

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

SCHEDULE 14A

**Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
 Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
 Definitive Proxy Statement
 Definitive Additional Materials
 Soliciting Material under §240.14a-12

SM Energy Company

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
 Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:



INVESTOR PRESENTATION

MAY 2018

PLEASE READ THIS PRESENTATION MAKES REFERENCE TO:

Forward-looking statements

This presentation contains forward-looking statements within the meaning of securities laws. The words "anticipate," "assume," "believe," "pending," "budget," "estimate," "expect," "forecast," "guidance," "intend," "plan," "project," "will" and similar expressions are intended to identify forward-looking statements. These statements involve known and unknown risks, which may cause SM Energy's actual results to differ materially from results expressed or implied by the forward-looking statements. Forward-looking statements in this presentation include, among other things, full year 2018 guidance, second quarter of 2018 guidance, expectations concerning the planned closing of previously announced divestitures, expectations about future cost inflation, and the expected benefits from joint venture arrangements. General risk factors include the availability of and access to capital markets; the availability, proximity and capacity of gathering, processing and transportation facilities; the volatility and level of oil, natural gas, and natural gas liquids prices, including any impact on the Company's asset carrying values or reserves arising from price declines; uncertainties inherent in projecting future rates of production or other results from drilling and completion activities; the imprecise nature of estimating oil and natural gas reserves; uncertainties inherent in projecting future drilling and completion activities, costs or results, including from pilot tests; the uncertainty of negotiations to result in an agreement or a completed transaction; uncertainties inherent in projecting the timing and ultimate outcome of litigation; the uncertain nature of acquisition, divestiture, joint venture, farm down or similar efforts and the ability to complete any such transactions; the uncertain nature of expected benefits from the actual or expected acquisition, divestiture, drilling carry, farm down or similar efforts; the availability of additional economically attractive exploration, development, and acquisition opportunities for future growth and any necessary financings; unexpected drilling conditions and results; unsuccessful exploration and development drilling results; the availability of drilling, completion, and operating equipment and services; the risks associated with the Company's commodity price risk management strategy; uncertainty regarding the ultimate impact of potentially dilutive securities; and other such matters discussed in the "Risk Factors" section of SM Energy's 2017 Annual Report on Form 10-K, as such risk factors may be updated from time to time in the Company's other periodic reports filed with the Securities and Exchange Commission. The forward-looking statements contained herein speak as of the date of this announcement. Although SM Energy may from time to time voluntarily update its prior forward-looking statements, it disclaims any commitment to do so except as required by securities laws.

BUSINESS OVERVIEW

\$2.7B

Market Cap¹

48%

Raised cash
operating margin²

\$792MM

2018 Non-core asset sales³

\$1.6B

Liquidity⁴

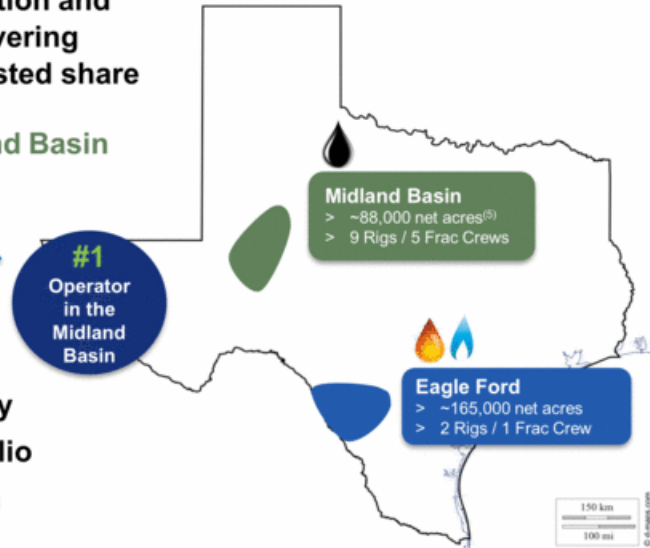
SM ENERGY is an independent exploration and production company that is focused on delivering long-term growth in cash flow per debt adjusted share

We focus on two basins in Texas: the **Midland Basin** and **Eagle Ford**

We are a premier operator with top tier assets

OUR PRIORITIES:

- ▶ Operational excellence / capital efficiency
- ▶ Reduce debt / continue to core up portfolio
- ▶ Focused capital program to drive margin expansion



(1) As of 11-May-2018

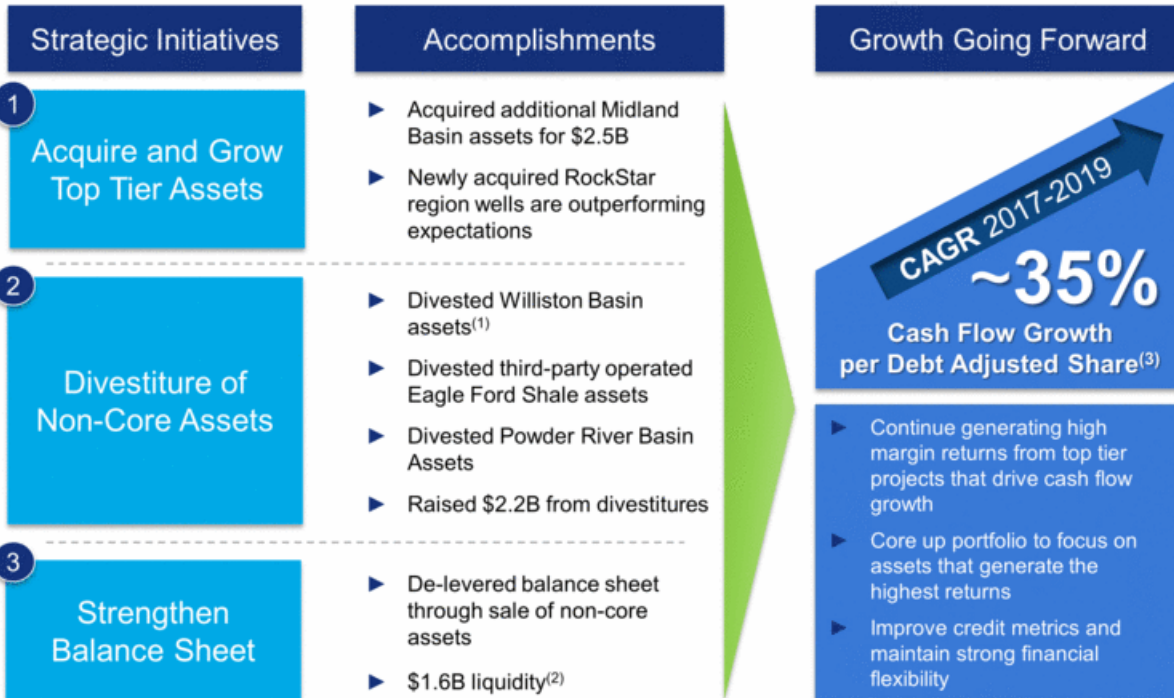
(2) 4Q17/4Q16

(3) Includes closed sales of Powder River Basin and Halli East assets, and expected proceeds from pending sale of non-core assets in North Dakota

(4) As of March 31, 2018; borrowing base and commitment amount as of May 2, 2018

(5) Includes 5,420 net acres related to the announced sale of Halli East, which is expected to close during 2Q18

IMPLEMENTING STRATEGIC TRANSFORMATION FOR GROWTH GOING FORWARD



(1) Pro forma for pending Divide County divestiture
 (2) As of March 31, 2018; borrowing base and commitment amount as of May 2, 2018
 (3) See appendix for Cash Flow per Debt Adjusted Share definition

ALIGNED OUR INCENTIVE PROGRAMS TO THE COMPANY'S STRATEGIC TRANSFORMATION

After initiating our strategic transformation in 2016, our Compensation Committee wanted to align our strategic initiatives with compensation to continue our success

Setting Appropriate Incentive Goals for 2017

- ▶ Due to the significant divestitures which repositioned SM Energy for business success, we established a new asset mix, which necessitated setting lower (but still challenging) production and cash flow goals

Refining LTIP Performance Share Unit (PSU) Metrics for 2018

Updated PSU metrics to closely align with our transformation strategy (*changes effective starting in July 2018*):

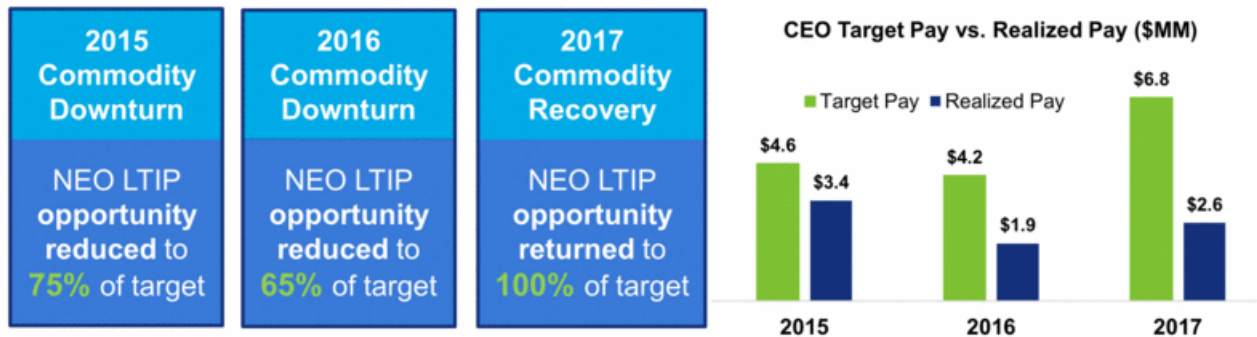
- ▶ **Replaced absolute TSR with capital efficiency metric:** growth of cash flow per debt adjusted share relative to the Performance Peer Group
- ▶ **Relative TSR will remain a performance metric** for the PSUs, which will continue to require relative TSR performance above the median during the performance period for the PSUs to pay at target

Our business transformation positions us to achieve our financial and strategic objectives and our compensation program tracks the same objectives

REFLECTING THE COMMODITIES MARKET ENVIRONMENT IN OUR INCENTIVE PROGRAM

Thoughtful changes to our incentive programs closely align compensation with the commodities market environment and results of peer group competitive analysis

2015 – 2017 Incentive Program Targets and Outcomes



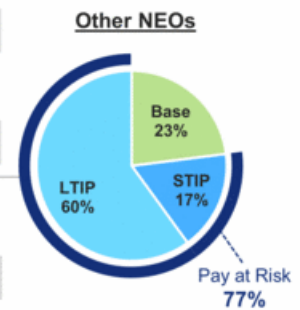
Compensation program incorporates the results of the compensation consultant's peer group assessment:

- Analysis revealed that the CEO's target total direct compensation was **below the 25th percentile** of the peer group
- In light of the transformative and successful strategic shift that is currently underway, the improved operating performance and effective leadership by the CEO, the Compensation Committee increased the CEO's 2017 STIP target percentage and target LTIP grant to achieve total direct target compensation **between the 25th percentile and peer group median**

COMPENSATION PROGRAM OVERVIEW

SM Energy has a balanced compensation program that supports our business transformation and aligns with stockholder interests, with the vast majority of CEO and other NEO pay in the form of at-risk compensation

Element	Form of Delivery	Perf. Period	FY 2017 CEO Performance Measures
Base Salary	Cash	Annual	Individual Goals
Short-Term Incentive Plan (STIP)	Cash	Annual	<p>Corporate Performance <i>STIP only implemented if cash flow metric has been met</i></p> <p>Quantitative Metrics (equally weighted):</p> <ul style="list-style-type: none"> ▶ Production Volume ▶ Proved Developed Reserve Additions ▶ Finding and Development Costs ▶ Cash Flow (has to exceed \$400m) ▶ Cash Operating Costs <p><i>We out-performed the targets set by the Compensation Committee in three out of five quantitative areas in 2017</i></p> <p>Qualitative Metrics:</p> <ul style="list-style-type: none"> ▶ Environmental, Health and Safety (EHS) ▶ Exploration Success and Inventory Growth <p><i>We received partial credit for EHS and maximum credit for Exploration Success and Inventory Growth in 2017</i></p>
Long-Term Incentive Plan (LTIP)	PSU (75%) RSU (25%)	3 years	<p>PSU Payout Metrics:</p> <ul style="list-style-type: none"> ▶ Absolute TSR * <i>NEW capital efficiency metric adopted in 2018 *</i> ▶ Relative TSR <p><i>0% of PSUs for the three year performance cycle ending in 2017 were earned</i></p>



AMENDMENT AND RESTATEMENT OF OUR EQUITY PLAN

Equity represents an important compensation tool that is key to our ability to attract, retain, and incentivize our management team and key employees to achieve the Company's long-term financial and strategic objectives, and to align employee performance incentives with the long-term interests of our stockholders

Carefully Considered Changes to the Equity Plan Increase Authorized Stock Issuance and Incorporate Several New Stockholder-Friendly Provisions

- ▶ Increases authorized shares available for issuance by 3%
- ▶ Places a limit on the total compensation possible for our non-employee directors
- ▶ Imposes a one-year minimum time vesting requirement
- ▶ Eliminates share recycling for net settlement of options and shares used to satisfy tax withholdings
- ▶ Prohibits payment of dividends or dividend equivalents on unvested awards

We Utilize Best Practices in Equity Compensation

- ✓ The requested number of additional authorized shares covers only the number of shares we expect to use for the next three years
- ✓ We continually monitor dilution and Board considers dilution when using equity for compensation purposes
- ✓ Dilution and burn rate are below GICS peers
- ✓ Stockholder right to approve or reject future plans to prevent undesirable dilution or excessive share overhang
- ✓ Prohibits repricing without stockholder approval
- ✓ Prohibits reload options
- ✓ Requires options for shares to be priced at not less than the fair market value of the shares on the grant date
- ✓ Flexible nature gives us the ability to respond to compensatory market trends by adjusting the mix of awards and grant a wide variety of awards

HIGHLY SKILLED AND EXPERIENCED BOARD

Javan (Jay) D. Ottoson
President and CEO



- Former Senior Vice President – Drilling and Engineering at Energy Partners
- Has strong technical skills and the leadership vision necessary to create top quartile returns for stockholders

William D. Sullivan
Independent Chairman of the Board




- Former Executive Vice President, Exploration and Production and Vice President, Operations at Anadarko
- Has over 38 years of industry experience and significant independent insight
- *Chair of Executive Committee*

7 out of 8 Directors Independent




Larry W. Bickle



- Former CEO of TPC Corporation
- Has over 34 years of valuable experience in the oil and gas midstream industry


Ramiro G. Peru



- Former Executive Vice President and CFO at Phelps Dodge Corporation
- Has over 31 years of experience in the mining industry


Our director nominees provide an effective balance of fresh perspective and Company experience

Stephen R. Brand



- Former Senior Vice President of Technology at ConocoPhillips
- Has extensive experience in development of research programs and human resources management
- *Chair of Compensation Committee*


Julio M. Quintana



- Former President and CEO of Tesco Corporation
- Has over 37 years of experience in various aspects in the oil and gas exploration and production industry
- *Chair of Nominating and Corporate Governance Committee*




Loren M. Leiker



- Former executive at EOG Resources, Inc.
- Has a nuanced understanding of upstream operations and asset management technologies

Rose M. Robeson



- Former Senior Vice President and CFO of DCP Midstream GP
- Has significant financial management, risk management and accounting oversight experience
- *Chair of Audit Committee*

Key Characteristics for Board Member Selection:

- Diversity in professional experience, race, gender, perspectives, backgrounds and national origin
- Experience in high-level business policymaking and positions of responsibility and leadership
- Reputation for integrity and commitment to represent long-term interests of stockholders



WE ASK FOR YOUR SUPPORT AT THE ANNUAL MEETING

Our Board of Directors unanimously recommends a vote “For” all proposals on the proxy ballot for our 2018 Annual Stockholder Meeting



FOR election of our eight director nominees



FOR ratification of the appointment of our independent auditors



FOR annual advisory vote to approve executive compensation



FOR approval of our Equity Incentive Compensation plan

We thank you for being a valued stockholder of SM Energy

APPENDIX: DEFINITIONS OF NON-GAAP, FORWARD LOOKING METRICS

The following metrics are forward-looking non-GAAP financial measures. The Company believes these measures are commonly used in the E&P industry, and other industries, by shareholders, professional research analysts and others in valuation, comparison and investment recommendations. Certain forward-looking metrics cannot be presented in conjunction with a reconciliation to the closest GAAP measure, because certain portions of the forecast calculation would be inherently unpredictable. Accordingly, investors are cautioned not to place undue reliance on these numbers.

1) Projected cash flow per debt adjusted share:

For purposes of forward-looking cash flow from operations, it is not possible to project changes in working capital. The Company calculates forward-looking cash flow as projected adjusted EBITDAX (reconciled above to GAAP Net Loss and GAAP Net cash provided by operating activities for actual results) less projected cash interest expense and cash taxes.

The calculation of debt adjusted shares is the sum of average fully diluted common shares outstanding plus the quotient of total principal value of long-term debt outstanding (including senior notes, convertible stock, credit facility) less cash and cash equivalents divided by the price of common stock. In the case of the current 2-year plan, the price of common stock used is the closing price at year-end 2017.