

The Laclede Group Acquires Alabama Gas Corporation

Accretive transaction delivers on strategic growth commitment

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ST. LOUIS, Sept. 2, 2014 /PRNewswire/ -- The Laclede Group, Inc. (NYSE: LG) ("Laclede") has completed its purchase of 100 percent of the equity of Alabama Gas Corporation (Alagasco) from Energen Corporation (NYSE: EGN) effective August 31, 2014. The purchase price included the assumption of \$250 million of Alagasco long-term debt and cash consideration of approximately \$1.35 billion, subject to typical adjustments for working capital and short-term borrowing at closing. The cash consideration was raised in separate debt and equity offerings completed in the last three months.

"We are excited to complete the acquisition of Alagasco less than five months after announcing and ahead of our September 30th target," said Suzanne Sitherwood, president and CEO of The Laclede Group. "Looking ahead to fiscal 2015, our focus will be to continue delivering on our commitments to grow our earnings and cash flow, and invest back in our new, larger business to ensure the continued excellent service our customers have come to expect."

Laclede now serves more than 1.5 million customers in Missouri and Alabama, making it the largest natural gas service provider in both states. Laclede also ranks as the fifth largest publicly traded gas utility in the country based on number of customers served.

"We welcome Alagasco's employees to the Laclede team. We are pleased to continue the long tradition of outstanding service to customers and the communities across Alabama. Like Alagasco, Laclede has a long history of supporting the civic and charitable activities in the areas we serve. We look forward to continuing to support that tradition of involvement in Alabama," said Sitherwood.

Laclede's purchase of Alagasco further expands its footprint of regulated gas utilities and follows the September 2013 purchase of natural gas utility Missouri Gas Energy (MGE). Both acquisitions supported Laclede's strategic focus on growing its regulated gas utility business. Alagasco also creates geographic and regulatory diversity by expanding Laclede's scope into Alabama. The acquisition is expected to be strongly accretive to both earnings and cash flow. As previously announced, Laclede is targeting long-term growth in its earnings per share of four to six percent. For fiscal 2015 and 2016, Laclede expects its earnings per share growth to be in excess of that target range. The significant additional cash flow expected from Alagasco will support reinvestment in the business, Laclede's growing dividend and deleveraging of the business over time.

ABOUT THE LACLEDE GROUP

The Laclede Group, Inc. (NYSE: LG), headquartered in St. Louis, Missouri, is a public utility holding company whose primary business is the safe and reliable delivery of natural gas service to more than 1.5 million residential, commercial, and industrial customers across Missouri and Alabama. Its Gas Utility segment consists of three natural gas utilities: Laclede Gas (serving St. Louis and eastern Missouri), Missouri Gas Energy (serving Kansas City and western Missouri) and Alabama Gas Corporation (serving more than 200 Alabama communities including Birmingham and Montgomery.) Laclede's primary non-utility business, Laclede Energy Resources, Inc., included in the Gas Marketing segment, provides non-regulated natural gas services. Laclede Group is committed to pursuing growth through 1) developing and investing in emerging technologies; 2) investing in infrastructure; 3) acquiring businesses to which the Company can apply its operating model, and 4) leveraging its current business unit competencies. For more information about Laclede and its subsidiaries, visit www.TheLacledeGroup.com.

CAUTIONARY STATEMENTS ON FORWARD-LOOKING INFORMATION

This news release contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. Laclede's future operating results may be affected by various uncertainties and risk factors, many of which are beyond the Laclede's control, including weather conditions, economic factors, the competitive

environment, and governmental and regulatory policy and action. For a more complete description of these uncertainties and risk factors, see the Laclede's Annual Report on Form 10-K for the fiscal year ended September 30, 2013, as amended and Laclede's Quarterly Report on Form 10-Q for the quarter ended June 30, 2014, each filed with the Securities and Exchange Commission.

SOURCE The Laclede Group, Inc.