

COHESANT INC.
AUDIT COMMITTEE CHARTER

The Audit Committee is a committee within the Board of Directors and shall assist the Board in monitoring (1) the integrity of the financial statements of the company, (2) the independent auditors' qualifications and independence, (3) the performance of the Company's internal audit function and independent auditors, (4) the compliance by the Company with legal and regulatory requirements, and (5) the effectiveness of internal controls.

Membership

The members of the Audit Committee shall meet the requirement rules and regulations of the Securities and Exchange Commission ("SEC") and if applicable, the independence and experience requirements of any exchange or market on which the Company's securities are traded. There shall be at least two members of the Audit Committee. The members of the Audit Committee shall be appointed by the full Board. The members of the Audit Committee shall be free of any relationship that, in the judgment of the Board, would interfere with the exercise of his or her independent judgment. The members of the Audit Committee may not accept any consulting, advising, or other compensatory fee from the Company other than for service on the Board of Directors, provided that the foregoing shall not preclude fixed payments under a retirement plan for prior service so long as such payments are not contingent on continued service. Each member must be able to read and understand fundamental financial statements at the time of appointment to the Committee. At least one member of the Audit Committee shall be an audit committee financial expert as defined by the SEC. The Audit Committee Chairperson shall be selected by the committee members.

Committee Authority and Responsibilities

The Audit Committee shall have the sole authority to appoint or replace the independent auditors. The Audit Committee shall be directly responsible for the compensation and oversight of the work of the independent auditors (including resolution of any disagreements between management and the independent auditors regarding financial reporting). The independent auditors shall report directly to the Audit Committee.

The Audit Committee shall pre-approve all auditing services and permitted non-audit services (including the fees and terms thereof) to be performed for the Company by its independent auditors. The Audit Committee may delegate authority to one or more of its members, when appropriate, to grant pre-approvals of permitted non-audit services, provided that decisions of such members to grant pre-approvals shall be presented to the full Audit Committee at its next scheduled meeting.

The Audit Committee shall have the authority to retain, if appropriate, independent legal, accounting or other advisors. The Company shall be required to provide for appropriate funding, as determined by the Audit Committee, for payment of compensation to such advisors.

The Audit Committee shall make regular reports to the Board. The Audit Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.

The Audit Committee or, as applicable, a designated member, to the extent it deems necessary or appropriate, shall also:

Financial Statement and Disclosure Matters

1. Review and discuss with management and the independent auditors the annual audited financial statements, including auditor's report and disclosures made in management's discussion and analysis, and recommend to the Board whether the audited financial statements should be included in the Company's Form 10-K or Form 10-KSB.
2. Review and discuss with management the Company's quarterly financial statements prior to the filing of its Form 10-Q or Form 10-QSB.
3. Discuss with management and the independent auditors significant financial reporting issues and judgments 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.
4. Review and discuss quarterly reports from the independent auditors to the extent applicable.
5. Discuss with management the Company's earnings press releases, including the use of "pro forma" or other non-GAAP information, as well as financial information and earnings guidance provided to any analysts.
6. Discuss with management and the independent auditors the effect of regulatory and accounting initiatives as well as the effect of any off-balance sheet structures on the Company's financial statements.
7. Discuss with management the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies.
8. Discuss with the independent auditors the matters required to be discussed by Statement on Auditing Standards (SAS) No. 61 and other applicable accounting or auditing statements relating to the conduct of the audit, including any difficulties encountered in the course of the audit work, any restrictions on the scope of activities or access to requested information and any significant disagreements with management.
9. Review disclosures made to the Audit Committee by the Company's CEO and CFO during their certification process for the periodic reports required to be filed with the SEC about any significant deficiencies in the design or operation of internal controls or material weaknesses therein and any fraud involving management or other employees who have a significant role in the Company's internal controls.

Oversight of the Company's Relationship with the Independent Auditors

10. Obtain and review a report from the independent auditors at least annually regarding (a) the independent auditors' internal quality control procedures and (b) all relationships between the independent auditor and the Company. Evaluate the qualifications, performance and independence of the independent auditors, including considering whether the auditors' quality controls are adequate and the provision of permitted non-audit services is compatible with maintaining the auditors' independence, and

taking into account the opinions of management and internal auditors. The Audit Committee shall present its conclusions with respect to the independent auditors to the full Board.

11. Review and evaluate the lead partner of the independent auditors' team.

12. Ensure the rotation of the lead (or coordinating) audit partner having primary responsibility for the audit and the audit partner responsible for reviewing the audit and required by law. Consider whether, in order to assure continuing auditor independence, it is appropriate to adopt a policy of rotating the independent auditing firm on a regular basis.

13. Recommend to the Board policies for the Company's hiring of employees or former employees of the independent auditors who participated in any capacity in the audit of the Company.

14. Discuss with the national office of the independent auditors any issues on which such national offices was consulted by the Company's audit team and matters of audit quality and consistency.

15. Meet with the independent auditors prior to the audit to discuss their planning and staffing of the audit and, further, meets with the auditors post-audit, including an executive session, to discuss the audit and the cooperation of management.

Oversight of the Company's Internal Control Function

16. Review and discuss with the independent auditors and management the internal control function and recommend controls as well as make recommendations for changes in controls, as deemed appropriate.

Compliance Oversight Responsibilities

17. Obtain from the independent auditors assurance that, if they detect or become aware of any illegal or potentially illegal acts, they will immediately notify the Audit Committee and will provide, if appropriate, a report if they have reached specified conclusions with respect to such acts.

18. Obtain reports from management, the Company's financial officer with responsibility over internal controls and the independent auditors that the Company is in conformity with applicable legal requirements and the Company's Code of Business Conduct and Ethics, which includes special ethics obligations for employees with financial reporting responsibilities. Advise the Board with respect to the Company's policies and procedures regarding compliance with applicable laws and regulations and with the Company's Code of Business Conduct and Ethics.

19. Ensure that the Company conducts on an ongoing basis an appropriate review of all related party transactions and that all such transactions are approved by the Audit Committee or the full Board of Directors.

20. Establish 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 concerns regarding questionable accounting or auditing matters.

21. Discuss with management and the independent auditor any correspondence with regulators or governmental agencies and any published reports which raise material issues regarding the Company's financial statements or accounting policies.

22. Review the significant results of any regulatory examinations of the Company.

23. 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.

24. Discuss guidelines and policies governing the process by which management assesses and manages the Company's exposure to risk, the Company's major financial risk exposures and the steps management has taken to monitor and control such risks.

Limitation of Audit Committee's Role

While the Audit Committee has the responsibilities and powers set forth in this Charter, it is not the obligation of the Audit Committee to plan or conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate, in all material respects, and are in accordance with generally accepted accounting principles and applicable rules and regulations. Such obligations are the responsibilities of management and the independent auditors.