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Energen Corporation Shareholders Resoundingly Support Increased Transparency and Accountability for Hydraulic Fracturing Operations

49.5% “Yes” Vote sends clear message to management about reducing environmental and financial risks

NY—Today Energen Corporation (Energen) reported that nearly half of its shareholders voted in support of a proposal calling on the company to increase transparency and accountability around its hydraulic fracturing operations, according to its 8-K filed with the Securities and Exchange Commission (SEC).

“This vote is the highest on record for this issue and is among one of the highest votes for any environmental proposal. In addition to the 49.5% voting yes among all those voting yes or no, a sizeable percentage of the voting shareholders declined to support management’s recommendation to oppose the resolution, and instead voted to “abstain”. This is a wake-up call for the company to increase disclosure on how it is managing and reducing potential risks associated with its fracturing operations,” said Luan Steinhilber of [Miller/Howard Investments](#), which filed the proposal at Energen.

Hydraulic fracturing is a process that injects high volumes of water, chemicals and particles underground to create fractures through which gas can flow for collection. Investors are concerned about the lifecycle impacts of hydraulic fracturing operations because the fracturing of each well requires moving literally millions of gallons of water, chemicals, and wastewater; environmental hazards are present at every step in this process. Poor management of these hazards can lead to reputational damage, fines, litigation, increased community opposition and loss of a company’s license to operate. Conversely, sound environmental management of hazards that reduces operating costs can benefit both the environment and the business.

Shareholders will have the opportunity to vote on similar proposals at Carrizo Oil & Gas, ExxonMobil, Chevron and Ultra Petroleum in the coming weeks.

“This issue has unfolded rapidly on the national scene in the last couple of years; in 2009 investors began calling on companies to acknowledge public concern and to make clear their steps for reducing hazards and dealing with increasingly stringent regulation. The near-majority vote at Energen not only builds on the remarkable successes of the 2010 shareholder season—21%-42% votes on six resolutions—but clearly demonstrates that this issue has become that much more salient for companies relying on hydraulic fracturing,” said Richard Liroff, Executive Director of the [Investor Environmental Health Network](#) (IEHN). IEHN, with [Green Century Capital Management](#) in Boston, coordinates the investor effort on this issue. “Shareholders in Carrizo Oil & Gas, ExxonMobil, Chevron and Ultra Petroleum should all take notice and encourage their company to adequately address this urgent issue,” he continued.

Shareholder resolutions at Energen and the other four companies seek a report summarizing the environmental impact of hydraulic fracturing operations by each company and discussion of the potential policies the companies could adopt, above and beyond regulatory requirements, to reduce or eliminate hazards to air, water and soil from those activities.

“Without meaningful disclosure, investors have no way of fully assessing the risks and rewards from investing in various companies in the energy sector, and are concerned about negative impacts to shareholder value, continued Luan Steinhilber. “Shareholders need assurance that companies are candidly disclosing these risks and are adopting best management practices to minimize them.”

Excerpt from Energen 8-K SEC filing, April 29, 2011,
<http://sec.gov/Archives/edgar/data/277595/000119312511118199/d8k.htm>:

For	24,499,055
Against	25,042,439
Abstain	6,839,620
Broker non-votes	6,254,298

The Investor Environmental Health Network (Falls Church, VA) is a collaborative partnership of investment managers and advisors concerned about the financial and public health risks associated with corporate toxic chemicals policies and activities. IEHN participants manage approximately \$35 billion in assets.

Miller/Howard Investments Inc. is a boutique investment management firm with over two decades of experience managing portfolios for major institutions, mutual funds, and individuals in disciplined investment strategies. MHI focuses on utilities, infrastructure companies (including MLPs), and high-quality, broad-market stocks with strong and rising dividends.