



AUDIT COMMITTEE CHARTER

(As adopted on March 1, 2012, and amended on March 27, 2024)

I. PURPOSE OF THE COMMITTEE

The purpose of the Audit Committee (the “*Committee*”) of the Board of Directors (the “*Board*” or, when referring to the individuals, the “*Directors*”) of Battalion Oil Corporation (the “*Company*”) shall be to oversee the Company’s accounting and financial reporting process and the audits of the Company’s financial statements and to assist in fulfilling its responsibilities as to the quality and integrity of the Company’s financial reports. In so doing, the Committee will be the Board’s principal agent in overseeing:

1. The integrity of the Company’s financial statements;
2. The Company’s compliance with legal and regulatory requirements;
3. The independence and qualifications of the Company’s independent auditors; and
4. The performance of the Company’s internal audit function and independent auditors.

While the Committee has the responsibilities and powers set forth in this Audit Committee Charter (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, accurate and in accordance with generally accepted accounting principles (“*GAAP*”). These are the responsibility of management and the independent auditors. However, while the fundamental responsibility for the Company’s financial statements and disclosures rests with management and the independent auditors, the Committee must specifically review: (A) major issues regarding accounting principles and financial statement presentations, including any significant changes in the Company’s selection or application of accounting principles, and major issues as to the adequacy of the Company’s internal controls and any special audit steps adopted in light of material control deficiencies; (B) 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 financial statements, including analyses of the effects of alternative GAAP methods on financial statements; (C) the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the Company; and (D) the type and presentation of information to be included in earnings press releases (paying particular attention to any use of “*pro forma*,” or “*adjusted*” non-GAAP, information), as well as any financial information and earnings guidance provided to analysts and ratings agencies.

II. COMPOSITION OF THE COMMITTEE

The Committee shall be composed of at least two (2) Directors who are “*independent*,” as defined and required pursuant to the criteria for independence set forth under Rule 10A-3 of the Securities Exchange Act of 1934, as may be amended from time to time (the “*Exchange Act*”), in accordance with the rules of the principal securities exchange upon which the Company has listed its securities for trading

(the “*Exchange*”), and as otherwise required by securities laws, rules and regulations. Committee members (the “*Members*”) (i) may not accept any consulting, advisory or other compensatory fee from the Company or any of its subsidiaries, other than in his or her capacity as a Director or as a member of any committee of the Board, and (ii) may not be an “*affiliate*” of the Company or any subsidiary of the Company, as such term is defined in Rule 10A-3 under the Exchange Act.

Each Member must be “*financially literate*” and as such must be able to read and understand fundamental financial statements, including a company’s balance sheet, income statement and cash flow statement, at the time of the Member’s appointment. No Member shall have participated in the preparation of the financial statements of the Company or any current subsidiary of the Company at any time during the past three (3) years. At least one Member shall qualify as an audit committee financial expert and shall have accounting or related financial management expertise, if and as required by the Securities Exchange Commission (the “*SEC*”) rules and the Exchange rules.

No Member shall serve on the audit committees of more than three public companies.

The Members shall be appointed by the full Board after an affirmative judgment and declaration by the Board that each Member is “*independent*” and shall serve until their successors shall be duly elected and qualified. Unless a chairman is appointed by the full Board, the Members shall designate a chairman (the “*Chairman*”) by majority vote of all Members.

III. MEETINGS AND PROCEDURES OF THE COMMITTEE

The Committee shall meet at least four (4) times annually but in any case as often as necessary to carry out its responsibilities.

The Chief Financial Officer and representatives of the independent auditors may be requested to attend a portion of the Committee meetings. The Chairman may also ask other officers and employees of the Company to attend.

The Committee shall establish such procedures, which are not inconsistent with this Charter, any applicable rule, or regulation, as the Members deem necessary.

Minutes of each meeting shall be kept, and the Committee will report the results of its meetings to the Board.

Periodically, the Committee shall meet separately with management, with internal auditors (or other personnel responsible for the internal audit function) and with independent auditors.

IV. AUTHORITY AND COMMITTEE RESPONSIBILITIES

The Committee is granted the authority to perform each of the specific duties enumerated below. The Committee is authorized to make such expenditures, at the Company’s expense, as the Committee deems necessary to exercise its powers and to carry out its responsibilities as enumerated below or in any other section of this Charter.

A. Independent Audit

1. The Committee shall be directly responsible for the appointment, compensation, retention, oversight and termination of the work of a registered public accounting firm to be engaged for the purpose

of preparing or issuing an audit report or performing other audit, review or attest services for the Company. The independent auditor shall report directly to the Committee. If the appointment of the independent auditor is submitted for ratification by stockholders, the Committee shall be responsible for making the recommendation of the independent auditors.

2. Prior to the initial engagement of the independent auditors and at least annually thereafter, the Committee shall obtain from the independent auditors a written list of all of their relationships with, and professional services provided to, the Company and its related entities, as required by the applicable requirements of the Public Company Accounting Oversight Board regarding the independent auditor's communications with the Committee concerning independence, and discuss with the independent auditors the potential effects of those relationships on the auditor's independence. The Committee shall also review at least annually a report from the independent auditors regarding (a) the independent auditors' internal quality-control procedures; (b) 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 independent auditors; (c) any steps taken to deal with any such issues; and (d) all relationships between the independent auditors and the Company. This evaluation shall include the review and evaluation of the lead partner of the independent auditors and shall ensure the rotations of partners in accordance with the SEC rules and the securities laws. In addition, the Committee shall consider the advisability of regularly rotating the audit firm in order to maintain the independence between the independent auditors and the Company.

3. The Committee shall evaluate the qualifications, performance and independence of the independent auditors and the lead partner of the independent audit team, taking into account the opinions of management and recommend for approval by the Board the independent auditing firm to be engaged to conduct the annual audit of the financial statements of the Company and its subsidiaries for the ensuing year.

4. The Committee shall review and approve the fee proposed by the independent auditors for their annual examination and review the contents of their engagement letter.

5. The Committee shall review with the independent auditors, and pre-approve (prior to the beginning of their audit) the scope of their examination and the staffing of the audit including the responsibilities and staffing of the Company's internal audit personnel who will assist in the audit.

6. The Committee shall meet with the independent auditors, without management present, to review the audit opinion and inquire as to:

a. whether there were any difficulties during their audit, including any restrictions on the scope of their activities or access to requested information, and any significant disagreements with management;

b. whether there were any accounting or disclosure issues not resolved to their satisfaction;

c. whether there were any accounting adjustments that were noted or proposed by the independent auditors but were "*passed*" (as immaterial or otherwise);

d. whether there were any communications between the audit team and the independent auditors' national office respecting auditing or accounting issues presented by the engagement;

e. whether they have any concerns about the quality of the Company's accounting personnel or the Company's reporting policies and practices; and

f. any other matters which the Committee deems relevant.

7. The Committee shall review the independent auditors' letter to management and ascertain that management has adequately responded to the letter.

8. The Committee shall discuss at least annually with the independent auditors the matters required to be discussed by the Statement of Auditing Standards No. 61 – Communication with Audit Committees.

9. The Committee shall review and pre-approve management's plans for engaging the Company's independent auditing firm to perform permitted non-audit services during the coming year considering the possible effect, if any, of such engagements on the firm's independence. The Committee may delegate the authority to pre-approve such plans to one or more Members, who shall report any decision to pre-approve any services to the full Committee at its regularly scheduled meetings. The Committee shall disclose all such pre-approvals in the Company's periodic reports.

B. Financial Reporting

1. The Committee shall review and discuss prior to public dissemination the annual audited and quarterly unaudited financial statements with management and the independent auditors, including major issues regarding accounting, disclosure, and auditing procedures and practices as well as the adequacy of internal controls that could materially affect the Company's financial statements. The review shall include the Company's disclosures under "*Management's Discussion and Analysis of Financial Condition and Results of Operations.*" Based on the annual review, the Committee shall recommend to the Board inclusion of the financial statements in the Annual Report on the Form 10-K.

2. The Committee shall discuss with management and the independent auditors significant financial reporting issues, judgments and use of estimates (excluding proved reserve estimates) made in connection with the preparation of the Company's financial statements, including any significant changes in the Company's selection or application of accounting principles, any major issues as to the adequacy of the Company's internal controls and any special steps adopted in light of material control deficiencies.

3. The Committee shall review with management the existence and substance of any significant accounting accruals, reserves or estimates that had a material impact on the financial statements. The Committee shall review with management the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the Company.

4. The Committee shall review and discuss reports from the independent auditors on:

a. all critical accounting policies and practices to be used;

b. all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, the ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditors; and

c. other material written communications between the independent auditors and management, such as any management letter.

5. The Committee shall inquire upon and discuss with management and the independent auditors:

- a. whether there were any significant financial reporting issues discussed during the year and, if so, how they were resolved and whether a second opinion was sought;
- b. major issues regarding financial statement presentations;
- c. the nature of any material correcting adjustments identified by the independent auditors; and
- d. the methods used to account for significant unusual transactions.

6. The Committee shall review disclosures made to the Committee by the Chief Executive Officer and the Chief Financial Officer during their certification process for the Forms 10-K and 10-Q about any significant deficiencies in the design and operation of disclosure controls and procedures and any fraud involving management or other employees who have a significant role in the Company's internal controls.

7. The Committee shall discuss with management the Company's major financial risk exposures (including with respect to cybersecurity) and the steps management has taken to monitor and control such exposures. The Committee shall review with management the mechanisms, guidelines and policies that govern the processes by which risk assessment and risk management are undertaken.

8. The Committee shall obtain quarterly assurances from the senior internal auditing executive and management that the system of internal controls is adequate and effective. The Committee shall obtain annually a report from the independent auditors, with attestation, regarding management's assessment of the effectiveness of the internal control structure and the procedures for financial reporting.

C. Internal Controls

1. The Committee shall review the appointment and replacement of the senior internal auditing executive, if any.

2. The Committee shall review the significant reports to management prepared by the internal auditing personnel and management's responses, if any.

3. The Committee shall discuss with the independent auditors and management the internal audit personnel responsibilities, budget and staffing, if any, and any recommended changes in the planned scope of the internal audit, if any.

4. The Committee shall set clear hiring policies for employees or former employees of the independent auditors that are consistent with Section 206 of the Sarbanes-Oxley Act of 2002, taking into account the pressures that may exist for auditors consciously or subconsciously seeking a job with the company they audit.

D. Compliance Oversight Responsibilities

1. The Committee shall obtain from the independent auditors assurance that Section 10A(b) of the Exchange Act has not been implicated.

2. The Committee shall establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal controls or auditing matters and for the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.

3. The Committee shall discuss with management and the independent auditors any correspondence with regulators or governmental agencies and any published reports which raise material issues regarding the Company's financial statements or accounting policies.

4. The Committee shall discuss with the Company's outside counsel legal matters that may have a material impact on the financial statements or the Company's compliance policies.

E. Earnings Release Review

The Committee shall discuss the Company's earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies, which may be done generally such as by discussion of the types of information to be disclosed and the type of presentation to be made. The Committee need not discuss in advance each earnings release or each instance in which the Company may provide earnings guidance.

F. Other

1. The Committee shall have the authority to engage, retain and compensate, at the Company's expense, independent legal, accounting and any other consultants or experts the Committee deems appropriate to effectively carry out its responsibilities.

2. The Committee, at its discretion, shall have direct access to the independent auditors, any other independent consultant or expert engaged by the Committee, the Controller of the Company and any other employee of the Company. All employees of the Company will be directed to cooperate with the requests of the Committee.

3. The Committee shall periodically discuss with management the Company's cybersecurity programs, policies, and practices, including its network security and information security policies and practices and the internal controls related to information security and cybersecurity and report such findings to the Board, who has final oversight responsibility over cybersecurity-related matters.

4. The Committee shall review and assess the adequacy of this Charter at least annually, and, if necessary, recommend any proposed changes to the Board for its consideration.

5. The Committee shall conduct an annual performance evaluation of the Committee and prepare a report to be included in the Company's annual proxy statement as required by the SEC.

6. The Committee shall review and approve all related party transactions of the Company to the extent required by Exchange rules.

7. The Committee shall report regularly to the Board with respect to any issues that arise regarding the quality or integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements, the performance and independence of the Company's independent auditors or the performance of the internal audit function.

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