

**AUDIT COMMITTEE OF THE BOARD OF DIRECTORS OF
BOOTS & COOTS, INC.**

CHARTER

I. PURPOSE

This Charter ("Charter") shall govern the operations of the Audit Committee ("Committee") of the board of directors ("Board") of Boots & Coots, Inc., a Delaware corporation ("Corporation"). The purpose of the Charter is to assist and direct the Board in fulfilling its oversight responsibilities relating to: (a) the integrity of the Corporation's financial statements and reports provided by the Corporation to the government or to the public; (b) the Corporation's systems of internal controls regarding finance, accounting, and the Corporation's auditing, accounting and financial reporting processes generally; (c) the internal audit function; (d) the retention and termination of the independent auditors; (e) the annual independent audit of the Corporation's financial statements; (f) the independent auditors' qualifications and independence; (g) conflicts of interests of the Corporation's directors and executive officers and the disclosure of any waivers of such conflicts; and (h) the compliance and ethics programs established by management and the Board. In so doing, it is the responsibility of the Committee to maintain free and open communication between the Committee, independent auditors, the internal auditors and management of the Company. Consistent with these purposes, the Committee shall encourage continuous improvement of, and shall foster adherence to, the Corporation's policies, procedures and practices at all levels.

In discharging its oversight role, the Committee is empowered to investigate any matter brought to its attention with full access to all books, records, facilities, and personnel of the Corporation and, for this purpose, to retain on behalf of the Committee outside counsel or other experts.

II. COMPOSITION

The Committee shall be comprised of three or more Directors. Except as provided below, each member of the Committee shall be independent and free from any relationship that, in the opinion of the Board, would interfere with the exercise of that person's independent judgment as a member of the Committee, and each member of the Committee shall meet all requirements for independence promulgated by the American Stock Exchange, the requirements of the Sarbanes-Oxley Act of 2002, and other applicable laws, regulations and rules, as applicable to the Corporation. Notwithstanding the foregoing, one member of the Committee may be a person that does not meet the independence requirements of the American Stock Exchange provided that the Board determines it to be in the best interests of the Corporation and its shareholders that such person serve on the Committee, and the Board discloses the reasons for the determination in the Corporation's next annual proxy statement.

Each member of the Committee shall be able to read and understand fundamental financial statements, and at least one member shall have past employment experience in finance or accounting, requisite professional certification in accounting, or comparable experience or background that results in that member's financial sophistication.

Members of the Committee shall be elected by the Board at the annual meeting of the Board to serve until their successors are duly elected and qualified. If a member is unable to serve a full term, the Board shall select a replacement. Unless a Chairman is elected by the full Board, the members of the Committee shall designate a Chairman by majority vote of the full Committee.

III. MEETINGS

The Committee shall meet at least four times annually, and more frequently as circumstances dictate. The Committee, or its Chairman, shall communicate each quarter with the independent auditors and management to review the Corporation's interim financial statements in accordance with Section V.2., below. The Committee shall meet at least annually with management and the independent auditors in accordance with Section V.3., below. Such meetings and communications shall be, either in person or by conference telephone call, and shall be separate or together, at the discretion of the Committee.

IV. ACCOUNTABILITY

The independent auditors shall be ultimately accountable to the Board and the Committee, as representatives of the Corporation's shareholders. The Committee shall have ultimate authority and responsibility to select, evaluate, and, where appropriate, replace the independent auditors.

V. RESPONSIBILITIES

The responsibility of the Committee shall be to oversee the Corporation's financial reporting process on behalf of the Board and to report the results of such oversight activities to the Board and to the shareholders of the Corporation. The responsibility of management is to prepare the Corporation's financial statements. The responsibility of the independent auditors is to audit those financial statements. To fulfill its responsibilities the Committee shall:

Documents/Reports Review

1. Review and reassess the adequacy of this Charter, at least annually, as conditions dictate.
2. Prior to filing, review each Form 10-Q Quarterly Report for the Corporation with management and the independent auditors, in accordance with Statement on Auditing Standards No. 71 ("SAS No. 71"), and considering Statement on Auditing Standards No. 61 ("SAS No. 61"), as amended by SAS 90, as it relates to interim financial information.
3. Prior to filing, review and discuss the audited financial statements of the Corporation with management and the independent auditors, with specific attention to those matters required to be discussed by SAS No. 61, as amended by SAS 90.
4. Prior to retaining or hiring the independent auditors, receive and review that written statement required pursuant to the Public Company Accounting Oversight Board's Ethics and Independence Rules, which shall disclose any and all relationships between the independent auditors, or any affiliate of the independent auditors, that may reasonably be thought to bear on their independence and discuss with them the potential effects of those relationships on the independent auditors' independence from management and the Corporation.
5. Receive and review, on at least an annual basis, that written statement from the independent auditors described in Item 4 and discuss with them that statement and their independence from management and the Corporation.

6. Based on the review and discussions set forth above, determine whether to recommend to the Board that the audited financial statements of the Corporation be included in its Annual Report on Form 10-K for filing with the Securities and Exchange Commission.
7. Ascertain whether the members of the Committee continue to be independent (as heretofore defined) with respect to management and the Corporation.
8. Review as received the regular internal reports to management prepared by the financial staff and discuss them with management as necessary.
9. Review the appointment and replacement of the senior internal audit executive.

Internal Audit Function

9. Review the internal auditor's responsibilities and ensure unrestricted access by internal auditors to relevant records, personnel and physical properties.
10. Ensure the internal auditor function is structured so that it achieves organizational independence and permits full and unrestricted access to the Committee, management and the Board
11. Meet separately with the internal auditors, with and without management present, to discuss the results of the internal auditors' examination.

Independent Auditors

12. Provide a clear understanding to management and the independent auditors that the independent auditors are ultimately accountable to the Board and the Committee.
13. Retain the ultimate authority and responsibility to retain, evaluate, and, where appropriate, replace the independent auditors, and to review and recommend annually to the Board the selection of the Corporation's independent auditors.
14. Prior to commencement of work on the annual audit by the independent auditors, discuss with them the overall scope and plan for their audit, including the adequacy of staffing and compensation.
15. Discuss with management and the independent auditors the adequacy and effectiveness of the Corporation's accounting and financial controls, including the Company's system to monitor and manage business risk, and legal and ethical compliance programs.
16. Meet separately with the independent auditors, with and without management present to review the results of the independent auditors' examinations.
17. Pre-approve all auditing services and permitted non-audit services (including the fees and terms thereof) to be performed for the Corporation by its independent auditors, subject to the de minimis exception for non-audit services described in the Securities Exchange Act of 1934, as amended, which are approved by the Committee prior to the completion of the audit.

Financial Reporting Processes

18. Review and discuss with the independent auditors their evaluation of the Corporation's financial reporting processes, both internal and external.
19. Review and discuss with the independent auditors' their judgment about the quality and appropriateness of the Corporation's accounting principles as applied in its financial reporting.
20. Prepare the report required by the rules of the SEC to be included in the Company's annual proxy statement.

Process Improvement

21. Review and discuss with the independent auditors and management the extent to which changes or improvements in financial or accounting practices, as approved by the Committee, have been or can be implemented.

Legal Matters

22. Review, with the Corporation's counsel (a) legal compliance matters and (b) other legal matters that could have an impact on the Corporation's financial statements.

Compliance Oversight Responsibilities

23. Obtain from the independent auditor assurance that the firm has not detected or otherwise become aware of information indicating that an illegal act has or may have occurred.
24. Obtain reports from management, the Company's senior internal auditing executive and the independent auditor that the Company and its subsidiary/foreign affiliated entities are in conformity with applicable legal requirements and the Company's Code of Conduct. Review reports and disclosures of insider and affiliated party transactions. Advise the Board with respect to the Company's policies and procedures regarding compliance with applicable laws and regulations and with the Company's Code of Conduct.
25. Establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.
26. Discuss with management and the independent auditor any correspondence with regulators or governmental agencies and any published reports which raise material issues regarding the Company's financial statements or accounting policies.

Miscellaneous

27. Make regular reports to the Board.

28. Review and reassess annually the performance of the Committee and the adequacy of this Charter, and recommend any proposed changes to the Board for approval.
29. Establish subcommittees and delegate authority to such subcommittees if the Committee determines it is desirable to accomplish the duties and responsibilities of the Committee.

It is recognized that the members of the Committee are not full-time employees of the Corporation and they do not represent themselves to be accountants or auditors on behalf of the Corporation. It is not the Committee's duty to plan or conduct audits or to determine if the Corporation's financial statements are prepared accurately and in accordance with generally accepted accounting principles. These duties are the responsibility of management and the independent auditors, who are ultimately accountable to the Committee. It is not the Committee's responsibility to independently verify information presented to it, unless special circumstances require independent verification. The statements of the Committee's Responsibilities set forth above are in all respects qualified by this limitation.

The Committee may, without further action of the Board of Directors, retain for its own account and service any external advisors, attorneys, consultants, and accountants (collectively, "Advisors") it deems necessary to carry out the Committee's purposes. The Company will adequately fund the costs and expenses of these Advisors under arrangements that assure the independence of those Advisors and their loyalty to the Committee.