

CHARTER FOR THE COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS OF TRANSMERIDIAN EXPLORATION, INC

The principal purposes of the Compensation Committee (the "Committee") is to assist the board of directors in the discharge of its responsibilities relating to compensation of the Company's executives and employees, and to produce an annual report on executive compensation for inclusion in the company's proxy statement, in accordance with the rules and regulations of the Securities and Exchange Commission (the "SEC").

Committee Duties and Responsibilities

The following are the duties and responsibilities of the Committee:

1. Review and approve compensation programs applicable to the executive officers of the Company. Recommend to the board of directors and periodically review policies for administration of executive compensation programs
2. Review and approve corporate goals and objectives relevant to the compensation of the Chairman of the Board and the Chief Executive Officer, evaluate the performance of the Chairman of the Board and Chief Executive Officer in light of those goals and objectives, and recommend to the other independent members of the board of directors, for approval, the compensation level of the Chairman of the Board and the Chief Executive Officer, based on this evaluation. In determining the long-term incentive component of the Chairman of the Board's compensation and the Chief Executive Officer's compensation, the Committee and the independent members of the board of directors shall consider, among other factors, the Company's performance and relative stockholder return, the value of similar incentive awards to comparable officers at comparable companies, and the awards given to the Chairman of the Board and the Chief Executive Officer in past years. The Chairman of the Board and the Chief Executive Officer may not be present during voting or deliberations on the compensation of the Chairman of the Board and the Chief Executive Officer, but may be present during voting or deliberations on the compensation of all other executive officers.
3. Review on a periodic basis the operations of the Company's executive compensation programs to determine whether they are properly coordinated and achieving their intended purposes.
4. Make recommendations to the board of directors with respect to the Company's non-CEO compensation, incentive compensation plans, and equity-based plans.
5. Develop plans for chief executive officer succession.
6. Prepare and issue the evaluations and reports required by this charter.
7. Any other duties or responsibilities expressly delegated to the Committee by the board of directors from time to time relating to the Company's compensation programs.

Member Qualifications and Appointment

The Committee shall be composed of at least two (2) directors, each of whom shall be "independent" under the criteria set by any applicable law, regulation, and/or listing standard. Each of the members of the Committee shall be elected for a one year term. The election of members of the Committee shall be held each year at the first meeting of the board of directors following the annual meeting of stockholders. Should a member of the Committee for any reason

be unable to serve for the term to which he or she was elected, the vacancy may be filled by a majority vote of the board of directors at its next meeting.

Chairman and Secretary of the Committee

The chairman of the Committee shall be appointed by the board of directors for a one-year term coinciding with the chairman's term as a member of the Committee.

The secretary of the Committee shall be elected by the members of the Committee.

Any member of the Committee may be removed by the board of directors at any time, with or without cause.

Delegation to Subcommittee

The Committee may, in its discretion, if allowed by applicable laws or regulations, delegate all or a portion of its duties and responsibilities to a subcommittee of the Committee composed of at least two members. The Committee shall have a standing subcommittee, the Stock Option Plan Committee, all the members of which shall be "outside director" as defined by applicable federal tax law or regulations promulgated by the Internal Revenue Service. The Committee has delegated to the Stock Option Plan Committee the establishment and oversight of the Company's incentive based and equity based compensation plans, including stock option plans, restricted stock plans, deferred compensation plans, and share price appreciation plans.

Meetings

The Committee shall meet at least once each year, or more frequently if circumstances dictate, to carry out the duties and responsibilities of the Committee and discuss and prepare the reports required by this Charter. The Committee may request any officer or employee of the Company or the Company's outside counsel or outside auditors to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee. The Chief Executive Officer of the Company should not attend meetings of the Committee at which his or her performance or compensation are discussed, except at the express invitation of the Committee. Members of the Committee may participate in a meeting of the Committee by means of conference call or similar communications equipment by means of which all persons participating in the meeting can hear each other. The Committee shall maintain minutes or other records of meetings of the Committee.

Committee Reports

The Committee shall produce the following reports and provide them to the board of directors:

1. An annual report of the Committee on executive compensation for inclusion in the Company's annual proxy statement in accordance with applicable SEC rules and regulations.
2. An annual performance evaluation of the Committee.
3. A summary of the actions taken at each Committee meeting, which shall be presented to the board of directors at the next board meeting. Such summaries may take the form of an oral report by the chairman of the Committee or any other member of the Committee designated by the Committee to make this report.

Resources and Authority of the Committee

The Committee shall have the sole authority to retain, set the terms of any such retention (including any fees to be paid), and terminate any consultant retained to assist in the evaluation of the compensation of directors, the Chief Executive Officer, or any senior executive. The Committee may be vested with other specific powers and authority by resolution of the board of directors.

Amendment

Any amendment or other modification of this charter shall be made and approved by the board of directors.