

**POSITIVE
ENERGY
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Earnings Conference Call Third Quarter 2011

November 3, 2011

WITH ALL YOUR POWER  WHAT WOULD YOU DO?

Safe Harbor

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 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 customer billing and other computer information systems; 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, 2010.

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Third Quarter EPS Results

	<u>2011</u>	<u>2010</u>
Utility	\$ 1.60	\$ 1.43
OGE Enogex Holdings	0.19	0.23
Holding Company	<u>0.01</u>	<u>(0.01)</u>
	\$ 1.80	\$ 1.65

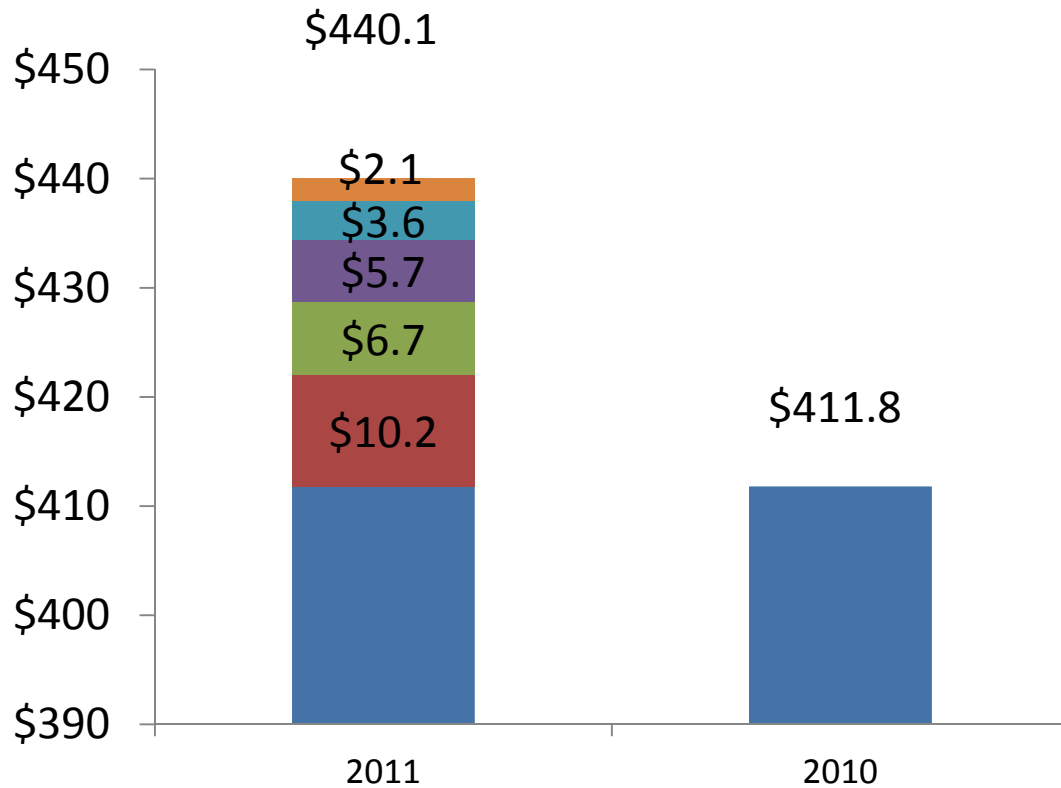
Third Quarter Results – OG&E

Net income was \$158.6 million or \$1.60 per share in 2011. This compares to net income of \$142.1 million or \$1.43 per share in 2010. Primary drivers include:

In Millions of \$	2011	2010	Variance Fav/(Unfav)
Gross Margin	440.1	411.8	28.3
Operation & Maintenance	108.3	110.8	2.5
Depreciation & Amortization	54.9	53.1	(1.8)
Taxes Other Than Income	18.2	16.9	(1.3)
Net Other Income (Expense)	(0.4)	1.2	(1.6)
Interest Expense	28.8	27.4	(1.4)

Third Quarter Results - OG&E Gross Margin

Millions of \$



Drivers:

- Weather Up 14%
- Normalized MWH Growth - ~2%
- Arkansas Rate Increase

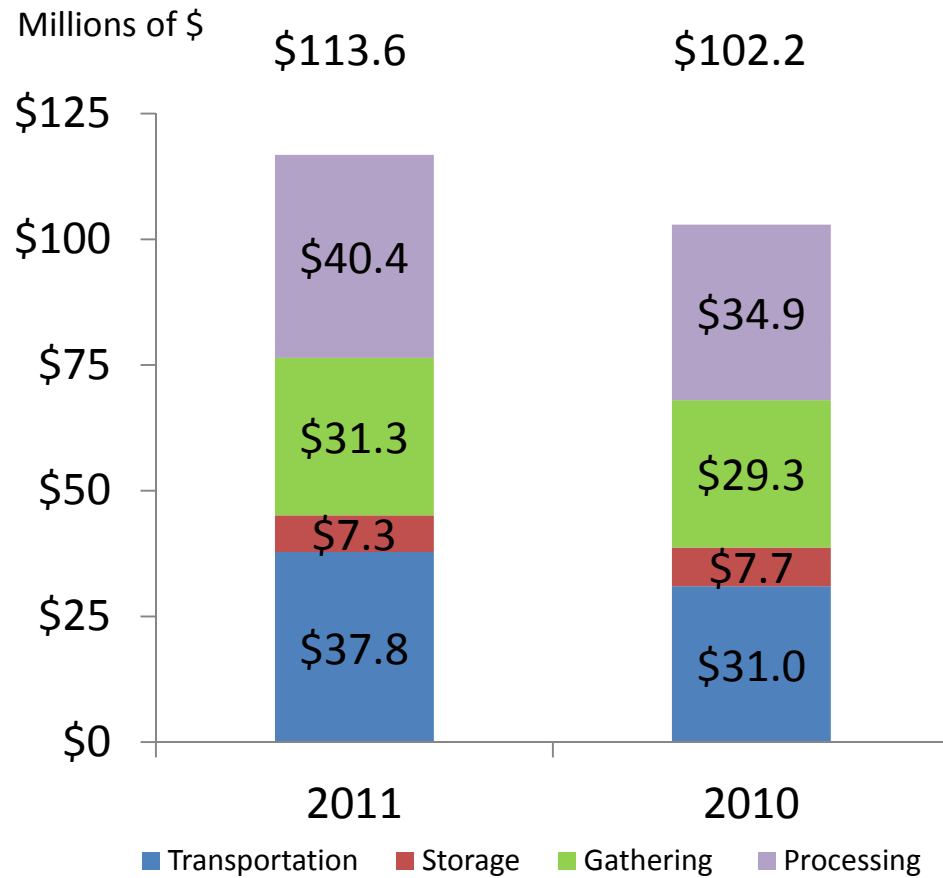
■ 2010 Gross Margin ■ Weather ■ Transmission
■ New Customer Growth ■ Arkansas Rate Increase ■ Riders and Other

Third Quarter Results – Enogex Holdings

Net income to OGE was \$19.3 million or \$0.19 per share in 2011. This compares to net income of \$22.8 million or \$0.23 per share in 2010. Primary drivers include:

In Millions of \$	2011	2010	Variance Fav/(Unfav)
Gross Margin	113.6	102.2	11.4
Operation & Maintenance	43.5	34.8	(8.7)
Interest Expense	5.1	7.4	2.3
Enogex Holdings Net Income	22.0	23.2	(1.2)
OGE Enogex Holdings Net Income <i>(OGE's Portion)</i>	19.3	22.8	(3.5)

Third Quarter Results - Enogex Holdings Gross Margin*



Drivers:

- Higher Transportation Revenues
- Higher Commodity Prices
- Gathered Volumes up 7%

* Not shown on the chart but included in the total gross margin are the Marketing business gross margins and consolidated eliminations. For 2011 and 2010, the Marketing gross margins were (\$3.1) million and (\$1.1) million, respectively, and the consolidated eliminations were (\$0.1) million and \$0.4 million, respectively.

2011 Financial Outlook

- **OGE Energy projects earnings to be approximately \$3.40 to \$3.45 per share up from the previously issued earnings guidance of \$3.00 to \$3.20 per average diluted share**
- **The primary driver for the increase is higher gross margins at the utility from the extremely hot summer weather experienced in its service territory thus far in 2011**
- **Additional assumptions are in our 10Q for the period ending September 30, 2011 filed with the SEC this morning**

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Appendix

Projected Capital Expenditures 2011-2016

Dollars in millions	2011	2012	2013	2014	2015	2016	TOTAL 2011 - 2016
OG&E Base Transmission	\$ 50	\$ 80	\$ 50	\$ 50	\$ 50	\$ 50	\$ 330
OG&E Base Distribution	195	195	200	200	200	200	1,190
OG&E Base Generation	100	110	80	80	80	80	530
OG&E Other	30	30	30	30	30	30	180
Total OG&E Base T&D, Gen & Other	375	415	360	360	360	360	2,230
OG&E Known and Committed Projects:							
Transmission Projects							
Sunnyside-Hugo (345 kV)	100	20	-	-	-	-	120
Sooner-Rose Hill (345 kV)	30	-	-	-	-	-	30
Balanced Portfolio 3E Projects	45	110	190	45	-	-	390
SPP Priority Projects	5	20	200	110	-	-	335
Total Transmission Projects	180	150	390	155	-	-	875
Other Projects:							
Smart Grid Program	60	90	35	40	20	20	265
Crossroads	235	40	-	-	-	-	275
System Hardening	15	15	-	-	-	-	30
Total Other Projects	310	145	35	40	20	20	570
Total OG&E Known and Committed Projects	490	295	425	195	20	20	1,445
Total OG&E	865	710	785	555	380	380	3,675
Enogex:							
Maintenance	70	55	60	60	65	70	380
Western OK & TX Panhandle Expansion	505	345	130	25	15	10	1,030
Other Gathering, Etc.	20	65	30	25	25	25	190
Enogex (Base Maintenance and Committed Projects)*	595	465	220	110	105	105	1,600
OGE Energy	15	20	20	20	20	20	115
TOTAL OGE Consolidated	\$ 1,475	\$ 1,195	\$ 1,025	\$ 685	\$ 505	\$ 505	\$ 5,390

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