

December 21, 2016



## **SM Energy Announces Closing Of QStar Acquisition**

DENVER, Dec. 21, 2016 /PRNewswire/ -- SM Energy Company (NYSE: SM) announced today that the Company closed the previously announced acquisition of oil and natural gas assets in Howard and Martin Counties, Texas, from QStar LLC and a related entity for \$1.6 billion, before customary purchase price adjustments.



The Company estimates its Midland Basin footprint to approximate 87,600 net acres, including the pending acquisition of additional leasehold interests announced in early December 2016. The acquisition was funded predominantly with cash proceeds from recent asset divestitures and the issuance to the sellers of 13.4 million shares of SM Energy common stock. The effective date of the transaction is September 1, 2016. The Company intends to operate two rigs on this leasehold position during 2017, starting in the first quarter.

### **FORWARD LOOKING STATEMENTS**

This release contains forward-looking statements within the meaning of securities laws. The words "anticipate," "assume," "believe," "budget," "estimate," "expect," "forecast," "guidance," "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. General risk factors include the availability of and access to capital markets; 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 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 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](http://www.sm-energy.com).

## **INVESTOR CONTACT:**

Jennifer Martin Samuels, [jsamuels@sm-energy.com](mailto:jsamuels@sm-energy.com), 303-864-2507

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