

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF PENNSYLVANIA

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In re	:	Chapter 11
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R.E. GAS DEVELOPMENT, LLC, <i>et al.</i> , ¹	:	Case No. 18-22032 (JAD)
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Debtors.	:	(Jointly Administered)
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R.E. GAS DEVELOPMENT, LLC, <i>et al.</i> ,	:	
	:	
Movants,	:	
	:	
v.	:	
	:	
NO RESPONDENT,	:	
	:	
Respondent.	:	
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**NOTICE OF SALE, BID PROCEDURES, AUCTION, SALE OBJECTION,
SALE HEARING AND OTHER DEADLINES RELATED THERETO**

PLEASE TAKE NOTICE OF THE FOLLOWING:

1. On June 1, 2018, the above-captioned debtors and debtors in possession (collectively, the "Debtors") filed with the United States Bankruptcy Court for the Western District of Pennsylvania (the "Court") a motion [Docket No. 195] (the "Motion") (a) seeking entry of an order (i) authorizing and approving bidding procedures (the "Bidding Procedures") to be used in connection with the sale (each, a "Sale" or "Sale Transaction") of substantially all of the Debtors' assets, including the Debtors' oil and gas properties (the "Assets"); (ii) authorizing the Debtors to enter into one or more asset purchase agreements (each such agreement, an "Asset Purchase Agreement") with one or more potential bidders; (iii) scheduling an auction for the Assets (the "Auction"), if necessary, and the hearing with respect to the approval of the sale (the "Sale Hearing") and approving the form and manner of notice thereof; (iv) authorizing certain procedures related to the Debtors' assumption and assignment of executory contracts and unexpired leases (the "Assumption and Assignment Procedures") in connection with any Sale, including notice to each non-Debtor counterparty (each, a "Counterparty") to an executory contract or unexpired lease (collectively,

¹ The Debtors are the following four entities (the last four digits of their respective taxpayer identification numbers follow in parentheses): R.E. Gas Development, LLC (5422); Rex Energy Corporation (4402); Rex Energy Operating Corp. (0390); and Rex Energy I, LLC (9799). The address of each of the Debtors is 366 Walker Drive, State College, Pennsylvania 16801.

the "Contracts") of the Debtors' proposed cure amounts to cure all monetary defaults under the Contracts (the "Cure Costs"), if any, and notice of proposed assumption and assignment of certain Contracts (collectively, the "Proposed Assumed Contracts") in connection with a particular Sale; (b) seeking entry of one or more orders, as applicable, authorizing and approving (i) the Sale of the Assets free and clear of all liens, claims, interests or encumbrances, except certain permitted encumbrances as determined by the Debtors and any purchaser of the Assets, and subject to any defenses or claims of the Debtors with respect thereto, with liens to attach to the proceeds of such sale(s), and (ii) the assumption and assignment of the Proposed Assumed Contracts; and (c) granting related relief, all pursuant to sections 105(a), 363 and 365 of title 11 of the United States Code (the "Bankruptcy Code"), Rules 2002, 6004, 6006, 9007, 9008 and 9014 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), and Rule 6004-1 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the Western District of Pennsylvania (the "Local Rules").²

2. On June 29, 2018, the Court entered the Order *(I)(A) Approving Bidding Procedures for the Sale of the Debtors' Assets, (B) Scheduling an Auction and Approving the Form and Manner of Notice Thereof, (C) Approving Assumption and Assignment Procedures and (D) Scheduling a Sale Hearing and Approving The Form and Manner of Notice Thereof; and (II) Granting Related Relief* [Docket No. 370] (the "Bidding Procedures Order").

3. Pursuant to the Bidding Procedures Order, any Prospective Bidder (as defined in the Bidding Procedures) that intends to participate in the Auction will be required to submit a final, binding bid (a "Final Bid") for the relevant Assets by **July 26, 2018 at 12:00 p.m. (prevailing Eastern Time)** (the "Final Bid Deadline") to the following parties: (i) the Debtors, Rex Energy Corporation, 366 Walker Drive, State College, PA 16801 (Attn: Thomas Stabley (tstabley@rexenergycorp.com), Curt Walker (cwalker@rexenergycorp.com) and John Luke (jluke@rexenergycorp.com)); (ii) counsel for the Debtors, (a) Jones Day, 250 Vesey Street, New York, NY 10281 (Attn: Scott J. Greenberg, Esq. (sgreenberg@jonesday.com) and Michael Jay Cohen, Esq. (mcohen@jonesday.com)) and 717 Texas, Suite 3300, Houston, Texas 77002-2712 (Attn: Thomas A. Howley (tahowley@jonesday.com)) and (b) Buchanan Ingersoll & Rooney PC, One Oxford Centre, 301 Grant Street, 20th Floor, Pittsburgh, PA 15219-1410 (Attn: James D. Newell, Esq. (james.newell@bipc.com) and Timothy P. Palmer, Esq. (timothy.palmer@bipc.com)); (iii) the Debtors' investment banker, Perella Weinberg Partners LP, 767 Fifth Avenue, New York, New York 10153 and Tudor, Pickering & Holt & Co., Heritage Plaza, 1111 Bagby, Suite 4900, Houston, Texas 77002 (Attn: Alexander Tracy (atracy@pwpartners.com); Cameron Alguire (calguire@tphco.com); Doug McGovern (dmcgovern@pwpartners.com); and Sam Tanzer (stanzer@pwpartners.com)); (iv) the Debtors' financial advisor, FTI Consulting Inc., 2001 Ross Avenue, Suite 650, Dallas, Texas 75201 (Attn: Albert S. Conly (albert.conly@fticonsulting.com) and Ian McKeige (ian.mckeige@fticonsulting.com)) and Three Times Square, 9th Floor, New York, New York 10036 (Attn: Steven Simms (steven.simms@fticonsulting.com)) (the foregoing entities, the "Bid Notice Parties").

² Capitalized terms used but not otherwise defined herein have the meanings given to such terms in the Bidding Procedures.

4. If the Debtors receive more than one Qualified Bid (as defined in the Bidding Procedures) for any of the Assets, the Debtors will conduct an Auction at the offices of Jones Day, 250 Vesey Street, New York, New York 10281 on **August 16, 2018, at 10:00 a.m. (prevailing Eastern Time)**, or at such other time and location as designated by the Debtors, in consultation with the Consultation Parties; provided that the Auction shall not be rescheduled for a date that is beyond the outside date or milestone for the Auction set forth in the RSA (as defined in the DIP Orders).

5. If the Debtors receive no more than one Qualified Bid (including any Credit Bid) with respect to any of the Assets, the Debtors may determine in their reasonable discretion, in consultation with the Consultation Parties, not to hold the Auction for such Assets and instead declare such Qualified Bid as the Successful Bid on such Assets and request at the Sale Hearing that the Court approve the applicable Asset Purchase Agreement with the applicable Successful Bidder. If the Debtors do not receive any Qualified Bids that provide for payment of the Reserve Price (as defined in the Bidding Procedures), the Debtors shall cancel the Auction and the Sale Hearing and, as set forth more fully in the RSA, proceed with a restructuring pursuant to a chapter 11 plan.

6. Objections to a Sale Transaction, including any objection to the sale of any Assets free and clear of liens, claims, interests, and encumbrances pursuant to section 363(f) of the Bankruptcy Code to the Successful Bidder(s) and/or a Backup Bidder, as applicable, any of the relief requested in the Motion (each, a "Sale Objection"), and entry of any Sale Order must (1) be in writing and specify the nature of such objection; (2) comply with the Bankruptcy Code, Bankruptcy Rules, Local Rules, and all orders of the Court; and (3) be filed with the Court and served on: (i) the Debtors, Rex Energy Corporation, 366 Walker Drive, State College, PA 16801 (Attn: Thomas Stabley (tstabley@rexenergycorp.com), Curt Walker (cwalker@rexenergycorp.com) and John Luke (jluke@rexenergycorp.com)); (ii) counsel for the Debtors, (a) Jones Day, 250 Vesey Street, New York, NY 10281 (Attn: Scott J. Greenberg, Esq. (sgreenberg@jonesday.com) and Michael Jay Cohen, Esq. (mcohen@jonesday.com)) and 717 Texas, Suite 3300, Houston, Texas 77002-2712 (Attn: Thomas A. Howley (tahowley@jonesday.com)) and (b) Buchanan Ingersoll & Rooney PC, One Oxford Centre, 301 Grant Street, 20th Floor, Pittsburgh, PA 15219-1410 (Attn: James D. Newell, Esq. (james.newell@bipc.com) and Timothy P. Palmer, Esq. (timothy.palmer@bipc.com)); (iii) counsel to the Committee, (a) Brown Rudnick LLP, 7 Times Square New York, NY 10036 (Attn: Robert J. Stark, Esq. (rstark@brownrudnick.com), Sigmund S. Wissner-Gross, Esq. (swissnergross@brownrudnick.com) and Chelsea E. Mullarney, Esq. (cmullarney@brownrudnick.com)) and (b) Leech Tishman Fuscaldò & Lampl, LLC (Attn: John M. Steiner, Esq. (jsteiner@leechtishman.com) and David W. Lampl, Esq. (dlampl@leechtishman.com)); (iv) counsel to the DIP Agent and the Prepetition First Lien Agent, (a) Simpson Thacher & Bartlett LLP, 425 Lexington Avenue, New York, NY 10017 (Attn: Michael H. Torkin, Esq. (michael.torkin@stblaw.com) and Nicholas Baker, Esq. (nbaker@stblaw.com)) and (b) Duane Morris LLP, 600 Grant Street, Suite 5010, Pittsburgh, PA 15219 (Attn: Joel Walker, Esq. (jmwalker@duanemorris.com)); (v) counsel for the Ad Hoc Second Lien Group, (a) Akin Gump Strauss Hauer and Feld LLP, One Bryant Park, Bank of America Tower, New York, NY 10036 (Attn: Michael Stamer, Esq. (mstamer@akingump.com), Stephen Kuhn, Esq. (skuhn@akingump.com) and Meredith Lahaie, Esq. (mlahaie@akingump.com) and (b) Reed Smith LLP, Reed Smith Centre, 225 Fifth Avenue,

Pittsburgh, PA 15222 (Attn: Eric A. Schaffer, Esq. (eschaffer@reedsmith.com)); (vi) counsel for the Prepetition Second Lien Indenture Trustee, Morrison & Foerster LLP, 250 West 55th Street, New York, NY 10019 (Attn: Jonathan Levine, Esq. (jonlevine@mofo.com) and Daniel Harris, Esq. (dharris@mofo.com)); (vii) counsel (if applicable) of any applicable Successful Bidder(s), (viii) counsel (if applicable) of any applicable Backup Bidder(s), (ix) the Office of the United States Trustee for the Western District of Pennsylvania, Liberty Center, 1001 Liberty Avenue, Suite 970, Pittsburgh, PA 15222 (Attn: Norma Hildenbrand, Esq. (norma.l.hildenbrand@ust.doj.gov)) (the foregoing entities in clauses (i) through (ix), the "Objection Recipients") by **August 6, 2018 at 4:00 p.m. (prevailing Eastern Time)**.

7. All Sale Objections not otherwise resolved by the parties prior thereto shall be heard at the Sale Hearing. **THE FAILURE OF ANY PARTY TO TIMELY FILE WITH THE COURT AND SERVE ON THE OBJECTION RECIPIENTS A SALE OBJECTION FOREVER SHALL BAR SUCH PARTY FROM ASSERTING, AT THE APPLICABLE SALE HEARING OR THEREAFTER, ANY OBJECTION TO THE RELIEF REQUESTED IN THE MOTION, OR TO THE CONSUMMATION AND PERFORMANCE OF THE APPLICABLE SALE TRANSACTION(S) CONTEMPLATED BY AN APPLICABLE ASSET PURCHASE AGREEMENT WITH A SUCCESSFUL BIDDER, INCLUDING THE TRANSFER OF THE ASSETS TO THE APPLICABLE SUCCESSFUL BIDDER(S), FREE AND CLEAR OF ALL LIENS, CLAIMS, INTERESTS, AND ENCUMBRANCES PURSUANT TO SECTION 363(F) OF THE BANKRUPTCY CODE.** Notwithstanding the foregoing or anything herein to the contrary, and as set forth below, the deadline to file an objection to the proposed assumption and assignment of the Proposed Assumed Contracts, the subject of which objection is a Successful Bidder's proposed form of adequate assurance of future performance with respect to such contract (each, an "Adequate Assurance Objection") in connection with a proposed Sale Transaction, shall be the later to occur of **(i) 24 hours after the Auction has closed or (ii) August 20, 2018 at 12:00 p.m. (prevailing Eastern Time)**.

8. **The Sale Hearing will take place on August 23, 2018 at 10:00 a.m. (prevailing Eastern Time)** before the Honorable Jeffery A. Deller, Chief United States Bankruptcy Judge, in the United States Bankruptcy Court of the Western District of Pennsylvania, located at U.S. Steel Tower, 600 Grant St., 54th Floor, Pittsburgh, PA 15219. The Debtors' presentation to the Court for approval of one or more highest or best bid(s) resulting from the Auction (each a "Successful Bid") shall not constitute the Debtors' acceptance of such bid. The Debtors will have accepted the terms of a Successful Bid only when such bid has been approved by the Court pursuant to a Sale Order.

9. To the extent set forth in the Bidding Procedures, the Debtors may, in any manner consistent with the Debtors' fiduciary duties and applicable law and subject to consent rights specified in the Bidding Procedures, modify the rules, procedures and deadlines set forth therein (including, without limitation, extending the Final Bid Deadline, modifying the Qualified Bid Requirements, modifying the procedures for conducting the Auction, rescheduling the Auction or adjourning the Sale Hearing) or adopt new rules, procedures and deadlines or otherwise modify the Bidding Procedures in order to, in their sole and reasonable discretion, better promote the goals of such procedures, namely, to maximize value for the estates; provided that all modifications and additional rules, procedures and deadlines may in no event permit the

submission of bids after the close of the Auction. All such modifications and additional rules will be communicated in advance to each of the Consultation Parties, Prospective Bidders and Qualified Bidders; provided, that, to the extent such modifications occur at the Auction, disclosure of such modifications shall be limited to those in attendance at the Auction. If the DIP Agent, Prepetition First Lien Agent or Ad Hoc Second Lien Group determine in good faith that any modification to the Bidding Procedures, or any adoption of new rules, procedures and deadlines, would not be consistent with this paragraph or the Bidding Procedures, the DIP Agent, Prepetition First Lien Agent or Ad Hoc Second Lien Group (as applicable) may file an objection with the Bankruptcy Court and no such modification or adoption shall become effective until such objection is resolved.

10. Parties interested in receiving additional information, including, with regard to the Sale, the Assets, the Auction or the Bidding Procedures may make requests to the Debtors' investment banker, Perella Weinberg Partners LP, 767 Fifth Avenue, New York, New York 10153 and Tudor, Pickering & Holt & Co., Heritage Plaza, 1111 Bagby, Suite 4900, Houston, Texas 77002 (Attn: Alexander Tracy (atracy@pwpartners.com); Cameron Alguire (calguire@tphco.com); Doug McGovern (dmcgovern@pwpartners.com); and Sam Tanzer (stanzer@pwpartners.com)).

11. Copies of the Motion, the Bidding Procedures Order and the Bidding Procedures may be obtained free of charge at the website dedicated to the Debtors' chapter 11 cases maintained by their claims and noticing agent and administrative advisor, Prime Clerk LLC (<http://cases.primeclerk.com/rexenergy>) (the "Prime Clerk Website"). Copies of these documents are also available for inspection during regular business hours at the Office of the Clerk of the Court, located at 5414 U.S. Steel Tower, 600 Grant Street, Pittsburgh, PA, 15219, and may be viewed for a fee on the internet at the Court's website (<http://www.pawb.uscourts.gov/>) by following the directions for accessing the ECF system on such website.

Dated: July 3, 2018
Pittsburgh, Pennsylvania

BUCHANAN INGERSOLL & ROONEY PC

/s/ James D. Newell

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