

ZION OIL & GAS, INC.

AUDIT COMMITTEE CHARTER

Amended as of December 4, 2007

1. Purpose

The primary function of the Audit Committee (the "Committee") is to oversee the accounting and financial reporting processes and the audits of the financial statements of Zion Oil & Gas, Inc. (the "Corporation"). The Committee will fulfill these responsibilities and duties primarily by carrying out the activities provided in this Charter. The Committee shall review the adequacy of this charter at least annually and recommend any proposed changes to the Board for its approval, although the Board shall have sole authority to amend this charter.

2. Composition

The Committee shall consist of three or more members of the Board of Directors of the Corporation as determined by the Board of Directors. All members of the Committee shall be "independent," as determined in accordance with the rules and regulations of the Securities and Exchange Commission (the "SEC") and the American Stock Exchange ("Amex") or any other applicable exchange or market, and shall be able to read and understand fundamental financial statements.

At least one member of the Committee shall have past employment experience in finance or accounting, requisite professional certification in accounting, or any other comparable experience or background which results in such member's financial sophistication, including but not limited to being or having been a chief executive officer, chief financial officer or any position with financial oversight responsibilities. A member of the Committee who is an "audit committee financial expert" within the meaning of rules adopted by the SEC shall be deemed to satisfy this requirement. The Board shall appoint a Committee member to serve as the chairperson of the Committee.

3. Meetings

The Committee shall meet at stated times without notice, or on notice to all by the Chairman of the Board of Directors, the Chief Executive Officer, the Chief Operating Officer, the President, the Chief Financial Officer, or by one of the members of the Committee, at least once per fiscal quarter, or more frequently as circumstances and needs of the Corporation shall dictate. As part of its responsibilities to foster open communication, the Committee should meet at least annually with management and the independent accountants for the Corporation separately to discuss any matters that the Committee or each of

these groups believe should be discussed privately. The Committee may ask members of management or others to attend its meetings and to provide pertinent information as necessary.

Meetings may be held in person or by telephone as needed to conduct the business of the Committee. A majority of the members of the Committee shall constitute a quorum for all purposes. The Committee may take action by the unanimous written consent of its members in the absence of a meeting.

4. Responsibilities, Duties and Authority

The Committee shall have the specific responsibilities and authority necessary to comply with Rule 10A-3(b)(2) through (5) of the Securities Exchange Act of 1934 concerning: (i) the appointment, compensation, retention and oversight of the independent accountants, and (ii) complaints relating to accounting, internal accounting controls or auditing matters.

To fulfill its responsibilities and duties the Committee shall:

- a. Review and reassess, at least annually, the effectiveness of the Committee and the adequacy of this Charter and make recommendations to the Board of Directors, as conditions dictate, to update this Charter.
- b. Review with management and the independent accountants the Corporation's annual and quarterly financial statements, including, with respect to the annual statements, a discussion with the independent accountants of the matters required to be discussed by Statement on Auditing Standards No. 61, as it may be modified or supplemented.
- c. Recommend to the Board of Directors that, based on the Committee's review and discussions with management and the independent accountants, the annual and quarterly financial statements be included in the quarterly and annual reports on Forms 10-Q and 10-K, respectively, filed with the Securities and Exchange Commission.
- d. Review the performance of the independent accountants, who shall report directly and be accountable to the Committee.
- e. Oversee independence of the accountants by:
 1. Receiving from the independent accountants, on a periodic basis (but not less frequently than annually), a formal written statement delineating all relationships between the independent accountants and the Corporation consistent with Independent Standards Board Standard No. 1.

2. Recommending, if necessary, that the Board of Directors take appropriate action to satisfy itself of the independent accountants' independence based on the report provided.
 3. Discussing with the independent accountants any disclosed relationships or services between the independent accountants and the Corporation or any other disclosed relationships or services that may impact the objectivity and independence of the accountants.
 4. Monitoring partner rotation of the independent accountants and the hiring of former employees of the independent accountants in accordance with applicable laws and Amex and SEC rules and regulations.
 5. Reviewing at least annually the independence of the independent accounts, including a review of the services provided by the independent accountants and related fees, consistent with applicable laws and Amex and SEC rules and regulations.
- f. Review in consultation with the independent accountants the audit scope and plan of the independent accountants.
- g. Review with the independent accountants and management the adequacy and effectiveness of internal controls of the Corporation by:
1. Reviewing with the independent accountants and management the adequacy and effectiveness of the systems of internal controls (including any significant deficiencies and significant changes in internal controls reported to the Committee by the independent accountants or management), accounting practices, and disclosure controls and procedures (and management reports thereon) of the Corporation.
 2. Reviewing the determinations made by the Corporation's Chief Executive Officer and Chief Financial Officer during their certification process for the Corporation's Forms 10-K and Forms 10-Q about (i) any significant deficiencies in the design or operation of internal controls or material weakness therein, (ii) any fraud involving management or other associates who have a significant role in the Corporation's internal controls and (iii) any significant changes in internal controls or in other factors that could significantly affect internal controls.
 3. Reviewing management's annual report on internal control over financial reporting and the attestation report of the independent accountants thereon.

- h. Report through the Committee's chairperson to the Board of Directors following a meeting of the Committee.
- i. Maintain minutes or other records of meetings and activities of the Committee.
- j. Require that the independent accountants report directly to the Committee on critical accounting policies used in the audit, alternative treatments of financial information discussed with management and material written communications between the independent accountants and management.
- k. Review all related party transactions as required by applicable laws and Amex and SEC rules and regulations, other than transactions approved by the Board or another committee thereof.
- l. Review and discuss with management the Corporation's financial results, including a draft of the earnings press releases, prior to the issuance of the Corporation's quarterly and year-end earnings press release.
- m. Inquire of management, the director of internal auditing, and the independent accountants about significant risks or exposures and assess the steps management has taken to minimize such risks to the Corporation.
- n. Review and discuss with management and the independent accountants all significant matters related to the independent accountants' review of the unaudited quarterly financial statements, prior to the Corporation's issuing the quarterly earnings press release.
- o. Review and approve any material off-balance sheet arrangements or other material financial arrangements of the Corporation that do not appear on the financial statements of the Corporation.
- p. Obtain from the independent accountants assurance that they have complied with SEC rules and regulations.
- q. Prepare and provide a report for inclusion in the Corporation's annual proxy statement and any other disclosures required by SEC rules and regulations.
- r. Pre-approve all audit and audit related services and non-audit services provided by the independent accountants, as required under applicable law and the Amex and SEC rules and regulations.

s. Monitor the independent accountants' compliance with records retention requirements in accordance with applicable laws and Amex and SEC rules and regulations.

t. Be directly responsible for the appointment, compensation, retention and oversight of the work of the independent accountants engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Corporation (including resolution of disagreements between management and the independent accountants regarding financial reporting).

u. Establish procedures for the receipt, retention, and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters, and the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

v. Be authorized to engage independent counsel, accountants and other advisers, as the Committee determines necessary to carry out its duties.

w. Have the appropriate funding, as determined by the Committee, for payment of: (i) compensation to any independent accountants; (ii) compensation to any advisers employed by the Committee; and (iii) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

x. Perform any other activities consistent with this Charter and the Corporation's By-Laws as the Committee or the Board of Directors deems necessary or appropriate.