

## AUDIT COMMITTEE CHARTER

This charter (the "Charter") sets forth the duties and responsibilities and governs the operations of the Audit Committee (the "Committee") of the Board of Directors (the "Board") of **ENERJEX RESOURCES, INC.**, a Nevada corporation (the "Company").

### PURPOSE

The Committee's purpose is to oversee (i) the accounting, reporting and financial practices of the Company and its subsidiaries, including the integrity of the Company's financial statements, (ii) the Company's compliance with legal and regulatory requirements applicable to auditing and accounting matters, (iii) the independent auditors' qualifications and independence, and (iv) the performance of the independent auditors and the Company's Chief Financial Officer.

### DUTIES AND RESPONSIBILITIES

The Committee's primary duties and responsibilities are:

1. INDEPENDENT AUDITORS. With respect to the independent auditors,
  - to be directly responsible for the appointment, compensation, retention and oversight of the work (including authority to retain and to terminate, and to approve all engagement fees and terms) of any independent auditors engaged for the purpose of preparing or issuing an audit report or to perform audit, review or attestation services, which independent auditors shall report directly to the Committee;
  - to pre-approve, or to adopt appropriate procedures to pre-approve, all audit and permissible non-audit services to be provided by the independent auditors;
  - to discuss with the independent auditors any relationships or services that may impact the quality of audit services or the objectivity and independence of the Company's independent auditors.
  - to review, at least annually, a formal written statement from the independent auditors (the "Auditors Statement"), which shall describe (i) the auditors' internal quality-control procedures, (ii) any material issues raised by the most recent internal quality-control review or peer review of the auditors, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the independent auditors, and any steps taken to deal with any such issues, and (iii) all relationships between the independent auditors and the Company for purposes of assessing auditors' independence;
  - to review an annual attestation report by the independent auditors on management's annual report on internal control over financial reporting;
  - to obtain and review in connection with any audit a timely report from the independent auditors relating to the Company's annual audited financial statements describing all critical accounting policies and practices used, all alternative treatments of financial information within GAAP that have been discussed with management, ramifications of the use of such alternative treatments, and the treatment preferred by the independent auditors, and any material written

communications between the independent auditors and management, such as any "management" letter or schedule of unadjusted differences; and

- to oversee the timing and process for implementing the rotation of the lead audit partner, the concurring partner and any other active audit engagement team partner, and to assure the rotation takes place when necessary;

2. ACCOUNTING PRINCIPLES, FINANCING REPORTING, AND INTERNAL CONTROLS. With respect to accounting principles and polices, financial reporting and internal control over financial reporting:

- to review and approve the analysis provided by management, the Chief Financial Officer and the independent auditors of significant issues and practices relating to accounting principles and policies, financial reporting and internal control over financial reporting;
- to consider and discuss any reports or communications (and management's or the Chief Financial Officer's responses thereto) submitted to the Committee by the independent auditors (including those required by or referred to in the Statement of Auditing Standards (SAS) No. 61, as it may be modified or supplemented, or other professional standards);
- to meet separately, periodically, with management, the independent auditors and, if appropriate, the Chief Financial Officer;
- to discuss with the Chief Financial Officer the scope of the annual audit;
- to review and discuss with the independent auditors any significant matters arising from any audit, including: (i) any audit problems or difficulties the independent auditors encountered in the course of the audit, such as any restrictions on their activities or access to requested information, and (ii) significant disagreements with management, as well as management's response to those matters; and to resolve, if necessary, any disagreements between management and the independent auditors regarding financial reporting;
- to review the form of opinion the independent auditors propose to render to the Board of Directors and shareholders;
- to discuss, as appropriate, (i) any 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, (ii) 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 (iii) the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the Company;
- to review and approve management's annual report on internal control over financial reporting;

- to review and approve the adequacy and effectiveness of the Company's disclosure controls and procedures;
- to review and approve the Company's guidelines and policies with respect to risk assessment and risk management;
- to discuss the major financial risk exposures of the Company, and to review and approve the steps management has taken to monitor and control such exposures;
- to review with the Company's attorneys and outside counsel any legal, compliance or regulatory matters that could have a material effect on the Company's business, financial statements or compliance policies;
- to review and approve the type and presentation of information to be included in earnings press releases, as well as any financial information and earnings guidance provided, and the types of presentations made, to analysts and rating agencies;
- to review and approve the Company's annual and quarterly reports filed with the Securities and Exchange Commission ("SEC"), including (i) the financial statements contained therein, (ii) the disclosure under the caption "Management's Discussion and Analysis of Financial Condition and Results of Operations" and (iii) the disclosure and certifications of the Chief Executive Officer and Chief Financial Officer under Sections 302 and 906 of the Sarbanes-Oxley Act;
- to establish procedures for (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and (ii) the confidential, anonymous submission by Company employees of concerns regarding questionable accounting or auditing matters;
- to review and approve all related party transactions;
- to review and discuss any reports concerning material violations submitted to the Committee by the Company's attorneys or outside counsel pursuant to the SEC's attorney professional responsibility rules; and
- to establish clear policies for the hiring by the Company of employees or former employees of the independent auditors.

3. COMPANY DISCLOSURE. With respect to the Company's disclosure obligations:

- to prepare a report of the Committee for inclusion in the Company's annual proxy statement in accordance with applicable SEC rules and regulations; and
- to review and approve the disclosure in the Company's annual proxy statement regarding the operations of the Committee.

4. OTHER. To perform any other activities consistent with this Charter, the Company's Articles of Incorporation and the Company's Bylaws as the Board or this Committee may deem necessary, advisable or appropriate for the Committee to perform.

## **ORGANIZATION**

Members of the Committee shall be appointed by the Board, and shall serve at the pleasure of the Board and for such term or terms as the Board may determine. The Committee at all times shall consist of at least two directors, at least one of whom the Board has determined is "independent" under the rules and regulations promulgated by the SEC and any securities exchange or trading market on which the securities of the Company are listed and the independence standards approved by the Company's Corporate Governance and Nominating Committee. No member of the Committee shall have participated in the preparation of the financial statements of the Company or any current subsidiary of the Company at any time during the past three years.

Each member of the Committee shall be able to read and understand fundamental financial statements, including a company's balance sheet, income statement, and cash flow statement. Additionally, the Committee must have at least one member with past employment experience in finance or accounting, requisite professional certification in accounting, or any other comparable experience or background which results in the individual's financial sophistication, including being or having been a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities.

No director may serve as a member of the Committee if such director serves on the audit committees of more than two other public companies unless the Board determines that such simultaneous service would not impair the ability of such director to effectively serve on the Committee, and this determination is disclosed in the Company's annual proxy statement.

The Committee shall designate one member of the Committee as its chairperson, maintain minutes of its meetings and report regularly to the Board on its activities. The Committee shall meet as often as may be deemed necessary or appropriate, in its judgment, but no less than once every fiscal quarter. The Committee may request any officer or employee of the Company, the Company's outside counsel or the independent auditors to meet with the Committee or its consultants.

## **PERFORMANCE EVALUATION**

The Committee shall prepare and review with the Board an annual performance evaluation of the Committee, which evaluation shall compare the performance of the Committee with the requirements of this Charter. The performance evaluation shall also recommend to the Board any improvements to this Charter deemed necessary or desirable by the Committee. The performance evaluation shall be conducted in such manner as the Committee deems appropriate. The report to the Board may take the form of an oral report by the chairperson or any other member of the Committee designated by the Committee to make the report.

## **RESOURCES AND AUTHORITY OF THE AUDIT COMMITTEE**

The Committee shall have the resources and authority appropriate to discharge its duties and responsibilities, including the sole authority to select, retain, terminate, and approve the fees and other retention terms of special counsel or other experts or consultants to assist the Committee in the performance of its duties, as it deems appropriate.

The Company shall provide for appropriate funding, as determined by the Committee, in its capacity as a committee of the Board for payment of:

- Compensation to the independent auditors for all services provided to the Company and compensation to any other public accounting firm engaged for the purpose of preparing or issuing an audit report of performing other audit, review or attest services for the Company;

- Compensation of any advisers employed by the Committee; and
- Ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

Adopted by the Board of Directors on April 12, 2011