

HERCULES OFFSHORE, INC.

Audit Committee Charter

Purpose

The Board of Managers of Hercules Offshore, LLC has adopted this Charter of the Audit Committee (the “Committee”) to become effective upon the consummation of (1) the conversion of the company from a Delaware limited liability company to a Delaware corporation (as so converted, the “Company”), and (2) the initial public offering by the Company of shares of its common stock. Upon consummation of such conversion, the Board of Managers will become the Board of Directors of the Company (the “Board”). The Committee is appointed by the Board to oversee the accounting and financial reporting processes and audits of the financial statements of the Company. In addition, pursuant to the Sarbanes-Oxley Act of 2002 and the rules and regulations of the Securities and Exchange Commission (the “SEC”), the Committee shall be directly responsible for the appointment, compensation, retention and oversight of the work of any registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company (any such firm is referred to in this Charter as the Company’s independent auditors).

Responsibilities

The Committee shall have the sole authority to appoint and, where appropriate, replace the Company’s independent auditors and to approve all audit engagement fees and terms. The Committee shall be directly responsible for the compensation and oversight of the work of the independent auditors (including resolution of disagreements between management and the independent auditors regarding financial reporting) for the purpose of preparing or issuing an audit report or related work or performing other audit, review or attest services for the Company. The independent auditors of the Company are ultimately accountable to the Committee and the Board, as opposed to management of the Company, and shall report directly to the Committee. The Committee shall be responsible for ensuring the independence of the independent auditors.

The Committee shall preapprove all audit, review or attest engagements, internal control-related services and permissible non-audit services, including the fees and terms thereof, to be performed by the independent auditors, subject to, and in compliance with, the *de minimis* exception for non-audit services described in Section 10A(i)(1)(B) of the Securities Exchange Act of 1934 and the applicable rules and regulations of the SEC.

The Committee, to the extent it deems necessary or appropriate, shall:

Financial Statement and Disclosure Matters

- Review and discuss with management and the independent auditors the annual audited financial statements, as well as disclosures made in management’s discussion and analysis of financial condition and results of operations in the Company’s Annual Report on Form 10-K.

- Recommend to the Board whether the Company's annual audited financial statements and accompanying notes should be included in the Company's Annual Report on Form 10-K.
- Review and discuss with management and the independent auditors the Company's annual report on internal control over financial reporting and the independent auditors' attestation of the report prior to the filing of the Company's Annual Report on Form 10-K.
- Prepare and approve the audit committee report as required by the SEC to be included in the Company's proxy statement for the annual meeting (or in the Company's Annual Report on Form 10-K if required to be included therein).
- Review and discuss with management and the independent auditors the Company's quarterly financial statements, as well as disclosures made in management's discussion and analysis of financial condition and results of operations, prior to the filing of the Company's Quarterly Reports on Form 10-Q, including any matters provided in Statement of Auditing Standards No. 100 arising in connection with the Company's quarterly financial statements.
- Review and discuss with management and the independent auditors:
 - Major issues and judgments (i) regarding accounting principles and financial statement presentations or (ii) otherwise made in connection with the preparation of the Company's financial statements, including any significant changes in the selection or application of accounting principles, any major issues concerning the adequacy of the Company's internal controls, any special audit steps adopted in light of material control deficiencies and the adequacy of disclosures about changes in internal control over financial reporting.
 - Analyses prepared by management and/or the independent auditors setting forth significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including analyses of the effects of alternative methods of generally accepted accounting principles on the financial statements.
- Review and discuss reports from the independent auditors on:
 - All critical accounting policies and practices to be used.
 - All alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, including (1) ramifications of the use of such alternative disclosures and treatments and (2) the treatment preferred by the independent auditors.

- Other material written communications between the independent auditors and management, such as any management letter, any management representation letter, any reports on observations and recommendations on internal controls, any schedules of unadjusted audit differences and a listing of adjustments and reclassifications not recorded, if any, and any engagement or independence letters.
- Discuss with management and the independent auditors the effect of regulatory and accounting initiatives as well as off-balance sheet structures on the Company's financial statements.
- Meet periodically with management to discuss the Company's major financial risk exposures and the steps management has taken to monitor and control those exposures, including the Company's risk assessment and risk management policies.
- Discuss with the independent auditors the matters required to be communicated by the independent auditors pursuant to Statement on Auditing Standards No. 61 relating to the conduct of the audit, including any problems or difficulties encountered in the course of the audit work and management's response, any restrictions on the scope of activities or access to requested information and any significant disagreements with management.
- Review the disclosures that the Company's chief executive officer and chief financial officer make to the Committee and the independent auditors in connection with the certification process for the Company's Reports on Form 10-K and Form 10-Q concerning any significant deficiencies or weaknesses in the design or operation of internal control over financial reporting and any fraud that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Oversight of the Company's Relationship with the Independent Auditors

- At least annually, obtain and review a report by the independent auditors describing (i) the independent auditors' internal quality-control procedures, (ii) any material issues raised by the most recent internal quality-control review, or peer review, of the independent auditors, 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 firm, and any steps taken to deal with any such issues and (iii) all relationships between the independent auditors and the Company as contemplated by Independence Standards Board Standard No. 1. Evaluate the independent auditors' qualifications, performance and independence, including considering whether the independent auditors' quality controls are adequate and the provision of permitted non-audit services is compatible with maintaining the independent auditors' independence, taking into account the opinions of management, and discussing with the independent auditors any such disclosed relationships or services that

may impact the objectivity and independence of the independent auditors. Recommend that the Board take appropriate action in response to the report to satisfy itself of the independence of the independent auditors.

- Confirm the regular rotation of the audit partners as required by law.
- Establish hiring policies for the Company's employment of the independent auditors' personnel or former personnel.
- Review with the independent auditors any communication or consultation between the Company's audit team and the independent auditors' national office respecting auditing or accounting issues presented by the engagement.
- Meet with the independent auditors prior to the audit to discuss the planning and staffing of the audit.

Compliance Oversight Responsibilities

- Obtain from the independent auditors assurance that Section 10A(b) of the Securities Exchange Act of 1934 has not been implicated.
- 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 the Company of concerns regarding questionable accounting or auditing matters.
- Discuss with management and the independent auditor any correspondence with regulators or governmental agencies and any published reports that raise material issues regarding the Company's financial statements or accounting policies.
- Review with the Company's legal counsel any legal matters that may have a material impact on the Company's financial statements, the Company's compliance policies and the Company's internal controls and any material reports or inquiries received from regulators or governmental agencies.

Other Matters

- Review all related party transactions (as that term is defined by Item 404 of Regulation S-K) for potential conflicts of interest. All such transactions shall be approved by the Committee.
- Meet periodically in separate executive sessions with management (including the chief financial officer and chief accounting officer) and the independent auditors and have such other direct and independent interaction with such persons from time to time, as the members of the Committee deem appropriate.

- Review and reassess the adequacy of this Charter at least annually and recommend any proposed changes to the Board for approval.
- Review annually the Committee's own performance.

Membership and Meetings

The Committee shall be appointed by the Board and shall consist of not less than three members of the Board, each of whom shall serve at the discretion of the Board. The Board also shall elect a chairman of the Committee. The Board intends that the members of the Committee meet the independence, expertise, experience and financial literacy requirements of the NASDAQ National Market, Section 10A(m)(3) of the Securities Exchange Act of 1934 and the rules and regulations of the SEC, in each case after giving effect to any applicable phase-in provisions. The Company shall seek to have at least one member of the Committee who is an "audit committee financial expert" as defined by Item 401(h)(2) of Regulation S-K promulgated by the SEC.

The Committee may form and delegate authority to subcommittees consisting of one or more members when appropriate, including the authority to grant preapprovals of audit services, internal control-related services and permissible non-audit services. The Committee also may delegate such preapproval authority to any of its members. Any decisions of such subcommittees or members to grant preapprovals shall be reported to the full Committee at its next scheduled meeting.

The Committee shall meet as often as the members shall determine to be necessary or appropriate, but at least four times during each year. In addition, the Committee shall make itself available to the independent auditors and the internal auditors of the Company as requested. Reports of meetings of the Committee shall be made to the Board at its next regularly scheduled meeting following the Committee meeting, accompanied by any recommendations to the Board approved by the Committee.

The Committee may adopt such rules and regulations for calling and holding its meetings and for the transaction of business at such meetings as may be necessary or desirable and not inconsistent with the provisions of the bylaws of the Company, this Charter or the Company's Corporate Governance Guidelines.

Oversight/Reliance

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate and are in accordance with generally accepted accounting principles. It is also not the duty of the Committee to conduct investigations or to assure compliance with laws and regulations and the Company's Code of Business Conduct and Ethics. In carrying out its oversight responsibilities, the Committee is not providing any expert or special assurances as to the Company's financial statements or the work of the outside auditors. Absent actual knowledge to the contrary (which shall be promptly reported to the Board), each member of the Committee shall be entitled to assume and rely upon (i) the integrity of those persons and organizations within and outside the Company from which it receives information, and (ii) the

accuracy of the financial and other information provided to the Committee by such persons and organizations.

Authority

The Committee shall have the authority to engage and obtain advice and assistance from current or independent legal, accounting or other advisors without seeking approval of the Board. The Committee may request any officer or employee of the Company or the Company's outside counsel or independent auditors to attend a meeting of the Committee or to meet with any members of, or advisors to, the Committee. The Company shall provide for appropriate funding, as determined by the Committee, for payment of compensation to the independent auditors for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company, compensation to any advisors employed by the Committee, and administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

As adopted by the Board of Managers on October 26, 2005.