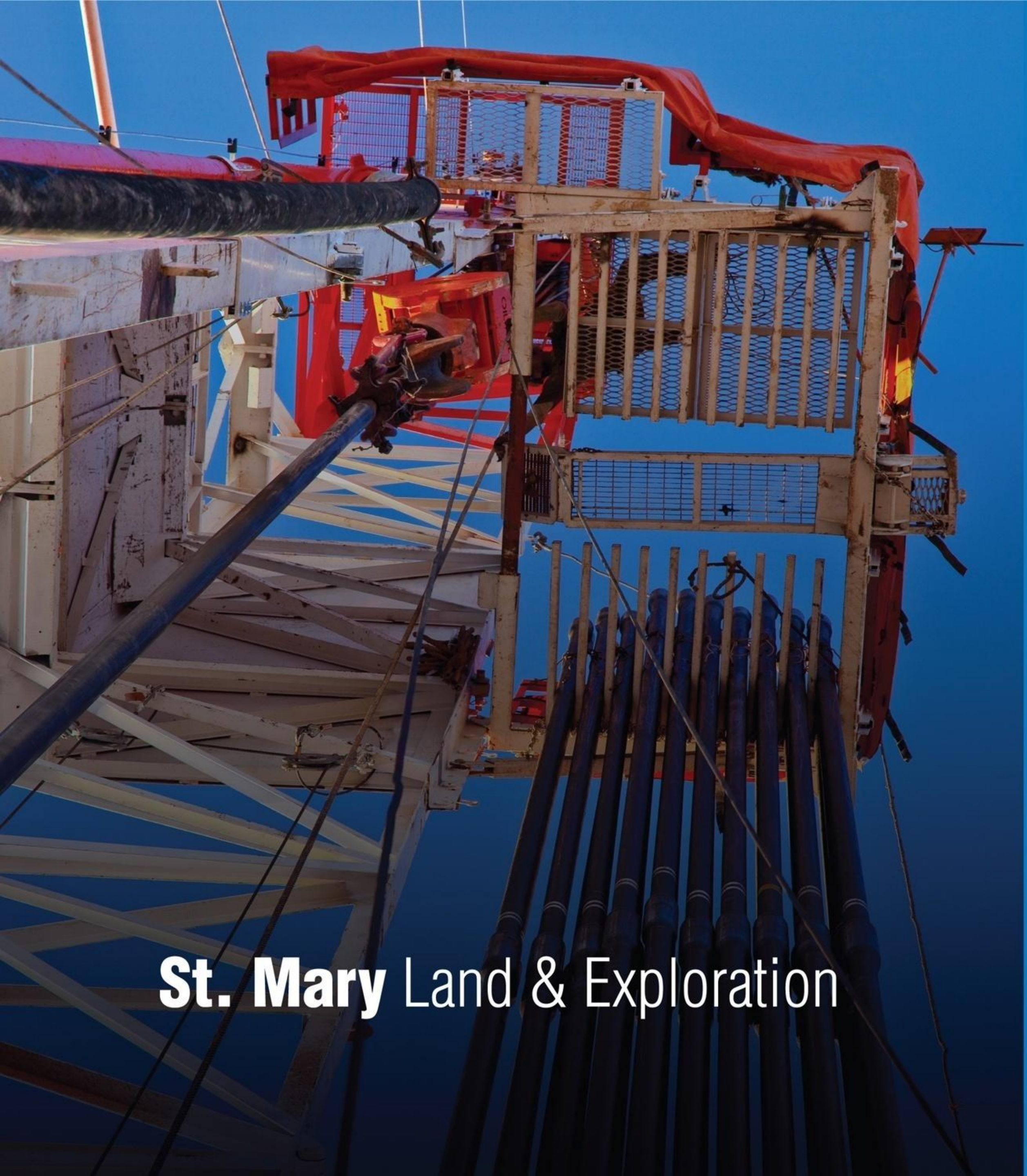


1st Quarter 2010

Earnings Call and Operations Update

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 2009 Annual Report on Form 10-K. 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 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. St. Mary 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.

Key Messages

➢ Strong 1st quarter results to lead off 2010

- ✓ Production results exceed high end of guidance, despite early closings on divestiture packages in 1Q10
- ✓ Guided costs were within or below provided guidance
- ✓ Closed the $267 MM in sales of non-core Rocky Mountain properties
- ✓ Maintained the credit facility borrowing base at $900 MM despite divestitures

➢ Haynesville transaction accomplishes strategic goals

- ✓ Allows SM to de-risk its East Texas Haynesville position with minimal capital
- ✓ Frees capital to accelerate activity in the Eagle Ford shale while keeping capital budget flat

➢ Executing well on 2010 Business Plan

- ✓ Activities in key programs are meeting or exceeding expectations
- ✓ Increasing production forecast to 98 – 104 BCFE as a result of strong first quarter performance and higher levels of activity in the Eagle Ford

➢ Continuing the transformation

- ✓ Continue to focus capital on core resource play programs
- ✓ Positioning SM for growth and returns

Financial Review

Quarterly Results for 1Q10

Strong performance versus guidance

	Actual	Guidance Range
Production (MMCFE/d)	286	255 - 278
LOE ($/MCFE)	$1.17	$1.40 – $1.45
Transportation ($/MCFE)	$0.16	$0.18 – $0.23
Production Taxes (% of revenue)	7%	7%
G&A – Cash ($/MCFE)	$0.49	$0.47 – $0.50
G&A – Cash NPP ($/MCFE)	$0.27	$0.22 – $0.24
G&A - Non-cash ($/MCFE)	$0.15	$0.15 – $0.17
TOTAL G&A ($/MCFE)	$0.91	$0.84 – $0.91
DD&A ($/MCFE)	$3.02	$2.95 – $3.15

✓ Production exceeded guidance

✓ Cost guidance within or below provided guidance

Net Income

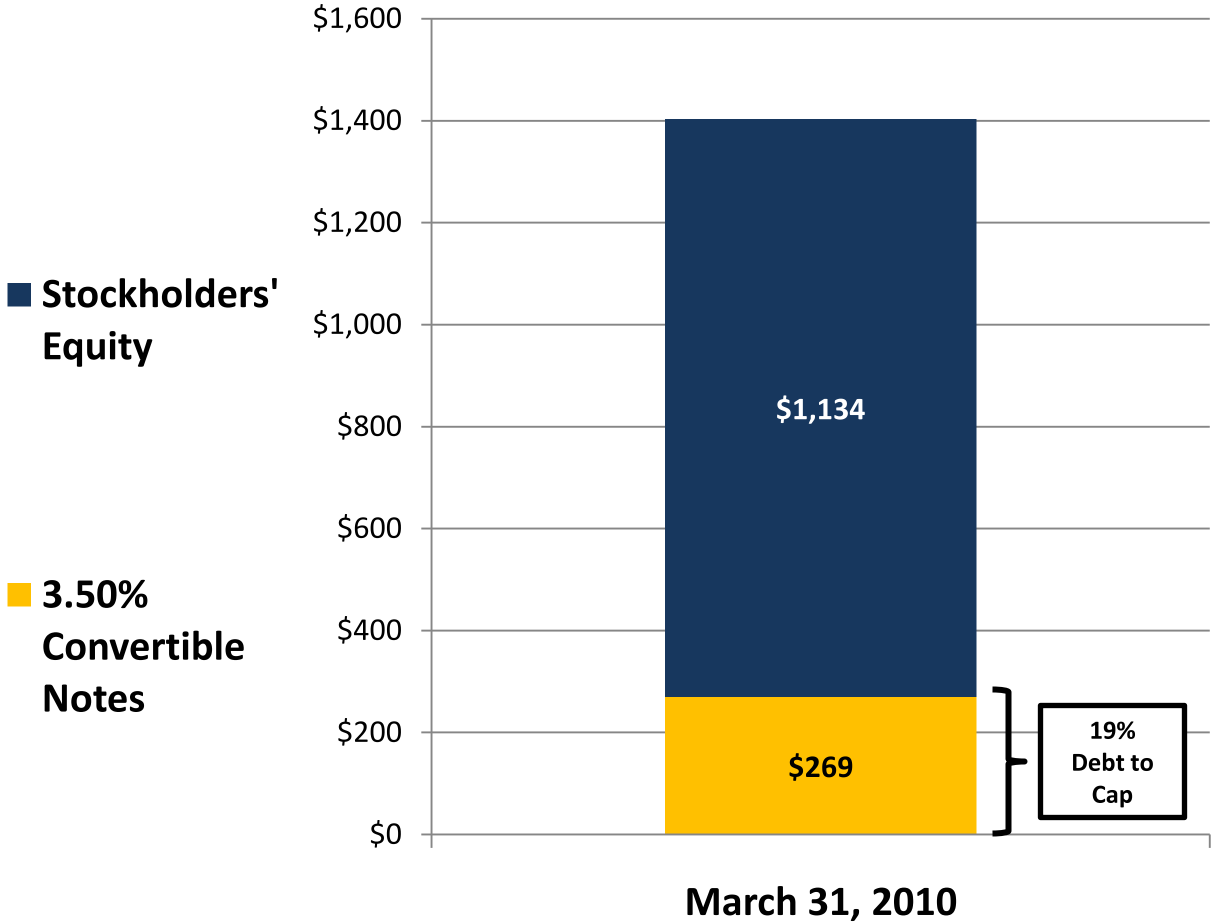
- Reported GAAP Net Income was $126.2 million, or $1.96/diluted share
- Adjusted net income was $28.9 million, or $0.45/diluted share

Cash Flow

- Cash flow from Operating Activities was $153.9 million
- Operating cash flow was $133.2 million, or $2.07/diluted share

Financial Position

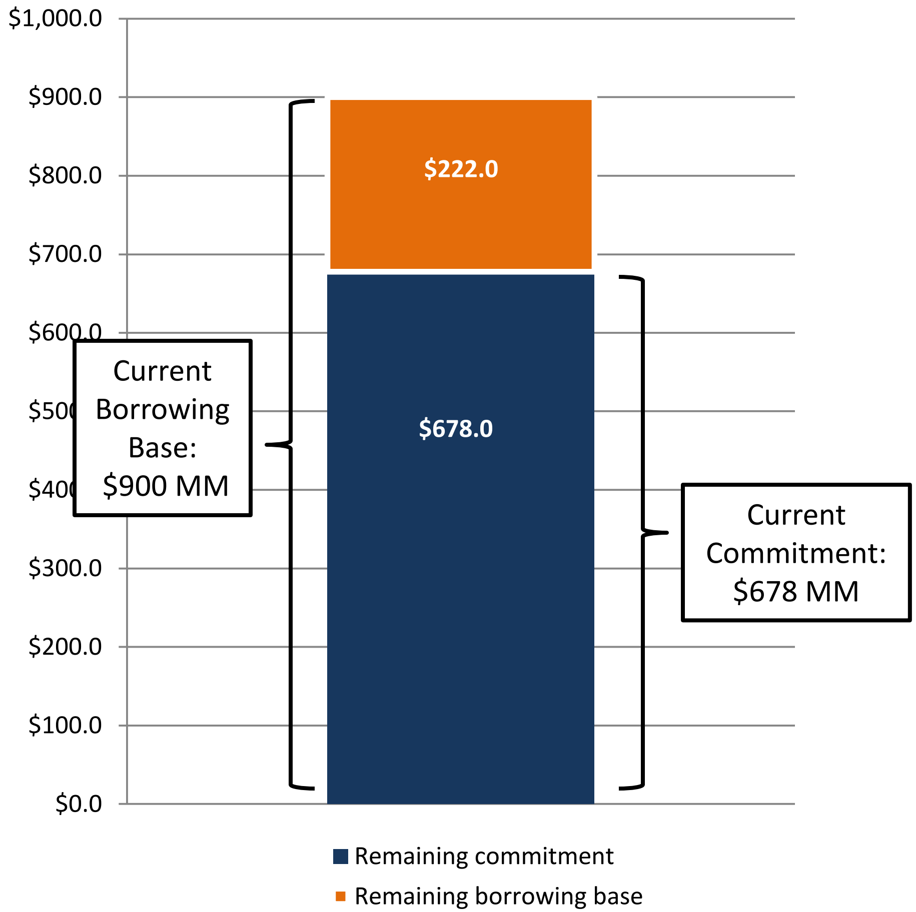
1Q10 TOTAL BOOK CAPITALIZATION (in millions)



- Balance sheet is in solid shape
- No debt maturities until 2012
- Ample liquidity at our disposal for drilling, leasing, or acquisitions

Long-term Credit Facility

As of March 31, 2010



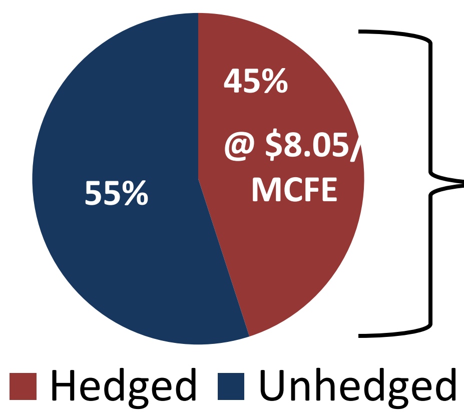
- Borrowing base was maintained at $900 MM by bank group at March 2010 re-determination
  - ✓ Included impact of recent divestiture activity
- No outstanding borrowings at this time
- Within financial covenants at quarter-end
  - ✓ Debt/EBITDA < 3.5x to 1.0; SM is 0.64x at quarter-end
  - ✓ Adjusted Current Ratio > 1.0x; SM is 3.19x at quarter-end

Hedging

Hedging Philosophy

- Amount of hedging driven by balance sheet leverage and capital commitments

Remaining 2010 hedge position as a percentage of estimated production



Avg. Hedge Prices

Gas:

~$6.95/MMBTU

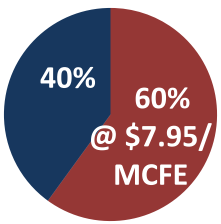
Oil:

~$59.00/Bbl

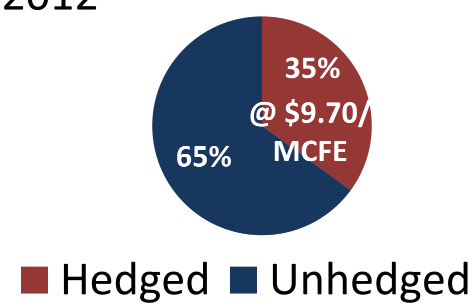
Solid hedge positions on PDP reserves for 2011 and 2012 provide cash flow stability

Hedge Positions as a percentage of PDP

2011

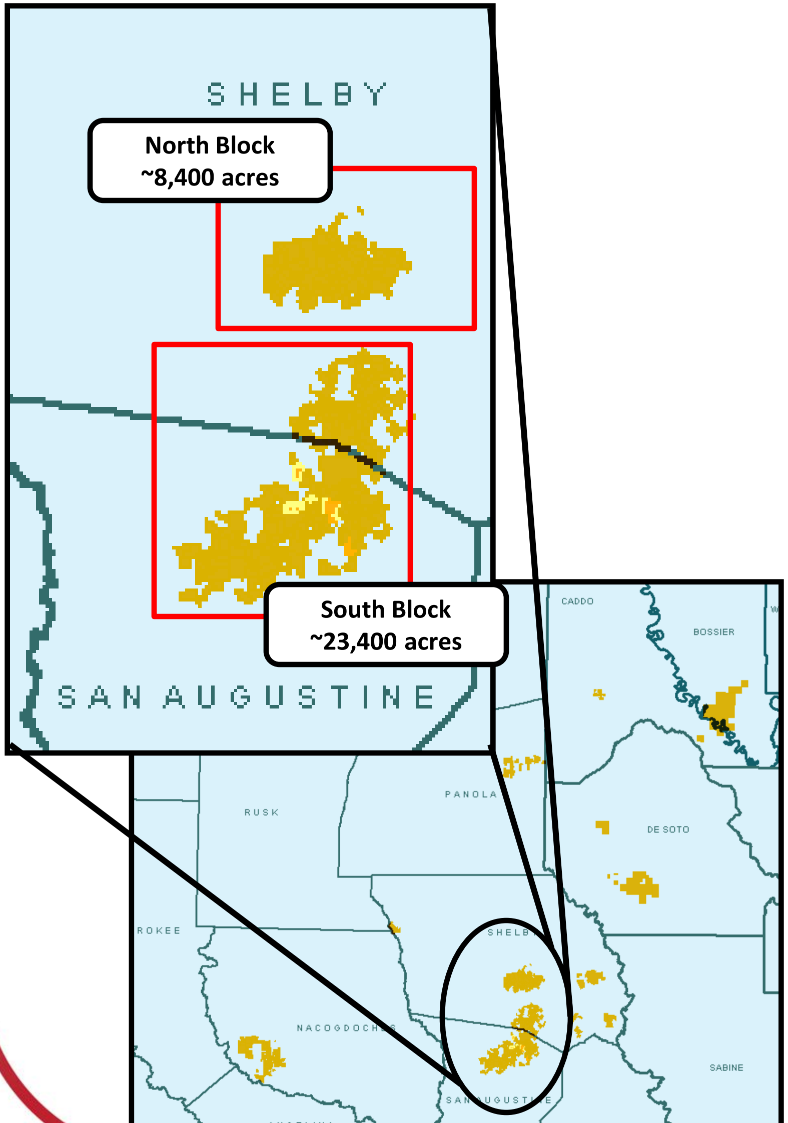


2012



Operational Review

Haynesville Carry and Earning Agreement



The Transaction

- St. Mary receives $87 million in carried drilling and completion costs for use in the South Block
- St. Mary maintains operatorship of South Block with 95% WI
- Third party has earned the following portions of St. Mary's acreage in the Haynesville and Bossier formations
  - ✓95% in ~8,400 net acres in North Block
  - ✓5% in ~23,400 net acres in South Block

The Rationale

- Allows St. Mary to de-risk a large portion of its Haynesville acreage with minimal capital investment in 2010
- Frees up capital dollars to deploy in the Eagle Ford shale program

Changes to Capital Investment Budget

($ in millions)	Original Capital Program	Changes	Revised Capital Program
Exploration & drilling capital			
Eagle Ford shale	$216	$68	$284
Haynesville shale	89	(82)	7
Permian oil	89		89
Bakken/TFS	80		80
Other (incl Granite Wash, Marcellus & Woodford shale)	87	(8)	79
Subtotal	$561	(22)	539
Non-drilling capital			
Land & seismic, facilities & overhead	$164	22	186
TOTAL	$725		$725

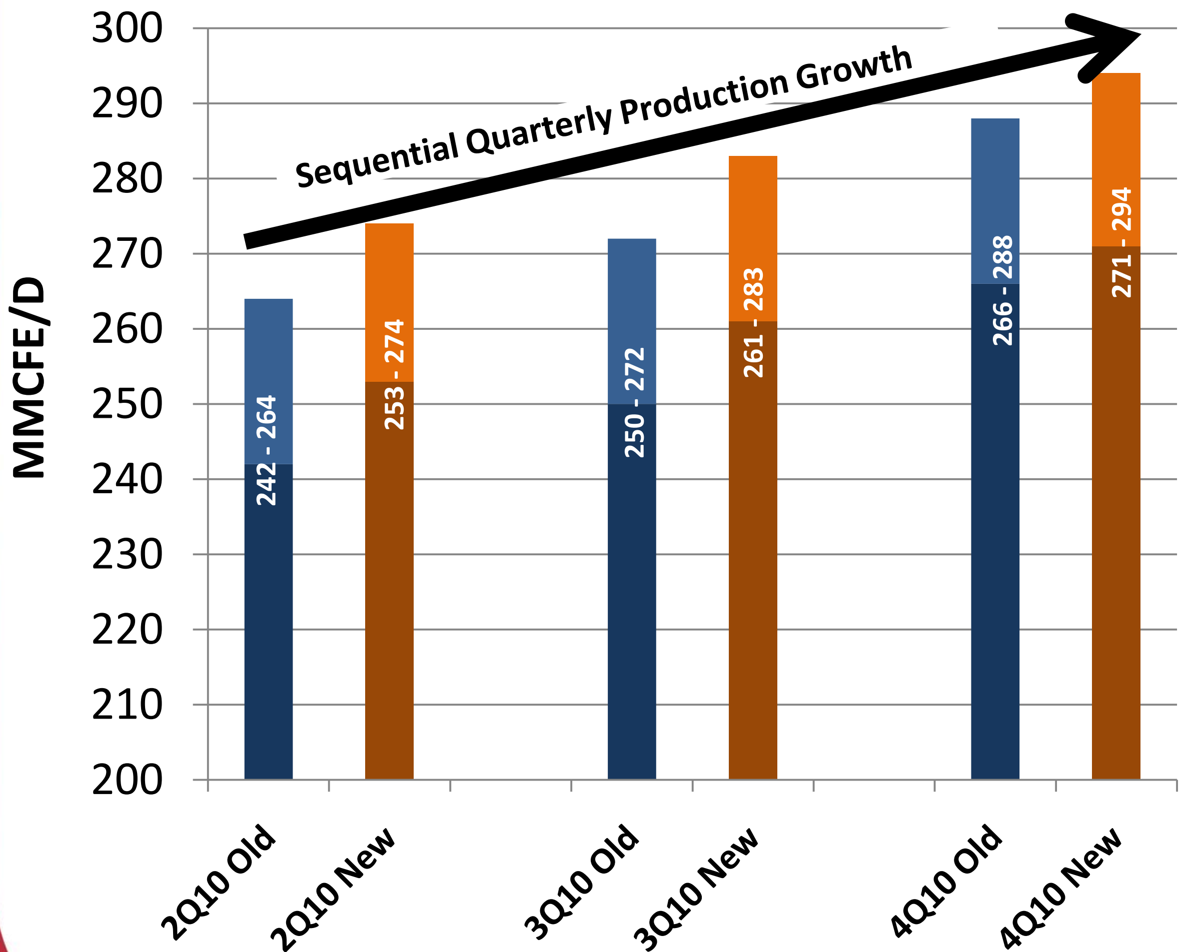
Oil or rich gas projects

The Haynesville CEA allows St. Mary to increase activity while not increasing its capital budget

Changes include….

- ✓ Increased investment in Eagle Ford shale program in partner operated program
- ✓ Continued testing of East Texas Haynesville shale position with minimal capital deployment
- ✓ Facilities investment in Eagle Ford and Marcellus shale programs
- ✓ Reduction in discretionary natural gas drilling in Marcellus and Woodford shales

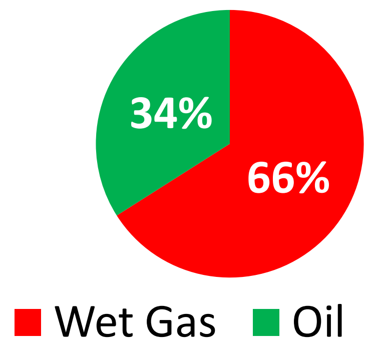
Increasing Production Forecast



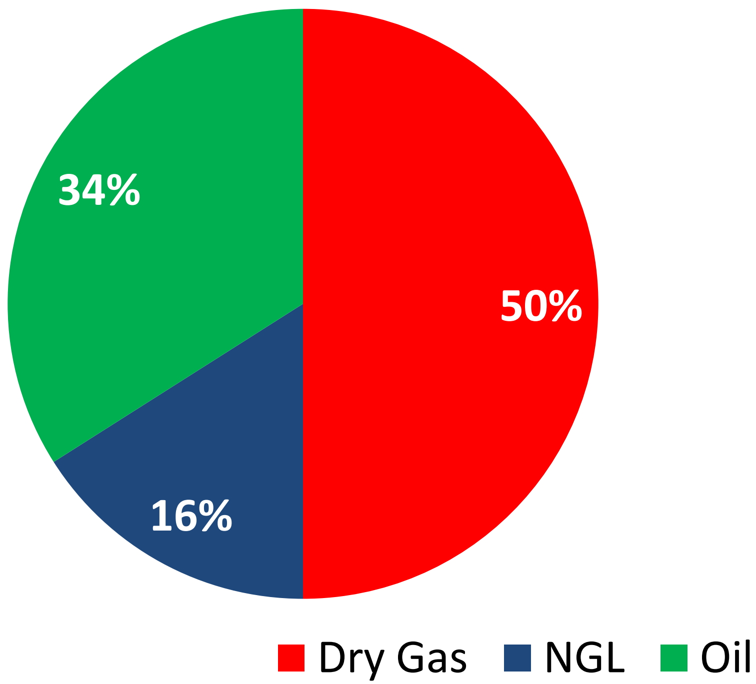
- Increased activity in Eagle Ford plus solid operating production performance to date results in increased production outlook
- Raising full year production outlook to 98 – 104 BCFE, up from 92 – 100 BCFE
- Pro forma production growth 4Q09 to 4Q10 of 15%

Production Stream Breakdown

Reported Production



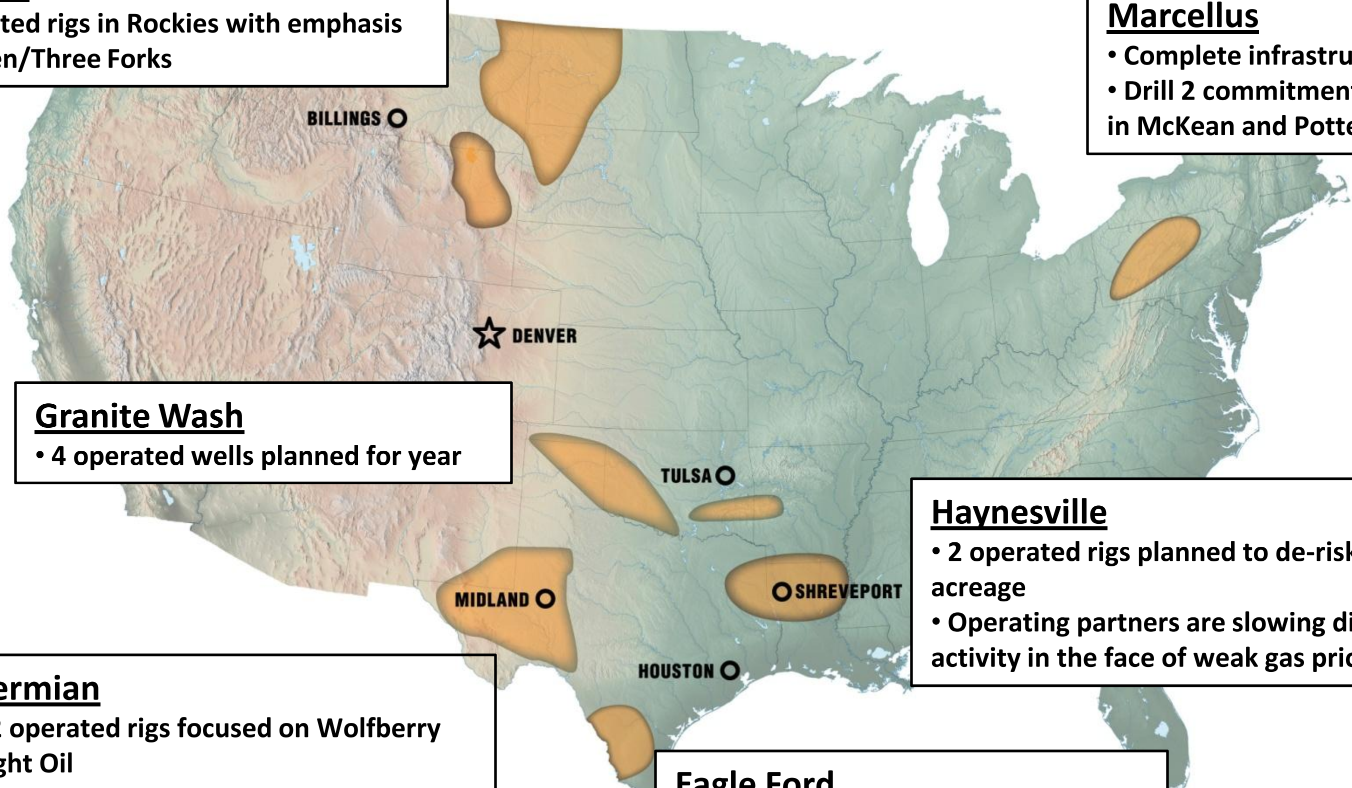
Actual Production Stream



- **SM reports production on a "wet gas" basis**
  - **No NGL volumes are presented since the company sells production at the wellhead**
- **Liquids comprise half of the Company's production for 2010**

Planned Activity for Remainder of 2010

➢ Focus is on oil or rich gas programs



Williston
- 2 operated rigs in Rockies with emphasis on Bakken/Three Forks

Marcellus
- Complete infrastructure build out
- Drill 2 commitment wells, one each in McKean and Potter counties, PA

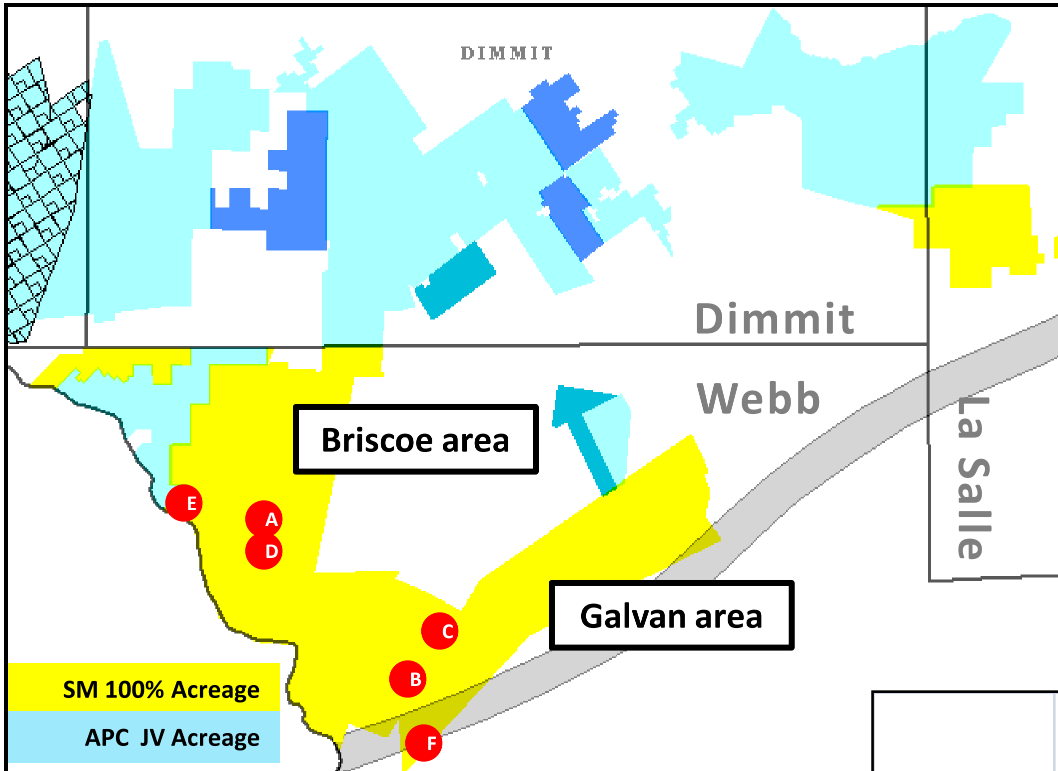
Granite Wash
- 4 operated wells planned for year

Haynesville
- 2 operated rigs planned to de-risk East Texas acreage
- Operating partners are slowing discretional activity in the face of weak gas prices

Permian
- 2 operated rigs focused on Wolfberry Tight Oil

Eagle Ford
- 2 SM rigs focused on Eagle Ford shale
- Currently 4 rigs on JV acreage
- Build out infrastructure on operated and JV acreage

Eagle Ford Shale



- SM is currently testing pilot of intentionally constrained wells
- Recent wells suggest condensate and rich gas is more prevalent on operated acreage than initially believed
- Continue to see increases in drilling efficiencies
- Completion costs are going up as activity in the play increases

SM currently estimates that only 10% to 15% of its acreage is in the dry gas window

Well ID	Well Name	Condensate Yield (BPM)	BTU/SCF
A	Briscoe G GU 2 5H	60	1250
B	Galvan Ranch 2H	0	1050
C	Galvan Ranch 17H	0	1150
D	Briscoe B 2H	45	1300
E	San Ambrosia B1 H	30	1300
F	Galvan Ranch 3H	0	1000

Eagle Ford Shale

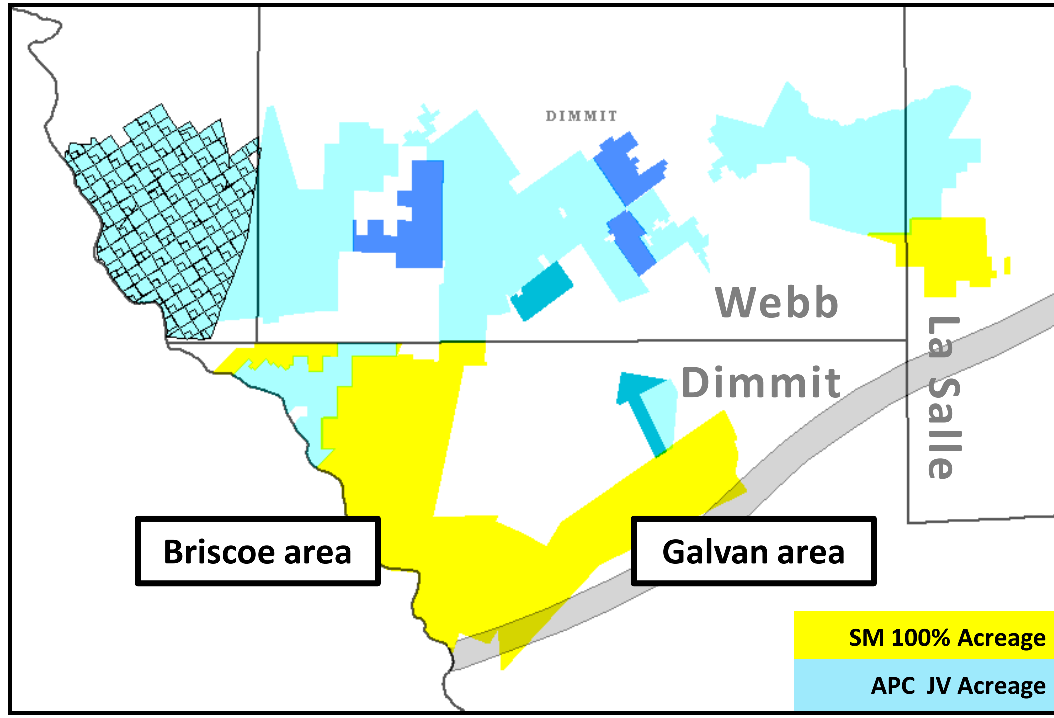
St. Mary has 250,000 net acres in the play between Company operated areas and APC joint venture

SM Operated Acreage

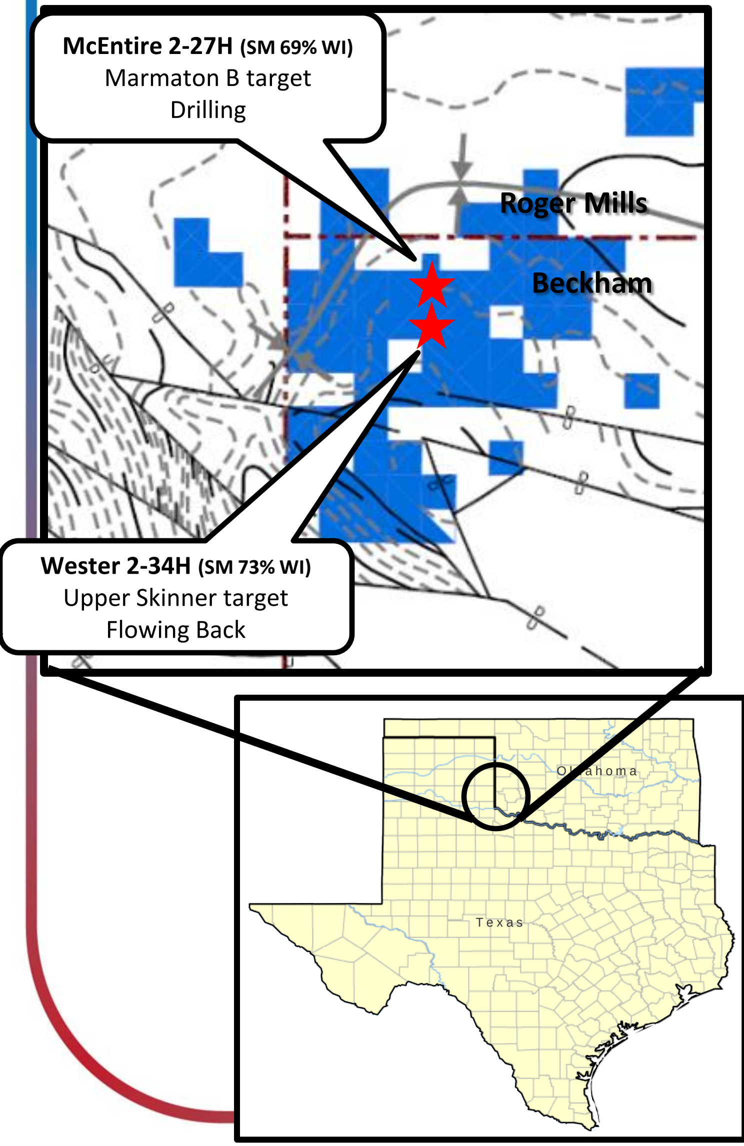
- ~165,000 net acres
- Largely 100% working interest
- Two (2) operated drilling rigs running in play currently
- Total of 34 gross wells planned for 2010

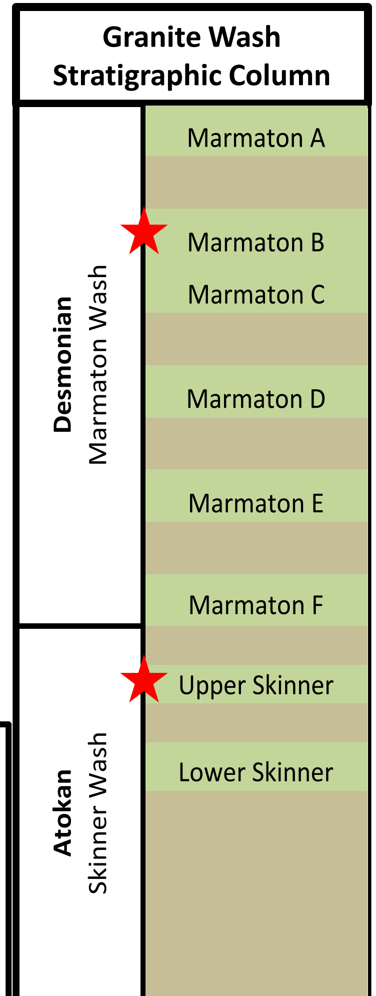
Anadarko (APC) Joint Venture

- ~84,500 net acres
- Generally 25% working interest
- Four (4) rigs currently running
- SM is participating in infrastructure build out
- Accelerated activity by partner is now funded



Horizontal Granite Wash

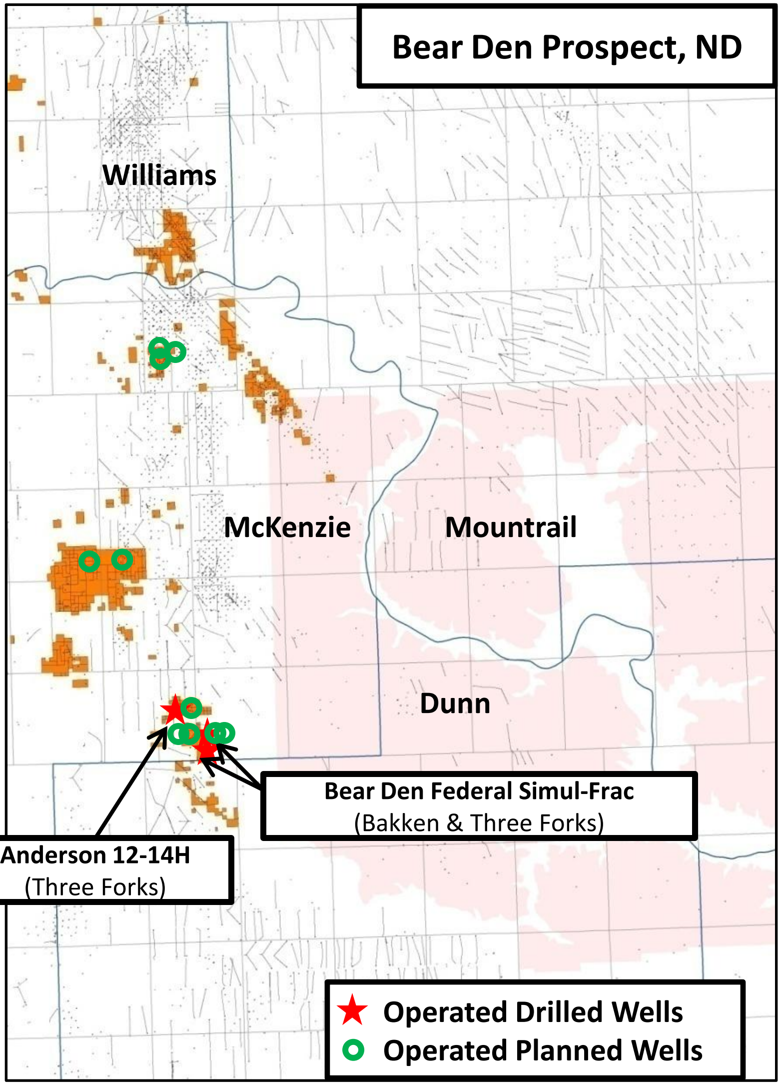




- St. Mary is currently active in the Granite Wash
  - Wester 2-34H is currently flowing back
  - McEntire 2-27H is currently drilling
- Total of four (4) wells planned for 2010

St. Mary has 32,000 net acres that is prospective for the Granite Wash, all of which is held by production

Bakken / Three Forks



- Positive recent results in the operated program:
  - Bear Den Federal 4Y-30H & 4Z-30H (Bakken & Three Forks simul-frac)
  - Anderson 12-14H (Three Forks)
  - Next completion set for mid-May
- Two (2) rigs planned for remainder of 2010
- Seventeen (17) operated completions planned for the year

St. Mary has 78,000 net acres leased that is prospective for the Bakken/ Three Forks in North Dakota

- ✓ 53,000 net acres in McKenzie & Williams Counties
- ✓ 25,000 net acres in Divide County

Other Activity

Permian Basin

- Currently operating two rigs in the basin with a focus on the Wolfberry tight oil program

Niobrara

- Initial test well drilled and cased; completion scheduled for May 2010
- Well produced ~13,000 barrels of oil during drilling
- SM has 25,000 net acres in the play in northern DJ Basin

Marcellus shale

- St. Mary elected to delay start of 2010 drilling program until June 2010
- Two (2) obligation wells scheduled; two (2) discretionary wells may also be drilled

A New Name for a Different Company

➢ **Company has asked stockholders to approve changing the corporate name to…**

SM ENERGY

RATIONALE:

➢ St. Mary Parish properties have not been significant for some time

➢ Transformation of Company warrants a new name

➢ Honors our past as St. Mary, while positioning us for the future

Key Takeaways

- Strong 1st quarter results to lead off 2010
- Haynesville transaction accomplishes strategic goals
- Executing well on 2010 Business Plan
- Increasing production forecast and positioning SM for sequential growth
- Balance sheet is in solid shape to fund growth
- Focus on returns and growth

Background Materials

Guidance for 2010

Production					
	1Q10A	2Q10E	3Q10E	4Q10E	FY2010E
Average daily production (MMCFE/d)	285.8	253 - 274	261 - 283	271 - 294	267 - 284
Total production (BCFE)	25.7	23.0-25.0	24.0-26.0	25.0-27.0	97.7-103.7
Costs					
		2Q10		FY2010	
LOE ($/MCFE)		$1.24 - $1.32		$1.20 – $1.27	
Transportation ($/MCFE)		$0.18 - $0.20		$0.20 – $0.22	
Production taxes, as a % of pre-hedge oil & gas revenue		7%		7%	
G&A – cash ($/MCFE)		$0.53 - $0.55		$0.51 – $0.54	
G&A – cash NPP (MCFE)		$0.22 – $0.24		$0.22 – $0.24	
G&A – non-cash ($/MCFE)		$0.19 – $0.21		$0.18 -$0.20	
G&A - TOTAL ($/MCFE)		$0.94 – $1.00		$0.91 - $0.98	
DD&A ($/MCFE)		$2.90 – $3.10		$2.90 – $3.10	
Non-cash interest ($MM)		$3.4		$13.5	
Effective income tax rate range				37% - 37.5%	
% of income tax that is current				10%	

Summarized Hedging Position

Oil Swaps - NYMEX Equivalent

	Bbls		$/Bbl
2010			
Q2	426,000	$	69.46
Q3	393,000	$	68.77
Q4	309,000	$	66.06
2011	1,164,000	$	67.06
2012	1,051,400	$	82.19
2013			

Oil Collars - NYMEX Equivalent

	Bbls		Floor $/Bbl		Ceiling $/Bbl
2010					
Q2	341,000	$	50.00	$	64.91
Q3	344,500	$	50.00	$	64.91
Q4	344,500	$	50.00	$	64.91
2011	1,236,000	$	50.00	$	63.70
2012	163,700	$	80.00	$	100.85
2013	282,600	$	80.00	$	100.85

Natural Gas Swaps - NYMEX Equivalent

	MMBTU		$/MMBTU
2010			
Q2	6,030,000	$	6.44
Q3	5,500,000	$	6.52
Q4	5,050,000	$	6.66
2011	15,800,000	$	6.48
2012	9,340,000	$	6.43

Natural Gas Collars - NYMEX Equivalent

	MMBTU		Floor $/MMBTU		Ceiling $/MMBTU
2010					
Q2	1,955,000	$	5.42	$	7.71
Q3	1,960,000	$	5.42	$	7.71
Q4	1,960,000	$	5.49	$	7.78
2011	6,625,000	$	5.49	$	6.73

Natural Gas Liquid Swaps - Mont. Belvieu

	Bbls		$/Bbl
2010			
Q2	222,905	$	45.62
Q3	220,845	$	45.34
Q4	205,190	$	45.36
2011	713,776	$	44.07
2012	493,120	$	44.24
2013	84,048	$	44.95

*Volumes and revenues associated with NGL hedges should be attributed to natural gas since the Company reports production using a "wet gas" methodology

Detail hedges can be found in the most recent 10-Q filed on 5/4/10