

ZION OIL & GAS, INC.

COMPENSATION COMMITTEE CHARTER

Amended as of December 4, 2007

1. Purposes and Authority

The Compensation Committee shall review and approve on behalf of the Corporation, subject to the final approval by the Board, all issues and matters concerning the compensation of employees, officers, and other salaried advisors or consultants to the Corporation, subject to the supervision and control of the Board. 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. The Committee shall be responsible for:

- a. Ensuring that the Corporation's compensation programs are supportive of the Corporation's mission and long range plans;
- b. Ensuring that compensation programs comply with applicable requirements of law, of any exchange or stock market on which the Corporation's securities are listed and of any other governing or regulatory authority;
- c. Defining Corporation compensation philosophy and objectives;
- d. Approving Corporation compensation policies and reviewing procedures;
- e. Communicating performance expectations to the Chief Executive Officer, to the Chief Operating Officer and the Chief Financial Officer;
- f. Reviewing performance of the Corporation's officers;
- g. Reviewing, adjusting as appropriate, and approving compensation packages for officers;
- h. Reviewing compensation budgets and general actions relative to employee compensation, benefits and related matters;
- i. Negotiating the employment contracts of the Chief Executive Officer, the Chief Operating Officer and the Chief Financial Officer;
- j. Participating in executive succession planning;

k. Directing the on-going review and maintenance of the Corporation's compensation programs;

l. Acting as the Administrator under the Corporation's 2005 Stock Option Plan and all employee benefit and long-term incentive plans;

m. Reporting actions with respect to compensation matters in connection with the proxy statement for the annual meeting of stockholders as prescribed by applicable law and the requirements of any exchange or stock market on which the Corporation's securities are listed; and

n. Reviewing and recommending to the Board the form and amounts of compensation of members of the Board, who are not members of the management of the Corporation.

2. Membership and Constitution of the Committee

The Committee shall consist of three or more members of the Board of Directors of the Corporation as determined by the Board of Directors. Each member of the Committee shall be (i) "independent" as such term is defined by applicable regulations of the American Stock Exchange or any other applicable exchange or stock market, (ii) a "non-employee director" as such term is defined for purposes of Section 16 of the Securities Exchange Act of 1934, as amended, and (iii) an "outside director" as such term is defined for the purposes of Section 162(m) of the Internal Revenue Code. The foregoing notwithstanding, one non-independent director, who is not a current officer or employee or an immediate family member of such person, may serve on the Committee pursuant to the "exceptional and limited circumstances" exception under Amex rules, provided, however, that such director may not serve for more than two years.

The Board shall appoint a Committee member to serve as the chairperson of the Committee. The Chief Executive Officer, the Chief Operating Officer, the Chief Financial Officer, the Chief Accounting Officer, and such other members of management and advisors as the Committee may deem necessary or advisable shall attend meetings of the Committee and contribute information or advice and otherwise participate in Committee deliberations as the Committee may deem appropriate, provided, however, that the Chief Executive Officer, the Chief Operating Officer, or the Chief Financial Officer shall not be present at any meeting of the Committee during deliberations or voting on their compensation. The Committee shall have the authority to hire consultants to assist it in fulfilling its mission at such times as it deems necessary or appropriate.

3. Functioning of the Committee

In discharging its responsibilities, the Committee shall have at least two scheduled meetings each year – once near the end of each fiscal year and a second time prior to the completion of the Corporation's annual report to stockholders.

a. The purposes of the year-end meeting shall include reviewing performance of officers, reviewing relevant survey data, benchmarking salary and incentive structure against competitors, determining salary, benefit, or incentive compensation changes and awards for officers and ranges for employees, and other related business.

b. The purposes of the second meeting shall include reviewing objectives and components of compensation programs, discussing potential program modifications, review and approval of a Committee report to be submitted in connection with the Corporation's proxy statement for the annual meeting of stockholders, and other related business.

In addition to the foregoing, the Committee shall meet at such other times for such other purposes, as it deems necessary or desirable to discharge its responsibilities. The Chairman of the Committee shall set the agenda for all Committee meetings and determine and communicate to management the information needs of the Committee.

Minutes of Committee meetings shall be prepared and kept in the Committee's file and shall be distributed for review by the Board. The Committee shall make regular reports to the Board of its activities, which shall include, where necessary or appropriate, recommendations for further action by the Board.

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.