



CreditRiskMonitor's assessment of Rex Energy Corporation's ("Rex Energy") "high risk" status has been determined by a combination of factors:

Monthly Average FRISK® Score	Page 2
The FRISK® Score Components	3
Company Report Detail	4
FRISK® Deep Dive and Adjusted Market Cap Volatility	5
FRISK® Stress Index	6
Peer Analysis on Alternate Suppliers and Customers	7
Quarterly Performance Ratios	8
Quarterly Leverage Ratios	9
Quarterly Liquidity Ratios and Rates of Return	10
<hr/> About This Report/Contact CreditRiskMonitor	11

MONTHLY AVERAGE FRISK® SCORE

CreditRiskMonitor's proprietary FRISK® score has Rex Energy Corporation (OTC: REXX) at a **1**, the highest probability of bankruptcy in the next 12 months.

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

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

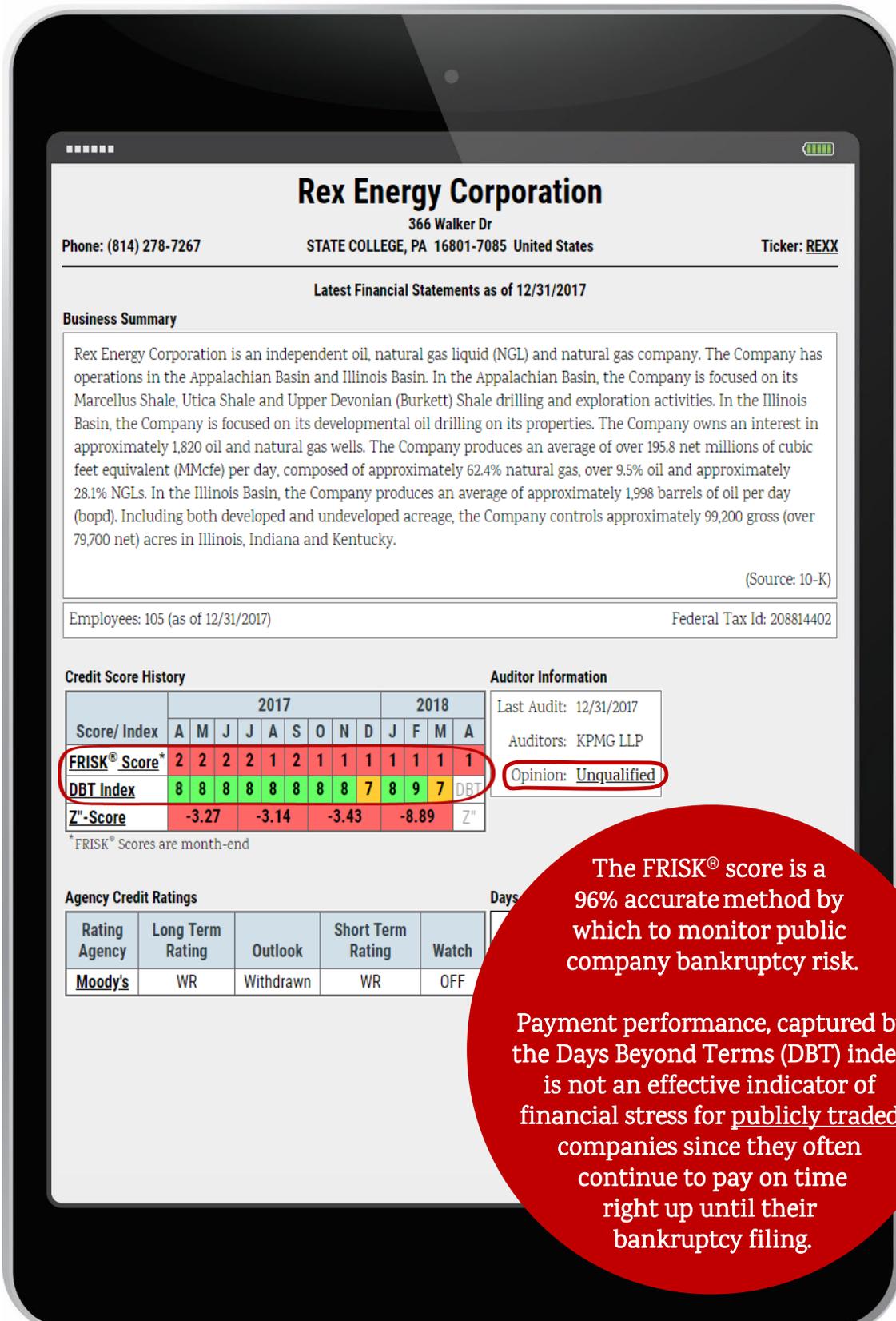
Crowdsourcing has enhanced the accuracy and timeliness of the FRISK® score. We collect and analyze data patterns from thousands of CreditRiskMonitor subscribers, including professionals from more than 35% of the Fortune 1000 and other large corporations worldwide.

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: **REXX**

Latest Financial Statements as of 12/31/2017

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)

Federal Tax Id: 208814402

Credit Score History

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

*FRISK® Scores are month-end

Auditor Information

Last Audit: 12/31/2017

Auditors: KPMG LLP

Opinion: **Unqualified**

Agency Credit Ratings

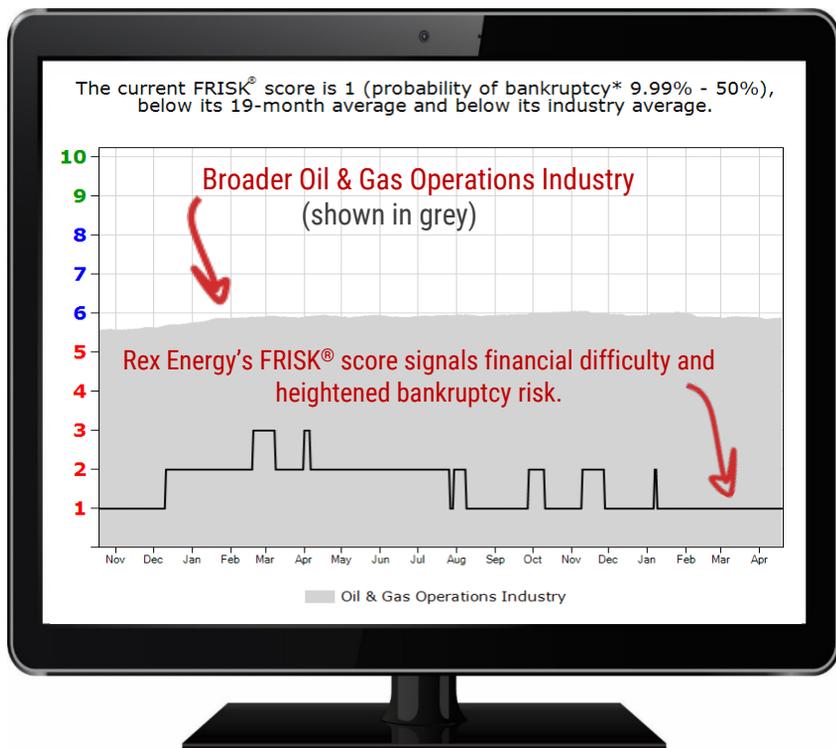
Rating Agency	Long Term Rating	Outlook	Short Term Rating	Watch
Moody's	WR	Withdrawn	WR	OFF

Days

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 raises 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

14	Montana Exploration Corp	Canada	1
15	Nighthawk Energy Plc	United Kingdom	1
16	Northern Oil & Gas, Inc.	United States	1
17	Perpetual Energy Inc.	Canada	1
18	Petroleos de Venezuela SA	Venezuela	1
19	Petroquest Energy Inc.	United States	1
20	Rex Energy Corporation	United States	1
21	Sanchez Energy Corp	United States	1
22	Sequa Petroleum NV	United Kingdom	1
23	Toscana Energy Income Corp	Canada	1
24	Ultra Petroleum Corp	United States	1

FRISK® Stress Index - SIC classification: Crude petroleum and natural gas

Primary industry codes only Primary and secondary industry codes

Businesses From:

CLEAR

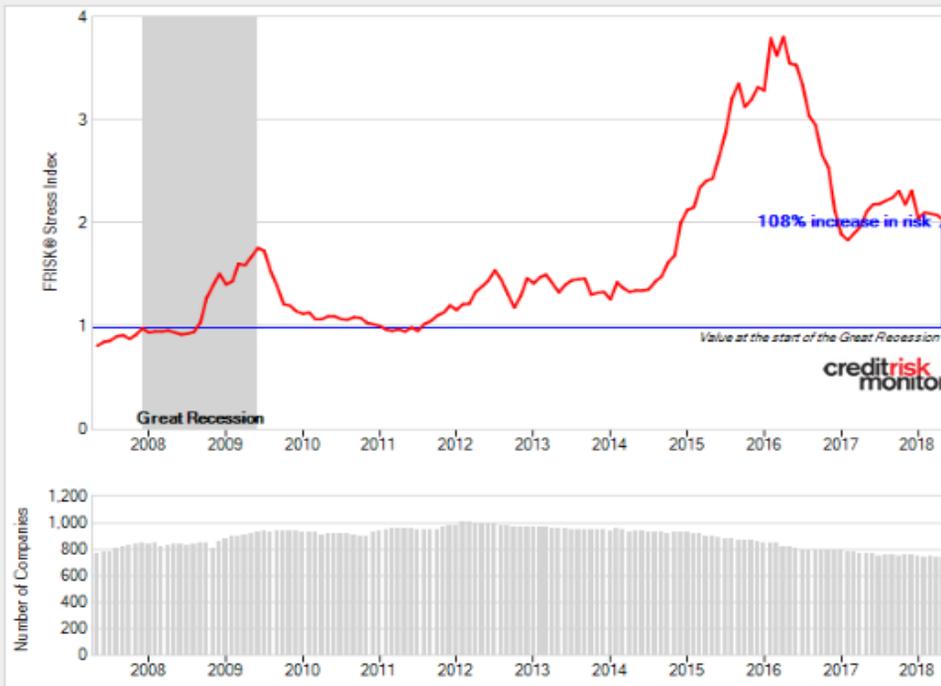
In Industry:

Country:

UPDATE RESULTS

Scale:

Total Companies in all months **1,580**



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 108% since 2007. Rex Energy is 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						
Quarter: 2017.4						
Peer Group: SIC 1311: Crude petroleum and natural gas						
REFRESH						
[SIC: 1311] [Calendar Year/Quarter: 2017.4]						
Businesses in Peer Group: 3374	Ranking Within Peer Group	Number Of Peers Ranked	Company Value	Peer Group Range		
				Low	Median	High
Credit Ratings						
ZScore	626	775	-8.89	-82,940.15	1.22	523.69
Performance ratios:						
Net Sales (Thousands of U.S. Dollars)	163	330	57,759	-2,175	54,440	105,189,000
Gross Margin % Of Sales	321	651	44.75	-34,112.39	44.42	158.21
Gross Margin % Of Sales -- TTM	342	670	41.15	-26,114.92	42.10	133.33
SG&A % Of Sales	164	705	7.64	0.12	17.22	Company Name
SG&A % Of Sales -- TTM	172	730	8.70	0.13	17.22	1. Fred Emperor Resources NL
Operating Margin % Of Sales	353	745	4.14	-89,001.61		2. Odyssey Energy Limited
Operating Margin % Of Sales TTM	467	758	-8.06	-92,500.15		3. Altai Resources Inc
EBITDA Margin Of Sales	229	502	27.29	-54,346.94		4. BowlEven PLC
EBITDA Margin Of Sales -- TTM	281	552	20.57	-78,106.04		5. Seafrost Resources Corporation
Net Profit Margin % Of Sales	461	744	-18.68	-81,472.51		6. Reserve Petroleum Co
Net Profit Margin % Of Sales - TTM	518	757	-31.30	-94,338.71		7. Tamaska Oil and Gas Ltd
Pre-tax Income % Of Sales	466	744	-23.40	-81,472.51		8. NGE Capital Ltd
Effective Tax Rate	448	727	20.18	-29,678.73		9. Camarvon Petroleum Limited
Depreciation % Of Prop/Plant/Equipment	220	705	5.90	0.00		10. River Corp Ltd
Capital Expense % Of Prop/Plant/Equipment	365	631	18.76	0.00	13.47	
Interest Coverage	311	480	1.00	-36,341.33	2.06	889.43
Interest Coverage -- TTM	383	552	0.61	-3,455.00	3.23	652.20
Liquidity ratios:						
Cash Ratio	724	815	0.02	0.00	0.44	260.40
Quick Ratio	720	745	0.04	0.00	0.89	261.56
Current Ratio	777	815	0.06	0.00	1.32	4.56
Efficiency ratios:						
Accounts Receivable Turnover	247	775	9.04	-67.68		Aminex plc
Days Sales Outstanding	290	752	40.40	-2,169.48		2. Beach Energy Ltd
% of Inventory Financed by Vendors	36	328	1,351.41	0.00		3. Bonanza Creek Energy Inc
% of Inventory Financed by Vendors -- TTM	44	362	1,358.75	0.00		4. Cadoqan Petroleum Plc
Inventory Turnover	64	452	31.37	-0.05		5. CO Cyprus Opportunity Energy PCL
Inventory Turnover TTM	53	460	40.78	0.00		6. Cobalt International Energy, Inc.
Days Sales in Inventory	65	422	11.64	-6,868.46		7. Comet Ridge Ltd.
Inventory to Working Capital	422	426	-0.01	-278.50		8. Continental Energy Corporation
Accounts Payable Turnover	319	597	2.31	-0.12		9. Metal Resources Inc
Accounts Payable Turnover -- TTM	312	608	2.58	-1.35	2.70	10. Global Enerji Kyniklr Arstma
Leverage & debt coverage:						
Total Debt to Equity Ratio	N/A	559	N/A	0.00	0.46	130.48
Debt to Tangible Equity Ratio	N/A	543	N/A	0.00	0.50	130.48
Total Debt to Assets Ratio	598	640	0.89	0.00	0.25	552.79
Short-Term Debt % of Total Debt	387	490	99.03	0.00	19.51	100.00
Short-Term Debt % of Working Capital	405	503	-92.61	-73,370.00	0.00	16,820.00
Liabilities to Net Worth Ratio	N/A	717	N/A	-0.21	0.86	187.44
Total Liabilities to Equity Ratio	N/A	736	N/A	-0.20	0.81	187.44
TTM EBITDA Over Total Debt	367	494	0.05	-659.50	0.28	665.49
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 all but one of the last five fiscal quarters

Performance Ratios - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	3 mos 12/31/2017	3 mos 9/30/2017	3 mos 6/30/2017	3 mos 3/31/2017	3 mos 12/31/2016
Net Sales \$	\$57,759	\$47,975	\$47,462	\$52,071	\$48,027
% change	20.39%	1.08%	-8.85%	8.42%	41.09%
Gross Margin \$	\$25,847	\$17,401	\$18,088	\$23,137	\$19,333
% change	48.54%	-3.80%	-21.82%	19.68%	150.88%
% of sales	44.75%	36.27%	38.11%	44.43%	40.25%
change as % of incremental sales	86.32%	-133.92%	n/m	94.07%	83.12%
SG&A \$	\$4,414	\$4,617	\$4,294	\$4,534	\$5,384
% change	-4.40%	7.52%	-5.29%	-15.79%	5.24%
% of sales	7.64%	9.62%	9.05%	8.71%	11.21%
change as % of incremental sales	-2.07%	62.96%	n/m	-21.02%	1.92%
Operating margin \$	\$2,390	(\$14,512)	(\$7,887)	\$3,473	(\$31,544)
% change	116.47%	-84.00%	-327.09%	111.01%	0.76%
% of sales	4.14%	-30.25%	-16.62%	6.67%	-65.68%
change as % of incremental sales	172.75%	-1,291.42%	n/m	865.90%	1.72%
EBITDA \$	\$15,764	(\$80)	\$7,634	\$18,913	(\$17,207)
% change	19,805.00%	-101.05%	-59.64%	209.91%	-3.18%
% of sales	27.29%	-0.17%	16.08%	36.32%	-35.83%
change as % of incremental sales	161.94%	-1,503.70%	n/m	893.18%	-3.79%
EBIT \$	\$2,322	(\$14,697)	(\$7,867)	\$3,445	(\$33,711)
% change	115.80%	-86.82%	-328.36%	110.22%	-6.00%
% of sales	4.02%	-30.63%	-16.58%	6.62%	-70.19%
change as % of incremental sales	173.95%	-1,331.38%	n/m	918.79%	-13.64%
Pre-tax income \$	(\$13,516)	(\$46,534)	(\$9,603)	\$2,683	(\$67,376)
% change	70.95%	-384.58%	-457.92%	103.98%	-174.08%
% of sales	-23.40%	-97.00%	-20.23%	5.15%	-140.29%
change as % of incremental sales	337.47%	-7,199.03%	n/m	1,732.42%	-305.93%
Net income (loss) \$	(\$10,788)	(\$46,534)	(\$9,603)	\$2,683	(\$67,394)
% change	76.82%	-384.58%	-457.92%	103.98%	-1,344.58%
% of sales	-18.68%	-97.00%	-20.23%	5.15%	-140.33%
change as % of incremental sales	365.35%	-7,199.03%	n/m	1,732.86%	
Tax expense \$	(\$2,728)	\$0	\$0	\$0	
Effective tax rate	20.18%	0.00%	0.00%	0.00%	
Depreciation expense \$	\$13,042	\$14,117	\$15,001	\$14,800	
% of sales	22.58%	29.43%	31.61%	28.5%	
% of capital expenses	38.01%	56.25%	52.58%	58.3%	
% of PP&E, net (annualized)	5.99%	6.61%	7.11%	7.0%	
Capital expenditures \$	\$34,310	\$25,097	\$28,528	\$25,400	
% change	36.71%	-12.03%	11.98%	7,349.12%	
% of PP&E, net (annualized)	15.76%	11.75%	13.52%	12.05%	
% of working capital (annualized)	-28.49%	-195.21%	-262.75%	-175.16%	
Interest coverage ratio	1.00	0.00	0.63	2.07	(0.51)
% change	39,912.00%	-100.40%	-69.55%	504.73%	70.44%
Free cash flow \$	(\$18,227)	(\$26,002)	(\$15,740)	(\$14,954)	\$13,727
% change	29.90%	-65.20%	-5.26%	-208.94%	155.49%
Source:	10-K 4/13/2018	10-Q 11/14/2017	10-Q 8/9/2017	10-Q 5/10/2017	10-K 3/15/2017

Negative free cash flow during the last four fiscal quarters

QUARTERLY LEVERAGE RATIOS

Tangible net worth has turned negative signaling heightened risk

Leverage Ratios - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	12/31/2017	9/30/2017	6/30/2017	3/31/2017	12/31/2016
Total debt \$	\$842,481	\$813,538	\$789,444	\$754,592	\$756,119
% change	3.56%	3.05%	4.62%	-0.20%	-0.47%
Stockholders' equity \$	(\$53,562)	(\$43,038)	\$3,698	\$13,250	\$10,226
% change	-24.45%	-1,263.82%	-72.09%	29.57%	-86.57%
Total debt to equity ratio	n/a	n/a	213.48	56.95	73.94
% change	n/a	n/a	274.85%	-22.98%	641.02%
Tangible net worth \$	(\$53,562)	(\$43,038)	\$3,698	\$13,250	\$10,226
% change	-24.45%	-1,263.82%	-72.09%	29.57%	-86.57%
Total debt to tangible net worth	n/a	n/a	213.48	56.95	73.94
% change	n/a	n/a	274.85%	-22.98%	641.02%
Total assets \$	\$942,137	\$896,840	\$905,570	\$877,395	\$893,923
% change	5.05%	-0.96%	3.21%	-1.85%	-3.39%
Total debt to assets ratio	0.89	0.91	0.87	0.86	0.85
% change	-1.42%	4.05%	1.37%	1.68%	3.01%
Tangible assets \$	\$942,137	\$896,840	\$905,570	\$877,395	\$893,923
% change	5.05%	-0.96%	3.21%	-1.85%	-3.39%
Short-term debt \$	\$834,325	\$1,859	\$834	\$801	\$764
% change	44,780.31%	122.90%	4.12%	4.84%	280.10%
Short-term debt % of total debt	99.03%	0.23%	0.11%	0.11%	0.10%
% change	43,240.00%	116.38%	-0.57%	5.15%	281.13%
Short-term debt % of working capital	-92.61%	-2.98%	-2.06%	-1.73%	-1.09%
% change	-3,009.30%	-44.42%	-19.52%	-57.94%	-108.06%
Total liabilities \$	\$995,699	\$939,878	\$901,872	\$864,145	\$883,697
% change	5.94%	4.21%	4.37%	-2.21%	4.07%
Debt to capitalization ratio	n/a	n/a	243.88	65.22	86.42
% change	n/a	n/a	273.94%	-24.53%	674.86%
Debt to total assets ratio	n/a	n/a	243.88	65.22	86.42
% change	n/a	n/a	273.94%	-24.53%	674.86%
Debt to tangible assets ratio	13.36	n/a	25.85	9.97	n/a
% change	n/a	n/a	159.19%	n/a	n/a
	10-K	10-Q	10-Q	10-Q	10-K
	4/13/2018	11/14/2017	8/9/2017	5/10/2017	3/15/2017

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

Persistently negative working capital

Meager cash and quick ratios

Liquidity Ratios - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	12/31/2017	9/30/2017	6/30/2017	3/31/2017	12/31/2016
Current assets \$	\$55,892	\$35,877	\$45,984	\$35,941	\$33,775
% change	55.79%	-21.98%	27.94%	6.41%	9.20%
% of short-term debt	6.70%	1,929.91%	5,513.67%	4,487.02%	4,420.81%
Current liabilities \$	\$956,789	\$98,290	\$86,423	\$82,362	\$103,708
% change	873.43%	13.73%	4.93%	-20.58%	49.85%
Working capital \$	(\$900,897)	(\$62,413)	(\$40,439)	(\$46,421)	(\$69,933)
% change	-1,343.44%	-54.34%	12.89%	33.62%	-82.69%
% of sales (annualized)	-389.94%	-32.52%	-21.30%	-22.29%	-36.40%
Cash \$	\$15,247	\$3,234	\$12,855	\$5,075	\$3,697
% change	371.46%	-74.84%	153.30%	37.27%	46.47%
% of short-term debt	1.83%	173.96%	1,541.37%	633.58%	483.90%
Cash ratio	0.02	0.03	0.15	0.06	0.04
% change	-51.67%	-77.87%	141.40%	73.03%	-2.47%
Quick assets \$	\$41,221	\$28,401	\$36,617	\$30,339	\$29,145
% change	45.14%	-22.44%	20.69%	4.10%	20.54%
% of short-term debt	4.94%	1,527.76%	4,390.53%	3,787.64%	3,814.79%
Quick ratio	0.04	0.29	0.42	0.37	0.28
% change	-85.09%	-31.79%	15.01%	31.10%	-19.58%
Current ratio	0.06	0.37	0.53	0.44	0.33
% change	-84.00%	-31.40%	21.93%	33.99%	-27.12%
Source:	10-K 4/13/2018	10-Q 11/14/2017	10-Q 8/9/2017	10-Q 5/10/2017	10-K 3/15/2017

Rates of return have collapsed

Rate of Return - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	3 mos 12/31/2017	3 mos 9/30/2017	3 mos 6/30/2017	3 mos 3/31/2017	3 mos 12/31/2016
Return on equity	n/a	-1,258.36%	-72.48%	26.24%	-88.52%
% change	n/a	-1,636.25%	-376.23%	129.64%	-1,062.46%
Return on net tangible equity	n/a	-1,258.36%	-72.48%	26.24%	-88.52%
% change	n/a	-1,636.25%	-376.23%	129.64%	-1,062.46%
Return on total assets	-1.17%	-5.16%	-1.08%	0.30%	-7.41%
% change	77.28%	-379.34%	-455.63%	104.09%	-1,415.79%
Return on tangible assets	-1.17%	-5.16%	-1.08%	0.30%	-7.41%
% change	77.28%	-379.34%	-455.63%	104.09%	-1,415.79%
Source:	10-K 4/13/2018	10-Q 11/14/2017	10-Q 8/9/2017	10-Q 5/10/2017	10-K 3/15/2017

ABOUT THIS REPORT/CONTACT CREDITRISKMONITOR



CreditRiskMonitor is a financial risk analysis and news service that helps credit, supply chain and financial professionals stay ahead of and manage risk quickly, accurately and cost effectively. More than 35% of the Fortune 1000, plus over a thousand other large corporations worldwide, rely on our financial risk coverage of over 58,000 global public companies.

CreditRiskMonitor's High Risk Reports feature companies that are exhibiting a significantly high level of financial distress, as indicated by our proprietary FRISK® score. The ultimate goal of the High Risk Report series is two-part: provide an early warning for those doing business with an increasingly distressed company and inform of the many signals that should be examined when assessing financial risks.

[Request a Personalized Demo and Risk Assessment](#)

[Read more High Risk Reports, Bankruptcy Case Studies and other resources](#)

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