SM ENERGY

THIRD QUARTER 2022

FINANCIAL AND OPERATING RESULTS

DISCLAIMERS

Forward-looking statements

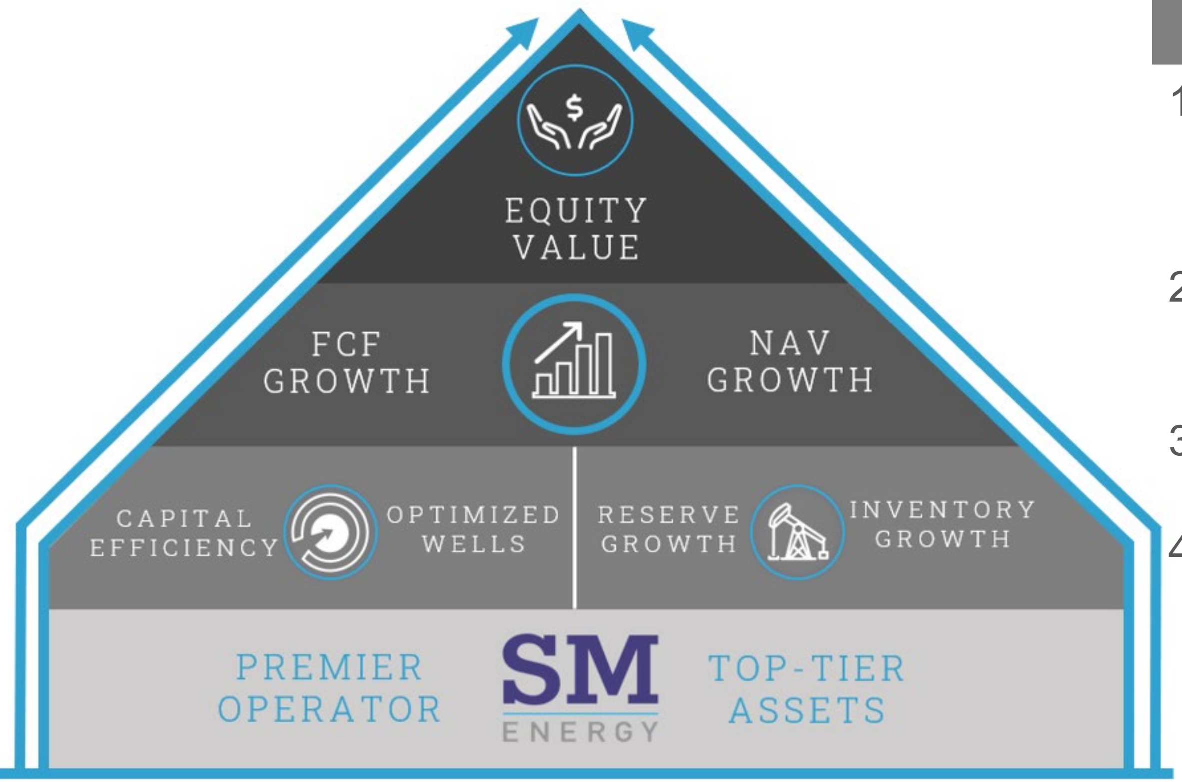
This presentation contains forward-looking statements within the meaning of securities laws. The words “demonstrate,” “estimate,” “expect,” "goal," "generate," “plan,” “target,” “believes,” “objectives,” “priorities,” and similar expressions are intended to identify forward-looking statements. Forward-looking statements in this release include, among other things, expected breakeven prices in certain basins and associated inventory; greenhouse gas emissions reduction goals; certain projections for the fourth quarter and full year regarding guidance for capital expenditures, production, percent of oil, operating costs, general and administrative expenses, exploration expenses, and DD&A; the portion of capital expenditures to be allocated to drilling and completion costs and each of our operating areas; the number of wells the Company plans to drill and complete; percentage of expected future production that is hedged; expected average lateral length per well; expected production declines; components of 2022 completion design; expected South Texas transportation costs; expected number of Austin Chalk locations; and timing of expected payout for certain new wells. 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. Future results may be impacted by the risks discussed in the Risk Factors section of SM Energy's most recent 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, specifically the third quarter 2022 Form 10-Q and the 2021 Form 10-K. The forward-looking statements contained herein speak as of the date of this release. 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.

Non-GAAP financial measures & metrics

This presentation references non-GAAP financial measures and metrics. Please see the “Non-GAAP Reconciliations and Disclosures” section of the Appendix, which includes definitions of non-GAAP measures and metrics used in this presentation and reconciliations of non-GAAP measures to the most directly comparable GAAP measure.

ACHIEVING 2022 OBJECTIVES

WE ARE ON OR AHEAD OF SCHEDULE IN MEETING PRIORITIES



2022 Strategic Priorities

OBJECTIVES	PROGRESS
1) Grow FCF[(1)] and reduce leverage ratio to ~1.0x and net debt to ~$1B	Return of capital program initiated. Balance sheet in great shape
2) Build NAV through scaled up Austin Chalk program	Austin Chalk results exceeding expectations
3) Maintain top-tier inventory	Continue to demonstrate very high quality inventory
4) Demonstrate differential ESG including near term goals for flaring, Scope 1 and 2 emissions and methane emissions	Met or on track to meet medium-term ESG targets for 2023 & 2030

(1) Indicates a non-GAAP measure or metric. Please refer to the "Non-GAAP Reconciliations and Disclosures" section in the Appendix.

SUSTAINABLE AND REPEATABLE

BUSINESS MODEL

SUSTAINABLE

Sustainable

- Premier Operator of Top Tier Assets
- Return of Capital
- Strong Balance Sheet

SM ENERGY

Repeatable

- World Class Technical Team
- Organically Add Inventory
- Strategic Inventory Capture and Growth

REPEATABLE

THIRD QUARTER 2022 HIGHLIGHTS

EXECUTING ON OUR PRIORITIES

BALANCE SHEET STRENGTH & CASH FLOW GENERATION

- Repurchased ~453,000 shares for $20.2 million
- Net debt-to-Adjusted EBITDAX(1) ratio of 0.6x at quarter-end. Net debt(1) of $1.1 billion
- Net cash provided by operating activities before net change in working capital(1) totaled $417 million
- Generated more than $1 billion in FCF(1) in the past 12 months

WELL PERFORMANCE

- Production was 12.7 MMBoe (137.8 MBoe/d), 45% oil
- Base production exceeded plan in both Midland Basin and South Texas, while new wells came on at or above expected performance, albeit delayed.

CAPITAL EFFICIENCY

- Capital expenditures adjusted for increased capital accruals(1) totaled $239 million, below guidance of $250 - $270 million
- Employing simul-frac completions in Midland Basin

ENVIRONMENTAL STEWARDSHIP

- Goal: to reduce greenhouse gas emissions intensity by 50% by 2030 v. 2019
- Published updated ESG materials to sm-energy.com/sustainability
- Initiated monthly flyovers of the majority of Midland Basin operated facilities for enhanced methane detection
- Added a Company designed ESG/GHG data integration system that enables better accuracy and faster response times

(1) Indicates a non-GAAP measure or metric. Please refer to the "Non-GAAP Reconciliations and Disclosures" section in the Appendix.

RETURN OF CAPITAL TO SHAREHOLDERS

INITIATED SUSTAINABLE PROGRAM WITH UPSIDE

Repurchased[1] ~453,000 shares

for $20.2MM

&

Increased the Annual Fixed Dividend to $0.60

(1) During the third quarter of 2022. | All repurchased shares of common stock were retired.

THIRD QUARTER 2022 PERFORMANCE

Key Metrics

	3Q22
Production and Pricing	
Total Production (MMBoe)	12.7
Total Production (MBoe/d)	137.8
Oil percentage / Liquids	45% / 59%
Pre-Hedge Realized Price ($/Boe)	$ 65.27
Post-Hedge Realized Price ($/Boe)	$ 50.58
Costs (per Boe)	
LOE	$ 5.64
Transportation	$ 2.87
Production & Ad Valorem taxes	$ 4.10
Total Production Expenses[2]	$ 12.62
Cash Production Margin (pre-hedge)[1]	**$ 52.65**
G&A (Cash)	$ 1.92
G&A (Non-Cash)	$ 0.32
DD&A	$ 11.50
Earnings	
GAAP Earnings (per diluted share)	$ 3.87
Adjusted net income[1] (per diluted share)	$ 1.82
Adjusted EBITDAX[1] ($MM)	$ 460.2
Adjusted free cash flow ($MM)	
Net cash provided by operating activities (GAAP)	$ 513.4
Net change in working capital	$ (96.5)
Net cash provided by operating activities before net change in working capital	$ 416.9
Capital Expenditures and other (GAAP)	$ 226.1
Increase in capital expenditure accruals and other	$ 12.8
Capital expenditures before increase in capital expenditure accruals and other	$ 238.9
Adjusted free cash flow[1][2]	**$ 177.9**
Return of Capital ($MM)	
Share repurchase	$ 20.2

3Q22 Production
137.8 MBoe/d

3Q22 Adjusted EBITDAX[1]
$460.2 million

3Q22 Adj. free cash flow[1]
$177.9 million

3Q22 Return of Capital as a % of Adj. free cash flow[1]
11%

(1) Indicates a non-GAAP measure or metric. Please refer to the "Non-GAAP Reconciliations and Disclosures" section in the Appendix.
(2) Amounts may not calculate due to rounding.

BALANCE SHEET

$1.1 BILLION NET DEBT[1]

As of September 30, 2022:

Net debt-to-Adjusted EBITDAX[1]

0.6x

- Liquidity **~$1.75 billion**
- Cash balance **~$498 million**

~$551 million

total debt reduction as of 3Q22

Three credit rating agency upgrades in 2022[2]:

Fitch ↑BB-
Outlook: **Stable**

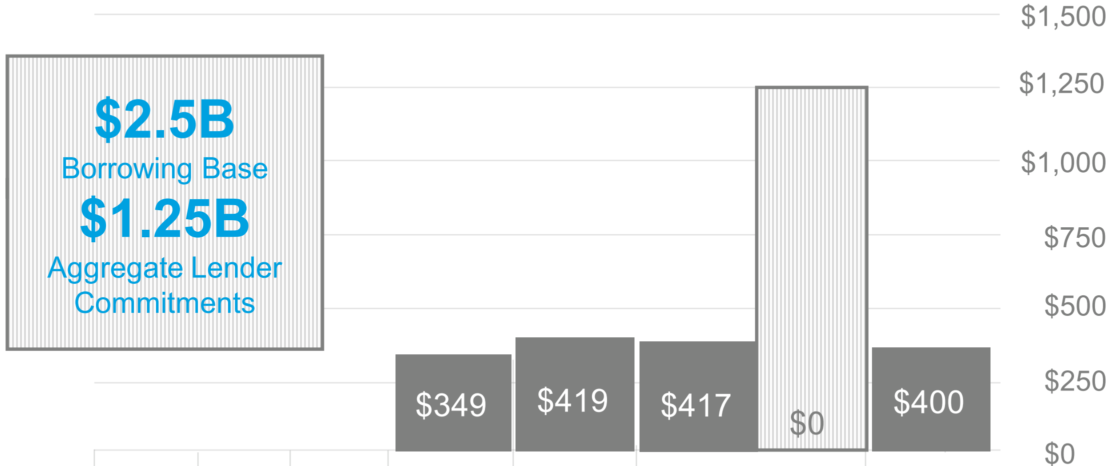
Moody's ↑B2
Outlook: **Positive**

S&P ↑BB-
Outlook: **Positive**

As of September 30, 2022:

Debt Maturities

in millions



	2022	2023	2024	2025	2026	2027		2028
Coupon				5.625%	6.750%	6.625%		6.500%
Initial Call Date				6/2020	9/2021	1/2022		7/2024
Initial Call Price				102.81%	103.38%	104.97%		103.25%
Maturity Date				6/2025	9/2026	1/2027		7/2028

Revolving Credit Facility | Unsecured Senior Notes

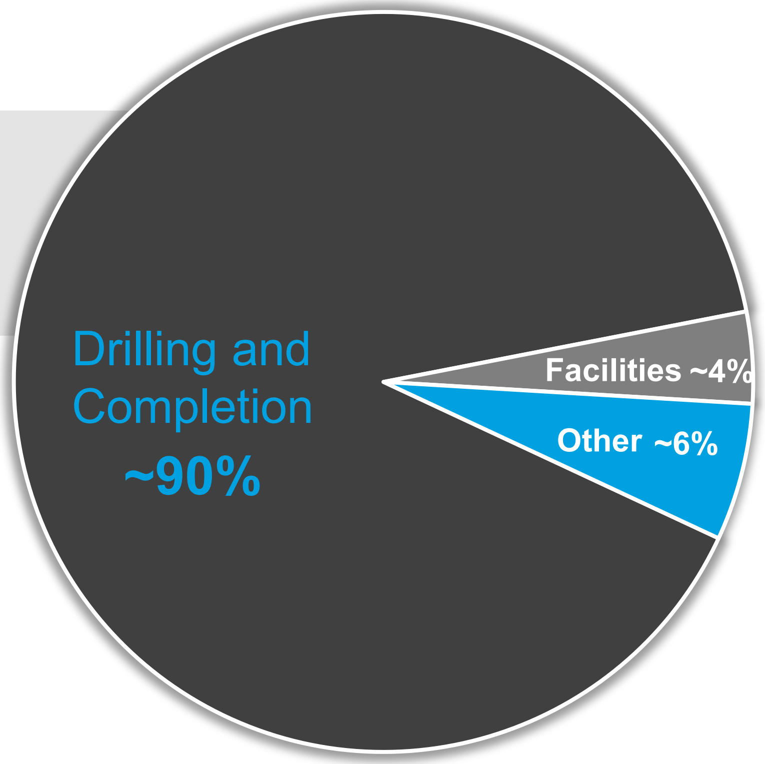
(1) Indicates a non-GAAP measure or metric. Please refer to the "Non-GAAP Reconciliations and Disclosures" section in the Appendix.
(2) Ratings indicated are senior unsecured debt ratings.

2022 PLAN GUIDANCE[(1)]

REVISED FULL-YEAR GUIDANCE

2022

Capital Expenditures[(2)]
$870-900 million



~50% Midland Basin

~50% South Texas

Key Metrics

Key Metrics	Guidance FY 2022
Capital Expenditures[(2)] ($MM)	$870 – 900
Total Production (MMBoe)	52.5 – 53.0
Total Production (MBoe/d)	144 – 145
Oil percentage	~46%
LOE (per Boe)	$5.10 – $5.15
Transportation (per Boe)	~$3.00
Production & Ad Valorem taxes[(3)] (per Boe)	~$3.90
G&A[(4)] ($MM)	~$110
Exploration Expense ($MM)	~$55
DD&A (per Boe)	~$11.50

Q4 2022 GUIDANCE

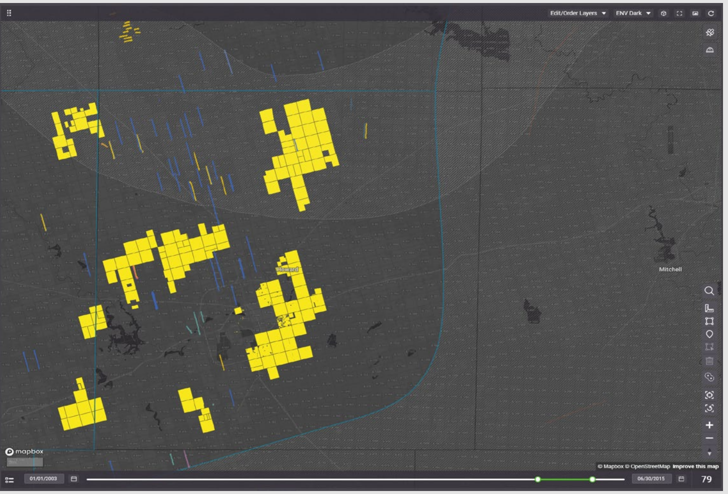
- Production: 12.7 – 13.2 MMBoe (138 – 143 MBoe/d), at ~44% oil
- Capital expenditures[(2)]: $228 – $258 million
- Activity:
  Drill: ~31 net wells (~15 South Texas, ~16 Midland Basin)
  Complete: ~23 net wells (~11 South Texas, ~12 Midland Basin)

(1) As of November 3, 2022.
(2) Capital expenditures before change in capital expenditure accruals and other; excludes acquisitions.
(3) Production & Ad Valorem taxes estimated at ~4.7% of pre-hedge revenue and ~$0.75/Boe (~$0.90/Boe 4Q22), respectively.
(4) Includes ~$15 million non-cash compensation.

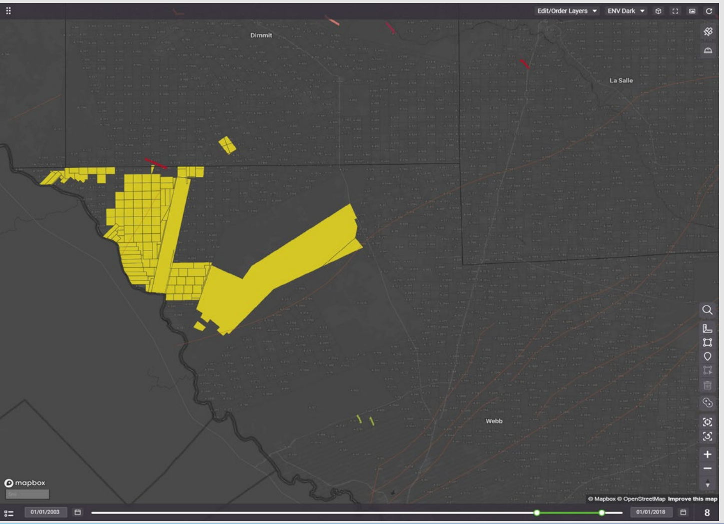
STRATEGIC INVENTORY CAPTURE: REPEATABLE PERFORMANCE

WORLD CLASS TECHNICAL TEAMS → TRANSFORMATIVE UNDERSTANDING → DISCOVERY

Before SM Entry 2015(1)



2018(1)



Howard County

- 79 horizontal wells
- 3 main reservoirs tested

- **Limited data**
- **Limited activity**
- **Questionable economics**
- **Uncertain repeatability**
- **Industry skepticism**

Austin Chalk

- 8 producing horizontal wells
- ~$80/Bbl break-even(1) estimated at the time

Post SM Entry 2022(1)

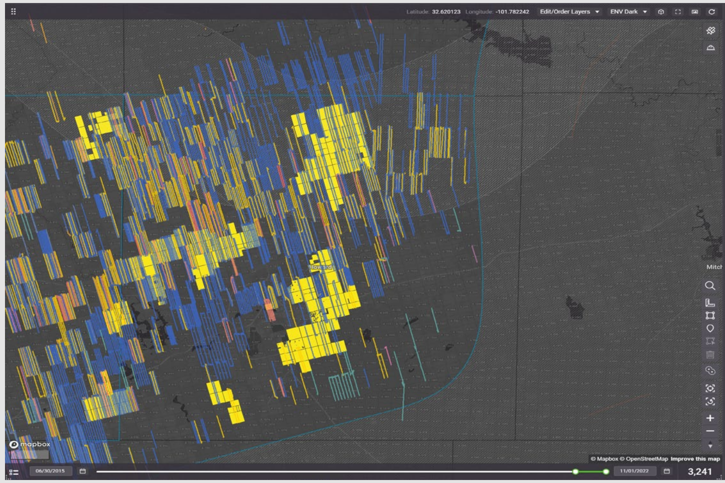
Howard County

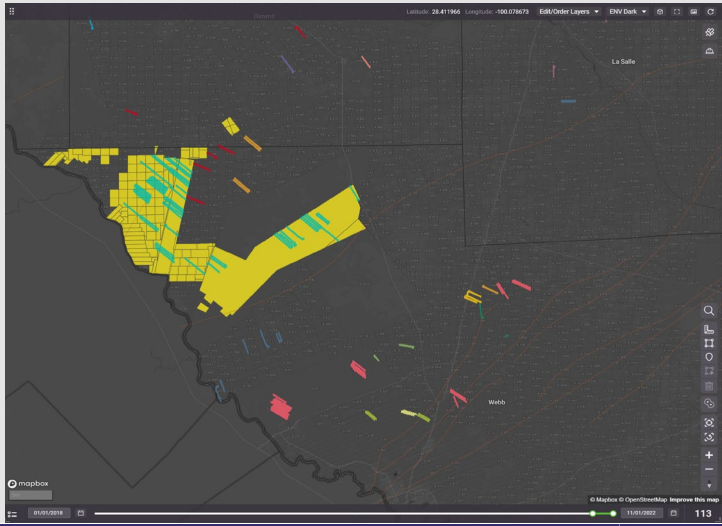
- > 3200 industry horizontal wells
- 8 reservoirs tested
- SM reported 12 years inventory as of YE 2021

- **Peers followed**
- **Large scale development**
- **Highly economic**
- **Big inventory additions**
- **Further upside**

Austin Chalk

- > 113 industry horizontal wells
- $28/Bbl Break-even(2)
- SM estimates 400 SM locations





SM | ENERGY

(1) Maps and certain data sourced from Enverus as of 10/31/2022.
(2) Enverus Intelligence Research Basin Level data | Half-Cycle breakevens by oil play at 20:1 HH:WTI ($/bbl) | provided April 12, 2022.

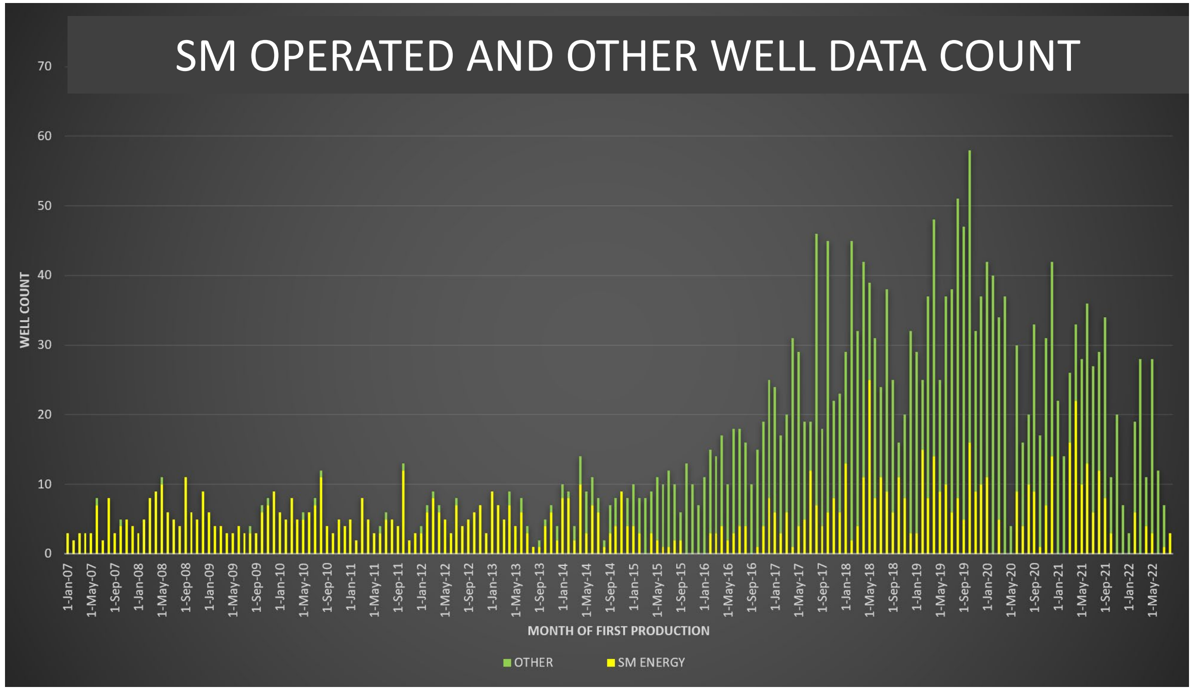
VALUE CREATION: SCIENCE, TECHNOLOGY & INNOVATION

FULLY INTEGRATED DATA ANALYSIS → CLEAR RESULTS → FASTER LEARNING CYCLE

Data talks, we listen through multi-discipline integration

- Petro-technical staff specializes in unconventional resource development
- Advanced analytics and machine learning utilized to integrate earth model, reservoir and fracture simulation and financial data to optimize capital efficiency
- Early data capture is paramount
- Well data from more than 2200 wells supports SM Energy analysis in the Midland Basin
- 640 Terabytes of data and growing

Midland Basin data capture provided foundation for economic land trades, continued discovery of economic zones, optimized landing zones and completion techniques – which are peer leading today!



VALUE CREATION: SCIENCE, TECHNOLOGY & INNOVATION

FULLY INTEGRATED DATA ANALYSIS → CLEAR RESULTS → FASTER LEARNING CYCLE

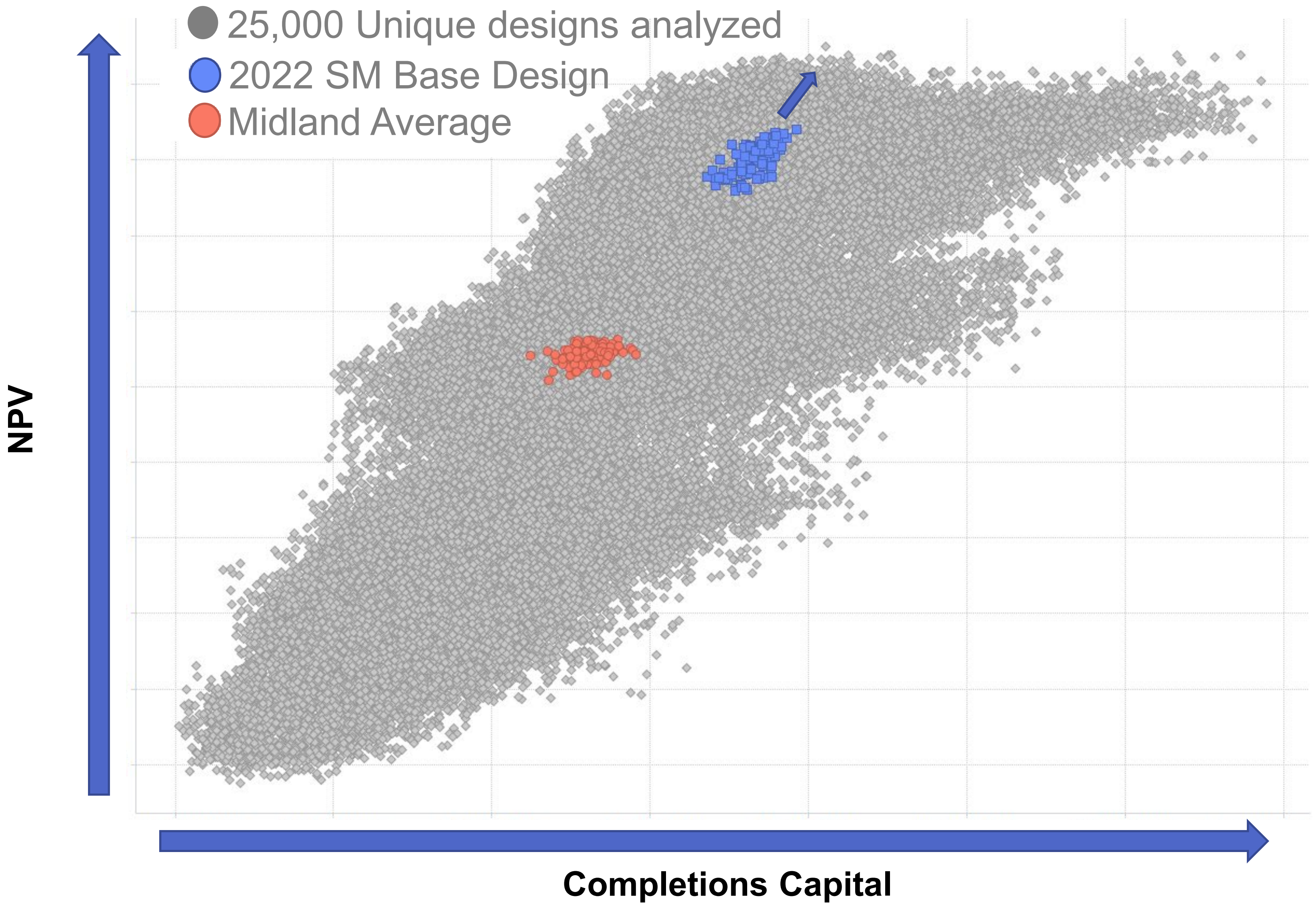
Adding value through optimization and inventory additions: Midland Basin example

- Aggressive acreage consolidation – Cored up Howard County position based on early data acquisition, enabling longer laterals and higher working interest. SM working interest increased from ~61%[(1)] to ~81%[(2)].
- Leader in building optimized development model – Data analysis led to early testing of spacing, both horizontal and vertical, specifically at Merlin Maximus and Top Gun pads. Early identification of the need to co-develop and integrate spacing degradation meant longer inventory life and higher return development.
- Best in class well performance – Continuously optimizing completion design through in-house software platform. Avoid completion "fads" by applying subsurface model.
- Adding new landing zones to capture undrained reservoirs – Deployed machine learning to unravel significant drivers. 3D earth model maximizes the value of data and more reliably identifies performance drivers. Added three new pay zones and counting.

(1) At December 31, 2016.
(2) At June 30, 2022.

VALUE CREATION: SCIENCE, TECHNOLOGY & INNOVATION

MIDLAND BASIN EXAMPLE – OPTIMIZING THE VALUE OF EVERY COMPLETION

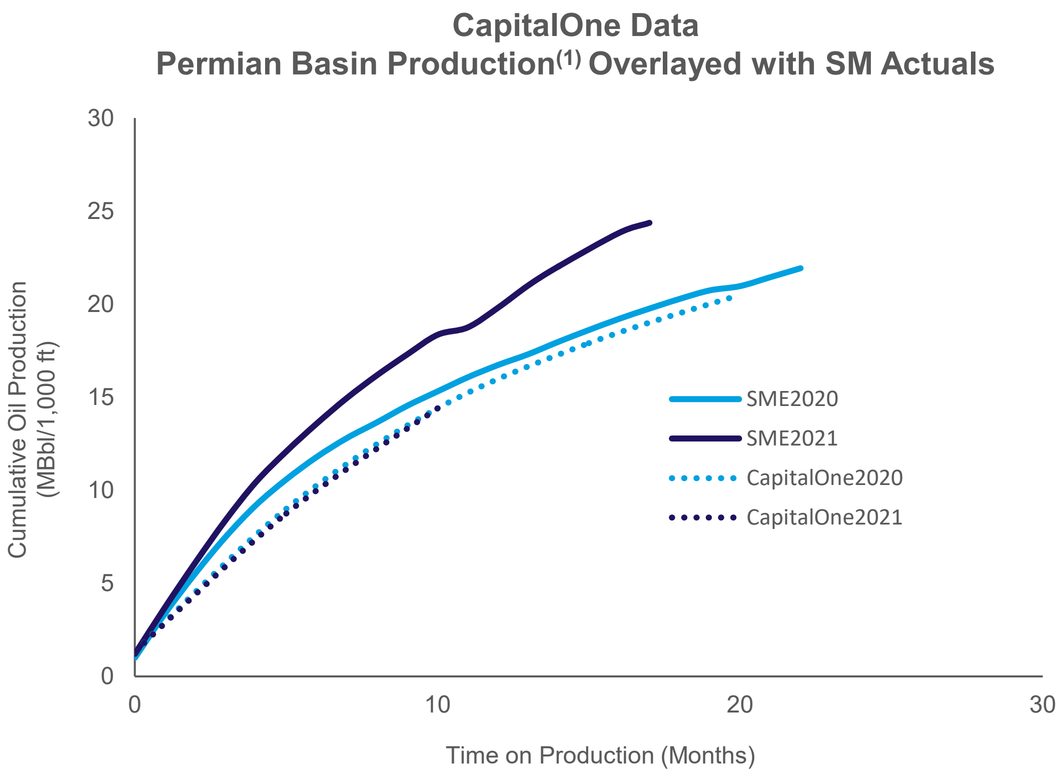


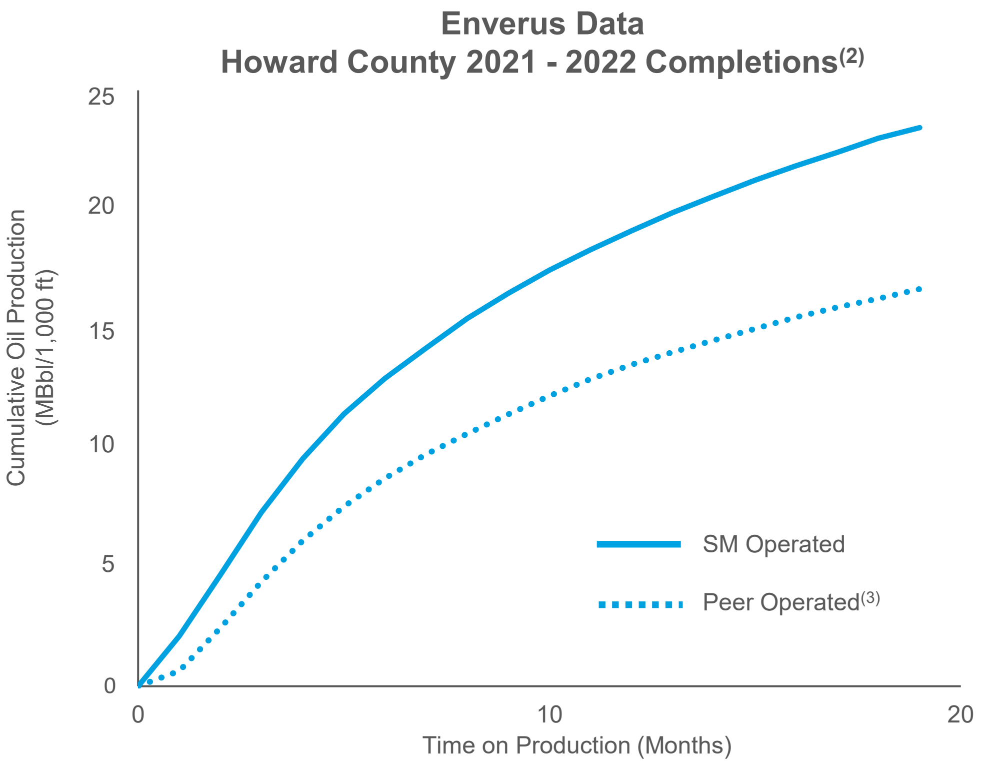
- SM Energy well data analysis creates confidence in multivariate model
- 25,000 unique completion designs modelled in multivariate analysis to evaluate optimum design
- More upside attainable from design optimization

PREMIER OPERATOR

SUPERIOR PERFORMANCE DRIVEN BY SCIENCE, TECHNOLOGY & INNOVATION

Third-party data confirms top tier well performance





SM wells are co-developed with spacing design specific to each DSU

(1) Capital One Securities, Inc. | "How is Permian Well Productivity Holding Up?" | September 29, 2022 | Includes all horizontal producing wells in the Permian Basin with first production since 2017 (excluding the Central Basin Platform).

(2) Enverus data as of 10/25/22 | Horizontal Well Completions in 2021 & 2022 | Companies included are: Bayswater E&P, Birch Operations, CPE, Crown Quest Operating, CVX, Endeavor Energy, FANG, HPK, LPI, Murchison O&G, OVV, OXY, PXD, SGY.TO, and SOGC, Inc.

MIDLAND BASIN

FOCUSED ON EXECUTION, WELL PERFORMANCE AND CAPITAL EFFICIENCY

2022 OPERATING PLAN

2022 PLAN DETAILS

- 2022 net wells planned: drill 53 complete 38 | 3Q22: drilled 10 completed 14 | 4Q22 plan: drill ~16 complete ~12
- ~12,360’ expected average lateral feet per well
- ~38% Boe PDP decline expected (YE21 - YE22)

BEST IN CLASS WELL PERFORMANCE

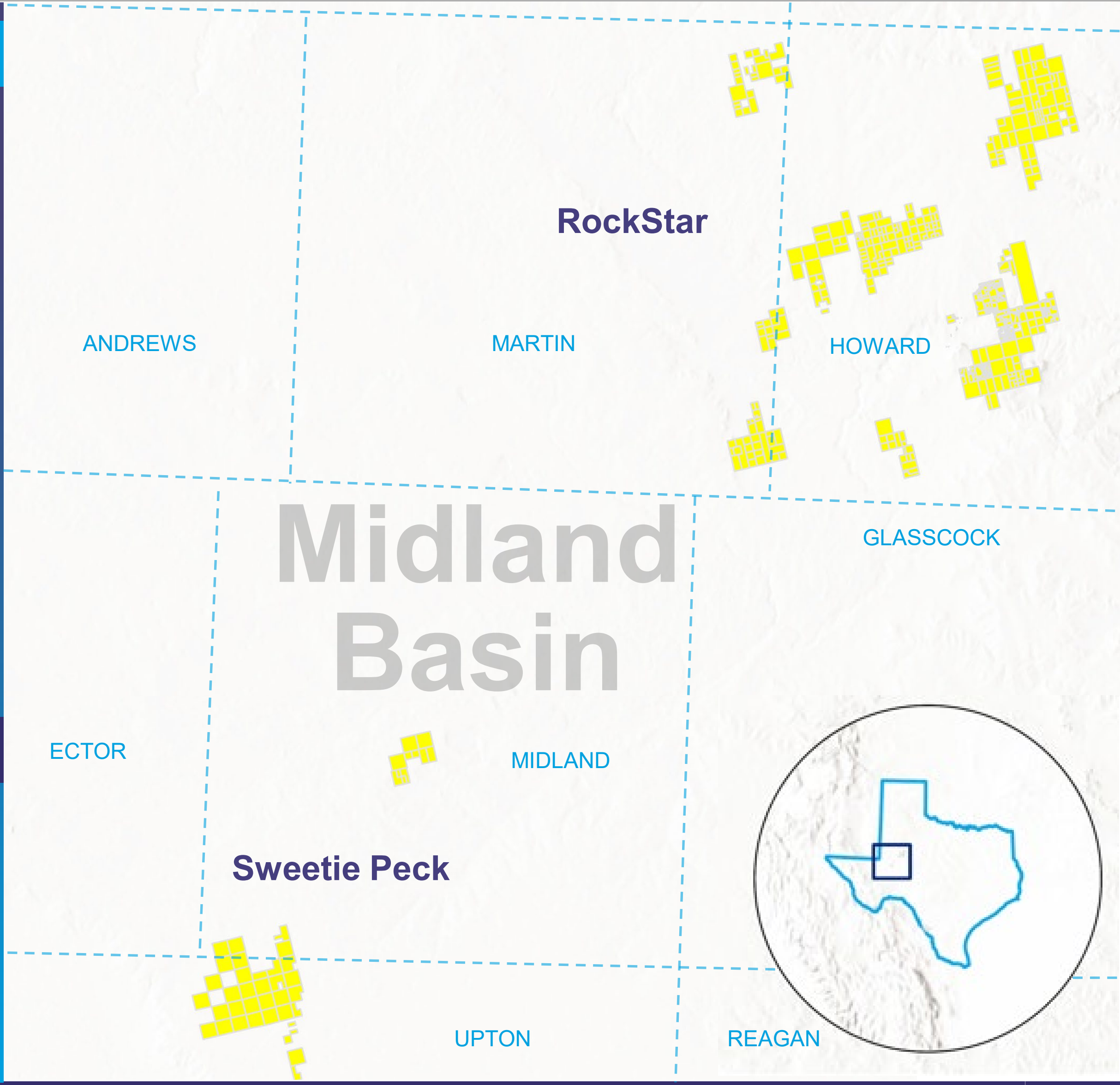
- New completion design driving higher EUR and NAV per well
- Continue to test 8 prospective intervals
- 2022 completion designs expected to utilize average fluid loading of 60 Bbls/ft and 2,800 lbs/ft sand

OPERATING DETAILS[1]

Rigs Running: 3

Completion Crews: 1

~82,000
NET ACRES

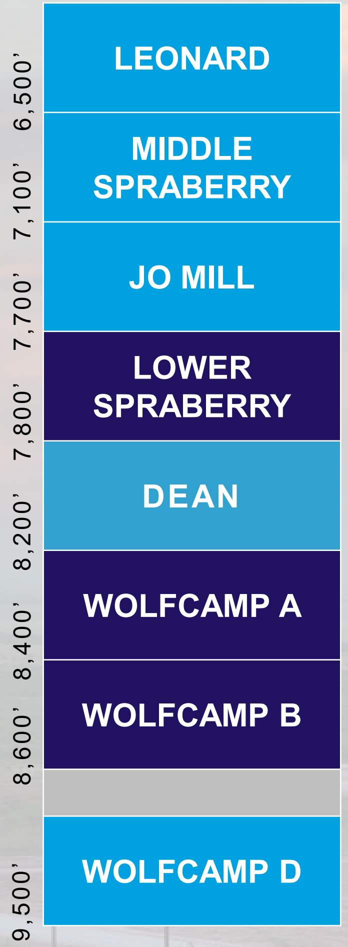


(1) 2022 expected average

MIDLAND BASIN

INVENTORY UPSIDE ON EXISTING ACREAGE – UP TO 8 PROSPECTIVE INTERVALS

MIDLAND BASIN INVENTORY UPSIDE



LEONARD

- First test ~ 700 days on production, 262 MBoe produced to date from 9,900’ lateral
- Six Leonard tests planned for 1H23

DEAN

- Among best portfolio returns to date. Smails Dean well, fully bounded, averaged 30-day peak IP rate of 3,850 Boe/d at 91% oil (effective lateral of 13,737’)
- 14 wells completed to date averaged 30-day peak IP rate of 1,440 Boe/d at 89% oil (average effective lateral 11,373’)
- Incorporating into optimization/co-development plan

WOLFCAMP D

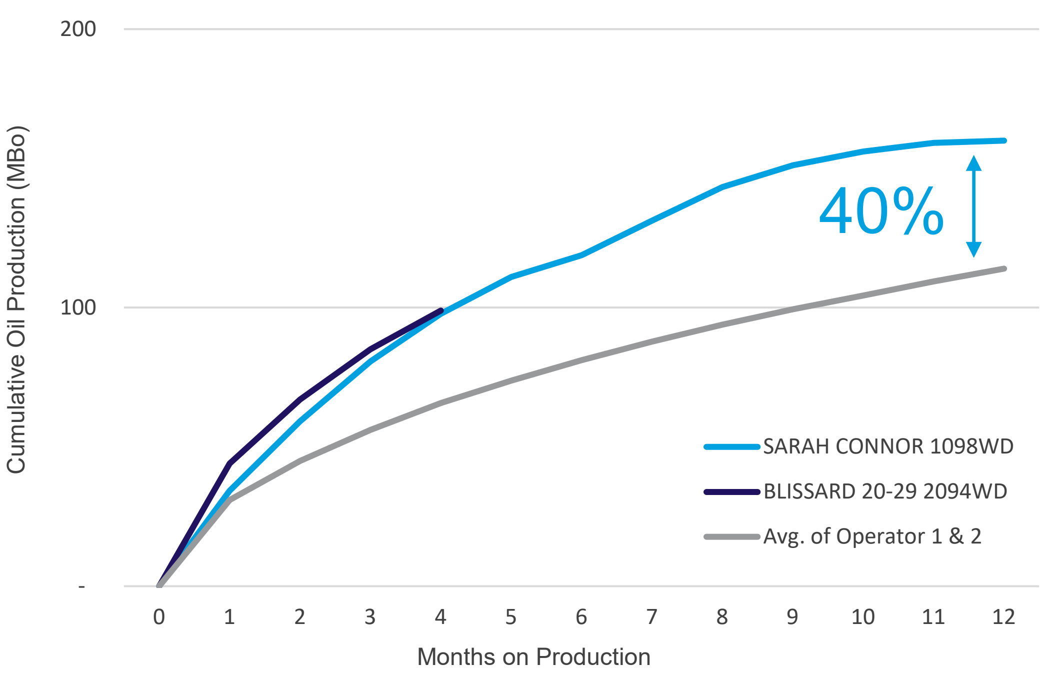
- Initial test well (2019) averaged 30-day peak IP rate of ~1,400 Boe/d with 80% oil (effective lateral 7,920’)
- May 2022 test well averaged 30-day peak IP rate of ~1,900 Boe/d with 79% oil (effective lateral 10,166’)
- Six additional Wolfcamp D wells planned in 2022/2023

MIDLAND BASIN

TESTING NEW ZONES, INITIAL WOLFCAMP D WELLS SIGNIFICANTLY OUTPERFORM PEERS

SM OPERATED WOLFCAMP D WELLS v. PEERS

WOLFCAMP D PRODUCTION[1]



Sarah Connor 1098WD outperforms peer average by

40%

at 12 months on production

Blissard 20-29 2094WD tracking superior Sarah Connor well results at 4 months

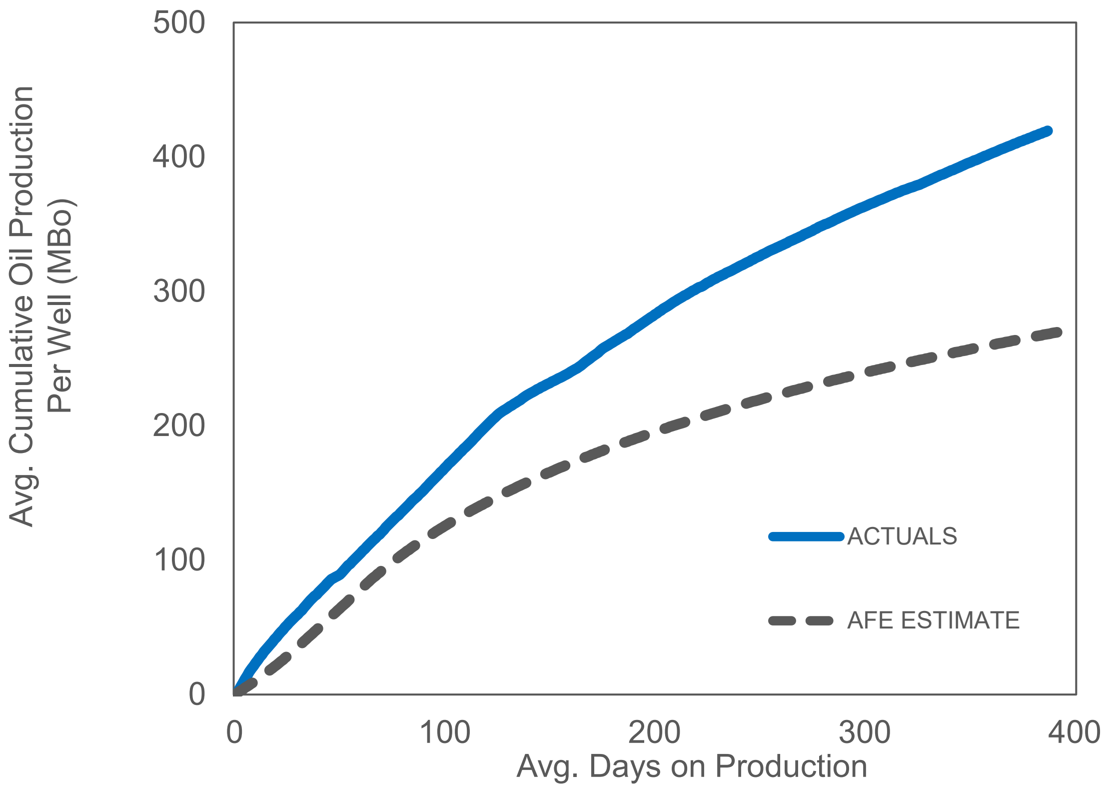
(1) Enverus Intelligence Research data as of July 27, 2022. Includes wells completed after 1/1/2017.

MIDLAND BASIN

SUPERIOR WELL RESULTS IN THE DEAN

DEAN WELL RESULTS EXCEEDING EXPECTATIONS

3 DEAN WELLS



- Average 30-day peak IP rate 2,370 Boe/d per well at 88% oil
- Average lateral 12,300’
- Well performance exceeding expectations

SOUTH TEXAS

FOCUSED ON EXECUTION AND RETURNS ENHANCEMENT

2022 OPERATING PLAN

2022 PLAN DETAILS

- 2022 net wells planned: drill 42 complete 43 | 3Q22: drilled 8 completed 17 | 4Q22 plan: drill ~15 complete ~11
- ~11,000' expected average lateral feet per well
- ~38% Boe PDP decline expected (YE21 - YE22)

ENHANCING INVENTORY VALUE

MARKETING UPDATE

- Transportation costs expected to decrease an additional ~$0.35/Mcf in mid 2023

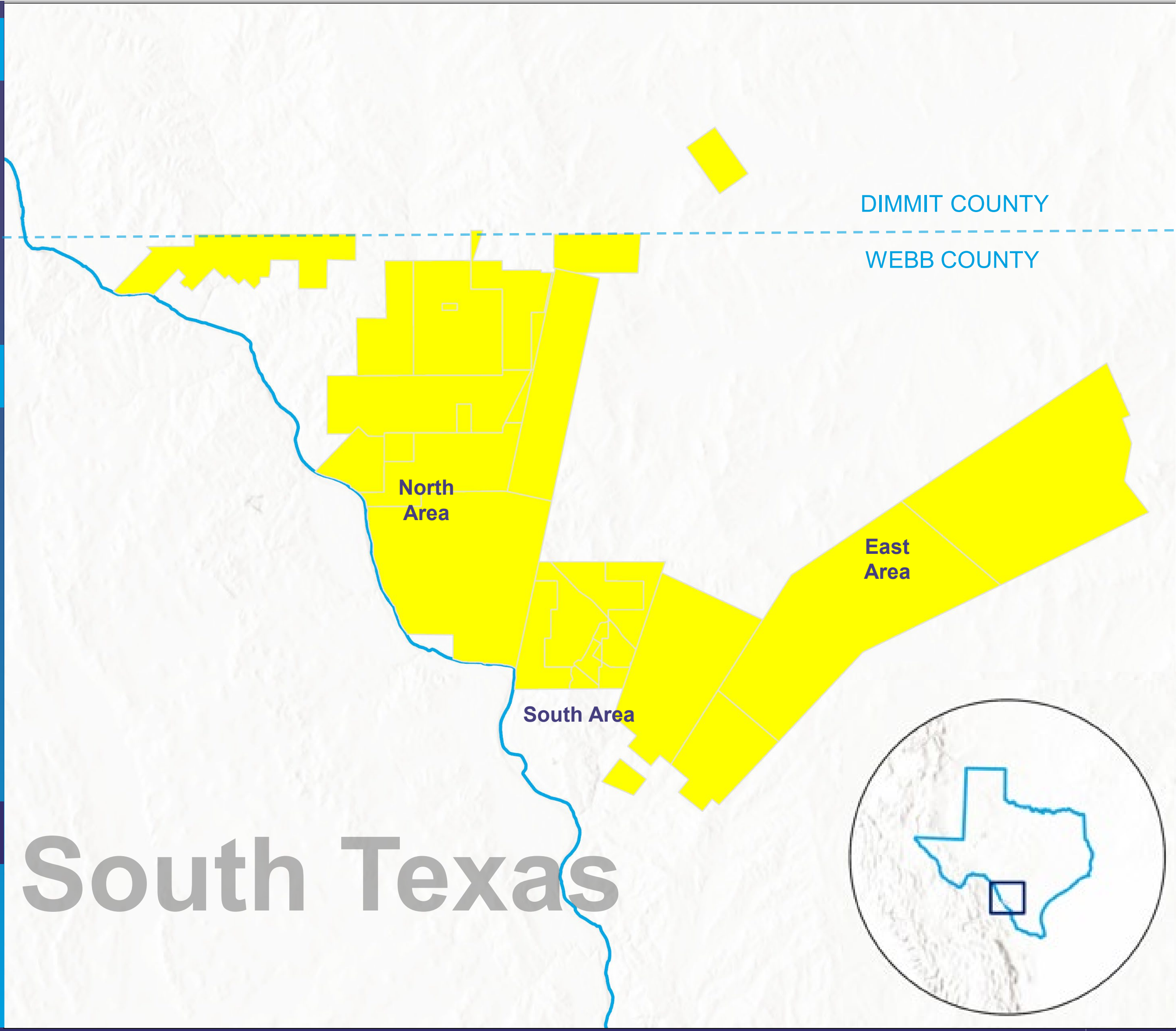
AUSTIN CHALK SUCCESS

- New condensate export facility on-line in North Briscoe to handle increased liquids production
- Delineation & development program of 54 wells producing to date(1) has indicated Austin Chalk inventory over a broad area

OPERATING DETAILS(2)

Rigs Running: Completion Crews:

~155,000 NET ACRES



(1) Wells (including joint-development wells) that have reached peak IP30.
(2) 2022 expected average.

SOUTH TEXAS: AUSTIN CHALK SUCCESS CONTINUES

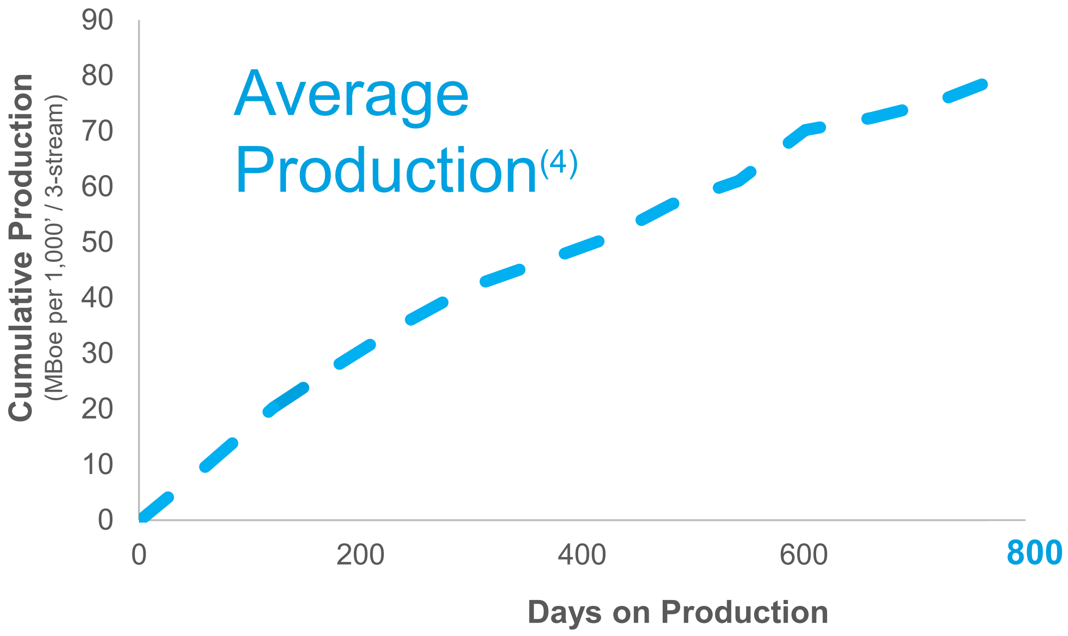
AUSTIN CHALK SUPPORTS RAPID GROWTH IN OIL/LIQUIDS PRODUCTION

NEW WELLS THAT REACHED IP30(1)

	Northern Area	Eastern Area
WELLS	5	2
AVG. BOE/D	~1,300	~2,400
OIL | LIQUIDS %	72 | 89	12 | 53
EXPECTED PAYOUT(2)	~8 MONTHS	~14 MONTHS

Austin Chalk Wells Currently Producing

54 wells producing ~50-90% liquids(3)

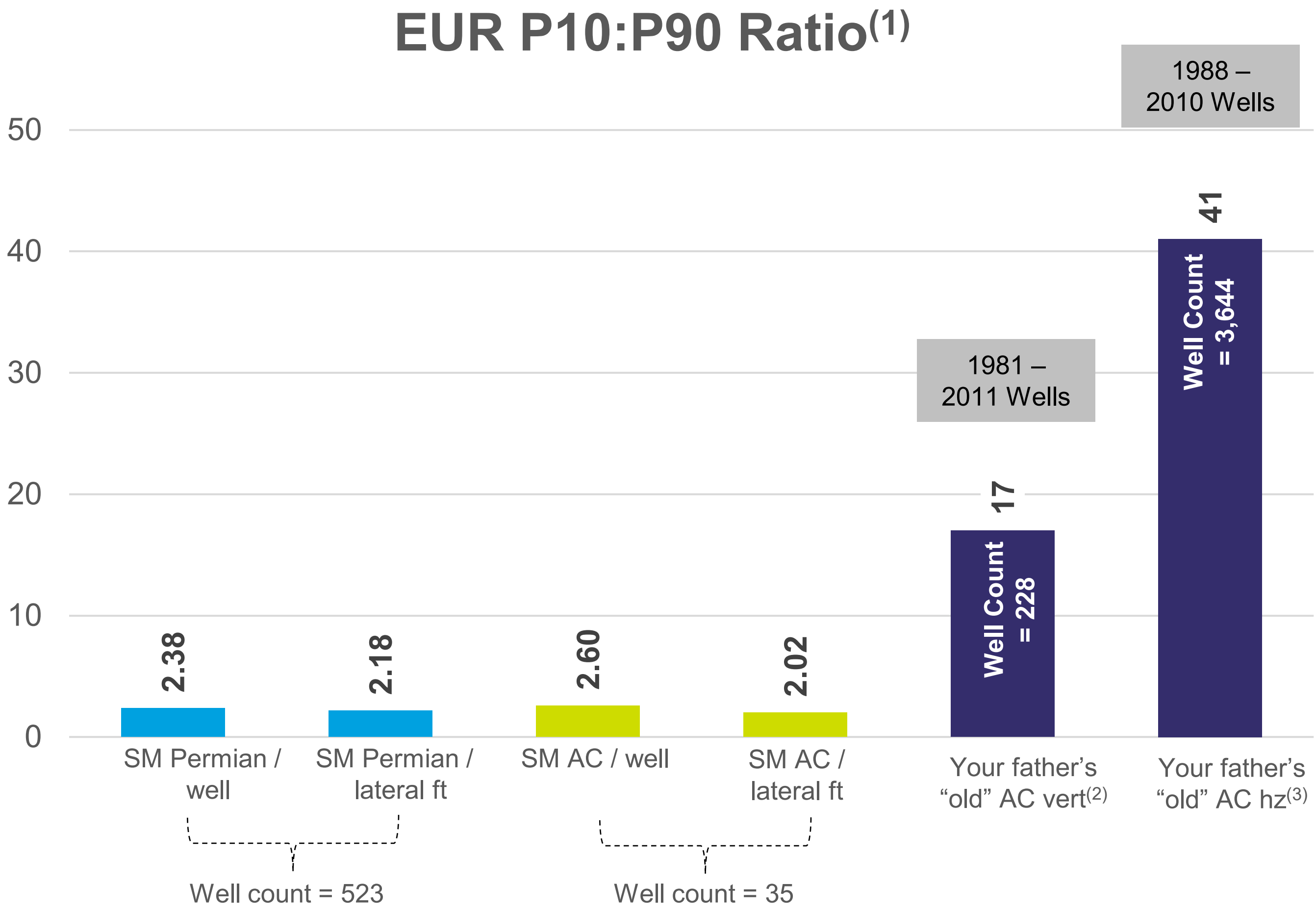


(1) New wells that have reached IP30 since July 1, 2022.
(2) Based on Strip Pricing at 9/30/22 | $75/Bbl oil, $6/MMBtu gas, and $33/Bbl NGL's.
(3) Includes oil and NGLs based on peak IP30.
(4) Includes 54 gross wells that have reached peak IP30, including three joint-development wells. On average, wells have been producing for approximately 1 ¼ years.

SOUTH TEXAS

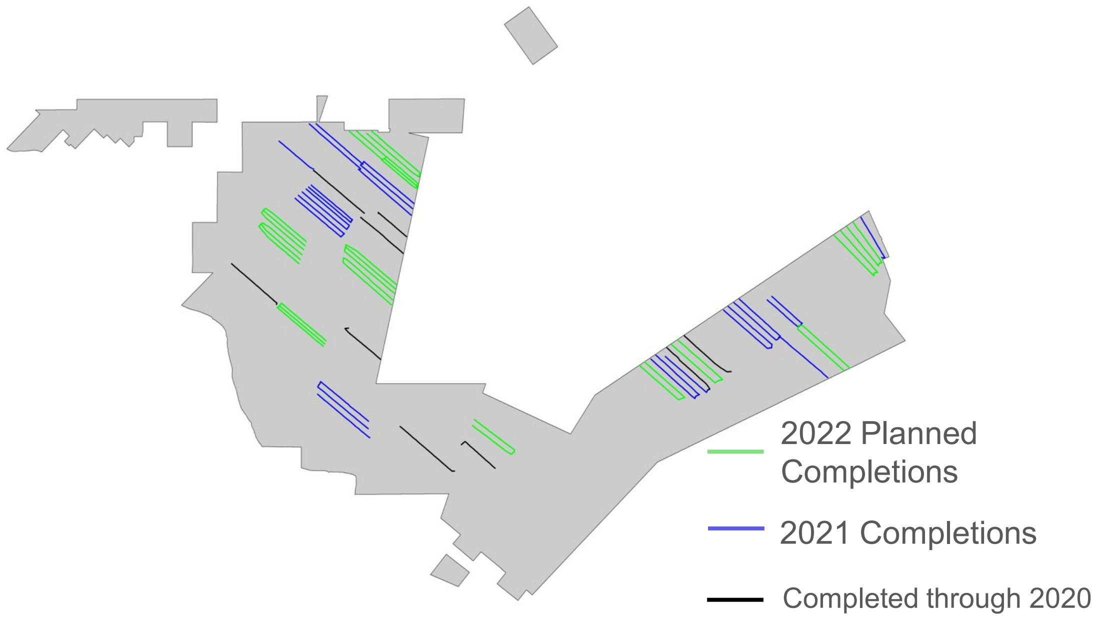
CONFIDENCE IN THE AUSTIN CHALK: REPEATABLE & PREDICTABLE

Not Your "Old" Austin Chalk: 1988-2010 Wells Much Different Than Today's



~400 Expected Locations

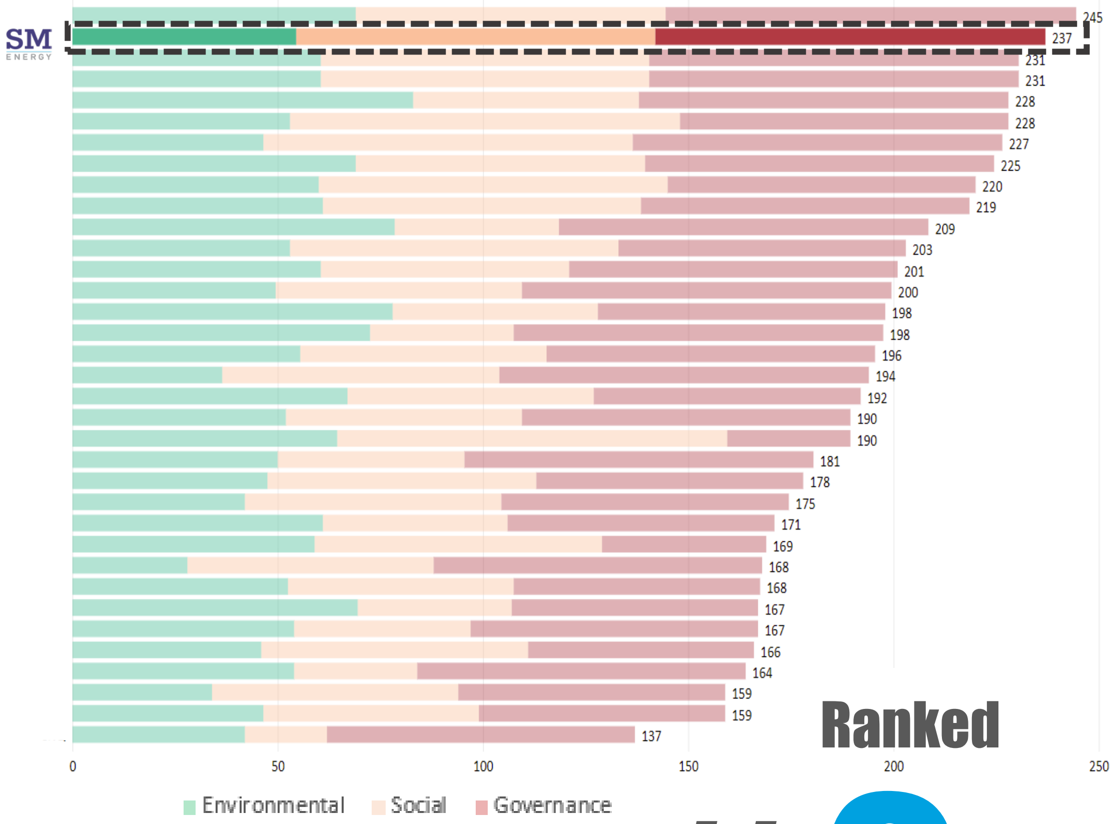
Austin Chalk Wells



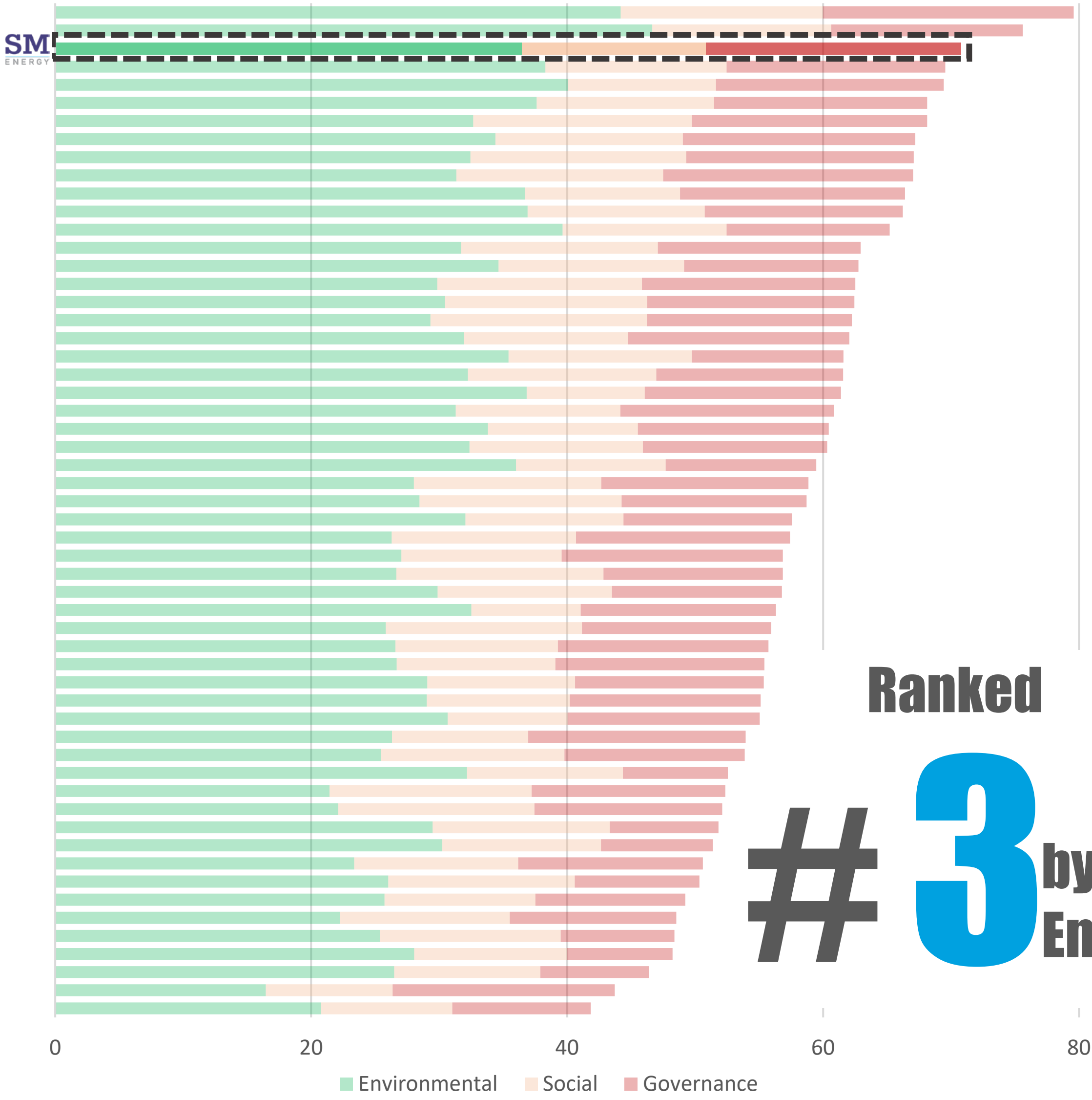
(1) P10:P90 ratio based on EUR data.
(2) Based on production data from 228 Austin Chalk vertical wells completed between 1981 and 2011 primarily located in east Texas.
(3) Based on production data from 3,644 Austin Chalk horizontal wells completed between 1988 and 2010 primarily located in east Texas.

SM ENERGY - LEADER IN STEWARDSHIP

SUPPORTED BY THIRD PARTIES RYSTAD & ENVERUS



Ranked #2 by Rystad(1)



Ranked #3 by Enverus(2)

(1) Rystad Energy ESG ranking provided May 4, 2022. Peers include: APA, AR, BP, CHK, CNQ, CNX, COG, COP, CPE, CPG, CVE, CVX, DVN, EOG, EQT, ERF, FANG, HES, MRO, MTDR, MUR, OAS, OVV, OXY, PDCE, PEY, PXD, RRC, SWN, TOU, WCP, WLL, XEC, and XOM.

(2) Enverus Intelligence Research ESG data provided August 16, 2022. Peers include: APA, AR, ARX, ATH, BIR, BP, BTE, CDEV, CHK, CIVI, CLR, CNQ, CNX, COP, CPE, CPG, CRC, CRK, CTRA, CVE, CVX, DEC, DEN, DVN, EOG, EQT, ERF, FANG, GPOR, HES, IMO, KEL, LPI, MEG, MGY, MRO, MTDR, MUR, NVA, OAS, OVV, OXY, PDCE, PEY, POU, PXD, RRC, SU, SWN, TOU, TVE, VET, WCP, WLL, and XOM.

SUSTAINABLE AND REPEATABLE

BUSINESS MODEL

SUSTAINABLE

Sustainable

- Premier Operator of Top Tier Assets
- Return of Capital
- Strong Balance Sheet

SM ENERGY

Repeatable

- World Class Technical Team
- Organically Add Inventory
- Strategic Inventory Capture and Growth

REPEATABLE

Appendix

3Q 2022 REALIZATIONS BY REGION

TWO TOP-TIER AREAS OF OPERATION

Benchmark Pricing	
NYMEX WTI Oil ($/Bbl)	$ 91.56
NYMEX Henry Hub Gas ($/MMBtu)	$ 8.20
Hart Composite NGL ($/Bbl)	$ 42.47

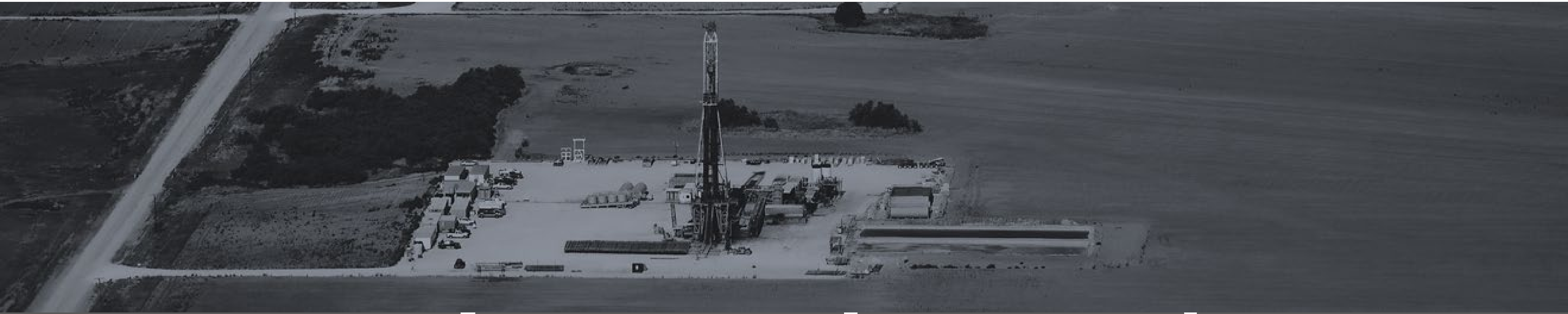
	Midland Basin	South Texas	Total
Production Volumes			
Oil (MBbls)	4,497	1,179	5,676
Gas (MMcf)	16,082	14,872	30,954
NGL (MBbls)	9	1,836	1,845
Total (Mboe)	7,186	5,493	12,679
Revenue (in thousands)			
Oil	$420,838	$105,095	$525,933
Gas	$123,912	$110,641	$234,553
NGL	$315	$66,757	$67,072
Total	$545,065	$282,493	$827,558
Expenses (in thousands)			
LOE	$56,082	$15,379	$71,461
Ad Valorem	$5,344	$6,509	$11,853
Transportation	$50	$36,369	$36,419
Production Taxes	$29,138	$11,090	$40,228
Per Unit Metrics			
Realized Price | Oil Per Bbl	$93.59	$89.12	$92.66
% of Benchmark - WTI	102%	97%	101%
Realized Price | Gas per Mcf	$7.71	$7.44	$7.58
% of Benchmark - NYMEX Henry Hub	94%	91%	92%
Realized Price | NGL per Bbl	Nm	$36.37	$36.36
% of Benchmark - HART	Nm	86%	86%
Realized Price per Boe	$75.85	$51.42	$65.27
LOE per Boe	$7.80	$2.80	$5.64
Ad Valorem per Boe	$0.74	$1.18	$0.93
Transportation per Boe	$0.01	$6.62	$2.87
Production Tax per Boe	$4.05	$2.02	$3.17
Production Tax as % of Pre-hedge Revenue	5.3%	3.9%	4.9%
Cash Production Margin per Boe[1]	$63.25	$38.80	$52.65

Note: Amounts may not calculate due to rounding.

(1) Indicates a non-GAAP measure or metric. Please refer to the "Non-GAAP Reconciliations and Disclosures" section in the Appendix.

ACTIVITY BY REGION

WELLS DRILLED, FLOWING COMPLETIONS, AND DUC COUNT



	Wells Drilled				Flowing Completions				DUC Count[1][2]	
	3Q22		2022 YTD		3Q22		2022 YTD		As of September 30, 2022	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net
Midland Basin										
RockStar	8	7	31	29	12	11	25	23	33	30
Sweetie Peck	4	3	13	8	3	3	3	3	13	8
Midland Basin total	12	10	44	37	15	14	28	26	46	38
South Texas[1]										
Austin Chalk	6	6	23	22	16	16	27	27	14	13
Eagle Ford	2	2	5	5	1	1	5	5	14	14
South Texas total	8	8	28	27	17	17	32	32	28	27
Total	20	18	72	64	32	31	60	58	74	65

SM ENERGY

(1) The South Texas drilled but not completed well count includes 11 gross / 11 net wells that are not included in our five-year development plan at December 31, 2021.
(2) Amounts may not calculate due to rounding.

LEASEHOLD SUMMARY

NO LEASEHOLD ON FEDERAL LANDS IN THE MIDLAND BASIN OR SOUTH TEXAS

Net Acres[(1)]

Midland Basin	
Sweetie Peck[(2)]	18,150
RockStar	63,650
Midland Basin total	81,800
South Texas	154,800
Rocky Mountain Other	10,300
Other Areas / Exploration	25,500
Total	**272,400**

MIDLAND BASIN NET ACRES

~82,000

SOUTH TEXAS NET ACRES

~155,000

As of September 30, 2022

(1) Includes developed and undeveloped oil and natural gas leasehold, fee properties, and mineral servitudes held as of September 30, 2022.
(2) Sweetie Peck acreage includes ~1,500 net drill-to-earn acreage.

NGL REALIZATIONS

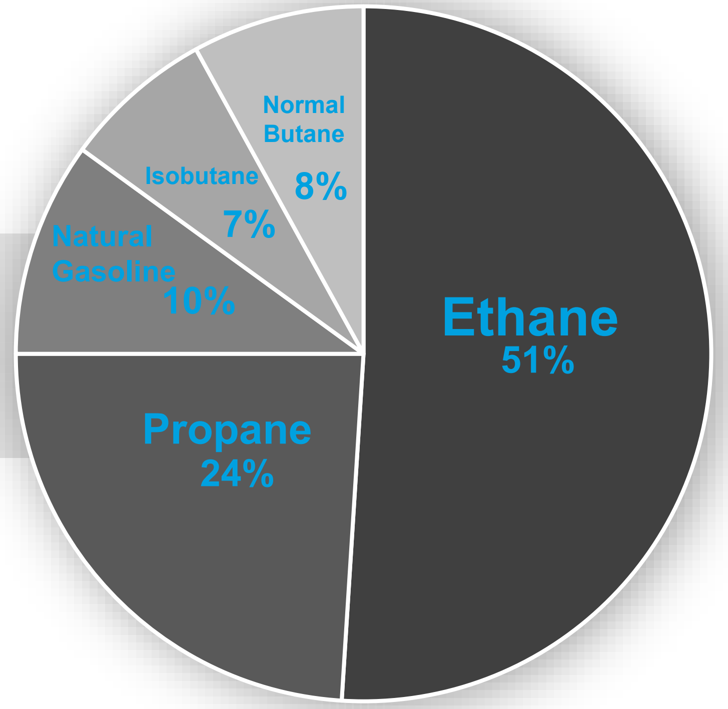
Realizations by Quarter

	3Q 2021	4Q 2021	1Q 2022[1]	2Q 2022	3Q 2022
Mont Belvieu Benchmark Price ($/Bbl)	$40.39	$44.21	$48.36	$50.05	$42.47
SM NGL Realization ($/Bbl)	$36.87	$39.63	$38.56	$42.08	$36.36
% Differential to Mont Belvieu	**91%**	**90%**	**80%**	**84%**	**86%**

NGL price realizations tied to Mont Belvieu, fee-based contracts

- Differential reflects NGL composite barrel product mix as well as transportation and fractionation fees
- 2022 realizations reflect the processing of ethane for the year

SM Energy NGL Composition[1]



(1) The Company began processing ethane during the first quarter of 2022 and expects to process ethane for the full year 2022. The Company elected to reject ethane for the full year 2021.

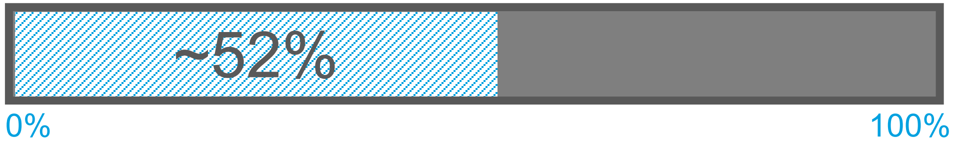
Hedges

HEDGING SUMMARY

HEDGED VOLUMES DECLINING WITH LOWER LEVERAGE

Oil Volumes Hedged[1]

Q4 2022



2023[3]

Nat Gas Volumes Hedged[2]

Q4 2022

2023[3]

2022 Hedge Program

Oil

- ~3,100 MBbls[1], or approximately 52% of expected Q4 2022 oil production, is hedged to WTI at a weighted-average price of $56.01/Bbl (weighted-average of collar ceilings and swaps)
- ~2,500 MBbls of expected Q4 2022 Midland Basin oil production is hedged to the local price point at a positive $1.15/Bbl basis

Natural gas

- ~14,800 BBtu[2], or approximately 48% of expected Q4 2022 natural gas production hedged
- Of the ~14,800 BBtu of natural gas hedged in Q4 2022, ~7,000 BBtu is hedged to HSC at a weighted-average price of $2.47/MMBtu and ~3,100 BBtu hedged to Waha at a weighted-average price of $2.22/MMBtu

Expect 2023 total hedge volumes at <30%

As of October 31, 2022

(1) Hedges include oil swaps and collars to WTI and Brent; excludes basis swaps and roll differential hedges.
(2) Hedges include natural gas swaps and collars to Henry Hub, HSC, and Waha; excludes basis swaps. Percent hedged based on dry gas volumes.
(3) Hypothetically, 2023 percentage hedged assumes flat production and same product mix as 2022.

OIL, GAS, AND NGL DERIVATIVE POSITIONS[1]

BY QUARTER

Oil

	Oil Swaps		Oil Collars			Midland - Cushing Oil Basis Swaps		NYMEX WTI - ICE Brent Oil Basis Swaps		MEH – WTI Oil Basis Swaps		NYMEX WTI Roll Basis Swaps		ICE Brent Oil Swaps	
Period	**Volume (MBbls)**	**$/Bbl[2]**	**Volume (MBbls)**	**Ceiling $/Bbl[2]**	**Floor $/Bbl[2]**	**Volume (MBbls)**	**Price Differential $/Bbl[2]**	**Volume (MBbls)**	**Price Differential $/Bbl[2]**	**Volume (MBbls)**	**Price Differential $/Bbl[2]**	**Volume (MBbls)**	**Price Differential $/Bbl[2]**	**Volume (MBbls)**	**Price Differential $/Bbl[2]**
Q4 2022	1,923	$44.58	1,128	$75.48	$63.74	2,462	$1.15	920	($7.78)	374	$1.25	3,248	$0.21	-	-
Q1 2023	294	$45.20	577	$74.02	$60.00	1,294	$0.99	-	-	390	$1.65	1,220	$0.60	900	$86.50
Q2 2023	333	$45.18	463	$81.53	$67.85	1,357	$0.99	-	-	431	$1.68	1,243	$0.62	910	$86.50
Q3 2023	304	$45.20	291	$93.05	$75.00	1,414	$0.88	-	-	361	$1.59	1,304	$0.64	920	$86.50
Q4 2023	259	$45.23	-	-	-	1,294	$0.88	-	-	296	$1.53	1,201	$0.62	920	$86.50
Q1 2024	-	-	-	-	-	-	-	-	-	-	-	-	-	910	$85.50
Q2 2024	-	-	293	$85.13	$75.00	-	-	-	-	-	-	-	-	-	-
Q3 2024	-	-	308	$81.38	$75.00	-	-	-	-	-	-	-	-	-	-
Q4 2024	-	-	318	$78.20	$75.00	-	-	-	-	-	-	-	-	-	-

Gas

	NYMEX Henry Hub Gas Swaps		IF HSC Gas Swaps		IF Waha Gas Swaps		IF Waha Gas Basis Swaps		IF HSC Gas Basis Swaps		NYMEX Henry Hub Gas Collars			IF HSC Gas Collars		
Period	**Volume (BBtu)**	**$/MMBtu[2]**	**Volume (BBtu)**	**$/MMBtu[2]**	**Volume (BBtu)**	**$/MMBtu[2]**	**Volume (BBtu)**	**$/MMBtu[2]**	**Volume (BBtu)**	**$/MMBtu[2]**	**Volume (BBtu)**	**Ceiling $/MMBtu[2]**	**Floor $/MMBtu[2]**	**Volume (BBtu)**	**Ceiling $/MMBtu[2]**	**Floor $/MMBtu[2]**
Q4 2022	2,806	$5.50	6,982	$2.47	3,067	$2.22	-	-	-	-	1,908	$4.44	$3.50	-	-	-
Q1 2023	-	-	-	-	900	$3.98	916	$(0.25)	6,737	$0.19	7,919	$9.75	$3.84	900	$7.75	$3.38
Q2 2023	1,420	$5.05	-	-	-	-	1,552	$(1.42)	1,774	$(0.25)	5,181	$4.68	$3.83	1,345	$5.00	$4.25
Q3 2023	1,470	$5.11	-	-	-	-	2,442	$(1.05)	1,813	$(0.25)	6,194	$4.62	$3.75	1,389	$4.95	$4.25
Q4 2023	-	-	-	-	-	-	2,337	$(1.01)	2,008	$(0.25)	6,716	$5.26	$3.75	1,451	$5.55	$4.25
Q1 2024	-	-	-	-	-	-	5,089	$(0.61)	-	-	1,583	$10.43	$4.00	-	-	-
Q2 2024	-	-	-	-	-	-	5,285	$(1.09)	-	-	-	-	-	-	-	-
Q3 2024	-	-	-	-	-	-	5,344	$(0.99)	-	-	-	-	-	-	-	-
Q4 2024	-	-	-	-	-	-	5,240	$(0.73)	-	-	-	-	-	-	-	-
Q1 2025	-	-	-	-	-	-	5,102	$(0.46)	-	-	-	-	-	-	-	-
Q2 2025	-	-	-	-	-	-	5,236	$(0.78)	-	-	-	-	-	-	-	-
Q3 2025	-	-	-	-	-	-	5,117	$(0.72)	-	-	-	-	-	-	-	-
Q4 2025	-	-	-	-	-	-	5,046	$(0.66)	-	-	-	-	-	-	-	-

NGLs

	Propane Swaps		Propane Collars		
Period	**Volume (MBbls)**	**$/Bbl[2]**	**Volume (MBbls)**	**Ceiling $/Bbl[2]**	**Floor $/Bbl[2]**
Q4 2022	113	$35.91	173	$28.13	$24.11

(1) Includes derivative contracts for settlement at any time during the fourth quarter of 2022 and later periods, entered into through October 31, 2022.
(2) Weighted-average contract price.

Third Quarter 2022

Non-GAAP Reconciliations and Disclosures

DEFINITIONS OF NON-GAAP MEASURES AND METRICS AS CALCULATED BY THE COMPANY

To supplement the presentation of its financial results prepared in accordance with U.S. generally accepted accounting principles (GAAP), the Company provides certain non-GAAP measures and metrics, which are used by management and the investment community to assess the Company's financial condition, results of operations, and cash flows, as well as compare performance from period to period and across the Company's peer group. The Company believes these measures and metrics are widely used by the investment community, including investors, research analysts and others, to evaluate and compare recurring financial results among upstream oil and gas companies in making investment decisions or recommendations. These measures and metrics, as presented, may have differing calculations among companies and investment professionals and may not be directly comparable to the same measures and metrics provided by others. A non-GAAP measure should not be considered in isolation or as a substitute for the most directly comparable GAAP measure or any other measure of a company's financial or operating performance presented in accordance with GAAP. A reconciliation of the Company's non-GAAP measures to the most directly comparable GAAP measure is presented below. These measures may not be comparable to similarly titled measures of other companies.

Adjusted EBITDAX: Adjusted EBITDAX is calculated as net income (loss) before interest expense, interest income, income taxes, depletion, depreciation, amortization and asset retirement obligation liability accretion expense, exploration expense, property abandonment and impairment expense, non-cash stock-based compensation expense, derivative gains and losses net of settlements, gains and losses on divestitures, gains and losses on extinguishment of debt, and certain other items. Adjusted EBITDAX excludes certain items that the Company believes affect the comparability of operating results, including items that are generally non-recurring in nature or whose timing and/or amount cannot be reasonably estimated. The Company believes that Adjusted EBITDAX provides useful information for internal analysis and for investors and analysts, as a performance and liquidity measure, to evaluate the Company's ability to internally generate funds for exploration, development, acquisitions, and to service debt. The Company is also subject to financial covenants under the Company's Credit Agreement, a material source of liquidity for the Company, based on Adjusted EBITDAX ratios. Please reference the Company's third quarter 2022 Form 10-Q for discussion of the Credit Agreement and its covenants.

Adjusted net income (loss) and adjusted net income (loss) per diluted common share: Adjusted net income (loss) and adjusted net income (loss) per diluted common share excludes certain items that the Company believes affect the comparability of operating results, including items that are generally non-recurring in nature or whose timing and/or amount cannot be reasonably estimated. These items include non-cash and other adjustments, such as derivative gains and losses net of settlements, impairments, net (gain) loss on divestiture activity, gains and losses on extinguishment of debt, and accruals for non-recurring matters. The Company uses these measures to evaluate the comparability of the Company's ongoing operational results and trends and believes these measures provide useful information to investors for analysis of the Company's fundamental business on a recurring basis.

Cash production margin: Cash production margin is calculated as oil, gas, and NGL revenues (before the effects of commodity derivative settlements), less operating expenses (specifically, LOE, transportation, production taxes, and ad valorem taxes). This calculation excludes derivative settlements, G&A, exploration expense, and DD&A and is reflected on a per BOE basis using net equivalent production for the period presented. The Company believes this metric provides management and the investment community with an understanding of the Company's recurring operating margin before DD&A and G&A, which is helpful to compare period-to-period and across peers.

Adjusted free cash flow or FCF: Adjusted free cash flow is calculated as net cash provided by operating activities before net change in working capital less capital expenditures before increase (decrease) in capital expenditure accruals and other. The Company uses this measure as representative of the cash from operations, in excess of capital expenditures that provides liquidity to fund discretionary obligations such as debt reduction, returning cash to shareholders or expanding the business.

Net debt: Net debt is calculated as the total principal amount of outstanding senior unsecured notes plus amounts drawn on the revolving credit facility less cash and cash equivalents (also referred to as total funded debt). The Company uses net debt as a measure of financial position and believes this measure provides useful additional information to investors to evaluate the Company's capital structure and financial leverage.

Net debt-to-Adjusted EBITDAX: Net debt-to-Adjusted EBITDAX is calculated as Net Debt (defined above) divided by Adjusted EBITDAX (defined above) for the trailing twelve-month period (also referred to as leverage ratio). A variation of this calculation is a financial covenant under the Company's Credit Agreement. The Company and the investment community may use this metric in understanding the Company's ability to service its debt and identify trends in its leverage position. The Company reconciles the two non-GAAP measure components of this calculation.

Post-hedge: Post-hedge is calculated as the average realized price after the effects of commodity derivative settlements. The Company believes this metric is useful to management and the investment community to understand the effects of commodity derivative settlements on average price realized.

Return of capital as a percentage of Adjusted free cash flow: Return of capital as a percentage of Adjusted free cash flow is calculated as the return of capital divided by Adjusted free cash flow (defined above). The Company believes this metric is useful to the investment community to understand the percentage of discretionary liquidity returned to shareholders in a specified period of time. The Company reconciles the non-GAAP Adjusted free cash flow measure of this calculation.

NON-GAAP RECONCILIATIONS

Adjusted EBITDAX[1]

(in thousands)

	Three Months Ended September 30,	Nine Months Ended September 30,	Trailing Twelve Months at September 30,
	2022	2022	2022
Net income (GAAP)	**$ 481,240**	**$ 853,489**	**$ 1,278,389**
Interest expense	22,825	97,708	137,793
Income tax expense	119,379	218,951	228,984
Depletion, depreciation, amortization, and asset retirement obligation liability accretion	145,865	460,169	660,180
Exploration[2]	13,203	41,152	52,756
Impairment	1,077	6,466	15,216
Stock-based compensation expense	5,105	13,858	18,486
Net derivative (gain) loss	(137,577)	385,180	362,656
Derivative settlement loss	(186,299)	(595,080)	(863,776)
Loss on extinguishment of debt	—	67,605	67,605
Other, net	(4,663)	(5,064)	(6,964)
Adjusted EBITDAX (non-GAAP)	**$ 460,155**	**$ 1,544,434**	**$ 1,951,325**
Interest expense	(22,825)	(97,708)	(137,793)
Income tax expense	(119,379)	(218,951)	(228,984)
Exploration[2][3]	(11,993)	(27,959)	(39,563)
Amortization of debt discount and deferred financing costs	1,303	8,910	12,835
Deferred income taxes	110,048	202,996	212,843
Other, net	(457)	(461)	4,987
Net change in working capital	96,518	(13,230)	52,011
Net cash provided by operating activities (GAAP)	**$ 513,370**	**$ 1,398,031**	**$ 1,827,661**

Adjusted Net Income[1]

(in thousands)

	Three Months Ended September 30,	Nine Months Ended September 30,
	2022	2022
Net income (GAAP)	**$ 481,240**	**$ 853,489**
Net derivative (gain) loss	(137,577)	385,180
Derivative settlement loss	(186,299)	(595,080)
Impairment	1,077	6,466
Loss on extinguishment of debt	—	67,605
Other, net	(3,117)	(2,984)
Tax effect of adjustments[4]	70,724	30,122
Adjusted net income (non-GAAP)	**$ 226,048**	**$ 744,798**
Diluted net income per common share (GAAP)	**$ 3.87**	**$ 6.87**
Net derivative (gain) loss	(1.11)	3.10
Derivative settlement loss	(1.50)	(4.79)
Impairment	0.01	0.05
Loss on extinguishment of debt	—	0.54
Other, net	(0.02)	(0.01)
Tax effect of adjustments[4]	0.57	0.24
Adjusted net income per diluted common share (non-GAAP)	**$ 1.82**	**$ 6.00**
Basic weighted-average common shares outstanding	123,195	122,318
Diluted weighted-average common shares outstanding	124,279	124,233

(1) Indicates a non-GAAP measure. See above "Definitions of non-GAAP measures and metrics as Calculated by the Company."
(2) Stock-based compensation expense is a component of exploration expense and general and administrative expense on the unaudited condensed consolidated statements of operations. Therefore, the exploration line items shown in the reconciliation above will vary from the amount shown on the unaudited condensed consolidated statements of operations for the component of stock-based compensation expense recorded to exploration expense.
(3) Amount is net of certain capital expenditures related to unsuccessful exploration efforts outside of our core areas of operations.
(4) The tax effect of adjustments is calculated using a tax rate of 21.7% for the three and nine months ended September 30, 2022. This rate approximates the Company's statutory tax rate adjusted for ordinary permanent differences.

NON-GAAP RECONCILIATIONS

Adjusted Free Cash Flow[1]

(in thousands)

	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2022	Trailing Twelve Months at September 30, 2022
Net cash provided by operating activities (GAAP)	**$ 513,370**	**$ 1,398,031**	**$ 1,827,661**
Net change in working capital	(96,518)	13,230	(52,011)
Cash flow from operations before net change in working capital	**$ 416,852**	**$ 1,411,261**	**$ 1,775,650**
Capital expenditures (GAAP)	**$ 226,101**	**$ 591,846**	**$ 716,422**
Increase in capital expenditure accruals and other	12,810	50,590	30,879
Capital expenditures before accruals and other	**$ 238,911**	**$ 642,436**	**$ 747,301**
Adjusted free cash flow (non-GAAP)	**$ 177,941**	**$ 768,825**	**$ 1,028,349**

Net Debt[1]

(in thousands)

	As of September 30, 2022
Principal amount of Senior Unsecured Notes[2]	$ 1,585,144
Revolving credit facility[2]	-
Total principal amount of debt (GAAP)	$ 1,585,144
Less: Cash and cash equivalents	498,435
Net Debt (non-GAAP)	**$ 1,086,709**

(1) Indicates a non-GAAP measure. See above “Definitions of non-GAAP measures and metrics as Calculated by the Company.”
(2) Amounts are from Note 5 – Long-term Debt in Part I, Item 1 of the Company’s third quarter Form 10-Q as of September 30,2022.

SM ENERGY CONTACTS

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