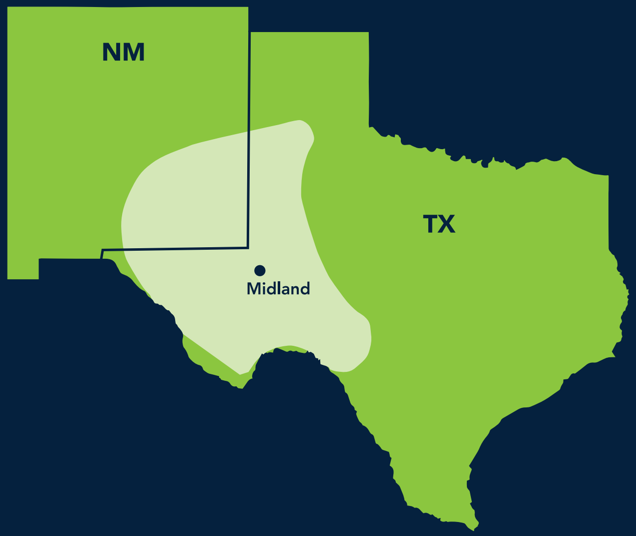
ENERGEN®

2016 ANNUAL REPORT

Summary & Form 10-K



CORPORATE PROFILE

Energen Corporation is an independent oil and gas exploration and production company. The company operates exclusively in the Permian Basin of west Texas and southeast New Mexico and currently is focused on the drilling and development of multiple horizontal shale formations in the Delaware and Midland basins.

As of year-end 2016, the company has proved reserves of 316 million barrels of oil equivalents (BOE). Energen also has a net undeveloped resource potential estimated at more than 2 billion BOE in conjunction with some 3,545 net potential drilling locations.

The majority of Energen's employees work in the company's Midland, Texas, office. Corporate headquarters are in Birmingham, Alabama.

PROVED RESERVES YEAR-END 2016

(MMBOE)

Midland Basin	236
Delaware Basin	39
Other Permian/Miscellaneous	41
TOTAL	**316**

ABOUT THE COVER

Energen Corporation is targeting five zones in the northern Midland Basin in 2017, including here in Martin County, Texas. In addition to pursuing improved well performance from more intensive frac designs, the company continues its work in identifying the best spacing and completion designs needed for optimal well performance from multiple formations.

Forward-Looking Statements

All statements, other than statements of historical fact, appearing in this summary report constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include, among other things, statements about our expectations, beliefs, intentions or business strategies for the future, statements concerning our outlook with regard to the timing and amount of future production of oil, natural gas liquids and natural gas, price realizations, the nature and timing of capital expenditures for exploration and development, plans for funding operations and drilling program capital expenditures, the timing and success of specific projects, operating costs and other expenses, proved oil and natural gas reserves, liquidity and capital resources, outcomes and effects of litigation, claims and disputes and derivative activities. Forward-looking statements may include words such as anticipate, believe, could, estimate, expect, forecast, foresee, intend, may, plan, potential, predict, project, seek, will, or other words or expressions concerning matters that are not historical facts. These statements involve certain risks and uncertainties that may cause actual results to differ materially from expectations as of the date of this document. 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. We base our forward-looking statements on information currently available to us, and we undertake no obligation to correct or update these statements whether as a result of new information, future events or otherwise. Additional information regarding our forward-looking statements and related risks and uncertainties that could affect future results of Energen, can be found in the Company's periodic reports filed with the Securities and Exchange Commission, including the Form 10-K that accompanies this summary report.

Oil and Gas Quantities: Cautionary Statement

The SEC permits oil and gas companies to disclose in SEC filings only proved, probable and possible reserves that meet the SEC's definitions for such terms, and price and cost sensitivities for such reserves, and prohibits disclosure of resources that do not constitute such reserves. Outside of SEC filings, we use the terms "estimated ultimate recovery" or "EUR," reserve or resource "potential," "contingent resources" and other descriptions of volumes of non-proved reserves or resources potentially recoverable through additional drilling or recovery techniques. These estimates are inherently more speculative than estimates of proved reserves and are subject to substantially greater risk of actually being realized. We have not risked EUR estimates, potential drilling locations, and resource potential estimates. Actual locations drilled and quantities that may be ultimately recovered may differ substantially from estimates. We make no commitment to drill all of the drilling locations that have been attributed these quantities. Factors affecting ultimate recovery include the scope of our ongoing drilling program, which will be directly affected by the availability of capital, drilling, and production costs, availability of drilling and completion services and equipment, drilling results, lease expirations, regulatory approvals, and geological and mechanical factors. Estimates of unproved reserves, type/decline curves, per-well EUR, and resource potential may change significantly as development of our oil and gas assets provides additional data. Additionally, initial production rates are subject to decline over time and should not be regarded as reflective of sustained production levels.


TO OUR SHAREHOLDERS

The year 2016 likely will be remembered by our industry as the year the commodity price cycle for oil bottomed out in the mid-$20s. I will remember it more for the determination and resiliency of our company as we focused on balance sheet strength and capital discipline. Even though we were tested and challenged, we came out stronger than ever.

As we begin 2017 with almost $400 million of cash and nothing drawn on our line of credit, our balance sheet is one of the very best among Permian Basin drillers. We have gained capital efficiencies in drilling and completions, and our per-unit operating costs continue to decline. As a result of efficiencies and in combination with high-quality rock, our outstanding assets in the Permian Basin generate excellent rates of return even at a $45 flat oil price.

In 2017 we are moving at an active pace to bring to production a sizeable inventory of uncompleted wells and, more importantly, resume a more typical drilling-and-completion cadence that was not used in 2016 in deference to low commodity prices. At the same time, we are pursuing improved well performance from more intensive frac designs and continuing our work in identifying the best spacing and completion designs needed for optimal well performance from multiple formations. In doing so, we believe we will be able to maximize the long-term value of our assets for our shareholders.

Asset Sales Help Set Stage for Renewed Drilling and Development

During 2016 we sold approximately 55,000 net acres of non-core assets in the Delaware Basin of west Texas. We also exited the San Juan Basin in New Mexico and Colorado by selling the remainder of our assets there, which were mainly natural gas. Net proceeds totaled approximately $528 million. Together with an equity offering earlier in the year, our successful sales of non-core assets left us with an outstanding balance sheet.

We are pleased to be able to utilize our substantial financial strength and flexibility to focus on our remaining, high-quality assets in the Delaware and Midland basins as a pure-Permian Basin operator. Our balance sheet also is strong enough to allow us to continue to pursue bolt-on acquisitions so that we can cost-effectively expand our existing footprint and, in conjunction with acreage trades, increase the number of long lateral length wells in our inventory.

In 2016 we acquired approximately 9,000 net acres in the Delaware and Midland basins for some $120 million; we also invested $11 million to acquire some 250 net mineral acres. In January 2017, we bought 1,400 net acres for $32 million and 640 net mineral acres for $18 million.

ENERGEN FRAC DESIGN EVOLUTION

Midland Basin

GENERATION 1
(2013-2015)
- 1,250-1,400 lbs./ft proppant
- 250′-300′ stage spacing
- 30-40 bbls/ft fluid
- 65′-75′ cluster spacing

GENERATION 2
(2016)
- 1,600-1,700 lbs./ft proppant
- 200′-225′ stage spacing
- 40-42 bbls/ft fluid
- 50′-55′ cluster spacing

GENERATION 3
(2017)
- 1,700-2,000 lbs./ft proppant
- 150′ stage spacing
- 40-45 bbls/ft fluid
- 30′ cluster spacing

Delaware Basin

GENERATION 1
(2012-2014)
- 1,000 lbs./ft proppant
- 240′ stage spacing
- 39 bbls/ft fluid
- 50′ cluster spacing

GENERATION 2
(2015)
- 1,330 lbs./ft proppant
- 260′ stage spacing
- 39 bbls/ft fluid
- 65′ cluster spacing

GENERATION 3
(2016-2017)
- 1,800-2,400 lbs./ft proppant
- 200′ stage spacing
- 40 bbls/ft fluid
- 33′ cluster spacing

2017 Capital Program Supports Active Drilling and Completion Schedule

Our 2017 drilling and development program actually began in the last half of 2016 with the drilling of 60 net wells in the Midland and Delaware basins. We currently are working to complete these wells with a frac design that utilizes more sand, shorter frac stage spacing, and tighter clusters than prior completions. We call it our Generation 3 frac design.

In addition to completing this backlog of wells, our $790 million capital program calls for running a 6- to 7-rig program throughout 2017 and drilling another 77 net horizontal wells and completing 50 of them before year end. These wells, too, will be completed using the Generation 3 frac design.

The primary objective in using more intensive fracs is to improve well performance by increasing production and, hopefully, estimated ultimate recoveries. We do not know what the production uplift may be from our Generation 3 fracs, so we have based our estimated annual production growth of 20 percent in 2017 on the results of prior generation completions.

Our first tests of Generation 3 completions are showing strong uplift in early production results from two Wolfcamp B wells in the northern Midland Basin and four Wolfcamp A and B wells in the Delaware Basin. As we bring online more Generation 3 wells throughout the year, we are cautiously optimistic that our actual production growth will exceed 20 percent in 2017.

Approximately 84 percent of Energen's capital budget in 2017 is for drilling and completion activities; another 14 percent is for saltwater disposal wells and other facilities; and 2 percent reflects non-operated and miscellaneous activities. In the Midland Basin, our horizontal drilling and completion programs target five zones in the northern Midland Basin: three Spraberry intervals and the Wolfcamp A and B; in the central Midland Basin, our main focus is on the Wolfcamp A and B; our Delaware Basin program also focuses primarily on the Wolfcamp A and B.

Strong Operating Results Highlight 2016

Per-unit lease operating expenses, including marketing and transportation costs, declined more than 17 percent in 2016 as compared with 2015. A major contributor was lower workover expense driven largely by a reduction in the well failure rate. Other factors included lower water disposal costs and lower gathering costs. Net salaries and general and administrative expense on a per-unit basis fell more than 26 percent largely due to a reduction in the workforce. (Both periods exclude 2016 asset sales.)

Production growth in 2016 was modest as drilling activity was scaled down in response to low oil and gas commodity prices. Production totaled 54.6 thousand barrels of oil equivalents per day, up 2 percent from 2015. (Both periods exclude 2016 asset sales.)

Updated Inventory Identifies 3,545 Net Locations

Energen's unrisked potential drilling inventory of net horizontal locations in the Permian Basin at year-end 2016 totaled 3,545. Of that amount, 2,594 net locations are in the Midland Basin, and 951 net locations are in the Delaware Basin. We estimate that our associated net undeveloped resource potential is more than 2 billion barrels of oil equivalents.

Our proved reserves at year-end 2016 totaled 316.3 million barrels of oil equivalents (MMBOE). As anticipated, the sale of 54.9 MMBOE of non-core assets, 21.6 MMBOE of production, and lower commodity prices were significant contributors to the 11 percent decrease in proved reserves. Importantly, total proved reserve additions totaled 64.1 MMBOE; driven by the success of our horizontal drilling in the Permian Basin in 2016, these additions replaced 2016 production by approximately 300 percent.

Energen: A Company Built to Generate Long-Term Value

I am very excited about 2017 and beyond as we begin to see the results of our strategy to build our company for long-term value. Our vision is unfolding on the strength of high quality, oil-focused assets that are located in what is arguably the best producing region in the continental United States. We are armed with significant financial strength and flexibility. And we have a knowledgeable and dedicated workforce that is executing the operational plans that are central to our long-term success.

James T. McManus II

James T. McManus, II
Chairman and Chief Executive Officer

February 28, 2017

BOARD OF DIRECTORS

Kenneth W. Dewey (63) A,C
Co-founder and board member,
Caymus Capital Partners, LLC,
Key Largo, FL, 2007*

T. Michael Goodrich (71) B,C
Retired Chairman and CEO, BE&K, Inc.,
Birmingham, AL, 2000

M. James Gorrie (54) A,B
Chief Executive Officer,
Brasfield & Gorrie, LLC,
Birmingham, AL, 2014

Jay Grinney (66) A,C
Retired President and CEO,
HealthSouth Corporation,
Birmingham, AL, 2012

William G. Hargett (67) A
Retired Chairman, President and CEO,
Houston Exploration Company,
Florence, AL, 2015

Frances Powell Hawes (62) A,B
Independent Financial Consultant,
Houston, TX, 2013

Alan A. Kleier (63) A
Retired Vice President,
Chevron's Mid-Continent Business Unit,
Seminole, FL, 2015

James T. McManus, II (58)
Chairman and CEO,
Energen and all subsidiaries, 2006

Stephen A. Snider (69) B,C
Retired CEO, Exterran Holdings, Inc.,
Houston, TX, 2000

Committee assignments:
A. Audit Committee B. Governance and Nominations Committee C. Compensation Committee

OFFICERS

Energen Corporation

James T. McManus, II (58)
Chairman and Chief Executive Officer,
Energen and all subsidiaries, 1986*

Joe E. Cook (62)
Assistant Secretary,
Energen and all subsidiaries, 1980

Edwin D. "Lynn" Lovelady, II (53)
Vice President – Information
Technology, Energen and
all subsidiaries, 1999

Russell E. Lynch, Jr. (43)
Vice President and Controller,
Energen and all subsidiaries, 2001

Charles W. Porter, Jr. (52)
Vice President, Chief Financial Officer,
and Treasurer, Energen and all
subsidiaries, 1989

Cynthia T. Rayburn (53)
Vice President – Administration,
Energen and all subsidiaries, 1988

Julie S. Ryland (58)
Vice President – Investor Relations, 1985

J. David Woodruff (60)
Vice President, General Counsel,
and Secretary, Energen and all
subsidiaries, 1986

Energen Resources Corporation

John S. Richardson (59)
President and Chief Operating Officer,
1985*

David W. Bolton (48)
Vice President - Land, 2014

Henry E. "Gene" Cash (63)
Vice President – Acquisitions and Reservoir
Engineering, 1996

Joe E. Cook (62)
Senior Vice President – Legal, 1980

David A. Godsey (62)
Senior Vice President – Exploration and
Geology, 2012

Joe D. Niederhofer (57)
Vice President – Permian Basin Operations,
1986

Davis E. Richards (61)
Senior Vice President – Operations, 2013

* Year initially began service to the company

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
May 3, 2017, at 8:30 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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Energen on the Web
Corporate information, including news releases, may be accessed at **www.energen.com.**

Transfer Agent and Registrar
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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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Birmingham, AL 35209

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Birmingham, AL 35203

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