



RED MOUNTAIN RESOURCES, INC. COMPENSATION COMMITTEE CHARTER

Purpose

The role of the Compensation Committee (the “*Committee*”) of the Board of Directors (the “*Board*”) of Red Mountain Resources, Inc. (the “*Company*”) is to discharge the Board’s responsibilities relating to compensation of the Company’s executives, to produce an annual report on executive compensation for inclusion in the Company’s proxy statement, and to oversee and advise the Board on the adoption of policies that govern the Company’s compensation programs, including stock and benefit plans.

Committee Membership

The membership of the Committee consists of at least two directors, all of whom shall (a) meet the independence and other requirements under Rule 10C-1(b)(1) under the Securities Exchange Act of 1934 (as amended, the “*Exchange Act*”), the rules of The NASDAQ Stock Market (“*NASDAQ*”) and as may be established by the Board, (b) be a “non-employee director” within the meaning of Rule 16b-3 under the Exchange Act, and (c) be an “outside director” within the meaning of Section 162(m) of the Internal Revenue Code, as amended.

Members shall be appointed by the Board based on recommendations by the Company’s Nominating and Corporate Governance Committee. Members shall serve for such term or terms as the Board may determine. The Board may remove any member from the Committee at any time with or without cause.

Committee Responsibilities

The principal responsibilities and duties of the Committee are as follows:

1. Review the competitiveness of the Company’s executive compensation programs to ensure (a) the attraction and retention of executives, (b) the motivation of executives to achieve the Company’s business objectives, and (c) the alignment of the interests of key leadership with the long-term interests of the Company’s shareholders.
2. Determine, or recommend to the Board for determination, the compensation of the Chief Executive Officer (“*CEO*”) and all other executive officers of the Company. In evaluating and determining executive compensation, the Committee shall consider the results of the most recent shareholder advisory vote on executive compensation (“*Say on Pay Vote*”) required by Section 14A of the Exchange Act. The CEO may not be present during any voting or deliberations by the Committee on his or her compensation.
3. Review and discuss with the Board and executive officers plans for corporate succession plans for the CEO and other executive officers, as appropriate.

4. Approve all stock option grants and other equity-related awards to all persons who are members of the Board and/or an “officer” of the Company as defined in Rule 16a-1(f) promulgated under the Exchange Act.
5. Discharge the responsibilities of the Board with respect to the Company’s non-equity based incentive compensation plans, if any, for executive officers and equity-based plans, oversee the activities of the individuals and committees responsible for administering these plans, and discharge any responsibilities imposed on the Committee by any of these plans. In reviewing and making recommendations regarding incentive compensation plans, if any, and equity based plans, including whether to adopt, amend or terminate any such plans, the Committee shall consider the results of the most recent Say on Pay Vote.
6. Approve issuances under, or any material amendment of, any stock option or other similar plan pursuant to which a person not previously an employee or director of the Company, as an inducement material to the individual’s entering into employment with the Company, will acquire stock or options.
7. In consultation with management, oversee regulatory compliance with respect to compensation matters, including overseeing the Company’s policies on structuring compensation programs to preserve tax deductibility, and, as and when required, establishing performance goals and certifying that performance goals have been attained for purposes of Section 162(m) of the Internal Revenue Code.
8. Review and approve any severance or similar termination payments proposed to be made to any current or former executive officer of the Company.
9. Discuss with management the Company’s Compensation Discussion and Analysis (“*CD&A*”) for the annual report on Form 10-K or proxy statement; based on the review and discussion, recommend to the Board that the CD&A be included in the Company’s annual report on Form 10-K or proxy statement; and produce an annual Compensation Committee Report on executive compensation for inclusion in the Company’s annual proxy statement in accordance with applicable SEC rules and regulations and relevant listing authority.
10. Review and discuss with management and assess the relationship between the Company’s policies and practices for compensation, risk-taking incentives and risk management. Review and discuss any disclosure that may be required in the Company’s annual report on Form 10-K or proxy statement.
11. Recommend compensation and benefits for non-employee directors to the Board. Non-employee director compensation will be set at a level that is consistent with market practice, taking into account the size and scope of the Company’s business and the responsibilities of its directors. The compensation and benefits for non-employee directors shall be reviewed by the Committee annually.
12. Report to the Board on a regular basis, and not less than once per year.
13. Perform any other duties or responsibilities expressly delegated to the Committee by the Board from time to time relating to the Company’s compensation programs.

Committee Structure and Operations

The Board shall designate one member of the Committee as its chairperson. The chairperson shall, if present, preside at all meetings of the Committee. In the event of a tie vote on any issue, the chairperson's vote shall decide the issue.

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 shall meet at least once a year, and perhaps more frequently, at regularly scheduled times and places determined by the Committee or its chairperson, with further meetings to occur, or actions to be taken by unanimous written consent, when deemed necessary or desirable by the Committee or its chairperson. The Committee may invite members of management, compensation consultants or other advisors to attend meetings and provide pertinent information; provided, however, the Committee may meet in executive session at its discretion.

Delegation to Subcommittee

The Committee may, in its discretion, delegate all or a portion of its duties and responsibilities to a subcommittee of the Committee consisting of one or more members or to one or more designated members of the Committee.

Performance Evaluation

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

Committee Advisors and Funding

The Committee shall have the resources and authority appropriate to discharge its duties and responsibilities. The Committee shall have the sole authority, at the Company's expense, to retain, obtain the advice of and terminate any compensation consultant, legal counsel or other advisor to the Committee as it deems reasonably appropriate, without seeking approval of the Board or management. The Committee shall set the compensation and other retention terms, and oversee the work, of the compensation consultant, legal counsel or other advisor.

The Committee may select, or receive advice from, a compensation consultant, legal counsel or other advisor to the Committee only after taking into consideration the following factors, as well as any other factors required by applicable rules of the SEC or NASDAQ: (i) the provision of other services to the Company by the person that employs the compensation consultant, legal counsel or other adviser; (ii) the amount of fees received from the Company by the person that employs the compensation consultant, legal counsel or other adviser, as a percentage of the total revenue of the person that employs the compensation consultant, legal counsel or other adviser; (iii) the policies and procedures of the person that employs the compensation consultant, legal counsel or other adviser that are designed to prevent conflicts of interest; (iv) any business or personal relationship of the compensation consultant, legal

counsel or other adviser with a member of the Committee; (v) any stock of the Company owned by the compensation consultant, legal counsel or other adviser; and (vi) any business or personal relationship of the compensation consultant, legal counsel, other adviser or the person employing the adviser with an executive officer of the Company. The Committee is not required to assess the independence of any compensation advisor that acts in a role limited to (i) consulting on any broad-based plan that does not discriminate in scope, terms or operation in favor of executive officers or directors and that is generally available to all salaried employees, and/or (ii) providing information that is not customized for a particular company or that is customized based on parameters that are not developed by the advisor, and about which the advisor does not provide advice.

Any communications between the Committee and legal counsel in the course of obtaining legal advice will be considered privileged communications of the Company, and the Committee will take all necessary steps to preserve the privileged nature of those communications.