

January 6, 2015



SM Energy Announces Plan to Exit Mid-Continent

DENVER--(BUSINESS WIRE)-- SM Energy Company (NYSE: SM) announced today that it is beginning a process to sell its assets in the Arkoma Basin of Oklahoma and in the Arklatex area of East Texas and Northern Louisiana. These assets produced approximately 3.4 MMBOE, net during 2014 (98% gas). The sale process will be managed by RBC Richardson Barr & Co. Assuming acceptable bids are received, the closing of the sale should be in mid-2015. The Company also plans to close its Mid-Continent regional office in Tulsa, Oklahoma later this year and to relocate many of its personnel to its other offices.

Tony Best, SM Energy CEO, said, "We had a strong 2014 driven by outstanding well results across the company. This was particularly true in our core Eagle Ford and Bakken/Three Forks development areas where, as previously disclosed, we have economic drilling inventory equating to over 20 years of current company production and 10 years of gross locations at our current pace. As part of our effort to create differential shareholder value, we are launching a process to sell the remainder of our Mid-Continent and Arklatex assets and shift our resources to further focus on the development of these core assets. Our balance sheet is strong, we have ample liquidity, and we are confident that after costs adjust to the current commodity pricing environment we will continue to generate strong, industry leading returns on capital employed."

INFORMATION ABOUT FORWARD-LOOKING STATEMENTS

This release contains forward-looking statements within the meaning of securities laws, including forecasts and projections. The words "anticipate," "assume," "believe," "budget," "estimate," "expect," "forecast," "intend," "plan," "project," "will" and similar expressions are intended to identify forward-looking statements. These statements involve known and unknown risks, which may cause SM Energy's actual results to differ materially from results expressed or implied by the forward-looking statements. These risks include factors such as the availability, proximity and capacity of gathering, processing and transportation facilities; the uncertainty of negotiations to result in an agreement or a completed transaction; the uncertain nature of announced acquisition, divestiture, joint venture, farm down or similar efforts and the ability to complete any such transactions; the uncertain nature of expected benefits from the actual or expected acquisition, divestiture, joint venture, farm down or similar efforts; the volatility and level of oil, natural gas, and natural gas liquids prices; uncertainties inherent in projecting future rates of production from drilling activities and acquisitions; the imprecise nature of estimating oil and gas reserves; the availability of additional economically attractive exploration, development, and acquisition opportunities for future growth and any necessary financings; unexpected drilling conditions and results; unsuccessful exploration and development drilling results; the availability of drilling, completion, and operating equipment and services; the risks associated with the Company's commodity price risk management strategy; uncertainty regarding the ultimate impact of potentially dilutive securities; and other such matters discussed in the "Risk Factors" section of SM Energy's 2013 Annual Report on Form 10-K, as such risk factors may be updated from

time to time in the Company's other periodic reports filed with the Securities and Exchange Commission. The forward-looking statements contained herein speak as of the date of this announcement. Although SM Energy may from time to time voluntarily update its prior forward-looking statements, it disclaims any commitment to do so except as required by securities laws.

ABOUT THE COMPANY

SM Energy Company is an independent energy company engaged in the acquisition, exploration, development, and production of crude oil, natural gas, and natural gas liquids in onshore North America. SM Energy routinely posts important information about the Company on its website. For more information about SM Energy, please visit its website at www.sm-energy.com.

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