

The background of the entire page is a high-contrast photograph of an offshore oil rig. The rig's complex steel framework, including cranes and support beams, is silhouetted against a vibrant orange and yellow sunset sky. Two workers in safety gear are visible on a platform, their forms also in silhouette. Two bright green lights are mounted on the rig's structure, providing a sharp contrast to the dark metal and the warm sky. The overall mood is industrial and dramatic.

ENERGEN[®]

2012 **ANNUAL REPORT**
Summary & Form 10-K

Energen Resources

	2012	2011	2010
Financial (dollars in thousands)			
Operating Revenues*	\$ 1,165,580	\$ 948,526	\$ 958,762
Net Income**	\$ 204,134	\$ 212,980	\$ 245,325
Capital Expenditures	\$ 1,291,211	\$ 1,115,452	\$ 717,782
Operations			
<i>Reserves</i>			
Natural Gas (MMcf)	809,128	957,368	954,387
Oil (MBbl)	155,348	129,578	103,262
Natural Gas Liquids (MBbl)	56,155	53,957	40,601
<i>Production</i>			
Natural Gas (MMcf)	76,362	71,718	70,924
Oil (MBbl)	8,766	6,318	5,131
Natural Gas Liquids (MBbl)	2,573	2,177	1,880

* Includes a non-cash, mark-to-market revenue gain of \$58.8 MM in 2012 and a non-cash, mark-to-market revenue loss of \$37.6 MM in 2011.

** Includes a non-cash, mark-to-market, after-tax gain of \$37.2 MM in 2012 and a non-cash, mark-to-market, after-tax loss of \$23.4 MM in 2011.

Alagasco

	2012	2011	2010
Financial (dollars in thousands)			
Operating Revenues	\$ 451,589	\$ 534,953	\$ 619,772
Net Revenues [†]	\$ 287,882	\$ 276,162	\$ 272,080
Net Income	\$ 49,402	\$ 46,602	\$ 46,883
Capital Expenditures	\$ 71,869	\$ 73,984	\$ 93,566
Operations			
Throughput (MMcf)	72,492	75,740	81,927
Number of Customers (average)	424,917	427,606	437,329
Number of Customers (year end)	424,692	426,013	432,183

[†] Revenues less cost of gas and taxes on revenues

About the Cover

Energen Corporation continues to focus on increasing our production of oil in the liquids-rich Permian Basin of west Texas. Our 3rd Bone Spring and Wolfberry wells generated excellent performances in 2012 and are expected to drive double-digit oil and natural gas liquids growth in 2013. The new year also will have Energen testing multiple horizontal drilling opportunities that are bringing new life to one of the oldest oil-producing regions in the United States.

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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. The company is focused on increasing its production of oil in the Permian Basin of west Texas and plans to test multiple horizontal drilling opportunities in 2013.

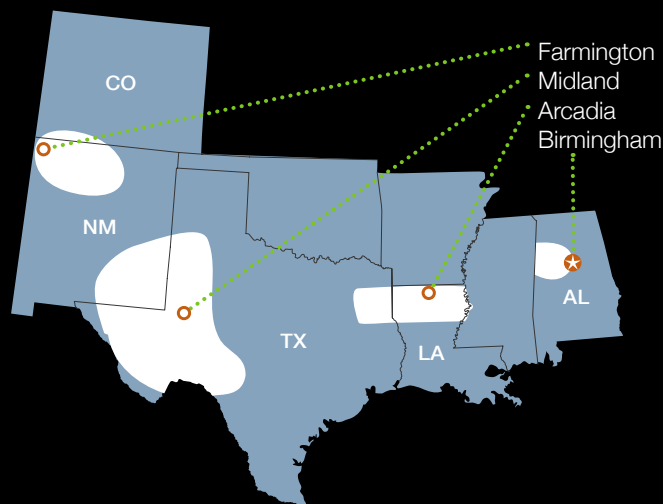
Energen Resources Corporation

One of the most active drillers in the Permian Basin in Texas, Energen Resources is an independent producer of oil, natural gas liquids, and natural gas in the continental United States. Approximately 95 percent of the company's 346 million barrels of oil equivalent (MMBOE) proved reserves are located in the Permian Basin in Texas and in the San Juan Basin in New Mexico and Colorado. Energen Resources generated record production of 24.1 MMBOE in 2012 and is targeting 23 percent growth in oil and natural gas liquids in 2013.

Alabama Gas Corporation

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 approximately 425,000 homes, businesses, and industries in central and parts of north Alabama.

OIL & GAS RESERVE LOCATIONS

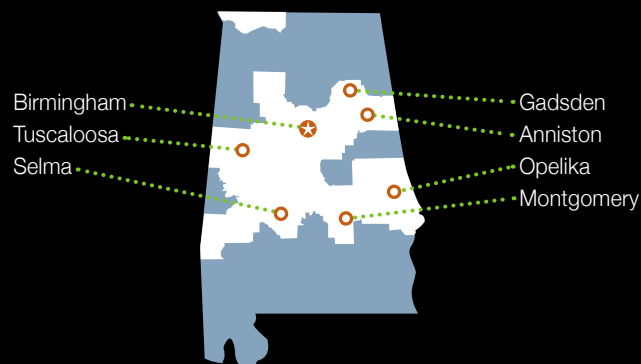


Area	Reserves (MBOE)
1. Permian Basin	225,006
2. San Juan Basin	100,910
3. Black Warrior Basin	16,165
4. N. LA /E. TX /Other	4,278
TOTAL	346,359

Proved reserves at 12/31/12

- ★ Corporate Headquarters
- Field Offices

UTILITY SERVICE AREA



- ★ Corporate Headquarters
- Offices

Financial Highlights

Years ended 12/31

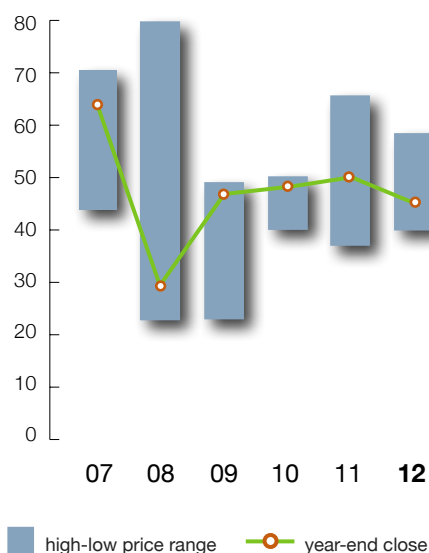
	2012	2011	% change
Financial (dollars in thousands)			
Net income*	\$ 253,562	\$ 259,624	(2.3)
Revenues**	\$ 1,617,169	\$ 1,483,479	9.0
Total assets	\$ 6,175,890	\$ 5,237,416	17.9
Shareholders' equity	\$ 2,676,690	\$ 2,432,163	10.1
Long-term debt	\$ 1,103,528	\$ 1,153,700	(4.3)
Capital expenditures	\$ 1,363,080	\$ 1,189,436	14.6
Proved oil and gas reserves (MMBOE)	346.4	343.1	1.0
Per Share			
Earnings per average common share (diluted)*	\$ 3.51	\$ 3.59	(2.2)
Dividends paid	\$ 0.56	\$ 0.54	3.7
Book value	\$ 37.09	\$ 33.74	9.9
Other			
Average common shares outstanding (diluted)	72,316,214	72,332,369	0.0
Shares outstanding at year end	72,161,547	72,095,543	0.1
Shareholders of record	5,463	5,882	(7.1)
Number of employees at year end	1,575	1,542	2.1

* Includes a non-cash, mark-to-market, after-tax gain of \$37.2 MM (\$0.52 per diluted share) in 2012 and a non-cash, mark-to-market, after-tax loss of \$23.4 MM (\$0.32 per diluted share) in 2011.

** Includes a non-cash, mark-to-market revenue gain of \$58.8 MM in 2012 and a non-cash, mark-to-market revenue loss of \$37.6 MM in 2011.

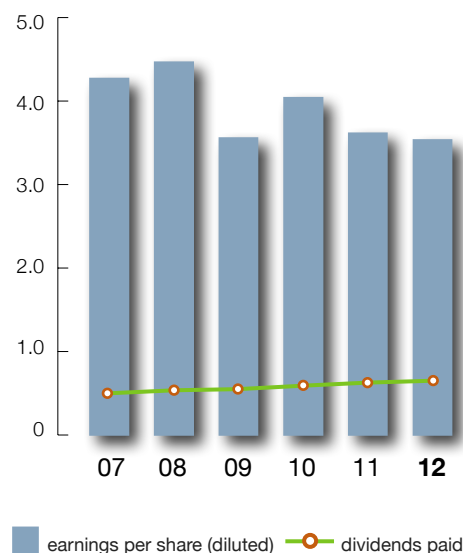
STOCK PRICE

(dollars per share)



EARNINGS & DIVIDENDS PAID

(dollars per share)



To Our Shareholders



Energen Corporation continued to focus in 2012 on increasing our production of oil and natural gas liquids (collectively, “liquids”) in the Permian Basin of west Texas. Our record level of drilling activity showcased excellent performances from our 3rd Bone Spring and Wolfberry wells that contributed to another year of record production.

The company’s progress in 2012 places us in an excellent position to maintain strong, double-digit liquids growth in 2013 as we continue to develop our core Permian plays. At the same time, we are eager to explore the exciting potential offered by emerging horizontal opportunities in the Midland and Delaware basins.

Success in even one of these high-profile horizontal plays could lead to many years of active drilling in the Permian Basin as well as many years of organic liquids production growth.

A handwritten signature in black ink that reads "James T. McManus, II". The signature is written in a cursive style with a large, stylized initial 'J'.

James T. McManus, II
Chairman and Chief Executive Officer

February 28, 2013

“THE COMPANY’S PROGRESS IN 2012 PLACES US IN AN EXCELLENT POSITION TO MAINTAIN STRONG, DOUBLE-DIGIT LIQUIDS GROWTH IN 2013 AS WE CONTINUE TO DEVELOP OUR CORE PERMIAN PLAYS.”

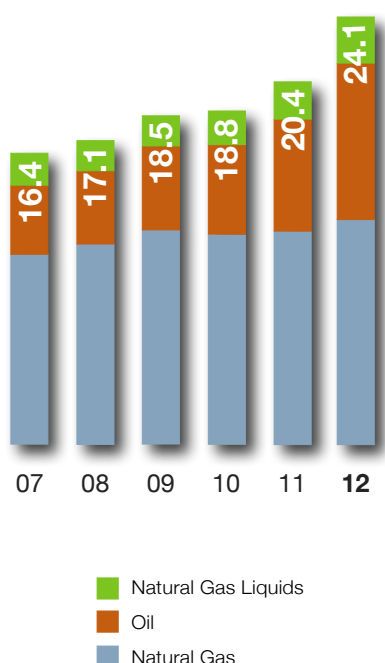
Record Production

Production in 2012 grew 18 percent to a record 24.1 million barrels of oil equivalent (MMBOE). Not surprisingly, growth in our Permian Basin production was substantial, rising approximately 44 percent from year-end 2011. Aggregate production in our natural gas regions grew less than 2 percent, as we limited our capital investment there due to the continued low commodity price of gas.

Oil production increased approximately 40 percent in 2012, while natural gas liquids production grew 18 percent. Natural gas volumes rose 6 percent primarily due to its presence in our Permian Basin product stream; approximately 15 percent of our growing Permian Basin production is natural gas.

OIL AND GAS PRODUCTION

(MMBOE)



3rd Bone Spring Sand

Energen’s 3rd Bone Spring program generated outstanding results in 2012 as we focused on developing our core 3rd Bone Spring acreage located east of the Pecos River in Ward, Winkler, and Loving counties in the Delaware Basin.

With an initial rate of 2,257 barrels of oil equivalent (BOE) per day, the Black Mamba 1-57 #1H well in Loving County emerged as the company’s top performer and what is believed to be the best performing well drilled by any operator to-date in the Delaware Basin in Texas.

Energen Resources, our oil and gas exploration and production subsidiary, drilled 40 net horizontal wells in our core area during 2012. The 35 net wells tested during the year produced at an average initial rate of more than 1,000 BOE per day, of which 68 percent was oil. The 30-day average rate of 32 net wells with sufficient production history was 661 BOE per day; 65 percent was oil.

On the east side of the Pecos River, our core holdings total approximately 30,000 net acres; at year end, approximately 9,500 net acres were undeveloped. We estimate that some 59 additional wells on 160-acre spacing remain to be drilled.

Having now delineated our core acreage position, Energen Resources expects to drill second and third wells on each lease to round out the program over the next couple of years. In 2013 we plan to drill 28 net wells with 4,400-foot lateral lengths in the 3rd Bone Spring sand.

Our estimate of gross ultimate recovery per 3rd Bone Spring well is 475,000 BOE. We have a 100 percent working interest and 75 percent net revenue



interest in our remaining wells. The average product mix of these wells is estimated to be 66 percent oil, 18 percent natural gas liquids, and 16 percent gas.

At \$90 per barrel of oil and \$4 per Mcf of natural gas (and assuming a natural gas liquids price realization of 40 percent), we estimate that the 59 wells remaining in our 3rd Bone Spring program will generate an attractive 50 percent pre-tax rate of return for the company.

Vertical Wolfberry

In the Midland Basin, our vertical Wolfberry program continued to perform to expectations in 2012. Energen Resources drilled 167 net Wolfberry wells during the year and completed and tested 172 net wells (including seven drilled in late 2011). These wells had an average stabilized rate of 90 BOE per day, of which 75 percent was oil. The average 30-day rate of the wells was 76 BOE per day, with 77 percent oil.

Energen Resources has approximately 65,000 net acres in the Midland Basin that we believe are prospective for the vertical Wolfberry play; and approximately 34,000 net acres remain undeveloped. Based on 40-acre spacing, we estimate there are 850

potential locations yet to be drilled. Downspacing to 20 acres could add another 800 locations; some of these downspacing locations may be displaced by the potential drilling of higher-return horizontal wells.

In 2013 we plan to drill 167 net wells in the vertical Wolfberry play. The estimated gross ultimate recovery of the mix of Wolfberry wells in our current five-year plan is 165,000 BOE. We have a 90 percent working interest and 70 percent net revenue interest in these wells. The product mix is estimated to average 60 percent oil, 24 percent natural gas liquids, and 16 percent gas.

At \$90 per barrel of oil and \$4 per Mcf of natural gas (and assuming a natural gas liquids price realization of 40 percent), we estimate that our vertical Wolfberry wells will generate an average pre-tax rate of return for the company of 23 percent.

Opportunities: Midland Basin

During 2012 Energen identified 1,280 potential drilling locations on our acreage in the Midland Basin and Eastern Shelf that we believe are prospective for two emerging horizontal plays: the Wolfcamp shale and the Cline shale. Based on well data and internal evaluations, we estimate that our current acreage



position supports 860 drilling opportunities in the upper Wolfcamp and Cline as well as 420 potential locations in the middle and lower benches of the thick Wolfcamp shale. These estimates assume that wells are drilled on 160-acre spacing.

Energen is a 21 percent working interest owner in a successful upper Wolfcamp well in Glasscock County drilled by a neighboring operator in 2012. This operator has drilled numerous successful Wolfcamp and Cline wells near our acreage in Glasscock and Reagan counties, and other operators are working to prove up the upper and middle Wolfcamp benches further north, in Midland and Martin counties.

Our analysis of public data and additional proprietary data has increased our confidence level that the Wolfcamp and Cline shales hold significant upside potential for Energen.

We plan to drill six net wells in the Midland Basin in 2013 to test the Wolfcamp shale and, possibly, the Cline. Drilling is scheduled to get under way in Glasscock County in the second quarter of 2013 with a test of the upper Wolfcamp.

Opportunities: Delaware Basin

In the latter half of 2012, we began to examine the Wolfcamp potential on our Delaware Basin acreage east of the Pecos River by drilling five operated wells in various Wolfcamp targets.

The first of these wells generated good early results; thereafter, production declined more rapidly than expected. The other four wells are in various stages of completion at the current time. Work on the first of seven net Wolfcamp wells we plan to drill in the Delaware Basin in 2013 is now under way.

As we learn more about the Wolfcamp shale in the Delaware Basin and optimize our landings and completions, we will be in a much better position to understand the Wolfcamp's full potential east of the Pecos River.

Meanwhile, across the river in Reeves County, BHP Billiton currently is completing a middle Wolfcamp well in which we have a 50 percent non-operated interest. Other operators working in Reeves County have recently reported encouraging results from the Wolfcamp shale.



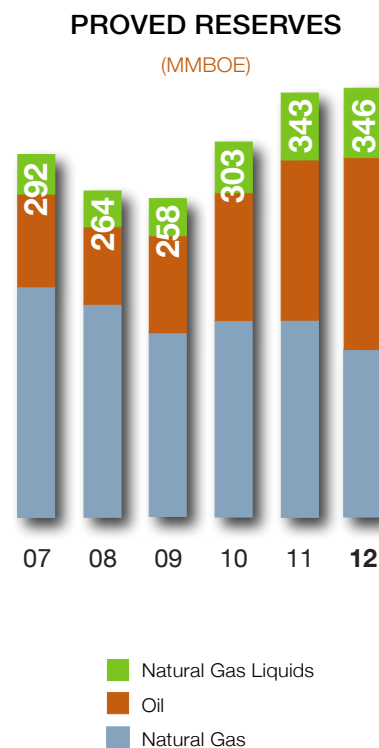
With approximately 110,000 net acres prospective for the Wolfcamp shale in the Delaware Basin, success in even one of the three Wolfcamp benches could generate hundreds of potential drilling locations on 160-acre spacing.

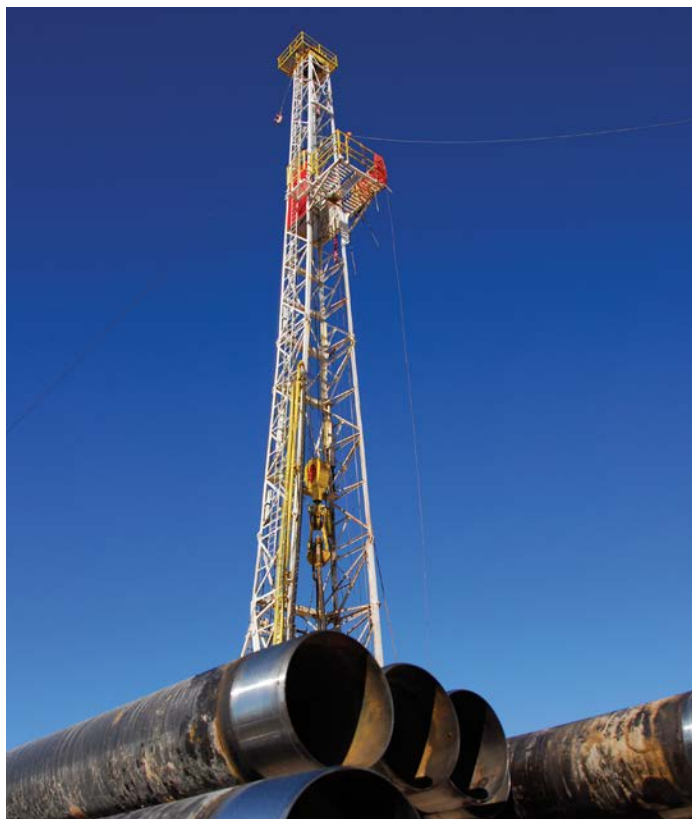
Proved Reserves Total 346 MMBOE

Proved reserves at year-end 2012 totaled 346 MMBOE but increased only slightly over 2011 after a 33 percent decline in natural gas prices and a 28 percent decline in natural gas liquids prices resulted in a downward reserve revision of approximately 30 MMBOE. In addition, Energen Resources produced a record 24.1 MMBOE during 2012.

These two items effectively offset the addition of approximately 58 MMBOE of reserves, most of which were previously classified as unproved reserves. We also added some 12 MMBOE of mainly Wolfberry reserves through the acquisition of proved properties and leasehold.

Oil and natural gas liquids reserves represented 61 percent of total proved reserves and are expected to increase as Energen continues to focus on the exploration and development of the liquids-rich Permian Basin.





100 Wolfcamp Locations Added

Probable and possible reserves at year-end 2012 declined to 407 MMBOE. Substantially lower gas and natural gas liquids prices resulted in the loss of approximately 137 MMBOE of unproved San Juan Basin reserves at the end of the 2012. In the Delaware Basin, 3rd Bone Spring reserves west side of the Pecos River were revised down by some 64 MMBOE.

We added net reserves of approximately 36 MMBOE for 100 net upper Wolfcamp locations in Glasscock County; this represents estimated gross recoveries of 460,000 BOE per well assuming 160-acre spacing and 4,400-foot horizontal lengths. Energen also gained 18 MMBOE of unproved Wolfberry reserves through acquisition.

Importantly, a lot of potential is not yet reflected in our unproved reserves. This potential includes Wolfberry downspacing, horizontal Cline in the Midland Basin, horizontal Wolfcamp in the Delaware Basin, horizontal Avalon shale in the Delaware Basin; and 685 net horizontal Wolfcamp locations (upper, middle, and lower).

Our total proved, probable, and possible reserves now total 753 MMBOE. Oil and natural gas liquids comprise more than 55 percent of these reserves, and more than half are in Permian Basin.

Earnings and Dividends

A 30 percent decline in the realized sales price of natural gas pressured Energen's earnings in 2012. Net income for the year totaled \$253.6 million, or \$3.51 per diluted share, as compared with \$259.6 million, or \$3.59 per diluted share in 2011.

For comparative purposes, it is important to note that each period includes non-cash adjustments for mark-to-market gains or losses on our open hedge contracts. In 2012 Energen recorded a mark-to-market gain of \$37.2 million after tax, or 52 cents per diluted share, while a mark-to-market loss of \$23.4 million, or 32 cents per diluted share, was included in 2011 earnings.

Low natural gas prices also resulted in a \$13.4 million after tax, or 19 cents per diluted share, write-down of natural gas properties in East Texas in 2012.



Energen's utility operations under Alabama Gas Corporation (Alagasco) generated net income of \$49.4 million in 2012; this \$2.8 million increase from 2011 reflected Alagasco's ability to earn on a higher level of equity representing investment in utility plant.

In January 2013 your Board of Directors increased Energen's annual cash dividend for the 31st consecutive year. The dividend, which is supported by Alagasco, increased 3.6 percent to 14.5 cents per share. On an annualized basis, Energen's new dividend rate is 58 cents per share.

The Outlook for 2013

During 2013 Energen Resources plans to invest \$875 million to explore and develop our Permian Basin assets, including the drilling of approximately 300 net wells. We plan to invest only \$25 million in our traditional gas regions, primarily for recompletions in the San Juan Basin.

Approximately three-fourths of our capital investment in 2013 will focus on the continued

development of our vertical Wolfberry and 3rd Bone Spring assets. These two plays are expected to drive double-digit liquids production growth in 2013.

At the same time, we plan to invest \$130 million to test emerging plays in the Midland and Delaware basins.

Production in 2013 is estimated to increase 8 percent to 26.1 MMBOE. Oil and natural gas liquids production is projected to grow 20 percent and 31 percent, respectively, while natural gas production is estimated to decline by 5 percent. Wolfberry and 3rd Bone Spring production is each estimated to increase approximately 50 percent over 2012 levels.

An important part of our financial strength in 2013 will again be an excellent hedge position. Approximately 70 percent of our total estimated production in 2013 is hedged, including 84 percent of our estimated oil production at an average NYMEX price of \$90.95 per barrel, 31 percent of estimated natural gas liquids production at a price of \$1.02 per gallon, and 69 percent of estimated natural gas production at an average NYMEX-equivalent price of \$4.63 per Mcf.



Hedges also are in place that substantially limit our exposure to the volatile Midland to Cushing differential.

The company's utility subsidiary has the opportunity to earn a return on average equity that is estimated to be approximately \$375-\$380 million in 2013.

Calendar year 2012 was a busy and exciting year for Energen that sets us up in 2013 to generate strong production growth from existing plays while exploring several emerging opportunities in the Permian Basin.

The year was not problem free, of course. For example, in the Permian Basin, we and other operators dealt with issues such as transportation and infrastructure constraints and ethane rejection.

Perhaps the most important thing about 2012 was that we learned more every day about the new generation of plays – both in development and emerging – that are giving new life to the Permian Basin and that hold substantial value for Energen. ■

Alagasco finished implementing phase two of its successful Resource Management System during 2012. The technology initiative was first used to help improve the customer experience through service efficiencies; this past year, it was expanded to our pipeline operations. Pictured above, left to right, Alagasco employees Derrik Hogland and Dan Ingram use this new technology on laptops installed in company vehicles to better coordinate and manage the maintenance of Alagasco's system integrity.

Company Leadership

Energen Corporation

James T. McManus, II (54)

Chairman and Chief Executive Officer,
Energen and all subsidiaries, 1986*

William K. Bibb (59)

Vice President – Human Resources,
Energen and all subsidiaries, 1976

Marvell “Chip” Bivins, Jr. (55)

Vice President – Audit and Compliance, 1989

Joe E. Cook (58)

Assistant Secretary,
Energen and all subsidiaries, 1980

Edwin D. “Lynn” Lovelady, II (49)

Vice President – Information Technology,
Energen and all subsidiaries, 1999

Russell E. Lynch, Jr. (39)

Vice President and Controller, 2001

Charles W. Porter, Jr. (48)

Vice President, Chief Financial Officer and Treasurer,
Energen and all subsidiaries, 1989

Julie S. Ryland (54)

Vice President – Investor Relations, 1985

Linda M. Sewell (53)

Vice President – External Affairs,
Energen and all subsidiaries, 2012

J. David Woodruff (56)

Vice President, General Counsel, and Secretary,
Energen and all subsidiaries, 1986

Energen Resources Corporation

John S. Richardson (55)

President and Chief Operating Officer, 1985

Gary W. Brink (60)

Vice President – San Juan Basin Operations, 1997

Henry E. “Gene” Cash (59)

Vice President – Acquisitions and Reservoir
Engineering, 1996

Joe E. Cook (58)

Senior Vice President – Legal and Land, 1980

David A. Godsey (58)

Senior Vice President – Exploration and Geology, 2012

Holley S. LaGrone (57)

Vice President – Marketing and Administration, 1981

David J. Minor (61)

Senior Vice President – Operations, 2012

Joe D. Niederhofer (53)

Vice President – Permian Basin Operations, 1986

Cynthia T. Rayburn (49)

Vice President and Controller, 1988

Paul C. Rote (63)

Vice President – Land, 1998

D. Paul Sparks, Jr. (50)

Senior Vice President – Resource Development and
Technology, 1989

Alabama Gas Corporation

Dudley C. Reynolds (60)

President and Chief Operating Officer, 1980

Steven R. Chapman (56)

Vice President – Support Services, 1982

William D. Marshall (49)

Vice President and Controller, 1988

Robert S. “Sid” McAnnally (49)

Senior Vice President – Marketing and Customer
Service, 2009

Kenneth A. Smith (54)

Vice President – System Integrity, 1981

Amy W. Stewart (56)

Vice President – Rates and Gas Supply, 1985

* Year initially began service to the company

Board of Directors



Stephen D. Ban (72)
Retired Director of
Technology Transfer,
Argonne National Laboratory,
Chicago, IL, 1992*



Julian W. Banton (72)
Retired Chairman and CEO,
SouthTrust Bank,
Birmingham, AL, 1997



Kenneth W. Dewey (59) A,C
Co-founder and board member,
Caymus Capital Partners, LLC,
Sausalito, CA, 2007



T. Michael Goodrich (67) A,D
Retired Chairman and CEO,
BE&K, Inc.,
Birmingham, AL, 2000



Jay Grinney (62) A,B
President and CEO,
HealthSouth Corporation,
Birmingham, AL, 2012



Frances Powell Hawes (58) B,C
CFO, New Process Steel, LP,
Houston, TX, 2013

James T. McManus, II (54)
Chairman and CEO, Energen
and all subsidiaries, 2006



Judy M. Merritt (69) B,D
President, Jefferson State
Community College,
Birmingham, AL, 1993



Stephen A. Snider (65) A,D
Retired CEO,
Exterrnan Holdings, Inc.,
Houston, TX, 2000



David W. Wilson (69) B,C
Independent Energy Consultant,
Kingwood, TX, 2004



Gary C. Youngblood (69) C,D
Retired President and COO,
Alabama Gas Corporation,
Birmingham, AL, 2003



Committee assignments effective April 1, 2013:

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

* Year first elected to the Board



Forward-looking Statements

Certain statements in the Energen Corporation 2012 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 other terms of similar meaning. These are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and are subject to the safe harbor provisions of those sections and 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 (many of which are beyond our control) that could cause actual results to differ materially from those anticipated. Some of 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 including oil, gas, and natural gas liquids, fluctuations in the weather, drilling risks, costs associated with compliance with environmental and regulatory obligations, inflation rates, legislative and regulatory changes, financial market conditions, the Company’s ability to access the capital markets, acts of nature, sabotage, terrorism (including cyber-attacks) and

other similar acts that disrupt operations or cause damage greater than covered by insurance, future business decisions, utility customer growth and retention and usage per customer, litigation results and other factors, and uncertainties discussed in the Company’s public filings and news releases, all of which are difficult to predict.

While it is not possible to predict or identify all the factors that could cause the Company’s actual results to differ materially from expected or historical results, the Company has identified certain risk factors that may affect its future business and financial performance. For a more complete discussion of these risk factors, see Item 1A, Risk Factors, in the Form 10-K that accompanies this Summary Annual Report; it is incorporated by reference into this forward-looking statements disclosure.

Except as otherwise disclosed, forward-looking statements do not reflect the impact of possible or pending acquisitions, investments, divestitures, or restructurings. The absence of errors in input data, calculations, and formulas used in estimates, assumptions, and forecasts cannot be guaranteed.

Neither the Company nor its subsidiaries undertakes any obligation to correct or update forward-looking statements whether as a result of new information, future events, or otherwise.

Consolidated Statements of Income

Energen Corporation

Years ended December 31, (in thousands, except share data)	2012	2011	2010
Operating Revenues			
Oil and gas operations	\$ 1,165,580	\$ 948,526	\$ 958,762
Natural gas distribution	451,589	534,953	619,772
Total operating revenues	1,617,169	1,483,479	1,578,534
Operating Expenses			
Cost of gas	142,228	233,523	316,988
Operations and maintenance	477,883	419,119	429,165
Depreciation, depletion and amortization	419,598	283,997	247,865
Asset impairment	21,545	—	—
Taxes, other than income taxes	88,989	91,734	84,961
Accretion expense	7,534	6,837	6,178
Total operating expenses	1,157,777	1,035,210	1,085,157
Operating Income	459,392	448,269	493,377
Other Income (Expense)			
Interest expense	(65,556)	(44,822)	(39,222)
Other income	4,448	2,334	4,285
Other expense	(903)	(456)	(643)
Total other expense	(62,011)	(42,944)	(35,580)
Income Before Income Taxes	397,381	405,325	457,797
Income tax expense	143,819	145,701	166,990
Net Income	\$ 253,562	\$ 259,624	\$ 290,807
Diluted Earnings Per Average Common Share	\$ 3.51	\$ 3.59	\$ 4.04
Basic Earnings Per Average Common Share	\$ 3.52	\$ 3.60	\$ 4.05
Diluted Average Common Shares Outstanding	72,316,214	72,332,369	72,050,997
Basic Average Common Shares Outstanding	72,119,021	72,055,661	71,845,463

Consolidated Balance Sheets

Energen Corporation

As of December 31, (in thousands)	2012	2011
Assets		
Current Assets		
Cash and cash equivalents	\$ 9,704	\$ 9,541
Accounts receivable, net of allowance for doubtful accounts of \$6,549 and \$12,946 at December 31, 2012 and 2011, respectively.	277,900	231,925
Inventories		
Storage gas inventory	32,205	44,047
Materials and supplies	28,291	26,420
Liquified natural gas in storage	3,498	3,545
Regulatory asset	45,515	57,143
Income tax receivable	6,664	7,343
Deferred income taxes	8,520	48,818
Prepayments and other	12,823	15,386
Total current assets	425,120	444,168
Property, Plant and Equipment		
Oil and gas properties, successful efforts method	6,439,127	5,166,368
Less accumulated depreciation, depletion and amortization	1,765,241	1,382,526
Oil and gas properties, net	4,673,886	3,783,842
Utility plant	1,416,590	1,358,266
Less accumulated depreciation	573,947	544,838
Utility plant, net	842,643	813,428
Other property, net	25,107	23,506
Total property, plant and equipment, net	5,541,636	4,620,776
Other Assets		
Regulatory asset	110,566	95,633
Pension and other postretirement assets	1,404	—
Long-term derivative instruments	40,577	31,056
Deferred charges and other	56,587	45,783
Total other assets	209,134	172,472
Total Assets	\$ 6,175,890	\$ 5,237,416

As of December 31, (in thousands, except share data)	2012	2011
Liabilities and Shareholders' Equity		
Current Liabilities		
Long-term debt due within one year	\$ 50,000	\$ 1,000
Notes payable to banks	643,000	15,000
Accounts payable	257,579	302,048
Accrued taxes	30,076	32,359
Customers' deposits	24,705	23,950
Amounts due customers	19,718	21,065
Accrued wages and benefits	24,984	35,258
Regulatory liability	45,116	58,279
Royalty payable	34,426	22,592
Other	30,178	32,328
Total current liabilities	1,159,782	543,879
Long-term debt	1,103,528	1,153,700
Deferred Credits and Other Liabilities		
Asset retirement obligation	118,023	107,340
Pension and other postretirement liabilities	110,282	62,532
Regulatory liability	80,404	87,234
Deferred income taxes	905,601	806,127
Long-term derivative instruments	11,305	34,663
Other	10,275	9,778
Total deferred credits and other liabilities	1,235,890	1,107,674
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, 75,067,760 shares issued at December 31, 2012, and 75,007,412 shares issued at December 31, 2011	751	750
Premium on capital stock	492,108	482,918
Capital surplus	2,802	2,802
Retained earnings	2,314,055	2,100,885
Accumulated other comprehensive income (loss), net of tax		
Unrealized gain on hedges, net	46,352	9,273
Pension and postretirement plans	(52,507)	(38,584)
Interest rate swap	(2,156)	(941)
Deferred compensation plan	2,774	3,511
Treasury stock, at cost; 2,998,620 shares and 3,036,549 shares at December 31, 2012 and 2011, respectively	(127,489)	(128,451)
Total shareholders' equity	2,676,690	2,432,163
Total Liabilities and Shareholders' Equity	\$ 6,175,890	\$ 5,237,416

Consolidated Statements of Cash Flows

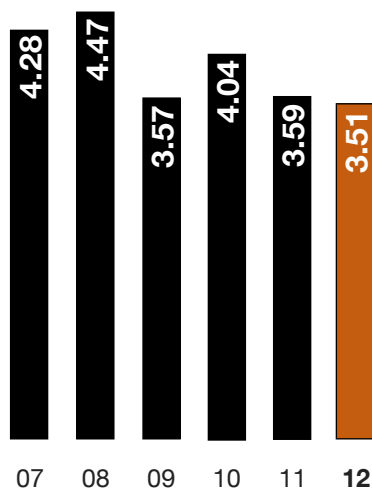
Energen Corporation

Years ended December 31, (in thousands)	2012	2011	2010
Operating Activities			
Net income.	\$ 253,562	\$ 259,624	\$ 290,807
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation, depletion and amortization.	419,598	283,997	247,865
Asset impairment	21,545	—	—
Accretion expense.	7,534	6,837	6,178
Deferred income taxes	124,399	129,041	133,840
Bad debt expense.	153	2,525	1,565
Change in derivative fair value.	(41,819)	36,210	(819)
Gain on sale of assets.	(529)	(5,994)	(2,521)
Other, net	15,681	13,298	(568)
Exploratory expense	16,757	10,916	63,668
Net change in:			
Accounts receivable	(11,923)	(16,359)	(31,939)
Inventories	10,018	(14,710)	4,022
Accounts payable.	(16,392)	12,978	18,889
Amounts due customers including gas supply pass-through	(57,747)	(2,597)	20,751
Income tax receivable.	679	37,146	(39,937)
Pension and other postretirement benefit contributions . .	(5,996)	(5,986)	(42,233)
Other current assets and liabilities	217	14,905	1,454
Net cash provided by operating activities	735,737	761,831	671,022
Investing Activities			
Additions to property, plant and equipment	(1,184,300)	(889,614)	(434,121)
Acquisitions, net of cash acquired	(139,563)	(310,193)	(410,348)
Proceeds from sale of assets	2,562	7,987	3,155
Purchase of short-term investments.	—	—	(154,880)
Sale of short-term investments.	—	—	154,965
Other, net	(881)	(1,679)	(1,464)
Net cash used in investing activities	(1,322,182)	(1,193,499)	(842,693)
Financing Activities			
Payment of dividends on common stock	(40,392)	(38,922)	(37,377)
Issuance of common stock	1,224	6,415	685
Issuance of long-term debt.	—	749,952	—
Reduction of long-term debt	(1,218)	(5,547)	(150,729)
Net change in short-term debt	628,000	(290,000)	305,000
Tax benefit on stock compensation	550	986	907
Other	(1556)	(4,334)	—
Net cash provided by financing activities.	586,608	418,550	118,486
Net change in cash and cash equivalents	163	(13,118)	(53,185)
Cash and cash equivalents at beginning of period	9,541	22,659	75,844
Cash and cash equivalents at end of period.	\$ 9,704	\$ 9,541	\$ 22,659

Selected Financial Data

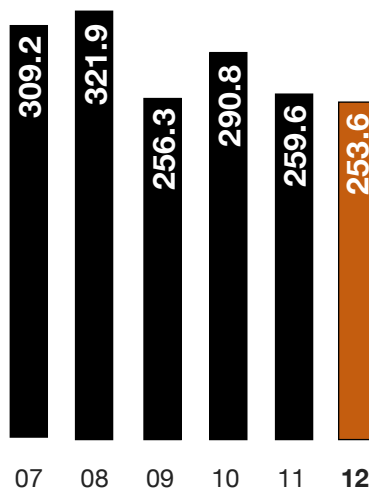
EARNINGS PER DILUTED SHARE

(dollars)



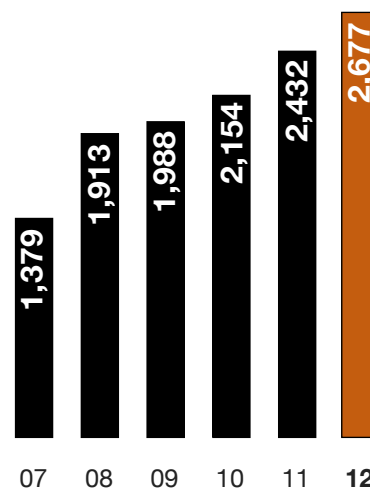
CONSOLIDATED NET INCOME

(dollars in millions)



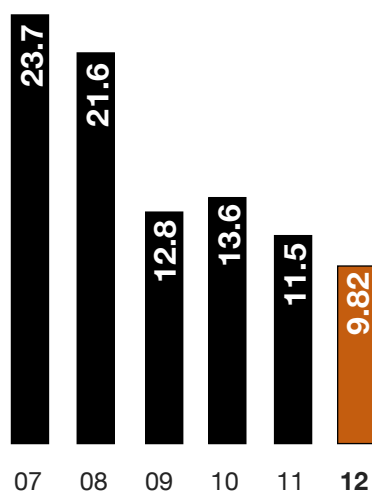
SHAREHOLDERS' EQUITY

(dollars in millions)



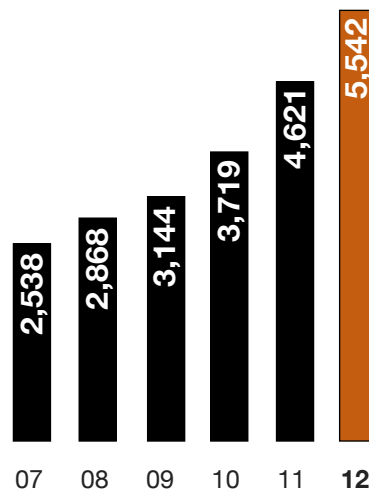
RETURN ON AVERAGE EQUITY

(percent)



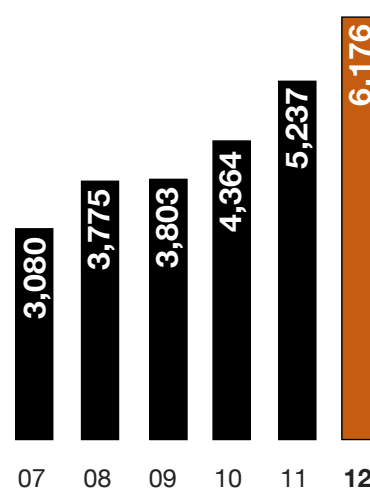
PROPERTY, PLANT & EQUIPMENT, NET

(dollars in millions)



TOTAL ASSETS

(dollars in millions)



Selected Financial & Common Stock Data

Energen Corporation

(Unaudited)

Years ended December 31, (dollars in thousands, except per share amounts)	2012	2011
Income Statement		
Operating revenues*	\$ 1,617,169	\$ 1,483,479
Net income**	\$ 253,562	\$ 259,624
Diluted earnings per average common share**	\$ 3.51	\$ 3.59
Balance Sheet		
Total property, plant and equipment, net	\$ 5,541,636	\$ 4,620,776
Total assets	\$ 6,175,890	\$ 5,237,416
Long-term debt	\$ 1,103,528	\$ 1,153,700
Total shareholders' equity	\$ 2,676,690	\$ 2,432,163
Common Stock Data		
Annual dividend rate at year end	\$ 0.56	\$ 0.54
Cash dividends paid per common share	\$ 0.56	\$ 0.54
Book value per common share	\$ 37.09	\$ 33.74
Market-to-book ratio at year end (%)	122	148
Yield at year end (%)	1.2	1.1
Return on average common equity (%)	9.82	11.5
Price-to-earnings (diluted) ratio at year end	12.8	13.9
Average common shares outstanding (diluted)(000)	72,316	72,332
Shares outstanding at year end(000)	72,162	72,096
Price Range:		
High	\$ 58.24	\$ 65.44
Low	\$ 40.13	\$ 37.22
Close	\$ 45.09	\$ 50.00

* Includes a non-cash, mark-to-market revenue gain of \$58.8 MM in 2012 and a non-cash, mark-to-market revenue loss of \$37.6 MM in 2011.

** Includes a non-cash, mark-to-market, after-tax gain of \$37.2 MM (\$0.52 per diluted share) in 2012 and a non-cash, mark-to-market, after-tax loss of \$23.4 MM (\$0.32 per diluted share) in 2011.

2010	2009	2008	2007
\$ 1,578,534	\$ 1,440,420	\$ 1,568,910	\$ 1,435,060
\$ 290,807	\$ 256,325	\$ 321,915	\$ 309,233
\$ 4.04	\$ 3.57	\$ 4.47	\$ 4.28
\$ 3,719,227	\$ 3,144,469	\$ 2,867,648	\$ 2,538,243
\$ 4,363,560	\$ 3,803,118	\$ 3,775,404	\$ 3,079,653
\$ 405,254	\$ 410,786	\$ 561,631	\$ 562,365
\$ 2,154,043	\$ 1,988,243	\$ 1,913,920	\$ 1,378,658
\$ 0.52	\$ 0.50	\$ 0.48	\$ 0.46
\$ 0.52	\$ 0.50	\$ 0.48	\$ 0.46
\$ 29.96	\$ 27.71	\$ 26.68	\$ 19.23
161	169	110	334
1.1	1.1	1.6	0.7
13.6	12.8	21.6	23.7
12.0	13.1	6.6	15.0
72,051	71,885	72,030	72,181
71,887	71,757	71,704	71,681
\$ 49.94	\$ 48.89	\$ 79.57	\$ 70.41
\$ 40.25	\$ 23.18	\$ 23.00	\$ 43.78
\$ 48.26	\$ 46.80	\$ 29.33	\$ 64.23

Selected Business Segment Data

Energen Corporation

(Unaudited)

Years ended December 31, (dollars in thousands)	2012	2011
Oil and Gas Operations		
Operating revenues		
Natural gas	\$ 288,979	\$ 386,894
Oil	790,345	467,320
Natural gas liquids	85,938	87,466
Other	318	6,846
Total	\$ 1,165,580	\$ 948,526
Production volumes		
Natural gas (MMcf)	76,362	71,718
Oil (MBbl)	8,766	6,318
Natural gas liquids (MMgal)	108.1	91.4
Total production volumes (MBOE)	24,066	20,448
Proved reserves		
Natural gas (MMcf)	809,128	957,368
Oil (MBbl)	155,348	129,578
Natural gas liquids (MMgal)	2,358.5	2,266.2
Total (MBOE)	346,359	343,099
Other data		
Lease operating expense	\$ 306,375	\$ 257,045
Depreciation, depletion and amortization	\$ 377,328	\$ 244,081
Asset impairment	\$ 21,545	—
Capital expenditures	\$ 1,291,211	\$ 1,115,452
Exploration expense	\$ 19,363	13,110
Operating income	\$ 367,243	\$ 363,131
Natural Gas Distribution		
Operating revenues		
Residential	\$ 277,698	\$ 343,740
Commercial and industrial	115,711	136,469
Transportation	58,857	55,234
Other	(677)	(490)
Total	\$ 451,589	\$ 534,953
Gas delivery volumes (MMcf)		
Residential	16,014	21,132
Commercial and industrial	8,372	9,994
Transportation	48,106	44,614
Total	72,492	75,740
Average number of customers		
Residential	393,467	395,766
Commercial, industrial and transportation	31,450	31,840
Total	424,917	427,606
Other data		
Depreciation and amortization	\$ 42,270	39,916
Capital expenditures	\$ 71,869	\$ 73,984
Operating income	\$ 93,216	\$ 86,216

2010	2009	2008	2007
\$ 483,935	\$ 460,370	\$ 536,283	\$ 499,406
404,625	284,750	292,908	251,497
65,161	67,254	68,216	68,623
5,041	10,172	16,725	6,066
\$ 958,762	\$ 822,546	\$ 914,132	\$ 825,592
70,924	72,337	67,573	64,300
5,131	4,690	4,114	3,879
79.0	75.2	70.7	77.2
18,832	18,537	17,059	16,435
954,387	897,546	1,038,453	1,115,918
103,262	77,963	62,034	74,625
1,705.2	1,270.8	1,216.0	1,329.9
302,928	257,811	264,063	292,275
\$ 224,901	\$ 217,429	\$ 236,679	\$ 202,078
\$ 203,823	\$ 184,089	\$ 139,539	\$ 114,241
—	—	—	—
\$ 717,782	\$ 427,399	\$ 449,571	\$ 379,479
\$ 64,584	\$ 10,234	\$ 9,296	\$ 2,894
\$ 406,729	\$ 353,645	\$ 482,588	\$ 451,567
\$ 414,870	\$ 398,289	\$ 410,106	\$ 389,192
159,658	161,543	178,395	165,239
57,049	53,856	51,723	49,656
(11,805)	4,186	14,554	5,381
\$ 619,772	\$ 617,874	\$ 654,778	\$ 609,468
24,463	20,921	21,632	20,665
10,985	9,934	10,934	10,593
46,479	40,903	46,789	51,448
81,927	71,758	79,355	82,706
404,697	409,214	413,151	416,967
32,632	33,264	33,911	34,200
437,329	442,478	447,062	451,167
\$ 44,042	\$ 50,995	\$ 48,874	\$ 47,136
\$ 93,566	\$ 77,809	\$ 63,320	\$ 58,862
\$ 88,383	\$ 83,984	\$ 81,956	\$ 72,742

Shareholder Information

Corporate Headquarters

Energen Corporation
605 Richard Arrington Jr. Blvd. N.
Birmingham, AL 35203-2707

Investor Hotline

1-800-654-3206

Common Stock Listing

New York Stock Exchange: EGN

Annual Meeting

April 24, 2013, 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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Julie S. Ryland
1-205-326-8421
julie.ryland@energen.com

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Michelle A. Speed
1-205-326-2634 or 1-800-654-3206
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Energen on the Web

Corporate information, including news releases, may be accessed at www.energen.com.

Transfer Agent and Registrar

Computershare Shareowner Services LLC
P.O. Box 43006
Providence, RI 02940-3006

URL: www.computershare.com/investor

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 Stock Purchase and Reinvestment 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. Outside of the U.S. and Canada, 1-201-680-6685.

Enrollment material also is available on the Web at www.computershare.com/investor

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Legal Counsel

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Birmingham, AL 35203





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