



Rex Energy Corporation Enters Into Exploration Agreement With Williams in the Marcellus Shale

STATE COLLEGE, Pa., Jun 22, 2009 (GlobeNewswire via COMTEX News Network) -- Rex Energy Corporation ("Rex Energy") (Nasdaq:REXX) today announced an agreement with a subsidiary of Williams (NYSE:WMB) to pursue the development of the Marcellus Shale. Under the terms of the agreement, Williams will acquire a 50% interest in Rex Energy's leasehold interests in Westmoreland, Clearfield and Centre Counties in Pennsylvania, covering approximately 44,000 gross, (44,000 net) acres for approximately \$33 million, which will be paid through a "drill to earn" structure.

Ben Hulburt, Rex Energy's president and chief executive officer, stated, "I am very pleased to have moved forward with this strategic agreement with Williams. Their demonstrated exploitation of gas shales and proven technical strengths allow us to accelerate our activities in the Marcellus Shale, while at the same time conserving our capital. We continue to be very excited about the Marcellus Shale potential in these areas and view them as significant components of the company's core growth areas."

The participation and exploration agreement effectively provides that, for Williams to earn its 50% interest in the project areas, Williams will bear 90% of all costs and expenses incurred in the drilling and completion of all wells jointly drilled in the project areas until such time as Williams has invested \$74 million (\$33 million on behalf of Rex Energy and \$41 million for Williams' 50% share of the wells). Subject to certain termination rights contained in the agreement, Williams must fund all of the carry prior to December 31, 2011 or make a cash payment to Rex Energy for the remaining carry amount that has not been incurred at that time.

After Williams funds its initial carry, the parties will share all costs of joint venture operations in accordance with their participating interests, which are expected to be on a 50/50 basis. Additionally, Williams reimbursed Rex Energy approximately \$3.6 million for Williams' share of certain expenses incurred in the joint venture project areas that Rex Energy previously paid. Rex Energy will continue to operate the project areas through the end of 2009 and Williams will operate thereafter.

In Rex Energy's Butler County project area, the company is pleased to announce that it has closed on the acquisition of the 50% interest previously owned by its joint venture partner in certain areas of Butler County, Pennsylvania for \$4.2 million. This acquisition gives Rex Energy a 100% interest in these areas and increases the company's position by 6,500 net acres to approximately 22,700 gross (21,250 net) acres in this project area. These additional acres are primarily located in the immediate vicinity of the company's four producing Marcellus Shale vertical wells, the company's recently drilled and completed Marcellus Shale horizontal well and the company's natural gas processing plant.

Mr. Hulburt added, "Our partnership with Williams and the recent acquisition of the additional acreage in Butler County reaffirms our long-term commitment to the Marcellus Shale development. We believe strongly that we are now well positioned to accelerate this development by leveraging Williams' capabilities in two of our core areas and strengthening our own capabilities in a third area."

About Rex Energy Corporation

Rex Energy Corporation is an independent oil and gas company operating in the Illinois Basin and the Appalachian Basin of the United States. The company has pursued a balanced growth strategy of exploiting its sizable inventory of lower risk developmental drilling locations, pursuing its higher potential exploration drilling prospects and actively seeking to acquire complementary oil and natural gas properties. For more information about the company, please visit www.rexenergy.com. Please note that the company routinely posts important information about the company under the investor relations section of its web site.

The Rex Energy logo is available at <http://www.globenewswire.com/newsroom/prs/?pkgid=5489>

This news release was distributed by GlobeNewswire, www.globenewswire.com

SOURCE: Rex Energy Corporation

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