ENERGEN CORPORATION

ANNUAL REPORT

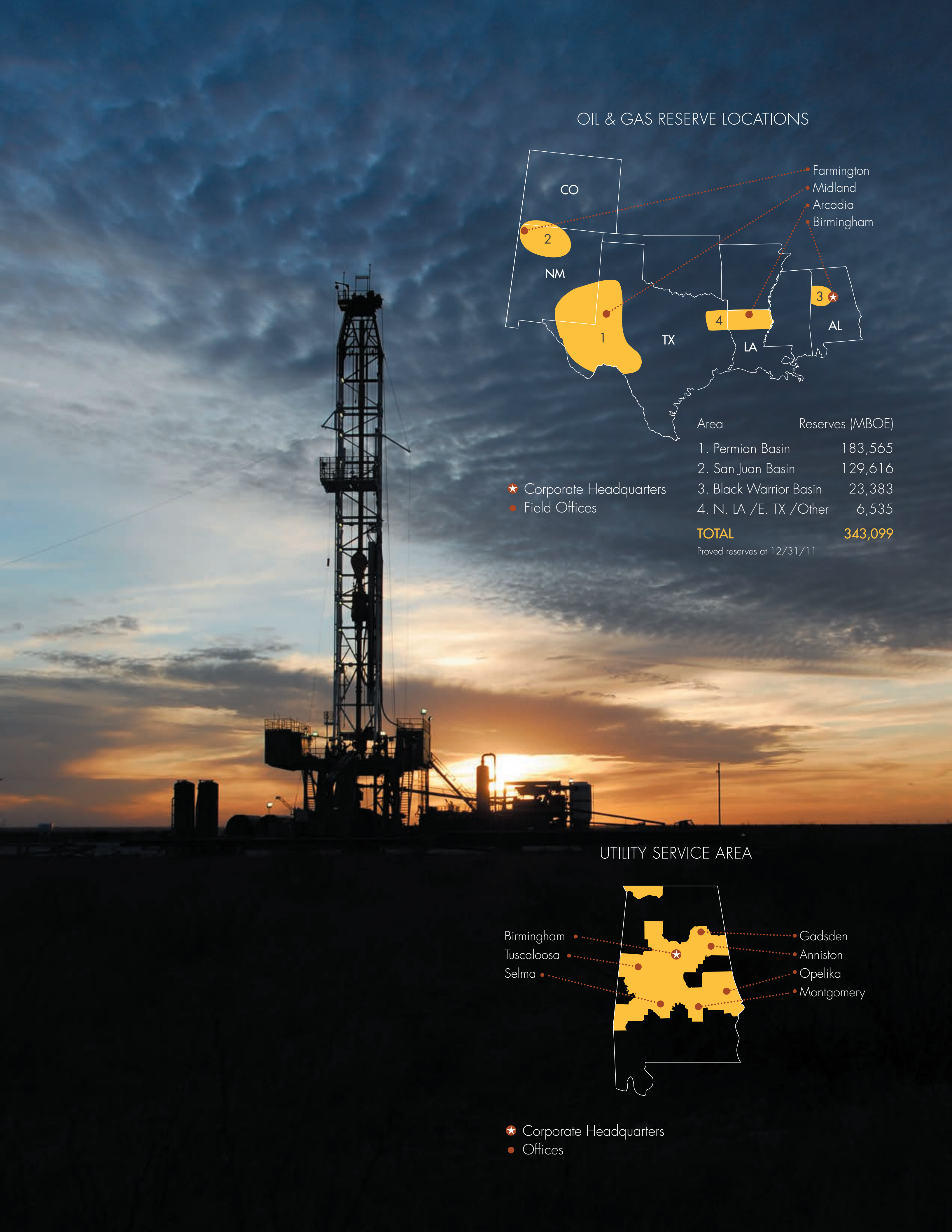
ENERGEN®

2011 SUMMARY & FORM 10-K

CONTENTS

COVER

Energen's record capital investment in 2011 included the drilling of 153 net wells in the vertical Wolfberry play and 23 net wells in the 3rd Bone Spring trend (pictured). All of these wells are in the prolific, oil-rich Permian Basin of west Texas, which is now home to more than half of the company's proved reserves. Energen also added to its Permian Basin presence in 2011 by acquiring some $300 million of proved properties and unproved leasehold.



OIL & GAS RESERVE LOCATIONS

★ Corporate Headquarters
● Field Offices

Area	Reserves (MBOE)
1. Permian Basin	183,565
2. San Juan Basin	129,616
3. Black Warrior Basin	23,383
4. N. LA /E. TX /Other	6,535
TOTAL	343,099

Proved reserves at 12/31/11

UTILITY SERVICE AREA

★ Corporate Headquarters
● Offices

CORPORATE PROFILE

ENERGEN CORPORATION

Headquartered in Birmingham, Alabama, Energen Corporation is a growing oil and gas exploration and production company complemented by its legacy natural gas distribution business. Energen has made significant progress in recent years toward becoming a major, independent producer of domestic oil and natural gas liquids. During 2011 the company focused on exploring and developing its extensive acreage position in the oil-rich Permian Basin of west Texas while adding to that position through acquisition.

ENERGEN RESOURCES CORPORATION

The driver of Energen's long-term growth is its oil and gas exploration and production subsidiary, Energen Resources Corporation, a top 20 independent producer (on the basis of North American proved reserves). Energen Resources' proved reserves at year-end 2011 totaled a record 343 million barrels of oil equivalents (MMBOE); 54 percent are located in the Permian Basin in west Texas and 38 percent in the San Juan Basin in New Mexico and Colorado. Energen Resources produced a record 20.4 MMBOE of oil, gas, and natural gas liquids in 2011 and estimates that 2012 production will rise more than 17 percent to 24 MMBOE.

ALABAMA GAS CORPORATION

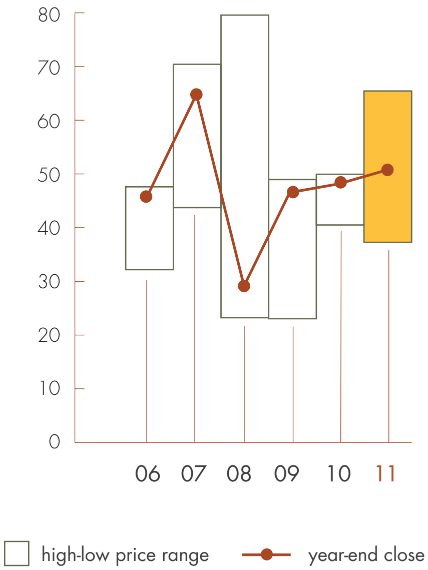
As Energen's regulated subsidiary, Alabama Gas Corporation (Alagasco) provides Energen with the strength and stability of a mature natural gas utility. Alagasco is the largest natural gas distributor in Alabama, providing clean-burning, energy-efficient natural gas to more than 425,000 homes, businesses, and industries.

FINANCIAL HIGHLIGHTS

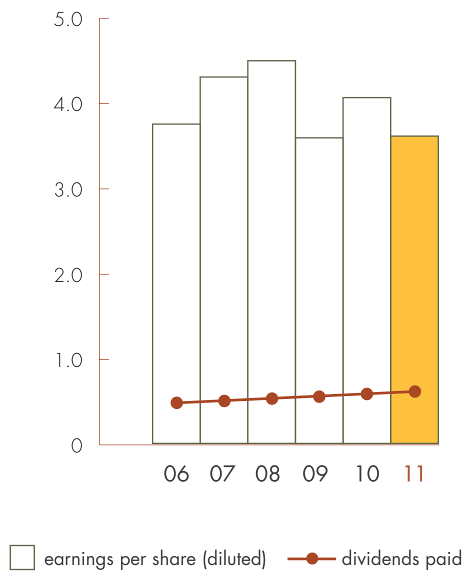
Years ended 12/31

	2011	2010	% change
Financial (dollars in thousands)			
Net income	**$ 259,624**	$ 290,807	(10.7)
Return on average equity (%)	**11.5**	13.6	(15.4)
Revenues	**$ 1,483,479**	$ 1,578,534	(6.0)
Total assets	**$ 5,237,416**	$ 4,363,560	20.0
Shareholders' equity	**$ 2,432,163**	$ 2,154,043	12.9
Long-term debt	**$ 1,153,700**	$ 405,254	184.7
Capital expenditures	**$ 1,189,436**	$ 811,348	46.6
Proved oil and gas reserves (MBOE)	**343,099**	302,928	13.3
Per Share			
Earnings per average common share (diluted)	**$ 3.59**	$ 4.04	(11.1)
Dividends paid	**$ 0.54**	$ 0.52	3.8
Book value	**$ 33.74**	$ 29.96	12.6
Other			
Average common shares outstanding (diluted)	**72,332,369**	72,050,997	0.4
Shares outstanding at year end	**72,095,543**	71,887,374	0.3
Shareholders of record	**5,882**	6,267	(6.1)
Number of employees at year end	**1,542**	1,533	0.6

STOCK PRICE
(dollars per share)



EARNINGS & DIVIDENDS PAID
(dollars per share)



James T. McManus, II
CHAIRMAN AND CEO

A LETTER TO OUR

SHAREHOLDERS

Energen Corporation has made significant progress toward becoming a major, independent producer of domestic oil and natural gas liquids. During 2011 we focused on exploring and developing our extensive acreage position in the Permian Basin of west Texas while adding to that position through acquisition.

By year-end, the Permian Basin was home to a majority of our proved reserves for the first time in company history, and our total Permian Basin production had increased 27 percent in one year.

Highlighting Energen's achievements in 2011 was an active Permian Basin drilling program: 153 net wells in the vertical Wolfberry play and 23 net wells in the 3rd Bone Spring trend. We also added to our presence there by acquiring some $300 million of proved properties and unproved leasehold.

We began our transition to liquids (oil and natural gas liquids) in early 2009 in order to capitalize on the superior economics offered by their production relative to natural gas. Even though the prices of oil and natural gas were depressed as a result of the global economic recession, your management believed that oil prices would respond to increased demand as world economies improved; on the other hand, we feared that demand alone was insufficient to offset the dampening effect on natural gas prices of increasing supplies from a growing number of prolific shale plays.

We did not realize just how accurate that assessment would be. Today, oil prices have increased to more than $100 per barrel, natural gas prices have plunged to less than $2.50 per thousand cubic feet, and storage inventories could well end the winter at an all-time high.

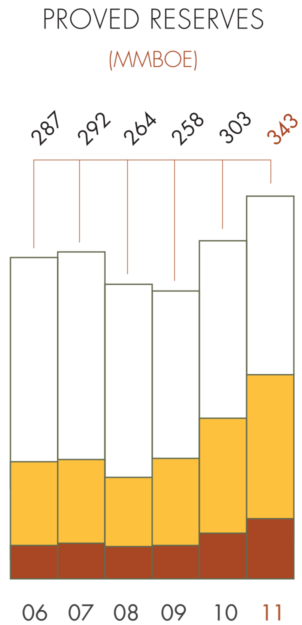
Energen has been an active player in the oil fields of the Permian Basin since the late 1990s, and we have been able to build our transition on a stable base of operations there that comprised 28 percent of total proved reserves at year-end 2008. Today, the Permian Basin holds 54 percent of Energen's record proved reserves and produced 38 percent of 2011's record sales volumes of 20.4 million barrels of oil equivalents (MMBOE).

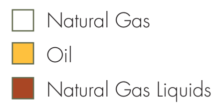
Our Wolfberry play in the Midland sub-basin of the Permian Basin offers at least five years of drilling prospects, while the extent of our drilling in the Delaware sub-basin could easily span five years depending on the success of multiple potential trends now being explored.

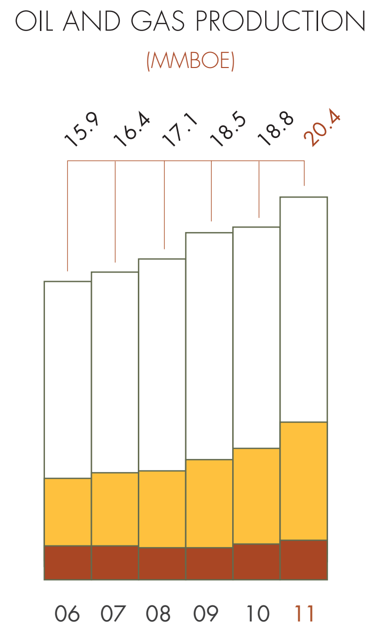
At the same time, our company remains well-positioned to respond to stronger natural gas prices in the years ahead. In addition to our existing operations in the San Juan and Black Warrior basins, the gas phase of the Mancos shale in the San Juan Basin offers long-term optionality. We also own the mineral rights on approximately 200,000 net acres in West Virginia that are prospective for the Marcellus shale.

PROVED RESERVES INCREASE 13%

Energen's proved reserves at year-end 2011 totaled a company record 343.1 MMBOE. This reflects a 13.3 percent increase from 2010's record reserves. We added 21 MMBOE of proved reserves through acquisitions, and another 45 MMBOE of additions were the result of drilling activity that allowed us to reclassify probable and possible reserves into the less risky proved category.







Our product mix changed dramatically in 2011, with oil and natural gas liquids (NGL) now comprising 54 percent of Energen's year-end proved reserves as compared with 47 percent just one year ago.

For years, the San Juan Basin – a predominantly natural gas-producing region in New Mexico and Colorado – has been home to the majority of Energen's proved reserves. That, too, changed in 2011 as we began to realize the impact of our strategic shift to oil and liquids. Proved reserves in the Permian Basin increased 38 percent to 183.6 MMBOE. The Permian Basin now is home to 54 percent of the company's total proved reserves, while the San Juan Basin represents 38 percent.

PERMIAN INVESTMENT DRIVES GROWTH

Record capital investment is driving double-digit production growth at Energen Resources Corporation, our oil and gas exploration and production company. We invested $810 million of drilling and development capital in 2011 primarily in the Permian Basin.

We expect to invest a record $890 million of capital to drill and develop our assets in 2012, with more than 95 percent targeting the Permian Basin. For the three-year period 2011-2013, our capital drilling and development capital investment could well exceed $2.5 billion.

While 2012 capital plans exceed our estimated after-tax cash flows, we expect this to be a short-term situation that we can readily bridge given our balance sheet strength and financial capacity.

In addition to $300 million of Permian acquisitions in 2011, we have already acquired a $66 million Wolfberry package in 2012 and will continue to pursue acquisitions that expand our Permian Basin footprint.

Our production in 2011 increased 8.6 percent to 20.4 MMBOE. Oil and NGL volumes increased 23 percent and 16 percent, respectively, while natural gas production rose 1 percent. We estimate that production in 2012 will increase more than 17 percent to 24 MMBOE, with oil and NGL production growing 33 percent. By the end of 2013, given our current outlook for drilling and development capital investment, we expect our oil and liquids production to increase 86-100 percent from 2010 levels.

ENERGEN TEAMS WITH BHP

Energen has entered into a definitive agreement with Australian-based BHP Billiton that could lead to the joint drilling and development of 56,549 net acres currently under lease to Energen Resources in the Delaware sub-basin of the Permian Basin. We currently have approximately 110,000 net undeveloped acres under lease or held by production there.

In February 2012, BHP Billiton agreed to buy a 50 percent undivided interest in three existing wells in Reeves County, Texas, from Energen Resources for approximately $18 million. Subject to initiating horizontal completions of two wells, BHP Billiton will own a 50 percent undivided interest in 4,829 net acres. BHP Billiton will carry Energen Resources in completion operations of the two wells.

Once horizontal completion of one of the wells has been initiated, BHP Billiton has the option to purchase a 50 percent undivided interest in 51,720 net acres by May 1, 2012.

We have compiled an extensive acreage position in the Delaware sub-basin over the last several years and are very pleased to now have the opportunity to work with an excellent industry partner in the exploration and development of multiple exciting trends west of the Pecos River on an accelerated basis; at the same time, we are minimizing our risk while preserving substantial upside potential.

Should BHP Billiton exercise its option to purchase, we would expect Energen Resources to recoup all of its investment in the joint venture acreage while still retaining a 50 percent interest. The option exercise also could result in increased drilling and capital investment in 2012 and 2013.

NATURAL GAS PRICES PRESSURE EARNINGS

Energen's net income in 2011 totaled $259.6 million, or $3.59 per diluted share and included non-cash, mark-to-market losses on certain hedge contracts of $37.6 million ($23.4 million after tax, or 32 cents per diluted share). Prior-year results were $290.8 million, or $4.04 per diluted share, and included a non-cash write-off of unproved capitalized leasehold of $24.8 million after-tax, or 34 cents per diluted share.

Excluding non-cash items in both periods, Energen Resources' adjusted net income in 2011 totaled $236.4 million and compared with $270.1 million in 2010. Despite a 21 percent increase in the company's oil and NGL production, adjusted 2011 earnings were negatively affected by a 21 percent decline in realized natural gas prices, higher lease operating expense, and increased depreciation, depletion and amortization expense.

Energen's natural gas utility, Alabama Gas Corporation (Alagasco), generated net income in 2011 of $46.6 million as compared with earnings of $46.9 million in 2010. This slight decrease primarily was due to the timing of rate recovery and largely offset by the utility's ability to earn on a higher level of equity.

DIVIDEND INCREASED FOR 30TH YEAR

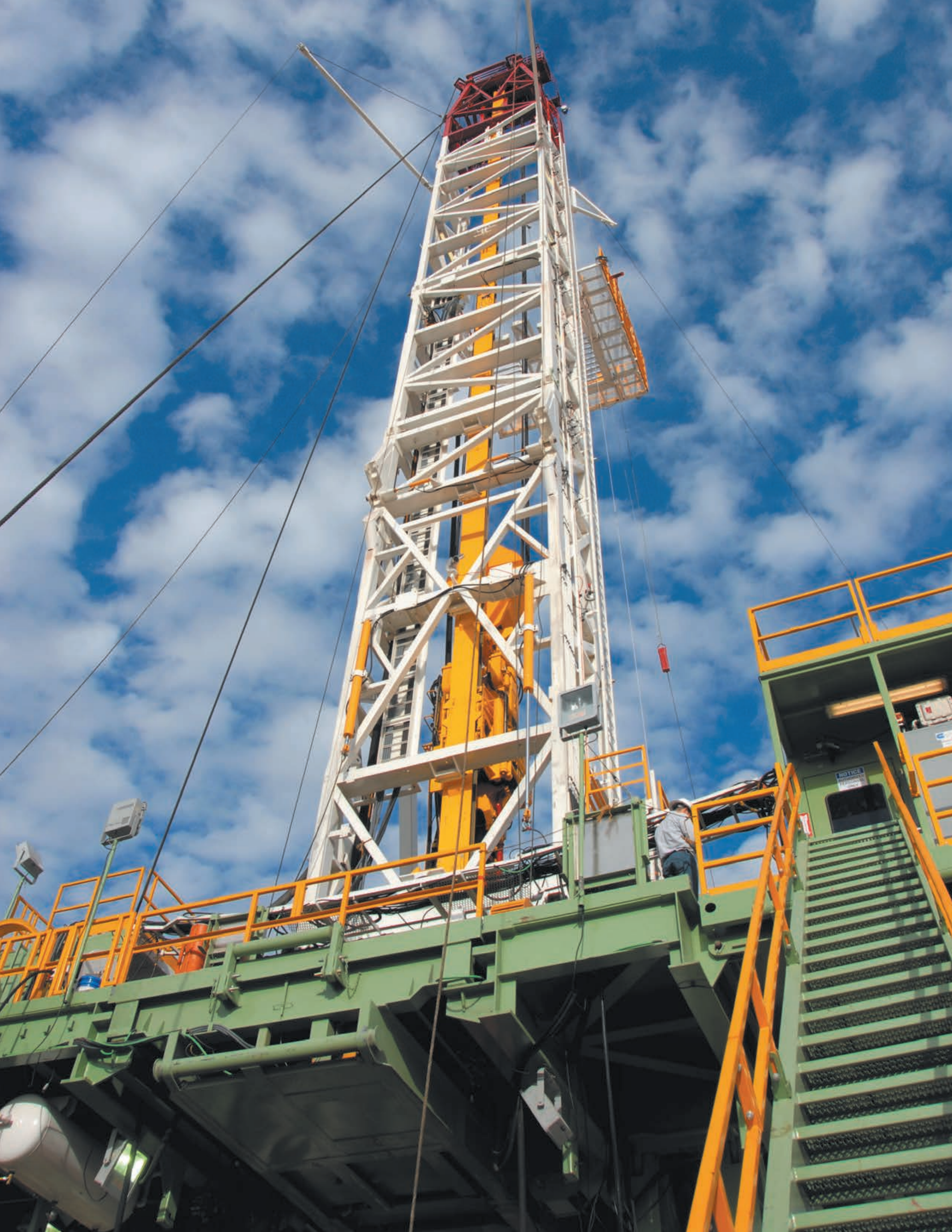
Your Board of Directors increased Energen's quarterly dividend in January 2012 for the 30th year in a row. The new annual dividend rate, supported largely by Alagasco, is 56 cents per share and reflects a five-year, compound annual growth rate of 4 percent.

EXCITING YEARS AHEAD

I am proud of Energen's accomplishments in 2011. We met or surpassed our key objectives, and we solidified our position as a major Permian Basin player. The results of our Wolfberry and 3rd Bone Spring plays are strong, and I look forward to Energen's continued growth through acquisition as well as the drill bit as we generate double-digit production growth in 2012 and 2013.

James T. McManus, II
Chairman & Chief Executive Officer

March 7, 2012



RECORD ACTIVITY

PERMIAN BASIN

The primary driver of Energen Resources' production growth in 2012 is the Wolfberry development play in the Midland sub-basin of the Permian Basin where we drill and vertically complete 3,000- to 3,500-foot intervals that include the Spraberry, Wolfcamp, Cline, and Strawn formations. We estimate that our Wolfberry production will more than double in 2012 to 4.2 MMBOE.

In the three-year period from 2009 to 2011, Energen Resources acquired proved properties and unproved leasehold in the Midland and Delaware sub-basins that totaled more than $800 million. These acquisitions also signaled a substantial capital commitment to drill and develop the acreage over a multi-year period, the exact duration of which continues to evolve.

In this way, through acquisition and subsequent exploration and development, Energen Resources continues to transition away from natural gas producer to major Permian Basin oil driller.

During 2011 we added to our Wolfberry position with two acquisitions totaling $212 million plus standard closing adjustments, and we have added another $66 million acquisition of primarily proved undeveloped Wolfberry properties in early 2012.

The Wolfberry play is in full development. We have approximately 34,600 net undeveloped acres in the play. This translates into 865 potential drilling locations based on 40-acre spacing. At the current drilling pace of approximately 175 wells a year, Energen Resources has a five-year drilling inventory in the Wolfberry.

We believe that a large segment of our acreage in Glasscock and Reagan counties could support 20-acre downspacing and extend the company's drilling inventory by more than two years. In addition, we plan to examine the potential on our leasehold for horizontal completion of the Wolfcamp formation only, a play more prevalent to the south of our acreage position at present.

During 2012 we plan to invest $415 million of capital to drill 170 net Wolfberry wells utilizing 7-8 rigs. Our estimated cost to drill and complete a Wolfberry well in 2012 is $2.3 million.

A Wolfberry well's estimated ultimate recovery (EUR) is 155,000 barrels of oil equivalents, and the basin-wide average product mix is estimated to be more than 80 percent oil and NGL.

MULTIPLE OPPORTUNITIES

The Delaware sub-basin of the Permian Basin offers Energen Resources significant horizontal drilling opportunities in three exploratory plays: the 3rd Bone Spring sands, the Wolfcamp oil shale, and the Avalon shale. The bulk of our Delaware drilling has focused on the 3rd Bone Spring sands, and we expect this oil play to contribute almost 10 percent of the company's total estimated production in 2012.

We estimate that our Delaware sub-basin production will reach 2.1 MMBOE in 2012.

During 2011, we expanded our Delaware presence by purchasing five-year leases for more than 11,000 net

acres through a Texas General Land Office sealed bid sale. The purchase price was $37 million.

Energen Resources currently has approximately 68,000 net undeveloped acres that are prospective for the 3rd Bone Spring sands and approximately 110,000 net undeveloped acres with Avalon and Wolfcamp potential; based on 360-acre spacing, these lease positions offer a possible 210 drilling locations in the 3rd Bone Spring sands and 340 locations each in the Wolfcamp and Avalon shales.

A definitive agreement signed in February 2012 by Energen Resources and Australian-based BHP Billiton could lead to the joint drilling and development of 56,549 net acres currently under lease to Energen Resources in the Delaware sub-basin.

With this agreement, we are positioned to gain an excellent industry partner with whom to explore multiple trends across a substantial acreage position on an accelerated basis. And, importantly, we retain significant upside potential in this area of the basin while minimizing our risk.

Regardless of the outcome of this potential joint venture, we plan to invest $300 million to drill approximately 39 net wells in the Delaware sub-basin in 2012 utilizing 5-7 rigs. Our 2012 drilling program in the 3rd Bone Spring sands is located east of the Pecos River, and our estimated cost to drill and complete a 3rd Bone Spring well in 2012 is $7.5 million.

3rd Bone Spring well EURs are 400,000-450,000 barrels of oil equivalents, and the basin-wide average product mix is estimated to be 78 percent oil and NGL.

PERMIAN DRILLING RESULTS POSITIVE

We are pleased with the progress the company is making in developing the vertical Wolfberry play, and we are seeing good results, as well, from our 3rd Bone Spring wells.

Based on inconclusive results from 2011 Avalon shale drilling, its potential remains unclear and we will redirect our Avalon focus to the deeper Wolfcamp in 2012. Not only will production from the Wolfcamp hold the shallower Avalon shale, the Wolfcamp is thought to have a higher percentage of oil content.

Wolfberry: Energen Resources drilled 153 net Wolfberry wells in 2011 and completed another 22 wells that were initiated in 2010. Of these 175 wells, 122 were producing at year-end 2011 and 53 were waiting on completion.

Initial stabilized rates (consistent flow rates after clean-up of stimulation fluid) from the 122 wells brought on line in 2011 averaged 90 barrels of oil equivalents (BOE) per day; 72 percent of wellhead production was oil.


DANGER
DRIFT

3rd Bone Spring: Energen Resources drilled and completed 18 net 3rd Bone Spring wells in 2011 and completed two additional wells initiated in 2010; another five wells were drilling, waiting on completion, or testing at year-end 2011.

Initial stabilized rates of the 20 net wells brought on line in 2011 averaged approximately 573 BOE per day; 70 percent of wellhead production was oil.

While we are pleased with the average initial stabilized rate of our 3rd Bone Spring wells, a number of wells drilled on the west side of the Pecos River have under performed relative to those drilled on the east side.

In general, we have encountered higher amounts of water in the western wells. With water disposal wells drilled late in 2011 now in place, we have begun installing pumps on the west-side wells as we continue to work to improve their production.

As we focus our 2012 and 2013 drilling east of the Pecos River, we will continue to work to better understand the causes of the increased water and how to mitigate its occurrence.

OTHER OIL & GAS ACTIVITIES CONTINUE

While we actively pursue newer plays in the Permian Basin, our legacy waterflood assets in the Central Basin Platform continue to generate excellent returns. During 2012 we plan to invest $140 million in our other Permian assets to drill 119 net producing and injector wells.

Our drilling of over-pressured coalbed methane wells in the San Juan Basin in New Mexico and Colorado will cease at mid-year in light of deep declines in the price of natural gas. During the first half of 2012, we will invest an estimated $35 million in the San Juan Basin to drill some 8 net wells. San Juan production is expected to increase slightly in 2012 to 9.9 MMBOE.

Nevertheless, we remain well-positioned to respond to a meaningful rebound in natural gas prices. In addition to our existing operations in the San Juan and Black Warrior basins, the gas phase of the Mancos shale in the San Juan Basin offers us long-term optionality. We also own the mineral rights on approximately 200,000 net acres in West Virginia that are prospective for the Marcellus shale.

ENERGEN RESOURCES HIGHLIGHTS

	2011	2010	2009
Financial (dollars in thousands)			
Operating Revenues	**$ 948,526**	$ 958,762	$ 822,546
Net Income	**$ 212,980**	$ 245,325	$ 212,133
Capital Expenditures	**$ 1,115,452**	$ 717,782	$ 427,399
Operations			
Reserves			
Natural Gas (MMcf)	**957,368**	954,387	897,546
Oil (MBO)	**129,578**	103,262	77,963
Natural Gas Liquids (MBOE)	**53,957**	40,601	30,257
Production			
Natural Gas (MMcf)	**71,718**	70,924	72,337
Oil (MBO)	**6,318**	5,131	4,690
Natural Gas Liquids (MBOE)	**2,177**	1,880	1,791

ALAGASCO HIGHLIGHTS

	2011	2010	2009
Financial (dollars in thousands)			
Operating Revenues	$ 534,953	$ 619,772	$ 617,874
Net Revenues*	$ 276,162	$ 272,080	$ 280,116
Net Income	$ 46,602	$ 46,883	$ 45,415
Capital Expenditures	$ 73,984	$ 93,566	$ 77,809
Operations			
Throughput (mmcf)	75,740	81,927	71,758
Number of Customers (average)	427,606	437,329	442,478
Number of Customers (year end)	426,013	432,183	439,474

* Revenues less cost of gas and taxes on revenues

ECONOMIC DEVELOPMENT

ALAGASCO

The first thing visitors to the Montgomery-based Hyundai Power Transformers USA plant notice is the spotless, pristine environment. Gleaming floors and air virtually free of dust particles and humidity reflect the sterile manufacturing environment required by the subsidiary of Hyundai Heavy Industries.

Alabama Gas Corporation plays a vital role in creating and maintaining that environment by providing the natural gas that fuels the "clean room" air cycling system.

Natural gas-heated boilers run simultaneously with chillers so that most of the moisture is pulled out of the air. Two supersized natural gas-fueled ovens dry and condition components for the equipment as it is assembled.

Alagasco, the state's largest distributor of natural gas, also played a role in bringing the company – and 500 jobs – to Alabama in the first place. Ellen McNair of the Montgomery Chamber of Commerce asked Alagasco to help recruit the huge facility.

Hyundai Power Transformers USA manufactures huge transformers, some of which can weigh up to 1 million pounds. With its 260,000 square feet of facilities, Hyundai Power Transformers uses approximately the same amount of natural gas in one year as more than 1,000 homes in our service area use in one year. The plant is expected to generate $33 million in state revenue over the next 10 years.

Alagasco often works with municipalities, state officials and others on bids to attract industry to the state. In 2011 two of those projects, a GE Aviation plant and a Dollar General distribution center, announced plans to open in central Alabama. Together, they will generate a $110 million investment in the state and nearly 1,000 new jobs.

PICTURED (left to right)
Lynn Harris, Alagasco manager of external affairs in Montgomery; Ellen McNair, senior vice president, corporate development, Montgomery Area Chamber of Commerce; Gyou Chul Lee, president and CEO of Hyundai Power Transformers USA; and Warren McCullars, Alagasco's director of economic development.

CRISIS RESPONSE

APRIL 27, 2011

More than 3,000 emergency leak calls in three hours • 4,500 meters out of service • 2,400 customer homes/businesses destroyed • 1,000 customers with service restored within 96 hours • 5,000 hours worked during first four days after storms • 13 miles of main retired • 8 miles of main replaced • 0 natural-gas related fires

A large wedge tornado tracked more than 80 miles across central Alabama on April 27, 2011. The EF-4 tornado with 190 MPH winds was just one of more than 60 tornadoes that ravaged Alabama that day. Together, these violent storms killed more than 240 residents, injured thousands, and destroyed thousands of homes and businesses.

The disaster also presented Alagasco with the biggest operational challenge in its history: widespread loss of service and widespread damage to the company's infrastructure.

"Alagasco had never experienced this much damage spread across this wide of an area," said Ken Smith, Vice President of Operations. "We were the natural gas provider to much of the impacted area. And while it was important to restore service as quickly as possible, safety was our primary goal."

It was dark when the storms finally moved through, so Alagasco crews, armed with flashlights, responded on foot to the needs of virtually unrecognizable communities, searching for leaks amid fields of debris. Just finding the meters presented a challenge in some cases. Some were never recovered.

Over the next few days, technology played a crucial role in field crews' efforts to locate and check every meter in the affected areas. Using multiple information systems, employees were able to pull up satellite images of neighborhoods; define those areas in the paths of the tornadoes and overlay them on the satellite images; add a map of Alagasco's mains and service lines; and then identify customer locations.

Employees worked long hours to find leaks, valve off damaged pipes, and restore natural gas service to as many customers as possible. "Their dedication and desire to help was so strong that our management team had to force employees to go home or go to hotels to get some rest," Smith said.

Nearly 4,500 Alagasco customers lost service that day. Of those, more than half lost their entire homes. Alagasco assigned an employee the full-time task of working with communities affected by the tornadoes to ensure victims knew about the company's assistance and rebuilding programs.

Nearly a year later, Alagasco continues to be involved in recovery efforts in the affected communities. The company has replaced more than 8 miles of main and restored service to 2,200 of the affected customers.

"We have made a lot of progress, but these communities will never be the same. Our job is to help them rebuild and recover as best we can by providing safe, reliable natural gas service," Smith said.

Kevin Mann
ALAGASCO CREWMAN

* Year initially began service to the company

ENERGEN CORPORATION

James T. McManus, II (53)
Chairman and Chief Executive Officer,
Energen and all subsidiaries, 1986*

William K. Bibb (58)
Vice President – Human Resources,
Energen and all subsidiaries, 1976

Marvell "Chip" Bivins, Jr. (54)
Vice President – Audit and Compliance, 1989

Joe E. Cook (57)
Assistant Secretary,
Energen and all subsidiaries, 1980

Edwin D. "Lynn" Lovelady, II (48)
Vice President – Information Technology,
Energen and all subsidiaries, 1999

Russell E. Lynch, Jr. (38)
Vice President and Controller, 2001

Robert S. "Sid" McAnnally (48)
Vice President – External Affairs,
Energen and all subsidiaries, 2009

Charles W. Porter, Jr. (47)
Vice President, Chief Financial Officer and Treasurer,
Energen and all subsidiaries, 1989

Julie S. Ryland (53)
Vice President – Investor Relations, 1985

J. David Woodruff (55)
Vice President, General Counsel, and Secretary,
Energen and all subsidiaries, 1986

ENERGEN RESOURCES CORPORATION

John S. Richardson (54)
President and Chief Operating Officer, 1985

Gary W. Brink (59)
Vice President – San Juan Basin Operations, 1997

Henry E. "Gene" Cash (58)
Vice President – Acquisitions and Reservoir Engineering,
1996

Joe E. Cook (57)
Vice President – Legal and Land, 1980

Holley S. LaGrone (56)
Vice President – Marketing and Administration, 1981

Joe D. Niederhofer (52)
Vice President – Permian Basin Operations, 1986

Cynthia T. Rayburn (48)
Vice President and Controller, 1988

Paul C. Rote (62)
Vice President – Land, 1998

D. Paul Sparks, Jr. (49)
Senior Vice President – Operations, 1989

Ronald M. Tisdale (63)
Vice President – Geology and Exploration, 1985

ALABAMA GAS CORPORATION

Dudley C. Reynolds (59)
President and Chief Operating Officer, 1980

Steven R. Chapman (55)
Vice President – Technical Services, 1982

William D. Marshall (48)
Vice President and Controller, 1988

Kenneth A. Smith (53)
Vice President – Operations, 1981

Amy W. Stewart (55)
Vice President – Rates and Gas Supply, 1985

L. Brunson White (55)
Senior Vice President – Marketing, 1980

ENERGEN BOARD OF DIRECTORS (pictured left to right)
Julian W. Banton, Jay Grinney, Stephen A. Snider, Stephen D. Ban, Judy M. Merritt, T. Michael Goodrich, James T. McManus II, Kenneth Dewey, David Wilson and Gary Youngblood

Stephen D. Ban (71) C,D
Retired Director of Technology Transfer,
Argonne National Laboratory, Chicago, IL, 1992*

Julian W. Banton (71) A,B
Retired Chairman and CEO, SouthTrust Bank,
Birmingham, AL, 1997

Kenneth W. Dewey (58) B,C
Co-founder and board member,
Caymus Capital Partners, LLC,
Sausalito, CA, 2007

T. Michael Goodrich (66) A,D
Retired Chairman and CEO, BE&K, Inc.,
Birmingham, AL, 2000

Jay Grinney (61)
President and CEO, HealthSouth Corporation,
Birmingham, AL, 2012

James T. McManus, II (53)
Chairman and CEO, Energen and all subsidiaries, 2006

Judy M. Merritt (68) B,D
President, Jefferson State Community College,
Birmingham, AL, 1993

Stephen A. Snider (64) A,D
Retired CEO, Exterran Holdings, Inc.,
Houston, TX, 2000

David W. Wilson (68) B,C
Independent Energy Consultant,
Kingwood, TX, 2004

Gary C. Youngblood (68) C
Retired President and COO, Alabama Gas Corporation,
Birmingham, AL, 2003

* Year first elected to the Board

A. Officer's Review Committee   B. Audit Committee   C. Finance Committee   D. Governance and Nominations Committee

FORWARD-LOOKING STATEMENT

Thomas Wolfmueller
ENERGEN RESOURCES DISTRICT ENGINEER

Certain statements in the Energen Corporation 2011 Summary Annual Report express expectations of future business and financial performance and condition and often contain words such as “expect,” “anticipate,” “intend,” “plan,” “believe,” “seek,” “see,” “project,” “will,” “estimate,” “may,” and others of similar meaning. These are forward-looking statements made pursuant to the Safe Harbor provision of the Private Securities Litigation Reform Act of 1995.

All statements based on future expectations rather than on historical facts are forward-looking statements that are dependent on certain events, risks, and uncertainties that could cause actual results to differ materially from those anticipated. These include, but are not limited to, economic and competitive conditions, production levels, reserve levels, energy markets, supply and demand for and the price of energy commodities, fluctuations in weather, drilling risks, costs associated with environmental obligations compliance, inflation rates, legislative and regulatory changes, financial market conditions, access to capital markets, future business decisions, utility customer growth, retention, and usage, litigation results, and other uncertainties, all of which are difficult to predict.

Unless otherwise disclosed, the Company’s forward-looking statements do not reflect the impact of possible or pending acquisitions, investments, divestitures, or restructurings. The Company does not guarantee the absence of errors in input data, calculations, and formulas used in estimates, assumptions, and forecasts and undertakes no obligation to correct or update any forward-looking statement.

A more complete discussion of risks and uncertainties that could affect future results of Energen and its subsidiaries is included in the Company’s periodic reports filed with the Securities and Exchange Commission, including on pages 9-10 in the form 10-K accompanying this Summary Annual Report.

ENERGEN CORPORATION

Years ended December 31, (in thousands, except share data)	**2011**	2010	2009
OPERATING REVENUES			
Oil and gas operations	**$ 948,526**	$ 958,762	$ 822,546
Natural gas distribution	**534,953**	619,772	617,874
Total operating revenues	**1,483,479**	1,578,534	1,440,420
OPERATING EXPENSES			
Cost of gas	**233,523**	316,988	306,054
Operations and maintenance	**419,119**	429,165	380,625
Depreciation, depletion and amortization	**283,997**	247,865	235,084
Taxes, other than income taxes	**91,734**	84,961	78,329
Accretion expense	**6,837**	6,178	4,935
Total operating expenses	**1,035,210**	1,085,157	1,005,027
OPERATING INCOME	**448,269**	493,377	435,393
OTHER INCOME (EXPENSE)			
Interest expense	**(44,822)**	(39,222)	(39,379)
Other income	**2,334**	4,285	4,972
Other expense	**(456)**	(643)	(690)
Total other expense	**(42,944)**	(35,580)	(35,097)
INCOME BEFORE INCOME TAXES	**405,325**	457,797	400,296
Income tax expense	**145,701**	166,990	143,971
NET INCOME	**$ 259,624**	$ 290,807	$ 256,325
DILUTED EARNINGS PER AVERAGE COMMON SHARE	**$ 3.59**	$ 4.04	$ 3.57
BASIC EARNINGS PER AVERAGE COMMON SHARE	**$ 3.60**	$ 4.05	$ 3.58
DILUTED AVERAGE COMMON SHARES OUTSTANDING	**72,332,369**	72,050,997	71,885,422
BASIC AVERAGE COMMON SHARES OUTSTANDING	**72,055,661**	71,845,463	71,667,304

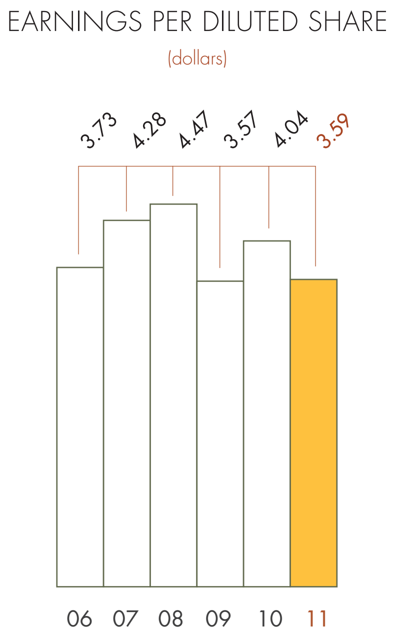
ENERGEN CORPORATION

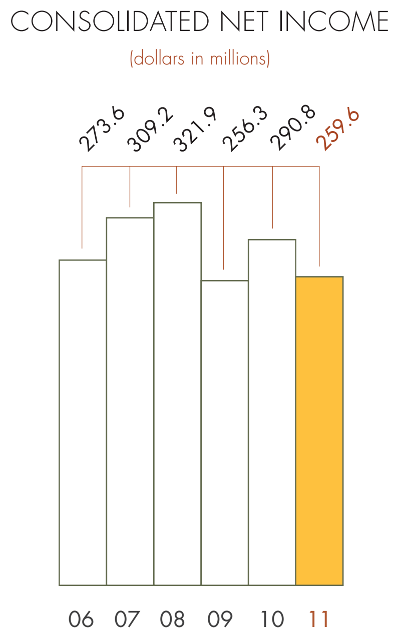
As of December 31, (in thousands)	2011	2010
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	**$ 9,541**	$ 22,659
Accounts receivable, net of allowance for doubtful accounts of $12,946 and $15,048 at December 31, 2011 and 2010, respectively	**231,925**	286,849
Inventories		
Storage gas inventory	**44,047**	36,706
Materials and supplies	**26,420**	19,045
Liquified natural gas in storage	**3,545**	3,551
Regulatory asset	**57,143**	28,286
Income tax receivable	**7,343**	44,489
Deferred income taxes	**48,818**	32,732
Prepayments and other	**15,386**	11,966
Total current assets	**444,168**	486,283
PROPERTY, PLANT AND EQUIPMENT		
Oil and gas properties, successful efforts method	**5,166,368**	4,080,779
Less accumulated depreciation, depletion and amortization	**1,382,526**	1,161,635
Oil and gas properties, net	**3,783,842**	2,919,144
Utility plant	**1,358,266**	1,292,611
Less accumulated depreciation	**544,838**	509,989
Utility plant, net	**813,428**	782,622
Other property, net	**23,506**	17,461
Total property, plant and equipment, net	**4,620,776**	3,719,227
OTHER ASSETS		
Regulatory asset	**95,633**	105,365
Pension and other postretirement assets	**—**	13,907
Long-term derivative instruments	**31,056**	—
Deferred charges and other	**45,783**	38,778
Total other assets	**172,472**	158,050
TOTAL ASSETS	**$ 5,237,416**	$ 4,363,560

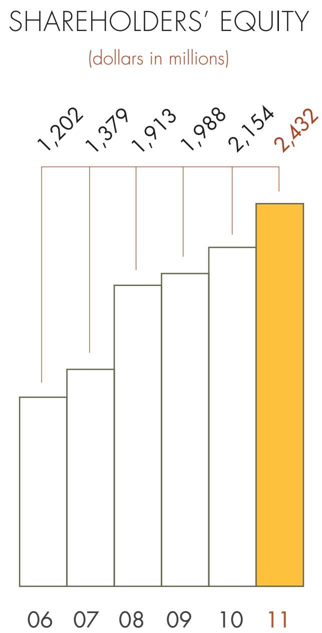
As of December 31, (in thousands, except share data)	2011	2010
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Long-term debt due within one year	$ 1,000	$ 5,000
Notes payable to banks	15,000	305,000
Accounts payable	302,048	268,214
Accrued taxes	32,359	52,845
Customers' deposits	23,950	20,459
Amounts due customers	21,065	20,161
Accrued wages and benefits	35,258	25,203
Regulatory liability	58,279	75,703
Royalty payable	22,592	19,221
Other	32,328	26,805
Total current liabilities	543,879	818,611
Long-term debt	1,153,700	405,254
DEFERRED CREDITS AND OTHER LIABILITIES		
Asset retirement obligation	107,340	97,415
Pension and other postretirement liabilities	62,532	36,551
Regulatory liability	87,234	110,447
Deferred income taxes	806,127	615,084
Long-term derivative instruments	34,663	112,936
Other	9,778	13,219
Total deferred credits and other liabilities	1,107,674	985,652
COMMITMENTS AND CONTINGENCIES		
SHAREHOLDERS' EQUITY		
Preferred stock, cumulative, $0.01 par value, 5,000,000 shares authorized	—	—
Common shareholders' equity		
Common stock, $0.01 par value; 150,000,000 shares authorized, 75,007,412 shares issued at December 31, 2011, and 74,786,376 shares issued at December 31, 2010	750	748
Premium on capital stock	482,918	468,934
Capital surplus	2,802	2,802
Retained earnings	2,100,885	1,880,183
Accumulated other comprehensive income (loss), net of tax		
Unrealized gain (loss) on hedges, net	9,273	(43,667)
Pension and postretirement plans	(38,584)	(30,730)
Interest rate swap	(941)	—
Deferred compensation plan	3,511	3,288
Treasury stock, at cost; 3,036,549 shares and 3,024,847 shares at December 31, 2011 and 2010, respectively	(128,451)	(127,515)
Total shareholders' equity	2,432,163	2,154,043
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 5,237,416	$ 4,363,560

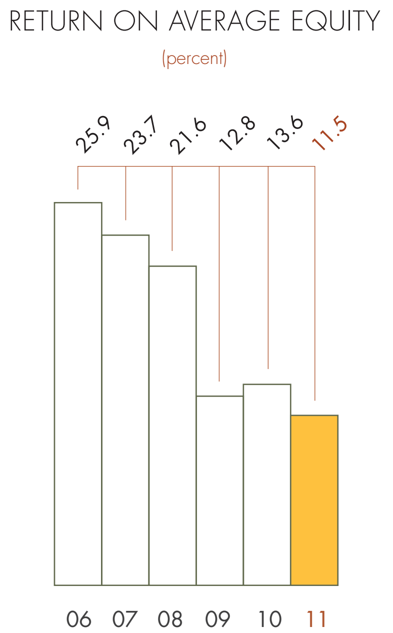
ENERGEN CORPORATION

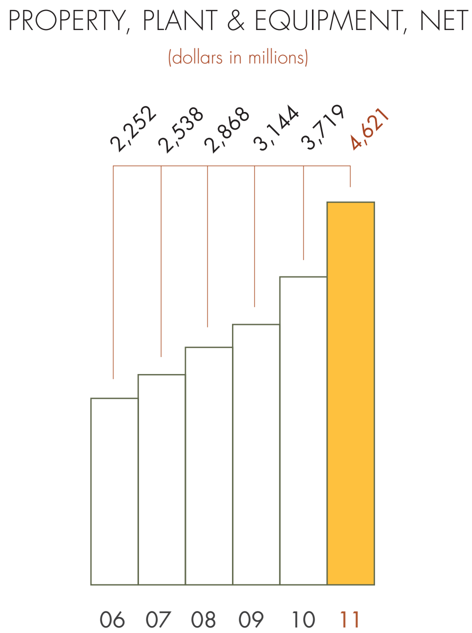
Years ended December 31, (in thousands)	2011	2010	2009
OPERATING ACTIVITIES			
Net income	**$ 259,624**	$ 290,807	$ 256,325
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation, depletion and amortization	**283,997**	247,865	235,084
Accretion expense	**6,837**	6,178	4,935
Deferred income taxes	**129,041**	133,840	84,616
Bad debt expense	**2,525**	1,565	10,688
Change in derivative fair value	**36,210**	(819)	(104)
Gain on sale of assets	**(5,994)**	(2,521)	(5,617)
Other, net	**13,298**	(568)	23,843
Exploratory expense	**10,916**	63,668	9,874
Net change in:			
Accounts receivable	**(16,359)**	(31,939)	(31,914)
Inventories	**(14,710)**	4,022	30,679
Accounts payable	**12,978**	18,889	5,539
Amounts due customers including gas supply pass-through	**(2,597)**	20,751	16,967
Income tax receivable	**37,146**	(39,937)	45,924
Pension and other postretirement benefit contributions	**(5,986)**	(42,233)	(24,137)
Other current assets and liabilities	**14,905**	1,454	16,755
Net cash provided by operating activities	**761,831**	671,022	679,457
INVESTING ACTIVITIES			
Additions to property, plant and equipment	**(889,614)**	(434,121)	(340,107)
Acquisitions, net of cash acquired	**(310,193)**	(410,348)	(185,131)
Proceeds from sale of assets	**7,987**	3,155	7,923
Purchase of short-term investments	**—**	(154,880)	—
Sale of short-term investments	**—**	154,965	—
Other, net	**(1,679)**	(1,464)	(1,808)
Net cash used in investing activities	**(1,193,499)**	(842,693)	(519,123)
FINANCING ACTIVITIES			
Payment of dividends on common stock	**(38,922)**	(37,377)	(35,542)
Issuance of common stock	**6,415**	685	621
Issuance of long-term debt	**749,952**	—	—
Reduction of long-term debt	**(5,547)**	(150,729)	(1,035)
Net change in short-term debt	**(290,000)**	305,000	(62,000)
Tax benefit on stock compensation	**986**	907	606
Debt issuance costs	**(4,334)**	—	(317)
Net cash provided by (used in) financing activities	**418,550**	118,486	(97,667)
Net change in cash and cash equivalents	**(13,118)**	(53,185)	62,667
Cash and cash equivalents at beginning of period	**22,659**	75,844	13,177
Cash and cash equivalents at end of period	**$ 9,541**	$ 22,659	$ 75,844

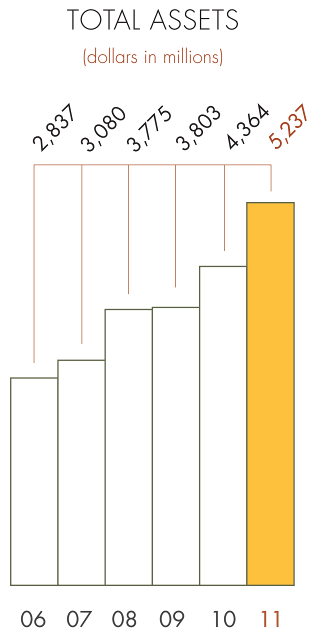

EARNINGS PER DILUTED SHARE
(dollars)
3.73
4.28
4.47
3.57
4.04
3.59
06
07
08
09
10
11


CONSOLIDATED NET INCOME
(dollars in millions)
273.6
309.2
321.9
256.3
290.8
259.6
06
07
08
09
10
11


SHAREHOLDERS' EQUITY
(dollars in millions)
1,202
1,379
1,913
1,988
2,154
2,432
06
07
08
09
10
11


RETURN ON AVERAGE EQUITY
(percent)
25.9
23.7
21.6
12.8
13.6
11.5
06
07
08
09
10
11


PROPERTY, PLANT & EQUIPMENT, NET
(dollars in millions)
2,252
2,538
2,868
3,144
3,719
4,621
06
07
08
09
10
11


TOTAL ASSETS
(dollars in millions)
2,837
3,080
3,775
3,803
4,364
5,237
06
07
08
09
10
11

ENERGEN CORPORATION

(Unaudited)

Years ended December 31, (dollars in thousands, except per share amounts)		2011		2010
INCOME STATEMENT*				
Operating revenues	$	**1,483,479**	$	1,578,534
Net income	$	**259,624**	$	290,807
Diluted earnings per average common share	$	**3.59**	$	4.04
BALANCE SHEET				
Total property, plant and equipment, net	$	**4,620,776**	$	3,719,227
Total assets	$	**5,237,416**	$	4,363,560
Long-term debt	$	**1,153,700**	$	405,254
Total shareholders' equity	$	**2,432,163**	$	2,154,043
COMMON STOCK DATA				
Annual dividend rate at year end	$	**0.54**	$	0.52
Cash dividends paid per common share	$	**0.54**	$	0.52
Book value per common share	$	**33.74**	$	29.96
Market-to-book ratio at year end (%)		**148**		161
Yield at year end (%)		**1.1**		1.1
Return on average common equity (%)		**11.5**		13.6
Price-to-earnings (diluted) ratio at year end		**13.9**		12.0
Average common shares outstanding (diluted)(000)		**72,332**		72,051
Shares outstanding at year end(000)		**72,096**		71,887
Price Range:				
High	$	**65.44**	$	49.94
Low	$	**37.22**	$	40.25
Close	$	**50.00**	$	48.26

* 2011 Income Statement data includes non-cash, mark-to-market losses on certain financial commodity contracts of $37.6 million ($23.4 million after tax, or 32 cents per diluted share).

2009	2008	2007	2006
$ 1,440,420	$ 1,568,910	$ 1,435,060	$ 1,393,986
$ 256,325	$ 321,915	$ 309,233	$ 273,570
$ 3.57	$ 4.47	$ 4.28	$ 3.73
$ 3,144,469	$ 2,867,648	$ 2,538,243	$ 2,252,414
$ 3,803,118	$ 3,775,404	$ 3,079,653	$ 2,836,887
$ 410,786	$ 561,631	$ 562,365	$ 582,490
$ 1,988,243	$ 1,913,290	$ 1,378,658	$ 1,202,069
$ 0.50	$ 0.48	$ 0.46	$ 0.44
$ 0.50	$ 0.48	$ 0.46	$ 0.44
$ 27.71	$ 26.68	$ 19.23	$ 16.87
169	110	334	278
1.1	1.6	0.7	0.9
12.8	21.6	23.7	25.9
13.1	6.6	15.0	12.6
71,885	72,030	72,181	73,278
71,757	71,704	71,681	71,244
$ 48.89	$ 79.57	$ 70.41	$ 47.60
$ 23.18	$ 23.00	$ 43.78	$ 32.16
$ 46.80	$ 29.33	$ 64.23	$ 46.94

ENERGEN CORPORATION

(Unaudited)

Years ended December 31, (dollars in thousands)		2011		2010
OIL AND GAS OPERATIONS				
Operating revenues				
Natural gas	**$**	**386,894**	$	483,935
Oil		**467,320**		404,625
Natural gas liquids		**87,466**		65,161
Other		**6,846**		5,041
Total	**$**	**948,526**	$	958,762
Production volumes				
Natural gas (MMcf)		**71,718**		70,924
Oil (MBO)		**6,318**		5,131
Natural gas liquids (MMgal)		**91.4**		79.0
Total production volumes (MBOE)		**20,448**		18,832
Proved reserves				
Natural gas (MMcf)		**957,368**		954,387
Oil (MBO)		**129,578**		103,262
Natural gas liquids (MMgal)		**2,266.2**		1,705.2
Total (MBOE)		**343,099**		302,928
Other data				
Lease operating expense	**$**	**257,045**	$	224,901
Depreciation, depletion and amortization	**$**	**244,081**	$	203,821
Capital expenditures	**$**	**1,115,452**	$	717,782
Operating income	**$**	**363,131**	$	406,729
NATURAL GAS DISTRIBUTION				
Operating revenues				
Residential	**$**	**343,740**	$	414,870
Commercial and industrial		**136,469**		159,658
Transportation		**55,234**		57,049
Other		**(490)**		(11,805)
Total	**$**	**534,953**	$	619,772
Gas delivery volumes (MMcf)				
Residential		**21,132**		24,463
Commercial and industrial		**9,994**		10,985
Transportation		**44,614**		46,479
Total		**75,740**		81,927
Average number of customers				
Residential		**395,766**		404,697
Commercial, industrial and transportation		**31,840**		32,632
Total		**427,606**		437,329
Other data				
Depreciation and amortization	**$**	**39,916**		44,042
Capital expenditures	**$**	**73,984**	$	93,566
Operating income	**$**	**86,216**	$	88,383

2009	2008	2007	2006
$ 460,370	$ 536,283	$ 499,406	$ 437,560
284,750	292,908	251,497	181,459
67,254	68,216	68,623	50,258
10,172	16,725	6,066	61,265
$ 822,546	$ 914,132	$ 825,592	$ 730,542
72,337	67,573	64,300	62,824
4,690	4,114	3,879	3,645
75.2	70.7	77.2	76.3
18,537	17,059	16,435	15,933
897,546	1,038,453	1,115,918	1,096,429
77,963	62,034	74,625	74,893
1,270.8	1,216.0	1,329.9	1,239.2
257,811	264,063	292,275	287,135
$ 217,429	$ 236,679	$ 202,078	$ 184,362
$ 184,089	$ 139,539	$ 114,241	$ 97,842
$ 427,399	$ 449,571	$ 379,479	$ 259,678
$ 353,645	$ 482,588	$ 451,567	$ 405,149
$ 399,760	$ 408,280	$ 388,291	$ 426,066
162,141	177,719	164,903	181,900
54,312	51,116	49,255	45,950
1,661	17,663	7,019	9,528
$ 617,874	$ 654,778	$ 609,468	$ 663,444
20,921	21,632	20,665	22,310
9,934	10,934	10,593	11,226
40,903	46,789	51,448	50,760
71,758	79,355	82,706	84,296
409,214	413,151	416,967	420,558
33,264	33,911	34,200	34,456
442,478	447,062	451,167	455,014
$ 50,995	$ 48,874	$ 47,136	$ 44,244
$ 77,809	$ 63,320	$ 58,862	$ 76,157
$ 83,984	$ 81,956	$ 72,742	$ 74,274

Conventional Gas
Natural gas occurring in a normal porous and permeable reservoir rock, either in the gaseous phase or dissolved in crude oil, and that technically can be produced by normal production practices.

Development Well
A well drilled within the proved area of an oil or gas reservoir to the depth of a stratigraphic horizon known to be productive.

Exploratory Well
A well drilled to find and produce oil or gas in an unproved area, to find a new reservoir in a field previously found to be productive in another reservoir or to extend a known reservoir.

Hedging
The use of derivative commodity instruments such as futures, swaps and collars to help reduce financial exposure to commodity price volatility.

Horizontal Drilling
A drilling technique that permits the operator to contact and intersect a larger portion of the producing horizon than conventional vertical drilling techniques and can result in both increased production rates and greater ultimate recoveries of hydrocarbons.

Natural Gas Liquids (NGL)
Liquid hydrocarbons that are extracted and separated from the natural gas stream. NGL products include ethane, propane, butane, natural gasoline and other hydrocarbons.

Nonconventional Gas
Natural gas found in unusual underground situations, such as very impermeable reservoirs, hydrates, and coal deposits.

Operator (of oil & gas properties)
The company responsible for exploration, development and production activities for a specific project.

Possible Reserves
Unproved reserves that analysis of geological and engineering data suggests are less likely to be recoverable than probable reserves. In this context, when probabilistic methods are used, there should be at least a 10 percent probability that the quantities actually recovered will equal or exceed the sum of estimated proved plus probable plus possible reserves.

Probable Reserves
Unproved reserves that analysis of geological and engineering data suggests are more likely than not to be recoverable. In this context, when probabilistic methods are used, there should be at least a 50 percent probability that the quantities actually recovered will equal or exceed the sum of estimated proved plus probable reserves.

Proved Developed Reserves
The portion of proved reserves that can be expected to be recovered through existing wells with existing equipment and operating methods.

Proved Reserves
Estimated quantities of crude oil, natural gas and natural gas liquids that geological and engineering data demonstrate with reasonable certainty to be recoverable in future years from known reservoirs under existing economic and operating conditions.

Proved Undeveloped Reserves
The portion of proved reserves that can be expected to be recovered from new wells on undrilled proved acreage or from existing wells where a relatively major expenditure is required for completion.

Throughput
Total volumes of natural gas sold and transported by the gas utility.

Units of Measure

Bbl	Barrels
MBO	Thousand barrels of oil
MMBO	Million barrels of oil
MMGal	Million gallons
Mcf	Thousand cubic feet
MMcf	Million cubic feet
Bcf	Billion cubic feet
Tcf	Trillion cubic feet

-e/E following the above denotes that oil, NGL, and natural gas components have been converted to their equivalents in terms of either barrels of oil or cubic feet of gas (rate: 6 Mcf per barrel and 42 gallons per barrel).

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Investor Hotline
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Common Stock Listing
New York Stock Exchange: EGN

Annual Meeting
April 25, 2012, at 9:30 a.m. CDT
Corporate Headquarters Conference Center

Forms 10-K and 10-Q
Energen's annual and quarterly reports to the Securities and Exchange Commission are available from the Energen Investor Relations Department at Corporate Headquarters.

Investor Relations
Analysts, investment professionals and shareholders should direct their inquiries to the Energen Investor Relations Department at Corporate Headquarters.

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1-205-326-8421

Investor Relations Coordinator:
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Energen on the Web
Corporate information, including news releases, may be accessed at www.energen.com.

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URL: www.bnymellon.com/shareowner/equityaccess

Dedicated Toll Free Number: 1-888-764-5603
An automated voice response system is available around the clock. Customer service representatives are available to assist shareholders Monday through Friday, 8 a.m. to 8 p.m. ET.

TDD/TTY for the Hearing Impaired:
1-800-231-5469

Direct Purchase & Sale Plan
Through Computershare Shareowner Services LLC, Energen offers its shareholders and first-time investors a convenient and economical method of buying and selling Energen common stock. A prospectus and application are available by calling 1-888-764-5603 or 1-800-654-3206.

Enrollment material also is available on the Web at www.bnymellon.com/shareowner/equityaccess

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