

AMEN PROPERTIES INC
Form PRE 14A
October 24, 2008

SCHEDULE 14A

(Rule 14a-101)
INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Materials Pursuant to §240.14a-12

AMEN Properties, Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement
if other than Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed
pursuant to Exchange Act Rule 0-11: (set forth the amount on which the filing fee
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(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

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0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

- (1) Amount Previously Paid:

 - (2) Form, Schedule or Registration Statement No.:

 - (3) Filing Party:

 - (4) Date Filed:

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AMEN Properties, Inc.
303 W. Wall Street, Suite 2300
Midland, Texas 79701

November 1, 2008

Dear Fellow Shareholder:

You are cordially invited to attend the 2008 Annual Meeting of Shareholders of AMEN Properties, Inc. to be held at 303 W. Wall Street, Suite 2300, Midland, Texas 79701, at 8:30 a.m., local time, on Wednesday, December 17, 2008. The information regarding matters to be voted upon at the Annual Meeting is set out in the attached Notice of Annual Meeting of Shareholders and Proxy Statement.

It is important that your shares be represented at the Annual Meeting, regardless of the number of shares you hold or whether you plan to attend the meeting in person. I urge you to vote your shares as soon as possible. The proxy card contains instructions on how to cast your vote.

If you have any questions, please contact Kris Oliver, Chief Financial Officer and Secretary at (972) 664-1670.

Sincerely,

Eric L. Oliver
Chairman of the Board
AMEN Properties, Inc.

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AMEN PROPERTIES, Inc.
NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

Date: December 17, 2008
Time: 8:30 AM Central Time
Place: 303 W. Wall Street, Suite 2300, Midland, Texas 79701

Proposals:

1. To elect six directors to the Board of Directors of AMEN Properties, Inc. (the "Company") to serve one-year terms expiring at the later of the annual meeting shareholders in 2009 or upon a successor being elected and qualified.
2. To approve and ratify the issuance of up to 450,000 shares of the Company's common stock upon exercise of warrants issued in connection with the Company's investment in SFF Royalty, LLC and SFF Production, LLC.
3. To transact such other business as may properly come before the meeting or any adjournments or postponements thereof.

Record Date: October 27, 2008

By Order of the Board of Directors

Eric L. Oliver
Chairman of the Board
AMEN Properties, Inc.

YOUR VOTE IS IMPORTANT!

Whether or not you plan to attend the meeting, please complete, date, sign and return the accompanying proxy card promptly so that we can be assured of having a quorum present at the meeting and so that your shares may be voted in accordance with your wishes.

PROXY STATEMENT
AMEN Properties, Inc.
303 W. Wall Street, Suite 2300
Midland, Texas 79701

Annual Meeting of Shareholders of the Company to be held on December 17, 2008
Some Questions You May Have Regarding this Proxy Statement

Q: Why am I receiving these materials?

A: The accompanying proxy is solicited on behalf of the Board of Directors of AMEN Properties, Inc. (the "Company"). We are providing these proxy materials to you in connection with our Annual Meeting of Shareholders, to be held at 303 W. Wall Street, Suite 2300, Midland, Texas 79701, on December 17, 2008 at 8:30 a.m., local time. As a Company shareholder, you are invited to attend the Annual Meeting and are entitled and requested to vote on the proposals described in this proxy statement.

Q: Who may vote at the meeting?

A: You may vote all of the shares of our common stock that you owned at the close of business on October 27, 2008, the record date. On the record date, AMEN Properties, Inc. had 3,777,655 shares of common stock outstanding and entitled to be voted at the meeting. You may cast one vote for each share of common stock held by you (or deemed to be held by you due to your ownership of preferred stock) on all matters presented at the meeting.

Q: What proposals will be voted on at the meeting?

A: There are two Company proposals to be considered and voted on at the meeting, which are:

1. To elect six directors to the Board of Directors of the Company to serve one-year terms expiring at the later of the annual meeting shareholders in 2009 or upon a successor being elected and qualified.
2. To approve and ratify the issuance of up to 450,000 shares of the Company's common stock upon exercise of warrants issued in connection with the Company's investment in SFF Royalty, LLC ("SFF Royalty") and SFF Production, LLC ("SFF Production").

Q: How does the Board of Directors recommend I vote?

A: Please see the information included in the proxy statement relating to the proposals to be voted on. Our Board of Directors unanimously recommends that you vote:

1. "FOR: each of the nominees to the Board of Directors
2. "FOR" approval and ratification of the issuance of up to 450,000 shares of the Company's common stock upon exercise of warrants issued in connection with the Company's investment in SFF Royalty and SFF Production (the "Warrants").

Q: What happens if additional matters are presented at the annual meeting?

A: Other than the items of business described in this proxy statement, we are not aware of any other business to be acted upon at the annual meeting. If you grant a proxy, the persons named as proxy holders, Eric L. Oliver and Jon Morgan, will have the discretion to vote your shares on certain additional matters properly presented for a vote at the meeting.

Q: How do I vote?

A: If your shares are registered directly in your name with our transfer agent, American Stock Transfer, you are considered a shareholder of record with respect to those shares and the proxy materials and proxy card are being sent directly to you. Please carefully consider the information contained in this proxy statement and, whether or not you plan to attend the meeting, complete, date, sign and return the accompanying proxy card promptly so that we can be assured of having a quorum present at the meeting and so that your shares may be voted in accordance with your wishes even if you later decide not to attend the annual meeting. If you attend the meeting, you will be able to vote using a ballot provided at the meeting or by bringing the enclosed proxy card, but we recommend that you complete, sign and return the proxy card in case you later decide not to attend the meeting.

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If like most shareholders of the Company, you hold your shares in street name through a stockbroker, bank or other nominee rather than directly in your own name, you are considered the beneficial owner of shares, and the proxy materials are being forwarded to you together with a voting instruction card. Please carefully consider the information contained in this proxy statement and, whether or not you plan to attend the meeting, complete, date, sign and return the accompanying proxy card promptly as instructed by your broker or nominee so that we can be assured of having a quorum present at the meeting and so that your shares may be voted in accordance with your wishes.

Q: What constitutes a quorum and why is a quorum required?

A: A quorum is required for the Company shareholders to conduct business at the meeting. The presence at the meeting, in person or by proxy, of the holders of a majority of the shares entitled to vote on the record date will constitute a quorum, permitting us to conduct the business of the meeting. Proxies received but marked as abstentions, if any, will be included in the calculation of the number of shares considered to be present at the meeting for quorum purposes.

Q: What if I don't vote or abstain? How are broker non-votes counted?

A: Abstentions are included in the determination of shares present for quorum purposes. Because abstentions represent shares entitled to vote, the effect of an abstention will be the same as a vote against a proposal. However, abstentions will have no effect on the election of directors.

Eric L. Oliver and Jon Morgan are officers of the Company and were named by our Board of Directors as proxy holders. They will vote all proxies, or record an abstention or withholding, in accordance with the directions on the proxy. If no contrary direction is given, the shares will be voted as recommended by the Board of Directors. For beneficial shareholders, your broker or nominee may not be permitted to exercise voting discretion with respect to certain matters to be acted upon. If you do not give your broker or nominee specific instructions, your shares may not be voted on those matters and will not be considered as present and entitled to vote with respect to those matters. Shares represented by such "broker non-votes," however, will be counted in determining whether there is a quorum present.

Q: If my shares are held in street name by my broker, will my broker vote my shares for me?

A: Your broker will vote your shares only if the proposal is a matter on which your broker has discretion to vote (such as the election of directors), or if you provide instructions on how to vote by following the instructions provided to you by your broker. Your broker likely does not have discretion to vote on the issuance of shares upon exercise of the Warrants, and therefore you will need to provide voting instructions to your broker with respect to that proposal.

Q: Can I change my vote after I have delivered my proxy?

A: Yes. You may revoke your proxy at any time before its exercise. You may also revoke your proxy by voting in person at the Annual Meeting. If you are a beneficial shareholder, you must contact your brokerage firm or bank to change your vote or obtain a proxy to vote your shares if you wish to cast your vote in person at the meeting.

Q: Who will count the votes?

A: Stockholder votes by proxy will be tabulated by ADP Investor Communication Services.

Q: Where can I find voting results of the meeting?

A: We will announce preliminary voting results at the meeting and publish final results in our periodic report on Form 10-K for the fiscal year 2008 or in an earlier filed Form 8-K.

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Q: Who will bear the cost for soliciting votes for the meeting?

A: We will bear all expenses in conjunction with the solicitation of the enclosed proxy, including the charges of brokerage houses and other custodians, nominees or fiduciaries for forwarding documents to security owners. We may hire a proxy solicitation firm at a standard industry compensation rate. In addition, proxies may be solicited by mail, in person, or by telephone or fax by certain of our officers, directors and regular employees.

Q: Whom should I call with other questions?

A: If you have additional questions about this proxy statement or the meeting or would like additional copies of this document or our 2007 Annual Report on Form 10-KSB, please contact: AMEN Properties, Inc. P. O. Box 835451, Richardson, Texas 75083, Attention: Investor Relations Dept., Telephone: (972) 664-1670.

Q: What vote is required for approval of the proposals presented?

A: Directors are elected by a plurality of votes cast in the election of directors. The other proposals require the affirmative vote of at least a majority of the votes present at the meeting and entitled to be cast.

Additional Information

We are subject to the informational requirements of the Securities Exchange Act of 1934, as amended ("Exchange Act") and are therefore required to file periodic reports, proxy statements and other information with the Securities and Exchange Commission (the "Commission") related to our business, financial statements and other matters. Such reports, proxy statements and other information are available for inspection and copying at the Commission's principal office, Room 1024, Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549, where copies may be obtained upon payment of the fees prescribed by the Commission from the Public Reference Section of the Commission, 450 Fifth Street, N.W., Washington, D.C. 20549. Such documents may also be obtained through the Website maintained by the Commission at <http://www.sec.gov>.

PROPOSAL ONE--ELECTION OF MEMBERS OF THE BOARD OF DIRECTORS

Size of Board of Directors

Our Board of Directors currently consists of six members, all serving one-year terms expiring at the Annual Meeting or until their successors are duly elected and qualified. In addition, the holders of the Series D Preferred Stock, voting separately, have the right to elect up to two additional directors based upon the percentage of total capital stock of the Company represented by the Series D Preferred, but have not exercised that right as of the date hereof.

Current Director Not a Nominee in This Election

As announced in the 8-K filed on August 19, 2008, one of the Company's current Directors, Earl Gjelde has declined to stand for election to another term. The Board has nominated Jesse Correll to replace Mr. Gjelde, as described below.

Earl E. Gjelde has served as an AMEN director since April 1997. From 1989 through 1993, he was Vice President of Chemical Waste Management, Inc. and from 1991 to 1993 was Vice President of Waste Management Inc. (currently WMX Technologies, Inc.). Since 1991, Mr. Gjelde has been Managing Director, Summit Group International, Ltd., an energy and natural resource consulting firm with Internet based security controlled document systems and Managing Director, Summit Energy Group, Ltd., an energy development company and since 1996, a partner in Pipeline Power Partners, LP, a natural gas services company. From 1980 through 1989, Mr. Gjelde held various federal government positions including Under Secretary and Chief Operating Officer of the U.S. Department of Interior from 1985 through 1989 and Special Assistant to the Secretary, Chief Operating Officer, U.S. Department of Energy from 1982 through 1985. He is a member of the Board of Directors of The United States Energy Association, The World Energy Congress, the National Wilderness Institute, Allied Technologies Group, Inc., and publicly held Electrosorce, Inc.

Current Nominees

Eric L. Oliver was appointed as a director of AMEN in July 2001, and was appointed Chairman of the Board and Chief Executive Officer on September 19, 2002. Mr. Oliver resigned as Chief Executive Officer effective March 7, 2007. Since 1997, he has been President of SoftSearch Investment, Inc., an investment firm in Abilene, Texas. Since 1998, he has also served as President of Midland Map Company LLC, a company that creates hand drafted ownership maps throughout the Permian Basin. He is on the Board of Directors of the First National Bank of Midland, and of Love and Care Ministries, an inner city homeless initiative. Mr. Oliver is the brother of Kris Oliver, the Company's Chief Financial Officer.

Jon M. Morgan was appointed as a director of AMEN in October 2000, and was appointed President and Chief Operating Officer on September 19, 2002. Mr. Morgan resigned as Chief Operating Officer and was appointed Chief Executive Officer on March 7, 2007. Mr. Morgan has more than 19 years experience in launching and managing successful businesses in both investment management services and in the energy field. He is founder of several businesses including Morgan Capital Group, Inc., the Packard Fund, and is President of J.M. Mineral & Land Co.

Bruce E. Edgington has been director of AMEN since November 1995. From 1979 through 1988, Mr. Edgington was a registered representative with Johnston Lemon & Co., a securities broker-dealer, where his responsibilities included the management of retail securities accounts and administration. In 1988 he founded and continues to be an officer, director and stockholder of DiBiasio & Edgington, a firm engaged in providing software to investment firms and money managers.

Jesse T. Correll is founder and Chairman of the Board for First Southern Bancorp, Inc., parent company of First Southern National Bank. Jess serves as Chairman and Chief Executive Officer of UTG, a \$400 million life insurance company headquartered in Springfield, Ill. Jess and fellow First Southern executives' passion for giving back to the Kingdom helped to establish The River Foundation, where he serves as President and Director as well as serving on the board of directors for Crown Financial Ministries, Friends of the Good Samaritans, Generous Giving and the National Christian Foundation.

Donald M. Blake, Jr. was appointed to the Board of Directors on February 26, 2003. He is Executive Vice President and Principal of Joseph J. Blake and Associates, Inc. (“Blake and Associates”), an international commercial real estate due diligence firm. The company founded by his grandfather specializes in the valuation of debt and equity and assessment reports for engineering and environmental issues concerning real property. Over the past 57 years, the firm has served the nation’s leading investors, lenders and owners of real estate. Blake and Associates maintains operations throughout the United States, Latin America and Japan. Mr. Blake, Jr. is a Member of the Appraisal Institute and is active with a variety of real estate organizations such as the Mortgage Bankers Association, Pension Real Estate Association, The Commercial Mortgage Securitization Association and the Urban Land Institute. Former Governor Mario Cuomo of New York appointed Mr. Blake, Jr. to the charter advisory board of the New York State Appraisal Certification Board. The board developed the standards and ethical standards for all licensing and certification for appraisers in accordance with state legislation. He was also appointed to the real estate advisory board of the business school of Babson College, Wellesley, Massachusetts. Mr. Blake, Jr. received a BA from Hobart College, Geneva, New York in 1979 and a MSM with a concentration in commercial real estate finance from Florida International University, Miami, Florida in 1981.

G. Randy Nicholson was appointed to the Board of Directors on February 26, 2003. He graduated from Abilene Christian College in 1959. From 1959 to 1971, Mr. Nicholson was self-employed in Abilene as a CPA. In 1971, he established E-Z Serve, Inc., a gasoline marketing company. Mr. Nicholson has served as Chairman of the Board of Auto-Gas Systems, Inc. since 1987. AutoGas developed the pay-at-the pump technology processing paperless credit and debit card transactions at the fuel island. Headquartered in Abilene, Texas, AutoGas continues to introduce innovative technological advancements in the automated fueling industry, most recently with loyalty products such as DIGITAL REWARDS and Quantum 360sm. He joined the Board of Trustees of Abilene Christian University in 1981. Mr. Nicholson is a member of the Texas Society of Certified Public Accountants and was recently named an honorary member of the American Institute of Certified Public Accountants (AICPA) having been a member for 40 years. He is presently serving as Chairman of the Technology Committee for the City of Abilene.

If elected, each director will hold office until the annual meeting of shareholders in 2009 or until his successor is duly elected and qualified. The election of directors will be decided by a plurality of the votes cast in such election at the meeting by the shareholders, and accordingly, abstentions and “broker non-votes” will have no effect on the election of directors. Shareholders may not cumulate their votes in the election of directors. All nominees have consented to be named in this proxy statement and to serve if elected, but if any nominee becomes unable to serve, the persons named as proxies may exercise their discretion to vote for a substitute nominee. Management has no reason to believe that any of the nominees will be unable to serve.

Current Directors, Officers and Nominees

The table below lists the current and nominated members of the Company’s Board of Directors and Executive Officers, as well as their age and committee responsibilities:

Name	Age	Position(s)	Committees
Eric L. Oliver(1) (Chairman)	49	Chairman of the Board of Directors	None
Jon M. Morgan	49	Director, Chief Executive Officer	None
Bruce E. Edgington	50	Director	Compensation, Audit (Chair), Nominating
Earl E. Gjelde (retiring)	63	Director	Compensation (Chair), Nominating
	52	Director	

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Jesse T. Correll (if elected)			Compensation (Chair), Nominating
Donald M. Blake, Jr.	52	Director	Audit, Nominating (Chair)
G. Randy Nicholson	70	Director	Compensation, Audit
Kris Oliver(1)	42	Chief Financial Officer	N/A

(1)Eric L. Oliver and Kris Oliver are brothers.

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Corporate Governance

Board Independence

Messrs. Edgington, Gjelde, Blake and Nicholson are independent directors under the rules of the NASDAQ Stock Market. If elected, Mr. Correll will be an independent director under such rules. All of the Board's standing committees (described below) are comprised entirely of independent directors.

Meeting Attendance

AMEN's business is managed under the direction of the Board of Directors. The Board meets during our fiscal year to review significant developments and to act on matters requiring Board approval. The Board of Directors held five formal meetings and acted by unanimous written consent on other occasions during the fiscal year ended December 31, 2007. None of the Company's directors attended fewer than 75% of the aggregate of the total number of meetings of the Board of Directors and their respective committee meetings held subsequent to their election to the Board in 2007.

Board Committees

The Board of Directors has established an Audit Committee, a Compensation Committee, and a Nominating Committee to devote attention to specific subjects and to assist the Board in the discharge of its responsibilities. The Board committees are currently comprised of independent directors in accordance with the NASDAQ rules. The functions of these committees and their members as of the date of the Annual Meeting are described below.

Audit Committee

The Audit Committee is comprised of Messrs. Edgington (Chair), Nicholson, and Blake, Jr. all of whom are independent directors. The Audit Committee held four meetings during 2007. The Audit Committee, among other things, oversees the accounting and financial reporting practices of the Company and reviews the annual audit with the Company's independent accountants. In addition, the Audit Committee has the sole authority and responsibility to select, evaluate, and where appropriate, replace the independent auditors. The general responsibilities of the Audit Committee are set forth in the Audit Committee Charter, a copy of which can be seen on the Company's web site at <http://www.amenproperties.com>. The Board has determined that no member of the Committee meets all of the criteria needed to qualify as an "audit committee financial expert" as defined by the Commission regulations. The Board believes that each of the current members of the Committee has sufficient knowledge and experience in financial matters to perform his duties on the Committee.

The Audit Committee oversees our financial reporting, internal controls and audit functions on behalf of the Board of Directors. In fulfilling its oversight responsibilities, the Committee has reviewed the audited consolidated financial statements in the Annual Report on Form 10-KSB with management including discussions of accounting principles, reasonableness of judgments, and the clarity of financial disclosures. The Committee also reviewed with the independent auditors their assessment of financial statements and of management's judgments in deriving the financial statements. In addition, the Committee has discussed with the independent auditors the matters required by SAS 61 and the matters in the written disclosures required by the Independence Standards Board and discussed with the independent accountant the independent accountant's independence. The Committee also met with the independent auditors, with and without management present, to discuss their examinations, evaluations of our internal controls and the overall quality of our financial reporting.

Based on the review and discussions referred to above, the Committee recommended to the Board of Directors that the audited consolidated financial statements be included in AMEN's Annual Report on Form 10-KSB for filing with the

Commission.

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Nominating Committee

The Nominating Committee is comprised of Messrs. Blake, Jr., (chair), Edgington and Gjelde, all of whom are independent directors. The Nominating Committee did not meet during 2007. The Nominating Committee operates pursuant to a Nominating Committee Charter which can be seen on the Company's web site at <http://www.amenproperties.com>.

The Nominating Committee identifies nominees for directors of the Company by first evaluating the current members of the Board of Directors willing to continue in service. If any Board member does not wish to continue in service, if the Nominating Committee decides not to nominate a member for re-election or if the Board desires to increase the size of the Board by adding new director positions, then the Nominating Committee establishes a pool of potential director candidates from recommendation from the Board, senior management and shareholders, who are then evaluated through the review process outlined below. All of the nominees named in this Proxy Statement are current directors standing for re-election, except Mr. Correll who was recommended as a nominee by Bruce Edgington.

The Nominating Committee reviews the credentials of potential director candidates (including potential candidates recommended by shareholders), conducts interviews and makes formal nominations for the election of directors. In making its nominations, the Nominating Committee considers a variety of factors, including the following factors: integrity, high level of education, skills, background, independence, financial expertise, experience or knowledge with businesses relevant to the Company's current and future business plans, experience with business of similar size, all other relevant experience, understanding of the Company's business and industry diversity, compatibility with existing Board members, and such other factors as the Nominating Committee deems appropriate in the best interests of the Company and its shareholders. Proposed nominees are not evaluated differently depending upon who has made the proposal. The Company has not to date paid any third party fee to assist in this process.

The Company will consider proposed nominees whose names are submitted to the Nominating Committee by shareholders. Proposals made by shareholders for nominees to be considered by the Nominating Committee with respect to an annual shareholders meeting must be in writing and received by the Company prior to the end of the fiscal year preceding such annual meeting.

Compensation Committee

The Compensation Committee is comprised of Messrs. Gjelde (Chair), Edgington and Nicholson, and did not meet during 2007. The Compensation Committee was established to advise the Board and consult with management concerning the salaries, incentives and other forms of compensation for the officers and other employees of the Company. The committee also administers the Company's stock option plans. The Compensation Committee operates pursuant to a Compensation Committee Charter which can be reviewed at the Company's website at <http://www.amenproperties.com>.

Shareholder Communication

Shareholders may send other communications to the Board of Directors, a committee thereof or an individual Director. Any such communication should be sent in writing addressed to the Board of Directors, the specific committee or individual Director in care of the Company's Secretary at the address on the front of this Proxy Statement. The Company's Secretary is responsible for determining, in consultation with other officers of the Company, counsel and other advisers, as appropriate, which stockholder-communications will be relayed to the Board, committee or individual Director. The Secretary may determine not to forward any letter to the Board, committee or individual Director that does not relate to the business of the Company.

Annual Reports / Code of Conduct and Ethics

The Company makes available, free of charge, its Annual Report on Form 10-KSB, Quarterly Reports on Form 10-QSB, Current Reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(a) of the Securities Exchange Act of 1934 as soon as reasonably practicable after we electronically file or furnish them to the Securities and Exchange Commission (the "SEC"). These reports may also be obtained directly from the SEC via an Internet site (<http://www.sec.gov>) and at the SEC's Public Reference Room at 450 Fifth Street, N.W., Washington, D.C. 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330.

The Company will also provide to any person, free of charge, a copy of the Company's Code of Business Conduct and Ethics upon request made to the Company at 303 West Wall St., Suite 2300, Midland, Texas 79701, attn: Mr. Kris Oliver.

Attendance of Directors at Annual Shareholders Meeting

The Corporation expects all Board members and nominees to attend the annual meeting of shareholders, but from time to time, other commitments may prevent all directors from attending each meeting. All directors attended the most recent annual meeting of shareholders, which was held on May 30, 2007.

Board of Directors Recommendation

THE BOARD OF DIRECTORS RECOMMENDS THAT THE SHAREHOLDERS VOTE "FOR" EACH OF THE NOMINEES FOR DIRECTOR SET FORTH IN THIS PROPOSAL.

PROPOSAL TWO—APPROVAL AND RATIFICATION OF THE ISSUANCE OF UP TO 450,000 SHARES OF THE COMPANY’S COMMON STOCK UPON EXERCISE OF WARRANTS ISSUED IN CONNECTION WITH THE COMPANY’S INVESTMENT IN SFF ROYALTY, LLC AND SFF PRODUCTION, LLC.

Background

Effective December 17, 2007, the Company invested \$7.6 million in SFF Royalty, LLC (“SFF Royalty”) and \$2.4 million in SFF Production, LLC (“SFF Production”) in exchange for a one-third ownership interest in each entity. Also on December 17, 2007, SFF Royalty and SFF Production acquired the following properties (the “Acquired Properties”) from Santa Fe Energy Trust (the “Trust”) and Devon Energy Production Company, LP (“Devon”).

Acquiring Entity	Acquired from the Trust		Acquired from Devon		Total Purchase
	Description	Purchase Amount	Description	Purchase Amount	
SFF Royalty	Net profits interests in royalty interests owned by Devon	\$ 21,077,688	Royalty interests subject to Trust’s net profits interests	\$ 2,254,662	\$ 23,332,350
SFF Production	Net profits interests in working interests owned by Devon	6,072,125	Working interests subject to Trust’s net profits interests	649,531	6,721,656
Totals		\$ 27,149,813		\$ 2,904,193	\$ 30,054,006

To obtain the \$10 million required for its investments in SFF Royalty and SFF Production, the Company secured stub financing and issued Preferred Stock, short-term promissory notes and the Warrants for the purchase of shares of the Company’s common stock.

Stub Financing

In order to secure the cash required for the Company’s contribution to SFF Royalty and SFF Production on December 17, 2007, stub financing was arranged via the execution of two promissory notes with SoftVest, LP totaling \$3.5 million. These notes accrued interest at an annual rate of 8.5%. The Company repaid these notes on March 13, 2008 after receiving its final distribution from the Trust based upon its ownership of Trust securities.

As discussed under “Certain Relationships and Related Transactions”, Mr. Eric L. Oliver, the Company’s Chairman of the Board, is the Managing Partner of SoftVest, LP.

Series D Preferred Stock

429,100 shares of Series D Preferred Stock (“Preferred D”) were issued at a share price of \$10 for total proceeds of \$4,291,000. Below is a summary of the significant characteristics of the Preferred D:

- Pays a coupon of 8.5% annually.
- Has limited voting rights.
- Is not convertible into common stock.
- Is redeemable upon demand by the Company.

- Holders can elect up to two directors

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Promissory Notes

The Company also signed promissory notes with the recipients of the Preferred D totaling \$2,709,000. Below is a summary of the significant characteristics of the promissory notes:

- Due and payable on June 30, 2009.
- Variable interest rate of the Prime rate plus 1%.

Warrants

Holders of the promissory notes were issued the Warrants to purchase a total of up to 450,000 shares of common stock of the Company at an exercise price of \$6.02 per share (subject to anti-dilution adjustments), which was the market value per share at the time the transaction was agreed to. Under the rules of the Nasdaq Stock Market, the issuance of Company common stock upon the exercise of the Warrants requires stockholder approval, which is being requested in this Proposal Two. The Company plans to use the proceeds from the exercise of the Warrants, if approved by shareholders, to pay all or a portion of the above-described promissory notes.

Related Party Participation

Certain of the Company's Directors and nominees for director participated in this transaction as shown below:

Director	# Shares Preferred D Purchased	Preferred D Purchase Price	Promissory Note Amount	Warrants Received
Eric L. Oliver(1)	164,376	\$ 1,643,760	\$ 1,037,741	172,382
Bruce E. Edgington	6,130	61,300	38,700	6,429
Jesse Correll(2) (director nominee)	147,938	933,966	933,966	155,144

(1)Through Mr. Oliver's control of SoftVest, L.P.

(2)Through Mr. Correll's control of Universal Guaranty Life Ins. Co.

Related Financial Information

Audited and pro forma financial statements for the Acquired Properties were disclosed by the Company on Form 8-K on October 14, 2008. Those financial statements are attached hereto as Schedule A and Schedule B and should be reviewed by shareholders in evaluating this proposal.

Effects on Shareholders

The issuance of shares of common stock upon the exercise of the Warrants will result in an increase in the total number of shares outstanding and an adjustment of percentage ownership, and thus the voting power, of the shareholders at the time of such issuance. Additionally, to the extent the exercise price of \$6.02 per share is less than the market price per share at the time of exercise, the issuance may have a dilutive affect on the then existing shareholders.

Proposal:

That the Company's shareholders approve the issuance of up to 450,000 shares of the Company's common stock upon exercise of the warrants issued in connection with the Company's purchase of interests in SFF Royalty and SFF Production.

Board of Directors Recommendation

THE BOARD OF DIRECTORS RECOMMENDS THAT THE SHAREHOLDERS VOTE "FOR" APPROVAL AND RATIFICATION OF THE ISSUANCE OF UP TO 450,000 SHARES OF THE COMPANY'S COMMON STOCK UPON EXERCISE OF THE WARRANTS ISSUED IN CONNECTION WITH THE COMPANY'S INVESTMENT IN SFF PRODUCTION AND SFF ROYALTY.

EXECUTIVE COMPENSATION

The following table includes information concerning compensation for the years 2006 and 2007 to the five members of the Executive Team and includes required disclosure related to our CEO and the four most highly compensated officers of the Company for the fiscal year ended December 31, 2007.

Name / Position	Year	Salary	Bonus	Stock Awards	All Other Comp (6)	Total
Eric L. Oliver(1) Chairman of the Board	2006	-	-	-	-	-
	2007	-	-	-	-	-
Jon M. Morgan(2) President and Chief Executive Officer	2006	-	-	-	-	-
	2007	-	-	-	-	-
Kevin Yung(3) Chief Operating Officer	2006	\$150,000	\$68,589	-	-	\$218,589
	2007	\$150,000	\$86,584	-	-	\$236,584
Kris Oliver(3)(5) Chief Financial Officer and Secretary	2006	-	-	-	-	-
	2007	\$116,667	\$71,894	\$28,906	-	\$217,467
Padraig Ennis(4) Vice President, Priority Power	2006 (7)	\$103,333	\$30,000	-	\$50,000	\$183,333
	2007	\$140,000	\$25,145	\$4,847	-	\$169,992
John Bick(3)(4) Managing Principal, Priority Power	2006 (7)	\$70,000	-	-	\$71,495	\$141,495
	2007	\$140,000	\$24,424	\$27,842	-	\$192,266

- (1) Mr. Oliver became the Company's Chief Executive Officer on September 19, 2002. He did not receive any salary or bonus during 2006 or 2007, and is not currently paid a salary. He resigned the CEO position effective March 7, 2007, at which point Jon M. Morgan became CEO.
- (2) Mr. Morgan served as the Company's Chief Operating Officer from September 19, 2002 through March 7, 2007, at which time he assumed the role of Chief Executive Officer and Mr. Yung became the Chief Operating Officer. He did not receive any salary or bonus during 2006 or 2007, and is not currently paid a salary.
- (3) The employment agreements of Mr. Yung, Mr. Kris Oliver and Mr. Bick allow them to receive their bonus payments in cash or in restricted shares of Company stock, valued based on the average closing price for the last twenty days of the measurement period. Messrs. Yung and Bick receive one annual bonus payment and Mr. Kris Oliver receives his bonus payment in semi-annual installments.
- (4) Messrs. Ennis and Bick receive a portion of their salaries in restricted shares of Company stock.
- (5) Kris Oliver began working for the Company on March 7, 2007. The 2007 salary amount represents actual salary paid to Mr. Oliver in 2007. Mr. Oliver's annual salary is \$140,000.

- (6) The amounts in this column represent signing bonuses paid to Messrs. Bick and Ennis related to the employment agreements.
- (7) The salary amounts for Messrs. Bick and Ennis in 2006 represent the portion of their salary that was paid by the Company after the purchase of Priority Power effective April 1, 2006. The annual salaries for Mr. Bick and Mr. Ennis are \$140,000.

Employment Agreements

Mr. Yung’s employment agreement has an effective date of July 1, 2004 with an initial term of three years, after which the agreement has renewed and will renew automatically for successive one year periods unless terminated by either party. Under the terms of the agreement, Mr. Yung receives an annual salary of \$150,000 and a bonus equal to 25% of the increase in the Company’s shareholder equity attributable to the Company’s electricity-related businesses. The bonus is payable either in cash or common stock of the Company. During the term of the agreement and for a period of 18 months thereafter, Mr. Yung is subject to a non-compete agreement. If Mr. Yung’s employment is terminated by Mr. Yung for good reason or upon a change of control or by the Company for any reason other than cause, he is entitled to severance payments equal to his then-current salary for a period of one year or the remaining term of the non-compete agreement, whichever is greater.

Mr. Kris Oliver’s employment agreement has an effective date of March 1, 2007 with a term of two years. Under the terms of the agreement, Mr. Oliver receives an annual salary of \$140,000 and a bonus based on the increase in the Company’s Book Value per Share. The bonus is payable either in cash or common stock of the Company. If Mr. Oliver’s employment is terminated by Mr. Oliver for good reason or by the Company for any reason other than cause, he is entitled to severance equal to 12 months of his then-current salary plus any bonus to which he would have been entitled had he been employed for the entire year.

Mr. Ennis’ employment agreement has an effective date of June 1, 2006 with a term of three years. Under the terms of the agreement, Mr. Ennis receives an annual salary of \$140,000 and a bonus of either \$30,000 or 2% of the net income of Priority Power, whichever is greater. Mr. Ennis is paid a portion of his salary in common stock of the Company. During the term of the agreement and for 18 months thereafter, Mr. Ennis is subject to a non-solicitation agreement. If Mr. Ennis’s employment is terminated by Mr. Ennis for good reason or by the Company for any reason other than cause, he is entitled to severance equal to 12 months of his then-current salary plus any bonus to which he would have been entitled had he been employed for the entire year.

Mr. Bick’s employment agreement has an effective date of June 1, 2006 with a term of three years. Under the terms of the agreement, Mr. Bick receives an annual salary of \$140,000 and a bonus which is determined by performance targets agreed to each year. Mr. Bick is paid a portion of his salary in common stock of the Company. During the term of the agreement and for a period of three years thereafter, Mr. Bick is subject to a non-compete agreement. If Mr. Bick is terminated by the Company for any reason other than cause, he is entitled to severance payments equal to his then-current salary for the remainder of the agreement term unless the Company releases him from the non-compete agreement.

Aggregated Option Exercises in Last Fiscal Year and Fiscal Year End Option Values (1)

The following table sets forth information with respect to stock options held as of December 31, 2007 by the executive officers named in the “Summary Compensation Table”.

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END

Name	Option Plan	OPTION AWARDS		
		Number of Securities Underlying Unexercised Options Exercisable	Option Exercise Price	Option Expiration Date

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Eric L. Oliver	B	1,671	\$4.600	7/16/2011
	B	3,523	5.120	2/12/2012
Jon M. Morgan	A	2,901	4.252	10/24/2010
	B	3,251	3.880	2/20/2011
	B	3,342	5.120	2/12/2012

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Since the inception of the Company, various options have been granted by the Board of Directors to founders, directors, employees, consultants and ministry partners. In February 1997, the Company authorized 67,100 additional shares of common stock to underlie additional options reserved for key employees and for future compensation to members of the Board of Directors. The Board of Directors also adopted and the Shareholders approved, the 1997 Stock Option Plan (“1997 Plan”), which provides for the granting of either qualified or non-qualified options to purchase an aggregate of up to 514,484 shares of common stock, inclusive of the 67,100 shares mentioned above, and any and all options or warrants granted in prior years by the Company.

The 1998 Stock Option Plan (“1998 Plan”) was approved by the Board of Directors in April 1998, with approved amendment in May 2000. The 1998 Plan gives the Company the authority to issue 300,000 options to purchase AMEN common stock. If any stock options granted under the 1998 Plan terminate, expire or are canceled, new stock options may thereafter be granted covering such shares. In addition, any shares purchased under the 1998 Plan subsequently repurchased by the Company, if management elects, pursuant to the terms hereof may again be granted under the 1998 Plan. The shares issued upon exercise of stock options under the 1998 Plan may, in whole or in part, be either authorized but unissued shares, or issued shares reacquired by the Company.

Director Compensation

All non-officer directors receive reimbursement of reasonable expenses incurred in attending Board and Committee meetings and were awarded options during the year ended December 31, 2007 as shown in the table below:

Name	Option Awards(1)	Total
Bruce E. Edgington	\$ 19,268	\$ 19,268
Earl E. Gjelde	19,389	19,389
G. Randy Nicholson	17,193	17,193
Donald M. Blake, Jr.	19,389	19,389

(1)The above-named directors held options at December 31, 2007 for the following number of shares: Mr. Edgington – 6913, Mr. Gjelde – 6957, Mr. Nicholson – 6169, and Mr. Blake – 6957.

For further information on the Company’s option plans, see descriptions provided above.

EXTERNAL AUDITOR INFORMATION

Effective September 30, 2002, Johnson Miller & Co., CPA's PC was engaged as the independent accountant for the Company and has been selected as the Company's principal accountants for 2008. The decision to engage Johnson Miller & Co., CPA's PC was approved by the Audit Committee of the Board of Directors. The Audit Committee has delegated authority for the approval of non audit-related services to the Chairman of the Committee.

Audit Fees: The aggregate fees paid to Johnson Miller & Co., CPA's PC for the audit of the financial statements on Form 10-KSB and for reviews on Form 10-QSB during 2006 was \$90,644, and for 2007 was \$64,749.

Audit Related Fees: None.

Tax Fees: During 2006 the Company did not pay any fees for tax related matters. During 2007 the Company paid its principal accountant \$10,532 for tax related matters.

All Other Fees: The aggregate other fees paid to Johnson Miller & Co., CPA's PC during 2006 was \$22,263. The 2006 fees are primarily related to services rendered in connection with the purchase of Priority Power and the disposition of TCTB assets described below under "Certain Relationships and Related Transactions". The aggregate other fees paid to Johnson Miller & Co., CPA's PC during 2007 was \$0.

The Company expects that representatives of Johnson Miller & Co., CPA's PC will be present at the Annual Meeting to respond to appropriate questions and to make a statement if they desire to do so.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Conversion of Preferred Stock and Exercise of Warrants

On August 31, 2007, the holders of the Company's Series A, B & C Preferred Stock converted such preferred stock into Common Stock of the Company. As a part of this conversion, Eric L. Oliver, Jon M. Morgan and Bruce E. Edgington, officers and directors of the Company, received shares of Common Stock in the amounts shown below:

	Number of Preferred C Shares	Common Stock Equivalent	Preferred C Voting Equivalent	Purchase Price
Eric L. Oliver	14,063	56,252	52,877	\$ 225,008
Jon M. Morgan	14,062	56,248	52,873	224,992
Bruce E. Edgington	3,125	12,500	11,750	50,000
Total	31,250	125,000	117,500	\$ 500,000

Additionally, Mr. Oliver purchased an additional 9,375 shares of common stock upon exercise of warrants with an exercise price of \$4.00 per share. Mr. Oliver exercised additional warrants on March 7, 2008, for which he received an additional 18,751 shares at a price of \$4.00 per share.

Purchase of Cogdill Enterprises

On September 11, 2007 the Company announced the acquisition of 100% of Cogdill Enterprises, Inc. ("CEI"), effective August 31, 2007 for an aggregate consideration of \$6,000 and an obligation to pay 95% of the total revenues actually received by the Company each month directly as a result of the contracts originated by Trenton Cogdill for and on behalf of the CEI prior to the August 31, 2007. Trenton Cogdill is now an employee of Priority Power.

Debt Obligations

The following table reflects the portion of the Company's long-term debt payable to related parties as of December 31, 2007:

	Total
Eric L. Oliver, Chairman of the Board	\$ 10,691
Jon M. Morgan, CEO	477,561
Padraig Ennis, VP of Priority Power	73,588
John Bick, Managing Principal of Priority Power	190,669
Trenton Cogdill, Priority Power	271,911
5% Shareholders	869,120
Total	\$ 1,893,540

Sale of Preferred D and Issuance of Warrants

The Company issued Preferred D stock, promissory notes and the Warrants to finance its investment in SFF Royalty and SFF Production. Certain of the Company's Directors and director nominees participated in this transaction as shown below:

Director	# Shares Preferred D Purchased	Preferred D Purchase Price	Promissory Note Amount	# Warrants Received
Eric L. Oliver(1)	164,376	\$ 1,643,760	\$ 1,037,741	172,382
Bruce Edgington	6,130	61,300	38,700	6,429
Jesse Correll(2) (director nominee)	147,938	933,966	933,966	155,144

(1)Through Mr. Oliver's control of SoftVest, L.P.

(2)Through Mr. Correll's control of Universal Guaranty Life Ins. Co.

Stub Financing

In order to secure the cash required for the Company's capital contribution to SFF Royalty and SFF Production on December 17, 2007, stub financing was arranged via the execution of two promissory notes with SoftVest, LP totaling \$3.5 million. These notes accrued interest at an annual rate of 8.5%.

The Company repaid these notes on March 13, 2008 after receiving its final distribution from the Trust based upon its ownership of Trust securities.

Other

We may in the future enter into other transactions and agreements incident to our business with directors, officers, principal shareholders and other affiliates. We intend for all such transactions and agreements to be on terms no less favorable than those obtainable from unaffiliated third parties on an arm's-length basis. In addition, the approval of a majority of the AMEN directors will be required for any such transactions or agreements.

OTHER INFORMATION

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Treatment of Preferred Stock

As of October 15, 2008, the only class of Preferred Stock that remained outstanding was the Series D Preferred Stock that was issued in connection with the Company's investment in SFF Royalty and SFF Production. The Preferred D has limited voting rights and is not convertible into shares of the Company's common stock. Consequently, ownership of Preferred D is not included in the tables that follow.

General

Unless otherwise noted, all persons named in the following ownership tables have sole voting and sole investment power with respect to all shares of voting stock beneficially owned by them, and no persons named in the table are acting as nominees for any persons or otherwise under the control of any person or group of persons. As used herein, the term "beneficial ownership" with respect to a security means the sole or shared voting power (including the power to vote and direct the vote) or sole or shared investment power (including the power to dispose or direct the disposition) with respect to the security, including a right to acquire any such power during a period of sixty (60) days

from October 15, 2008. Percentage of beneficial ownership is based upon 3,777,655 shares of Common Stock outstanding as of October 15, 2008 and for the purpose of computing the percentage ownership of certain persons or groups, the shares of Common Stock that the person has the right to acquire (whether upon exercise of vested stock options, exercise of warrants or otherwise), are deemed to be outstanding as of that date.

Security Ownership of Certain Beneficial Owners

The following table and accompanying notes contain information about any person (including any “group”) who is known by us to be the beneficial owner of more than 5% of AMEN's Common Stock as of October 15, 2008, based upon copies of Schedule 13Ds and Schedule 13Gs received by the Company but are not officers or directors of the Company.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
Dodge Jones Foundation P.O. Box 176 Abilene, TX 79604	253,679 (1)	5.8%

(1) Includes 27,321 shares issuable upon exercise of warrants, subject to shareholder approval.

Security Ownership of Management

The following table and accompanying notes contain information about the beneficial ownership of Common Stock as of October 15, 2008 by each of the Company's (a) directors and director nominees, and (b) executive officers as defined in Item 402(a)(2) of Regulation S-B, and (c) all of the Company's executive officers, directors and director nominees as a group.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
Eric L. Oliver (Chairman) 400 Pine Street Abilene, TX 79601	543,993 (1)	12.5%
Jon M. Morgan (President and CEO, Director) 303 W. Wall St., Ste. 2300 Midland, TX 79701	311,645 (2)	7.2%
Bruce E. Edgington (Director) 7857 Heritage Drive Annandale, VA 22003	201,112 (3)	4.6%
Jesse Correll (Director Nominee) 5250 South Sixth Street P. O. Box 5147 Springfield, Illinois 62705	155,144 (4)	3.6%
Earl E. Gjelde (Director) 42 Bristlecone Court Keystone, CO 80435	63,787 (5)	1.5%
Donald M. Blake, Jr. (Director) 298 Fifth Ave., 7th Floor New York, NY 10001	83,917 (6)	1.9%
G. Randy Nicholson (Director) 1202 Estates Drive, Ste. D Abilene, TX 79602	19,731 (7)	*

Kevin Yung (COO) 303 W. Wall St., Ste. 2300 Midland, TX 79701	7,938	*
Kris Oliver (CFO) 303 W. Wall St., Ste. 2300 Midland, TX 79701	12,998	*
Padraig Ennis 303 W. Wall St., Ste. 2300 Midland, TX 79701	2,760	*
John Bick 303 W. Wall St., Ste. 2300 Midland, TX 79701	27,145	*
All Current Directors and Officers as a Group * - less than 1%	1,430,170	32.9%

- (1) Includes 76,813 shares and 172,382 shares issuable upon the exercise of warrants, the exercise of which is subject to shareholder approval, beneficially owned by SoftVest, LP. Mr. Oliver is General Partner and lead investment officer of SoftVest, LP. Includes 2,907 shares beneficially owned by Lighthouse Partners, LP, of which Mr. Oliver is the General Partner. Includes 142,837 shares beneficially owned by SoftSearch Investments, LP, of which Mr. Oliver is the General Partner. Includes 49,210 shares beneficially owned by Mr. Oliver's children. Includes 5,193 shares issuable upon exercise of currently exercisable options.
- (2) Includes 9,493 shares issuable upon exercise of currently exercisable stock options.
- (3) Includes 34,672 shares issuable upon exercise of currently exercisable options. Includes 6,429 shares issuable upon the exercise of warrants, the exercise of which is subject to shareholder approval.
- (4) Includes 155,144 shares issuable upon exercise of warrants, subject to shareholder approval.
- (5) Includes 34,581 shares issuable upon exercise of currently exercisable stock options.
- (6) Includes 21,870 shares issuable upon exercise of a currently exercisable stock option.
- (7) Represents shares issuable upon exercise of currently exercisable stock options.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires that our executive officers and directors and persons who own more than ten percent of a registered class of AMEN's equity securities (collectively, the "Reporting Persons") file reports of ownership and changes in ownership with the Commission and to furnish the Company with copies of these reports. The Company believes that all filings required to be made by the Reporting Persons during the fiscal year ended December 31, 2007 were made on a timely basis.

Shareholder Proposals

All stockholder proposals submitted for inclusion in the Company's Proxy Statement and form of proxy for the Annual Meeting of Stockholder of the Company to be held in 2009 must be received at P. O. Box 835451, Richardson, Texas 75083, Attention: Kris L. Oliver, a reasonable time before the Company begins to prepare its proxy materials for such meeting. Such proposals must also comply with the applicable regulations of the Securities and Exchange Commission. Notice to the Company of all other stockholder proposals (not submitted for inclusion in the Company's Proxy Statement and form of proxy) for the 2009 Annual Meeting will not be considered timely unless received at the address set forth above a reasonable time before the Company begins to prepare its proxy materials for such meeting.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors
AMEN Properties, Inc.
Midland, Texas

We have audited the accompanying Combined Statements of Revenues and Direct Operating Expenses of the Oil and Gas Properties Purchased from Santa Fe Energy Trust (the "Trust") and Devon Energy Production Company, L. P. ("Devon"), as defined in Note 1, by AMEN Properties, Inc. (the "Company") on December 17, 2007, for each of the two years in the period ended December 31, 2007. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these combined financial statements based on our audits.

We conducted our audits in accordance with auditing standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As disclosed in Note 2, the accompanying combined financial statements are prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission for inclusion in Form 8-K of AMEN Properties, Inc. and are not intended to be a complete financial presentation of the results of operations of the acquired oil and gas properties described above.

In our opinion, the financial statements referred to above present fairly, in all material respects, the revenues and direct operating expenses of the oil and gas properties purchased from the Trust and Devon, for each of the two years in the period ended December 31, 2007 in conformity with accounting principles generally accepted in the United States of America.

/s/ Johnson Miller & Co., CPA's PC

Midland, Texas
October 14, 2008

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AMEN PROPERTIES, INC.
COMBINED STATEMENTS OF REVENUES AND DIRECT OPERATING EXPENSES
OF THE OIL AND GAS PROPERTIES PURCHASED FROM
SANTA FE ENERGY TRUST AND DEVON ENERGY PRODUCTION COMPANY, L.P.
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

	2007	2006
Revenues	\$ 3,540,551	\$ 2,950,258
Direct operating expenses	526,070	439,207
Excess of revenues over direct operating expenses	\$ 3,014,481	\$ 2,511,051

The accompanying notes are an integral part of these financial statements.

AMEN PROPERTIES, INC.
NOTES TO COMBINED STATEMENTS OF REVENUES AND
DIRECT OPERATING EXPENSES OF THE
OIL AND GAS PROPERTIES PURCHASED FROM
SANTA FE ENERGY TRUST AND DEVON ENERGY PRODUCTION COMPANY, L.P.

(1) THE PROPERTIES

On November 8, 2007, AMEN Minerals, LLC, a wholly owned subsidiary of AMEN Properties, Inc. (collectively, the “Company”), entered into Purchase Agreements with Santa Fe Energy Trust (the “Trust”) and Devon Energy Production Company, L. P. (“Devon”) to acquire the Trust’s net profits interests and Devon’s working and royalty interests (collectively, the “Acquired Properties”) in oil and gas properties in a number of different states effective October 1, 2007 for a total purchase price of \$56 million, subject to customary closing adjustments. Subsequently, both the Trust Purchase Agreement and the Devon Purchase Agreement were amended to add an independent third party (the “Third Party”) as the purchaser of approximately one-half of the Trust’s net profits interest and Devon’s royalty interests of the Acquired Properties.

The closing for the acquisition occurred on December 17, 2007. After all closing adjustments were applied and \$27 million was paid by the Third Party for their portion of the Acquired Properties, the Company’s net purchase price for its portion of the Acquired Properties was \$30.1 million. The Company instructed the Trust and Devon to convey its portion of the Acquired Properties into two new entities: the royalty interests were conveyed to SFF Royalty, LLC and the working interests were conveyed to SFF Production, LLC (collectively, the “SFF Group”) . In exchange for contributing \$10 million in capital, the Company received a one third ownership interest in the SFF Group. The remaining ownership in the SFF Group is divided amongst the acquisition investment group proportionately based on the percentage of capital provided. The investment group and management group of the new entities includes two of the Company’s Directors, Eric Oliver and Jon Morgan. Additionally, the two new entities have entered into a management agreement with Anthem Oil and Gas, Inc. to manage the interests in exchange for compensation equal to 5% of the gross proceeds. One of the Company’s directors, Jon Morgan, is the president of Anthem Oil and Gas.

Further detail on the assets conveyed into SFF Royalty and SFF Production is shown below:

Acquiring Entity	Acquired from the Trust		Acquired from Devon		Total Purchase
	Description	Purchase Amount	Description	Purchase Amount	
SFF Royalty	Net profits interests in royalty interests owned by Devon	\$ 21,077,688	Royalty interests subject to Trust’s net profits interests	\$ 2,254,662	\$ 23,332,350
	Net profits interests in working interests owned by Devon	6,072,125	Working interests subject to Trust’s net profits interests	649,531	6,721,656
Totals		\$ 27,149,813		\$ 2,904,193	\$ 30,054,006

(2) BASIS FOR PRESENTATION

The Acquired Properties are owned by SFF Royalty and SFF Production and reflected in the financial statements of those entities. The Company does not control the SFF Group and has no direct ownership of the Acquired Properties and does not consolidate the financial statements of the SFF Group into its financial statements. Rather, the Company accounts for its investment in the SFF Group using the equity method. The accompanying combined statements of direct revenues and direct operating expenses reflect approximately one-third of the Acquired Properties owned by the SFF Group, which is representative of the Company's ownership position in those entities.

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Prior to the acquisition, the Trust properties were owned by Devon, subject to a 90% net profits interest owned by the Trust. All Trust revenue and expenses were accounted for by Devon. In accordance with SAB 47, the Trust's financial statements were prepared on a cash basis of accounting. During the periods presented, the Devon acquired interests were not accounted for or operated as a separate division. Certain Devon costs, such as depreciation, depletion and amortization ("DD&A"), general and administrative expenses and corporate income taxes were not allocated to the Devon acquired properties. Devon accounts for its oil and gas activities using the full cost method. Full separate financial statements for the Acquired Properties prepared in accordance with accounting principles generally accepted in the United States do not exist and are not practicable to obtain in these circumstances. Accordingly, the accompanying statements include only revenues and direct operating expenses applicable to the Acquired Properties and are prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission for inclusion in Company's Form 8-K and are not intended to be a complete financial presentation of the acquired oil and gas properties described in Note 1 above. The Company does not have information for the financing and investing activities from the Acquired Properties.

The Company's historical balance sheet for the year ended December 31, 2007 includes the Company's portion of the adjusted purchase price of \$30.1 million. The Company's Consolidated Statement of Operations for the period ended December 31, 2007 included the Company's share of the earnings generated by the SFF Group's ownership of the Acquired Properties from December 17 through December 31.

The accompanying Combined Statements of Revenue and Direct Operating Expense are presented on the accrual basis of accounting. Direct operating expenses include lease operating expense, severances taxes and ad valorem taxes. DD&A, general and administrative expenses and corporate income taxes have been excluded for the reasons discussed above. The oil and gas industry, as with other extractive industries, is a depleting one that is not always constant with respect to production streams and each barrel of oil equivalent produced must be replaced or the critical source of revenue and cash flows will shrink. Past results are not necessarily indicative of future results. For reasons including those noted, the financial statements and other information presented herein are not indicative of the financial condition or results of operations of the Acquired Properties going forward or indicative of results had the acquisition been consummated in the periods presented.

(3) OIL AND GAS RESERVES - UNAUDITED

Proved reserves are estimated quantities of oil and natural gas which geological and engineering data demonstrate with reasonable certainty to be recoverable in future years from known reservoirs under existing economic and operating conditions. Proved developed reserves are proved reserves that can reasonably be expected to be recovered through existing wells with existing equipment and operating methods. Proved oil and natural gas reserve quantities and the related discounted future net cash flows before income taxes (see Standardized Measure) for 2007 are based on estimates prepared by Ryder Scott Company. Such estimates have been prepared in accordance with guidelines established by the Securities and Exchange Commission. Reserve studies were not available for 2006, and the reserve quantities and related discounted future net cash flows for that period were estimated based on the Ryder Scott reserve estimates for 2007 and historical production volumes obtained from Devon.

There are numerous uncertainties inherent in estimating quantities of proved reserves and projecting future rates of production. The following estimated quantities of proved oil and natural gas reserves and changes in net proved reserves of the Acquired Properties represent estimates only and should not be construed as being exact.

	Oil (Bbls)	Gas (Mcf)
	(in thousands)	
Proved Developed and Undeveloped Reserves		
Balance, January 1, 2006 (calculated)	228	1140
Production	(29)	(250)

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Balance, December 31, 2006 (calculated)	199	890
Production	(38)	(276)
Balance, December 31, 2007 (from Ryder Scott estimate)	161	614

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Standardized Measure - The Standardized Measure of Discounted Future Net Cash Flows relating to the Acquired Properties' ownership interests in the proved oil and natural gas reserves for each of the two years ended December 31, 2006 and 2007 is shown below.

	2007	2006
	(in thousands)	
Future Cash Flows	\$ 16,844	\$ 18,092
Future Production Costs	(2,762)	(2,967)
Future Net Cash Inflows	14,082	15,125
Discounted at 10% For Timing	(5,493)	(5,899)
Discounted Future Net Cash Inflows	\$ 8,589	\$ 9,226

Future cash flows are computed by applying fiscal year-end prices of oil and natural gas to year-end quantities of proved oil and natural gas reserves. For 2007, future operating expenses and development costs were computed primarily by Ryder Scott by estimating the expenditures to be incurred in developing and producing the proved oil and natural gas reserves at the end of year, based on year-end costs and assuming the continuation of existing economic conditions.

A discount factor of 10 percent was used to reflect the timing of future net cash flows. The Standardized Measure of Discounted Future Net Cash Flows is not intended, nor should it be interpreted, to represent the replacement cost or fair market value of the Acquired Properties' oil and natural gas reserves, anticipated future changes in prices and costs, a discount factor more representative of the time value of money and the risks inherent in reserve estimates of oil and natural gas producing operations.

Since reserve studies were not available for 2006, the Standardized Measure was computed in the following manner:

- To compute Future Cash Flows, fiscal year-end prices of oil and natural gas published by the United States Department of Energy were applied to year-end quantities of proved oil and natural gas reserves calculated by adding 2007 production volumes obtained from Devon to the December 31, 2007 reserve estimates prepared by Ryder Scott.
- Future Production Costs were computed by applying the ratio of Future Production Costs to Future Cash Flows found in the 2007 Ryder Scott estimate to Future Cash Flows for 2006, the effect of which is to assume that production costs were approximately the same at 12/31/06 as at 12/31/07.
- The 10% Discount for Timing was computed by applying the discount factor used in the 2007 Ryder Scott estimate to the Future Net Cash Inflows for 2006.

Changes in Standardized Measure - Changes in Standardized Measure of Discounted Future Net Cash Flows relating to proved oil and gas reserves are summarized below:

	2007	2006
	(in thousands)	
Balance beginning of the year	\$ 15,125	\$ 20,277
Sales, net of production costs and taxes	(3,014)	(2,511)
Changes in prices	2,909	(2,106)
Interest Factor and Other	(938)	(535)
Balance end of the year	\$ 14,082	\$ 15,125

Sales of oil and natural gas, net of oil and natural gas operating expenses, are based on historical results. Since reserve studies were not available for prior years, Changes in Standardized Measure were estimated for those periods using reserve quantities calculated as described above and commodity prices published by the United States Department of Energy.

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AMEN PROPERTIES, INC.
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS

Background

The following unaudited pro forma condensed consolidated financial statements and related notes have been prepared to show the effect of the acquisition of oil and gas interests from Santa Fe Energy Trust (the "Trust") and Devon Energy Production Company, L. P. ("Devon") and the financing thereof.

On November 8, 2007, AMEN Minerals, LLC, a wholly owned subsidiary of AMEN Properties, Inc. (collectively, the "Company"), entered into Purchase Agreements with the Trust and Devon to acquire the Trust's net profits interests and Devon's working and royalty interests (collectively, the "Acquired Properties") in oil and gas properties in a number of different states effective October 1, 2007 for a total purchase price of \$56 million, subject to customary closing adjustments (the "Acquisition"). Subsequently, both the Trust Purchase Agreement and the Devon Purchase Agreement were amended to add an independent third party (the "Third Party") as the purchaser of approximately one-half of the Trust's net profits interests and Devon's royalty interests of the Acquired Properties.

The closing for the Acquisition occurred on December 17, 2007. After all closing adjustments were applied and \$27 million was paid by the Third Party for their portion of the Acquired Properties, the Company's net purchase price for its portion of the Acquired Properties was \$30.1 million. The Company instructed the Trust and Devon to convey its portion of the Acquired Properties into two new entities: the royalty interests were conveyed to SFF Royalty, LLC and the working interests were conveyed to SFF Production, LLC (collectively, the "SFF Group"). In exchange for contributing \$10 million in capital, the Company received a one third ownership interest in the SFF Group. The remaining ownership of the SFF Group is divided amongst the Acquisition investment group proportionately based on the percentage of capital provided. The investment group and management group of the new entities includes two of the Company's Directors, Eric Oliver and Jon Morgan. Additionally, the two new entities have entered into a management agreement with Anthem Oil and Gas, Inc. to manage the Acquired Properties in exchange for compensation equal to 5% of the gross proceeds. One of the Company's directors, Jon Morgan, is the president of Anthem Oil and Gas.

The Company does not control the SFF Group and uses the equity method of accounting to record its one third interest in the net income (loss) of the SFF Group.

Further detail on the assets conveyed into SFF Royalty and SFF Production is shown below:

Acquiring Entity	Description	Acquired from the Trust		Acquired from Devon		Total Purchase		
		Purchase Amount		Purchase Amount				
SFF Royalty	Net profits interests in royalty interests owned by Devon	\$	21,077,688	Royalty interests subject to Trust's net profits interests	\$	2,254,662	\$	23,332,350
SFF Production	Net profits interests in working interests		6,072,125	Working interests subject to Trust's net profits interests		649,531		6,721,656

owned by Devon

Totals	\$	27,149,813	\$	2,904,193	\$	30,054,006
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To secure the \$10 million required for the investments in SFF Royalty and SFF Production, the Company issued Preferred Stock, warrants and short-term promissory notes and secured stub financing as described below.

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Class D Preferred Stock

429,100 shares of Class D Preferred Stock (“Preferred D”) were issued at a share price of \$10 for total proceeds of \$4,291,000. Below is a summary of the significant characteristics of the Preferred D:

- Pays a coupon of 8.5% annually.
 - Has limited voting rights.
- Is not convertible into common stock.
- Is redeemable upon demand by the Company.
 - Election of up to two directors

Promissory Notes

The Company also signed promissory notes with the recipients of the Preferred D totaling \$2,709,000. Below is a summary of the significant characteristics of the promissory notes:

- Due and payable on June 30, 2009.
- Interest rate of Prime plus 1% (6.00% at June 30, 2008).

Warrants

The holders of the promissory notes were issued warrants to purchase a total of 450,000 shares of the Company’s common stock at a strike price of \$6.02 per share. These warrants expire on June 30, 2009 and the Company intends to use the proceeds from their issuance to pay all or a portion of the balance of the related promissory notes. No value has been assigned to these warrants as shareholder approval is required before the warrants can be exercised.

Stub Financing

In order to secure the cash required for the Company’s contribution to SFF Royalty and SFF Production on December 17, 2007, stub financing was arranged via the execution of two promissory notes with SoftVest, LP totaling \$3.5 million. These notes were paid on March 13, 2008. Mr. Eric Oliver, the Company’s Chairman of the Board, is the Managing Partner of SoftVest, LP.

Certain of the Company’s Directors participated in this transaction as shown below:

Director	# Shares Preferred D Purchased	Preferred D Purchase Price	Promissory Note Amount	# Warrants Received @\$6.02 Strike Price
Eric Oliver	164,376	\$ 1,643,760	\$ 1,037,741	172,382
Bruce Edgington	6,130	61,300	38,700	6,429

Sources of Information and Basis of Presentation

The unaudited pro forma condensed consolidated statement of operations and condensed consolidated balance sheet as of and for the year ended December 31, 2007 is derived from the audited consolidated financial statements of AMEN Properties, Inc. for the year ended December 31, 2007, the audited Combined Statement of Revenues and Direct Operating Expenses for the Acquired Properties for the year ended December 31, 2007 and the adjustments and assumptions described below.

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The unaudited pro forma condensed consolidated financial statements should be read in conjunction with the notes thereto, our Annual Report on Form 10-K for the year ended December 31, 2007, and the Combined Statements of Revenues and Direct Operating Expenses for the Acquired Properties included herein as Schedule A. Pro forma data are based on assumptions and include adjustments as explained in the notes to the unaudited pro forma condensed consolidated financial statements. Certain information (including substantial footnote disclosures) included in the annual historical financial statements has been excluded in these condensed pro forma financial statements. The pro forma data presented is not necessarily indicative of the financial results that would have been attained had the Acquisition occurred on January 1, 2007, and should not be viewed as indicative of operations in future periods.

How the Pro Forma Financial Statements Were Prepared

The pro forma condensed consolidated statement of operations for the year ended December 31, 2007 was prepared without audit assuming we completed the Acquisition on January 1, 2007.

The Acquired Properties were not accounted for or operated as a separate division by Devon. Certain costs, such as depreciation, depletion and amortization (“DD&A”), general and administrative expenses, and corporate income taxes were not allocated to the individual properties comprising the Acquired Properties. Full separate financial statements prepared in accordance with accounting principles generally accepted in the United States do not exist for the Acquired Properties and are not practicable to obtain in these circumstances. Therefore, on a historical basis, the Company is presenting only the revenues and direct operating expenses for the Acquired Properties. Certain estimates and judgments were made in preparing the pro forma adjustments as discussed in the notes. With these adjustments, the pro forma condensed consolidated statement of operations represents only an estimate of combining our historical results with our indirect interest in the Acquired Properties. The statements do not consider nonrecurring items included in the historical financial statements. The pro forma condensed consolidated balance sheet was prepared without audit assuming we completed the Acquisition on January 1, 2007.

No incremental general and administrative costs related to this acquisition have been included, and general and administrative costs are expected to increase only minimally, if at all, as a result of the Acquisition. As a result, a very minimal amount of our internal resources will be used to oversee the Company’s investment in the SFF Group (and their ownership of the Acquired Properties) and, accordingly, we believe that the impact from the Acquisition on our total general and administrative expenses will be minimal.

The unaudited pro forma financial information is presented for illustrative purposes and does not purport to present what the Company’s financial position or results of operations would have been had we invested in the SFF Group (and it had owned the Acquired Properties) on the dates indicated. In addition, such information is not necessarily indicative of the Company’s future results of operations or financial performance because of the exclusion of certain operating expenses, changes in commodity prices and other circumstances that may change or arise in the future. The unaudited pro forma financial information should be read in conjunction with our historical financial statements and risk factor disclosure, which are hereby incorporated by reference herein.

AMEN PROPERTIES, INC.

UNAUDITED PRO FORMA CONDENSED
CONSOLIDATED STATEMENT OF OPERATIONS
For the Year Ended December 31, 2007

	Amen Historical	Pro Forma Adjustments	Pro Forma
OPERATING REVENUE			
Retail Electricity Revenue	\$ 10,327,813	\$ --	\$ 10,327,813
Energy Management Fees	3,983,517	--	3,983,517
Total Operating Revenue	14,311,330	--	14,311,330
OPERATING EXPENSE			
Cost of Goods and Services	9,560,893	--	9,560,893
General and Administrative	3,042,256	--	3,042,256
Depreciation, Amortization and Depletion	118,236	--	118,236
Corporate Tithing	157,689	50,500 a	208,189
Total Operating Expenses	12,879,074	50,500	12,929,574
INCOME FROM OPERATIONS	1,432,256	(50,500)	1,381,756
OTHER INCOME (EXPENSE)			
Interest Income	345,395	--	345,395
Interest Expense	(339,780)	(299,593) b	(639,373)
Income from Real Estate Investment	102,767	--	102,767
Income from SFF Group Investment	22,389	875,546 c	897,935
Other Income	96,746	--	96,746
Total Other Income	227,517	575,953	803,470
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES AND MINORITY INTEREST	1,659,773	525,453	2,185,226
Income Taxes	(52,812)	(20,700) d	(73,512)
Minority Interest	901	--	901
INCOME FROM CONTINUING OPERATIONS	1,607,862	504,753	2,112,615
LOSS FROM DISCONTINUED OPERATIONS	(311,351)	--	(311,351)
NET INCOME	\$ 1,296,511	\$ 504,753	\$ 1,801,264
Net Income from Continuing Operations per Common Share (Basic)	\$.58		\$.76
Net Income from Continuing Operations per Common Share (Diluted)	\$.43		\$.57
Net Income per Common Share (Basic)	\$.47		\$.65

Net Income per Common Share (Diluted)	\$.35	\$.48
Weighted Average Number of Common Shares Outstanding - Basic		2,766,745		2,766,745
Weighted Average Number of Common Shares Outstanding - Diluted		3,715,641		3,715,641

The accompanying notes to unaudited pro forma condensed consolidated financial statements are an integral part of these statements.

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AMEN PROPERTIES, INC.

UNAUDITED PRO FORMA CONDENSED
CONSOLIDATED BALANCE SHEET
December 31, 2007

ASSETS

	Amen Historical	Pro Forma Adjustments		Pro Forma
CASH and CASH EQUIVALENTS	\$ 1,520,852	\$ 3,274,629	1	\$ 4,795,481
OTHER CURRENT ASSETS	5,720,756	(3,680,550)	2	2,040,206
R E S T R I C T E D C A S H EQUIVALENTS	2,197,000	--		2,197,000
PROPERTY AND EQUIPMENT	177,771	--		177,771
OIL AND GAS INVESTMENTS IN SFF GROUP	10,022,389	(2,591,119)	3	7,431,270
INVESTMENT IN REAL ESTATE	2,311,443	--		2,311,443
ROYALTY INTERESTS	126,528	--		126,528
LONG-TERM INVESTMENTS	62,350	--		62,350
OTHER ASSETS	3,422,941	--		3,422,941
TOTAL ASSETS	\$ 25,562,030	\$ (2,997,040)		\$ 22,564,990

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES	\$ 8,274,367	\$ (3,428,800)	4	\$ 4,845,567
LONG-TERM OBLIGATIONS	2,624,085	--		2,624,085
STOCKHOLDERS' EQUITY	14,663,578	431,760	5	15,095,338
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 25,562,030	\$ (2,997,040)		\$ 22,564,990

The accompanying notes to unaudited pro forma condensed consolidated financial statements are an integral part of these statements.

AMEN PROPERTIES, INC.

NOTES TO UNAUDITED PRO FORMA
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The unaudited pro forma condensed consolidated statement of operations reflects the following adjustments:

- a. Increased tithing related to the increase in net equity earnings from SFF Group investment. The Company tithes 10% of its net earnings.
- b. Increased interest expense to show the full year impact of interest on borrowings related to SFF investment. Assumed stub financing was outstanding for three months at stated interest rate of 8.5%. For SFF investment notes issued to Preferred D holders, used interest rate of 9.08% for stated interest rate of Prime + 1%.
- c. Pro forma estimate of Amen's one-third interest in the equity earnings of SFF Royalty and SFF Production. Based on direct revenues and expenses adjusted for depletion expense.
- d. Increase in Texas Franchise Tax related to increase in equity net earnings from SFF Group Investment.

The unaudited pro forma condensed consolidated balance sheet reflects the following adjustments:

1. Increase in cash from distributions from SFF Group (+\$3.5 million) and liquidation of investment in Santa Fe Energy Trust (+\$4.0 million), net of repayment of stub financing (-\$3.5 million), Preferred D dividends (-\$365 thousand) and increased interest payments (-\$300 thousand)
2. Liquidation of investment in Santa Fe Energy Trust.
3. Adjustments for pro forma investment equity income from SFF Group (+\$875 thousand) and cash distributions from SFF Group (-\$3.5 million)
4. Repayment of stub financing (-\$3.5 million) and increase in accruals for tithing and franchise taxes (+\$71 thousand)
5. Adjustment for increased equity earnings from SFF Group investment, net of related expenses such as interest and dividends.

AMEN Properties, Inc.

303 W. Wall Street, Suite 2300
Midland, Texas 79701

PROXY SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS OF AMEN PROPERTIES INC. FOR THE ANNUAL MEETING OF SHAREHOLDERS ON DECEMBER 17, 2008

The undersigned hereby constitutes and appoints Eric L. Oliver and Jon M. Morgan, and each of them, his true and lawful agents and proxies with full power of substitution in each, to represent the undersigned at the Annual Meeting of Shareholders to be held at the 303 W. Wall Street, Suite 2300, Midland, TX 79701, at 8:30 a.m., local time, on Wednesday, December 17, 2008, and at any adjournments thereof, on all matters coming before said meeting.

PLEASE MARK YOUR VOTES AS IN THIS EXAMPLE: /X/

1.ELECTION OF, ERIC L. OLIVER, JON M. MORGAN, BRUCE E. EDGINGTON, JESSE T. CORRELL, DONALD M. BLAKE, JR. AND G. RANDY NICHOLSON TO THE AMEN PROPERTIES, INC. BOARD OF DIRECTORS.

IN FAVOR OF ALL NOMINEES []

WITHHOLD AUTHORITY TO VOTE FOR ALL NOMINEES []

IN FAVOR OF ALL NOMINEES EXCEPT THE FOLLOWING: []

Instruction: To withhold authority to vote for any individual nominee, write that nominee's name in the space provided above.)

2. APPROVAL AND RATIFICATION OF THE ISSUANCE OF UP TO 450,000 SHARES OF COMMON STOCK OF THE COMPANY UPON EXERCISE OF WARRANTS ISSUED IN CONNECTION WITH THE COMPANY'S INVESTMENT IN SFF ROYALTY, LLC AND SFF PRODUCTION, LLC.

IN FAVOR []

AGAINST []

ABSTAIN []

3. IN THEIR DISCRETION, THE PROXIES ARE AUTHORIZED TO VOTE UPON SUCH OTHER BUSINESS AS MAY PROPERLY COME BEFORE THE ANNUAL MEETING.

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This proxy, when properly executed, will be voted in the manner directed herein by the undersigned stockholder. If no direction is made, this proxy will be voted IN FAVOR of the election of all of the directors named in this proxy card and IN FAVOR of proposal 2 as set forth herein.

TO ASSURE YOUR REPRESENTATION AT THE ANNUAL MEETING, PLEASE COMPLETE, SIGN AND DATE THE ENCLOSED PROXY AND RETURN IT PROMPTLY

THE UNDERSIGNED ACKNOWLEDGES RECEIPT OF THE ACCOMPANYING NOTICE OF ANNUAL MEETING OF SHAREHOLDERS AND PROXY STATEMENT FOR THE DECEMBER 17, 2008 ANNUAL MEETING OF SHAREHOLDERS AND THE COMPANY'S ANNUAL REPORT ON FORM 10-KSB

Stockholder Signature(s): _____

Date: _____

Stockholder Printed Name(s): _____

Please sign your name exactly as it appears hereon. Joint owners must each sign. When signing as attorney, executor, administrator, trustee or guardian, please give your full title as it appears thereon. If a corporation, please sign in full corporate name as President or other authorized officer. If a partnership, please sign in partnership name by authorized person.

yle="page-break-before:always">[Table of Contents](#)

Voluntary or With Cause Termination

The named executives are not entitled to additional benefits if they voluntarily terminate their employment or they are terminated with cause.

Involuntary Termination

Amounts shown above represent the base salaries and, if applicable, health and welfare benefits, and the use of a company-provided automobile (incremental cost to the company shown in the Other column above) that each named executive would be entitled to receive over the remaining term of their employment agreements. Amounts would be paid and benefits would be provided on a monthly basis for the remaining term of each respective agreement.

Involuntary or Good Reason Termination After a Change in Control (CIC)

Cash payment amounts shown for Messrs. Pfeiffer and Hagge represent, according to their employment agreements and the CIC provisions therein, two times their highest annualized salary during the 12 month period preceding the termination and two times their highest annualized bonus amounts earned or payable in the past three fiscal years. Cash payments under this scenario would be lump sum payments that would be expected to be paid within approximately 30 days following the date of termination. The agreements of Messrs. Pfeiffer and Hagge also provide for the continuation of health and welfare benefits currently provided, for a period of two years following the date of termination.

AptarGroup's employee stock option and RSU agreements provide for the acceleration of vesting upon a CIC. The amounts shown represent the value of unvested stock options and the market value of RSUs as of December 31, 2007. Further information regarding unvested stock options and RSUs can be found under "Grants of Plan-Based Awards and Outstanding Equity Awards at Fiscal Year-End". The accelerated stock option values included in the above table represent the difference between the closing price of AptarGroup's common stock on the New York Stock Exchange on December 31, 2007 ("Closing Price") which was \$40.91 per share, and the exercise prices of the respective unvested stock options multiplied by the number of unvested stock options. The accelerated RSU values included in the above table represent the Closing Price multiplied by the number of unvested RSUs.

Disability

The employment agreement of Mr. Pfeiffer provides for cash payments equal to base salary less standard social security benefits paid over a period of twelve months should he become disabled and this total is presented in the above table. The employment agreement of Mr. Hagge provides for payments equal to a minimum of 66.67% of his base salary while he is disabled, until they reach the age of 65. Such payments to Mr. Hagge are covered under an insurance policy paid for by AptarGroup. The cash payment amounts included in the above table for Mr. Hagge represents one year of disability payments under this scenario. In addition, AptarGroup's employee stock option and RSU agreements provide for the acceleration of vesting in the event of disability. Further information regarding the value of accelerated equity grants shown in the above table can be found in the preceding paragraph.

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Death

The employment agreements of Messrs. Pfeiffer and Hagge provide for death benefits equal to their annual base salary. AptarGroup's employee stock option and RSU agreements provide for the acceleration of vesting in the event of death and the values shown in the table above for this scenario are the same as those shown under the Disability and Involuntary or Good Reason Termination After a CIC scenarios.

CIC without Termination

The named executives are not entitled to additional benefits if there is a CIC without termination other than the acceleration of equity award vesting that is triggered by the CIC event.

Non-compete Information

The employment agreements of Messrs. Pfeiffer and Hagge contain noncompetition and nonsolicitation clauses. The agreements require that during the employment period and for one year thereafter in the case of either termination for good reason following a CIC or termination without cause, or for two years following termination for any other reason, that each executive will not i) compete directly or indirectly with the Company or ii) solicit employees or customers of the Company.

Tax Gross-Ups

The employment agreements of Messrs. Pfeiffer and Hagge provide for tax gross-up payments if excise taxes are triggered in connection with any termination-related compensation. Based on current information, none of the compensation under any of the termination scenarios would trigger excise taxes and, therefore, no tax gross-up amounts would be necessary.

Pension Related Benefits

Information concerning pension benefits can be found under the heading **Pension Benefits**.

Table of Contents**EQUITY COMPENSATION PLAN INFORMATION**

The following table provides information, as of December 31, 2007, relating to AptarGroup's equity compensation plans pursuant to which grants of options, restricted stock units or other rights to acquire shares may be granted from time to time. AptarGroup does not have any equity compensation plans that were not approved by stockholders.

Plan Category	Number of Securities to Be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted Average Exercise Price of Outstanding Options, Warrants and Rights (b)	Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans (excluding Securities reflected in Column (a)) (c)
Equity compensation plans approved by stockholders(1)	7,579,436(2)	\$ 21.37(3)	1,653,629(4)

(1) Plans approved by stockholders include the AptarGroup Stock Awards Plans and Director Stock Option Plans.

(2) Includes 21,098 RSUs.

(3) RSUs are excluded when determining the weighted average exercise price of outstanding options.

(4) As described in Proposal 3 Approval of 2008 Stock Option Plan, the Company granted 1,252,000 options to employees in January 2008, and as of March 6, 2008, approximately 350,000 shares remain available for future grants under the AptarGroup Stock Awards Plan and 44,000 shares remain available for future grants under the Director Stock Option Plans.

Table of Contents**SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS, DIRECTORS AND MANAGEMENT**

The following table contains information with respect to the beneficial ownership of common stock, as of March 6, 2008, by (a) the persons known by AptarGroup to be the beneficial owners of 5% or more of the outstanding shares of common stock, (b) each director or director nominee of AptarGroup, (c) each of the executive officers of AptarGroup named in the Summary Compensation Table below, and (d) all directors, director nominees and executive officers of AptarGroup as a group. Except where otherwise indicated, the mailing address of each of the stockholders named in the table is: c/o AptarGroup, Inc., 475 West Terra Cotta Avenue, Suite E, Crystal Lake, Illinois 60014.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Shares Owned

Name	Number of Shares(1)	Percentage(2)	Options Exercisable Within 60 Days of March 6, 2008
Neuberger & Berman LLC(3) 605 Third Avenue New York, NY 10158	7,969,246	11.7	
State Farm Mutual Automobile Insurance Company (4) One State Farm Plaza Bloomington, IL 61710	6,306,501	9.3	
Barclays Global Investors, N.A. (5) 45 Fremont Street San Francisco, CA 94105	3,817,779	5.6	
Stefan A. Baustert	8,000	*	8,000
Alain Chevassus	14,500	*	
Rodney L. Goldstein(6)	24,000	*	20,000
Ralph Gruska	10,800	*	8,000
Leo A. Guthart(7)	114,021	*	28,000
Stephen J. Hagge(8)	489,205	*	439,001
King W. Harris(9)	431,412	*	28,000
Francesco Mascitelli	278,392	*	244,001
Emil D. Meshberg	418,731	*	170,001

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Peter H. Pfeiffer	1,742,122	2.5	768,000
Carl A. Siebel(10)	1,294,374	1.9	1,104,000
Dr. Joanne C. Smith(11)	29,747	*	28,000
All Directors, Director Nominees and Executive Officers as a Group (20 persons)(12)	6,158,204	8.5	3,959,009

* Less than one percent.

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- (1) Except as otherwise indicated below, beneficial ownership means the sole power to vote and dispose of shares. Number of shares includes options exercisable within 60 days of March 6, 2008.
- (2) Based on 68,227,429 shares of common stock outstanding as of March 6, 2008 plus options to purchase shares held by any such person that are exercisable within 60 days of that date.
- (3) The information as to Neuberger & Berman LLC and related entities (Neuberger & Berman) is derived from a statement 13G with respect to the common stock, filed with the SEC pursuant to Section 13(d) of the Exchange Act. Such statement discloses that Neuberger & Berman has the sole power to vote 125,760 shares, the shared power to vote 6,438,800 shares and the shared power to dispose of 7,969,246 shares.
- (4) The information as to State Farm Mutual Automobile Insurance Company and related entities (State Farm) is derived from a statement on Schedule 13G with respect to the common stock, filed with the SEC pursuant to Section 13(d) of the Exchange Act. Such statement discloses that State Farm has the sole power to vote and dispose of 6,275,769 shares and the shared power to vote and dispose of 30,732 shares.
- (5) The information as to Barclays Global Investors, N.A. and related entities (Barclays) is derived from a statement on Schedule 13G with respect to the common stock, filed with the SEC pursuant to Section 13(d) of the Exchange Act. Such statement discloses that Barclays has the sole power to dispose of 3,817,779 shares and the sole power to vote 2,956,595 shares.
- (6) Mr. Goldstein shares the power to vote and dispose of 4,000 shares.
- (7) Mr. Guthart shares the power to vote and dispose of 86,021 shares.
- (8) Mr. Hagge shares the power to vote and dispose of 9,438 shares.
- (9) Mr. Harris shares the power to vote and dispose of 181,868 shares.
- (10) Mr. Siebel shares the power to vote and dispose of 190,374 shares.
- (11) Dr. Smith shares the power to vote and dispose of 1,407 shares.
- (12) Includes 485,492 shares as to which voting and disposing power is shared other than with directors and executive officers of AptarGroup.

TRANSACTIONS WITH RELATED PERSONS

AptarGroup or one of our subsidiaries may occasionally enter into transactions with certain related persons. Related persons include our executive officers, directors, nominees for directors, a beneficial owner of 5% or more of our common stock and immediate family members of these persons. We refer to transactions involving amounts in excess of \$120,000 and in which the related person has a direct or indirect material interest as related person transactions. Each related person transaction must be approved or ratified in accordance with AptarGroup's written Related Person Transactions Policy by the Audit Committee of the Board of Directors.

The Audit Committee considers all relevant factors when determining whether to approve a related person transaction including, without limitation, the following:

the size of the transaction and the amount payable to a related person;

the nature of the interest of the related person in the transaction;

whether the transaction may involve a conflict of interest; and

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whether the transaction is on terms that would be available in comparable transactions with unaffiliated third parties.

The following are not considered Related Party Transactions:

executive officer or director compensation which has been approved by the Compensation Committee of the Board of Directors

indebtedness incurred with a beneficial owner of more than 5% of any class of voting securities of the Company

indebtedness incurred for the purchase of goods or services subject to usual trade terms, for ordinary business travel and expense payments, and for other transactions in the ordinary course of business

any transaction in which a person is deemed a Related Person solely on the basis of such person's equity ownership and all holders of that class of equity receive the same benefit on a pro rata basis

Pursuant to this policy, the Audit Committee approves or ratifies all related party transactions, including those involving NEOs as described below.

In 1999, AptarGroup acquired companies that were owned by Mr. Emil Meshberg and certain members of his family. Mr. Meshberg became an executive officer of AptarGroup immediately following the acquisitions and he continues to serve in such capacity. AptarGroup currently leases real estate from, makes license royalty payments to and sells products to entities related to Mr. Meshberg or certain members of his family. The transactions between AptarGroup and these entities were at arms-length and, in 2007, amounted to lease payments of approximately \$190,000, license royalty payments of approximately \$212,000 and sales of approximately \$570,000.

Mr. Peter Pfeiffer owns 12.5% of the equity and occupies a paid supervisory board position with a packaging filling company located in Switzerland. In 2007, Mr. Pfeiffer received approximately \$10,000 in director fees related to this position. In 2007, this company purchased approximately \$130,000 of products from an AptarGroup subsidiary. It is expected that AptarGroup's subsidiary will continue to sell product to this company in the normal course of business in 2008. Mr. Pfeiffer was not involved in the pricing, sales or purchasing decisions on these transactions.

In October 2007, in connection with the previously announced retirement of Mr. Siebel, AptarGroup entered into a one-year Consulting Agreement with Carl Siebel Consulting GmbH, that became effective January 1, 2008 (Consulting Agreement). The Consulting Agreement may be extended by AptarGroup for additional one-year terms. Compensation for the consulting services to be provided by Mr. Siebel during the year ending December 31, 2008 will be 165,000 or approximately \$247,000 using current exchange rates and will be paid in equal monthly installments. Pursuant to the Consulting Agreement, which includes a noncompete provision, Carl Siebel Consulting GmbH will be an independent contractor, and Mr. Siebel will not be an employee, of AptarGroup.

Mr. Andreas Siebel is the son of Mr. Carl A. Siebel, the Company's former President and Chief Executive Officer until his retirement on December 31, 2007 and a Director of AptarGroup. In 2007,

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Mr. Andreas Siebel served in the capacity of Sales Manager for one of AptarGroup's European subsidiaries and received salary and bonus compensation of approximately \$175,000.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Based solely upon a review of reports and written representations furnished to it, AptarGroup believes that during 2007 all filings with the Securities and Exchange Commission by its executive officers and directors complied with requirements for reporting ownership and changes in ownership of AptarGroup's common stock pursuant to Section 16(a) of the Securities Exchange Act of 1934, except that in 2007, the following executive officers each reported on a Form 4 the following number of transactions that were not reported on a timely basis: Mr. Pfeiffer (one transaction).

AUDIT COMMITTEE REPORT

Management is responsible for AptarGroup's internal controls and the financial reporting process. The independent registered public accounting firm is responsible for performing an independent audit of AptarGroup's consolidated financial statements in accordance with generally accepted auditing standards, including the effectiveness of internal controls, and issuing a report thereon. The Committee's responsibility is to assist the Board in fulfilling its responsibility for overseeing the quality and integrity of the accounting, auditing and financial reporting practices of AptarGroup.

During the course of the fiscal year ended December 31, 2007, management completed the documentation, testing and evaluation of the Company's system of internal control over financial reporting in response to the requirements set forth in Section 404 of the Sarbanes-Oxley Act of 2002 and related regulations. Management and the independent registered public accounting firm kept the Committee apprised of the progress of the documentation, testing and evaluation through periodic updates, and the Committee provided advice to management during this process.

The Committee has reviewed and discussed the consolidated financial statements with management and the independent registered public accounting firm. Management has represented to the Committee that the consolidated financial statements were prepared in accordance with generally accepted accounting principles. Also, the Committee has discussed with the independent registered public accounting firm the matters required to be discussed by Statement on Auditing Standards No. 61 (Communication with Audit Committees), as amended.

In addition, the Committee discussed with the independent registered public accounting firm's independence from AptarGroup and its management, and the independent registered public accounting firm provided the Committee the written disclosures and letter required by the Independence Standards Board Standard No. 1 (Independence Discussions with Audit Committees). In considering the independence of AptarGroup's independent registered public accounting firm, the Committee took into consideration the amount and nature of the fees paid to this firm for non-audit services as described under Proposal 6 Ratification of the Appointment of the Independent Registered Public Accounting Firm .

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Based on the review and discussions referred to above, the Committee recommended to the Board of Directors, and the Board has approved, that the audited consolidated financial statements be included in AptarGroup's Annual Report on Form 10-K for the year ended December 31, 2007, for filing with the Securities and Exchange Commission.

Audit Committee

Leo A. Guthart (Chair)

Stefan A. Baustert

Rodney L. Goldstein

Ralph Gruska

OTHER MATTERS

Proxy Solicitation

AptarGroup will pay the cost of soliciting proxies for the annual meeting. AptarGroup has engaged Georgeson Inc., a proxy solicitor, in connection with the 2008 annual meeting and expects to pay approximately \$15,000 for these services. AptarGroup also reimburses banks, brokerage firms and other institutions, nominees, custodians and fiduciaries for their reasonable expenses for sending proxy materials to beneficial owners and obtaining their voting instructions. Certain directors, officers and employees of AptarGroup and its subsidiaries may solicit proxies personally or by telephone, facsimile or electronic means without additional compensation.

Annual Report/Form 10-K

AptarGroup's Annual Report/Form 10-K for the year ended December 31, 2007 is being distributed with this proxy statement. Stockholders can refer to the report for financial and other information about AptarGroup, but such report is not incorporated in this proxy statement and is not deemed a part of the proxy soliciting material.

Stockholder Proposals

In order to be considered for inclusion in AptarGroup's proxy materials for the 2009 annual meeting of stockholders, and in order for any stockholder to recommend a candidate for director to be considered by the Corporate Governance Committee, the proposal or candidate recommendation must be received at AptarGroup's principal executive offices at 475 West Terra Cotta Avenue, Suite E, Crystal Lake, Illinois 60014 by November 20, 2008. In addition, AptarGroup's Bylaws establish an advance notice procedure for stockholder proposals to be brought before any meeting of stockholders, including proposed nominations of persons for election to the Board. Any stockholder who seeks to recommend a director for consideration by the Corporate Governance Committee must include with such recommendation any information that would be required by the Company's Bylaws if the stockholder were making the nomination directly.

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Stockholders at the 2008 annual meeting may consider stockholder proposals or nominations brought by a stockholder of record on March 6, 2008, who is entitled to vote at the annual meeting and who has given AptarGroup's Secretary timely written notice, in proper form, of the stockholder's proposal or nomination. A stockholder proposal or nomination intended to be brought before the 2008 annual meeting must have been received by the Secretary on or after January 31, 2008 and on or prior to March 1, 2008. The 2009 annual meeting is expected to be held on April 29, 2009. A stockholder proposal or nomination intended to be brought before the 2009 annual meeting must be received by the Secretary on or after January 29, 2009 and on or prior to February 28, 2009. A stockholder proposal or nomination must include the information requirements set forth in AptarGroup's Bylaws.

By Order of the Board of Directors,

Stephen J. Hagge
Secretary

Crystal Lake, Illinois
March 21, 2008

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APPENDIX A

APTARGROUP, INC.

ANNUAL BONUS PLAN

**I.
Purposes**

The purposes of the AptarGroup, Inc. Annual Bonus Plan are to retain and motivate the officers and other employees of AptarGroup, Inc. and its subsidiaries who have been designated by the Committee to participate in the Plan for a specified Performance Period by providing them with the opportunity to earn incentive payments based upon the extent to which specified performance goals have been achieved or exceeded for the Performance Period. It is intended that all amounts payable to Participants who are covered employees within the meaning of Section 162(m) of the Code will constitute qualified performance-based compensation within the meaning of U.S. Treasury regulations promulgated thereunder, and the Plan and the terms of any awards hereunder shall be so interpreted and construed to the maximum extent possible.

**II.
Certain Definitions**

Annual Base Salary shall mean for any Participant an amount equal to the rate of annual base salary in effect or approved by the Committee or other authorized person at the time or immediately before performance goals are established for a Performance Period, including any base salary that otherwise would be payable to the Participant during the Performance Period but for his or her election to defer receipt thereof.

Applicable Period shall mean, with respect to any Performance Period, a period commencing on or before the first day of the Performance Period and ending not later than the earlier of (a) 90 days after the commencement of the Performance Period and (b) the date on which twenty-five percent (25%) of the Performance Period has been completed. Any action required to be taken within an Applicable Period may be taken at a later date if permissible under Section 162(m) of the Code or regulations promulgated thereunder, as they may be amended from time to time.

Board shall mean the Board of Directors of the Company.

Code shall mean the Internal Revenue Code of 1986, as amended.

Committee shall mean the Compensation Committee of the Board or such other committee designated by the Board that satisfies any then applicable requirements of the principal national stock exchange on which the Common Stock is then traded to constitute a compensation committee, and which consists of three or more members of the Board, each of whom may be an outside director within the meaning of Section 162(m) of the Code.

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Common Stock shall mean Common Stock, par value \$.01 per share, of the Company.

Company shall mean AptarGroup, Inc., a Delaware corporation and any successor thereto.

Individual Award Opportunity shall mean the potential of a Participant to receive an incentive payment if the performance goals for a Performance Period shall have been satisfied. An Individual Award Opportunity may be expressed in U.S. dollars, in Restricted Stock Units or pursuant to a formula that is consistent with the provisions of the Plan.

Participant shall mean an officer or other employee of the Company or any of its subsidiaries who is designated by the Company to participate in the Plan for a Performance Period, in accordance with Article III.

Performance Period shall mean any period commencing on or after January 1, 2008 for which performance goals are established pursuant to Article IV. A Performance Period may be coincident with one or more fiscal years of the Company or a portion of any fiscal year of the Company.

Plan shall mean the AptarGroup, Inc. Annual Bonus Plan as set forth herein, as it may be amended from time to time.

Restricted Stock Unit shall mean a right that entitles the holder thereof to receive, upon vesting, one share of Common Stock on the date of vesting and that is available for grant in accordance with the terms of a stock plan of the Company, the eligible participants in which include Participants.

**III.
Administration**

3.1. General. The Plan shall be administered by the Committee, which shall have the full power and authority to interpret, construe and administer the Plan and any Individual Award Opportunity granted hereunder (including reconciling any inconsistencies, correcting any defaults and addressing any omissions). The Committee's interpretation, construction and administration of the Plan and all its determinations hereunder shall be final, conclusive and binding on all persons for all purposes.

3.2. Powers and Responsibilities. The Committee shall have the following discretionary powers, rights and responsibilities in addition to those described in Section 3.1.

- (a) to designate within the Applicable Period the Participants for a Performance Period;
- (b) to establish within the Applicable Period the performance goals and other terms and conditions that are to apply to each Participant's Individual Award Opportunity, including the extent to which any incentive payment shall be made to a Participant in the event of (i) the Participant's termination of employment with or service to the Company due to disability, retirement, death or any other reason or (ii) a change in control of the Company;

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- (c) to determine in writing prior to the payment with respect to any Individual Award Opportunity that the performance goals for a Performance Period and other material terms applicable to the Individual Award Opportunity have been satisfied;
- (d) to determine whether, and under what circumstances and subject to what terms, an Individual Award Opportunity is to be paid in cash or in Restricted Stock Units, or partly in cash and partly in Restricted Stock Units;
- (e) to determine whether, and under what circumstances and subject to what terms, an Individual Award Opportunity is to be paid on a deferred basis, including whether such a deferred payment shall be made solely at the Committee's discretion or whether a Participant may elect deferred payment; and
- (f) to adopt, revise, suspend, waive or repeal, when and as appropriate, in its sole and absolute discretion, such administrative rules, guidelines and procedures for the Plan as it deems necessary or advisable to implement the terms and conditions of the Plan.

3.3. *Delegation of Power.* The Committee may delegate some or all of its power and authority hereunder to the Chief Executive Officer or other executive officer of the Company as the Committee deems appropriate; provided, however, that with respect to any person who is a covered employee within the meaning of Section 162(m) of the Code or who, in the Committee's judgment, is likely to be a covered employee at any time during the applicable Performance Period, only the Committee shall be permitted to (a) designate such person to participate in the Plan for such Performance Period, (b) establish performance goals and Individual Award Opportunities for such person, and (c) certify the achievement of such performance goals.

**IV.
Performance Goals**

4.1. *Establishing Performance Goals.* The Committee shall establish within the Applicable Period of each Performance Period one or more objective performance goals for each Participant or for any group of Participants (or both), provided that the outcome of each goal is substantially uncertain at the time the Committee establishes such goal. Performance goals shall be based exclusively on one or more of the following objective corporate-wide or subsidiary, division, operating unit or individual measures: earnings per share; earnings before interest and taxes (EBIT); earnings before interest, taxes, depreciation and amortization (EBITDA); financial return ratios, consisting of return on equity; return on assets and return on invested capital; the ratio of EBIT to capital; the ratio of EBITDA to capital; net income; operating income; revenues; profit margin; cash flow(s); expense reduction; working capital ratios; successful implementation of strategic initiatives; and successful integration of acquisitions. Each such goal may be expressed on an absolute or relative basis and may include comparisons based on current internal targets, the past performance of the Company (including the performance of one or more subsidiaries, divisions, or operating units) or the past or current performance of other companies (or a combination of such past and current performance). In the case of earnings-based measures, in addition to the ratios specifically enumerated above, performance goals may include comparisons relating to capital

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(including, but not limited to, the cost of capital), shareholders' equity, shares outstanding, assets or net assets, or any combination thereof. With respect to Participants who are not covered employees within the meaning of Section 162(m) of the Code and who, in the Committee's judgment, are not likely to be a covered employees at any time during the applicable Performance Period, the performance goals established for the Performance Period may consist of any objective corporate-wide or subsidiary, division, operating unit or individual measures, whether or not listed herein. Performance goals shall be subject to such other special rules and conditions as the Committee may establish at any time within the Applicable Period.

4.2. *Impact of Extraordinary Items or Changes in Accounting.* The measures utilized in establishing performance goals under the Plan for any given Performance Period shall be determined in accordance with generally accepted accounting principles (GAAP) and in a manner consistent with the methods used in the Company's audited consolidated financial statements, to the extent applicable, without regard to (a) extraordinary or other nonrecurring or unusual items, as determined by the Company's independent public accountants in accordance with GAAP, (b) changes in accounting, as determined by the Company's independent public accountants in accordance with GAAP, or (c) special charges, such as restructuring or impairment charges, unless, in each case, the Committee decides otherwise within the Applicable Period or as otherwise required under Section 162(m) of the Code.

V.

Individual Award Opportunities

5.1. *Terms.* At the time performance goals are established for a Performance Period, the Committee also shall establish an Individual Award Opportunity for each Participant or group of Participants, which shall be based on the achievement of one or more specified targets of performance goals. The targets shall be expressed in terms of an objective formula or standard which may be based upon the Participant's Annual Base Salary or a multiple thereof. In all cases the Committee shall have the sole and absolute discretion to reduce the amount of any payment with respect to any Individual Award Opportunity that would otherwise be made to any Participant or to decide that no payment shall be made. No Participant shall receive a payment, whether in cash or in Restricted Stock Units, under the Plan with respect to any Performance Period having a value in excess of \$2,000,000, which maximum amount shall be prorated with respect to Performance Periods that are less than one year in duration.

5.2. *Payments.* Payments with respect to Individual Award Opportunities shall be made in cash or in Restricted Stock Units, or partly in cash and partly in Restricted Stock Units, and shall be made at the time determined by the Committee after the end of the Performance Period for which the awards are payable, provided that (a) no such payment shall be made unless and until the Committee has certified in writing the extent to which the applicable performance goals for such Performance Period have been satisfied and (b) no such payment shall be made later than March 15 of the year immediately following the last day of the applicable Performance Period.

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**VI.
General**

6.1. Effective Date and Term of Plan. The Plan shall be submitted to the stockholders of the Company for approval at the 2008 annual meeting of stockholders and, if approved by the affirmative vote of a majority of the shares of Common Stock present in person or represented by proxy at such meeting, shall become effective for Performance Periods beginning on and after January 1, 2008. The Plan shall terminate as of December 31, 2012, unless terminated earlier by the Board. In the event that the Plan is not approved by the stockholders of the Company, the Plan shall be null and void with respect to Participants who are covered employees within the meaning of Section 162(m) of the Code.

6.2. Amendments. The Board may amend the Plan as it shall deem advisable, subject to any requirement of stockholder approval required by applicable law, rule or regulation, including Section 162(m) of the Code.

6.3. Non-Transferability of Awards. No award under the Plan shall be transferable other than by will, the laws of descent and distribution or pursuant to beneficiary designation procedures approved by the Company. Except to the extent permitted by the foregoing sentence, no award may be sold, transferred, assigned, pledged, hypothecated, encumbered or otherwise disposed of (whether by operation of law or otherwise) or be subject to execution, attachment or similar process. Upon any attempt to sell, transfer, assign, pledge, hypothecate, encumber or otherwise dispose of any such award, such award and all rights thereunder shall immediately become null and void.

6.4. Tax Withholding. The Company shall have the right to require, prior to the payment of any amount pursuant to an award made hereunder, payment by the Participant of any Federal, state, local or other taxes which may be required to be withheld or paid in connection with such award.

6.5. No Right of Participation or Employment. No person shall have any right to participate in the Plan. Neither the Plan nor any award made hereunder shall confer upon any person any right to continued employment by the Company or any subsidiary or affiliate of the Company or affect in any manner the right of the Company or any subsidiary or affiliate of the Company to terminate the employment of any person at any time without liability hereunder.

6.6. Designation of Beneficiary. If permitted by the Company, a Participant may file with the Committee a written designation of one or more persons as such Participant's beneficiary or beneficiaries (both primary and contingent) in the event of the Participant's death.

Each beneficiary designation shall become effective only when filed in writing with the Committee during the Participant's lifetime on a form prescribed by the Committee. The spouse of a married Participant domiciled in a community property jurisdiction shall join in any designation of a beneficiary other than such spouse. The filing with the Committee of a new beneficiary designation shall cancel all previously filed beneficiary designations.

If a Participant fails to designate a beneficiary, or if all designated beneficiaries of a Participant predecease the Participant, then each outstanding award shall be payable to the Participant's executor, administrator, legal representative or similar person.

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6.7. *Governing Law.* The Plan and each award hereunder, and all determinations made and actions taken pursuant thereto, to the extent not otherwise governed by the Code or the laws of the United States, shall be governed by the laws of the State of Delaware and construed in accordance therewith without giving effect to principles of conflicts of laws.

6.8. *Other Plans.* Payments pursuant to the Plan shall not be treated as compensation for purposes of any other compensation or benefit plan, program or arrangement of the Company or any of its subsidiaries, unless either (a) such other plan provides that compensation such as payments made pursuant to the Plan are to be considered as compensation thereunder or (b) the Board or the Committee so determines in writing. Neither the adoption of the Plan nor the submission of the Plan to the Company's stockholders for their approval shall be construed as limiting the power of the Board or the Committee to adopt such other incentive arrangements as it may otherwise deem appropriate.

6.9. *Binding Effect.* The Plan shall be binding upon the Company and its successors and assigns and the Participants and their beneficiaries, personal representatives and heirs. If the Company becomes a party to any merger, consolidation or reorganization, then the Plan shall remain in full force and effect as an obligation of the Company or its successors in interest, unless the Plan is amended or terminated pursuant to Section 6.2.

As adopted by the Board of Directors on February 28, 2008.

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APPENDIX B

APTARGROUP, INC.

2008 STOCK OPTION PLAN

1. *Purpose.* The purpose of the AptarGroup, Inc. 2008 Stock Option Plan (the Plan) is to promote the long-term financial interests of the Company and its Affiliates by (a) attracting and retaining personnel, (b) motivating personnel by means of growth-related incentives, (c) providing incentive compensation opportunities that are competitive with those of other major corporations and (d) furthering the identity of interests of participants with those of the stockholders of the Company.

2. *Definitions.* The following definitions are applicable to the Plan:

- (a) Affiliate means (i) any subsidiary and (ii) any other entity in which the Company has a direct or indirect equity interest which is designated an Affiliate by the Committee.
- (b) Board of Directors means the Board of Directors of the Company.
- (c) Code means the Internal Revenue Code of 1986, as amended.
- (d) Committee means the Compensation Committee or other committee of the Board of Directors which, pursuant to Section 3, has authority to administer the Plan.
- (e) Common Stock means Common Stock, par value \$.01 per share, of the Company.
- (f) Company means AptarGroup, Inc., a Delaware corporation, and its successors.
- (g) eligible employee means any employee of the Company or an Affiliate.
- (h) Exchange Act means the Securities Exchange Act of 1934, as amended.
- (i) Market Value on any date means the closing price of Common Stock on the New York Stock Exchange on that date (or, if such date is not a trading date, on the next preceding date which was a trading date).
- (j) participant means any employee of the Company or an Affiliate who has been granted an award pursuant to the Plan.
- (k) Rule 16b-3 means such rule adopted under the Securities Exchange Act of 1934, as amended, or any successor rule.
- (l) subsidiary means any corporation fifty percent or more of the voting stock of which is owned, directly or indirectly, by the Company.

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(m) *whole Board of Directors* means the total number of directors which the Company would have on the Board of Directors if there were no vacancies.

3. *Administration.* The Plan shall be administered by the Compensation Committee of the Board of Directors or, if directors constituting not less than seventy percent (70%) of the whole Board of Directors so determine, by another committee consisting of not less than two (2) members of the Board of Directors. A majority of the Committee shall constitute a quorum and the acts of a majority of the members present at any meeting at which a quorum is present, or actions approved in writing by all members of the Committee, shall constitute the acts of the Committee.

Subject to the limitations of the Plan, the Committee shall have full authority and discretion: (1) to select participants, (2) to make grants of stock options in such forms and amounts as it shall determine, (3) to impose such limitations, restrictions and conditions upon such options as it shall deem appropriate, (4) to approve the forms to carry out the purposes and provisions of the Plan, (5) to interpret the Plan and to adopt, amend and rescind administrative guidelines and other rules and regulations relating to the Plan, (6) to correct any defect or omission or to reconcile any inconsistency in the Plan or in any option granted hereunder and (7) to make all other determinations and to take all other actions necessary or advisable for the implementation and administration of the Plan. Notwithstanding the foregoing, except for any adjustment pursuant to Section 6(b), the Committee shall not have authority to reprice any stock option granted hereunder.

The Committee's determinations on matters within its authority shall be final, binding and conclusive. The Committee may, to the extent that any such action will not prevent an option from complying with Rule 16b-3, delegate any of its authority hereunder to such persons as it deems appropriate.

4. *Shares Subject to Plan.* Subject to adjustment as provided in Section 6(b), 3,800,000 shares of Common Stock shall be available for the grant of stock options under the Plan, reduced by the sum of the aggregate number of shares of Common Stock which become subject to outstanding options. To the extent that shares of Common Stock subject to an outstanding option are not issued or delivered by reason of the expiration, termination, cancellation or forfeiture of such option, then such shares of Common Stock shall again be available under the Plan. Shares of Common Stock available under the Plan may be treasury shares reacquired by the Company or authorized and unissued shares, or a combination of both.

To the extent required by Section 162(m) of the Code and the rules and regulations thereunder, the maximum number of shares of Common Stock with respect to which options may be granted during any calendar year to any person shall be 500,000, subject to adjustment as provided in Section 6(b).

5. *Awards.* The Committee may grant stock options to eligible employees in accordance with this Section 4 and the other provisions of the Plan.

(a) Options granted under the Plan may be incentive stock options (ISOs) within the meaning of Section 422 of the Code or any successor provision, or in such other form consistent with the Plan, as the Committee may determine; except that, so long as so provided in such Section 422, no ISO may be granted under the Plan to any employee of an Affiliate which is not a subsidiary corporation (as such term is used in subsection (b) of Section 422 of the Code) of the Company.

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(b) The option price per share of Common Stock shall be fixed by the Committee at not less than 100% of Market Value on the date of grant, but in no event shall the option price be less than the par value per share.

(c) Each option shall be exercisable at such time or times as the Committee shall determine at or subsequent to grant, provided that no option shall be exercised later than 10 years after its date of grant.

(d) An option may be exercised (1) by giving written notice to the Company specifying the number of whole shares of Common Stock to be purchased and accompanied by payment therefor in full (or arrangement made for such payment to the Company's satisfaction) either (A) in cash, (B) in cash delivered by a broker-dealer acceptable to the Company to whom the optionee has submitted an irrevocable notice of exercise, (C) by delivery of previously owned whole shares of Common Stock (for which the optionee has good title, free and clear of all liens and encumbrances) having a Market Value, determined as of the date of exercise, equal to the aggregate purchase price payable by reason of such exercise, or (D) a combination of (A) and (C), in each case to the extent set forth in the agreement relating to the option and (2) by executing such documents as the Company may reasonably request. The Committee shall have sole discretion to disapprove of an election pursuant to clauses (B), (C) or (D), except that the Committee may not disapprove of an election made by a participant subject to Section 16 of the Exchange Act. No certificate representing Common Stock shall be delivered until the full purchase price therefor has been paid (or arrangement made for such payment to the Company's satisfaction).

6. Miscellaneous Provisions.

(a) *Nontransferability.* No option shall be transferable other than (i) by will or the laws of descent and distribution or pursuant to beneficiary designation procedures approved by the Company or (ii) as otherwise permitted as set forth in the agreement relating to such option. Except to the extent permitted by the foregoing sentence, each option may be exercised during the participant's lifetime only by the participant or the participant's legal representative or similar person. Except as permitted by the second preceding sentence, no option shall be sold, transferred, assigned, pledged, hypothecated, encumbered or otherwise disposed of (whether by operation of law or otherwise) or be subject to execution, attachment or similar process. Upon any attempt to so sell, transfer, assign, pledge, hypothecate, encumber or otherwise dispose of any option, such option and all rights thereunder shall immediately become null and void.

(b) *Adjustments.* In the event of any stock split, stock dividend, recapitalization, reorganization, merger, consolidation, combination, exchange of shares, liquidation, spin-off or other similar change in capitalization or event, or any distribution to holders of Common Stock other than a cash dividend, the number and class of securities available under the Plan, the maximum number of shares available for grants of options to any person, the number and class of securities subject to each outstanding option and the purchase price per security shall be appropriately adjusted by the Committee, such adjustments to be made in the case of outstanding options without an increase in the aggregate purchase price; provided, however, that in the event of a cash dividend, other than a regular cash dividend, the Committee shall have the discretion to make any or all of the foregoing adjustments. The decision of the Committee regarding any such adjustment shall be final, binding and conclusive. If any such adjustment would result in a fractional security being (i) available under the Plan, such fractional security shall be disregarded, or (ii) subject to an option, the Company shall pay the holder of such option, in connection with the first

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exercise of such option in whole or in part after such adjustment, an amount in cash determined by multiplying (1) the fraction of such security (rounded to the nearest hundredth) by (2) the excess, if any, of (A) the Market Value on the exercise date over (B) the exercise price of such option.

(c) *Tax Withholding.* The Company shall have the right to require, prior to the issuance or delivery of any shares of Common Stock upon the exercise of an option, payment by the holder of such option of any Federal, state, local or other taxes which may be required to be withheld or paid in connection with the exercise of such option. An agreement relating to an option may provide that (1) the Company shall withhold cash or whole shares of Common Stock which would otherwise be delivered upon exercise of the option having, in the case of Common Stock, an aggregate Market Value determined as of the date the obligation to withhold or pay taxes arises in connection with the exercise of such option (the Tax Date) in the amount necessary to satisfy any such obligation or (2) the holder of the option may satisfy any such obligation by any of the following means: (A) a cash payment to the Company, (B) a cash payment by a broker-dealer acceptable to the Company to whom the optionee has submitted an irrevocable notice of exercise, (C) delivery to the Company of previously owned whole shares of Common Stock (for which the holder has good title, free and clear of all liens and encumbrances) having an aggregate Market Value determined as of the Tax Date, equal to the amount necessary to satisfy any such obligation, (D) authorizing the Company to withhold whole shares of Common Stock which would otherwise be delivered upon exercise of the option having an aggregate Market Value determined as of the Tax Date, equal to the amount necessary to satisfy any such obligation, (E) any combination of (A) and (C), in each case to the extent set forth in the agreement relating to the option; provided, however, that the Committee shall have sole discretion to disapprove of an election pursuant to clauses (B) through (E), except that the Committee may not disapprove of an election made by a participant subject to Section 16 of the Exchange Act. Shares of Common Stock to be delivered or withheld may not have an aggregate Market Value in excess of the minimum amount required to be withheld. Any fraction of a share of Common Stock which would be required to satisfy such an obligation shall be disregarded and the remaining amount due shall be paid in cash by the holder.

(d) *Listing and Legal Compliance.* The Committee may suspend the exercise or payment of any award if it determines that securities exchange listing or registration or qualification under any securities laws is required in connection therewith and has not been completed on terms acceptable to the Committee.

(e) *Beneficiary Designation.* To the extent permitted by the Company, participants may name, from time to time, beneficiaries (who may be named contingently or successively) to whom benefits under the Plan are to be paid in the event of their death before they receive any or all of such benefits. Each designation will revoke all prior designations by the same participant, shall be in a form prescribed by the Company, and will be effective only when filed by the participant in writing with the Company during the participant's lifetime. In the absence of any such designation, benefits remaining unpaid at a participant's death shall be paid to the participant's estate.

(f) *Rights of Participants.* Nothing in the Plan shall interfere with or limit in any way the right of the Company or any Affiliate to terminate any participant's employment at any time, nor confer upon any participant any right to continue in the employ of the Company or any Affiliate for any period of time or to continue his or her present or any other rate of compensation. No employee shall have a right to be selected as a participant, or, having been so selected, to be selected again as a participant.

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(g) *Amendment.* The Board of Directors, through a resolution adopted by directors constituting at least seventy percent (70%) of the whole Board of Directors, may amend the Plan as it shall deem advisable, subject to any requirement of stockholder approval required by applicable law, rule or regulation, including Section 162(m) of the Code. No amendment may impair the rights of a holder of an outstanding option without the consent of such holder.

7. *Effective Date and Term of Plan.* The Plan shall be submitted to the stockholders of the Company for approval and, if approved by the affirmative vote of a majority of the shares of Common Stock present in person or represented by proxy at a meeting of stockholders, shall become effective on the date of such approval. In the event that the Plan is not approved by the stockholders of the Company, the Plan and any outstanding options shall be null and void. The Plan shall terminate ten years after its effective date, unless terminated earlier by the Board of Directors through a resolution adopted by directors constituting at least seventy percent (70%) of the whole Board of Directors. Termination of the Plan shall not affect the terms or conditions of any award granted prior to termination.

As adopted by the Board of Directors on February 28, 2008.

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APPENDIX C

APTARGROUP, INC.

2008 DIRECTOR STOCK OPTION PLAN

1. *Purpose of Plan.* The purpose of this Plan (the Plan) is to promote the long-term financial interests of the Company and its Affiliates by:

- (a) providing an incentive for all Eligible Directors to maximize the long-term value of the Company's Common Stock and otherwise act in the best interest of the Company's stockholders;
- (b) providing Eligible Directors with the opportunity to acquire a greater stake in the future of the Company and its Affiliates through stock ownership; and
- (c) attracting and retaining highly qualified directors who will contribute in exceptional ways to the long-term financial success of the Company and its Affiliates.

2. *Definitions.* The following words and phrases have the respective meanings indicated below unless a different meaning is plainly implied by the context.

- (a) Affiliate means (a) any subsidiary and (b) any other entity in which the Company has a direct or indirect equity interest which is designated an Affiliate by the Committee.
- (b) Board of Directors means the Board of Directors of the Company.
- (c) Code means the Internal Revenue Code of 1986, as amended.
- (d) Committee means the Compensation Committee or other committee of the Board of Directors which, pursuant to Section 3, has authority to administer the Plan.
- (e) Common Stock means Common Stock, par value \$.01 per share, of the Company.
- (f) Company means AptarGroup, Inc., a Delaware corporation, and its successors.
- (g) Eligible Director means any member of the Board of Directors who is not an employee of the Company or any of its Affiliates.
- (h) Market Value on any date means the closing price of Common Stock on the New York Stock Exchange on that date (or, if such date is not a trading date, on the next preceding date which was a trading date).
- (i) option means a right awarded to a participant pursuant to the Plan to purchase a designated number of shares of Common Stock at a stated price for a stated period of time. Options are not intended to qualify as incentive stock options under Code Section 422.

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- (j) option agreement means an agreement between the Company and an Eligible Director relating to an option.
- (k) participant means an Eligible Director who has been awarded an option.
- (l) Plan means the plan set forth in this 2008 Director Stock Option Plan, as it may be amended from time to time.
- (m) subsidiary means any corporation fifty percent or more of the voting stock of which is owned, directly or indirectly, by the Company.
- (n) whole Board of Directors means the total number of directors which the Company would have on the Board of Directors if there were no vacancies.

3. Administration of Plan.

(a) The Plan shall be administered by the Compensation Committee of the Board of Directors or, if directors constituting not less than seventy percent (70%) of the whole Board of Directors so determine, by another committee consisting of not less than two (2) members of the Board of Directors. A majority of the Committee shall constitute a quorum and the acts of a majority of the members present at any meeting at which a quorum is present, or actions approved in writing by all members of the Committee, shall constitute the acts of the Committee.

(b) The Committee shall have full authority and discretion to adopt rules and regulations and prescribe or approve the forms to carry out the purposes and provisions of the Plan. The Committee's interpretation and construction of any provision of the Plan or any option shall be final, binding and conclusive. Notwithstanding the foregoing, except for any adjustment pursuant to Section 6(b), the Committee shall not have authority to reprice any option granted hereunder.

4. Shares Subject to Plan. Subject to adjustment as provided in Section 6(b), 500,000 shares of Common Stock shall be available for grants of options under the Plan, reduced by the sum of the aggregate number of shares of Common Stock which become subject to outstanding options. To the extent that shares of Common Stock subject to an outstanding option are not issued or delivered by reason of the expiration, termination, cancellation or forfeiture of such option, then such shares of Common Stock shall again be available under the Plan. Shares of Common Stock available under the Plan may be treasury shares reacquired by the Company or authorized and unissued shares, or a combination of both.

5. Awards. The Committee may grant options to Eligible Directors in accordance with this Section 5 and the other provisions of the Plan.

(a) The option price per share of Common Stock shall be fixed by the Committee at not less than 100% of Market Value on the date of grant, but in no event shall the option price be less than the par value per share.

(b) Each option shall be exercisable at such time or times as the Committee shall determine at or subsequent to grant, provided that no option shall be exercised later than 10 years after its date of grant.

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(c) An option may be exercised (i) by giving written notice to the Company specifying the number of whole shares of Common Stock to be purchased and accompanied by payment therefor in full (or arrangement made for such payment to the Company's satisfaction) either (A) in cash, (B) in cash delivered by a broker-dealer acceptable to the Company to whom the optionee has submitted an irrevocable notice of exercise, (C) by delivery of previously owned whole shares of Common Stock (which the optionee has held for at least six months prior to the delivery of such shares or which the optionee purchased on the open market and for which the optionee has good title, free and clear of all liens and encumbrances) having a Market Value, determined as of the date of exercise, equal to the aggregate purchase price payable by reason of such exercise, or (D) a combination of (A) and (C), in each case to the extent set forth in the agreement relating to the option and (ii) by executing such documents as the Company may reasonably request. No certificate representing Common Stock shall be delivered until the full purchase price therefor has been paid (or arrangement made for such payment to the Company's satisfaction).

6. Miscellaneous Provisions

(a) Nontransferability of Options. No option shall be transferable other than (a) by will or the laws of descent and distribution or pursuant to beneficiary designation procedures approved by the Company or (b) as otherwise permitted as set forth in the agreement relating to such option. Except to the extent permitted by the foregoing sentence, each option may be exercised during the participant's lifetime only by the participant or the participant's legal representative or similar person. Except as permitted by the second preceding sentence, no option shall be sold, transferred, assigned, pledged, hypothecated, encumbered or otherwise disposed of (whether by operation of law or otherwise) or be subject to execution, attachment or similar process. Upon any attempt to so sell, transfer, assign, pledge, hypothecate, encumber or otherwise dispose of any option, such option and all rights thereunder shall immediately become null and void.

(b) Adjustments. In the event of any stock split, stock dividend, recapitalization, reorganization, merger, consolidation, combination, exchange of shares, liquidation, spin-off or other similar change in capitalization or event, or any distribution to holders of Common Stock other than a cash dividend, the number and class of securities available under the Plan, the number and class of securities subject to each outstanding option, the purchase price per security, and the number of securities subject to each option to be granted to Non-Employee Directors shall be appropriately adjusted by the Committee, such adjustments to be made in the case of outstanding options without an increase in the aggregate purchase price. The decision of the Committee regarding any such adjustment shall be final, binding and conclusive. If any adjustment would result in a fractional security being (a) available under the Plan, such fractional security shall be disregarded, or (b) subject to an option under the Plan, the Company shall pay the participant, in connection with the first exercise of the option in whole or in part after such adjustment, an amount in cash determined by multiplying (1) the fraction of such security (rounded to the nearest hundredth) by (2) the excess, if any, of (a) the Market Value on the exercise date over (b) the exercise price of the option.

(c) Listing and Legal Compliance. The Committee may suspend the exercise or payment of any award if it determines that securities exchange listing or registration or qualification under any securities laws is required in connection therewith and has not been completed on terms acceptable to the Committee.

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(d) *Beneficiary Designation.* To the extent permitted by the Company, participants may name, from time to time, beneficiaries (who may be named contingently or successively) to whom benefits under the Plan are to be paid in the event of their death before they receive any or all of such benefits. Each designation will revoke all prior designations by the same participant, shall be in a form prescribed by the Company, and will be effective only when filed by the participant in writing with the Company during the participant's lifetime. In the absence of any such designation, benefits remaining unpaid at a participant's death shall be paid to the participant's estate.

(e) *Amendment.* The Board of Directors, through a resolution adopted by directors constituting at least seventy percent (70%) of the whole Board of Directors, may amend the Plan as it shall deem advisable, subject to any requirement of stockholder approval required by applicable law, rule or regulation. No amendment may impair the rights of a holder of an outstanding option without the consent of such holder.

7. *Effective Date and Term of Plan.* The Plan shall be submitted to the stockholders of the Company for approval and, if approved by the affirmative vote of a majority of the shares of Common Stock present in person or represented by proxy at a meeting of stockholders, shall become effective on the date of such approval. In the event that the Plan is not approved by the stockholders of the Company, the Plan and any outstanding options shall be null and void. The Plan shall terminate ten years after its effective date, unless terminated earlier by the Board of Directors through a resolution adopted by directors constituting at least seventy percent (70%) of the whole Board of Directors. Termination of the Plan shall not affect the terms or conditions of any option granted prior to termination.

As adopted by the Board of Directors on January 17, 2008.

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APPENDIX D

APTARGROUP, INC.

AMENDMENT OF CERTIFICATE OF INCORPORATION

The Board has unanimously approved and recommended to stockholders an amendment (the *Proposed Amendment*) to the Company's Certificate of Incorporation (*Certificate*) which would amend the first sentence of Section 4.1 of Article FOUR to read as follows:

4.1 Capital Stock. The total number of shares of stock which the Corporation has authority to issue is ~~100,000,000~~200,000,000 shares, consisting of 1,000,000 shares of Preferred Stock, par value \$.01 per share, and ~~99,000,000~~199,000,000 shares of Common Stock, par value \$.01 per share.

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VOTE BY INTERNET www.proxyvote.com *** AptarGroup encourages you to vote by Internet in order to reduce costs. *** Use the Internet to vote and to request electronic delivery 475 WEST TERRA COTTA AVENUE (e-mail) of information up until 11:59 P.M. Eastern Time the day STE E before the cut-off date or meeting date. Have your proxy card in hand when you access the web site and follow the instructions to CRYSTAL LAKE, IL 60014 enter your vote. ELECTRONIC DELIVERY OF FUTURE STOCKHOLDER COMMUNICATIONS If you would like to reduce the costs incurred by AptarGroup, Inc. in mailing proxy materials, you can consent to receiving all future proxy statements, proxy cards and annual reports electronically via e-mail or the Internet. To sign up for electronic delivery (e-mail), please follow the instructions above to vote using the Internet and, when prompted, indicate that you agree to receive or access stockholder communications electronically in future years. VOTE BY PHONE 1-800-690-6903 Use any touch-tone telephone to transmit your voting instructions up until 11:59 P.M. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you call and then follow the instructions. VOTE BY MAIL Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to AptarGroup, Inc., c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717. TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS: APTAG1 KEEP THIS PORTION FOR YOUR RECORDS THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED. DETACH AND RETURN THIS PORTION ONLY AptarGroup, Inc. For Withhold For All To withhold authority to vote for any individual All All Except nominee(s), mark For All Except and write the number(s) of the nominee(s) on the line below. 1. Nominees for Election of Directors: 01) King W. Harris 0 0 0 02) Peter H. Pfeiffer 03) Dr. Joanne C. Smith For Against Abstain 2. Approval of Annual Bonus Plan 0 0 0 3. Approval of 2008 Stock Option Plan 0 0 0 4. Approval of 2008 Director Stock Option Plan 0 0 0 5. Approval of an Amendment of the Certificate of Incorporation to increase the number of shares of Common Stock authorized 0 0 0 for issuance 6. Ratification of the appointment of the Independent Registered Public Accounting Firm 0 0 0 IN THEIR DISCRETION UPON SUCH OTHER BUSINESS AS MAY PROPERLY BE BROUGHT BEFORE THIS MEETING. For address changes and/or comments, please check this box and write them on 0 the back where indicated. Signature [PLEASE SIGN WITHIN BOX] Date Signature (Joint Owners) Date

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Important Notice Regarding Internet Availability of Proxy Materials for the Annual Meeting: The Notice and Proxy Statement, Annual Report/Form 10K are available at www.proxyvote.com. AptarGroup, Inc. 475 West Terra Cotta Ave., Suite E Crystal Lake, IL 60014 PROXY SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS Ralph A. Poltermann and Matthew J. DellaMaria, or either of them (each with full power of substitution), are hereby authorized to vote all shares of Common Stock which the undersigned would be entitled to vote if personally present at the annual meeting of stockholders of AptarGroup, Inc., to be held on April 30, 2008, and at any adjournment or postponement thereof. The shares represented by this proxy will be voted as herein directed, but if no direction is given, the shares will be voted FOR ALL Director Nominees and FOR each proposal. This proxy revokes any proxy previously given. Address Changes/Comments: (If you noted any Address Changes/Comments above, please mark corresponding box on the reverse side.)