

RESOLUTE ENERGY CORPORATION
CHARTER OF THE AUDIT COMMITTEE
OF THE BOARD OF DIRECTORS

PURPOSE

The Audit Committee (the “Committee”) is appointed by the Board of Directors (the “Board”) of Resolute Energy Corporation, a Delaware corporation (the “Company”). This audit committee charter (this “Charter”) specifies the scope of authority and responsibilities of the Committee. The purpose of the Committee is to (i) assist Board oversight of (a) the integrity of the Company’s financial statements, (b) the Company’s compliance with legal and regulatory requirements, (c) the independent auditor’s qualifications and independence and (d) the performance of the Company’s internal audit function and independent auditors; (ii) prepare an audit committee report as required by the Securities and Exchange Commission (“SEC”) to be included in the Company’s annual proxy statement and (iii) perform the duties and have the responsibilities and powers set forth herein.

COMPOSITION AND QUALIFICATIONS

1. The Committee shall have at least three (3) members at all times, each of whom shall be a member of the Board who is “independent” for the purposes of rules relating to audit committees promulgated by the SEC and the New York Stock Exchange (the “NYSE”), subject to any exceptions provided pursuant to those rules. A member of the Committee shall be considered independent for the purposes of this Charter if such member (i) does not accept, directly or indirectly, any consulting, advisory or other compensatory fee from the Company or its subsidiaries other than in connection with service on the Committee, any other Board committee or as a member of the Board (other than fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the Company, provided that such compensation is not contingent in any way on continued service), (ii) is not an “affiliated person” (as that term is defined in Rule 10A-3 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) of the Company or any Company subsidiary and (iii) otherwise satisfies the independence standards set forth in Section 303A.02 of the Listed Company Manual of the NYSE (the “Listing Rules”).

2. All members of the Committee shall be financially literate, shall have a practical knowledge of finance and accounting and be able to read and understand fundamental financial statements from the time of their respective appointments to the Committee.

3. At least one member of the Committee shall be an “audit committee financial expert” as that term is defined in Item 407 of SEC Regulation S-K (“Regulation S-K”).

4. The members of the Committee will be appointed by and serve at the discretion of the Board. The Board may remove any member from the Committee at any time with or without cause. No member of the Committee may simultaneously serve on the audit committees of more than six other public companies.

5. The Committee may, by resolution passed by a majority of the Committee, designate one or more subcommittees, each subcommittee to consist of one or more members of the Committee. Any such subcommittee, to the extent provided in the resolutions of the Committee and to the extent not limited by applicable law or the Listing Rules, will have and may exercise all the powers and authority of the Committee. Each subcommittee will have such name as may be determined by resolution adopted by the Committee. Each subcommittee will keep regular minutes of its meetings and report the same to the Committee or the Board at its scheduled meetings. Such subcommittee may have a charter, as determined by the Committee.

MEETINGS

1. The Committee shall meet as frequently as circumstances dictate, but not less than quarterly. The Board shall name a chairperson of the Committee, who shall prepare and/or approve an agenda in advance of each meeting and shall preside over meetings of the Committee. In the absence of a Board-appointed chairperson at any meeting, the Committee shall select a chairperson for that meeting. A majority of the members of the Committee shall constitute a quorum and the act of a majority of the members present at a meeting where a quorum is present shall be the act of the Committee. The Committee may also act by unanimous written consent of its members. The Committee shall maintain minutes or other records of meetings and activities of the Committee.

2. Except as otherwise specified herein, the Committee is governed by the same rules regarding meetings (including meetings by conference telephone or similar communications equipment), action without meetings, notice, waiver of notice and quorum and voting requirements as are applicable to the Board. The Committee is authorized and empowered to adopt its own rules of procedure not inconsistent with any provision of this Charter, any provision of the Bylaws or Certificate of Incorporation of the Company or any applicable law, rule, regulation or Listing Rule.

3. The Committee shall, through its chairperson, report regularly to the Board following the meetings of the Committee, addressing such matters as it deems appropriate, including the quality of the Company's financial statements, the Company's compliance with legal and regulatory requirements, the performance and independence of the independent auditors, the performance of the internal audit function and other matters related to the Committee's functions and responsibilities.

RESPONSIBILITIES, DUTIES AND POWERS

The Committee's principal responsibility is one of oversight. The Company's management is responsible for preparing the Company's financial statements and the independent auditors are responsible for auditing and/or reviewing those financial statements. The role of the Committee does not include the provision of any expert or special assurance as to the accuracy or completeness of the Company's financial statements or any professional certification as to the quality or adequacy of the independent auditors' work.

The Committee's specific responsibilities and powers are to:

General

- Meet separately with each of management, Company personnel responsible for the internal audit function and the independent auditor on a periodic basis. At least a portion of each meeting with the independent auditor will be held in executive session.
- Retain, at the Company's expense, independent counsel, accountants or other advisors for such purposes as the Committee determines to be necessary to carry out its responsibilities.
- Perform an annual evaluation of the Committee's performance, report the results of this evaluation to the Board, together with recommendations and make appropriate changes.
- Periodically review and evaluate the adequacy of this Charter and recommend any appropriate changes to the Board.
- Regularly report to the Board the actions and activities of the Committee, and review with the Board any issues that arise with respect to the quality or integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements, the performance and independence of the independent auditor or the performance of the internal audit function.
- Periodically review with management and the independent auditor the applicable law and the Listing Rules relating to the qualifications, activities, responsibilities and duties of audit committees and compliance therewith, and also take, or recommend that the Board take, appropriate action to comply with such law and rules.
- Undertake such additional responsibilities as from time to time may be delegated to it by the Board, required by the Company's Certificate of Incorporation or Bylaws or required by law or Listing Rules.

Financial Statement and Disclosure Matters

- Meet to review and discuss with the independent auditor and management the Company's audited annual financial statements and other information that is to be included in the Company's annual reports on Form 10-K, including the disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the independent auditor's opinion with respect to the financial statements, and determine whether to recommend to the Board that the financial statements be included in the Company's annual report on Form 10-K filed with the SEC.
- Meet to review and discuss with the independent auditors and management, and require the independent auditors to review, the Company's interim financial

statements and other information to be included in the Company's quarterly reports on Form 10-Q, including the disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations," prior to filing such reports with the SEC.

- Review and discuss with management any earnings press releases of the Company or other press releases that include production or financial guidance or financial information, including "pro forma" or "adjusted" non-GAAP information, as well as financial information and guidance provided to analysts and rating agencies. Such discussion may be of a general nature (i.e., it may consist of discussions of the types of information to be disclosed and the types of presentations to be made). The Committee need not discuss in advance each earnings release or each instance in which the Company may provide guidance.
- Review (i) 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 auditor 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 Company's financial statements.
- Prepare an audit committee report as required by the SEC to be included in the Company's annual proxy statements.

Oversight of Relationship with Independent Auditor

- Be directly responsible for the appointment, compensation, retention, termination and oversight of the work of any registered public accounting firm engaged (including resolution of disagreements between management and the independent auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company. The Company shall provide appropriate funding, as determined by the Committee, for payment of (i) compensation to any independent auditor for such services, (ii) compensation to any advisors engaged by the Committee and (iii) ordinary administrative expenses necessary or appropriate in the Committee's performance of its duties. All independent auditors shall report directly to the Committee.
- Review and discuss with the independent auditors (i) all critical accounting policies and practices identified to the Committee by the independent auditor, (ii) alternative treatments of financial information under GAAP that have been discussed with management, the ramifications of the use of such alternative treatments and the treatment preferred by the independent auditors and (iii) any

other material written communications between the independent auditors and management, such as any management letter or schedule of unadjusted differences.

- Review with the independent auditor any audit problems or difficulties and management's response. The Committee must regularly review with the independent auditor any difficulties the auditor encountered in the course of the audit work, including any restrictions on the scope of the independent auditor's activities or on access to requested information, and any significant disagreements with management. Among the items the Committee may want to review with the independent auditor are (i) any accounting adjustments that were noted or proposed by the independent auditor but were "passed" (as immaterial or otherwise), (ii) any communications between the audit team and the independent auditor's national office respecting auditing or accounting issues presented by the engagement and (iii) any "management" or "internal control" letter issued, or proposed to be issued, by the independent auditor to the Company. The review should also include discussion of the responsibilities, budget and staffing of the Company's internal audit function.
- Review and discuss with the independent auditor the matters required to be discussed by any applicable Statement on Auditing Standards adopted by the Public Company Accounting Oversight Board or similar accounting standard. Review the scope, plan and procedures to be used on the annual audit and receive confirmation from the independent auditors that no limitations have been placed on the scope or nature of their audit plan or procedures.
- Pre-approve all engagement letters and fees for all auditing services (including the provision of comfort letters in connection with securities underwritings) and permissible non-audit services proposed to be performed by independent auditors, subject to any exception under Section 10A of the Exchange Act and any rules promulgated thereunder. Such pre-approval authority may be delegated to a Committee member or a subcommittee; the relevant member or subcommittee shall report any exercise of such delegated authority to the full Committee at its next scheduled meeting. The Committee shall not approve an engagement of independent auditors to render non-audit services that are prohibited by law or the Listing Rules.
- Receive from the independent auditor a formal written statement delineating all relationships between the independent auditor and the Company, consistent with the Independence Standards Board, Standard No. 1, as amended from time to time, and other applicable standards, and any other documents or disclosures required by such standards. The statement shall include a description of all services provided by the independent auditors and the related fees. The Committee shall discuss any disclosed relationships or services that may impact the objectivity and independence of the independent auditors.

- Obtain from the independent auditors assurance that they have complied with Section 10A of the Exchange Act and the rules promulgated thereunder, as amended from time to time.
- Obtain and review a report, at least annually, by the Company's independent auditor describing (i) the independent auditor's internal quality-control procedures, (ii) any material issues raised by the most recent internal quality-control review or peer review of the independent auditor, 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 auditor, and any steps taken to deal with any such issues and (iii) (to assess the independent auditor's independence) all relationships between the Company and the independent auditor.
- At least annually, advise the Board of its view of the competence, integrity and independence of the independent auditor, including the lead partner of the independent auditor, taking into account the opinions of management and Company personnel responsible for the internal audit function. In addition to assuring the regular rotation of the lead audit partner as required by law, the Committee shall also consider whether there should be a regular rotation of Company's outside audit firm.
- Establish clear hiring policies for the Company's employment of employees or former employees of the independent auditor, consistent with maintaining the independence of the independent auditor.

Oversight of Internal Audit Function, Risk Management and Compliance

- Review annually the performance and material findings of internal audit reviews.
- Review annually with the independent auditor the effectiveness of the Company's internal controls and procedures.
- Discuss policies with respect to risk assessment and risk management, and review major risk exposures (whether financial, operating or otherwise) and the guidelines and policies that management has put in place to govern the process of assessing, controlling, managing and reporting such exposures.
- Establish procedures for (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters and (iii) resolution of other matters related to business ethics reported to the Committee. Investigate any matter brought to its attention related to financial, accounting and audit matters and, to the extent it deems necessary or advisable in connection therewith, review any Company books and records and interview any Company personnel.

- Review and approve all proposed transactions that would require disclosure pursuant to Item 404 of Regulation S-K pursuant to such policies as the Committee may adopt.