



ION Geophysical Corporation Audit Committee Charter

The Audit Committee (the “Committee”) is appointed by the Board to assist the Board in monitoring (1) the integrity of the financial statements of the Company; (2) the compliance by the Company with legal and regulatory requirements; (3) the independence, qualifications and performance of the Company’s external independent auditors; and (4) the performance of the Company’s internal auditors and internal audit function.

The Committee shall consist of a minimum of three directors. The members of the Committee shall meet the independence and experience requirements of the listing standards of the New York Stock Exchange or a valid exemption thereto. All members of the Committee shall have sufficient financial experience and ability to enable them to discharge their responsibilities and at least one member shall be an “audit committee financial expert,” as defined under relevant law. Committee members shall not simultaneously serve on the audit committees of more than three public companies. The members of the Committee shall be appointed by the Board.

The Chairman of the Committee shall be designated by the Board, *provided* that if the Board does not so designate a Chairman, the members of the Committee, by a majority vote, may designate a Chairman. The Committee shall meet at least once every fiscal quarter or more frequently as it shall determine is necessary to carry out its duties and responsibilities. Any member of the Committee may also call a special meeting of the Committee. A majority of the members of the Committee present in person or by means of a conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other shall constitute a quorum.

The Committee shall have the authority to retain, at the Company’s expense, such independent special legal, accounting or other consultants or advisors as the Committee deems necessary to assist the Committee in carrying out its responsibilities. The Committee may request any officer or employee of the Company or the Company’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. As necessary, the Committee should meet separately on a periodic basis with (a) management, (b) the person responsible for the Company's internal auditing function and (c) the Company's independent auditors, in each case to discuss any matters that the Committee or any of the above persons or firms believe should be discussed privately.

To the extent allowed by applicable law, the Committee may form subcommittees for any purpose that the Committee deems appropriate and may delegate to such subcommittees such power and authority as the Committee deems appropriate; *provided, however*, that no subcommittee shall consist of fewer than two members; and *provided further* that the Committee shall not delegate to a subcommittee any power or authority required by any law, regulation or listing standard to be exercised by the Committee as a whole. The Committee shall make regular reports to the Board.

The Committee shall:

A. Selection, Evaluation and Oversight of Auditors

(a) Select, in its sole discretion (subject, if applicable, to stockholder ratification), independent auditors to audit the books and accounts of the Company and its subsidiaries for each fiscal year;

(b) Review and, in its sole discretion, approve in advance the Company's independent auditors' annual engagement letter, including the proposed fees contained therein;

(c) Review in advance all audit and non-audit engagements and relationships between the Company and the Company's independent auditors (the Committee may adopt policies and procedures that provide for the automatic pre-approval of specified services to be provided by the Company's auditors; approval of audit and non-audit services may also be made by one or more members of the Committee as shall be designated by the Committee or the Chairman of the Committee);

(d) Review the performance of the Company's independent auditors, including the lead partner and reviewing partner of the independent auditors, and, in its sole discretion (subject, if applicable, to stockholder ratification), make decisions regarding the replacement or termination of the independent auditors when circumstances warrant;

(e) At least annually, review a report from the Company's 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 any governmental or professional authority, within the preceding five years, respecting one or more independent audits carried out by the Company's independent auditors, and any steps taken to deal with any such issues; and

(iii) all relationships between the independent auditors and the Company;

(f) Present to the Board the Committee's conclusions with respect to the matters described in (d) and (e) above, as well as the Committee's review of the lead partner and the reviewing partner of the independent auditors, and its views on whether there should be a rotation (regular and otherwise) of the independent auditors; and

(g) Receive written periodic reports from the independent auditor regarding the auditor's independence, discuss such reports with the auditor, and if so determined by the Committee, take appropriate action to satisfy itself of the independence of the auditor.

B. Oversight of Annual Audit and Quarterly Reviews

(a) Review with management and the Company's independent auditors and, if appropriate, the person responsible for the Company's internal auditing department, the following:

(i) the Company's annual audited financial statements, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations," and recommend to the Board whether the audited financial statements should be included in the Company's Form 10-K;

(ii) the Company's quarterly financial statements, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of

Operations,” prior to the filing of the Company’s Form 10-Q, including the results of the independent auditor’s review of the quarterly financial statements;

(iii) critical accounting policies and such other accounting policies of the Company as are deemed appropriate for review by the Committee prior to any interim or year-end filings with the SEC or other regulatory body, including financial reporting issues that could have a material impact on the Company's financial statements;

(iv) major issues regarding accounting principles and financial statement presentations, including (A) any significant changes in the Company’s selection or application of accounting principles and (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 ramifications and effects of alternative generally accepted accounting principles methods on the Company’s financial statements;

(v) all alternative treatments of financial information that have been discussed by the independent auditors and management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the auditors;

(vi) other material written communications between the independent auditors and management, such as any management letter or schedule of unadjusted differences; and

(vii) the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the Company;

(b) Resolve disagreements between the Company’s independent auditors and management regarding financial reporting;

(c) Meet with the independent auditor prior to the audit to review the planning and staffing of the audit; and

(d) Review on a regular basis with the Company’s independent auditors any problems or difficulties encountered by the independent auditors in the course of any audit work, including management’s response with respect thereto, any restrictions on the scope of the independent auditor’s activities or on access to requested information, and any significant disagreements with management. In connection therewith, the Committee may wish to review with the independent auditors the following:

(i) any accounting adjustments that were noted or proposed by the independent auditors but were rejected by management (as immaterial or otherwise);

(ii) any communications between the audit team and the independent auditor’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 independent auditors to the Company.

C. Oversight of the Financial Reporting Process and Internal Controls

- (a) Review the Company's internal audit function;
- (b) Review:
 - (i) the adequacy and effectiveness of the Company's accounting and internal control policies and procedures on a regular basis, including the responsibilities, budget and staffing of the Company's internal audit function; and
 - (ii) the yearly report prepared by management, and attested to by the Company's independent auditors, assessing the effectiveness of the Company's internal control over financial reporting and stating management's responsibility for establishing and maintaining adequate internal control over financial reporting prior to its inclusion in the Company's annual report;
- (c) Periodically review the following with the chief executive officer, chief financial officer and independent auditors:
 - (i) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting that are reasonably likely to adversely affect the Company's ability to record, process, summarize, and report financial information, including any significant deficiencies or material weaknesses in internal controls identified by the Company's independent auditors;
 - (ii) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting; and
 - (iii) any changes in internal control over financial reporting that occurred during the most recent fiscal quarter and that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting;
- (d) Receive periodic reports from the Company's independent auditors and management to assess the impact on the Company of significant accounting or financial reporting developments that may have a bearing on the Company;
- (e) Establish and maintain free and open means of communication between and among the Board, the Committee, the Company's independent auditors, the Company's internal auditing department and management, including providing such parties with appropriate opportunities to meet separately and privately with the Committee on a periodic basis; and
- (f) Review with management and the Company's independent auditor the type and presentation of information to be included in the Company's earnings press releases, as well as financial information and earnings guidance provided by the Company to analysts and rating agencies (which review may be done generally (i.e., discussion of the types of information to be disclosed and type of presentations to be made), and the Committee need not discuss in advance each earnings release or each instance in which the Company may provide earnings guidance).

D. Miscellaneous

- (a) Establish clear hiring policies by the Company for employees or former employees of the Company's independent auditors;
- (b) Discuss guidelines and policies governing the process by which senior management of the Company and the relevant departments of the Company, including the internal auditing department, assess and manage the Company's exposure to risk, as well as the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures;
- (c) Meet periodically with the Company's general counsel, and outside counsel when appropriate, to review legal and regulatory matters, including (i) matters that may have a material impact on the financial statements of the Company and (ii) matters involving potential or ongoing material violations of law by the Company or its directors, officers, employees or agents or breaches of fiduciary duty to the Company;
- (d) Prepare the report(s) required by the rules of the SEC to be included in the Company's annual proxy statement;
- (e) Review and investigate any matters pertaining to the integrity of management, including conflicts of interest, or adherence to standards of business conduct as required in the policies of the Company, including a regular review of the compliance process in general;
- (f) Review the Company's program to monitor compliance with the Company's code of ethics, and meet periodically with the Company's compliance officer to discuss compliance with the code of ethics;
- (g) Obtain reports from management that the Company, including the Company's subsidiaries/foreign affiliates, are in compliance with applicable legal requirements and the Company's Code of Ethics;
- (h) Establish and maintain procedures for (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters;
- (i) Report regularly to the Board on its activities, as appropriate. In connection therewith, the Committee should review with the Board any issues that arise with respect to 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;
- (j) Review and reassess the adequacy of this Charter and the adequacy of its own performance annually and recommend any proposed changes to the Board for approval; and
- (k) Perform such additional activities, and consider such other matters, within the scope of its responsibilities, as the Committee or the Board deems necessary or appropriate.

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, are in accordance with generally accepted accounting principles or fairly present the Company's financial condition, results of operations and cash flow. This is the responsibility of management and the independent auditor. Nor is it the duty of the Committee to conduct investigations, to resolve disagreements, if any, between management and the independent auditor or to assure compliance with laws and regulations and the Company's Code of Ethics.

Nothing contained in this Charter is intended to create, or should be construed as creating, any liability of the members of the Committee, except to the extent otherwise provided under the applicable laws of the State of Delaware, which shall continue to set the legal standard for the conduct of the members of the Committee.

This Charter may be amended from time to time by resolution of the Board.

Adopted by the Board of Directors on August 3, 2004.