

ZION OIL & GAS, INC.
AUDIT COMMITTEE CHARTER
Amended as of June 6, 2016

1. Purpose

The primary function of the Audit Committee (the "Committee") is to assist the board of directors of Zion Oil & Gas, Inc. (the "Corporation") in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control, the audit process, and the company's process for monitoring compliance with laws and regulations and the code of conduct. The Committee will fulfill these responsibilities and duties primarily by carrying out the activities provided in 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 NASDAQ 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:

Financial Statements

- Review significant accounting and reporting issues, including complex or unusual transactions and highly judgmental areas, and recent professional and regulatory pronouncements, and understand their impact on the financial statements.
- Review with management and the external auditors the results of the audit, including any difficulties encountered.
- Review the annual financial statements, and consider whether they are complete, consistent with information known to committee members, and reflect appropriate accounting principles.
- Review other sections of the annual report and related regulatory filings before release and consider the accuracy and completeness of the information.
- Review with management and the external auditors all matters required to be communicated to the committee under generally accepted auditing *Standards*.
- Understand how management develops interim financial information, and the nature and extent of internal and external auditor involvement.
- Review interim financial reports with management and the external auditors before filing with regulators, and consider whether they are complete and consistent with the information known to committee members.

Internal Control

- Consider the effectiveness of the company's internal control system, including information technology security and control.
- Understand the scope of internal and external auditors' review of internal control over financial reporting, and obtain reports on significant findings and recommendations, together with management's responses.

Internal Audit

- Ensure there are no unjustified restrictions or limitations, and review and concur in the appointment, replacement, or dismissal of the chief audit executive.
- Approve the annual audit plan and all major changes to the plan. Review the internal audit activity's performance relative to its plan.
- On a regular basis, meet separately with the chief audit executive to discuss any matters that the committee or internal audit believes should be discussed privately.

External Audit

- Review the external auditors' proposed audit scope and approach, including coordination of audit effort with internal audit.
- Review the performance of the external auditors, and exercise final approval on the appointment or discharge of the auditors.
- Review and confirm the independence of the external auditors by obtaining statements from the auditors on relationships between the auditors and the company, including non-audit services, and discussing the relationships with the auditors.
- On a regular basis, meet separately with the external auditors to discuss any matters that the committee or auditors believe should be discussed privately.

Compliance

- Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any instances of noncompliance.
- Review the findings of any examinations by regulatory agencies, and any auditor observations.
- Review the process for communicating the code of conduct to company personnel, and for monitoring compliance therewith.
- Obtain regular updates from management and company legal counsel regarding compliance matters.

Reporting Responsibilities

- Regularly report to the board of directors about committee activities, issues, and related recommendations.
- Provide an open avenue of communication between the external auditors and the Audit Committee.

- Report annually to the shareholders, describing the committee's composition, responsibilities and how they were discharged, and any other information required by rule, including approval of non-audit services.
- Review any other reports the company issues that relate to committee responsibilities.

Other Responsibilities

- Perform other activities related to this charter as requested by the board of directors.
- Institute and oversee special investigations as needed.
- Review and assess the adequacy of the committee charter annually, requesting board approval for proposed changes, and ensure appropriate disclosure as may be required by law or regulation.
- Confirm annually that all responsibilities outlined in this charter have been carried out.