# REX ENERGY CORPORATION

CORPORATE PRESENTATION
June 2008

# FORWARD LOOKING STATEMENTS

This document contains forward-looking statements. All statements other than statements of historical facts included in this document, including but not limited to, statements regarding our future financial position, business strategy, budgets, projected costs, savings and plans and objectives of management for future operations, are forward-looking statements. Forward-looking statements generally can be identified by the use of forward-looking terminology such as “may,” “will,” “expect,” “intend,” “estimate,” “anticipate,” “believe” or “continue” or the negative thereof or variations thereon or similar terminology. These forward-looking statements are subject to numerous assumptions, risks and uncertainties. Factors which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by us in those statements include, among others, (i) the quality of our properties with regard to, among other things, the existence of reserves in economic quantities, (ii) uncertainties about the estimates of reserves, (iii) our ability to increase our production and oil and natural gas income through exploration and development, (iv) our ability to successfully apply horizontal drilling techniques and tertiary recovery methods, (v) the number of well locations to be drilled and the time frame within which they will be drilled, (vi) the timing and extent of changes in commodity prices for crude oil and natural gas, (vii) domestic demand for oil and natural gas, (viii) drilling and operating risks, (ix) the availability of equipment, such as drilling rigs and transportation pipelines, (x) changes in our drilling plans and related budgets, and (xi) adequacy of our capital resources and liquidity including, but not limited to, access to additional borrowing capacity. Because such statements are subject to risks and uncertainties, actual results may differ materially from those expressed or implied by the forward-looking statements. You are cautioned not to place undue reliance on such statements, which speak only as of the date of this document. Unless otherwise required by law, we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

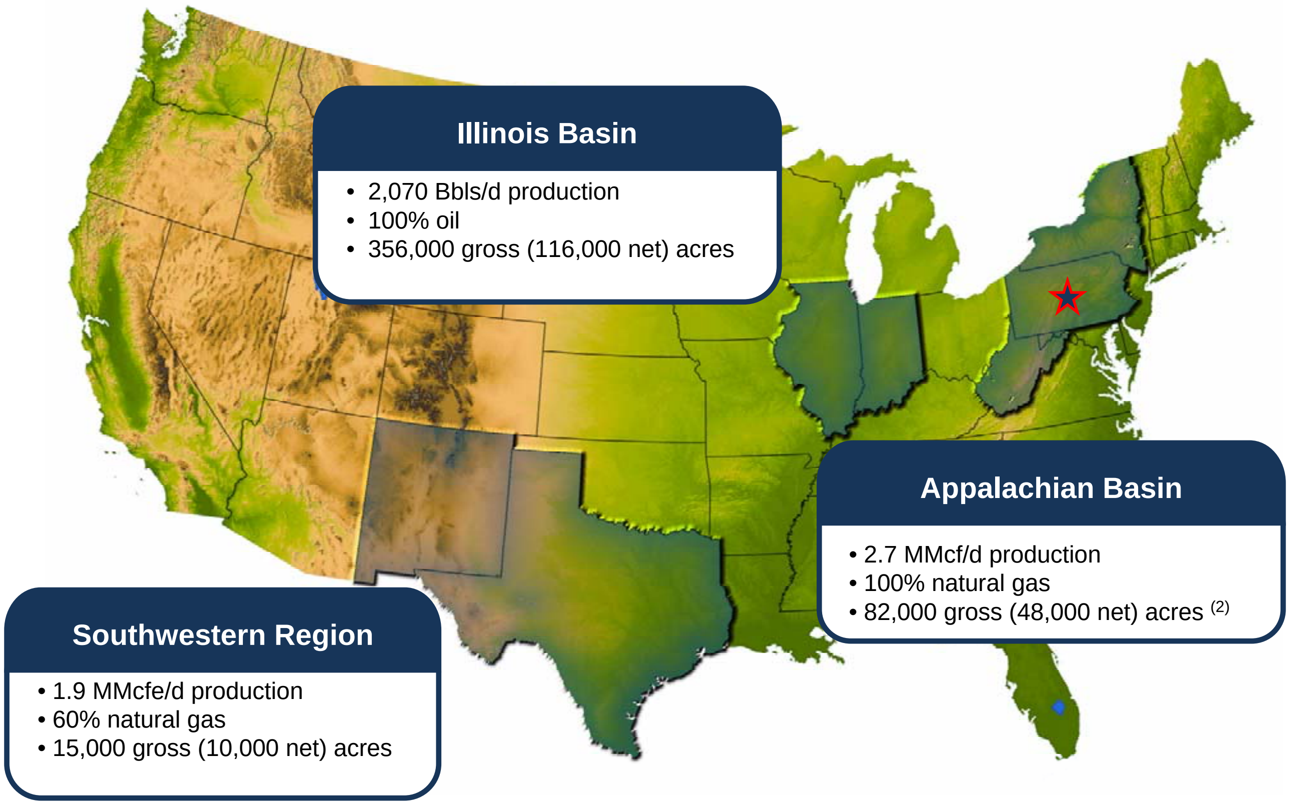
# REX ENERGY CORPORATION KEY STATISTICS

| | |
|---|---|
| **Listing** | **NASDAQ: REXX** |
| **Shares Outstanding [4]** | **36.6 million** |
| **Market Cap[1]** | **Approx. $1.05 billion** |
| **Debt to Market Cap Ratio [4]** | **Approx. 0%** |
| **Proved Reserves [2]** | **15.9 MMBOE** |
| **% Oil** | **81%** |
| **% Proved Developed** | **77%** |
| **Current Net Daily Production [5]** | **Approx. 2,828 BOEPD** |
| **Total Acreage [6]** | **477,000 gross (189,000 net)** |
| **Total Potential Reserves [3]** | **290 MMBOE** |

1. Based on closing price on June 12th $28.75 and 36,569,702 shares outstanding.
2. Prepared by Netherland, Sewell & Associates, Inc. as of December 31, 2007.
3. Includes 15.9 MMBOE of proven reserves as of December 31, 2007 and 275 MMBOE in unrisked non-proven reserves
4. As of May 6, 2008 .
5. 1st quarter 2008 average.
6. As of June 16, 2008

# CORPORATE OVERVIEW

- **Reserve Base** [(1)]
  - 15.9 MMBOE Proven Reserves
  - $392 Million PV-10
  - 81% Oil
  - 78% Proved Developed
- **Acreage** [(2)]
  - Total ~477,000 gross (189,000 net)
- **Production** [(3)]
  - Total ~2,828 BOEPD
  - 78% Oil
- **Current Significant Projects**
  - Enhanced Oil Recovery/ ASP Flood 84 MMBbls in net un-risked potential reserves [(4)]
  - Marcellus Shale Exploration with up to 1,400 net potential locations (assuming 40 acres vertical well spacing)
  - Over 500 shallow oil and natural gas developmental locations




1. Prepared by Netherland, Sewell & Associates, Inc. as of December 31, 2007.
2. As of June 16, 2008.
3. 1st quarter 2008 average.
4. This estimate has not been demonstrated by actual production or conclusive formation tests to be economically and legally producible under existing economic and operating conditions. It does not represent proven reserves. Moreover, no third party engineers or appraisers have reviewed the data underlying this estimate. This estimate was prepared by our internal engineers based on the hypothetical case presented on slide [20] of this presentation. These estimates are by their nature more speculative than estimates of proved reserves included in the prospectus and accordingly are subject to substantially greater risk of not being actually realized by us. “Unproven reserves potential” has not been risked for failure to find commercial quantities of oil and gas reserves. As of May 1, 2008, we have commenced injections on our two test pilots in the Lawrence Field and we have not booked any proven reserves in the acreage we believe are prospective for the ASP flood.

# 15.9 MMBOE *(95.4 BCFE)* PROVEN RESERVES & 275.0 MMBOE *(1.7 TCFE)* IN ESTIMATED UNBOOKED POTENTIAL (2)

- **Proven Reserve Base (1)**
  - 15.9 MMBOE Proven Reserves
  - 81% Oil
  - 78% Proved Developed
  - $392 million PV-10

- **Un-Booked Developmental Drilling (2)**
  - 200 shallow oil locations in the Illinois Basin with ~ 3 MMBbls in net un-risked reserve potential
  - 100 shallow gas locations in the Appalachian Basin with ~11.8 Bcf in net un-risked reserve potential
  - 25 oil and gas locations in the Permian Basin with ~ 3 MMBoe in net un-risked reserve potential

- **Enhanced Oil Recovery (Lawrence Field ASP Project) (3)**
  - 84 MMBbls in net un-risked potential reserves
  - Expected F&D costs of ~$11.00 per Bbls
  - Project PV-10 of $1.5 billion at $80.00 oil with 97% IRR

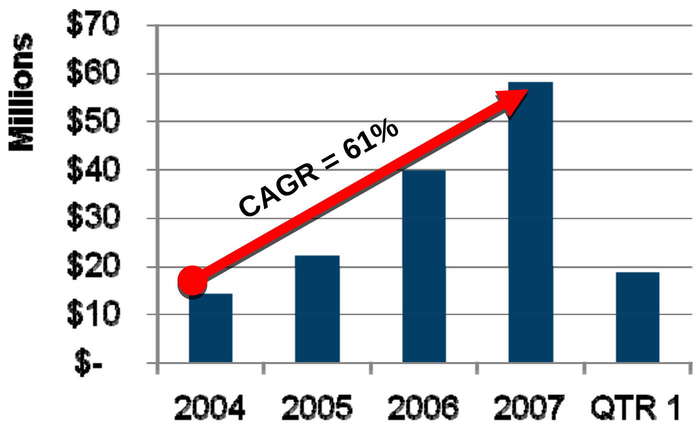
- **Marcellus Shale Potential**
  - 57,000 net acres in areas of active exploration of Pennsylvania (4)
  - Actively leasing additional acreage
  - ~1,400 net potential vertical locations (40 acres spacing)
  - ~1.1 Tcf in net un-risked potential reserves (5)

- **Additional Upside Potential (*Not Included in Un-Booked Potential)***
  - 306,000 (92,000 net) acres in southern Indiana in areas with active New Albany Shale exploration
  - ASP potential in additional fields and formations owned by Rex Energy in the Illinois Basin

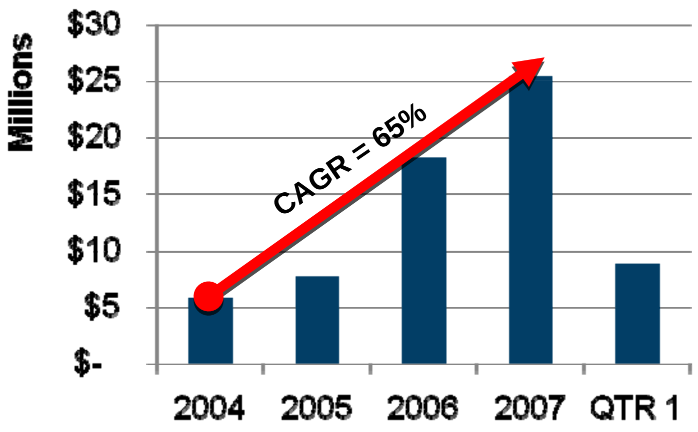
1. Prepared by Netherland, Sewell & Associates, Inc. as of December 31, 2007.
2. Does not represent proven reserves. Based on un-risked internal projections which have not been reviewed by a third party reserve engineering firm.
3. Please see footnote 5 to slide 5 of this presentation for important information on how we derive net un-risked potential reserves. Projected PV-10 is based on an un-risked hypothetical case assuming that the ASP Flood results in an oil recovery rate of 23% of the original oil in place. Please see slide [20] for a detailed description of the hypothetical case.
4. As of June 16, 2008.
5. This estimate has not been demonstrated by actual production or conclusive formation tests to be economically and legally producible under existing economic and operating conditions. It does not represent proven reserves. Moreover, no third party engineers or appraisers have reviewed the data underlying this estimate. This estimate was prepared by our internal engineers based on a hypothetical case in which we achieve similar drilling results on our Marcellus Shale acreage to those achieved by Atlas Energy Resources, LLC of average gross proved reserves per well of 0.961 Bcf as disclosed in the March 2008 Atlas Energy Resources, LLC investor presentation. Such estimates are by their nature more speculative than estimates of proved reserves included in the prospectus and accordingly are subject to substantially greater risk of not being actually realized by us. "Unproven reserves potential" has not been risked for failure to find commercial quantities of oil and gas reserves. There can be no assurances that we will achieve drilling results comparable to those achieved by Atlas.

# HISTORICAL HIGHLIGHTS

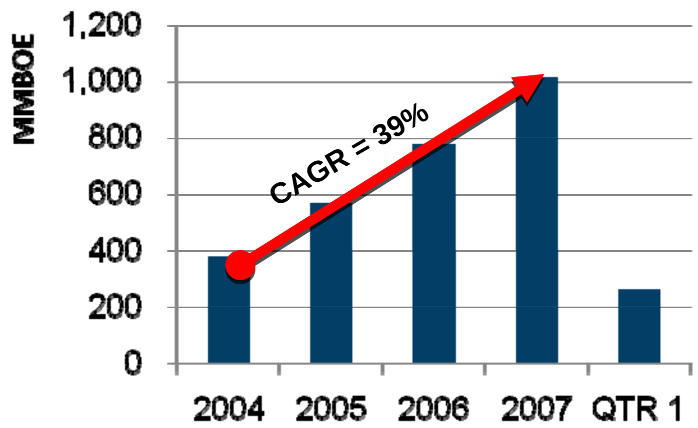
## Revenue Growth



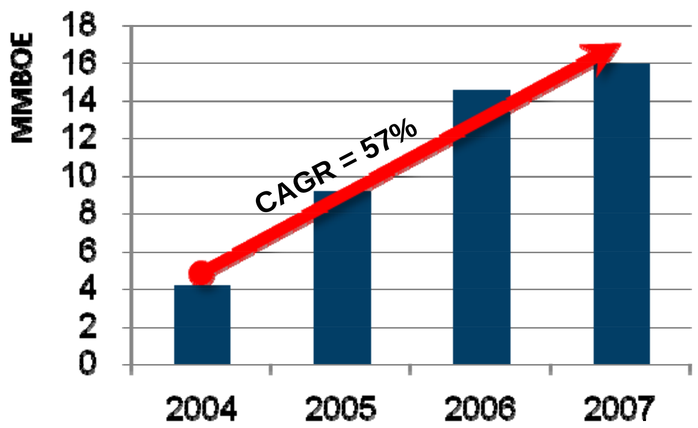

## EBITDAX [1] Growth




## Production Growth




## Proved Reserves Growth

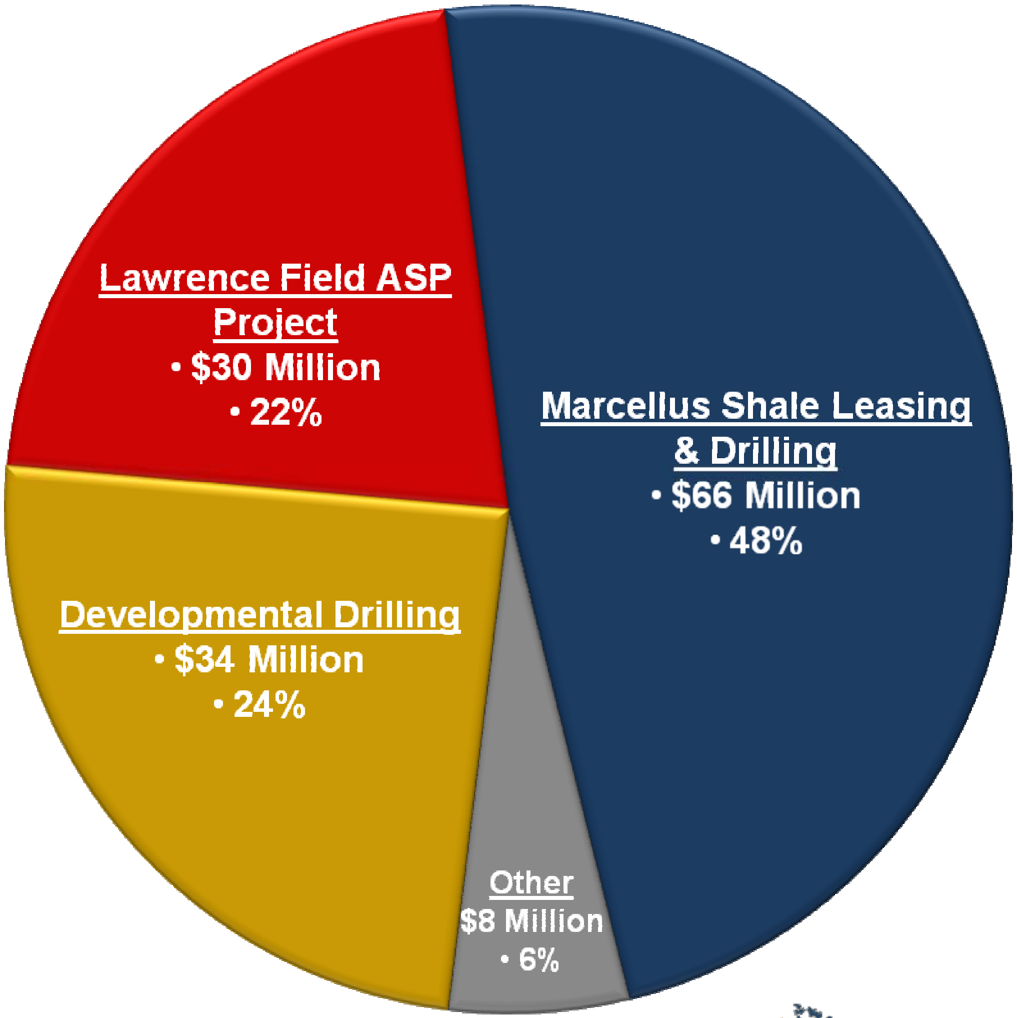



1. Please see reconciliation of this non-GAAP measure in the Appendix.

# 2008 CAPITAL BUDGET SUMMARY

- In November 2007, we established our initial 2008 capital budget of approximately $78 million.
- On March 17, 2008, our board of directors approved an increase in our 2008 capital budget to $138.7 million.
- The increase was the result of increased anticipated capital expenditures in our Marcellus Shale leasing and exploration activities.
- The 2008 capital budget focuses on:
  - Accelerating our Lawrence Field ASP Flood Project;
  - Aggressively adding to our Marcellus Shale acreage position;
  - Commencing the testing of our acreage in Pennsylvania for the Marcellus Shale; and
  - Continuing to grow our near term production through our developmental drilling projects in the Appalachian Basin, Illinois Basin and Permian Basin.

**2008 Capital Budget Summary**



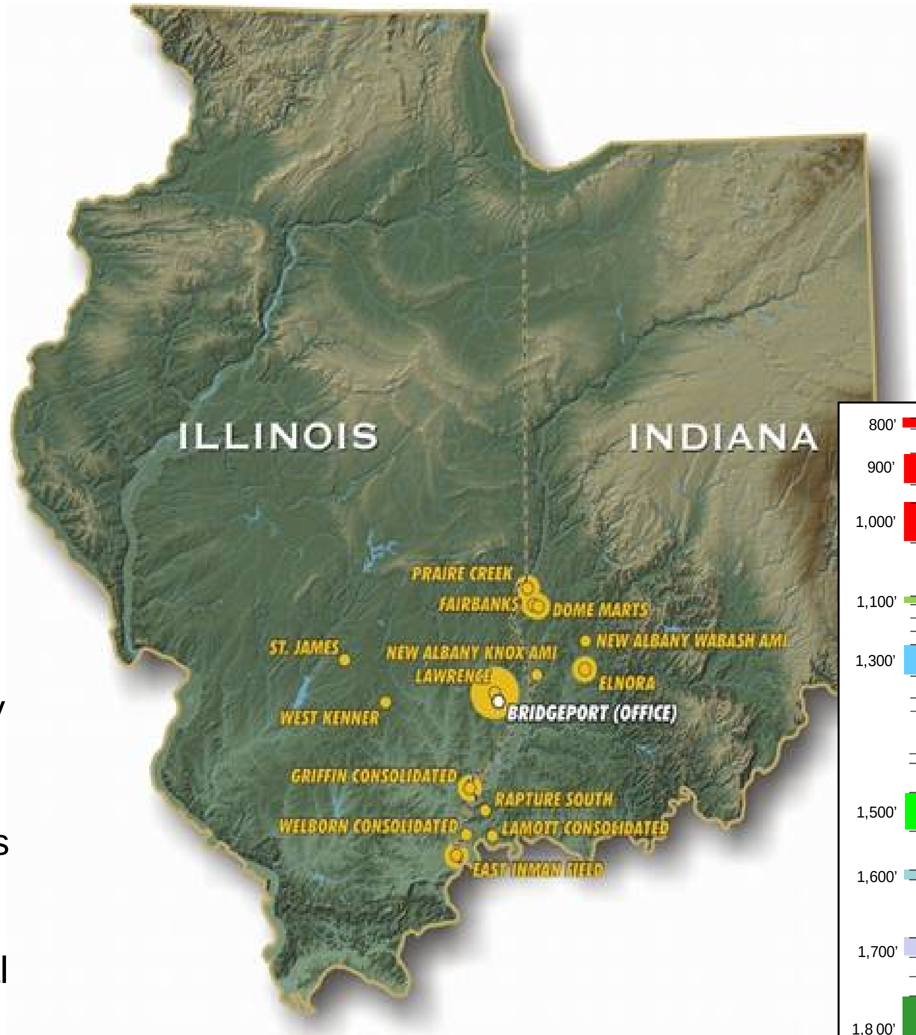
# HEDGING SCHEDULE

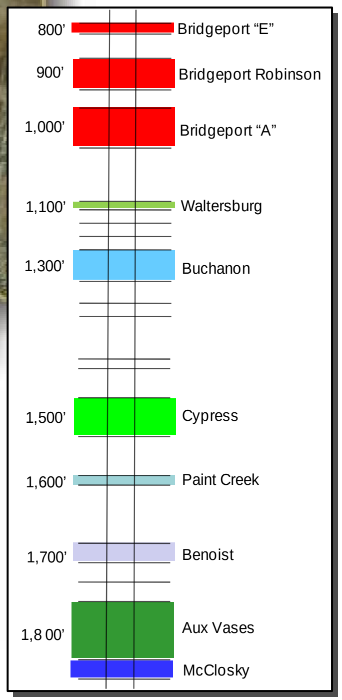
- Our goal is to maintain a hedging position on 70-80% of our next three years proved developed producing reserves
- We have traditionally used swaps and costless collars
- The table shows current hedging positions as of May 19, 2008

| Year | Volume | % of PDP | Avg. Floor | Avg. Ceiling |
|---|---|---|---|---|
| **Crude Oil** | | | | |
| 2008 | 476 MBbls | 75% | $65.51 | $78.05 |
| 2009 | 602 MBbls | 75% | $64.11 | $70.63 |
| 2010 | 588 MBbls | 78% | $62.71 | $79.31 |
| 2011 | 360 MBbls | 57% | $76.67 | $147.00 |
| | | | | |
| **Natural Gas** | | | | |
| 2008 | 720 Mmcf | 75% | $7.00 | $9.26 |
| 2009 | 840 Mmcf | 70% | $7.14 | $9.29 |
| 2010 | 840 Mmcf | 72% | $7.79 | $11.06 |
| 2011 | 360 Mmcf | 16% | $8.00 | $13.50 |

# ILLINOIS BASIN OPERATIONS

- The largest oil producer in the Illinois Basin
  - Production: Average net daily production (2,070 net) per day(1)
  - Proved reserves: 12.0 MMBbls
  - 356,000 gross (116,000 net) acres
- Drilling success rates of greater than 99% in numerous shallow pay zones
- ~390 PUD & PDNP locations with multiple non-proved offset locations:
  - Plan to drill ~50 in 2008
  - Avg. Well Depth: 1,000 feet
  - Avg. Well Cost: $190,000
  - Avg. IP Rate: 15-30 Bbls per day
  - Avg. Net Reserves per Well: 10,300 Bbls
  - Avg. F&D Costs: $18.45 per Bbls
  - Wells produce 30 to 50 years
- New Albany shale exploration potential on approximately 306,000 gross (92,000 net) acres.

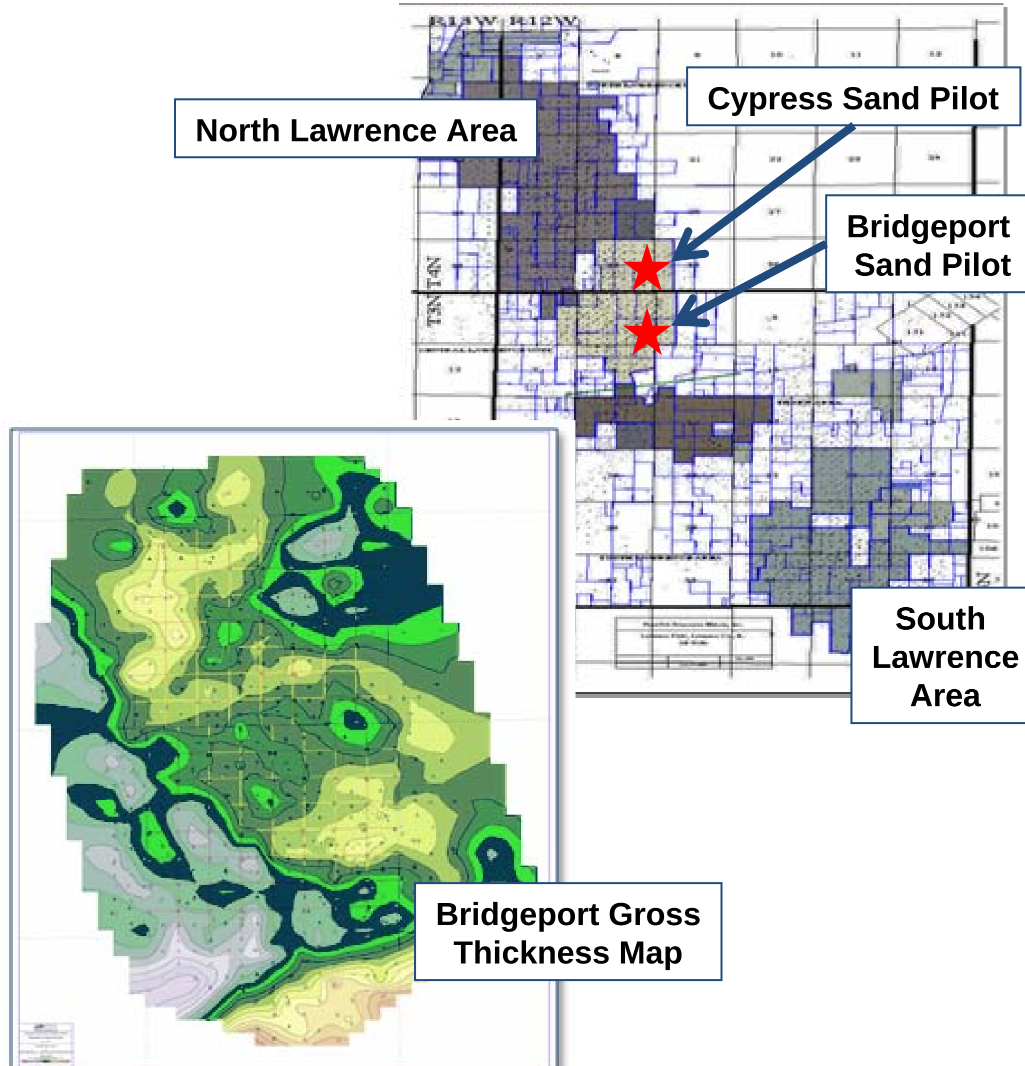



1. 1st quarter 2008 average

# THE LAWRENCE FIELD

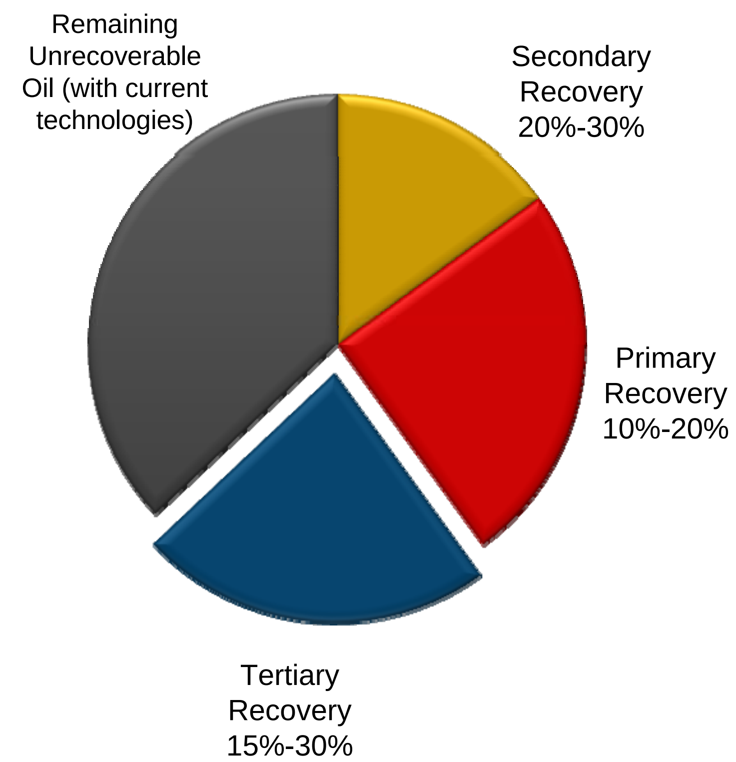
- Discovered in 1906 in Lawrence County, Illinois, the Lawrence Field is believed to have original-oil-in-place ("OOIP") of approx. 1 Billion barrels. The field has the largest cumulative production in the State of Illinois totaling over 400 MMBbls.
- We own and operate approximately 13,500 net acres of the Lawrence Field.
- The Cypress formation is the most prolific oil producing horizon in Illinois and is Middle Mississippian in age. The Cypress has yielded an estimated 200 MMBbls in the Lawrence Field.
- The Bridgeport formation is Pennsylvanian in age and has yielded an estimated 140 MMBbls.
- Secondary recovery by water flooding was initiated in the mid-1950's throughout the Pennsylvanian and Mississippian sections.



# LAWRENCE FIELD ASP PROJECT

- We are implementing an Alkali-Surfactant-Polymer ("ASP") Flood project in the Cypress and Bridgeport Sandstone reservoirs of the Lawrence Field acreage.
- ASP technology uses similar mechanisms to mobilize bypassed residual oil as previous surfactant polymer floods conducted in the 1960s, 70s and 80s but at significantly lower costs.
- There have been two successful surfactant-polymer pilot tests in the field to date done by Marathon in the 1970's and 1980's (one each in the Cypress and Bridgeport Zones).
- Rex Energy completed 26 core-flood tests in 2007 with ASP chemicals from cores taken in the Lawrence field which achieved recoveries of up to 21% and 24% in the Cypress and Bridgeport sandstones, respectively.

**Typical Field Recovery, % of Original Oil in Place[1]**




1. Typical primary and secondary recovery of OOIP from the Bridgeport and Cypress formations as estimated by the US DOE, with tertiary recovery based on EOR project results in the Lawrence Field.

# THE ASP PROCESS MECHANISMS

- The ASP process uses 3 chemicals to recover by-passed oil in the reservoir:

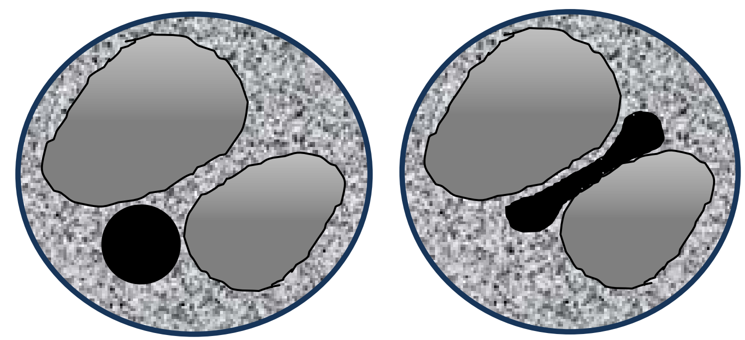
- **Alkali:**
  - Alters rock wettability
  - Reacts with oil to form natural surfactants
  - Adjusts pH and salinity
  - Alters rock chemistry, reducing adsorption

- **Surfactant:**
  - Reduces oil-water interfacial

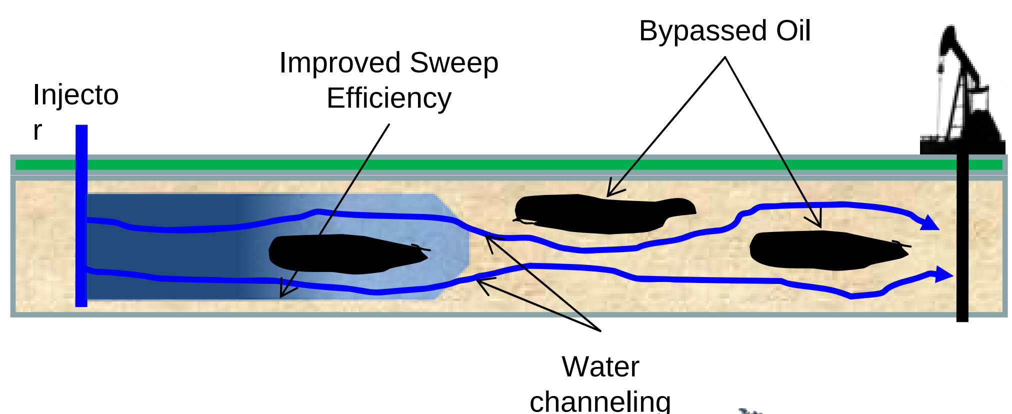
**Alkali + Surfactant =** synergistic interfacial tension reduction

**High Interfacial Tension**
Oil is trapped by pore throat restriction

**Low Interfacial Tension**
Oil passes through pore throat restriction



- **Polymer:**
  - Thickening agent to improve sweep efficiency



# ASP CHEMICAL FLOODS SINCE 1985

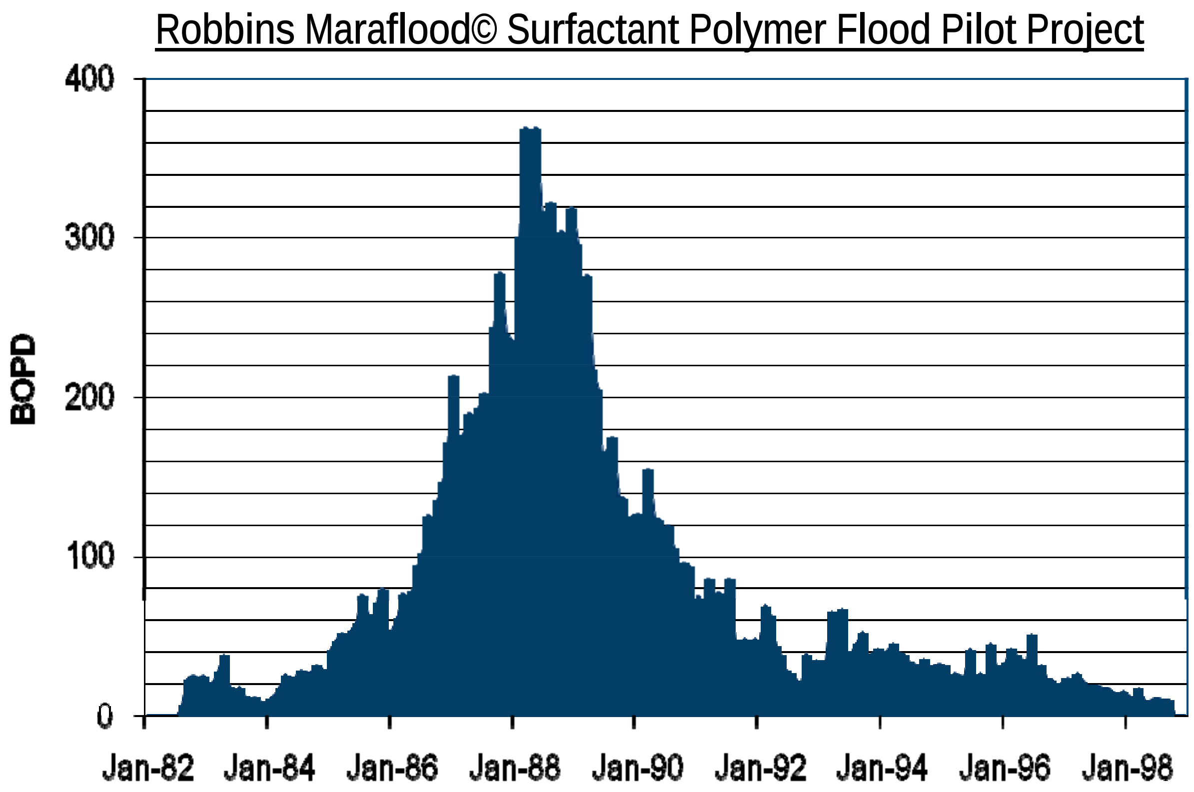
| Field | Region | Owner | Start Date | OOIP Recovered (1) |
|---|---|---|---|---|
| Adena * | Colorado | Babcock & Brown | 2001 | In progress |
| Cambridge * | Wyoming | Barrett | 1993 | 28.07% |
| Daquing BS | China | Sinopec | 1996 | 23.00% |
| Daguing NW * | China | Sinopec | 1995 | 20.00% |
| Daguing PO * | China | Sinopec | 1994 | 22.00% |
| Daquing FM | China | Sinopec | 1995 | 22.32% |
| Daquing XF | China | Sinopec | 1995 | 25.00% |
| Enigma * | Wyoming | Citation | 2001 | In progress |
| Etzikom * | Alberta | Husky | 2005 | In progress |
| Gudon | China | CNPC | 1992 | 26.51% |
| Karmay | China | CNPC | 1995 | 24.00% |
| Lagomar * | Venezuela | PDVSA | 2000 | 20.11% |
| Mellot Ranch * | Wyoming | West | 2000 | In progress |
| Sho Vel Tum | Oklahoma | LeNorman | 1998 | 16.22% |
| Tanner * | Wyoming | Citation | 2000 | In progress |
| West Kiehl * | Wyoming | Barrett | 1987 | 20.68% |
| Instow Unit | Saskatchewan | Talisman | In Progress | In Progress |
| Nowata * | Oklahoma | Cano Petroleum | 2007 | In Progress |

* Denotes projects on which Surtek served as Technical Consultant.

1. Our results may vary significantly from these projects.

# LAWRENCE FIELD ROBBINS LEASE SURFACTANT POLYMER TEST

- In 1982 Marathon began a 25-acre, surfactant-polymer pilot on the Robins lease in the Lawrence Field.
- The project produced an estimated 450,000 incremental barrels from 25-acres within the 13,500 acres of the Lawrence Field.
- During the six year period of chemical injection, the production rose from 7 BOPD to 370 BOPD and the oil cut increased from 1% to 21%.
- The project recovered an incremental 21% of the OOIP.

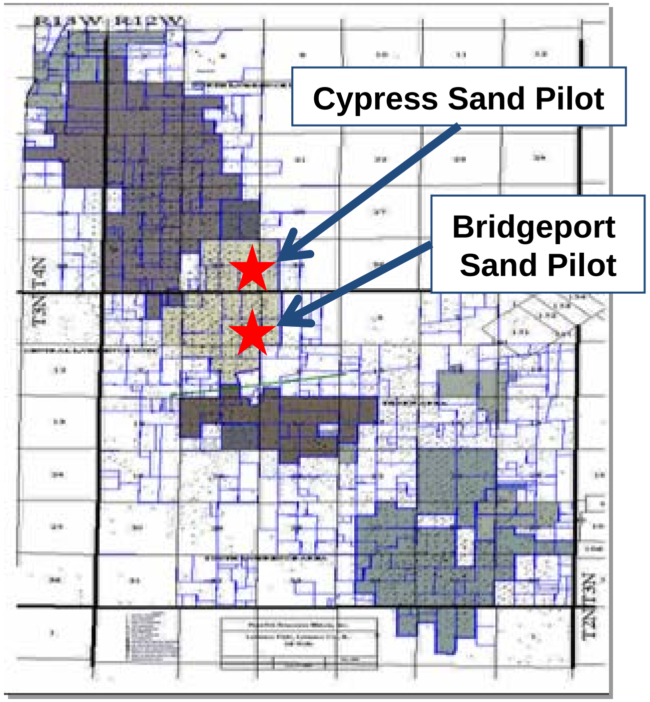


# REX ENERGY'S ASP PILOTS

- Rex Energy is conducting two ASP pilot tests (one Bridgeport and one Cypress) in the Lawrence Field:
  - Each pilot area totals 3.6 acres with 4 injection wells and 5 producing wells
  - Anticipated first response:  ~4 months from first chemical injection
  - Anticipated Peak response:  ~7 months from first chemical injection
  - Oil Gravity: 34°
  - Chemical injection of both pilots began during the 2nd Quarter 2008.

- Bridgeport Sand Pilot (James Lewis Lease):
  - Depth : ~ 950'
  - Net pay: ~71'
  - Daily injection rate: ~425 Bbls per day per well or 1,700 Bbls per day total
  - Anticipated peak production: 220 Bbls per day

- Cypress Sand Pilot (JT Griggs Lease):
  - Depth: ~ 1600'
  - Net pay: ~54'
  - Daily injection rate: ~324 Bbls per day per well or 1,296 Bbls per day total
  - Anticipated peak production: 150 Bbls per day



# EXPECTED LAWRENCE FIELD ASP PROJECT TIMELINE

- **2007:**
  - ✓ Complete Radial Coreflood Analysis on each of the Bridgeport and Cypress Sandstones
  - ✓ Determine optimum chemical recipe for each of the Bridgeport and Cypress Sandstones
  - ✓ Begin construction of first chemical injection plant
  - ✓ Drill pilot wells

- **2008 Planned Events:**
  - ✓ Complete construction of pilot portion of first chemical injection plant
  - ✓ Begin chemical injection in two pilot tests
  - – Expected first production response from pilot tests (3rd quarter)
  - – Expected peak production from pilot tests (4th quarter)
  - – Evaluate pilot results and estimated proven reserves (4th quarter)
  - – Begin drilling wells for first 320 acre unit
  - – Complete scale up of first chemical injection plant
  - – Begin construction of second chemical injection plant

**Alkali Building**

**Alkali Silo**

**Injection Plant Control Room**

**Pilot Wells**

# LAWRENCE FIELD 320-ACRE ASP UNIT SUMMARY

- We estimate that approximately 10,000 acres of the 13,500 acres owned by Rex Energy in the Lawrence field are prospective for the ASP flood.

- We plan to develop the field with ASP in 320-acre units, giving the company approximately twenty-five 320 acre ASP units.

- Anticipated 320 Acres Unit Profile:
  - Avg. Well spacing: 1 producer per 10 acres; 1 injector per 5 acres
  - Avg. Number injection wells: 64
  - Avg. Number production wells: 32
  - Avg. Net Pay: 55’ total (Bridgeport + Cypress)
  - Time to first response: ~11 months (from 1st chemical injection)
  - Time to peak response: ~24 months (from 1st chemical injection)

**Single 320-Acre Unit Potential Reserves & Anticipated Economic Summary [(1)]**

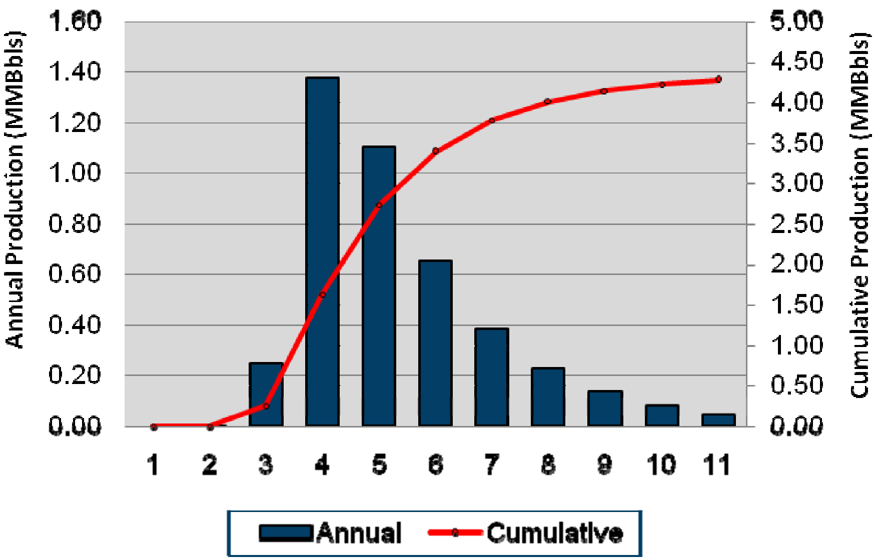
| | 23% OOIP Recovery | 15% OOIP Recovery |
|---|---|---|
| Gross Potential Reserves (MMBbls) | 4.2 | 3.2 |
| Net Potential Reserves (MMBbls) | 3.3 | 2.4 |
| Net Capital Investment (Millions) | $35 | $35 |
| NPV-10 at $80/Bbls (Millions) | $127 | $85 |
| NPV-10 at $50/Bbls (Millions) | $62 | $37 |
| IRR at $80/Bbls | 97% | 64% |
| IRR at $50/Bbls | 60% | 35% |
| F&D / Bbls | $11.00 | $14.50 |
| Lift Costs /Bbls | $4.75 | $5.90 |

1. Based on internally prepared un-risked projections which have not been reviewed by a third party engineering firm. None of the ASP potential reserves are considered proven at this time. Assumed recovery of 23% is an estimate within a range of results in recent radial core-flood analysis completed by Surtek.

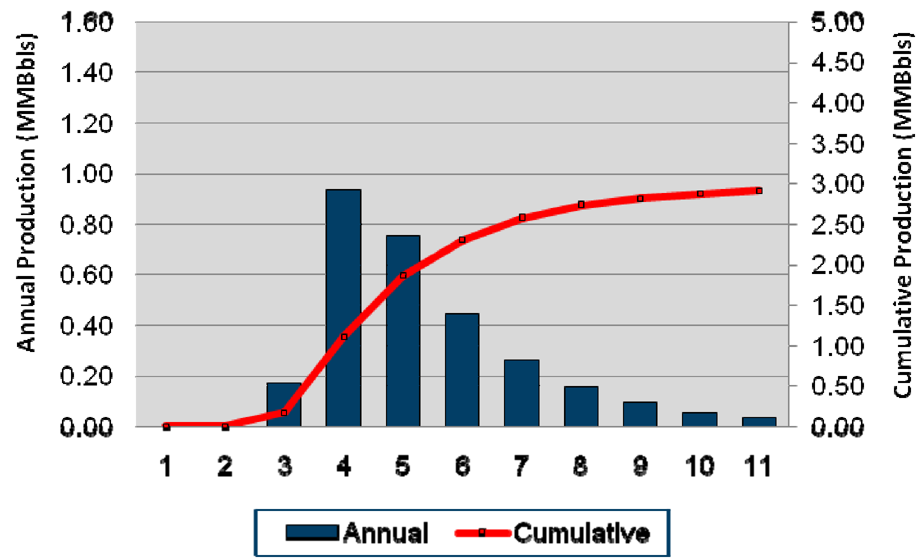
# SIGNIFICANT EFFECT OF A 320-ACRE ASP UNIT SUMMARY ON REX'S ANTICIPATED PRODUCTION

## Single 320-Acre Unit Production Profile [(1)]

### 23% OOIP Recovery




### 15% OOIP Recovery




1. Based on internally prepared un-risked projections which have not been reviewed by a third party engineering firm. None of the ASP potential reserves are considered proven at this time. Assumed recovery of 23% is an estimate within a range of results in recent radial core-flood analysis completed by Surtek.

# LAWRENCE FIELD ASP VALUE PROPOSITION

- Rex Energy completed 26 coreflood tests in 2007 with ASP chemicals from cores taken in the Lawrence field which achieved recoveries of up to 21% and 24% in the Cypress and Bridgeport sandstones respectively.

- Based on internally prepared projections of potential reserves from the Lawrence Field ASP project at a base case recovery of 23% of OOIP, and a low case recovery of 15% of OOIP, the Lawrence Field ASP represents significant potential upside to Rex Energy's current share price.

| | 23% Recovery | 15% Recovery |
|---|---|---|
| Net Potential Reserves (1) | 84 MMBbls | 55 MMBbls |
| Estimated PV-10 (@ $50.00/Bbls) (2) | $746 Million | $325 Million |
| Estimated PV-10 (@ $80.00/Bbls) (2) | $1.5 Billion | $842 Million |
| Estimated PV-10 (@ $100.00/Bbls) (2) | $2.1 Billion | $1.2 Billion |
| Estimated PV-10 (@ $120.00/Bbls) (2) | $2.6 Billion | $1.5 Billion |

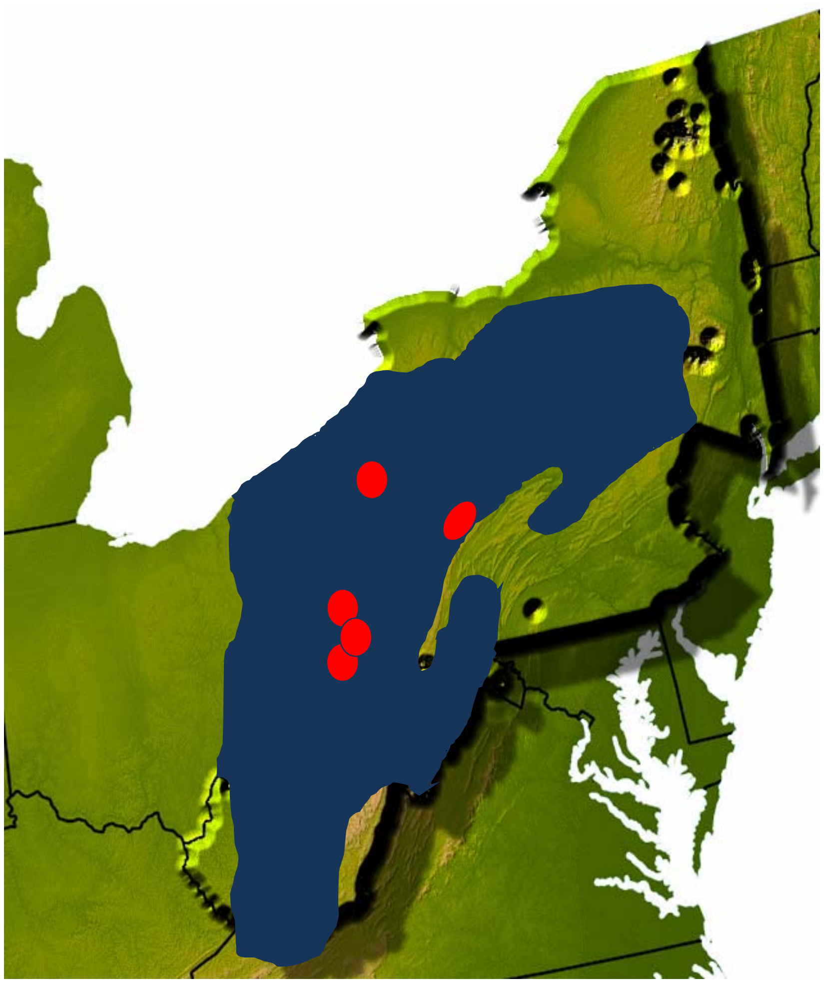
1. Based on internally prepared projections. Does not represent proved reserves.
2. This projected PV-10 represents the present value of the net un-risked potential reserves, discounted at 10% per annum, of estimated future cash flows before income tax assuming a price per barrel of oil as indicated.

# APPALACHIAN OPERATIONS

- Production:  2.2 MMcf net per day
- Proved reserves: 12.7 Bcf
- ~64% of acreage held by production
- Drilling success rates of greater than 98% in shallow zones
- Premium pricing of $0.10-$0.65 per Mcf
- Active Marcellus Shale leasing and drilling program
- ~45 conventional shallow PUD locations & ~60 conventional shallow Probable & Possible locations:
  - Plan to drill 15-20 in 2008
  - Avg. Well Depth: 3,500 feet
  - Avg. Well Cost: $240,000
  - Avg. IP Rate: 50 Mcf per day
  - Avg. Net Reserves per Well: 105 MMcf
  - Avg. F&D Costs: $2.30 per Mcf
  - Wells produce 30 to 50 years

# MARCELLUS SHALE PROJECTS SUMMARY

- The Marcellus Shale is a black, organic rich shale formation located at depths between 4,000 and 8,500 feet and ranges in thickness from 50 to 250 feet
- Rex Energy owns approx. 87,000 gross (57,000 net) acres in areas of active exploration targeting the Devonian Marcellus Shale in Pennsylvania (1)
- Aggressively leasing in several project areas
- Recent horizontal wells drilled in the Marcellus Shale in Pennsylvania have had average initial production rates of 3.9 Mmcfe/day (2) (4)
- Recent vertical wells drilled in the Marcellus Shale have been estimated to produce average reserves per well of 0.961 Bcf with initial production rate of approximately 1 Mmcfe/day (3) (4)
- Rex Energy has drilled and fracture stimulated two vertical test wells to date with encouraging initial flow rates



1. As of June 16, 2008
2. As noted in the March 2008 Range Resources investor presentation
3. As noted in the March 2008 Atlas Energy Resources, LLC investor presentation
4. To date, we have only drilled two vertical test wells in the Marcellus. Our results may differ from those cited.

# MARCELLUS SHALE COMPARES FAVORABLY WITH OTHER SHALE PLAYS

| | Woodford | Barnett | Fayetteville | Marcellus |
|---|---|---|---|---|
| TOC | 3.0 - 10.0% | 3.0 – 8.0% | 4.0 – 9.5% | **2.0 – 10.0%** |
| Vro% | 1.1 – 3.0% | 1.2 – 2.0% | 1.1 - >4.0% | **1.0 – 2.5%** |
| Silica Content | 60 – 80% | 40 – 60% | 20 – 60% | **40 – 60%** |
| Clay Content | <20% | <35% | 20 – 40% | **20 – 45%** |
| Gas Filled Porosity | 3.0 – 6.5% | 3.0 – 5.5% | 2.0 – 8.0% | **3.0 – 6.0%** |
| Thickness (ft.) | 50 – 200 | 300 – 500 | 50 – 325 | **25 – 250** |
| Depth (ft.) | 4,000 – 12,000 | 6,000 – 9,000 | 1,500 – 6,500 | **4,000 – 8,500** |
| Adsorbed gas | 20 - 40% | 20 – 40% | 50 – 70% | **20 – 40%** |
| Pressure Gradient (psi/ft) | 0.52 | 0.52 | 0.435 | **0.4 – 0.7** |
| Resource (Bcf/sq. mile) | 10 - 100 | 50 - 200 | 25 - 65 | **20 - 100** |

Source: Atlas IPAA presentation dated April 2008.

# MARCELLUS SHALE POTENTIAL WELLSITES

- Potential drill-sites for the Marcellus Shale could range from 342 to 1,140 depending upon percent of acreage drillable and well spacing.

| Number of Drill-Sites (1) | | | | | |
|---|---|---|---|---|---|
| | % Drillable | | | | |
| **Avg. Spacing** | **60%** | **65%** | **70%** | **75%** | **80%** |
| **100** | 342 | 371 | 399 | 428 | 456 |
| **80** | 428 | 463 | 499 | 534 | 570 |
| **70** | 489 | 529 | 570 | 611 | 651 |
| **60** | 570 | 618 | 665 | 713 | 760 |
| **50** | 684 | 741 | 798 | 855 | 912 |
| **40** | 855 | 926 | 998 | 1,069 | 1,140 |

1. Based on 57,000 net acres as of June 16, 2008 prospective for the Marcellus Shale

# MARCELLUS SHALE VALUE PROPOSITION

- Based on a value $1.00/Mcf, an assumption that 65% of Rex Energy acreage is drillable, and current Marcellus Shale well EUR assumptions, the Marcellus Shale can represent a significant value per share.

| Current Net Acreage | 57,000 | |
|---|---|---|
| | Vertical Wells | Horizontal Wells |
| % Assumed Drillable | 65% | 65% |
| Average Well Spacing (1) | 40 | 100 |
| Net Wells | 926 | 371 |
| Estimated Average EUR/Well (2) | .96 Bcfe | 3 Bcfe |
| Average Royalty | 15% | 15% |
| Total Net Potential Un-Risked Reserves | 756 Bcfe | 945 Bcfe |
| Assumed Market Value (3) | $1.00/Mcfe | $1.00/Mcfe |
| Net Potential Value | $756 million | $945 million |

1. Vertical well spacing based on Atlas Energy Resources March 2008 investor presentation, horizontal well spacing based on typical Barnett Shale well spacing. Our spacing may vary.
2. Vertical well EUR's based on Atlas Energy Resources March 2008 investor presentation, horizontal wells EUR estimated based on Range Resources announced initial production rates. Our results may vary significantly.
3. Reflects precedent transactions in the Appalachian Basin. Per John S. Herold database.

# 15.9 MMBOE *(95.4 BCFE)* PROVEN RESERVES & 275.0 MMBOE *(1.7 TCFE)* IN ESTIMATED UNBOOKED POTENTIAL (2)

- **Proven Reserve Base (1)**
  - 15.9 MMBOE Proven Reserves
  - 81% Oil
  - 78% Proved Developed
  - $392 million PV-10

- **Un-Booked Developmental Drilling (2)**
  - 200 shallow oil locations in the Illinois Basin with ~ 3 MMBbls in net un-risked reserve potential
  - 100 shallow gas locations in the Appalachian Basin with ~11.8 Bcf in net un-risked reserve potential
  - 25 oil and gas locations in the Permian Basin with ~ 3 MMBoe in net un-risked reserve potential

- **Enhanced Oil Recovery (Lawrence Field ASP Project) (3)**
  - 84 MMBbls in net un-risked potential reserves
  - Expected F&D costs of ~$11.00 per Bbls
  - Project PV-10 of $1.5 billion at $80.00 oil with 97% IRR

- **Marcellus Shale Potential**
  - 57,000 net acres in areas of active exploration of Pennsylvania (4)
  - Actively leasing additional acreage
  - ~1,400 net potential vertical locations (40 acres spacing)
  - ~1.1 Tcf in net un-risked potential reserves (5)

- **Additional Upside Potential (*Not Included in Un-Booked Potential)***
  - 306,000 (92,000 net) acres in southern Indiana in areas with active New Albany Shale exploration
  - ASP potential in additional fields and formations owned by Rex Energy in the Illinois Basin

1. Prepared by Netherland, Sewell & Associates, Inc. as of December 31, 2007.
2. Does not represent proven reserves. Based on un-risked internal projections which have not been reviewed by a third party reserve engineering firm.
3. Please see footnote 5 to slide 5 of this presentation for important information on how we derive net un-risked potential reserves. Projected PV-10 is based on an un-risked hypothetical case assuming that the ASP Flood results in an oil recovery rate of 23% of the original oil in place. Please see slide [20] for a detailed description of the hypothetical case.
4. As of June 16, 2008.
5. This estimate has not been demonstrated by actual production or conclusive formation tests to be economically and legally producible under existing economic and operating conditions. It does not represent proven reserves. Moreover, no third party engineers or appraisers have reviewed the data underlying this estimate. This estimate was prepared by our internal engineers based on a hypothetical case in which we achieve similar drilling results on our Marcellus Shale acreage to those achieved by Atlas Energy Resources, LLC of average gross proved reserves per well of 0.961 Bcf as disclosed in the March 2008 Atlas Energy Resources, LLC investor presentation. Such estimates are by their nature more speculative than estimates of proved reserves included in the prospectus and accordingly are subject to substantially greater risk of not being actually realized by us. “Unproven reserves potential” has not been risked for failure to find commercial quantities of oil and gas reserves. There can be no assurances that we will achieve drilling results comparable to those achieved by Atlas.

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# MANAGEMENT OVERVIEW

- **Benjamin W. Hulburt: President & Chief Executive Officer:** *11-years Experience in Oil & Gas Acquisitions, Finance & Management*
- **William L. Ottaviani: EVP & Chief Operating Officer:** *26-years Oil & Gas Operational Experience*
- **Thomas C. Stabley: EVP & Chief Financial Officer:** *12-years Oil & Gas Financial Experience*
- **Christopher K. Hulburt: EVP & General Counsel:** *13-years Corporate, Securities and Oil & Gas Law Experience*
- **David Pratt : VP & Exploration Manager:** *25-years Oil & Gas Geology Experience*
- **Larry Gorski: VP Human Resources:** *30-years Human Resources Experience*
- **Andrew Joyner : VP & Land Manager:** *12-years Legal & Finance Experience*
- **Michael S. Carlson: VP Appalachian Basin Regional Manager:** *26-years Geologic and Operations Experience*
- **Bryan Clayton: VP Illinois Basin Regional Manager:** *25-years Oil and Gas Operations Experience*
- **Joe Clement: VP Permian Basin Regional Manager:** *25-years Oil and Gas Engineering Experience*

# 2008 PRODUCTION GUIDANCE

| | Q1-08 | Q2-08 | Q3-08 |
|---|---|---|---|
| Oil (MMBbls) | 200 – 230 | 205 – 220 | 220 - 245 |
| Gas (MMcf) | 280 – 320 | 310 – 330 | 350 - 400 |
| Oil Equivalent (MBOE) | 252 – 283 | 256 – 275 | 290 - 310 |
| Avg. Daily Production (MBOE) | 2,800 – 3,300 | 2,815 – 3,020 | 3,150 - 3,350 |
| Capital Expenditures (in millions) | $3 - $6 | $12 - $20 | $40 - $50 |

APPENDIX

# SELECTED HISTORICAL FINANCIALS

| Summary Operating Data | 2007 | 2006 | 2005 |
|---|---|---|---|
| Production | 1,008,190 | 772,386 | 566,411 |
| Realized Prices before Hedging ($/BOE) | $63.01 | $56.44 | $52.11 |
| Average Production Costs ($/BOE) | $24.28 | $19.72 | $20.70 |
| **Income Statement ($ millions)** | | | |
| Oil & Gas Revenue | $63.5 | $43.6 | $29.5 |
| Other Revenue | 0.5 | 0.5 | 0.3 |
| Realized Loss on Derivatives | (6.2) | (4.4) | (7.9) |
| **Total Operating Revenue** | **$57.8** | **$39.6** | **$21.9** |
| Production Costs | $24.5 | $15.2 | $11.7 |
| G&A | 8.6 | 6.2 | 3.8 |
| DD&A & Accretion | 19.6 | 11.2 | 3.3 |
| Exploration | 2.9 | 0.0 | 0.1 |
| **Total Operating Expense** | **$55.6** | **$32.7** | **$18.9** |
| Income from Operations | $2.1 | $7.0 | $2.9 |
| Interest Expense | (5.6) | (6.1) | (1.7) |
| Unrealized Gains (Loss) on Derivatives | (26.3) | 5.0 | (5.5) |
| Other Income (Expenses) | 0.4 | 0.1 | 1.7 |
| **Total Other Income (Expense)** | **($31.5)** | **($1.0)** | **($5.6)** |
| Minority Interest Share of Income | $6.2 | ($2.1) | ($2.3) |
| Income Tax Benefit | $7.0 | $0.0 | $0.0 |
| **Net Income (Loss)** | **($16.2)** | **$3.8** | **($4.9)** |
| **EBITDAX** | **$25.3** | **$18.1** | **$7.6** |

| Summary Balance Sheet | 2007 | 2006 | 2005 |
|---|---|---|---|
| Cash and Cash Equivalents | $1.1 | $0.6 | $3.2 |
| Net Property & Equipment | $217.5 | $133.6 | $42.3 |
| **Total Assets** | **$268.3** | **$144.6** | **$55.3** |
| Current Liabilities | $20.7 | $53.7 | $32.3 |
| Long-Term Debt, net of current maturities | 27.2 | 45.4 | 3.4 |
| **Total Liabilities** | **$103.8** | **$108.6** | **$42.1** |
| Minority Interests | 0.0 | 36.6 | 24.1 |
| **Stockholders' Equity (Deficit)** | **$164.4** | **($0.6)** | **($10.9)** |

# EBITDAX RECONCILIATION

| | 2007 | 2006 | 2005 | 2004 |
|---|---|---|---|---|
| Net Income (Loss) | $ (16,211) | $ 3,814 | $ (4,945) | $370 |
| Add Back Depreciation, Depletion, Amortization and Accretion | 19,622 | 11,223 | 3,320 | 2,039 |
| Add Back Non-Cash Compensation Expense | 211 | -- | -- | -- |
| Add Back Interest Expense | 5,646 | 6,110 | 1,697 | 867 |
| Add Back Exploration & Impairment Expense | 2,948 | -- | 107 | 3,024 |
| Less Interest Income | (15) | (94) | (444) | 19 |
| Add Back Unrealized Gains (Losses) from Derivatives | 26,250 | (5,043) | 5,541 | (1,396) |
| Add Back Minority Interest Share of Net Income (Loss) | (6,152) | 2,133 | 2,304 | (2,062) |
| Add Back (Less) Income Tax Expense (Benefit) | (7,017) | -- | -- | -- |
| **EBITDAX** | **$ 25,282** | **$ 18,143** | **$ 7,580** | **$ 5,616** |

# APPENDIX PV-10 RECONCILIATION TO STANDARDIZED MEASURE

| | 2007 | 2006 | 2005 | 2004 |
|---|---|---|---|---|
| Standardized measure of discounted future net cash flows | $ 255.0 | $ 132.1 | $ 108.2 | $40.2 |
| Add: Present value of future income tax discounted at 10% | 130.7 | 62.9 | 37.5 | 1.7 |
| Add: Present value of future asset retirement obligations | 6.4 | 5.3 | 2.4 | 1.8 |
| **PV-10** | **$392.1** | **$200.3** | **$148.1** | **$43.7** |

# APPENDIX LAWRENCE FIELD ASP ECONOMICS SENSITIVITY (1)

| PV-10 (1) Sensitivity (23% OOIP Recovery Case, in millions) | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Oil Price | | $50 | $60 | $70 | $80 | $90 | $100 | $110 | $120 |
| Risk Level | 40% | $205 | $352 | $499 | $645 | $792 | $939 | $1,086 | $1,233 |
| | 50% | $295 | $461 | $628 | $794 | $960 | $1,126 | $1,293 | $1,459 |
| | 60% | $385 | $571 | $757 | $942 | $1,128 | $1,313 | $1,500 | $1,685 |
| | 70% | $476 | $681 | $886 | $1,091 | $1,295 | $1,501 | $1,706 | $1,911 |
| | 80% | $566 | $790 | $1,015 | $1,239 | $1,463 | $1,688 | $1,912 | $2,137 |
| | 90% | $656 | $900 | $1,144 | $1,387 | $1,631 | $1,875 | $2,119 | $2,362 |
| | 100% | $746 | $1,009 | $1,273 | $1,535 | $1,799 | $2,062 | $2,325 | $2,588 |

| PV-10 (1) Sensitivity (15% OOIP Recovery Case, in millions) | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Oil Price | | $50 | $60 | $70 | $80 | $90 | $100 | $110 | $120 |
| Risk Level | 40% | ($31) | $66 | $162 | $259 | $355 | $452 | $548 | $645 |
| | 50% | $29 | $138 | $247 | $356 | $465 | $575 | $684 | $794 |
| | 60% | $88 | $210 | $332 | $453 | $575 | $697 | $819 | $941 |
| | 70% | $147 | $281 | $416 | $551 | $685 | $820 | $955 | $1,089 |
| | 80% | $206 | $353 | $501 | $648 | $795 | $943 | $1,090 | $1,237 |
| | 90% | $265 | $425 | $585 | $745 | $905 | $1,065 | $1,225 | $1,385 |
| | 100% | $324 | $497 | $670 | $842 | $1,015 | $1,188 | $1,361 | $1,533 |

1. Based on internally prepared projections. Does not represent proved reserves. None of the ASP reserves are considered proven at this time.

# ASP CHEMICALS

- **Injection Sequence:**
  1. Fresh water pad
  2. Alkali
  3. Surfactant + Alkali
  4. Surfactant + Alkali + Polymer
  5. Polymer
  6. Produced Water

- **Chemical Suppliers:**

  - ***Alkali*** – Soda Ash 1.75% both recipes (FMC, Greenriver WY)

  - ***Surfactants:***
    - Bridgeport, Petrostep S1, 0.075 wt % active (Stepan Company)
    - Cypress, Bioturge PAS-8S, 0.2 wt % active (Stepan Company)
    - Bridgeport, ORS-97HF, 0.225 wt % active (Oilchem Technologies, Houston TX)
    - Cypress, ORS-57HF, 0.2 wt % active (Oilchem Technologies, Houston TX)

  - ***Polymers:***
    - Bridgeport, Flopaam 3530S, 900 mg/l (SNF Inc, Riceboro, GA)
    - Cypress, Flopaam 3330S, 800 mg/l (SNF Inc, Riceboro, GA)

# PERMIAN BASIN OPERATIONS

- Production: 1.7 MMcfe net per day(1)
- Proved reserves: 10.7 Bcfe
- 15,000 gross (10,000 net) acres
- ~11 PUD/PDNP locations & ~ 15 Probable & Possible locations:
  - Cisco/Wolfcamp
  - Grayburg/San Andres
  - Leonard/Canyon Sands
  - Waterflood Installation

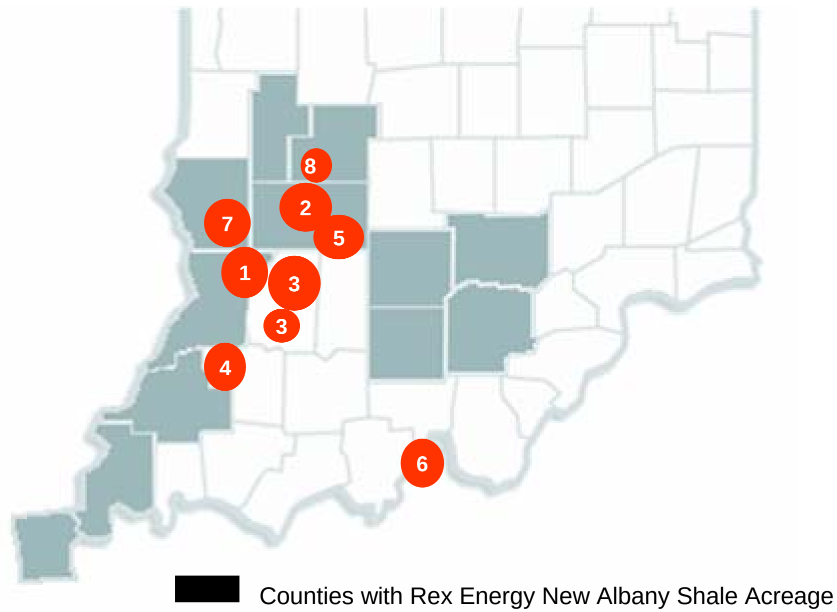

1. 1st quarter 2008 average.

APPENDIX

# NEW ALBANY SHALE PROJECT SUMMARY

- Over 306,000 gross (92,000 net) acres
- Plan to develop on 320 acre spacing
- Natural fractures believed to provide effective reservoir permeability
- Gas stored as free gas in fractures and adsorbed gas on kerogen and clay surfaces
- Interest in the potential of the New Albany Shale has increased recently with application of horizontal well techniques
- Participated in 11 wells to date
- Gross well costs of approximately $800K
- Continuing to refine drilling, stimulation & completion techniques

## Project Map




1. Rex/Aurora Pilot (Knox County)
2. Rex/Aurora Pilot (Greene County)
3. El Paso/Pogo Pilot (Davies & Martin Counties)
4. Diversified Operating Pilot (Pike County)
5. Rex/El Paso/Aurora Bogard Well (Greene County)
6. Quicksilver NAS Field Area (Harrison County)
7. Noble Energy Pilots (Sullivan County)
8. Pioneer Oil Company (Owen County)