



CreditRiskMonitor’s warning of Rex Energy Corporation’s (“Rex Energy”) bankruptcy risk was determined by a combination of factors:

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MONTHLY AVERAGE FRISK® SCORE

CreditRiskMonitor's FRISK® score had been warning of financial stress at Rex Energy (OTC: REXXQ) for more than a year.

We issued a special High Risk Report, dated April 30, 2018, as conditions continued to deteriorate and become more troubling.

The company ultimately filed for bankruptcy on May 18, 2018.

Business Name	2017	2017	2017	2017	2017	2017	2017	2017	2018	2018	2018	2018	2018
	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY
Rex Energy Corporation	2	2	2	1	2	1	1	1	1	1	1	1	1

BANKRUPT!

The FRISK® score is 96% accurate* in predicting the risk of corporate failure/bankruptcy over a 12-month horizon. All FRISK® scores are recalculated every night for each subsequent 12-month period.

Probability of bankruptcy within 12 months			
	FRISK®	From	To
Best	10	0.00%	0.12%
	9	0.12%	0.27%
	8	0.27%	0.34%
	7	0.34%	0.55%
	6	0.55%	0.87%
	5	0.87%	1.40%
	4	1.40%	2.10%
	3	2.10%	4.00%
	2	4.00%	9.99%
Worst	1	9.99%	50.00%

While the percentage risk of bankruptcy varies at each FRISK® score, 96% of public companies that eventually go bankrupt enter the FRISK® "red zone" prior to filing. A FRISK® score of 5 or less is an important warning sign.

* FRISK® score accuracy of 96% is based on backtesting of U.S. public companies; results may vary by country.

THE FRISK® SCORE COMPONENTS

At the core of the CreditRiskMonitor process is our 96% accurate FRISK® score, which indicates a company's level of financial stress on a scale of 1 to 10, based on the probability of bankruptcy over a 12-month horizon. When available, the FRISK® score incorporates a number of powerful risk indicators including:

A “Merton” type model using stock market capitalization and volatility

Financial ratios, including those used in the Altman Z”-Score Model

Bond agency ratings from Moody’s and Fitch

Crowdsourced CreditRiskMonitor Usage Data

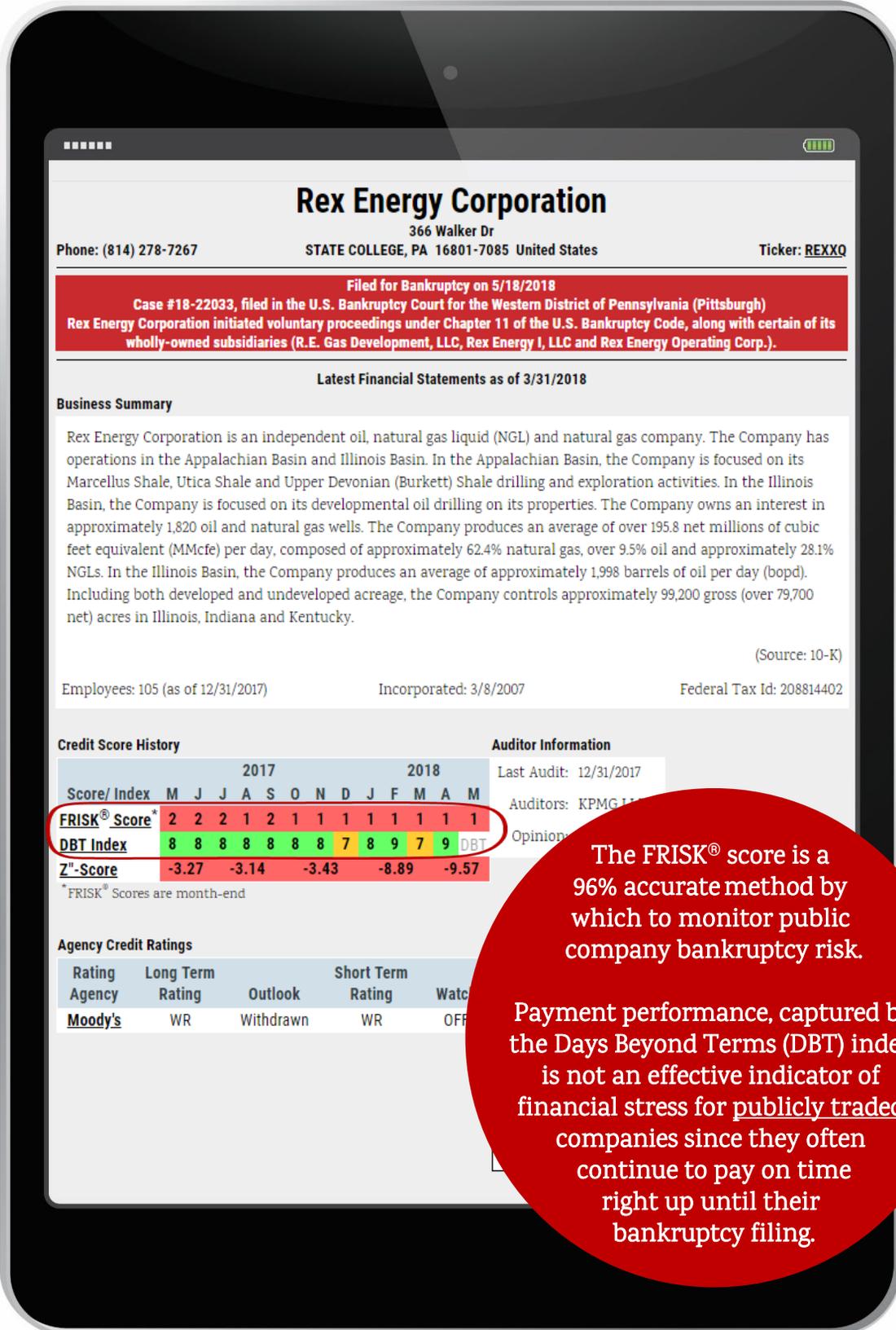
Crowdsourcing has enhanced the accuracy and timeliness of the FRISK® score. We collect and analyze data patterns from thousands of CreditRiskMonitor subscribers, including professionals from more than 35% of the Fortune 1000 and other large corporations worldwide.

The crowdsourcing advantage is even more powerful in our FRISK® score since many of the professionals who use our service are credit managers:

- Credit managers control one of the largest sources of working capital going into a company
- They are not held to the same “Fair Disclosure” restrictions that prevent non-disclosed information sharing on public companies
- Credit managers use a variety of non-public information sources such as their own company’s management and sales representatives to be alerted to concerns in a public company’s performance
- It is commonly known credit managers confidentially share information with other credit managers, thus collectively, their behavior helps to provide advanced insight to financial problems in public companies

[Read more in Credit Research Foundation’s quarterly journal article, “Assessing Public Company Financial Risk by Crowdsourcing the Research of Credit Professionals”](#)

COMPANY REPORT DETAIL



Rex Energy Corporation

366 Walker Dr

Phone: (814) 278-7267

STATE COLLEGE, PA 16801-7085 United States

Ticker: **REXXO**

Filed for Bankruptcy on 5/18/2018
Case #18-22033, filed in the U.S. Bankruptcy Court for the Western District of Pennsylvania (Pittsburgh)
Rex Energy Corporation initiated voluntary proceedings under Chapter 11 of the U.S. Bankruptcy Code, along with certain of its wholly-owned subsidiaries (R.E. Gas Development, LLC, Rex Energy I, LLC and Rex Energy Operating Corp.).

Latest Financial Statements as of 3/31/2018

Business Summary

Rex Energy Corporation is an independent oil, natural gas liquid (NGL) and natural gas company. The Company has operations in the Appalachian Basin and Illinois Basin. In the Appalachian Basin, the Company is focused on its Marcellus Shale, Utica Shale and Upper Devonian (Burkett) Shale drilling and exploration activities. In the Illinois Basin, the Company is focused on its developmental oil drilling on its properties. The Company owns an interest in approximately 1,820 oil and natural gas wells. The Company produces an average of over 195.8 net millions of cubic feet equivalent (MMcfe) per day, composed of approximately 62.4% natural gas, over 9.5% oil and approximately 28.1% NGLs. In the Illinois Basin, the Company produces an average of approximately 1,998 barrels of oil per day (bopd). Including both developed and undeveloped acreage, the Company controls approximately 99,200 gross (over 79,700 net) acres in Illinois, Indiana and Kentucky.

(Source: 10-K)

Employees: 105 (as of 12/31/2017)

Incorporated: 3/8/2007

Federal Tax Id: 208814402

Credit Score History

Score/ Index	2017					2018							
	M	J	J	A	S	O	N	D	J	F	M	A	M
FRISK® Score*	2	2	2	1	2	1	1	1	1	1	1	1	1
DBT Index	8	8	8	8	8	8	8	7	8	9	7	9	DBT
Z"-Score	-3.27		-3.14			-3.43			-8.89			-9.57	

*FRISK® Scores are month-end

Auditor Information

Last Audit: 12/31/2017

Auditors: KPMG LLP

Opinion:

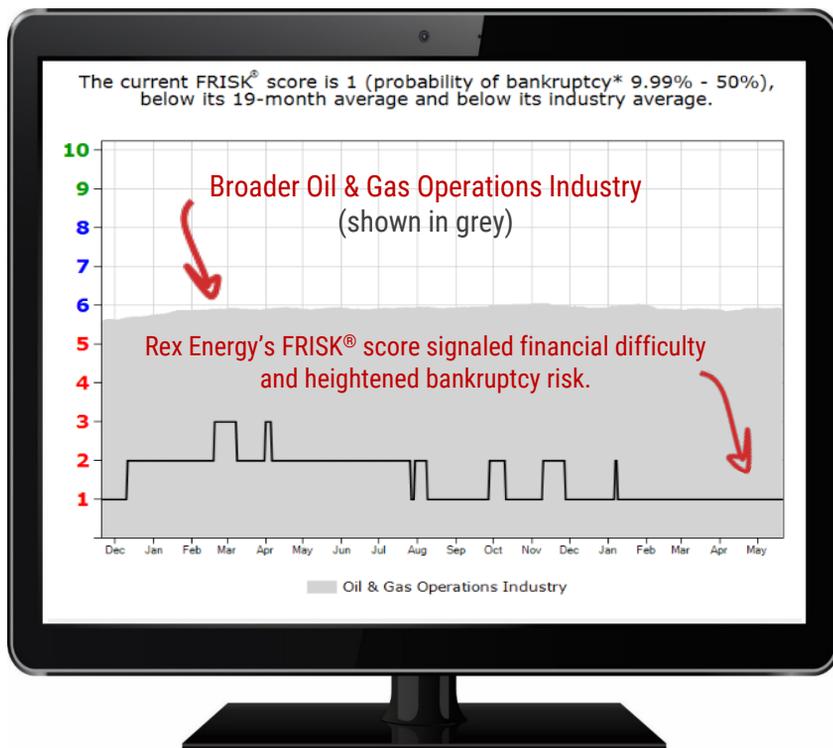
Agency Credit Ratings

Rating Agency	Long Term		Short Term	
	Rating	Outlook	Rating	Watch
Moody's	WR	Withdrawn	WR	OFF

The FRISK® score is a 96% accurate method by which to monitor public company bankruptcy risk.

Payment performance, captured by the Days Beyond Terms (DBT) index, is not an effective indicator of financial stress for publicly traded companies since they often continue to pay on time right up until their bankruptcy filing.

FRISK® DEEP DIVE



The FRISK® score relative to the broader Oil and Gas Operations industry raised an additional red flag signaling heightened risk relative to peers, as well...

MAKING IMMEDIATE ATTENTION REQUIRED.

ADJUSTED MARKET CAP VOLATILITY



One of the inputs of the FRISK® score is a company's market cap volatility, adjusted for dividends, over the course of a year. Incorporating this information allows us to capture the "wisdom of markets" on a daily basis. This ensures our subscribers are getting the most up to date view of the risks they face since stocks tend to be more liquid and faster moving than bond prices and ratings.

FRISK® STRESS INDEX

9	Northern Oil & Gas, Inc.	United States	1
10	Petroquest Energy Inc	United States	1
11	Rex Energy Corporation	United States	1
12	Ultra Petroleum Corp	United States	1
13	W&T Offshore, Inc.	United States	1
14	Arete Industries Inc	United States	1

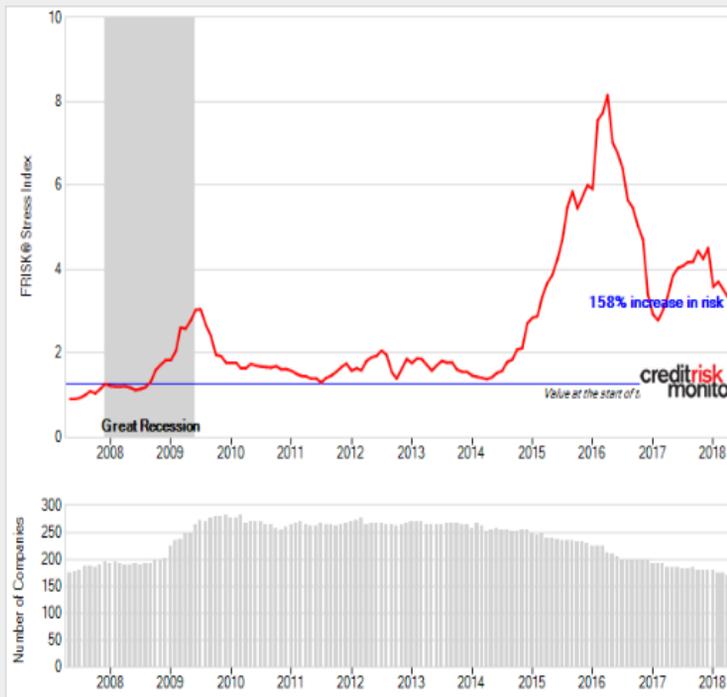
FRISK® Stress Index - SIC classification: Crude petroleum and natural gas located in the United States

Primary industry codes only Primary and secondary industry codes
 Businesses From: All Businesses CLEAR
 In Industry: SIC 1311: Crude petroleum and natural gas
 Country: United States

UPDATE RESULTS

Scale: Auto

Total Companies in all months **444**



The FRISK® Stress Index shows the collective probability of failure in a group of companies (such as an industry, country or portfolio) over the next 12 months. It is designed to show trends in risk level across groups of companies and is shown on a zero to 50 scale, with 50 being the most risky.

The average probability of failure for SIC code 1311 (Crude petroleum and natural gas) has increased 158% since 2007. Rex Energy was among the weakest names in the industry as evidenced by its FRISK® score of 1.

PEER ANALYSIS ON ALTERNATE SUPPLIERS AND CUSTOMERS

Rex Energy demonstrates bottom quartile ranking in key financial ratios (shown in red) vs. its crude petroleum and natural gas industry peers.

The Peer Analysis expands to provide a ranking of a company's competitors, which can help provide options for alternate suppliers or new customers.

Peer Analysis						
Filter: 2018.1						
Group: SIC 1311: Crude petroleum and natural gas						
REFRESH						
[SIC: 1311] [Calendar Year/Quarter: 2018.1]						
Businesses in Peer Group: 3373	Ranking Within Peer Group	Number Of Peers Ranked	Company Value	Peer Group Range		
				Low	Median	High
Credit Ratings						
ZScore	328	350	-9.57	-14,545.78	1.47	55.11
Performance ratios:						
Net Sales (Thousands of U.S. Dollars)	127	193	65,029	0	138,228	89,235,000
Gross Margin % Of Sales	195	353	47.95	-300.00	54.55	102.41
Gross Margin % Of Sales -- TTM	206	354	42.40	-2,000.00	53.00	102.91
SG&A % Of Sales	149	358	10.03	0.59		
SG&A % Of Sales -- TTM	125	360	9.10	0.67		
Operating Margin % Of Sales	291	372	0.44	-88,112.22		
Operating Margin % Of Sales TTM	299	374	-9.04	-47,780.00		
EBITDA Margin Of Sales	199	309	22.16	-87,379.33		
EBITDA Margin Of Sales -- TTM	202	315	17.29	-57,940.00		
Net Profit Margin % Of Sales	359	372	-107.33	-84,674.68		
Net Profit Margin % Of Sales - TTM	337	374	-62.65	-43,309.67		
Pre-tax Income % Of Sales	359	372	-107.33	-84,674.68		
Effective Tax Rate	68	338	0.00	-6,062.10		
Depreciation % Of Prop/Plant/Equipment	77	346	6.81	0.00	9.84	115.51
Capital Expense % Of Prop/Plant/Equipment	273	333	27.81	0.00	13.34	47,016.04
Interest Coverage	267	294	0.21	-361.13	4.71	1,021.89
Interest Coverage -- TTM	257	306	0.29	-133.82	3.91	358.10
Liquidity ratios:						
Cash Ratio	310	372	0.02	0.00	0.32	50.69
Quick Ratio	354	360	0.05	0.00	0.77	52.67
Current Ratio	367	372	0.07	0.00	1.15	54.00
Efficiency ratios:						
Accounts Receivable Turnover	113	365	9.79	0.00	7.96	199.66
Days Sales Outstanding	129	372	37.27	0.00	44.44	241.88
% of Inventory Financed by Vendors	22	186	704.15	4.37		
% of Inventory Financed by Vendors -- TTM	17	196	908.55	2.41		
Inventory Turnover	60	233	18.53	0.00		
Inventory Turnover TTM	44	239	28.23	0.00		
Days Sales in Inventory	60	226	19.70	0.33		
Inventory to Working Capital	225	229	-0.01	-22.44		
Accounts Payable Turnover	201	281	2.04	0.00		
Accounts Payable Turnover -- TTM	188	282	2.38	0.00		
Leverage & debt coverage:						
Total Debt to Equity Ratio	N/A	323	N/A	0.00		
Debt to Tangible Equity Ratio	N/A	318	N/A	0.00		
Total Debt to Assets Ratio	336	347	0.91	0.00	0.27	104.52
Short-Term Debt % of Total Debt	217	239	99.09	0.00	16.35	100.00
Short-Term Debt % of Working Capital	201	239	-88.38	-3,551.73	2.72	34,028.22
Liabilities to Net Worth Ratio	N/A	352	N/A	0.00	1.11	102.89
Total Liabilities to Equity Ratio	N/A	357	N/A	0.00	1.04	102.89
TTM EBITDA Over Total Debt	254	293	0.04	-7.72	0.36	121.57

- 1. Attima Resources Ltd.
- 2. Linn Energy Inc
- 3. SDX Energy Inc
- 4. Adams Resources & Energy Inc
- 5. Evolution Petroleum Corp
- 6. United States Lime & Minerals Inc
- 7. JXTG Holdings Inc
- 8. Novatek PAO
- 9. Novatek PAO
- 10. Novatek PAO - ADR
- 11. Cheniere Energy, Inc.
- 12. EOT Corporation
- 13. KrisEnergy Ltd
- 14. Whiting Petroleum Corp
- 15. Lillis Energy Inc
- 16. International Petroleum Corp
- 17. Antero Midstream Partners LP
- 18. Gulfport Energy Corporation
- 19. Continental Resources, Inc.
- 20. Energy Inc

Green - Ranked in Upper Quartile of Peer Group
 White - Ranked in the Middle Two Quartiles of Peer Group
 Red - Ranked in Lower Quartile of Peer Group
 Orange - Confidential
 Grey - Data is Not Available

TTM = trailing 12 months
 N/A = Not Available

QUARTERLY PERFORMANCE RATIOS

Net losses in each of the last four fiscal quarters

Poor interest coverage ratio & negative free cash flow

Performance Ratios - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	3 mos 3/31/2018	3 mos 12/31/2017	3 mos 9/30/2017	3 mos 6/30/2017	3 mos 3/31/2017
Net Sales \$	\$65,029	\$57,759	\$47,975	\$47,462	\$52,071
% change	12.59%	20.39%	1.08%	-8.85%	8.42%
Gross Margin \$	\$31,183	\$25,847	\$17,401	\$18,088	\$23,137
% change	20.64%	48.54%	-3.80%	-21.82%	19.68%
% of sales	47.95%	44.75%	36.27%	38.11%	44.43%
change as % of incremental sales	73.40%	86.32%	-133.92%	n/m	94.07%
SG&A \$	\$6,525	\$4,414	\$4,617	\$4,294	\$4,534
% change	47.83%	-4.40%	7.52%	-5.29%	-15.79%
% of sales	10.03%	7.64%	9.62%	9.05%	8.71%
change as % of incremental sales	29.04%	-2.07%	62.96%	n/m	-21.02%
Operating margin \$	\$284	\$2,390	(\$14,512)	(\$7,887)	\$3,473
% change	-88.12%	116.47%	-84.00%	-327.09%	111.01%
% of sales	0.44%	4.14%	-30.25%	-16.62%	6.67%
change as % of incremental sales	-28.97%	172.75%	-1,291.42%	n/m	865.90%
EBITDA \$	\$14,408	\$15,764	(\$80)	\$7,634	\$18,913
% change	-8.60%	19,805.00%	-101.05%	-59.64%	209.91%
% of sales	22.16%	27.29%	-0.17%	16.08%	36.32%
change as % of incremental sales	-18.65%	161.94%	-1,503.70%	n/m	893.18%
EBIT \$	(\$720)	\$2,322	(\$14,697)	(\$7,867)	\$3,445
% change	-131.01%	115.80%	-86.82%	-328.36%	110.22%
% of sales	-1.11%	4.02%	-30.63%	-16.58%	6.62%
change as % of incremental sales	-41.84%	173.95%	-1,331.38%	n/m	918.79%
Pre-tax income \$	(\$69,793)	(\$13,516)	(\$46,534)	(\$9,603)	\$2,683
% change	-416.37%	70.95%	-384.58%	-457.92%	103.98%
% of sales	-107.33%	-23.40%	-97.00%	-20.23%	5.15%
change as % of incremental sales	-774.10%	337.47%	-7,199.03%	n/m	1,732.42%
Net income (loss) \$	(\$69,793)	(\$10,788)	(\$46,534)	(\$9,603)	\$2,683
% change	-546.95%	76.82%	-384.58%	-457.92%	103.98%
% of sales	-107.33%	-18.68%	-97.00%	-20.23%	5.15%
change as % of incremental sales	-811.62%	365.35%	-7,199.03%	n/m	1,732.86%
Tax expense \$	\$0	(\$2,728)	\$0	\$0	\$0
Effective tax rate	0.00%	20.18%	0.00%	0.00%	0.00%
Depreciation expense \$	\$15,128	\$13,042	\$14,117	\$15,001	\$14,868
% of sales	23.26%	22.58%	29.43%	31.61%	28.55%
% of capital expenses	24.50%	38.01%	56.25%	52.58%	58.36%
% of PP&E, net (annualized)	6.81%	5.99%	6.61%	7.11%	7.03%
Capital expenditures \$	\$61,738	\$34,310	\$25,097	\$28,528	\$25,476
% change	79.94%	36.71%	-12.03%	11.98%	7,349.12%
% of PP&E, net (annualized)	27.81%	15.76%	11.75%	13.52%	12.05%
% of working capital (annualized)	-26.21%	-28.49%	-195.21%	-262.75%	-175.16%
Interest coverage ratio	0.21	1.00	0.00	0.63	2.07
% change	-79.04%	39,912.00%	-100.40%	-69.55%	504.73%
Free cash flow \$	(\$35,820)	(\$18,227)	(\$26,002)	(\$15,740)	(\$14,954)
% change	-96.52%	29.90%	-65.20%	-5.26%	-208.94%
Source:	10-Q 5/15/2018	10-K 4/13/2018	10-Q 11/14/2017	10-Q 8/9/2017	10-Q 5/10/2017

QUARTERLY LEVERAGE RATIOS

Increasingly negative tangible net worth since 9/30/17 suggested that all loanable collateral had been exhausted

Leverage Ratios - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	3/31/2018	12/31/2017	9/30/2017	6/30/2017	3/31/2017
Total debt \$	\$877,169	\$842,481	\$813,538	\$789,444	\$754,592
% change	4.12%	3.56%	3.05%	4.62%	-0.20%
Stockholders' equity \$	(\$122,335)	(\$53,562)	(\$43,038)	\$3,698	\$13,250
% change	-128.40%	-24.45%	-1,263.82%	-72.09%	29.57%
Total debt to equity ratio	n/a	n/a	n/a	213.48	56.95
% change	n/a	n/a	n/a	274.85%	-22.98%
Tangible net worth \$	(\$122,335)	(\$53,562)	(\$43,038)	\$3,698	\$13,250
% change	-128.40%	-24.45%	-1,263.82%	-72.09%	29.57%
Total debt to tangible net worth	n/a	n/a	n/a	213.48	56.95
% change	n/a	n/a	n/a	274.85%	-22.98%
Total assets \$	\$964,939	\$942,137	\$896,840	\$905,570	\$877,395
% change	2.42%	5.05%	-0.96%	3.21%	-1.85%
Total debt to assets ratio	0.91	0.89	0.91	0.87	0.86
% change	1.66%	-1.42%	4.05%	1.37%	1.68%
Tangible assets \$	\$964,939	\$942,137	\$896,840	\$905,570	\$877,395
% change	2.42%	5.05%	-0.96%	3.21%	-1.85%
Short-term debt \$	\$869,197	\$834,325	\$1,859	\$834	\$801
% change	4.18%	44,780.31%	122.90%	4.12%	4.84%
Short-term debt % of total debt	99.09%	99.03%	0.23%	0.11%	0.11%
% change	0.06%	43,240.00%	116.38%	-0.57%	5.15%
Short-term debt % of working capital	-88.38%	-92.61%	-2.98%	-2.06%	-1.73%
% change	4.57%	-3,009.30%	-44.42%	-19.52%	-57.94%
Total liabilities \$	\$1,087,274	\$995,699	\$939,878	\$901,872	\$864,145
% change	9.20%	5.94%	4.21%	4.37%	-2.21%
Current liabilities \$	n/a	n/a	n/a	243.88	65.22
% change	n/a	n/a	n/a	273.94%	-24.53%
Long-term liabilities \$	n/a	n/a	n/a	243.88	65.22
% change	n/a	n/a	n/a	273.94%	-24.53%
Short-term debt to working capital ratio	15.22	13.36	n/a	25.85	9.97
% change	13.92%	n/a	n/a	159.19%	n/a
	10-Q	10-K	10-Q	10-Q	10-Q
	5/15/2018	4/13/2018	11/14/2017	8/9/2017	5/10/2017

Due to covenant violations, the company's Term Loan and Senior Notes were reclassified as current. Such a drastic jump in short-term debt often precedes a bankruptcy filing.

QUARTERLY LIQUIDITY RATIOS AND RATES OF RETURN

Recurring negative working capital

Meager cash and quick ratios

Liquidity Ratios - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	3/31/2018	12/31/2017	9/30/2017	6/30/2017	3/31/2017
Current assets \$	\$70,014	\$55,892	\$35,877	\$45,984	\$35,941
% change	25.27%	55.79%	-21.98%	27.94%	6.41%
% of short-term debt	8.06%	6.70%	1,929.91%	5,513.67%	4,487.02%
Current liabilities \$	\$1,053,505	\$956,789	\$98,290	\$86,423	\$82,362
% change	10.11%	873.43%	13.73%	4.93%	-20.58%
Working capital \$	(\$983,491)	(\$900,897)	(\$62,413)	(\$40,439)	(\$46,421)
% change	-9.17%	-1,343.44%	-54.34%	12.89%	33.62%
% of sales (annualized)	-378.10%	-389.94%	-32.52%	-21.30%	-22.29%
Cash \$	\$25,090	\$15,247	\$3,234	\$12,855	\$5,075
% change	64.56%	371.46%	-74.84%	153.30%	37.27%
% of short-term debt	2.89%	1.83%	173.96%	1,541.37%	633.58%
Cash ratio	0.02	0.02	0.03	0.15	0.06
% change	49.69%	-51.67%	-77.87%	141.40%	73.03%
Quick assets \$	\$52,237	\$41,221	\$28,401	\$36,617	\$30,339
% change	26.72%	45.14%	-22.44%	20.69%	4.10%
% of short-term debt	6.01%	4.94%	1,527.76%	4,390.53%	3,787.64%
Quick ratio	0.05	0.04	0.29	0.42	0.37
% change	15.08%	-85.09%	-31.79%	15.01%	31.10%
Current ratio	0.07	0.06	0.37	0.53	0.44
% change	13.87%	-84.00%	-31.40%	21.93%	33.99%
Source:	10-Q 5/15/2018	10-K 4/13/2018	10-Q 11/14/2017	10-Q 8/9/2017	10-Q 5/10/2017

Unable to generate positive returns in the last four fiscal quarters

Rate of Return - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	3 mos 3/31/2018	3 mos 12/31/2017	3 mos 9/30/2017	3 mos 6/30/2017	3 mos 3/31/2017
Return on equity	n/a	n/a	-1,258.36%	-72.48%	26.24%
% change	n/a	n/a	-1,636.25%	-376.23%	129.64%
Return on net tangible equity	n/a	n/a	-1,258.36%	-72.48%	26.24%
% change	n/a	n/a	-1,636.25%	-376.23%	129.64%
Return on total assets	-7.32%	-1.17%	-5.16%	-1.08%	0.30%
% change	-523.83%	77.28%	-379.34%	-455.63%	104.09%
Return on tangible assets	-7.32%	-1.17%	-5.16%	-1.08%	0.30%
% change	-523.83%	77.28%	-379.34%	-455.63%	104.09%
Source:	10-Q 5/15/2018	10-K 4/13/2018	10-Q 11/14/2017	10-Q 8/9/2017	10-Q 5/10/2017

NEWS ALERTS: A TIMELINE OF CONCERNING HEADLINES

Net income in Q3 2017 decreased 959% to (\$47) million compared with \$5 million for the same period in the previous year.

11/16/2017	CRMZ News Service	Rex Energy Corporation -- updated financials available
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Rex Energy failed to make a semi-annual interest payment that was due on April 2 for its senior notes.

4/5/2018	CRMZ News	Rex Energy Defaults As Talks With Lenders Continue
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Rex Energy's violation of Nasdaq Listing Rule 5550(b), failing to maintain stockholders' equity of greater than \$2.5 million, led to the suspension of its common stock from trading on Nasdaq on April 12, 2018.

4/9/2018	CRMZ News Service	REX ENERGY CORP FILES (8-K) Disclosing Notice of Delisting or Failure to Satisfy a Continued Listing Rule or Standard; Transfer of Listing
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In the event that Rex Energy's debt was accelerated, the Company did not possess adequate liquidity to meet such an obligation, and thus doubt was raised as to whether it would continue as a going concern.

4/16/2018	CRMZ News Service	Rex Energy Corporation Receives Going Concern Opinion
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Working capital at 12/31/2017 of (\$901) million decreased 1,188% from the prior year end's balance of (\$70) million.

4/17/2018	CRMZ News Service	Rex Energy Corporation -- updated financials available
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Due to Rex Energy's missed payment in early April, followed by a further failure to pay during a 30-day grace period, the Company effectively entered into default under the covenants of its loan agreement.

5/9/2018	CRMZ News Service	REX ENERGY CORP FILES (8-K) Disclosing Triggering Events That Accelerate or Increase a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement
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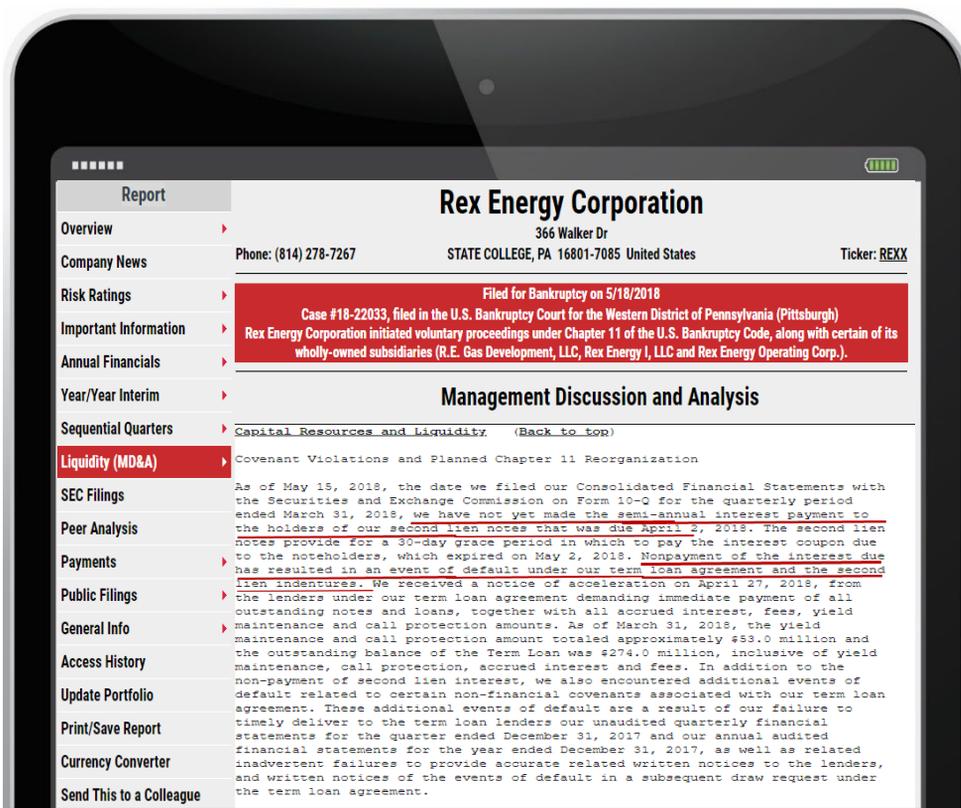
Rex Energy Corporation filed for bankruptcy

5/18/2018	PR Newswire	Rex Energy Initiates Sale Process for All Remaining Assets, Filing Voluntary Petitions Under Chapter 11 of the U.S. Bankruptcy Code
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MANAGEMENT DISCUSSION AND ANALYSIS

READING THE MANAGEMENT DISCUSSION AND ANALYSIS, WE NOTED:

Rex Energy's management explained, in its 2018 Q1 Form 10-Q filing, that the Company had missed a semi-annual interest payment on its second lien notes



due in early April. This was followed by a 30-day grace period in which the Company could still make the payment, but again the balance was left unpaid resulting in default. This event was combined with the Company's failure to deliver timely unaudited annual and quarterly financial statements to lenders at the close of Q4 2017, which also constituted a violation of its covenants. Consequently, Rex Energy's lenders sent a notice of acceleration to the Company, and all outstanding notes and loans were made due. While the Company entered into forbearance agreements with its lenders in an attempt to come to a deal, these efforts proved to be fruitless as the Company acknowledged that it did not possess the liquidity to meet these sizable obligations. While the forbearance agreements prevented the lenders from taking any enforcement actions during the specified period, the amounts owed were still nonetheless accelerated. The Company had been unsuccessful in negotiating an alternative restructuring with its various stakeholders, outside of a voluntary pre-arranged Chapter 11 bankruptcy filing. As such, the ability to conclude a successful negotiation with its lenders and note holders out of court was not expected to occur.

...and in May 2018, Rex Energy Corporation filed for bankruptcy...

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