporate Governance Policy (including special independence criteria specified therein with respect to Committee members).

Each Committee member shall be financially literate, which includes the ability to read and understand fundamental financial statements, including a balance sheet, income statement, and cash flow statement or must become financially literate within a reasonable period of time after his/her appointment to the Committee. The “financially literate” qualification shall be interpreted by the Board in its business judgment. In exercising its business judgment, the Board shall consider applicable determinations or definitions of such qualification by Nasdaq and the SEC, if any.

At least one member of the Committee, in the judgment of the Board, shall be an “audit committee financial expert” as defined by the rules and regulations of the SEC and Nasdaq. 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.

The Committee members shall be elected annually by the Board for terms of one year, or until their successors shall be duly elected and qualified. The Committee members shall be nominated based upon the recommendation of the Nominating and Governance Committee and appointed by the Board and any of them may be removed at any time by the majority vote of the full Board at its discretion. Unless a Committee Chairman is elected by the full Board, the Committee members may designate a Committee Chairman by majority vote of the full Committee membership.

3. Meetings and Other Actions

The Committee will meet at least four times each year, in person or telephonically, and at such additional times as may be deemed by the Committee to be necessary or appropriate to fulfill its responsibilities. The Committee will meet following the end of each fiscal quarter of the Company prior to the release of quarterly or annual earnings to review the financial results of the Company for the preceding fiscal quarter or the preceding fiscal year, as the case may be. Committee meetings may be called by the Chairman of the Committee or the Chairman of the Board or any other member of the Committee. A majority of the members of the Committee shall constitute a quorum, and the act of a majority of the members of the Committee present at a meeting at which a quorum is present shall be the act of the Committee. The Committee may also take any action permitted hereunder by unanimous written consent of all the Committee members. All meetings of and other actions by the Committee shall be held or otherwise taken pursuant to the Company’s bylaws, including bylaw provisions governing notices of meetings, waivers thereof, and other related matters.

- As part of its meetings, the Committee shall periodically meet separately with (a) management, (b) the Company’s internal auditors (or other personnel responsible for the Company’s internal audit function) and (c) the Company’s independent registered public accounting firm (the “Independent Auditor”).
- To the extent not prohibited by applicable law or the Company’s bylaws, the Committee may, in its discretion, delegate all or a portion of its authority, duties and responsibilities to a subcommittee of the Committee.
- Reports of the meetings of and actions taken at meetings or by consent by the Committee since the most recent Board meeting (except to the extent covered in an interim report circulated to the Board) shall be made by the Committee

Chairman or his or her delegate to the Board at its next regularly scheduled meeting following the Committee meeting or action and shall be accompanied by any recommendations from the Committee to the Board. In addition, the Committee Chairman or his or her delegate shall be available to answer any question the other directors may have regarding the matters considered and actions taken by the Committee.

4. Goals, Responsibilities and Authority

In carrying out its duties and responsibilities, the Committee should design its policies and procedures to be flexible, so that it may be in a position to react or respond appropriately to changing circumstances or conditions and to ensure that the corporate accounting and financial reporting practices of the Company, as well as the auditing process, are in accordance with all applicable requirements, and also are appropriately tailored for the Company's specific business and financial risks. In carrying out its duties and responsibilities, the following are within the responsibilities and authority of the Committee:

(a) Internal Controls

In conjunction with management, the Independent Auditor and the internal auditors (or other personnel responsible for the Company's internal audit function), the Committee shall evaluate, at least quarterly, the adequacy of the Company's financial reporting systems and business process controls and discuss significant exposures and the actions management has taken to monitor and control such exposures. In addition, the Committee shall review significant findings noted by the Independent Auditor and the internal auditors (or other personnel responsible for the Company's internal audit function) in the course of their audit functions, as well as management responses.

The Committee shall also review and discuss with the Independent Auditor and the Company's financial and accounting personnel, the Company's policies and compliance procedures with respect to business practices which shall include (a) the disclosures regarding internal controls and matters required by Sections 302 and 404 of the Sarbanes-Oxley Act of 2002 and any rules promulgated thereunder by the SEC, and (b) a review with the Independent Auditor of their opinion on the effectiveness of management's assessment of internal controls over financial reporting and the Independent Auditor's analysis of matters requiring modification to management's certifications pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

(b) Financial Reporting Generally

In connection with its general oversight of the Company's financial reporting, the Committee shall:

- Evaluate significant accounting and reporting issues identified in any analyses prepared by management or the Independent Auditor or otherwise identified in

the course of the Committee's review of the Company's financial statements and discussions with its auditors, including recent professional and regulatory pronouncements provided to the Committee by the Company or its Independent Auditor as being particularly relevant to the Company, with due considerations of their impact on the Company's financial statements.

- Review with management and the Independent Auditor, management's proposals regarding: new accounting pronouncements; the adoption of, and changes of choice regarding, material accounting principles and practices to be followed when preparing the financial statements of the Company; alternative principles and practices that could have been followed; the reasons for selecting the principles and practices to be followed; the financial impacts of the principles and practices selected as compared to those of the other alternatives available; and the provision of any "pro forma" or "adjusted" non-GAAP information.
- Inquire as to whether the Independent Auditor or the internal auditors have any concerns regarding: the possibility of significant accounting or reporting risks or exposures; the appropriateness and quality of significant accounting treatments and whether there has been any aggressive creativity in any such treatments; any business transactions that may affect the fair presentation of the Company's financial condition or results of operations; or any weaknesses in the Company's internal control systems.
- Establish procedures for:
 - The receipt, retention and treatment of any complaints received by the Company regarding accounting, internal accounting controls, auditing matters and compliance with federal securities laws; and
 - The confidential, anonymous submission by employees of the Company of any concerns regarding questionable accounting or auditing matters.

These procedures shall be reviewed by the Committee from time to time as the Committee deems to be necessary or appropriate.

- Affirm in connection with the Company's review of the Company's annual and quarterly financial statements that the Independent Auditor communicates certain matters to the Committee as required by professional standards related to the audit of the annual financial statements and the review of the interim financial information.
- Establish a procedure whereby management discusses with the Committee on a pre-issuance basis all of the following:

- The types of information to be disclosed and the types of presentation to be made in earnings press releases and in financial information and earnings guidance provided to analysts and rating agencies;
- Significant financial reporting matters to be disclosed in any SEC filings, such as a change in accounting principles or extraordinary and non-recurring items and transactions; and
- Significant matters to be disclosed in Form 8-K filings with the SEC.

(c) Annual Financial Statements

In connection with the preparation and audit of the Company's annual financial statements, the Committee shall:

- Review with the Independent Auditor its proposed audit scope and approach, including staffing, locations and coordination of the independent audit work with the work performed by the internal auditor (or other personnel responsible for the Company's internal audit function).
- Review in private discussion with the Independent Auditor whether there have been (and if so the nature of) any audit problems or difficulties and any related responses by management. This review shall include:
 - Confirmation that management is not placing any restrictions on the scope of the Independent Auditor's work or its access to information;
 - Inquiry as to any accounting adjustments noted or proposed by the Independent Auditor but "passed" (as immaterial or otherwise) and any communications between the audit team and the audit firm's headquarters office regarding auditing or accounting issues raised in connection with the Company's audit;
 - Discussion of any "management" or "internal control" letters issued or proposed to be issued by the Independent Auditor to the Company, as well as any other material written communications between the Independent Auditor and management that the Independent Auditor or management brings to the Committee's attention; and
 - Discussion of the responsibilities, budget and staffing of the Company's internal audit function and the adequacy and appropriateness thereof.
- Meet with management and the Independent Auditor to review the annual financial statements and related notes, as well as the related Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A"), prior to filing or other public release and inquire whether such

financial statements and related notes are prepared in accordance with U.S. generally accepted accounting principles and, together with such MD&A, are consistent with information known to Committee members.

- This review is to include discussions with management and the Independent Auditor about the existence and disposition of any significant issues, including any involving: accounting principles, practices, estimates and judgments and any material transactions (including the Company's business purpose, pricing and fairness) with related parties or others that have or previously had a special relationship with the Company that may influence the Company's willingness to enter into such transaction or the terms of such transaction.
- The Committee also shall make a recommendation to the Board regarding inclusion of such financial statements, related notes and the related MD&A in the Company's Annual Report on Form 10-K.
- Review any complex and/or unusual transactions and any matters requiring significant estimates of asset valuation allowances or liability reserves, and evaluate management's handling of proposed audit adjustments identified by the Independent Auditor.
- Review the Independent Auditor's judgments about the quality of the accounting principles applied to the Company's financial statements.
- Review, with the Company's General Counsel, legal matters that could have a significant impact on the Company's financial statements.

(d) Interim Financial Statements

With respect to the Company's interim financial statements, the Committee shall:

- Discuss with management and the Independent Auditor the interim financial statements and any related notes, as well as the related MD&A, prior to filing or other public release, and inquire whether such financial statements and related notes are prepared in accordance with U.S. generally accepted accounting principles and, together with such MD&A, are consistent with the information known to Committee members.
- Confirm that the Company's interim financial statements and any related notes included in Quarterly Reports on Form 10-Q have been reviewed by the Independent Auditor using professional standards and procedures for conducting such reviews, as established by U.S. generally accepted auditing standards.

(e) Compliance with Laws and Regulations Relating to Financial Reporting and Tax Matters.

The Committee shall oversee the Company's compliance with laws and regulations relating to financial reporting and tax matters and shall:

- Periodically review the Company's procedures for monitoring compliance with laws and regulations.
- Discuss the significant findings, if any, of reviews or examinations by regulatory agencies, such as the SEC.

(f) Compliance with the Company's Policies and Code of Business Conduct and Ethics and Approval of Related Party Transactions.

The Committee shall oversee compliance with the Company's policies and Code of Business Conduct and Ethics and shall:

- Confirm that the Company's policies and Code of Business Conduct and Ethics are formalized in writing and that procedures are in place to communicate such policies and codes to appropriate management, supervisory and other key employees.
- Periodically review the Company's policies and Code of Business Conduct and Ethics, with particular focus on related party transactions and conflicts of interest involving, directly or indirectly, any director or executive officer, and consider whether any changes are needed.
- Review the program for monitoring compliance with the Company's policies and Code of Business Conduct and Ethics and periodically obtain updates from management regarding compliance.
- Be responsible for evaluating, approving and monitoring on an ongoing basis any related party transactions covered by the Company's policies and Code of Business Conduct and Ethics.
- Making recommendations to the full Board as to whether to grant any waivers of, or approve any other deviations from, the Company's policies and Code of Business Conduct and Ethics governing related party transactions and conflicts of interest, in each case if any director, executive officer or any entity for or in which any such person serves as a director or executive officer or has any other significant interest is involved.

(g) Internal Auditors

The Committee shall oversee the activities and programs administered by those responsible for the Company's internal audit function and shall:

- Ensure that the Company has an internal audit function performed on a regular basis that includes appropriate review and approval of the Company's internal transactions and accounting.
- Review and concur in the appointment, replacement, reassignment or dismissal of the employee(s) (or outside firm, which may *not* be the Independent Auditor) having primary responsibility for the Company's internal audit function.
- Review the annual internal audit plan of the internal auditors (or other personnel responsible for the Company's internal audit function) and its scope, and the degree of coordination of this plan with the Independent Auditor.
- Review periodically the internal audit activities, staffing, and budget.
- Meet with the Company's internal auditors (or other personnel responsible for the Company's internal audit function) periodically (at least once a year) in a private session without any other members of management being present to discuss matters that the Committee or the internal auditors believe should be discussed.

(h) Independent Auditors

In its oversight of the Independent Auditor, the Committee shall:

- Have sole authority to: (a) select, hire and fire the Independent Auditor, (b) to approve all compensation, engagement fees, terms and services, (c) to pre-approve any non-audit relationship with the Independent Auditors in accordance with a pre-approval policy adopted by the Committee, and (d) oversee the work of the Independent Auditor (including resolution of disagreements between management and the Independent Auditor regarding financial reporting). The Committee Chairman (or acting Chairman), or any other Committee member designated by the Committee Chairman (or acting Chairman), has the authority to grant interim pre-approvals of non-audit engagements required by such sections; provided, however, that if the Committee Chairman (or acting Chairman) or his or her designee, pre-approves services pursuant to this authority, then the Committee Chairman (or acting Chairman), or his or her designee, shall present the details of such pre-approval, including but not limited to cost estimates and a detailed description of the pre-approved services, to the full Committee at the next scheduled meeting of the Committee. The Committee may ratify, amend or revoke any pre-approval of services granted by the Committee Chairman (or acting Chairman), or his or her designee, pursuant to the authority delegated under this Charter; provided, that any amendment or revocation by the Committee will not affect the validity of the interim approval. The Independent Auditor shall report directly to the Committee.
- Assist the Board in evaluating the performance of the Independent Auditor, who is ultimately accountable to the Board and the Committee.

- Meet with the Independent Auditor at least four times a year in private sessions without any members of management being present to discuss matters that the Committee or the Independent Auditor believe should be discussed, including, without limitation, discussion items contemplated elsewhere in this Charter.
- Obtain and review, at least annually, a formal written statement from the Independent Auditor delineating all relationships between the Independent Auditor and the Company, consistent with applicable SEC and Public Company Accounting Oversight Board rules and regulations (including the amount and nature of all related compensation); discuss with the Independent Auditor the impact on the auditor's objectivity and independence of any disclosed relationships as required by professional standards; recommend to the Board any appropriate action to oversee the independence of the Independent Auditor; and determine whether any such non-audit engagements are consistent with the Independent Auditor's independence and objectivity.
- Obtain and review, at least annually, a written report from the Independent Auditor that describes: the Independent Auditor's internal quality-control procedures; and any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five (5) years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues, and discuss with the Independent Auditor the contents of such report and the impact of the matters addressed in such report on the quality of services performed by the Independent Auditor.
- Obtain assurance from the Independent Auditor that in the course of conducting the audit, there have been no acts detected or that have otherwise come to the attention of the Independent Auditor that require disclosure to the SEC under Section 10A(b) of the Exchange Act.
- Evaluate annually whether the Company should change its Independent Auditor or the partner in charge of performing or reviewing the Company's audit or other audit team personnel. Such evaluation should be based on all relevant circumstances known to the Committee, including qualifications of and quality of services performed by the Independent Auditor and the primary audit partner, opinions of the Company's management and internal auditors regarding the Independent Auditor, length of tenure, factors having the potential to impact objectivity, the securities law requirement to rotate at least every five (5) years the primary audit partner in charge of performing (or overseeing the performance) of the Company's audit and the primary audit partner in charge of reviewing the Company's audit, the possible desirability of regular rotation of the independent auditing firm, any reported issues regarding the firm's internal controls or audits of other companies, and the firm's efficiencies and relevant expertise regarding

the Company. The Committee should present to the full Board a summary of the Committee's evaluation and conclusions.

- Address any attempt by an officer, employee or other person acting under the direction of management to fraudulently influence, coerce, manipulate or mislead the Independent Auditor for the purpose of creating materially misleading financial statements.
- Set clear hiring policies for employees or former employees of the Independent Auditor, which include the restrictions set forth in Section 10A(l) of the Exchange Act and any rules promulgated thereunder by the SEC.
- Evaluate and approve (or disapprove) the desire by the Company or any of its subsidiaries to employ anyone who has served within the preceding year as a member of the Independent Auditor's audit team personnel assigned to the Company's audit.

(i) Other Responsibilities

The Committee also shall:

- Review and evaluate the Company's policies and practices with respect to risk assessment and risk management, including the Company's major financial risk exposures and steps taken by management to monitor and control such exposures and the Company's litigation management process and insurance management process.
- Monitor major litigation and significant internal or external special investigations and review with the General Counsel, at least annually, any other legal matters that could have a material impact on the Company's financial statements or compliance with law.
- Monitor significant regulatory developments or initiatives that could have a material impact on the Company's financial statements.
- If deemed appropriate, initiate special investigations into matters within the Committee's scope of responsibilities or as delegated by the Board.
- Perform any other duties or responsibilities delegated to the Committee by the Board from time to time.
- Perform other oversight functions as requested by the full Board.

(j) Reporting Responsibilities

The Committee shall:

- Regularly update the Board about the Committee's activities and make appropriate recommendations.
- Make such reports of its activities and evaluations as may be required by the rules and regulations of the SEC in the Company's proxy statement and/or annual report or as determined to be appropriate by the Board.
- Ensure that any notices and/or certifications required by Nasdaq Marketplace Rules, as in effect from time to time, are provided on a timely basis.

5. Annual Performance Evaluation

The Committee shall perform a review and evaluation, at least annually, of the performance of the Committee and its members, including by reviewing the compliance with the Committee with this Charter. In addition, the Committee shall review and reassess, at least annually, the adequacy of this Charter and recommend to the Board any improvements to this Charter that the Committee considers necessary or appropriate. The Committee shall conduct such evaluations and reviews in such manner as it deems necessary or appropriate.

6. Additional Resources

The Committee shall have the right to 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 right to hire independent accounting experts, lawyers and other consultants or advisors to assist and advise the Committee in connection with its responsibilities. The Committee shall keep the Company's accounting and finance department advised as to the general range of anticipated expenses for outside consultants.