

CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

I. PURPOSE

The Audit Committee is a standing committee of the Board of Directors (the “**Board**”) of Vantage Drilling Company, a Cayman Islands corporation (the “**Company**”). Its primary function is to assist the Board in fulfilling its oversight responsibilities by:

- Reviewing the financial reports and other financial information provided by the Company to any governmental body or the public;
- Reviewing the Company’s auditing, accounting and financial reporting processes generally;
- Selecting and evaluating the independence and qualifications of the Company’s independent registered public accounting firm (the “**Auditor**”);
- Reviewing the performance of the Auditor;
- Facilitating an open avenue of communication among the Auditor, financial and senior management and the Board;
- Overseeing the Company’s compliance with applicable legal and regulatory requirements; and
- Reviewing the Company’s system of internal controls regarding finance, accounting, legal compliance and ethics that management and the Board have established.

Although the Audit Committee has the responsibilities and powers set forth in this Charter, management of the Company is responsible for the preparation, presentation and integrity of the Company’s financial statements. Management is also responsible for maintaining appropriate accounting and financial reporting policies and procedures that provide for compliance with accounting standards and applicable laws and regulations.

The Auditor is responsible for planning and carrying out a proper audit of the Company’s financial statements and expressing an opinion on the conformity of the financial statements with U.S. generally accepted accounting principles. In fulfilling their responsibilities hereunder, it is recognized that members of the Audit Committee are not full-time employees of the Company and are not performing the functions of auditors or management.

The Audit Committee shall have the resources and authority to take all actions it deems advisable to fulfill its responsibilities and duties. The Audit Committee has the authority, without having to seek Board approval, and appropriate funding to obtain advice and assistance, as appropriate, from any outside legal, accounting and other advisors, as it determines necessary to carry out its duties. The Audit Committee may also conduct or authorize investigations into or studies of matters within the Audit Committee’s scope of responsibilities.

The Audit Committee will primarily fulfill its oversight responsibilities by carrying out the activities described below.

II. COMPOSITION

The Audit Committee shall be comprised of a minimum of three directors. Each member shall meet the independence and experience requirements of the Securities and Exchange Commission (the “**SEC**”) and the American Stock Exchange, as each may be modified or supplemented from time to time. In addition, each member will be free from any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment as a member of the Audit Committee.

A director who is not independent under the rules and regulations of the American Stock Exchange and is not a current employee or an immediate family member of such employee may be appointed to the Audit Committee if the Board, under exceptional and limited circumstances, determines that membership on the Audit Committee by the individual is required by the best interest of the Company and its shareholders, and the

Company discloses, in the next annual proxy statement subsequent to such determination, the nature of the relationship and the reasons for that determination. A director appointed to the Audit Committee pursuant to this exception may not serve on the Audit Committee for more than two (2) years and may not serve as the Chair of the Audit Committee.

All members of the Audit Committee must be able to read and understand fundamental financial statements, including the Company's balance sheet, income statement, and cash flow statement at the time of their appointment to the Audit Committee. Audit Committee members may enhance their familiarity with finance and accounting by participating in educational programs conducted by the Company or an outside consultant. One member of the Audit Committee shall have accounting or related financial management expertise and qualify as a "financial expert" in accordance with the requirements of the SEC and the American Stock Exchange, as each may be modified or supplemented from time to time.

Members of the Audit Committee shall be appointed by the Board upon the recommendation of the Corporate Governance and Nominating committee. The members of the Audit Committee shall serve on the Audit Committee for a term coinciding with their staggered Board term. If a Chair of the Audit Committee is not appointed by the Board, the Audit Committee shall itself elect a member to chair its Meetings.

III. RESPONSIBILITIES AND DUTIES

To fulfill its responsibilities and duties the Audit Committee shall:

A. Documents/Reports Review

- Conduct an annual self evaluation of the Audit Committee's performance.
- Annually review and reassess the adequacy of this Charter and report to the Board any recommended changes to this Charter.
- The Audit Committee shall submit the Charter to the full Board for approval and have the Charter published at least every three years in accordance with the regulations of the SEC.
- Review and discuss with management and the Auditor the Company's audited financial statements to be included in the annual report on Form 10-K, and, based on its review, recommend to the Board whether the financial statements should be included in the annual report on Form 10-K. The Audit Committee's review should include:
 - The disclosures under the "Management's Discussion and Analysis of Financial Condition and Results of Operations" portion thereof;
 - Critical accounting policies;
 - Changes in accounting policies and practices, financial reporting and accounting standards and principles, or changes in their application;
 - Significant estimates and judgments made in connection with the preparation of such audited financial statements; and
 - Review and discuss with management and the Auditor, as appropriate, earnings press releases and any other financial information and earnings guidance that is publicly disclosed by the Company. The Chair of the Audit Committee may represent the entire Audit Committee for this purpose.
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- Review any other reports or other financial information filed or furnished to any governmental body, including any certification, report, opinion, or review rendered by the Auditor.
- In consultation with management and the Auditor, consider:
 - The integrity of the Company's disclosure controls and procedures;
 - The quality and adequacy of the system of internal controls that could significantly affect the company's financial statements;

- The significant findings of the Auditor related to the system of internal controls, with management's responses; and
 - The status of management's responses to previous recommendations from the Auditor, and the status of any previous instruction to management from the Audit Committee.
 - Discuss with financial management and the Auditor the Company's risk assessment and risk management policies, including:
 - Insured risk coverage, risk retention and other significant insurance coverage matters; and
 - Significant financial risk exposures and the steps management has taken to monitor, control and report such exposures.
 - Review disclosures made by the Company's chief executive officer and chief financial officer during their certification process for the annual and quarterly reports regarding any significant deficiencies in the design or operation of internal controls or material weaknesses in such controls.
 - Review with management and the Auditor any fraud discovered by the Company, whether or not material, that involves management or other employees who have a significant role in the Company's systems of internal controls.
 - Review and discuss with management and the Auditor the Company's quarterly financial results prior to the release of earnings.
 - Review and discuss with management and the Auditor the company's financial statements included in the Company's quarterly report on Form 10-Q prior to filing with the SEC or distribution to persons outside of the Company.
 - Review and discuss any significant changes to the Company's accounting principles.
 - Review and discuss any items required to be communicated by the Auditor in accordance with SAS 661 or other applicable accounting or auditing standards.
 - Review with Auditor the recommendations included in their management letter, if any, and their informal observations regarding the competence and adequacy of financial and accounting procedures of the Company. On the basis of this review, make recommendations to the Board for any changes that seem appropriate.
- B. Ethical and Legal Compliance
- Maintain and review 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, auditing matters or other corporate or employee activities.
 - Annually discuss with the Auditor whether it has identified the existence of any issues of the type described in Section 10A of the Securities Exchange Act of 1934 (concerning detection of illegal acts).
 - Annually, review the scope and status of systems designed to promote Company compliance with laws, regulations and internal procedures, through review of reports from management, legal counsel and third parties as determined by the Audit Committee.
- C. Other Matters
- Annually prepare a report to shareholders as required by the SEC. The report should be included in the Company's annual proxy statement.
 - Perform other duties prescribed by the Company's Memorandum and Articles of Association, governing law, or as the Audit Committee or the Board deems necessary or appropriate to discharge its overall responsibilities.
 - Review financial and accounting personnel succession planning with the Company.
 - Ensure that none of the individuals serving in the positions of chief executive officer, chief financial officer, controller, or any person serving in an equivalent position participated in any capacity in the audit of the Company as an employee of the Auditor during the one-year period preceding the date of initiation of any audit being performed by the Auditor.

- Any transaction between the Company and related person, which is required to be disclosed under the rules of the SEC, is subject to review and oversight of the Audit Committee. For purposes of this requirement, the terms “transaction” and “related person” have the meaning contained in Item 404 of Regulation S-K.
- Annually review the Company’s policies and procedures for addressing conflicts of interest. Annually review a summary of director and officers’ related party transactions and potential conflicts of interest.
- Maintain minutes of meetings and periodically report to the Board on significant results of the foregoing activities.

IV. RELATIONSHIP WITH THE AUDITOR

- The Audit Committee has the sole authority to:
 - Appoint, retain and terminate the Company’s Auditor;
 - Review and approve all audit engagement fees and terms; and
 - Pre-approve the nature, extent, and cost of all non-audit services provided by Auditor in accordance with the relevant law. The Chair of the Audit Committee may represent the entire Audit Committee for purposes of preapproval of non-audit services.
- The Audit Committee shall obtain and review at least annually a formal written report from the independent auditor delineating:
 - The Auditor’s internal quality-control procedures;
 - The Auditor’s independence and all significant relationships the Auditor has with the Company;
 - Any materials issues raised within the preceding five years by the auditing firm’s internal quality-control reviews, by peer reviews of the firm, or by any governmental or other inquiry or investigation relating to any audit conducted by the firm; and
 - The Audit Committee will also review steps taken by the Auditor to address any findings in any of the foregoing reviews.
 - Annually review the Auditor’s audit plan and discuss scope, staffing, locations, reliance upon management and internal audit, and general audit approach.
 - Consider the Auditor’s judgments about the quality and appropriateness of the Company’s accounting principles as applied in its financial reporting.
 - Discuss with management and the Auditor the quality and adequacy of the Company’s disclosure controls and procedures.
 - Annually consult with the Auditor out of the presence of management about internal controls and the completeness and accuracy of the Company’s financial statements.
 - In consultation with the Auditor, review the integrity of the Company’s financial reporting process, both internal and external.
 - Consult with the Auditor to confirm that neither the lead audit partner, nor the audit partner responsible for reviewing the Company’s audit, has been performing audit services for the Company for more than the Company’s five previous fiscal years.