

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported)
May 5, 2020

SM Energy Company
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-31539
(Commission
File Number)

41-0518430
(I.R.S. Employer
Identification No.)

1775 Sherman Street, Suite 1200
Denver, Colorado
(Address of principal executive offices)

80203
(Zip Code)

Registrant's telephone number, including area code: **(303) 861-8140**

Not applicable
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2.):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class | Trading symbol(s) | Name of each exchange on which registered |
|---------------------------------------|-------------------|---|
| Common stock, \$0.01 par value | SM | New York Stock Exchange |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01 Entry into a Material Definitive Agreement.

On May 5, 2020, SM Energy Company, a Delaware corporation (the "**Company**") entered into the Fourth Amendment (the "**Fourth Amendment**") to the Sixth Amended and Restated Credit Agreement (the "**Credit Agreement**") by and among the Company, Wells Fargo Bank, National Association, as Administrative Agent, and the institutions named therein as Lenders that are party thereto. Capitalized terms used but not defined herein have the meanings as ascribed to such terms in the Credit Agreement.

The Fourth Amendment modifies the Credit Agreement to reduce the amount of secured second lien debt that the Company may incur in connection with the Exchange Offer or any similar exchange from \$900.0 million to \$827.5 million. In addition, the Fourth Amendment permits the Company to grant a second-priority security interest to the holders of the Company's outstanding 1.500% Senior Convertible Notes due 2021 (the "**2021 Notes**") to secure the Company's obligations under the 2021 Notes. As a result, the Company may grant second lien security interests on debt incurred in the Exchange Offer plus the existing 2021 Notes in an aggregate amount up to \$1.0 billion.

The foregoing description of the Fourth Amendment does not purport to be complete and is qualified in its entirety by reference to the Fourth Amendment, a copy of which is filed as Exhibit 10.1 to this Current Report on Form 8-K and is incorporated herein by reference.

Item 8.01 Other Events.

On May 5, 2020, the Company issued a press release announcing its entry into the Fourth Amendment described above.

On May 5, 2020, the Company issued a press release announcing that it has amended its previously announced private exchange offers (the "**Exchange Offers**") to (i) withdraw its offer to exchange and solicit consents for the 2021 Notes, (ii) reduce the "Maximum Exchange Amount" of New Notes that the Company will issue in the Exchange Offers from \$900.0 million to \$825.0 million aggregate principal amount of New Notes, (iii) modify the "Acceptance Priority Cap" to apply to Acceptance Priority Levels equal or lower to Acceptance Priority 2, and (iv) remove all references to the "New 2022 Notes" (as defined in the Offering Memorandum).

The terms and conditions of the Exchange Offers and Consent Solicitations are set forth in the Confidential Offering Memorandum and Consent Solicitation Statement, dated April 29, 2020 as supplemented by Supplement No. 1 to the Offering Memorandum, dated May 5, 2020 (the "**Offering Memorandum**").

Copies of these press releases are furnished hereto as Exhibit 99.1 and 99.2, respectively. In accordance with General Instruction B.2. of Form 8-K, these press releases are deemed "furnished" and shall not be deemed filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), or otherwise subject to the liabilities of that section, nor shall such information or Exhibits be deemed incorporated by reference in any filing under the Securities Act or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

| <u>Exhibit Number</u> | <u>Description</u> |
|------------------------------|--|
| <u>10.1*</u> | <u>Fourth Amendment to the Sixth Amended and Restated Credit Agreement, dated as of May 5, 2020, by and among the Company, Wells Fargo Bank, National Association, as Administrative Agent, and the institutions named therein as Lenders that are a party thereto</u> |
| <u>99.1</u> | <u>Press release of SM Energy Company dated May 5, 2020, entitled "SM Energy Company Announces Amendment to Credit Agreement"</u> |
| <u>99.2</u> | <u>Press release of SM Energy Company dated May 5, 2020, entitled "SM Energy Company Announces Amendments to Exchange Offers and Consent Solicitations"</u> |
| 104 | Cover Page Interactive Data File (formatted as Inline XBRL and included as Exhibit 101) |

* Filed with this report.

SIGNATURES

Pursuant to the requirements of the Exchange Act, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

SM ENERGY COMPANY

Date: May 5, 2020

By: /s/ DAVID W. COPELAND

David W. Copeland

Executive Vice President, General Counsel, and Corporate Secretary

FOURTH AMENDMENT
TO
SIXTH AMENDED AND RESTATED CREDIT AGREEMENT

This FOURTH AMENDMENT TO SIXTH AMENDED AND RESTATED CREDIT AGREEMENT (this “Fourth Amendment”), dated as of May 5, 2020 (the “Fourth Amendment Effective Date”), is by and among SM ENERGY COMPANY, a corporation duly formed and existing under the laws of the State of Delaware (the “Borrower”); each of the Lenders that is a party hereto; and WELLS FARGO BANK, NATIONAL ASSOCIATION, as administrative agent for the Lenders (in such capacity, together with its successors in such capacity, by operation of law or as otherwise provided in the Credit Agreement referred to below, the “Administrative Agent”), the Swingline Lender, and the Issuing Bank.

RECITALS

(A) The Borrower, the Administrative Agent and the Lenders are party to that certain Sixth Amended and Restated Credit Agreement dated as of September 28, 2018 (as amended, supplemented, or otherwise modified prior to the date hereof, the “Credit Agreement”), pursuant to which the Lenders have made certain credit available to and on behalf of the Borrower; and

(B) The Administrative Agent, the Lenders party hereto, and the Borrower have agreed to make certain amendments and modifications to the Credit Agreement as more particularly set forth herein and to be effective as of the Fourth Amendment Effective Date.

The parties hereto agree as follows:

Section 1. Defined Terms. Each capitalized term that is defined in the Credit Agreement, but that is not defined in this Fourth Amendment, shall have the meaning ascribed to such term in the Credit Agreement. Unless otherwise indicated, all section references in this Fourth Amendment refer to the Credit Agreement.

Section 2. Amendments. In reliance on the representations, warranties, covenants and agreements contained in this Fourth Amendment, and subject to the satisfaction of the conditions precedent set forth in Section 3 hereof, the Credit Agreement shall be amended, effective as of the Fourth Amendment Effective Date in the manner provided in this Section 2.

2 . 1 Additional Definitions. Section 1.02 of the Credit Agreement is hereby amended by inserting the following definitions in appropriate alphabetical order, which shall read in full as follows:

“Fourth Amendment” means that certain Fourth Amendment to Sixth Amended and Restated Credit Agreement, dated as of May 5, 2020, by and among the Borrower, the Lenders party thereto, and the Administrative Agent.

“Permitted 2021 Convertible Notes Documents” means, collectively, any loan or credit agreement, indenture (or the substantive equivalent thereof) or notes entered into in connection with the 2021 Convertible Notes (and any successor loan or credit agreement, indenture (or the substantive equivalent thereof) or notes in connection with

any refinancing thereof permitted hereunder and under the applicable Intercreditor Agreement), all guarantees of Debt under the 2021 Convertible Notes, and all other agreements, documents or instruments executed and delivered by any Loan Party in connection with, or pursuant to, the incurrence of Debt under the 2021 Convertible Notes, including, without limitation, any Intercreditor Agreements, all security agreements, pledge agreements, mortgages and deeds of trust, as all of such documents are from time to time amended, supplemented or restated in compliance with this Agreement and the Intercreditor Agreement.

2.2 Amended Definitions.

(a) Section 1.02 of the Credit Agreement is hereby amended by (a) deleting “\$900,000,000” in the definition of “Permitted Second Lien Debt” and inserting “\$827,500,000.00” in lieu thereof and (b) deleting “provided, however, that, (A) notwithstanding the foregoing, any such Debt that is used to Redeem any 2021 Convertible Notes may mature sooner than the Maturity Date but, in any event, such Debt shall not mature prior to July 1, 2021 and (B) notwithstanding the foregoing, any such Debt that is used to Redeem any 2022 Notes may mature earlier than 180 days past the Maturity Date but, in any event, such Debt shall not mature prior to October 15, 2023 and (C) the principal amount of such new Debt used to Redeem the 2021 Convertible Notes or 2022 Notes is no greater than the principal amount of 2021 Convertible Notes or 2022 Notes being Redeemed” in the definition of “Permitted Second Lien Debt” and inserting “provided, however, that, (A) notwithstanding the foregoing, any such Debt that is used to Redeem any 2022 Notes may mature earlier than 180 days past the Maturity Date but, in any event, such Debt shall not mature prior to October 15, 2023 and (B) the principal amount of such new Debt used to Redeem the 2022 Notes is no greater than the principal amount of 2022 Notes being Redeemed” in lieu thereof.

(b) Section 1.02 of the Credit Agreement is hereby amended by inserting “ the Fourth Amendment,” immediately after “the Third Amendment,” in the definition of “Loan Documents”.

(c) Section 1.02 of the Credit Agreement is hereby amended by amending and restating the definition of “2021 Convertible Notes” in its entirety to read in full as follows:

“2021 Convertible Notes” means those certain 1.50% Senior Convertible Notes of the Borrower due July 1, 2021 in a principal amount of \$172,500,000.00 as of the Fourth Amendment Effective Date, including as the Debt under such notes is secured as provided in Section 9.03(h)(ii) of the Credit Agreement. The reference in Exhibit 9.02(b) to the Credit Agreement to the “Convertible Notes” refers to the 2021 Convertible Notes, including as secured as provided above and in Section 9.02(h)(ii).

2.3 Amendment to Section 9.03(h) of the Credit Agreement. Section 9.03(h) of the Credit Agreement is hereby amended and restated in its entirety to read in full as follows:

(h) Liens on Property securing (i) Permitted Second Lien Debt and (ii) Debt under the 2021 Convertible Notes solely to the extent such Liens securing Debt under the 2021 Convertible Notes are created contemporaneously on the same Property on which Liens are being granted to secure Permitted Second Lien Debt, or promptly after

such Liens are being granted to secure Permitted Second Lien Debt, but (A) (in either case, only to the extent that the Administrative Agent holds first priority Liens on such Property securing the Indebtedness (including first priority Liens that the Borrower contemporaneously places on the Property in favor of the Administrative Agent on the date that the Borrower incurs such Permitted Second Lien Debt) (in each case, subject to Liens permitted by this Section 9.03, other than Liens described in this clause (h)) and (B) provided that, in either case, such Liens are subject to an Intercreditor Agreement.

2.4 Amendment to Section 9.16(b) of the Credit Agreement. Section 9.16(b) of the Credit Agreement is hereby amended to delete each instance of “the Permitted Second Lien Debt Documents” and insert “either (A) the Permitted Second Lien Debt Documents or (B) the Permitted 2021 Convertible Notes Documents, in either case, ” in lieu thereof.

2.5 Amendment to Section 9.24 of the Credit Agreement. Section 9.24 of the Credit Agreement is hereby amended to delete the phrase “the Permitted Second Lien Debt Documents” therein and insert “either (A) the Permitted Second Lien Debt Documents or (B) the Permitted 2021 Convertible Notes Documents, in either case, ” in lieu thereof.

Section 3. Conditions Precedent. This Fourth Amendment shall be effective upon the date of the receipt by the Administrative Agent of the following documents and satisfaction of the other conditions provided in this Section 3, each of which shall be reasonably satisfactory to the Administrative Agent in form and substance:

3.1 Counterparts. The Administrative Agent shall have received counterparts hereof duly executed by the Borrower and each of the Lenders constituting at least the Majority Lenders, which may be delivered by the means described in Section 5.3 (or, in the case of any party as to which an executed counterpart shall not have been received, email, facsimile, or other written or electronic confirmation from such party of execution of a counterpart hereof by such party).

3.2 Fees and Expenses. The Borrower shall have paid to the Administrative Agent any and all fees and expenses, including reasonable out-of-pocket expenses payable to the Administrative Agent and the Lenders pursuant to or in connection with this Fourth Amendment in accordance with Section 12.03(a) of the Credit Agreement.

3.3 No Event of Default or Deficiency. No Event of Default shall have occurred which is continuing and the Aggregate Revolving Credit Exposures shall not exceed the Borrowing Base.

3.4 Other Documents. The Administrative Agent shall have received such other documents as the Administrative Agent or its counsel may reasonably request.

For purposes of determining satisfaction of the conditions specified in this Section 3, each Lender that has signed this Fourth Amendment shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required under this Section 3 to be consented to or approved by or acceptable or satisfactory to a Lender, unless the Administrative Agent shall have received notice from such Lender prior to the Fourth Amendment Effective Date specifying its objection thereto. The Administrative Agent shall notify Borrower and each Lender of the Fourth Amendment Effective Date and such notice shall be conclusive and binding.

Section 4. Reaffirm Existing Representations and Warranties. The Borrower hereby (a) acknowledges the terms of this Fourth Amendment and the Credit Agreement; (b) ratifies and affirms its obligations under, and acknowledges its continued liability under, each Loan Document to which it is a party and agrees that each Loan Document to which it is a party remains in full force and effect as expressly amended hereby; and (c) represents and warrants to the Lenders that, as of the date hereof, after giving effect to the terms of this Fourth Amendment: (i) all of the representations and warranties contained in each Loan Document to which the Borrower is a party are true and correct in all material respects (or, if already qualified by materiality, Material Adverse Effect, or a similar qualification, true and correct in all respects) as of the Fourth Amendment Effective Date (unless any such representation or warranty relates solely to a specific earlier date, in which case, such representation or warranty was true and correct in all material respects (or, if already qualified by materiality, Material Adverse Effect, or a similar qualification, true and correct in all respects) as of such earlier date); (ii) no Default or Event of Default has occurred and is continuing and the Aggregate Revolving Credit Exposures do not exceed the Borrowing Base; (iii) since the date of the most recent balance sheet delivered pursuant to Section 8.01(a) of the Credit Agreement, no Material Adverse Effect has occurred; (iv) the execution, delivery and performance by the Borrower of this Fourth Amendment are within Borrower's corporate powers, have been duly authorized by all necessary corporate action, require no consent or approval of, or filing with, any governmental body, agency or official and do not violate any provision of applicable law or any agreement binding upon Borrower or any other Loan Party, except for violations of agreements that would not reasonably be expected to have a Material Adverse Effect; and (v) this Fourth Amendment constitutes the valid and binding obligation of the Borrower enforceable in accordance with its terms, except as (A) the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditor's rights generally, and (B) the availability of equitable remedies may be limited by equitable principles of general application, regardless of whether considered in a proceeding in equity or at law.

Section 5. Miscellaneous.

5.1 Confirmation. The provisions of the Credit Agreement (as amended by this Fourth Amendment) shall remain in full force and effect in accordance with its terms following the effectiveness of this Fourth Amendment. This Fourth Amendment shall constitute a Loan Document.

5.2 No Waiver. Neither the execution by the Administrative Agent or the Lenders party hereto of this Fourth Amendment, nor any other act or omission by the Administrative Agent or the Lenders or their officers in connection herewith, shall be deemed a waiver by the Administrative Agent or the Lenders of any Defaults or Events of Default which may exist on or after the Fourth Amendment Effective Date, which may have occurred prior to the Fourth Amendment Effective Date or which may occur in the future under the Credit Agreement and/or the other Loan Documents. Similarly, nothing contained in this Fourth Amendment shall directly or indirectly in any way whatsoever either: (a) impair, prejudice or otherwise adversely affect the Administrative Agent's or the Lenders' right at any time to exercise any right, privilege or remedy in connection with the Loan Documents with respect to any Default or Event of Default, (b) except as provided herein, amend or alter any provision of the Credit Agreement, the other Loan Documents, or any other contract or instrument, or (c) constitute any course of dealing or other basis for altering any obligation of the Borrower or any right, privilege or remedy of the Administrative Agent or the Lenders under the Credit Agreement, the other Loan Documents, or any other contract or instrument. Nothing in this Fourth Amendment shall be construed to be a consent by the Administrative Agent or the Lenders to any Default or Event of Default. Each reference in the Credit Agreement to "this Agreement", "hereunder", "hereof", "herein" or any other word or words of similar import shall mean and be a reference to the Credit Agreement as amended hereby, and each reference in any other Loan Document to the Credit Agreement or any word or words of similar import shall be and mean a reference to the Credit Agreement as amended hereby.

5.3 Counterparts. This Fourth Amendment may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed signature page to this Fourth Amendment by facsimile transmission or other electronic transmission (including .pdf) shall be as effective as delivery of a manually executed counterpart of this Fourth Amendment.

5.4 Expenses. As provided in Section 12.03 of the Credit Agreement and subject to the limitations included therein, the Borrower hereby agrees to pay on demand all reasonable out-of-pocket expenses incurred by the Administrative Agent in connection with the negotiation, preparation, and execution of this Fourth Amendment and all related documents, including, without limitation, the reasonable fees, charges, and disbursements of outside counsel.

5.5 Successors and Assigns. This Fourth Amendment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

5.6 Severability. Any provision of this Fourth Amendment held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof or thereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

5.7 No Oral Agreement. This Fourth Amendment, the Credit Agreement and the other Loan Documents and any separate letter agreements with respect to fees payable to the Administrative Agent constitute the entire contract among the parties hereto relating to the subject matter hereof and thereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof and thereof. This Fourth Amendment, the Credit Agreement and the other Loan Documents represent the final agreement among the parties hereto and thereto and may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements of the parties. There are no unwritten oral agreements between the parties.

5.8 Governing Law. This Fourth Amendment (including, but not limited to, the validity and enforceability hereof) shall be governed by, and construed in accordance with, the laws of the State of New York.

[Signature Pages to Follow]

Fourth Amendment to
SM Energy Company Sixth Amended and Restated Credit Agreement

The parties hereto have caused this Third Amendment to be duly executed effective as of the date first written above.

BORROWER:SM ENERGY
COMPANY

By: /s/ A.WADE PURSELL

A. Wade Pursell
Executive Vice President and Chief
Financial Officer

[SIGNATURE PAGE TO FOURTH AMENDMENT TO
SIXTH AMENDED AND RESTATED CREDIT AGREEMENT - SM ENERGY COMPANY]

AGENTS AND LENDERS: WELLS FARGO BANK, NATIONAL
ASSOCIATION, Individually and as
Administrative Agent, Swingline Lender and Issuing Bank

By: /s/ JONATHAN HERRICK
Name: Jonathan Herrick
Title: Director

[SIGNATURE PAGE TO FOURTH AMENDMENT TO
SIXTH AMENDED AND RESTATED CREDIT AGREEMENT - SM ENERGY COMPANY]

BANK OF AMERICA, NATIONAL ASSOCIATION,
Individually and as Co-Syndication Agent

By: /s/ RONALD E. MCKAIG
Name: Ronald E. McKaig
Title: Managing Director

[SIGNATURE PAGE TO FOURTH AMENDMENT TO
SIXTH AMENDED AND RESTATED CREDIT AGREEMENT - SM ENERGY COMPANY]

JPMORGAN CHASE BANK, N.A.,
Individually and as Co-Syndication Agent

By: /s/ JO LINDA PAPADAKIS
Name: Jo Linda Papadakis
Title: Authorized Officer

[SIGNATURE PAGE TO FOURTH AMENDMENT TO
SIXTH AMENDED AND RESTATED CREDIT AGREEMENT - SM ENERGY COMPANY]

BBVA USA, (f/k/a COMPASS BANK), Individually and as Co-Documentation Agent

By: /s/ GABRIELA AZCARATE

Name: Gabriela Azcarate

Title: Senior Vice President

[SIGNATURE PAGE TO FOURTH AMENDMENT TO
SIXTH AMENDED AND RESTATED CREDIT AGREEMENT - SM ENERGY COMPANY]

COAMERICA BANK

By: /s/ CASSANDRA LUCAS

Name: Cassandra Lucas

Title: Portfolio Manager

[SIGNATURE PAGE TO FOURTH AMENDMENT TO
SIXTH AMENDED AND RESTATED CREDIT AGREEMENT - SM ENERGY COMPANY]

ROYAL BANK OF CANADA

By: /s/ KRISTAN SPIVEY

Name: Kristan Spivey

Title: Authorized Signatory

[SIGNATURE PAGE TO FOURTH AMENDMENT TO
SIXTH AMENDED AND RESTATED CREDIT AGREEMENT - SM ENERGY COMPANY]

BOKF, NA DBA BANK OF OKLAHOMA

By: /s/ GUY C. EVANGELISTA

Name: Guy C. Evangelista

Title: Senior Vice President

[SIGNATURE PAGE TO FOURTH AMENDMENT TO
SIXTH AMENDED AND RESTATED CREDIT AGREEMENT - SM ENERGY COMPANY]

GOLDMAN SACHS BANK USA

By: /s/ JAMIE MINIERI

Name: Jamie Minieri

Title: Authorized Signatory

[SIGNATURE PAGE TO FOURTH AMENDMENT TO
SIXTH AMENDED AND RESTATED CREDIT AGREEMENT - SM ENERGY COMPANY]

KEYBANK NATIONAL ASSOCIATION

By: /s/ GEORGE E. MCKEAN

Name: George E. McKean

Title: Senior Vice President

[SIGNATURE PAGE TO FOURTH AMENDMENT TO
SIXTH AMENDED AND RESTATED CREDIT AGREEMENT - SM ENERGY COMPANY]

THE BANK OF NOVA SCOTIA, HOUSTON BRANCH

By: /s/ RYAN KNAPE

Name: Ryan Knape

Title: Director

[SIGNATURE PAGE TO FOURTH AMENDMENT TO
SIXTH AMENDED AND RESTATED CREDIT AGREEMENT - SM ENERGY COMPANY]

BMO HARRIS BANK N.A.

By: /s/ PATRICK JOHNSTON

Name: Patrick Johnston

Title: Director

[SIGNATURE PAGE TO FOURTH AMENDMENT TO
SIXTH AMENDED AND RESTATED CREDIT AGREEMENT - SM ENERGY COMPANY]

SM ENERGY COMPANY ANNOUNCES AMENDMENT TO CREDIT AGREEMENT

DENVER, CO May 5, 2020 - SM Energy Company ("SM Energy" or the "Company") (NYSE: SM) today announced an amendment to its existing Credit Agreement to increase the aggregate amount of second lien debt permitted thereunder. The Fourth Amendment to the Sixth Amended and Restated Credit Agreement provides that the Company is permitted to grant a second-lien security interest on up to \$1.0 billion in aggregate amount, including the entire amount of its outstanding \$172.5 million 1.500% Senior Convertible Notes due 2021.

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 the state of Texas. 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.

SM ENERGY INVESTOR CONTACT

Jennifer Martin Samuels, jsamuels@sm-energy.com, 303-864-2507

SM ENERGY COMPANY ANNOUNCES AMENDMENTS TO EXCHANGE OFFERS AND CONSENT SOLICITATIONS

DENVER, CO May 5, 2020 - SM Energy Company ("SM Energy" or the "Company") (NYSE: SM) today announced that it has amended certain terms of its previously announced offers to all Eligible Holders (as defined in the Offering Memorandum) to exchange (the "Exchange Offers") any and all of its outstanding notes (together, the "Old Notes") for newly issued senior secured notes (collectively, the "New Notes") and solicitations of consents (the "Consent Solicitations") from holders of each series of Old Notes to certain proposed amendments to each indenture governing the Old Notes (the "Proposed Amendments"), in each case upon the terms and subject to the conditions set forth in the confidential offering memorandum and consent solicitation statement, dated April 29, 2020 (the "Offering Memorandum") and in the Supplement No. 1 to the Offering Memorandum, dated May 5, 2020 (the "Offering Memorandum Supplement").

The Company has amended the terms of the Exchange Offers to (i) withdraw its offer to exchange and solicit consents for its outstanding 1.500% Senior Convertible Notes due 2021 (the "2021 Notes"), (ii) reduce the "Maximum Exchange Amount" of New Notes that the Company will issue in the Exchange Offers from \$900 million to \$825.0 million aggregate principal amount of New Notes, (iii) modify the "Acceptance Priority Cap" to apply to Acceptance Priority Levels equal or lower to Acceptance Priority 2, and (iv) remove all references to the "New 2022 Notes" (as defined in the Offering Memorandum).

In connection with the withdrawal of the exchange offer and the consent solicitation with respect to the 2021 Notes, pursuant to the terms of the indenture that governs the 2021 Notes, the Company will cause effective provisions to be made to grant holders of the 2021 Notes an equal and ratable security interest in the collateral securing the New Notes concurrently with the closing of the Exchange Offers.

Except as described herein and in the Offering Memorandum Supplement, the complete terms and conditions of the Exchange Offers and Consent Solicitations remain the same as set forth and detailed in the Offering Memorandum, copies of which were previously distributed to eligible holders of the Old Notes.

The Exchange Offers are being made, and the New Notes are being offered and issued, only (a) in the United States to holders of Old Notes other than the 2021 Notes (the "Exchange Notes") who are reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the Securities Act of 1933, as amended (the "Securities Act")) and (b) outside the United States to holders of Exchange Notes who are persons other than U.S. persons in reliance upon Regulation S under the Securities Act. The holders of Exchange Notes who have certified to the Company that they are eligible to participate in the Exchange Offers pursuant to at least one of the foregoing conditions are referred to as "Eligible Holders." Only Eligible Holders who have completed and returned an eligibility letter, available from the information agent, may receive and review the Offering Memorandum or participate in the Exchange Offers. Eligible Holders of the Exchange Notes who desire to obtain and complete an eligibility form should contact the information agent and exchange agent, D.F. King & Co., Inc., at (866) 620-2536 (toll-free) or (212) 269-5550 (for banks and brokers), email sm@dfking.com or online at www.dfking.com/smenergy.

Eligible Holders of the Exchange Notes are urged to carefully read the Offering Memorandum and the Offering Memorandum Supplement before making any decision with respect to the Exchange Offers and Consent Solicitations. None of the Company, the dealer managers, the trustee with respect to the Exchange

Notes, the trustee with respect to the New Notes, the information and exchange agent or any affiliate of any of them makes any recommendation as to whether Eligible Holders of the Exchange Notes should exchange their Exchange Notes for New Notes in the Exchange Offers, and no one has been authorized by any of them to make such a recommendation. Eligible Holders must make their own decision as to whether to tender Exchange Notes and, if so, the principal amount of Exchange Notes to tender.

The New Notes and the Exchange Offers have not been and will not be registered with the U.S. Securities and Exchange Commission under the Securities Act, or any state or foreign securities laws. The New Notes may not be offered or sold in the United States or for the account or benefit of any U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Exchange Offers and Consent Solicitations are not being made to Eligible Holders of Exchange Notes in any jurisdiction in which the making or acceptance thereof would not be in compliance with the securities, blue sky or other laws of such jurisdiction. This press release is for informational purposes only and is not an offer to purchase or a solicitation of an offer to purchase or sell any securities, nor shall there be any sale of any securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

FORWARD-LOOKING STATEMENTS

This press release contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements, other than statements of historical facts, included in this press release that address activities, events, or developments that the Company expects, believes, or anticipates will or may occur in the future are forward-looking statements. The words “anticipate,” “assume,” “believe,” “budget,” “estimate,” “expect,” “forecast,” “intend,” “plan,” “project,” “will,” and similar expressions are intended to identify forward-looking statements. Such forward-looking statements include, but are not limited to, among other things, the completion of the Exchange Offers, the redemption of the Exchange Notes, and the completion of the Consent Solicitations. Such forward-looking statements are based on assumptions and analyses made by SM Energy in light of its experience and its perception of historical trends, current conditions, expected future developments, and other factors that SM Energy believes are appropriate under the circumstances. These statements are subject to a number of known and unknown risks and uncertainties, which may cause SM Energy’s actual results and performance to be materially different from any future results or performance expressed or implied by the forward-looking statements. Some of these risks are described in the “Risk Factors” section in Part I, Item 1A of SM Energy’s Annual Report on Form 10-K for the year ended December 31, 2019 and Part II of SM Energy’s Quarterly Report on Form 10-Q for the period ended March 31, 2020. Forward-looking statements are not guarantees of future performance and actual results or performance may be materially different from those expressed or implied in the forward-looking statements. The forward-looking statements in this press release speak as of the date of this press release.

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 the state of Texas. 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.

SM ENERGY INVESTOR CONTACT

Jennifer Martin Samuels, jsamuels@sm-energy.com, 303-864-2507