

**POSITIVE
ENERGY
TOGETHER®**

Earnings Conference Call Second Quarter 2010

August 5, 2010

WITH ALL YOUR POWER  WHAT WOULD YOU DO?

Safe Harbor and Reg. G Compliance

Some of the matters discussed in this news release 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. Factors that could cause actual results to differ materially 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; 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; 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, 2009.

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. These reconciliations can be found in the appendix of this presentation and in the Company’s Form 10Q for the quarter ended June 30, 2010.

POSITIVE ENERGY TOGETHER

Second Quarter EPS Results

| | <u>2010</u> | <u>2009</u> |
|-----------------------|-------------|-------------|
| OG&E | \$0.61 | \$0.58 |
| Enogex | 0.23 | 0.16 |
| Hold. Co. & Marketing | (0.06) | (0.02) |
| Consolidated | \$0.78 | \$0.72 |

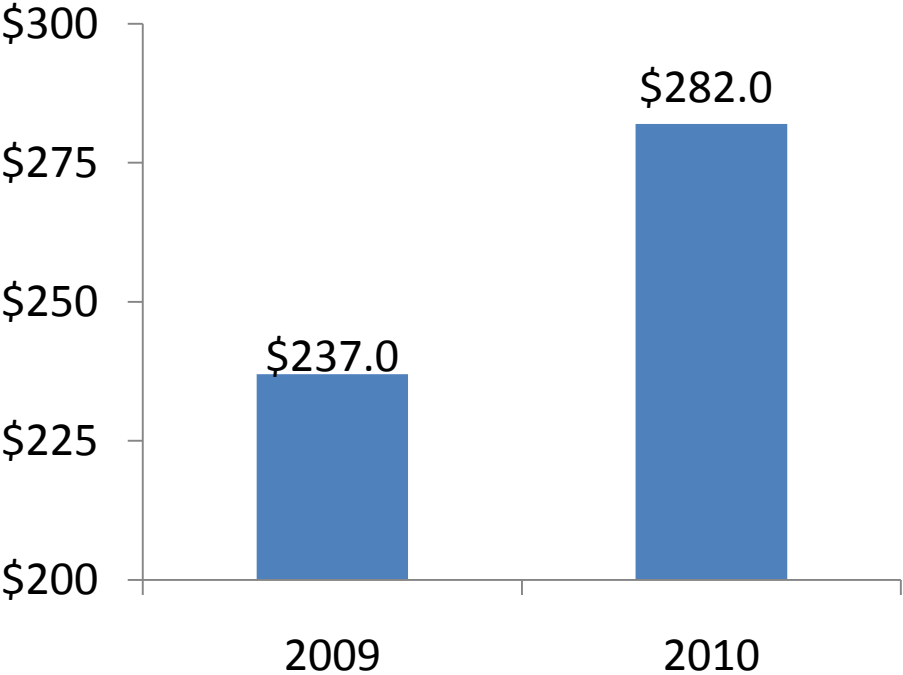
Second Quarter Results – OG&E

Net income was \$60.0 million or \$0.61 per share in 2010. This compares to net income of \$56.4 million or \$0.58 per share in 2009. Primary drivers include:

| In Millions of \$ | <u>2010</u> | <u>2009</u> | <u>Variance</u> <u>Fav/(Unfav)</u> |
|-----------------------------|-------------|-------------|---------------------------------------|
| Gross Margin | 282.0 | 237.0 | 45.0 |
| Operation & Maintenance | 101.2 | 77.9 | (23.3) |
| Depreciation & Amortization | 50.6 | 46.0 | (4.6) |
| Net Other Income | 2.7 | 7.7 | (5.0) |
| Interest Expense | 25.2 | 23.2 | (2.0) |

Second Quarter Results - OG&E Gross Margin

Millions of \$



Increased Gross Margin

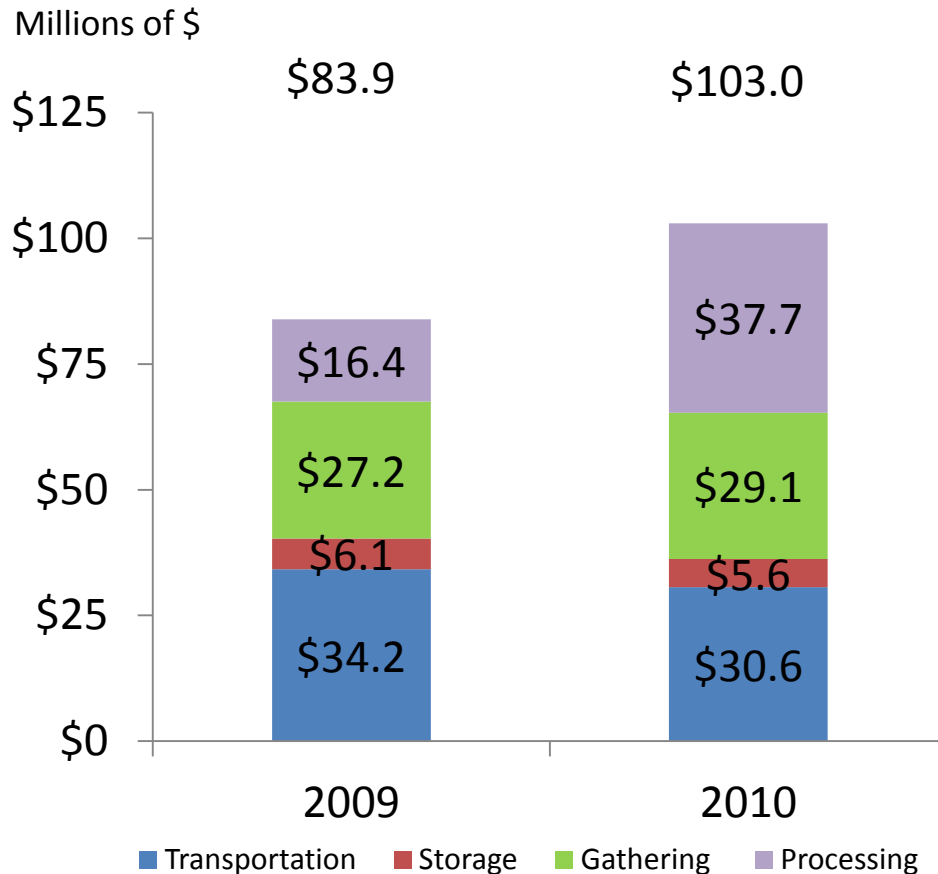
- Various Riders- \$26.7 million
- Oklahoma Rate Increase - \$14.9 million
- Weather - \$1.8 million
- Arkansas Rate Increase - \$1.4 million
- New Customer Growth - \$1.4 million

Second Quarter Results – Enogex

Net income was \$22.3 million or \$0.23 per share in 2010. This compares to net income of \$16.0 million or \$0.16 per share in 2009. Primary drivers include:

| In Millions of \$ | <u>2010</u> | <u>2009</u> | <u>Variance</u> <u>Fav/(Unfav)</u> |
|-------------------------|-------------|-------------|---------------------------------------|
| Gross Margin | 103.0 | 83.9 | 19.1 |
| Operation & Maintenance | 36.1 | 29.6 | (6.5) |

Second Quarter Results - Enogex Gross Margin



Increased Gross Margin

- Higher Commodity Prices
- Processed Volumes up 19%
- Gathered Volumes up 6%
- Increased Condensate Revenues

Decreased Gross Margin

- Lower Crosshaul Volumes

2010 Ongoing Earnings Guidance Assumptions*

(\$2.70 to \$2.95 earnings per share)

| | <u>Previous Guidance</u> | <u>Updated Guidance</u> |
|--------------------------|--------------------------------|--------------------------------|
| OG&E: | | |
| Effective Tax Rate | 27% | 31% |
| AFUDC Equity (pre-tax) | \$5 million | \$15 million |
| Enogex: | | |
| Gathering Volume Growth | 5% to 7% | 8% to 10% |
| Processing Volume Growth | 10% to 12% | 15% to 17% |
| Operating Expenses | \$220 million to \$230 million | \$230 million to \$240 million |
| Ethane Rejection | Full-Year Recovery | Rejection July - December |
| Holding Company EPS | (\$0.07) to (\$0.09) | (\$0.11) to (\$0.13) |

*Please see the Company's 10Q for the period ending 6-30-10 filed with the SEC for additional information on 2010 guidance

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Appendix

Projected Capital Expenditures 2010-2015

| Dollars in millions | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | Total |
|---|-----------------|-------------------|-----------------|-----------------|-----------------|-----------------|-------------------|
| OG&E Base Transmission | 45.0 | 25.0 | 15.0 | 15.0 | 20.0 | 20.0 | 140.0 |
| OG&E Base Distribution | 215.0 | 235.0 | 230.0 | 230.0 | 230.0 | 230.0 | 1,370.0 |
| OG&E Base Generation | 50.0 | 35.0 | 35.0 | 35.0 | 35.0 | 35.0 | 225.0 |
| Other | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 150.0 |
| Total OG&E Base T&D, Gen & Other | \$ 335.0 | \$ 320.0 | \$ 305.0 | \$ 305.0 | \$ 310.0 | \$ 310.0 | \$ 1,885.0 |
| OG&E Known and Committed Projects: | | | | | | | |
| Crossroads Wind Farm (227.5MW) | 160.0 | 260.0 | 30.0 | - | - | - | 450.0 |
| Positive Energy Smart Grid Program (net of DOE) | 40.0 | 60.0 | 60.0 | 30.0 | 30.0 | 10.0 | 230.0 |
| Sunnyside-Hugo 345kV (reliability) | 25.0 | 115.0 | 60.0 | - | - | - | 200.0 |
| Sooner-Rose Hill 345kV (reliability) | 15.0 | 40.0 | 5.0 | - | - | - | 60.0 |
| OKC - Woodward 345kV (WindSpeed) | 25.0 | - | - | - | - | - | 25.0 |
| System Hardening | 10.0 | 20.0 | 5.0 | - | - | - | 35.0 |
| OU Spirit Wind Farm (101MW) | 10.0 | - | - | - | - | - | 10.0 |
| Anadarko Substation (SPP 3E) | - | 15.0 | - | - | - | - | 15.0 |
| Sooner - Cleveland 345kV (SPP 3E) | 5.0 | 30.0 | 35.0 | - | - | - | 70.0 |
| Seminole - Muskogee 345kV (SPP 3E) | 5.0 | 25.0 | 45.0 | 55.0 | - | - | 130.0 |
| Tuco - Woodward 345kV: Oklahoma portion (SPP 3E) | - | 20.0 | 35.0 | 50.0 | 15.0 | - | 120.0 |
| Woodward - Kansas 345kV (SPP Priority Project)* | - | 15.0 | 50.0 | 30.0 | - | - | 95.0 |
| Woodward - Hitchland 345kV (SPP Priority Project)* | - | 35.0 | 130.0 | 70.0 | - | - | 235.0 |
| Other Known Transmission Projects | 15.0 | 20.0 | 5.0 | - | - | - | 40.0 |
| TOTAL OG&E Known and Committed Projects | \$ 310.0 | \$ 655.0 | \$ 460.0 | \$ 235.0 | \$ 45.0 | \$ 10.0 | \$ 1,715.0 |
| TOTAL OG&E Base + Known and Committed | \$ 645.0 | \$ 975.0 | \$ 765.0 | \$ 540.0 | \$ 355.0 | \$ 320.0 | \$ 3,600.0 |
| OGE Energy & ER | 20.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 145.0 |
| Enogex | 205.0 | 135.0 | 45.0 | 45.0 | 45.0 | 45.0 | 520.0 |
| TOTAL OGE Consolidated | \$ 870.0 | \$ 1,135.0 | \$ 835.0 | \$ 610.0 | \$ 425.0 | \$ 390.0 | \$ 4,265.0 |

Reg. G Reconciliation – 2010 Earnings Guidance

(In millions)

Twelve Months Ended December 31, 2010

| | <u>OG&E</u> | | <u>Enogex</u> | | <u>Holding Company</u> | | <u>Consolidated</u> | |
|-------------------------------------|-----------------|---------|---------------|---------|------------------------|----------|---------------------|----------|
| | Low | High | Low | High | Low | High | Low | High |
| Projected GAAP Net Income | | | | | | | | |
| Ongoing Earnings..... | \$207.0 | \$217.0 | \$63.0 | \$85.0 | (\$13.0) | (\$11.0) | \$265.0 | \$290.0 |
| Medicare Part D Tax Subsidy..... | (\$7.0) | (\$7.0) | (\$2.0) | (\$2.0) | (\$2.4) | (\$2.4) | (\$11.4) | (\$11.4) |
| Projected GAAP Net Income..... | \$200.0 | \$210.0 | \$61.0 | \$83.0 | (\$15.4) | (\$13.4) | \$253.6 | \$278.6 |

Twelve Months Ended December 31, 2010

| | <u>OG&E</u> | | <u>Enogex</u> | | <u>Holding Company</u> | | <u>Consolidated</u> | |
|---|-----------------|----------|---------------|----------|------------------------|----------|---------------------|----------|
| | Low | High | Low | High | Low | High | Low | High |
| Projected Earnings Per Average Diluted Share | | | | | | | | |
| Ongoing Earnings Per Average Diluted Share..... | \$2.10 | \$2.20 | \$0.64 | \$0.86 | (\$0.13) | (\$0.11) | \$2.70 | \$2.95 |
| Medicare Part D Tax Subsidy..... | (\$0.07) | (\$0.07) | (\$0.02) | (\$0.02) | (\$0.02) | (\$0.02) | (\$0.11) | (\$0.11) |
| Projected GAAP Earnings Per Average Diluted Share..... | \$2.03 | \$2.13 | \$0.62 | \$0.84 | (\$0.15) | (\$0.13) | \$2.59 | \$2.84 |

***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.**