

GULFSLOPE ENERGY, INC.

COMPENSATION COMMITTEE CHARTER

Purpose

This Charter governs the operations of the Compensation Committee (the “Committee”) of GulfSlope Energy, Inc. (the “Company”). The Committee is appointed by the Board of Directors to discharge the Board’s responsibilities relating to compensation of the Company’s executive officers. The Committee has overall responsibility for reviewing, evaluating and approving the Company’s executive officer compensation arrangements, plans and policies. The Committee is responsible for producing a report each year for inclusion in the Company’s proxy statement, as applicable, in accordance with applicable rules and regulations, and for performing such other functions as the Board may assign to the Committee from time to time.

Composition

The Board shall nominate and appoint at least two members to the Committee. The members shall each meet the independence standards provided for by law and applicable stock exchange rules. The members of the Committee may be removed and replaced by a majority vote of the Board.

Meetings

The Committee shall meet as often as necessary to carry out its responsibilities. Reports of the actions of the Committee shall be made to the Board.

Committee Authority and Responsibilities

The Committee is delegated all authority of the Board as may be required or appropriate to fulfill the purposes of the Committee. Without limiting the generality of the preceding statement, the Committee shall have authority, and is entrusted with the responsibility, to take the following actions:

1. The Committee shall have the sole authority to decide whether to retain any compensation consultant to assist in the evaluation of executive officer compensation and shall have sole authority to approve any such consultant’s fees and other retention terms. The Committee shall also have authority to obtain advice and assistance from internal or external legal, accounting or other advisors and the sole authority to approve the payment of the advisor’s fees and other retention items. All fees and other retention items for compensation consultants and internal or external legal, accounting or other advisors shall be paid by the Company.
2. The Committee shall annually review market data to assess the Company’s competitive position for each component of compensation for executive officers (especially base salary, annual incentives, long-term incentives, and supplemental executive benefit programs) by reviewing market data for appropriate peer companies.

3. The Committee shall approve corporate goals and objectives relevant to the compensation of the chief executive officer. The Committee shall review and evaluate the performance of the chief executive officer in light of the approved goals and objectives. The Committee shall have the sole authority to approve to the extent the Committee determines necessary or appropriate the following compensation items based on such evaluation: (a) annual base salary level; (b) annual incentive opportunity level; (c) long-term incentive opportunity level; (d) employment agreements and severance arrangements; and (e) any special or supplemental benefits. The Committee shall annually review its evaluation of the performance and approved compensation of the chief executive officer with such officers.

4. The Committee shall annually review and have the sole authority to approve to the extent the Committee determines necessary or appropriate for the executive officers of the Company: (a) annual base salary level; (b) annual incentive opportunity level; (c) long-term incentive opportunity level; (d) employment agreements and severance arrangements; and (e) any special or supplemental benefits. For the purposes of this Charter, the “executive officers” of the Company shall be deemed to be those officers who are subject to the reporting requirements of §16 of the Securities Exchange Act of 1934.

5. The Committee shall annually review director compensation at comparable companies and recommend for directors appropriate compensation for serving on the Board and on Committees of the Board.

6. The Committee shall make recommendations to the Board with respect to the terms of and the pool of benefits available under all compensation plans of the Company. The Committee shall have the sole authority to appoint and remove any plan trustees, to appoint and remove members of any plan administrative committees and to appoint and remove any plan administrators.

7. Any action, including, but not limited to, the adoption or amendment of any compensation plan, that is required by law or regulation to be submitted to the shareholders of the Company for approval shall be presented as a recommendation to the full Board and approved by the full Board prior to its submission to the shareholders.

8. The Committee shall maintain a succession plan for emergency and expected succession of the chief executive officer and work with the Board to evaluate potential successors to the chief executive officer and other executive officers of the Company.

9. The Committee shall review and discuss with the Company’s management the CD&A to be included in the Company’s Proxy Statement, as applicable, and based on that review, determine whether to recommend to the Board that such CD&A be included in the Proxy Statement, in accordance with applicable rules and regulations.

10. Each year, the Committee shall prepare a Compensation Committee Report and publish the report in the Company’s Proxy Statement, as applicable, in accordance with applicable rules and regulations.

11. The Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval. The Committee shall annually review its own performance by distributing to its members a written self-assessment. The results of such self-assessment shall be presented to the Board of Directors at its next meeting.

12. The Committee shall review such other matters within the scope of its responsibilities as the Committee shall determine from time to time, and make such recommendations to the Board with respect thereto as the Committee deems appropriate.