

SM ENERGY COMPANY FINANCIAL CODE OF ETHICS

Purpose

This Financial Code of Ethics (“*Financial Code*”) contains the ethical principles and standards of conduct by which SM Energy Company’s (“*SM Energy*”) Chief Executive Officer (“*CEO*”), Chief Financial Officer (“*CFO*”), Controller, other persons performing similar functions, and officers and employees who have been identified by the CFO (collectively, the “*Financial Employees*”), are expected to conduct themselves in their work for SM Energy. The Financial Employees are also required to comply with SM Energy’s Code of Business Conduct and Conflict of Interest Policy (the “*Code of Ethics*”).

Ethical Standards and Principles

In carrying out his or her duties to and responsibilities for SM Energy, each Financial Employee is expected to:

- act with honesty and integrity, avoiding actual or apparent conflicts of interest between personal and professional relationships;
- provide full, fair, accurate, complete, objective, relevant, timely and understandable disclosure in reports and documents that SM Energy files with, or submits to, the Securities and Exchange Commission (the “*SEC*”) and other governmental regulators, and in other public communications made by SM Energy;
- promptly report any information that indicates that the disclosures made by SM Energy in its public filings may contain a misstatement or omission, and, in the case of the CEO, CFO or Controller, carefully review the annual and quarterly reports to be filed with the SEC before certifying them;
- promptly bring to the attention of the Company’s Internal Audit Department any information concerning deficiencies in the design or operation of SM Energy’s internal controls;
- refrain from any action to influence, coerce, manipulate or mislead SM Energy’s independent public accounting firm for the purpose of rendering SM Energy’s financial statements inaccurate or misleading;
- comply with applicable laws, rules and regulations of national, state, provincial and local governments and private and public regulatory agencies having jurisdiction over SM Energy;
- act in good faith, responsibly, with due care, competence and diligence, without misrepresenting material facts or allowing the Financial Employee’s independent judgment to be subordinated to other interests;

- proactively promote honest and ethical behavior among peers and subordinates within SM Energy and as a responsible partner with industry peers and associates;
- respect the confidentiality of information acquired in the course of his or her work except when authorized or otherwise legally obligated to disclose such information and refrain from using confidential information for personal advantage;
- promptly report violations of this Financial Code as discussed below; and
- accept accountability for adherence to this Financial Code and acknowledge that violations of this Financial Code may subject a Financial Employee to disciplinary action, up to and including termination, as determined by the Company.

Changes or Waiver

Any changes to this Financial Code and any waiver from this Financial Code may be made only by the Audit Committee of the Board of Directors (“*Audit Committee*”) and shall be promptly disclosed as required by applicable law, including SEC rules and regulations.

Compliance and Reporting

Each Financial Employee is encouraged to talk to SM Energy’s General Counsel when in doubt about the best course of action in a particular situation. If any Financial Employee becomes aware of conduct or a matter that either likely constitutes, or could reasonably be expected to constitute, a violation of this Financial Code or applicable law, rule or regulation, such matter must promptly report to SM Energy’s General Counsel, or if it involves an executive officer or director, to the Chair of the Audit Committee. Matters may also be reported via SM Energy’s confidential employee hotline at 1-800-461-9330 or at www.mysafeworkplace.com.

It is SM Energy’s policy that there shall be no retaliation, discrimination or intimidation in any form against any person who in good faith and pursuant to the provisions of this Financial Code reports conduct or a matter that the reporting person reasonably believes constitutes a violation of this Financial Code or applicable laws, rules or regulations (except that appropriate disciplinary action may be taken against the reporting person if such person was involved in the violation). The confidentiality of a reporting person shall be protected to the extent possible, consistent with law and the requirements necessary to conduct an effective investigation of the conduct or matter. Persons who knowingly make a report that is false or that willfully disregards its truth or accuracy will be deemed to be in violation of the Code of Ethics.

It is the intent of SM Energy that this Financial Code of Ethics serve as its written code of ethics under the Sarbanes-Oxley Act of 2002, complying with the standards set forth in Item 406 of Regulation S-K promulgated by the Securities and Exchange Commission.

ADOPTED effective as of January 1, 2013.