

GULFSLOPE ENERGY, INC.

AUDIT COMMITTEE CHARTER

Purpose

This Charter governs the operations of the Audit Committee (“Committee”) of GulfSlope Energy, Inc. (the “Company”). The Committee is appointed by the Board of Directors to assist the Board in oversight of (1) the integrity of the financial statements of the Company, (2) the compliance by the Company with legal and regulatory requirements, (3) the performance of the Company’s internal audit function and independent auditors, and (4) the independent auditors’ qualifications and independence.

The Committee shall prepare the report required by the rules of the Securities and Exchange Commission to be included in the Company’s annual proxy statement. The Committee shall annually review and assess the adequacy of this Charter and recommend any suggested changes to the Board for approval.

Committee Membership

Initially, the Committee shall consist of at least two members. Upon the Company’s listing of its common stock on a national securities exchange, including the New York Stock Exchange, the NYSE MKT LLC (formerly AMEX), the NASDAQ Global Select Market, the NASDAQ Global Market or the NASDAQ Capital Market, the Committee shall consist of no fewer than three members. The members of the Committee shall be appointed by the Board.

Each of the members of the Committee shall meet the independence requirements provided for by law and applicable stock exchange rules. All members shall have sufficient financial experience and ability to enable them to discharge their responsibilities. At least one member of the Committee shall meet the financial expert requirements of applicable stock exchange rules.

Committee members shall not simultaneously serve on the audit committees of more than two other public companies unless such service is approved by the Board and disclosed in the proxy statement.

Meetings

The Committee shall meet as often as it determines, but not less frequently than quarterly. The Committee shall meet periodically with management, the internal auditors and the independent auditors in separate executive sessions. The Committee may request any officer or employee of the Company or the Company’s outside counsel or independent auditors to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee. It is the responsibility of the Committee to encourage open communication between the Committee, independent auditors, the internal auditors (or other persons carrying on the internal audit function) and management of the Company.

A majority of the members of the Committee shall constitute a quorum. The Committee shall act on the affirmative vote of a majority of the members present at a meeting at which a quorum is present. The Committee may also act by unanimous written consent in lieu of a meeting.

Duties and Responsibilities

The primary general responsibility of the Committee is to oversee the Company's financial reporting process on behalf of the Board and report the results of its activities to the Board. While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate and are in accordance with generally accepted accounting principles and requirements of law. Management is responsible for the preparation, presentation and integrity of the Company's financial statements and for the appropriateness and legality of the accounting principles and reporting policies that are used by the Company. The independent auditors are responsible for auditing the Company's financial statements annually, for reviewing the Company's unaudited interim financial statements and for reporting on certain matters to the Committee.

Within the overall general responsibility, the following shall be specific duties and responsibilities of the Committee.

- The Committee shall be directly responsible for, and have sole authority as to, the appointment, retention and termination, compensation (on behalf of the Company) and oversight of the work of the independent auditors, for the purpose of the independent auditors' preparation and issuance of audit reports, periodic reports, attestations, comfort letters and other related work as to the Company's financial statements, financial information and accounting matters. The independent auditors shall report directly to the Committee. The selection of the independent auditor shall be presented to the stockholders at the annual meeting for ratification.
- The Committee shall have sole authority to, and must, pre-approve all audit and non-audit services provided by the independent auditors to the Company (including all fees and terms of service but subject to de minimis exceptions for non-audit services, which must in any event, be approved annually by the Committee prior to completion of the annual audit). The Committee may take any measures that it determines to be appropriate to ensure that the independent auditors are not engaged to perform specific non-audit services proscribed by law or regulation. The Committee may delegate pre-approval authority to a member or members of the Committee or to a subcommittee of the Committee. The decisions of any Committee member or members or subcommittee to whom pre-approval authority is delegated must be presented to the full Committee at its next scheduled meeting.
- The Committee shall make regular reports to the Board, including reviewing with the Board any issues that arise as to the quality or integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements, the performance and independence of the Company's independent auditors or the performance of the internal audit function.

- At least annually, the Committee shall review the independent auditing firm’s internal quality control procedures and any material issues raised by the most recent internal quality control review or any review by the Public Company Accounting Oversight Board. The Committee shall also review any recent inquiry or investigation by governmental or professional authorities respecting one or more independent audits carried out by the auditing firm and any steps taken to deal with any such inquiry. Additionally, the Committee shall review all relationships between the independent auditors and the Company (to assess the auditor’s independence). The Committee shall also discuss with the independent auditor the matters required to be discussed by Statement on Auditing Standards No. 61 relating to the conduct of the audit, including any difficulties encountered in the course of the audit work, any restrictions on the scope of activities or access to requested information, and any significant disagreements with management.
- Based on the annual review and the work of the independent auditors throughout the year, the Committee shall evaluate the independent auditors’ qualifications, performance and independence, which evaluation shall include the review and evaluation of the lead partner of the independent auditor and other “audit partners” (as defined by law). The Committee shall present its conclusions with respect to the independent auditors and its evaluation thereof to the Board annually.
- For the purpose of assisting in the maintenance of the independence of the Company’s auditors, the Committee may take any measures that it determines to be appropriate to set, and recommend for Board approval, hiring policies for the Company as to employees or former employees of the independent auditors that meet legal requirements and stock exchange rules as to “cooling off” periods before certain employees of an auditing firm can be hired to serve in specified capacities.
- The Committee shall periodically meet separately with management, the internal auditors and the independent auditors to discuss matters which it determines to be within its purposes, duties and responsibilities. In these regards, the Committee shall provide sufficient opportunity and time for the internal auditors (or persons carrying out the internal audit function) and the independent auditors to discuss such matters privately and as thoroughly as the Committee shall determine, with the members of the Committee. The Committee shall meet with the independent auditors prior to the annual audit to discuss its planning and staffing and shall review from time to time with the independent auditors any audit problems or difficulties, and management’s response, arising during the course thereof. The Committee may, as it requests from time to time, review any accounting adjustments noted or proposed by the independent auditors, whether passed or accepted, any communications between the audit team and the independent auditors’ national office as to the Company’s accounting issues and any internal control letter issued or proposed to be issued to the Company by the independent auditors.
- The Committee shall receive annual reports (and may receive quarterly reports, and other reports as requested by it from time to time) from the independent auditors on (i) the critical accounting policies and practices of the Company and (ii) all alternative treatments of financial information within generally accepted accounting principles that

have been discussed with management, the ramifications thereof and the preferred treatment thereof and shall receive from both (at the time they are sent) all material written communications between the independent auditors and the Company's management. The Committee shall discuss with management the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies.

- The Committee shall review management's periodic assessments of the effectiveness of the Company's internal controls and procedures for financial reporting and the independent auditors' attestations as to management's assessments, as well as management's periodic certifications as to internal controls and procedures for financial reporting and related matters. The Committee shall review disclosures made to the Committee by the Company's CEO, CFO and CAO during their certification process for the Form 10-K and Form 10-Q about any significant deficiencies in the design or operation of internal controls or any material weaknesses therein.
- The Committee shall review the Company's disclosure controls and procedures from time to time, as well as certifications of Company officers required by law with respect thereto.
- The Committee shall, at least generally, review and discuss with management, and the independent auditors as may be appropriate, earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies; it is not necessary to discuss each such matter in advance so long as the types of information and presentations are discussed from time to time, including policies and procedures as to public disclosure of non-GAAP financial measures.
- The Committee shall review the Company's interim financial statements and disclosures under Management's Discussion and Analysis of Financial Condition and Results of Operations with management and the independent auditors prior to the filing of the Company's Quarterly Reports on Form 10-Q. Also, the Committee shall discuss the results of the quarterly review and any other matters required to be communicated to the Committee by the independent auditors under generally accepted auditing standards.
- The Committee shall review with management and the independent auditors the financial statements and disclosures under Management's Discussion and Analysis of Financial Condition and Results of Operations to be included in the Company's Annual Reports on Form 10-K (or in any annual report to shareholders if distributed prior to the filing of a Form 10-K), including their judgment about the quality, not merely the acceptability, of accounting principles, the reasonableness of significant judgments and accounting estimates and the clarity of the disclosures in the financial statements and MD&A, and shall make recommendations to the Board as to whether the annual audited financial statements should be included in the annual Form 10-K. Also, the Committee shall discuss the results of the annual audit and any other matters required to be communicated to the Committee by the independent auditors under law and generally accepted auditing standards.

- While the fundamental responsibility for the Company's financial statements and disclosures rests with management, as reviewed by the independent auditors, the Committee shall request management, internal auditors and independent auditors to inform them of, and shall review:
 - major issues regarding accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles, and major issues as to the adequacy of the Company's internal controls and any special audit steps adopted in light of material control deficiencies;
 - analyses prepared by management and/or the independent auditors setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative GAAP methods on the financial statements; and
 - the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, if any, on the financial statements of the Company.
- The Committee shall establish procedures (if not previously in place) for:
 - the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and
 - the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
- The Committee shall, from time to time as it deems appropriate, discuss with Company counsel matters that may have a material impact on the Company's financial statements and compliance with legal requirements and shall receive any attorney's report required by law to be submitted to the Committee or the Board, of evidence of a material violation of securities laws or breaches of fiduciary duty or similar violation by the Company or any agent thereof.
- The Committee shall periodically require each of its members to certify that such person meets the independence requirements prescribed by law and applicable stock exchange rules.
- The Committee shall obtain and review a report from the executive officers of the Company regarding the provision of services by the independent auditors of the Company to the Company's executive officers.
- The Committee shall obtain reports from management, the Company's senior internal auditing executive and the independent auditors that the Company and its affiliated entities are in conformity with applicable legal requirements and the Company's internal ethics policies. The Committee shall advise the Board with respect to the Company's policies and procedures regarding compliance with applicable laws and regulations and with the Company's internal ethics policies.

- The Committee shall perform an evaluation of its performance at least annually to determine whether it is functioning effectively.