

**POSITIVE
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Earnings Conference Call Fourth Quarter 2011

February 16, 2012

WITH ALL YOUR POWER  WHAT WOULD YOU DO?

Some of the matters discussed in this presentation may contain forward-looking statements that are subject to certain risks, uncertainties and assumptions. Such forward-looking statements are intended to be identified in this document by the words “anticipate”, “believe”, “estimate”, “expect”, “intend”, “objective”, “plan”, “possible”, “potential”, “project” and similar expressions. Actual results may vary materially from those expressed in the forward-looking statements. Factors that could cause actual results to differ materially from the forward-looking statements include, but are not limited to: general economic conditions, including the availability of credit, access to existing lines of credit, access to the commercial paper markets, actions of rating agencies and their impact on capital expenditures; the ability of the Company and its subsidiaries to access the capital markets and obtain financing on favorable terms; prices and availability of electricity, coal, natural gas and natural gas liquids, each on a stand-alone basis and in relation to each other as well as the processing contract mix between percent-of-liquids, percent-of-proceeds, keep-whole and fixed fee; business conditions in the energy and natural gas midstream industries; competitive factors including the extent and timing of the entry of additional competition in the markets served by the Company; unusual weather; availability and prices of raw materials for current and future construction projects; Federal or state legislation and regulatory decisions and initiatives that affect cost and investment recovery, have an impact on rate structures or affect the speed and degree to which competition enters the Company’s markets; environmental laws and regulations that may impact the Company’s operations; changes in accounting standards, rules or guidelines; the discontinuance of accounting principles for certain types of rate-regulated activities; whether OG&E can successfully implement its smart grid program to install meters for its customers and integrate the smart grid meters with its customers billing and other computer information systems; the cost of protecting assets against, or damage to, terrorist or cyber attacks; advances in technology; creditworthiness of suppliers, customers and other contractual parties; the higher degree of risk associated with the Company’s nonregulated business compared with the Company’s regulated utility business; and other risk factors listed in the reports filed by the Company with the Securities and Exchange Commission including those listed in Risk Factors and Exhibit 99.01 to the Company’s Form 10-K for the year ended December 31, 2011.

This presentation includes the non-GAAP measures of ongoing earnings and ongoing earnings per share when describing the Company’s results of operations and financial performance. The Company has prepared reconciliations of these measures to the most directly comparable GAAP measures.

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Fourth Quarter EPS Results

	<u>4Q 2011</u>	<u>4Q 2010</u>
OG&E	\$0.20	\$0.13
OGE Enogex Holdings*	0.19	0.22
Hold. Co.	(0.02)	(0.04)
Consolidated	\$0.37	\$0.31

*Net Income attributable to OGE Energy

2011 EPS Results

	2011 As Reported EPS *	2010 Ongoing EPS**	2010 As Reported EPS
Utility	\$ 2.65	\$ 2.25	\$ 2.18
OGE Enogex Holdings***	0.83	0.94	0.92
Holding Company	(0.03)	(0.09)	(0.11)
	\$ 3.45	\$ 3.10	\$ 2.99

* There was no similar one-time charge in 2011 and therefore GAAP EPS was the same as ongoing EPS for 2011.

**The Patient Protection Act and Affordable Care Act of 2009 and the Health Care and Education Reconciliation Act of 2010 were signed into law on March 23, 2010 and March 30, 2010, respectively. These Acts change the tax treatment of federal subsidies paid to sponsors of retiree health benefit plans that provide prescription drug benefits. As a result, OGE recognized a one-time, non-cash charge of approximately \$11.4 million or \$0.11 per average diluted share for the quarter ended March 31, 2011.

***Net Income attributable to OGE Energy

Fourth Quarter Results – OG&E

Net income for OG&E was \$19.7 million or \$0.20 per share in 2011 as compared to net income of \$12.4 million or \$0.13 per share in 2010.

Primary drivers include:

In Millions of \$	<u>4Q 2011</u>	<u>4Q 2010</u>	<u>Variance</u> <u>Fav/(Unfav)</u>
Gross Margin	240.8	222.7	18.1
Operation & Maintenance	111.7	112.2	0.5
Depreciation & Amortization	57.3	55.3	(2.0)
Net Other Income (Loss)	5.7	8.3	(2.6)
Interest Expense	29.4	26.6	(2.8)

2011 Results – OG&E

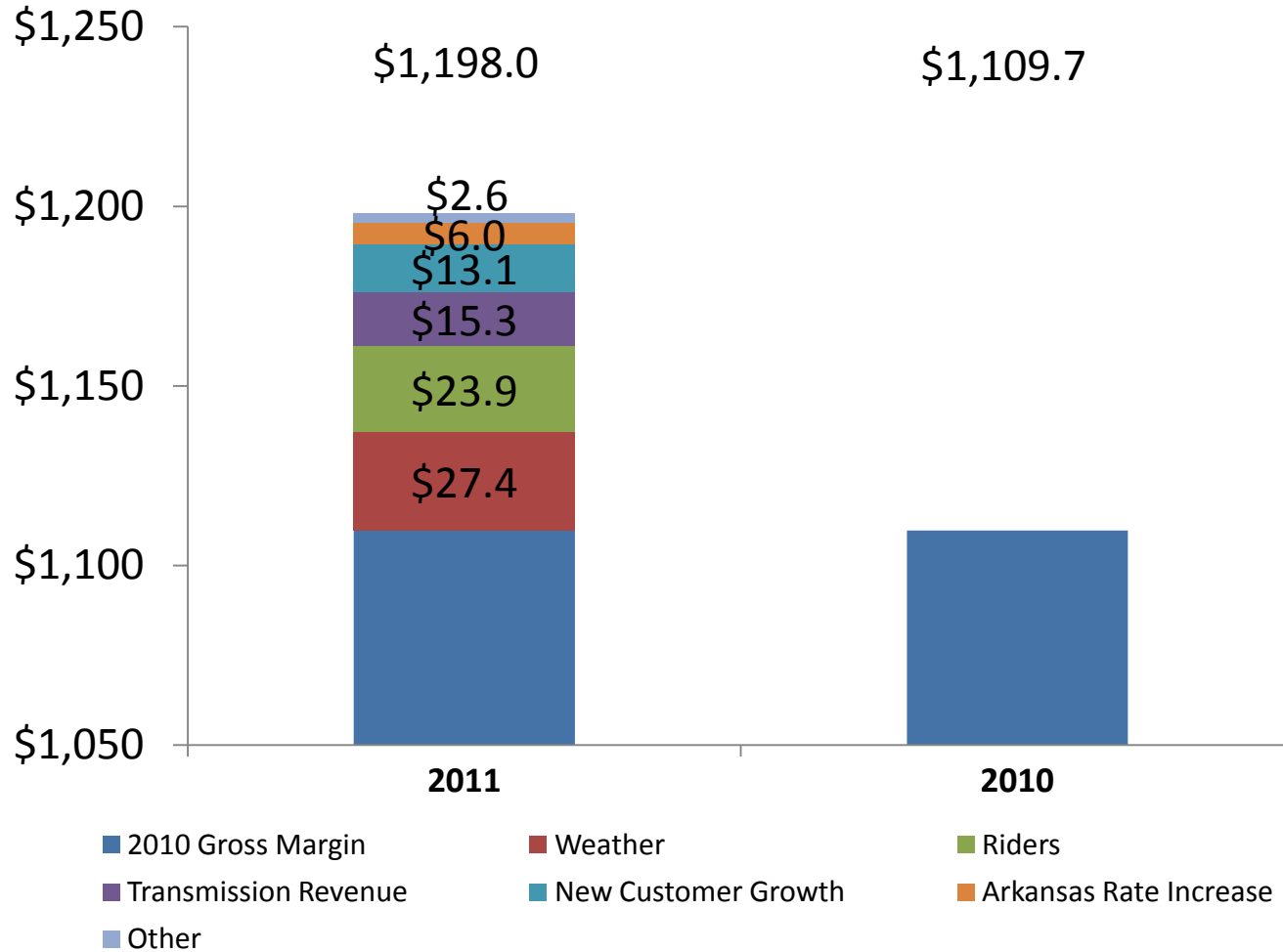
Net income was \$263.3 million or \$2.65 per share in 2011. This compares to ongoing net income* of \$222.7 million or \$2.25 per share in 2010. Primary drivers include:

In Millions of \$	<u>2011</u>	<u>2010</u>	<u>Variance</u> <u>Fav/(Unfav)</u>
Gross Margin	1,198.0	1,109.7	88.3
Operation & Maintenance	436.0	418.1	(17.9)
Depreciation & Amortization	216.1	208.7	(7.4)
Taxes Other Than Income	73.6	69.2	(4.4)
Net Other Income (Expense)	20.5	16.4	4.1
Interest Expense	111.6	103.4	(8.2)

*The impact of the Medicare Part D tax law change resulted in a one-time charge which reduced earnings by \$0.07 per share in 2010.

2011 Results - OG&E Gross Margin

Millions of \$



Fourth Quarter Results – Enogex Holdings

Net income to OGE was \$19.1 million or \$0.19 per share in 2011 as compared to net income of \$22.3 million or \$0.22 per share in 2010.

Primary drivers include:

In Millions of \$	<u>4Q 2011</u>	<u>4Q 2010</u>	<u>Variance</u> Fav/(Unfav)
Gross Margin	109.1	107.1	2.0
Operation & Maintenance	41.2	39.4	(1.8)
Interest Expense	5.7	7.1	1.4
Enogex Holdings Net Income	26.0	25.4	0.6
OGE Enogex Holdings Net Income (OGE's Portion)	19.1	22.3	(3.2)

2011 Results – Enogex Holdings

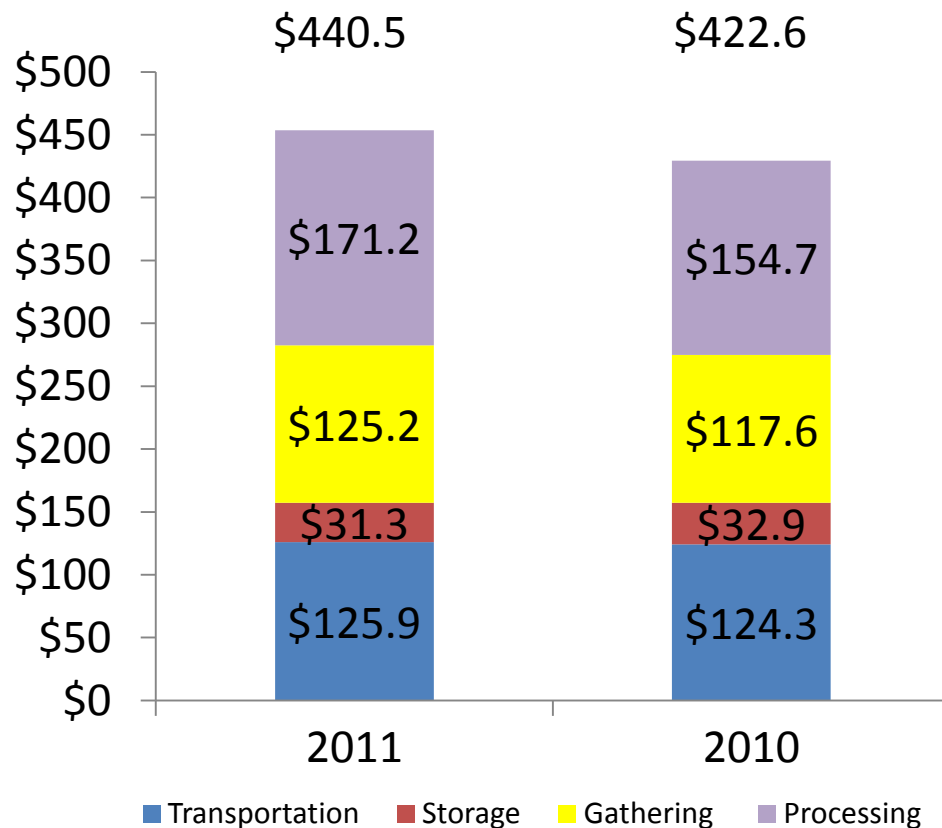
Net income to OGE was \$82.2 million or \$0.83 per share in 2011. This compares to ongoing net income* of \$93.1 million or \$0.94 per share in 2010. Primary drivers include:

In Millions of \$	<u>2011</u>	<u>2010</u>	<u>Variance</u> <u>Fav/(Unfav)</u>
Gross Margin	440.5	422.6	17.9
Operation & Maintenance	162.5	145.3	(17.2)
Depreciation & Amortization & Impairment of assets (net of ins.)	80.9	72.4	(8.5)
Interest Expense	22.9	30.4	7.5
Enogex Holdings Net Income*	103.0	98.2	4.8
OGE Enogex Holdings Net Income* (OGE's Portion)	82.2	93.1	(10.9)

*The impact of the Medicare Part D tax law change resulted in a one-time charge which reduced earnings by \$0.02 per share in 2010.

2011 Results - Enogex Holdings Gross Margin*

Millions of \$



Gross Margin Drivers:

- Gathering Volumes up 3%
- Processing Volumes up 3%
- Higher Commodity Prices

*The chart does not include the gross margin or consolidated eliminations for the marketing business which were (\$13.1) million in 2011 and (\$6.9) million in 2010.

2012 Assumptions – OGE Enogex Holdings LLC

- The Company projects Enogex to earn approximately \$80 million to \$95 million, or \$0.80 to \$0.95 per average diluted share, in 2012 net of noncontrolling interest. The guidance assumes approximately 99.9 million average diluted shares outstanding. The key factors and assumptions include:
 - Total Enogex anticipated gross margin of between \$500 million and \$515 million. The gross margin assumption includes:
 - Transportation, storage and marketing gross margin contribution of between \$140 million and \$155 million, of which 80 percent is attributable to the transportation business;
 - Gathering and processing gross margin contribution of between \$355 million and \$365 million, of which 62 percent is attributable to the processing business;
 - Key factors affecting the gathering and processing gross margin forecast are:
 - Assumed increase of six to ten percent in gathered volumes over 2011;
 - Assumed increase of 15 percent in processable* volumes over 2011;
 - At the midpoint of Enogex’s gathering and processing assumption Enogex has assumed:
 - Processing contract mix of 42 percent fixed-fee, 25 percent percent-of-liquids, 17 percent percent-of-proceeds and 16 percent keep-whole;
 - Weighted average natural gas price of \$2.70 per MMBtu in 2012;
 - Realized weighted average NGLs price of \$1.04 per gallon in 2012; and
 - Average price per gallon of condensate of \$2.12 in 2012;
 - Enogex has assumed Operating expenses of \$295 million to \$305 million, with operation and maintenance expenses comprising 58% of the total;
 - Interest expense of \$31 million to \$33 million;
 - An effective tax rate of 38 percent; and
 - ArcLight group will own approximately 19 percent of Enogex Holdings by the end of 2012.

2013 Volume projections for Enogex:

- Assumed increase of 10 to 15 percent in gathered volumes over 2012; and
- Assumed increase of 15 percent in processable* volumes over 2012.

*Processable volumes include condensate volumes which are captured in the gathering pipeline and therefore not included in plant inlet volumes.

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Appendix

Reg. G Reconciliation

(For the Year Ended December 31, 2010)

	2010 Ongoing EPS	One-Time Charge*	2010 GAAP EPS
Utility	\$ 2.25	\$ (0.07)	\$ 2.18
OGE Enogex Holdings	0.94	(0.02)	0.92
Holding Company	<u>(0.09)</u>	<u>(0.02)</u>	<u>(0.11)</u>
	<u>\$ 3.10</u>	<u>\$ (0.11)</u>	<u>\$ 2.99</u>

*The Patient Protection and Affordable Care Act of 2009 and the Health Care and Education Reconciliation Act of 2010 were signed into law on March 23, 2010 and March 30, 2010, respectively. These Acts change the tax treatment of federal subsidies paid to sponsors of retiree health benefit plans that provide prescription drug benefits. As a result, OGE recognized a one-time, non-cash charge of approximately \$11.4 million or \$0.11 per average diluted share in March 2010.

Projected Capital Expenditures 2012-2016

Dollars in millions	2012	2013	2014	2015	2016	TOTAL 2012 - 2016
OG&E Base Transmission	\$ 80	\$ 50	\$ 50	\$ 50	\$ 50	\$ 280
OG&E Base Distribution	195	200	200	200	200	995
OG&E Base Generation	110	80	80	80	80	430
OG&E Other	30	30	30	30	30	150
Total OG&E Base T&D, Gen & Other	415	360	360	360	360	1,855
OG&E Known and Committed Projects:						
Transmission Projects						
Sunnyside-Hugo (345 kV)	25	-	-	-	-	25
Sooner-Rose Hill (345 kV)	5	-	-	-	-	5
Balanced Portfolio 3E Projects	110	180	50	-	-	340
SPP Priority Projects	20	200	115	-	-	335
Total Transmission Projects	160	380	165	-	-	705
Other Projects:						
Smart Grid Program	90	35	40	20	20	205
Crossroads	40	-	-	-	-	40
System Hardening	15	-	-	-	-	15
Total Other Projects	145	35	40	20	20	260
Total Known and Committed Projects	305	415	205	20	20	965
Total OG&E	720	775	565	380	380	2,820
Enogex:						
Maintenance	60	50	55	60	65	290
Known and Committed Projects:						
Western OK & TX Panhandle Expansion	215	115	15	5	5	355
Other Gathering, Etc.	25	25	20	20	20	110
Total Known and Committed Projects	240	140	35	25	25	465
Enogex (Base Maintenance and Committed Projects)*	300	190	90	85	90	755
OGE Energy	20	20	20	20	20	100
TOTAL OGE Consolidated	\$ 1,040	\$ 985	\$ 675	\$ 485	\$ 490	\$ 3,675

* These capital expenditures represent 100% of Enogex capital expenditures, of which a portion may be funded by ArLight.