

August 1, 2016



SM Energy Announces Sales Agreements on Two Divestiture Packages with Proceeds Totaling \$172.5 Million

DENVER--(BUSINESS WIRE)-- SM Energy Company (NYSE: SM) today announced that it has entered into definitive agreements for the sale of two separate packages of non-core assets for a combined price of \$172.5 million. The transactions are expected to close late in the third quarter of 2016 with expected cash proceeds subject to customary purchase price adjustments. The closings of these transactions are subject to the satisfaction of customary closing conditions, and there can be no assurance that either of these transactions will close on the expected closing dates or at all.

One package is composed primarily of waterflood assets in New Mexico and the second package includes producing assets in North Dakota and Montana. Year-end 2015 net proved reserves associated with these assets totaled approximately 9.5 MMBoe, 87% oil and 13% natural gas and was all proved developed. Second quarter of 2016 net production from these assets was approximately 3,300 Boe/d and was 82% oil and 18% natural gas. Net acreage associated with these sales is approximately 79,000 acres.

President and Chief Executive Officer Jay Ottoson comments: "These transactions were well-timed and well executed. We are committed to improving liquidity and debt metrics while managing our portfolio to focus on our highest return assets. Proceeds from these sales will be applied to the outstanding balance on our revolving credit facility and for general corporate purposes."

These property sales make-up the majority of non-core asset sales anticipated during 2016, as announced in February of 2016.

RBC Richardson Barr and UBS Securities LLC advised the Company in the divestiture processes for New Mexico and Williston Basin, respectively.

FORWARD LOOKING STATEMENTS

This release contains forward-looking statements within the meaning of securities laws. 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. Forward-looking statements in this release include, among other things, expectations regarding the proceeds, receipt timing and expected use of funds from asset sales. General risk factors include the availability, proximity and capacity of gathering, processing and transportation facilities; the volatility and level of oil, natural gas, and natural gas liquids prices, including any impact on the Company's asset carrying values or reserves arising from price declines; uncertainties inherent in projecting future rates of production or other results from drilling and completion activities; the imprecise nature of estimating oil and gas reserves; uncertainties inherent in projecting future drilling and completion activities,

costs or results, including from pilot tests; the uncertainty of negotiations to result in an agreement or a completed transaction; the uncertain nature of 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 divestiture, joint venture, farm down or similar efforts; 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 2015 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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