

UNITED STATES BANKRUPTCY COURT  
WESTERN DISTRICT OF PENNSYLVANIA

	:	
In re	:	Chapter 11
	:	
R.E. GAS DEVELOPMENT, LLC, <i>et al.</i> , <sup>1</sup>	:	Case No. 18-22032 (JAD)
	:	
Debtors.	:	(Jointly Administered)
	:	
R.E. GAS DEVELOPMENT, LLC, <i>et al.</i> ,	:	Related to Docket No. 841
	:	
Movants,	:	
	:	
v.	:	
	:	
NO RESPONDENT,	:	
	:	
Respondent.	:	
	:	

**NOTICE OF SALE CLOSING**

**PLEASE TAKE NOTICE** that, on August 31, 2018, the United States Bankruptcy Court for the Western District of Pennsylvania (the "Court") entered the *Order (I) Approving the Sale of Debtors' Assets Free and Clear of Liens, Claims, Interests and Encumbrances, (II) Approving the Assumption and Assignment of Executory Contracts and Unexpired Leases in Connection Therewith; and (III) Granting Related Relief* [Docket No. 841] (the "Sale Order"),<sup>2</sup> thereby approving the sale of certain of the Debtors' assets to PennEnergy Resources, LLC (the "Buyer" and together with the Debtors, the "Parties") pursuant to that certain asset purchase agreement entered into by and between the Debtors and the Buyer dated as of August 24, 2018 (the "Purchase Agreement"), attached to the Sale Order as Exhibit 1.

**PLEASE TAKE FURTHER NOTICE** that the sale to the Buyer, pursuant to the provisions of the Purchase Agreement, closed on September 28, 2018.

**PLEASE TAKE FURTHER NOTICE** that, in connection with the closing of the sale and pursuant to the procedures set forth in the Purchase Agreement, the Parties have amended the

<sup>1</sup> 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.

<sup>2</sup> All capitalized terms used herein, but not otherwise defined, have the meanings given to them in the Sale Order.

Purchase Agreement. The amendment to the Purchase Agreement (without annexes) is attached hereto as Exhibit 1.

**PLEASE TAKE FURTHER NOTICE** that copies of the Sale Order are available for review 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>). In addition, copies of the Sale Order 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: October 1, 2018  
(Pittsburgh, Pennsylvania)

/s/ James D. Newell

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Timothy P. Palmer (PA 86165)  
Tyler S. Dischinger (PA 314299)  
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CO-COUNSEL FOR THE DEBTORS AND  
DEBTORS IN POSSESSION

**Exhibit 1**

**Amendment to Purchase Agreement**

## FIRST AMENDMENT TO ASSET PURCHASE AGREEMENT

This First Amendment to the Asset Purchase Agreement (this "Amendment"), dated September 28, 2018 (the "Effective Date"), is made by and among Rex Energy Corporation, a Delaware corporation, ("REC"; and collectively with the Rex Subsidiaries, the "Sellers", and each individually, a "Seller"), and PennEnergy Resources, LLC, a Delaware limited liability company ("Buyer"), and amends that certain Asset Purchase Agreement, dated August 24, 2018, by and among the Sellers and Buyer (the "Purchase Agreement"), pursuant to Section 13.4 of the Purchase Agreement. Capitalized terms used but not defined herein shall have the meanings given to them in the Purchase Agreement.

### RECITALS:

A. Pursuant to the Purchase Agreement, Sellers agreed to sell to Buyer, and Buyer agreed to purchase from Sellers, the Assets and assume the Assumed Liabilities, under the terms and subject to the conditions and limitations set forth in the Purchase Agreement.

B. Pursuant to Section 13.4 of the Purchase Agreement, the Purchase Agreement can be amended, supplemented or changed, and any provision thereof can be waived, only by written instrument making specific reference to the Purchase Agreement signed by the Parties.

C. The Parties wish to amend the Purchase Agreement as set forth herein.

NOW, THEREFORE, the Parties hereby agree as follows:

### ARTICLE I AMENDMENTS

Section 1.1 Equipment. Attachment A to Schedule 2.1(b)(iv) to the Purchase Agreement is amended and restated in its entirety as set forth on Annex A.

Section 1.2 Excluded Assets. Schedule 2.2(d) to the Purchase Agreement is amended and restated in its entirety as set forth on Annex B.

Section 1.3 Assigned Contracts. Schedule 2.5(a) to the Purchase Agreement is amended and restated in its entirety as set forth on Annex C.

Section 1.4 Credit Support. Disclosure Schedule 5.21 to the Purchase Agreement is amended and restated in its entirety as set forth on Annex D.

Section 1.5 Credit Obligations. Disclosure Schedule 8.2(c) to the Purchase Agreement is amended and restated in its entirety as set forth on Annex E.

Section 1.6 Leases and Interests. As of Closing, Exhibit A to the Purchase

Agreement is amended and restated in its entirety as set forth on Annex F.

Section 1.7 Properties. Section 2.1(b)(ii) of the Purchase Agreement is amended and restated in its entirety as follows:

“all of the Hydrocarbon, water, disposal, observation, injection or other wells located on, under or within or traversing the Assigned Leases and Interests, on lands pooled, unitized or communitized with any portion thereof, on lands located within any governmental or voluntary drilling or spacing unit (if applicable) which includes any portion thereof, or on portions thereof associated with proved undeveloped reserves, whether drilled but uncompleted, producing, non-producing, plugged, unplugged, shut-in or temporarily abandoned (but not permanently abandoned) that are located in the Subject Area and/or on or used in connection with the Assigned Leases and Interests, including all wells described on Exhibit B, certain of which are acknowledged by the Parties to be located outside the Subject Area (collectively, the “Wells”, and together with the Assigned Leases and Interests, the “Properties”);”

Section 1.8 Vehicles. As of Closing, “1. Vehicles” of Schedule 2.1(b)(v) to the Purchase Agreement is amended and restated in its entirety as set forth on Annex G.

Section 1.9 Wells. Exhibit B to the Purchase Agreement is amended and restated in its entirety as set forth on Annex H.

## ARTICLE II ACKNOWLEDGEMENTS

Section 2.1. Payoff Letter Acknowledgement. Notwithstanding anything to the contrary in the Purchase Agreement, the Parties hereto acknowledge and agree that: (i) pursuant to the payoff letter, dated September 28, 2018 (the “Payoff Letter”) for the Senior Secured Debtor-in Possession Term Loan Credit Agreement dated as of May 23, 2018 among REC, each of the lenders party thereto, Macquarie Bank Limited, as the issuer of Letters of Credit thereunder, the financial institutions signatory thereto, Angelo, Gordon Energy Services, LLC, as administrative agent and collateral agent for the lenders, and others (the “Credit Agreement”), the Loan Documents (as defined in the Credit Agreement) shall survive the Closing for the limited purpose set forth in the Payoff Letter; (ii) certain letters of credit (the “Outstanding LCs”) and Encumbrances will remain in place following the Closing, as further described in the Payoff Letter, until the FERC Waiver has been received, and Buyer will use commercially reasonable efforts to obtain replacements for such Outstanding LCs to be effective upon substantially simultaneously with receipt of the FERC Waiver; and (iii) the cash collateral associated with the Outstanding LCs will not be transferred to Buyer until the underlying Outstanding LCs have been terminated.

Section 2.2 FERC. The Parties acknowledge that, upon issuance of an order by FERC granting the FERC Waivers, Sellers or their applicable Affiliate that is party to each contract listed on Annex I shall assign or permanently release to Buyer or its designated Affiliate, and Buyer or its designated Affiliate will assume, the interests in each

such contract.

### ARTICLE III MISCELLANEOUS

Section 3.1 Effect of Amendment. Except as and to the extent expressly modified by this Amendment, the Purchase Agreement, as so amended by this Amendment, will remain in full force and effect in all respects. Each reference to “hereof,” “herein,” “hereby,” and “this Agreement” in the Purchase Agreement will from and after the Effective Date refer to the Purchase Agreement as amended by this Amendment.

Section 3.2 Integration. This Amendment, together with the Purchase Agreement and the documents executed pursuant thereto, supersedes all negotiations, agreements and understandings among the Parties with respect to the subject matter hereof (except for the Confidentiality Agreement) and constitutes the entire agreement between the Parties with respect thereto.

Section 3.3 Governing Law; Submission to Jurisdiction; Waiver of Jury Trial. Section 13.9 of the Purchase Agreement is incorporated by reference as if fully set forth herein, *mutatis mutandis*.


Section 3.4 Notices. All notices and other communications hereunder will be in writing and sent in accordance with the requirements of Section 13.2 of the Purchase Agreement.

Section 3.5 Headings. The division of this Amendment into Articles, Sections and other subdivisions and the insertion of headings are for convenience of reference only and will not affect or be utilized in construing or interpreting this Amendment.

Section 3.7 Counterparts. This Amendment may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Amendment and all of which, taken together, will be deemed to constitute one and the same agreement. Delivery of an executed counterpart of this Amendment by facsimile or in electronic (i.e. “pdf” or “tif”) format shall be effective as delivery of an original, and execution by use of an electronic signature or digital signature shall be valid for all purposes.

[Signature page follows.]


**BUYER**  
**PennEnergy Resources, LLC**

By:   
Name: Gregory D. Muse  
Title: Chief Operating Officer




IN WITNESS WHEREOF, the Parties have caused this Amendment to be executed as of the day and year first written above.


**REC  
Rex Energy Corporation**

By:   
Name: Thomas C. Stabley  
Title: president and CEO


**Rex Subsidiaries  
R.E. Gas Development, LLC**

By:   
Name: Thomas C. Stabley  
Title: president and CEO

**Rex Energy Operating Corp.**

By:   
Name: Thomas C. Stabley  
Title: president and CEO

**Rex Energy I, LLC**

By:   
Name: Thomas C. Stabley  
Title: president and CEO