

**FUTUREFUEL CORP.
AUDIT COMMITTEE CHARTER**

I. PURPOSE

The Audit Committee (the “*Committee*”) of the board of directors (the “*Board*”) of FutureFuel Corp. (the “*Corporation*”) will provide assistance to the Board in fulfilling the Board’s responsibility to the Corporation’s shareholders relating to the Corporation’s accounting, financial reporting practices, the system of internal control, the audit process, the quality and integrity of its financial reports, and the Corporation’s process for monitoring compliance with laws and regulations and the Corporation’s code of conduct. Specifically, the Committee’s purpose is to: (i) assist Board oversight of (a) the integrity of the Corporation’s financial statements, (b) the Corporation’s compliance with legal and regulatory requirements, (c) the independent auditor’s qualifications and independence, and (d) the performance of the Corporation’s internal audit function and independent auditors; and (ii) prepare the disclosures required by Item 407(d)(3)(i) of Regulation S-K promulgated by the Securities and Exchange Commission (“*SEC*”).

Management of the Corporation has the responsibility for the Corporation’s financial statements as well as the Corporation’s financial reporting process, principles, and internal controls. The independent auditor is responsible for performing an audit of the Corporation’s annual financial statements, expressing an opinion as to the conformity of such annual financial statements with generally accepted accounting principles, and reviewing the Corporation’s quarterly financial statements and other procedures. Each member of the Committee is entitled to rely on: (i) the integrity of those persons within the Corporation and of the professionals and experts (such as the independent auditor) from which it receives information; (ii) the accuracy of the financial and other information provided to the Committee by such persons, professionals, or experts absent actual knowledge to the contrary; and (iii) representations made by management of the independent auditor as to any non-audit services provided by the independent auditor to the Corporation.

II. MEMBERSHIP AND PROCEDURES

A. Membership and Appointment

The Committee will be comprised of not fewer than three members of the Board (a “*Director*”), as may be determined from time to time by the Board. The members of the Committee will be elected by the Board at least annually and will hold office until their resignations or until their successors are duly elected and qualified. All members of the Committee must qualify as “independent directors” for purposes of the listing standards of the New York Stock Exchange (“*NYSE*”), as such standards may be changed from time to time by the NYSE. Further, a person may serve on the Committee only if he or she is independent for purposes of Rule 10A-3 promulgated by the SEC under the Securities Exchange Act of 1934, as amended (the “*Exchange Act*”) (i.e., a Committee member may not, other than in his or her capacity as a Director or a member of any committee of the Board (including the Committee): (i) accept directly or indirectly any consulting, advisory, or other compensatory fees from the Corporation or any subsidiary of the Corporation; or (ii) be an affiliated person of the Corporation or any subsidiary thereof).

If a member of an audit committee ceases to be independent in accordance with the preceding paragraph for reasons outside the member’s reasonable control, that person, with notice by the Corporation to the NYSE, may remain a Committee member until the earlier of the next annual meeting of the Corporation’s shareholders or one year from the occurrence of the event that caused the member to no longer be independent.

Each member of the Committee must be financially literate by being familiar with basic finance and accounting practices and able to read and understand fundamental financial statements at the time of his or her appointment to the Committee. In addition, at least one member of the Committee must be designated as the “audit committee financial expert” with financial sophistication as defined by having experience in finance or accounting, professional certification in accounting, or any other comparable experience or background, such as being or having been a chief executive officer or chief financial officer or other senior officer with financial oversight responsibilities. The Corporation must disclose, in its annual report, whether or not, and if not, the reasons therefor, the Committee includes at least one “audit committee financial expert”, as defined by the Exchange Act.

Because of the Committee’s demanding role and responsibilities, and the time commitment attendant to Committee membership, each prospective Committee member should evaluate carefully the existing demands on his or her time before accepting an appointment to the Committee.

If a Committee member simultaneously serves on the audit committee of more than three public companies, the Board must determine that such simultaneous service would not impair the ability of such member to serve effectively on the Committee. The Corporation must disclose such determination in accordance with the rules of the NYSE.

B. Removal

The entire Committee or any individual Committee member may be removed without cause by the affirmative vote of a majority of the Board. Any Committee member may resign effective upon giving oral or written notice to the Chairman of the Board, the Secretary of the Corporation, or the Board (unless the notice specifies a later time for the effectiveness of such resignation). The Board may elect a successor to assume the available position on the Committee when the resignation becomes effective.

C. Chairperson

A chairperson of the Committee (the “*Chairperson*”) may be designated by the Board. In the absence of such designation, the members of the Committee may designate the Chairperson by majority vote of the full Committee membership. The Chairperson will determine the agenda for and the length of meetings and will have unlimited access to management and to information relating to the Committee’s purposes. The Chairperson will establish such other rules as may from time to time be necessary and proper for the conduct of the business of the Committee.

D. Meetings, Minutes and Reporting

The Committee must meet at least four times per year, or more frequently as circumstances dictate. All Committee members are expected to attend each meeting, in person or via tele- or video-conference. The Committee must keep minutes of the proceedings of the Committee. In addition to the specific matters set forth herein requiring reports by the Committee to the full Board, the Committee must report such other significant matters as it deems necessary concerning its activities to the full Board. The Committee may appoint a Secretary whose duties and responsibilities are to keep records of the proceedings of the Committee for the purposes of reporting Committee activities to the Board and to perform all other duties as may from time to time be assigned to him or her by the Committee, or otherwise at the direction of a Committee member. The Secretary need not be a member of the Committee or a Director and will have no membership or voting rights by virtue of the position.

As part of its job to foster open communication and to perform its oversight functions most effectively, the Committee must have the benefit of separate sessions with management, the independent auditor, and

those responsible for the internal audit function to discuss any matters that the Committee, or each of these groups, believe should be discussed privately.

E. Delegation

To avoid any confusion, the Committee functions set forth in this Charter are the sole responsibility of the Committee and may not be allocated or delegated to a different committee.

F. Authority to Retain Advisers

In the course of its duties, the Committee has the authority, at the Corporation's expense and without needing to seek approval for the retention of such advisors or consultants from the Board, to retain and terminate independent legal counsel and other advisors as the Committee deems advisable, and to approve any such advisers' fees and other retention terms.

III. DUTIES AND RESPONSIBILITIES

The Committee, in its capacity as a committee of the Board, is directly responsible for the appointment, retention, compensation, evaluation, oversight of the work of, and if necessary termination of the registered public accounting firm engaged by the Corporation (including resolution of disagreements between management and the auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or performing other audit, review, or attest services for the Corporation, and each such registered public accounting firm must report directly to the Committee. To fulfill its responsibilities and duties, the Committee will do the following.

Review and Reporting Process

1. At least annually, obtain and review a report by the independent auditor describing: (i) the firm's internal quality-control procedures; (ii) any material issues raised by the most recent internal quality-control review, or peer review, of the firm, 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) to assess the auditor's independence, all relationships between the independent auditor and the Corporation.
2. Evaluate the auditor's qualifications, performance, and independence. This evaluation should include the review and evaluation of the lead partner of the independent auditor. In making its evaluation, the Committee should take into account the opinions of management and the Corporation's internal auditors (or other personnel responsible for the internal audit function). In addition to assuring the regular rotation of the lead audit partner as required by law, the Committee should further consider whether, in order to assure continuing auditor independence, there should be regular rotation of the audit firm itself. The Committee should present its conclusions with respect to the independent auditor to the full Board.
3. Review and reassess, at least annually, the adequacy of this Charter, make recommendations to the Board and request approval for proposed changes, as conditions dictate, to update this Charter, and ensure appropriate disclosure as may be required by law or regulation.
4. Review with management and the independent auditor the Corporation's annual financial statements and Form 10-K prior to the filing of the Form 10-K or prior to the release of earnings, including reviewing the Corporation's specific disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations".

5. Review with management and the independent auditor each Form 10-Q prior to its filing or prior to the release of earnings, including reviewing the Corporation's specific disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations".
6. While the fundamental responsibility for the Corporation's financial statements and disclosures rests with management and the independent auditor, the Committee must review: (i) major issues regarding accounting principles and financial statement presentations, including any significant changes in the Corporation's selection or application of accounting principles, and major issues as to the adequacy of the Corporation's internal controls and any special audit steps adopted in light of material control deficiencies; (ii) analyses prepared by management and/or the independent auditor 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 the financial statements; (iii) the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the Corporation's financial statements; (iv) the type and presentation of information to be included in earnings press releases (paying particular attention to any use of "proforma" or "adjusted" non-GAAP information); and (v) any financial information and earnings guidance provided to analysts and rating agencies.
7. Discuss the Corporation's earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies.
8. Discuss guidelines and policies to govern the process by which the Corporation's senior management assesses and manages the Corporation's exposure to risk. This includes discussing the Corporation's major financial risk exposures and the steps management has taken to monitor and control such exposures.
9. Periodically meet separately with the Corporation's management, internal auditors (or other personnel responsible for the Corporation's internal audit function), and independent auditors.
10. Review with the Corporation's independent auditors any audit problems or difficulties, and management's responses thereto. The Committee must regularly review with the independent auditors any difficulties the auditor encountered in the course of the audit work, including any restrictions on the scope of the independent auditor's activities or on access to requested information, and any significant disagreements with management. Among the items the Committee may review with the auditor are: (i) any accounting adjustments that were noted or proposed by the auditor but were "passed" (as immaterial or otherwise); (ii) any communications between the audit team and the audit firm's national office respecting auditing or accounting issues presented by the engagement; and (iii) any "management" or "internal control" letter issued, or proposed to be issued, by the audit firm to the Corporation. The review should also include discussion of the responsibilities, budget, and staffing of the Corporation's internal audit function.
11. Review with management and the independent auditor the effect of regulatory and accounting initiatives that may affect the Corporation, as well as the effect of any off-balance sheet structures and transactions on the Corporation's financial statements.
12. Regularly report to the Board about Committee activities, issues, and related recommendations. The Committee should review with the full Board any issues that arise with respect to the quality or integrity of the Corporation's financial statements, the Corporation's compliance with legal or regulatory requirements, the performance and independence of the Corporation's independent auditors, and the performance of the internal audit function.

13. Provide an open avenue of communication between the Corporation's finance and accounting group, the external auditors, and the Board.
14. Report annually to the shareholders, describing the Committee's composition, responsibilities and how they were discharged, and any other information required by rule, including approval of non-audit services.
15. Review any other reports the Corporation issues that relate to Committee responsibilities.
16. Perform other activities related to this Charter as requested by the Board.
17. Institute and oversee special investigations as needed.
18. Confirm annually that all responsibilities outlined in this Charter have been carried out.
19. Evaluate the Committee's and individual members' performance on an annual basis.

Financial Reporting Process

1. In consultation with the independent auditor and the Corporation's finance and accounting group, review the integrity of the Corporation's financial reporting processes, both internal and external. The Committee will report regularly to and review with the full Board any issues that arise with respect to the quality or integrity of the Corporation's financial statements, compliance with legal or regulatory requirements, the performance and independence of the independent auditor, or the performance of the Corporation's finance and accounting group.
2. Consider and approve, if appropriate, changes to the Corporation's auditing and accounting principles and practices as suggested by the independent auditor, management, or the Corporation's finance and accounting group.
3. Ensure that there exist regular systems of reporting to the Committee by each of management, the independent auditor, and the Corporation's finance and accounting group regarding any significant judgments made in management's preparation of the financial statements and any significant difficulties encountered during the course of the review or audit, including any restrictions on the scope of work or access to required information.
4. Regularly review any significant disagreements among management and the independent auditor in connection with the preparation of the financial statements.
5. Ensure and oversee timely reports from the independent auditor to the Committee of: (i) all critical accounting policies and practices; (ii) all alternative treatments of financial information within GAAP that have been discussed with management officials of the Corporation, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditor; and (iii) other material written communications between the independent auditor and the management of the Corporation, such as any management letter or schedule of unadjusted differences.

Financial Statements

1. Review significant accounting and reporting issues, including complex or unusual transactions and highly judgmental areas, and recent professional and regulatory pronouncements, and understand their impact on the financial statements.

2. Review with management and the external auditors the results of the audit, including any difficulties encountered.
3. Review the annual financial statements, and consider whether they are complete, consistent with information known to committee members, and reflect appropriate accounting principles.
4. Review other sections of the annual report and related regulatory filings before release and consider the accuracy and completeness of the information.
5. Review with management and the external auditors all matters required to be communicated to the committee under generally accepted auditing standards.
6. Understand how management develops interim financial information, and the nature and extent of external auditor involvement.
7. Review interim financial reports with management and the external auditors before filing with regulators, and consider whether they are complete and consistent with the information known to Committee members.

Internal Control

1. Consider the effectiveness of the Corporation's internal control system, including information technology security and control.
2. Understand the scope of external auditors' review of internal control over financial reporting, and obtain reports on significant findings and recommendations, together with management's responses.

External Audit

1. Review the external auditors' proposed audit scope and approach, including coordination of audit effort with the Corporation's finance and accounting group.
2. Review the performance of the external auditors, and exercise final approval on the appointment or discharge of the auditors.
3. Review and confirm the independence of the external auditors by obtaining statements from the auditors on relationships between the auditors and the Corporation, including non-audit services, and discussing the relationships with the auditors.
4. On a regular basis, meet separately with the external auditors to discuss any matters that the Committee or auditors believe should be discussed privately.

Independent Auditor

1. Review the performance of the independent auditor and appoint or terminate the independent auditor. The Committee has the sole authority and responsibility to select, evaluate, and where appropriate, replace the outside auditor. The independent auditor is ultimately accountable to the Committee for such auditor's review of the financial statements and controls of the Corporation. The Committee will determine the appropriate compensation of the independent auditor.
2. Approve in advance all audit services and all permitted non-audit services, except where such services are determined to be *de minimis* under the Securities Exchange Act. The Committee

may delegate, to one or more designated members of the Committee, the authority to grant such pre-approvals. The decisions of any member to whom such authority is delegated shall be presented to the full Committee at each of its scheduled meetings.

3. Oversee and ensure the independence of the auditor by:
 - receiving from, and reviewing and discussing with, the auditor, on a periodic basis, a formal written statement delineating all relationships between the auditor and the Corporation;
 - reviewing, and actively discussing with the Board, if necessary, and the auditor, on a periodic basis, any disclosed relationships or services between the auditor and the Corporation or any other disclosed relationships or services that may impact the objectivity and independence of the auditor;
 - recommending, if necessary, that the Board take appropriate action to satisfy itself of the auditor's independence; and
 - ensuring that the lead or coordinating audit partner having primary responsibility for the audit, or the audit partner responsible for reviewing the audit does not perform audit services for the Corporation for more than five consecutive fiscal years.
4. Set clear hiring policies for employees or former employees of the Corporation's independent auditor.

Legal Compliance/General

1. Review, with the Corporation's counsel, any legal matter that could have a significant impact on the Corporation's financial statements.
2. Report through its Chairperson to the Board following meetings of the Committee.
3. Maintain minutes or other records of meetings and activities of the Committee.
4. When deemed necessary by the members of the Committee, retain independent legal, accounting, or other advisors or consultants to advise and assist the Committee in carrying out its duties, without needing to seek approval for the retention of such advisors or consultants from the Board. The Committee will determine the appropriate compensation for any advisers retained by the Committee. The Committee may request any officer or employee of the Corporation or the Corporation's outside counsel or independent auditor to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.
5. Establish procedures for: (i) the receipt, retention, and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and (ii) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
6. Perform any other activities consistent with this Charter, the Corporation's bylaws, and governing law as the Committee or the Board deems necessary or appropriate.

7. Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any instances of noncompliance.
8. Review the findings of any examinations by regulatory agencies, and any auditor observations.
9. Review the process for communicating the code of conduct to Corporation personnel, and for monitoring compliance therewith.
10. Obtain regular updates from management and Corporation legal counsel regarding compliance matters.

IV. FUNDING

The Corporation must provide for appropriate funding, as determined by the Committee in its capacity as a committee of the Board, for payment of:

- compensation to 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 Corporation;
- compensation to any advisers employed by the Committee pursuant to the authority set forth herein; and
- ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

V. COMPENSATION

Committee members will be compensated by the Corporation solely in the form of directors' fees. Committee members may, however, receive greater fees than those received for Board service by other Board members, in light of their heightened responsibilities to the Corporation.