IPAA

Oil and Gas Investment Symposium

April 12, 2011

Tony Best

President and CEO

SM ENERGY

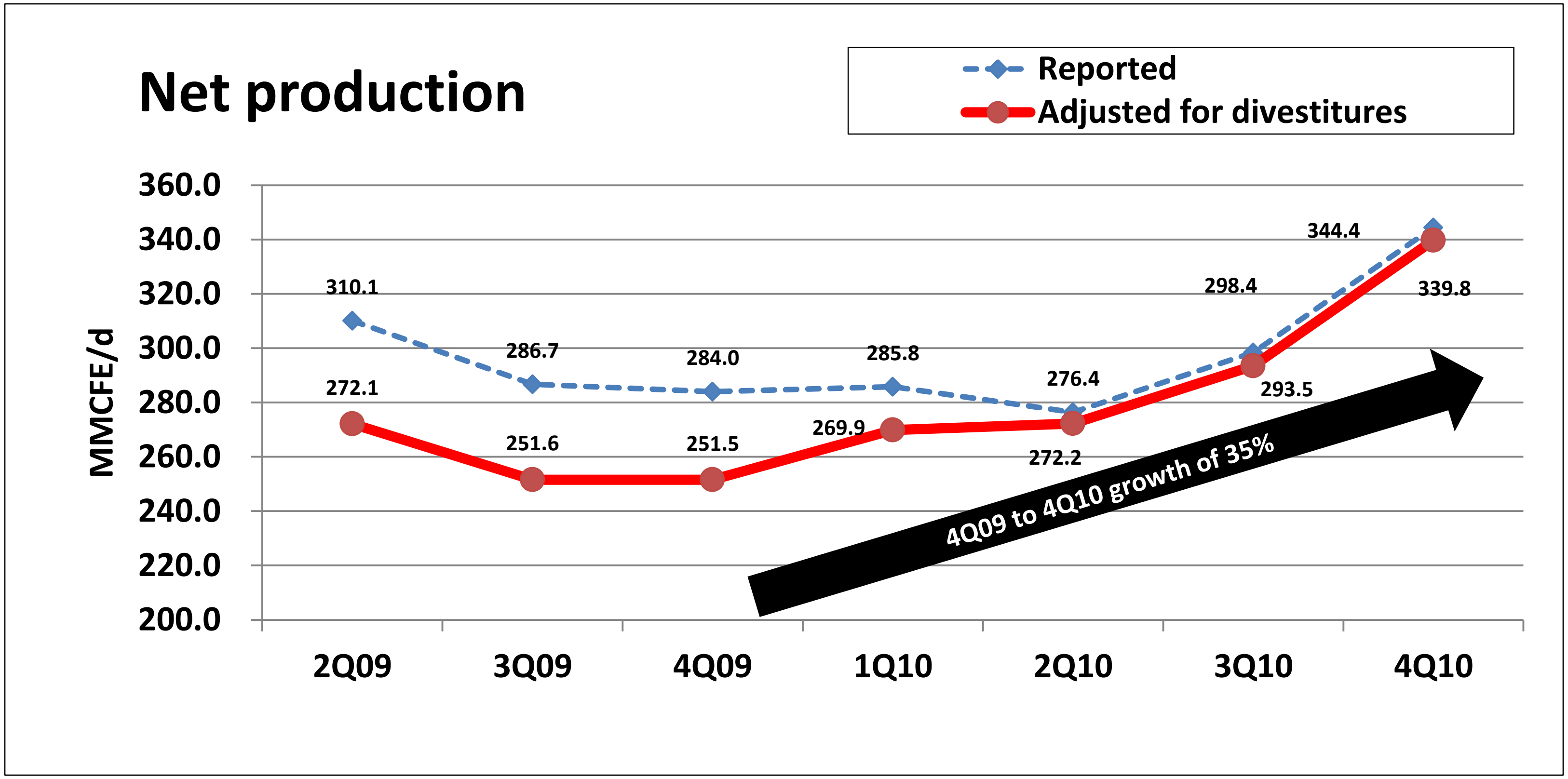
Cautionary Language

Except for historical information contained herein, statements in this presentation, including information regarding the business of the Company, may be "forward looking statements" within the meaning of the federal securities laws. Forward looking statements involve known and unknown risks and uncertainties that may cause the Company's actual results in future periods to differ materially from results expressed or implied by the forward looking statements. These risks are described in the "Risk Factors" section of the Company's 2010 Annual Report on Form 10-K that was filed on February 25,2011. Such factors include the volatility and level of oil and natural gas prices, a contraction in demand for oil and natural gas as a result of adverse general economic conditions, the availability of economically attractive exploration and development and property acquisition opportunities and any necessary financing, the uncertain nature of the expected benefits from acquisitions and divestitures of oil and natural gas properties, the pending nature of reported divestiture plans for certain non-core oil and gas properties as well as the ability to complete divestiture transactions and the uncertain nature of the amount of proceeds that may be received for divestitures, lower prices realized on oil and gas sales resulting from our commodity price risk management activities, unsuccessful exploration and development drilling, the possibility that our planned drilling in existing or emerging resource plays is subject to drilling and completion risks, the imprecise nature of estimating oil and gas reserves, uncertainties inherent in projecting future rates of production from drilling activities and acquisitions, drilling and operating service availability, uncertainties in cash flow, the financial strength of hedge contract counterparties, the ability of banks in our lending facility to fund requested borrowings, the ability of purchasers of production to pay for amounts purchased, the negative impact that lower oil and natural gas prices could have on the value of our properties and our ability to borrow, litigation, environmental matters, and the potential impact of government regulations.

Proved reserves are those quantities of oil and gas, which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible – from a given date forward, from known reservoirs, and under existing economic conditions, operating methods, and government regulations – prior to the time at which contracts providing the right to operate expire, unless evidence indicates that renewal is reasonably certain. In this presentation, the Company uses the terms "probable," "possible," "3P," and "resources." Probable reserves are those additional reserves that are less certain to be recovered than proved reserves but which, together with proved reserves, are as likely as not to be recovered. Possible reserves are those additional reserves that are less certain to be recovered than probable reserves. Reserves are estimated remaining quantities of oil and gas and related substances anticipated to be economically producible, as of a given date, by application of development projects to known accumulations (subject to other conditions). Resources are quantities of oil and gas estimated to exist in naturally occurring accumulations. SM Energy also uses the term "EUR" (estimated ultimate recovery), which is the sum of reserves remaining as of a given date and cumulative production as of that date. Estimates of probable and possible reserves included in 3P reserves and resources which may potentially be recoverable through additional drilling or recovery techniques are by their nature more uncertain than estimates of proved reserves and accordingly are subject to substantially greater risk of not actually being realized by the Company.

2010 in Review

- **2010 was a break-out year for the Company**
  - ✓ Record year for net income of $197 million, or $3.04 per diluted share
  - ✓ Near record production with average daily production of over 300 MMCFE/d



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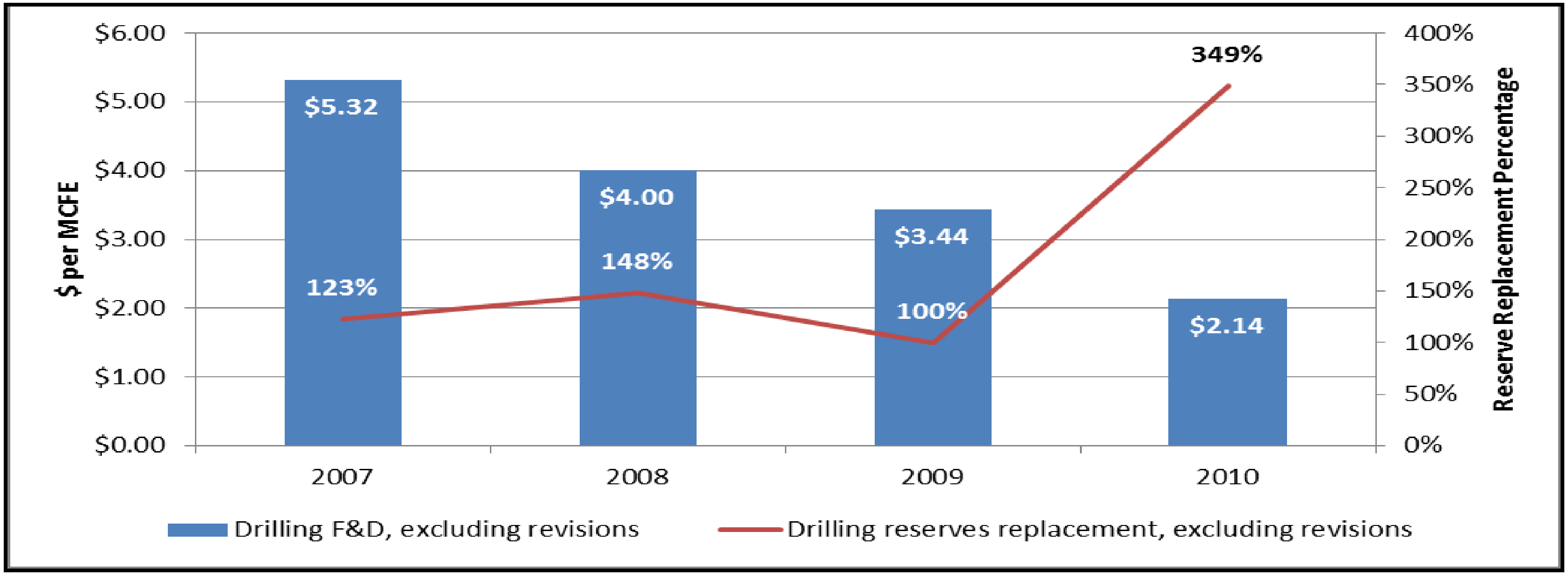
2010 in Review (continued)

- **Operational highlights**
  - ✓ Significantly advanced Eagle Ford shale program
    - Delineated geology and gas to oil windows
    - Secured most takeaway capacity and drilling/completion services to execute the 2011 program
  - ✓ Continued success in Bakken/Three Forks
    - Pushed Bakken development further west in North Dakota with solid results; continued success in Three Forks program in Divide County
  - ✓ Executed Haynesville carry and earning agreement for $90 MM
  - ✓ Initiated horizontal testing of Granite Wash and Niobrara plays and a down-spacing pilot in the Wolfberry oil play
- **Rebranded the Company**
  - ✓ After 100 years, we decided to update our name
    - Honors our history as St. Mary Land & Exploration Company and retained SM ticker
    - Modernizes our name and logo and reflects the Company's broader footprint and new direction pursuing resource plays in North America

2010 in Review (continued)

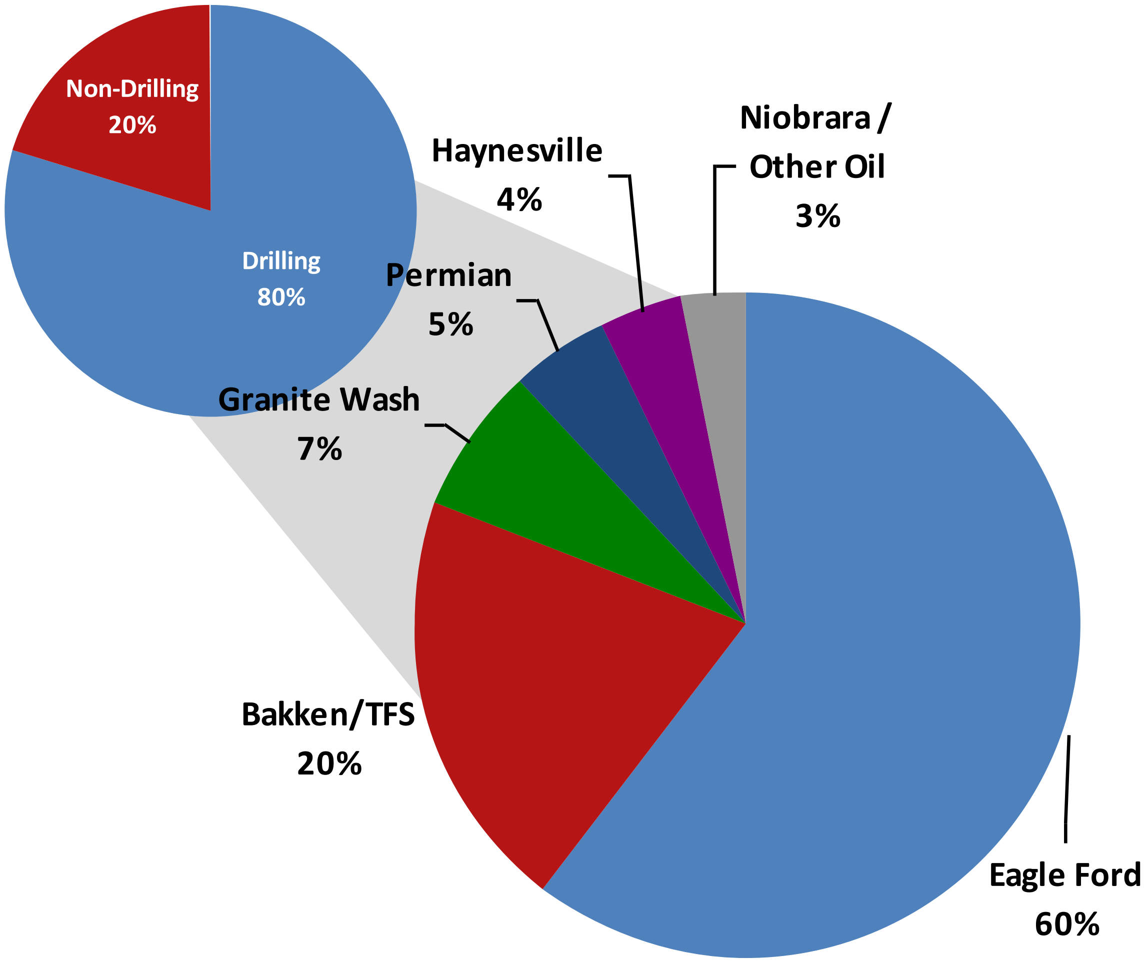
- **Strong results from organic drilling program**
  - ✓ Proved reserves grew 27% to 985 BCFE
  - ✓ Drilling reserve replacement of 349%
  - ✓ Increased PUD percentage from 18% to 30%
  - ✓ F&D improvement of 38% as a result of quality portfolio



Key Initiatives for 2011

- **Focus on oil and rich gas projects**
  - ✓ Achieve 20% production growth through high value projects
  - ✓ Maintain operational focus and discipline as activity ramps up
  - ✓ Ramp-up drilling programs in Eagle Ford and Bakken/TFS
- **Successful completion of announced transactions**
  - ✓ **Eagle Ford:** Data room for sell down is still continuing with good participation; expect announcement late 2Q11
  - ✓ **Haynesville Shale:** Discussing JV with interested parties in Haynesville Shale to carry SM to HBP; ~$140MM incremental spend in 2011 if no deal is completed
  - ✓ **Marcellus Shale:** Evaluating options; minimal 2011 investment

2011 Capital Plan Overview

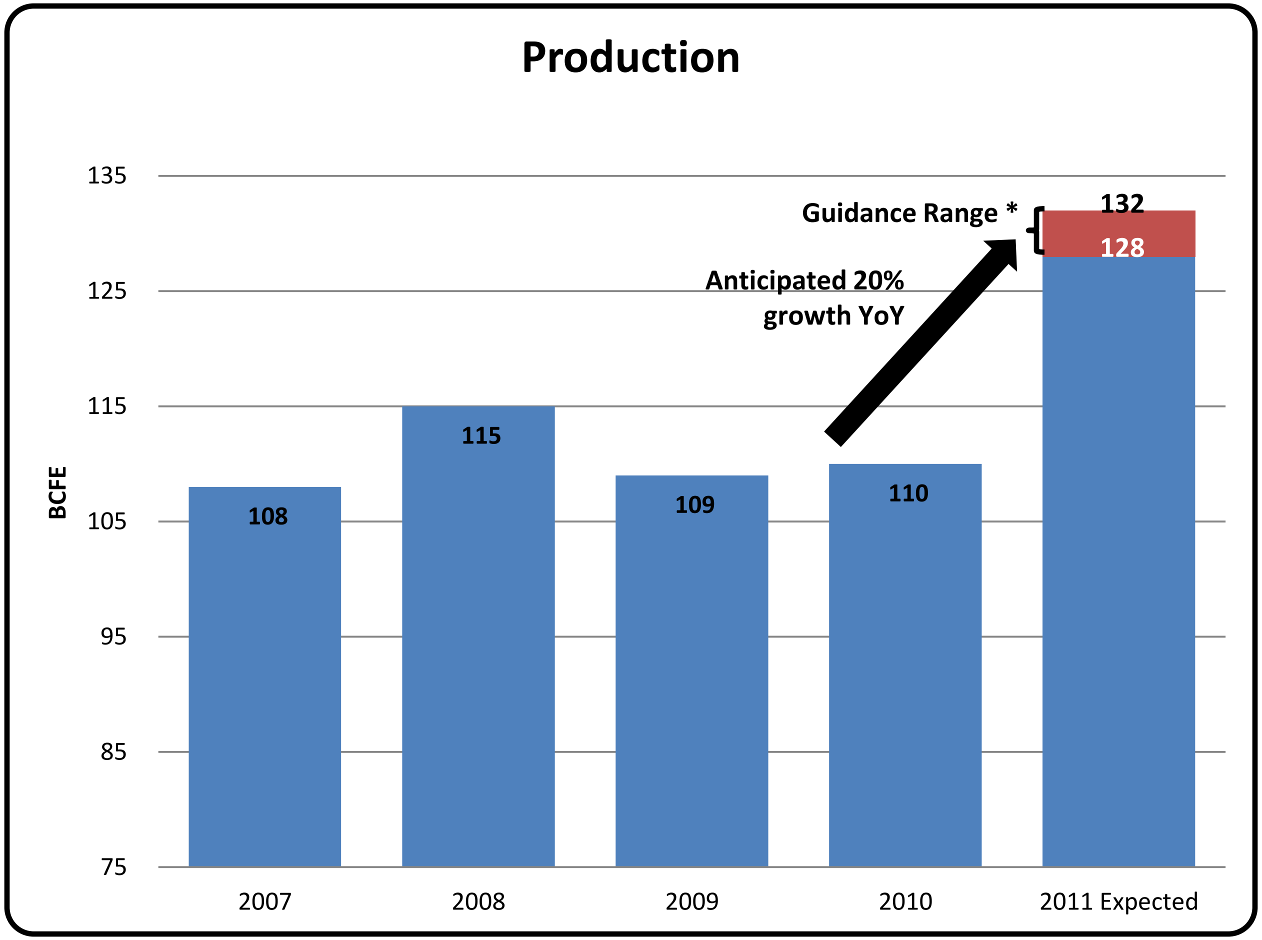


Total Drilling Capex: $830MM

Note: Non-drilling capital composed of Exploration ($80MM), Facilities ($65MM), Land & Seismic ($30MM), and Overhead ($35MM).

- **2011 capital budget of $1,040 million, with expected funding through operating cash flow and projected asset sales**
- **Over 90% of drilling capital is being invested in liquids and high BTU natural gas projects**
- **Over 85% of capital expenditures anticipated to be on Company-operated properties**

Production Outlook



- **Anticipated growth of 20% in 2011 on reported basis**
- **2011 Guidance of 128-132 BCFE**
- **Oil and rich-gas driving production growth**

* Note: Production guidance does not include production anticipated to be part of SM Energy's Eagle Ford shale announced sell down.

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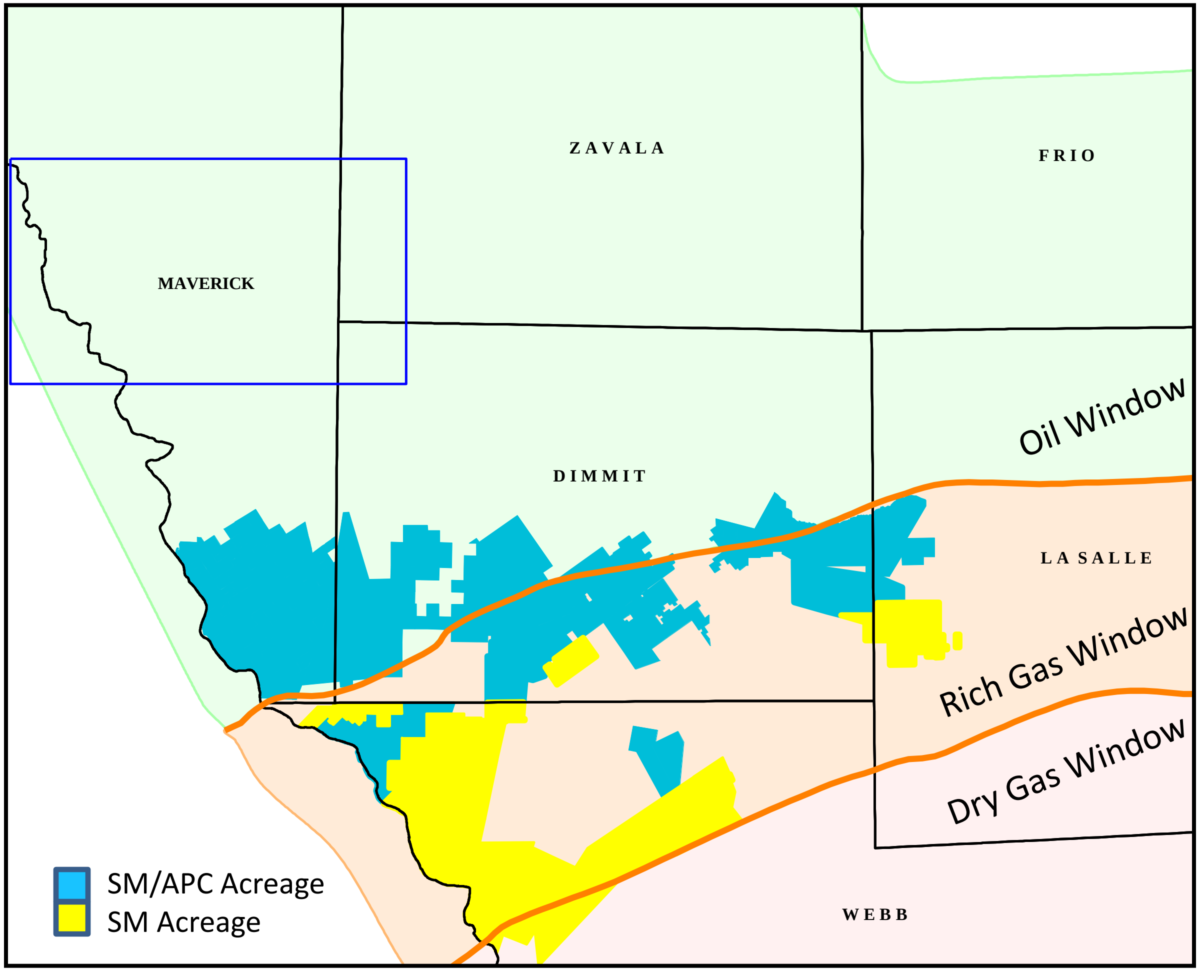
Total Eagle Ford Shale Position



SM Energy has a 250,000 net acre position in the Eagle Ford shale

- ~165,000 net operated acres located almost entirely in rich gas window
- ~85,000 net acres operated by Anadarko located in oil and rich gas windows

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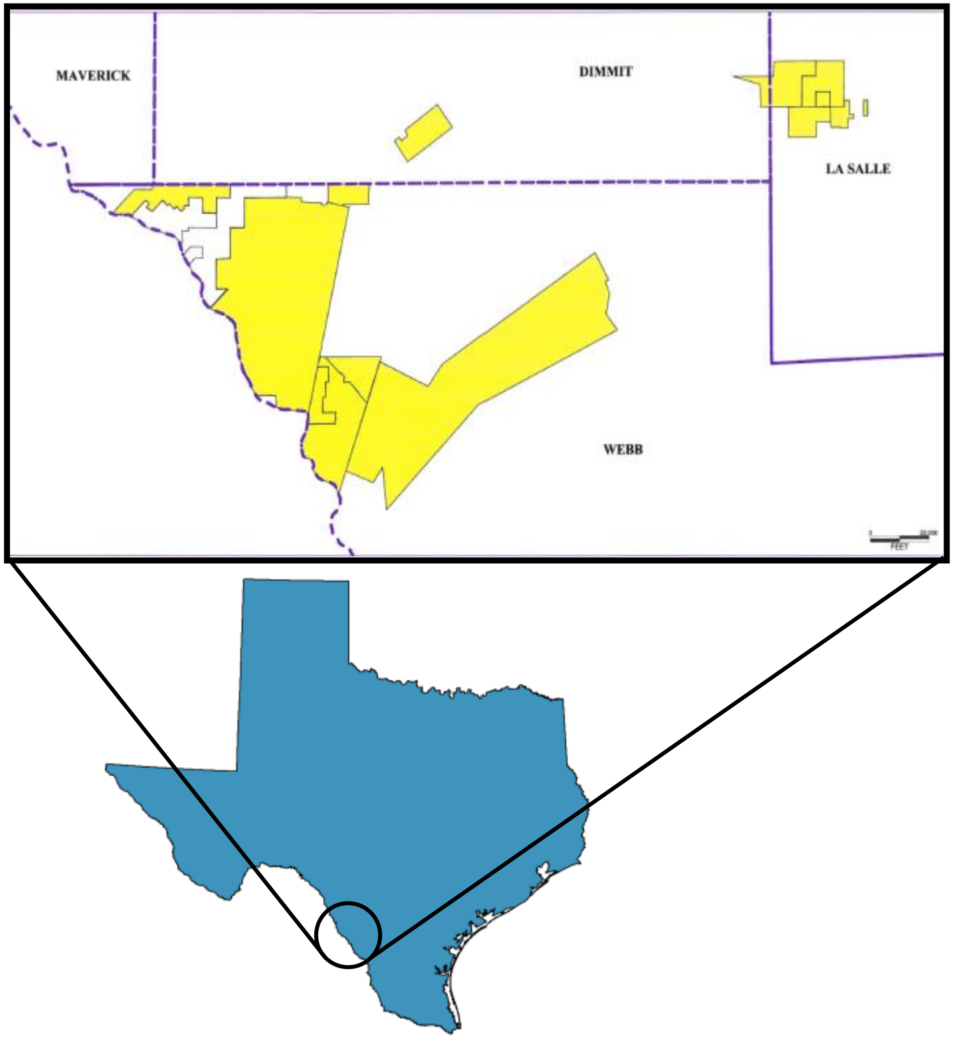
Operated Eagle Ford Shale Overview

Operating Highlights

- ~165,000 net acres
- Largely 100% working interest

2011 Plan

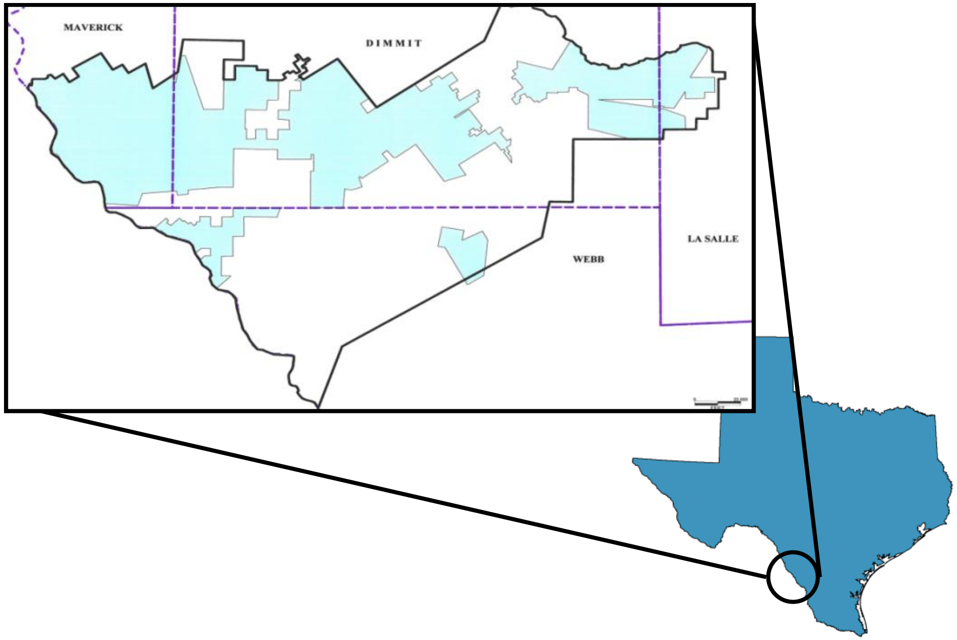
- Currently running three (3) operated rigs and expect to increase to six (6) through the year, with focus on oilier and higher BTU gas areas
- Secure services and equipment for current year program and beyond
    - ***New takeaway agreement will ultimately ramp up to 240,000 MMBTU/d (~190 MMcf/d) of capacity; pipeline arrives mid-2013***
    - ***SM Energy will now have 470 MMcf/d of firm transportation available by 2H14***



Non Operated Eagle Ford Shale Overview

Operating Highlights

- 25% WI partner in Anadarko ("APC") operated JV
- ~310,000 gross / ~85,000 net acres
- Nine (9) rigs currently running



2011 Plan

- APC gross rigs ramping up to 10 in 2Q11
- APC has announced a joint venture on its portion of the shared acreage for $1.55 Billion

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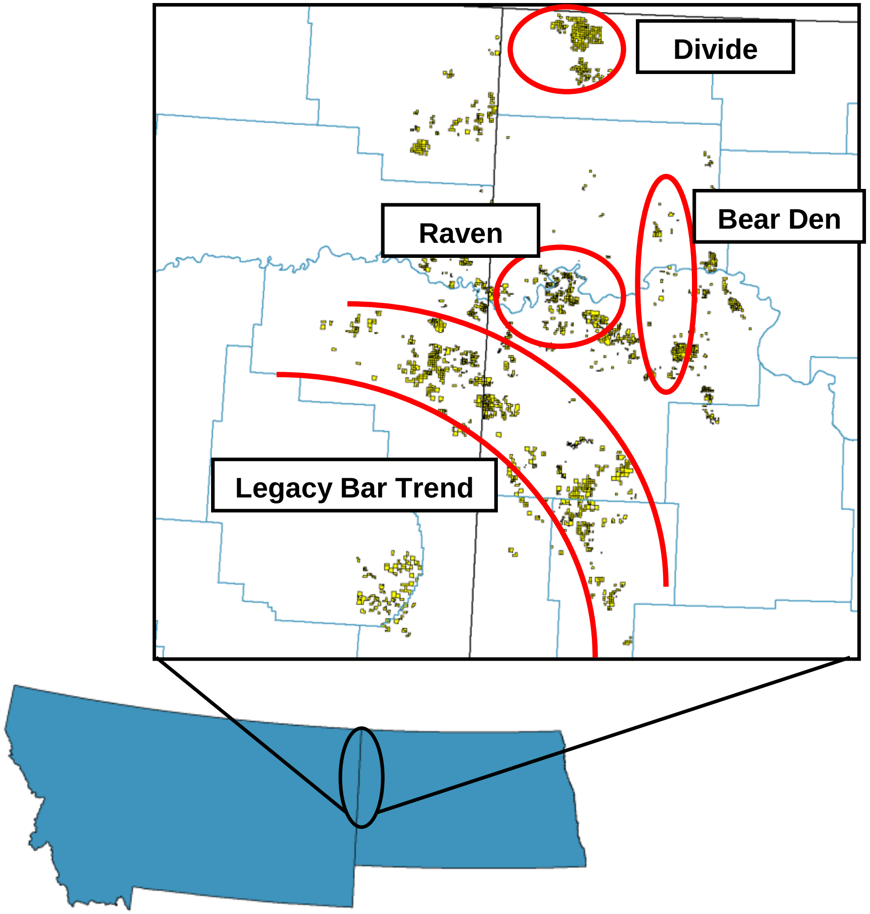
Bakken / Three Forks Overview

Operating Highlights

- ~85,000 prospective net acres in ND, an increase from ~81,000 net acres
- SM holds an additional ~120,000 legacy net acres in the basin

2011 Plan

- Currently running two (2) operated rigs; will increase to three (3) during the year
- Plan to drill 34 gross wells (20 net) as operator in Raven and Divide projects areas; no activity is planned for Bear Den since it is HBP



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Terms of High Yield Offering February 2011

Issuer:	SM Energy Company (NYSE: SM)
Issue:	Senior Unsecured Notes
Size:	$350 million
Coupon:	6.625%, issued at par
Maturity:	8 years (February 2019)
Optional Redemption:	Non-callable for the first 4 years (February 2015)
Change of Control:	Put at 101% of the principal amount plus accrued interest
Equity Clawback:	Up to 35% of the issue may be redeemed during the first three years at par plus the coupon with the proceeds of any equity issuance
Covenants:	Usual and customary incurrence based covenants
Guarantors:	Same as the credit facility; non-guarantor subsidiaries hold less than 5% of total assets
Use of Proceeds:	Repay credit facility borrowings, pre-fund 2011 capital expenditures and general corporate purposes
Distribution:	144A with Registration Rights

- Upsized the offering to $350 million from $250 million
- Issued notes at par with a coupon of 6.625%
- Rating agencies ratings of issue:
  - S&P: BB
  - Moody's: B1

OFFERING MEMORANDUM

CONFIDENTIAL

$350,000,000

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6⅝% Senior Notes due 2019

The Company:

- We are an independent energy company engaged in the acquisition, exploration, exploitation, development and production of natural gas and crude oil in North America.

The Offering:

- Use of Proceeds: We will use the net proceeds from this offering to repay borrowings outstanding under our credit facility, to fund our ongoing capital expenditure program and for general corporate purposes.
- Registration Rights: We have agreed to exchange the notes offered hereby, which we refer to as the Notes, for a new issue of substantially identical registered notes under the Securities Act of 1933, as amended.

The Senior Notes:

- Maturity: The Notes will mature on February 15, 2019.
- Interest Payments: The Notes will pay interest semi-annually in cash in arrears on February 15 and August 15 of each year, beginning on August 15, 2011.
- Guarantees: Initially, none of our subsidiaries will guarantee the Notes. Currently, none of our subsidiaries own a significant portion of our assets and none of our subsidiaries guarantee our indebtedness under our credit facility.
- Ranking: The Notes will be general unsecured senior obligations and will be subordinated to all of our existing and future secured debt to the extent of the assets securing that secured debt. In addition, the Notes will be effectively subordinated to all of the liabilities of our subsidiaries, except to the extent they guarantee the Notes as provided herein.
- Optional Redemption: The Notes will be redeemable at any time on or after February 15, 2015 at the redemption prices specified under "Description of Notes—Optional Redemption." The Notes will also be redeemable prior to February 15, 2015 at the make-whole redemption prices specified in "Description of Notes—Optional Redemption." In addition, we may redeem up to 35% of the Notes prior to February 15, 2014 with the net cash proceeds from certain equity offerings.
- Form: The Notes will be issued in minimum denominations of $2,000 and integral multiples of $1,000 in excess thereof.

Investing in the Notes involves risks that are described in the "Risk Factors" section beginning on page 11 of this offering memorandum.

Offering Price: 100.00% plus accrued interest, if any, from February 7, 2011.

The Notes have not been registered under the Securities Act of 1933 or the securities laws of any other jurisdiction. Unless they are registered, the Notes may be offered only in transactions that are exempt from registration under the Securities Act of 1933 or the securities laws of any other jurisdiction. Accordingly, we are offering the Notes in the United States only to qualified institutional buyers and outside the United States to non-U.S. persons in compliance with Regulation S. For further details about eligible offerees and resale restrictions, see "Transfer Restrictions."

The Notes will be ready for delivery in book-entry form only through the facilities of The Depository Trust Company for the accounts of its participants, including Euroclear Bank S.A./N.V., as operator of the Euroclear System, and Clearstream Banking, *société anonyme*, on or about February 7, 2011.

Joint Book-Running Managers

BofA Merrill Lynch **Wells Fargo Securities**

Senior Co-Managers

J.P. Morgan **BBVA Securities** **Comerica Securities**

Co-Managers

US Bancorp, KeyBanc Capital Markets, Lloyds Bank Corporate Markets, BOSC, Inc., RBC Capital Markets, Capital One Southcoast

The date of this offering memorandum is January 31, 2011.

Financial Position

	12/31/2010	Pro Forma for HY 12/31/2010
	($ in millions)	($ in millions)
Cash	$5.1	$298.2
Long-term credit facility	48.0	-
3.50% Senior Convertible Notes	275.7	275.7
6.625% Senior Unsecured Notes	-	350.0
Total long-term debt	323.7	625.7
Total stockholders' equity	$1,218.5	$1,218.5
Debt to book capitalization	21%	34%

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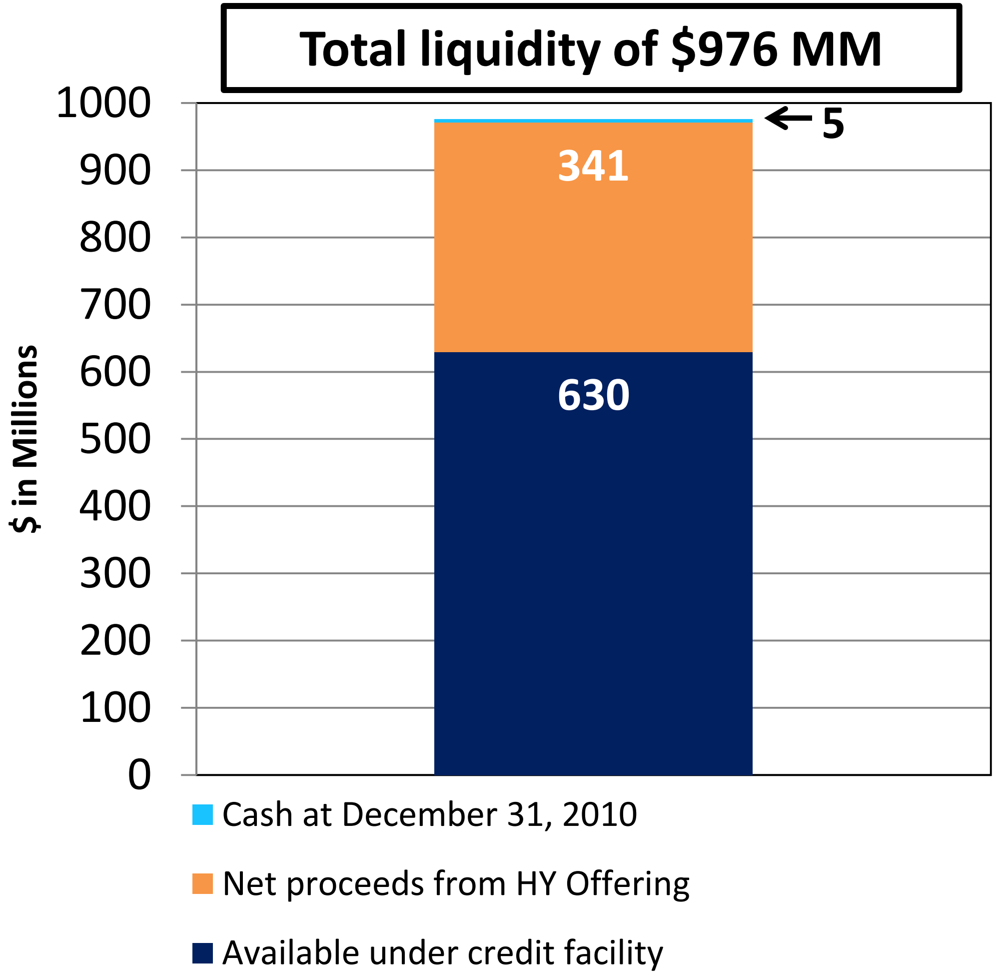
Liquidity

As of December 31, 2010, adjusted for HY Offering



- Current liquidity stands at nearly $1.0 billion
- Proceeds from recent high yield offering will be used as a backstop for our 2011 capital program and general corporate purposes
- Commitment amount on credit facility remains unchanged at $678 million
  - Borrowing base was automatically reduced to $1.0 billion from $1.1 billion as a result of high yield offering

NOTE: Available credit facility borrowings calculated as: $678 MM commitment amount less $48 MM of outstanding at 12/31/10 less outstanding letter of credit of $500 K. Estimated net proceeds from offering assumes $8.9 MM in related fees and expenses.

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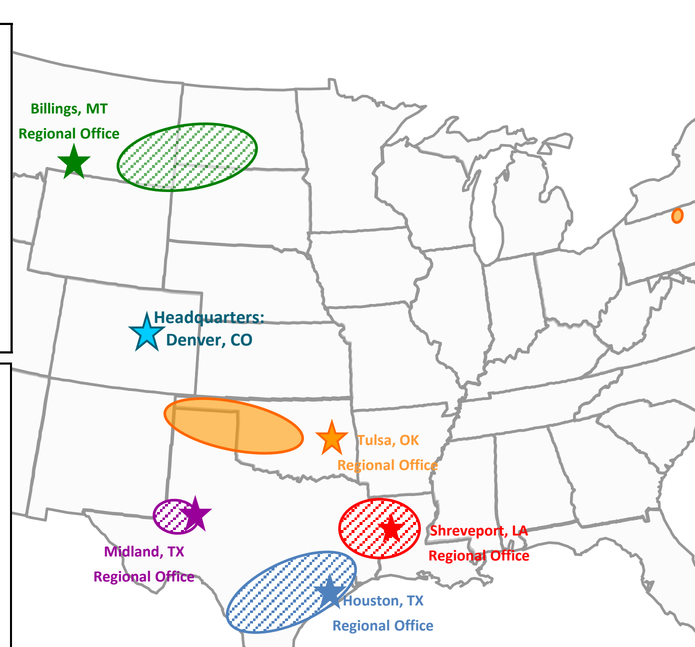
Key Takeaways

- **2010 was a break-out year**
  - ✓ Outstanding resource play execution
  - ✓ Solid financial performance
  - ✓ Strong growth in production and reserves
- **Positioned for success in 2011**
  - ✓ Focus on growth plays and execution of oil/liquid projects
  - ✓ Completion of strategic transactions
- **Bottom Line:**
  - ✓ **"*A New Day*" for SM Energy**

BACKGROUND MATERIALS

Asset Overview



Rocky Mountains

2010 Proved Reserves (BCFE)	232
4Q10 Net Production (MMCFE/	69

Plays:

Bakken
Three Forks

Permian

2010 Proved Reserves (BCFE)	114
4Q10 Net Production (MMCFE/	41

Plays:

Wolfberry Oil

South Texas & Gulf Coast

2010 Proved Reserves (BCFE)	207
4Q10 Net Production (MMCFE/	98

Plays:

Operated Eale Ford Shale
Anadarko JV Eagle Ford Shale

Mid Continent

2010 Proved Reserves (BCFE)	294
4Q10 Net Production (MMCFE/	97

Plays:

Granite Wash
Woodford Shale
Marcellus Shale

ArkLaTex

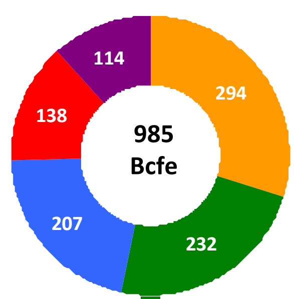
2010 Proved Reserves (BCFE)	138
4Q10 Net Production (MMCFE/	50

Plays:

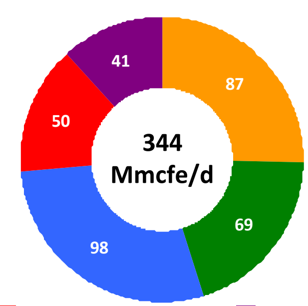
Haynesville Shale

Consolidated Company

2010 Est. Proved Reserves (Bcfe)



4Q10 Net Production (Mmcfe/d)



Mid Continent | Rocky Mountains | STX / GC | ArkLaTex | Permian

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Guidance for 2011

Production	1Q11E	FY 2011E
Average daily production (MMCFE/d)	333 - 366	350 - 362
Total production (BCFE)	30 - 33	128 – 132
Costs		**FY 2011**
LOE ($/MCFE)	$1.10 - $1.15	$1.07 – $1.12
Transportation ($/MCFE)	$0.30 - $0.35	$0.40 – $0.45
Production taxes (% of pre-hedge revenue)	7.0%	7.0%
G&A – Cash ($/MCFE)	$0.54 - $0.57	$0.55 – $0.58
G&A – Cash NPP ($/MCFE)	$0.16 - $0.18	$0.16 – $0.18
G&A – Non-cash ($/MCFE)	$0.12 - $0.14	$0.13 – $0.15
TOTAL G&A ($/MCFE)	$0.82 - $0.89	$0.84 – $0.91
DD&A ($/MCFE)	$2.95 - $3.15	$2.95 – $3.15
Non-cash interest expense ($MM)	$3.6	$15.0
Effective income tax rate range		37.4% - 37.9%
% of income tax that is current		<10%

Summarized Oil Hedging Position*

Oil Swaps - NYMEX Equivalent

	Bbls		$/Bbl
2011			
Q1	418,000	$	70.36
Q2	367,800	$	69.49
Q3	327,800	$	68.63
Q4	325,400	$	73.51
2011 Total	1,439,000		
2012			
Q1	402,500	$	81.68
Q2	384,900	$	81.83
Q3	369,900	$	81.49
Q4	356,900	$	85.72
2012 Total	1,514,200		
2013			
Q1	105,800	$	84.19
Q2	188,800	$	84.36
Q3			
Q4			
2013 Total	294,600		
Grand Total	3,247,800		

Oil Collars - NYMEX Equivalent

	Bbls		Ceiling $/Bbl		Floor $/Bbl
2011					
Q1	305,250	$	63.70	$	50.00
Q2	627,050	$	86.89	$	65.25
Q3	576,750	$	84.69	$	63.81
Q4	514,850	$	81.73	$	61.86
2011 Total	2,023,900				
2012					
Q1	391,300	$	109.96	$	76.58
Q2	371,500	$	109.88	$	76.55
Q3	346,800	$	109.70	$	76.45
Q4	325,000	$	109.60	$	76.34
2012 Total	1,434,600				
2013					
Q1	541,200	$	105.92	$	77.85
Q2	430,200	$	108.23	$	72.97
Q3	597,300	$	107.14	$	72.05
Q4	577,800	$	117.40	$	80.00
2013 Total	2,146,500				
Grand Total	5,605,000				

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*As of 2/18/2011

Summarized Gas and NGL Hedging Position*

Natural Gas Swaps - NYMEX Equivalent

	MMBTU	$/MMBTU
2011		
Q1	4,420,000	$ 6.99
Q2	4,090,000	$ 6.13
Q3	3,780,000	$ 6.28
Q4	4,730,000	$ 6.08
2011 Total	17,020,000	
2012		
Q1	4,240,000	$ 6.21
Q2	3,530,000	$ 5.64
Q3	3,250,000	$ 5.83
Q4	3,580,000	$ 5.92
2012 Total	14,600,000	
2013		
Q1	3,400,000	$ 5.70
Q2	820,000	$ 5.06
Q3	790,000	$ 5.06
Q4	750,000	$ 5.07
2013 Total	5,760,000	
Grand Total	37,380,000	

Natural Gas Collars - NYMEX Equivalent

	MMBTU	Ceiling $/MMBTU	Floor $/MMBTU
2011			
Q1	1,650,000	$ 6.70	$ 5.40
Q2	1,655,000	$ 6.80	$ 5.51
Q3	1,660,000	$ 6.78	$ 5.48
Q4	1,660,000	$ 6.81	$ 5.50
2011 Total	6,625,000		
2012			
Q1			
Q2			
Q3			
Q4			
2012 Total	0		
2013			
Q1			
Q2			
Q3			
Q4			
2013 Total	0		
Grand Total	6,625,000		

Natural Gas Liquid Swaps - Mont. Belvieu

	Bbls	$/Bbl
2011		
Q1	331,003	$ 40.34
Q2	301,541	$ 39.43
Q3	278,811	$ 39.51
Q4	260,497	$ 39.55
2011 Total	1,171,852	
2012		
Q1	192,313	$ 39.75
Q2	183,135	$ 39.85
Q3	136,640	$ 36.55
Q4	130,338	$ 36.67
2012 Total	642,425	
2013		
Q1	84,048	$ 44.95
Q2		
Q3		
Q4		
2013 Total	84,048	
Grand Total	1,898,325	

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*As of 2/18/2011