

US ENERGY SYSTEMS (USEY)
CHARTER FOR THE FINANCE COMMITTEE
OF THE BOARD OF DIRECTORS

Approved August 17, 2005

PURPOSE

The purpose of the Finance Committee (the “Committee”) of the Board of Directors (the “Board”) of USEY (the “Company”) shall be to review, authorize, oversee, monitor and recommend to the Board on all long- and short-term financial objectives, policies, procedures and activities with respect to corporate finance, capital markets, capitalization, capital expenditures, risk management, dividend policy, cash management and banking activities and relationships of the Company and its affiliates and subsidiaries within limits set by the Board.

The Finance Committee may take action on behalf of the Board with respect to the matters described as being within its authority without limiting the authority of the Board or any other Committee of the Board to act in a manner such as they are authorized.

COMPOSITION/MEMBERSHIP

The Finance Committee shall consist of at least three members, a majority of whom, including the Committee Chairman, shall be independent directors of the Company.

The Board shall appoint the Committee Chairman upon the recommendation of the Nominating and Governance Committee.

The Committee Chairman shall recommend to the Nominating and Governance Committee the members of the Committee. Each Committee member shall be subject to annual reconfirmation and may be removed by the Board at any time.

MEETINGS AND STRUCTURE

The Finance Committee shall meet at least twice annually, or more frequently as circumstances require, to act upon any matter within its jurisdiction, at such time and place as determined by the Chairman.

The Chairman shall be responsible for preparing the agenda, presiding over meetings and coordination of reporting to the Board. Minutes shall be kept of each meeting of the Committee.

In the event the Committee Chairman is unable to serve as Chair for a specific meeting, he/she shall designate one of the Committee members to preside.

The presence of a majority of the total number of members of the Committee shall constitute a quorum at all committee meetings.

RESPONSIBILITIES

The Committee shall have the following responsibilities:

- Monitor the Company's capital structure, financial condition and requirements for short- and long-term funds;
- Review and make recommendations to the Board regarding management's proposed financial plans and capital structure for the Company and its subsidiaries, including short- and long-term debt and equity financing programs;
- Approve the Company's annual capital budget;
- Authorize all necessary actions to effect financings, refinancings, refundings and redemptions, within limits set by the Board, including the sale, exchange or repurchase of issues of common stock, preferred stock and/or debt;
- Review financing strategies for mergers, acquisitions and other major activities;
- Review and recommend to the board the Company's dividend policy;
- Take or authorize all necessary actions to effect banking, merchant banking and investment banking relationships;
- Review, evaluate and approve the Company's financial investment policy and all specific investment proposals, including equity, debt and fixed income investments;
- Review, evaluate and approve the Company's cash management and cash balances management policies;
- Monitor periodically the performance of all Company's short- and long-term investments;
- Review, evaluate and approve the Company's risk assessment and risk management policies and programs as they relate to liquidity, currency and interest rate risks;
- Approve, as appropriate and relevant, risk limits related to all financial activities and programs proposed by management;
- Review periodically management's performance and adherence relative to approved risk limits;
- Oversee Company's signature and payment authority and approval policies, and approve modifications to any signature and payment authority that may be granted to the Company's Chief Executive Officer, Chief Operating Officer, President and Chief Financial Officer;
- Have full access to the Company's senior management as necessary to carry out its responsibilities; and
- Report to the Board the major items covered at each meeting of the Committee.

RELIANCE ON OUTSIDE ADVICE

The Committee in performing its functions and carrying out its responsibilities is entitled to seek and engage expert advisors as it deems necessary. The Board shall have the authority to retain and approve retention terms of its outside advisors.