

**POSITIVE
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Earnings Conference Call Second Quarter 2011

August 4, 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, 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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Second Quarter EPS Results

	<u>2011</u>	<u>2010</u>
Utility	\$ 0.79	\$ 0.61
OGE Enogex Holdings	0.25	0.19
Holding Company	<u>-</u>	<u>(0.02)</u>
	\$ 1.04	\$ 0.78

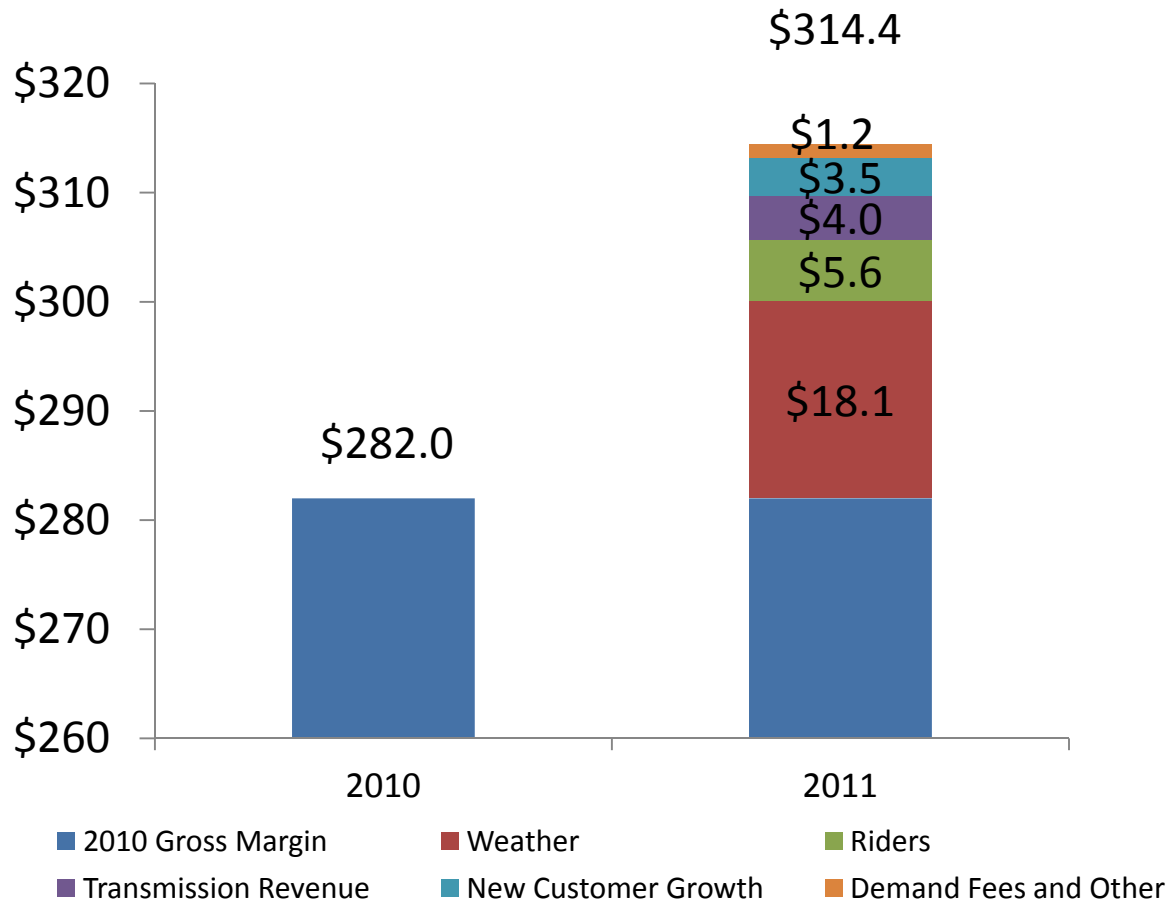
Second Quarter Results – OG&E

Net income was \$78.6 million or \$0.79 per share in 2011. This compares to net income of \$60.0 million or \$0.61 per share in 2010. Primary drivers include:

In Millions of \$	<u>2011</u>	<u>2010</u>	<u>Variance</u> Fav/(Unfav)
Gross Margin	314.4	282.0	32.4
Operation & Maintenance	110.2	101.2	(9.0)
Depreciation & Amortization	52.1	50.6	(1.5)
Taxes Other Than Income	18.8	17.2	(1.6)
Net Other Income (Expense)	6.3	2.7	3.6
Interest Expense	27.3	25.2	(2.1)

Second Quarter Results - OG&E Gross Margin

Millions of \$



Drivers:

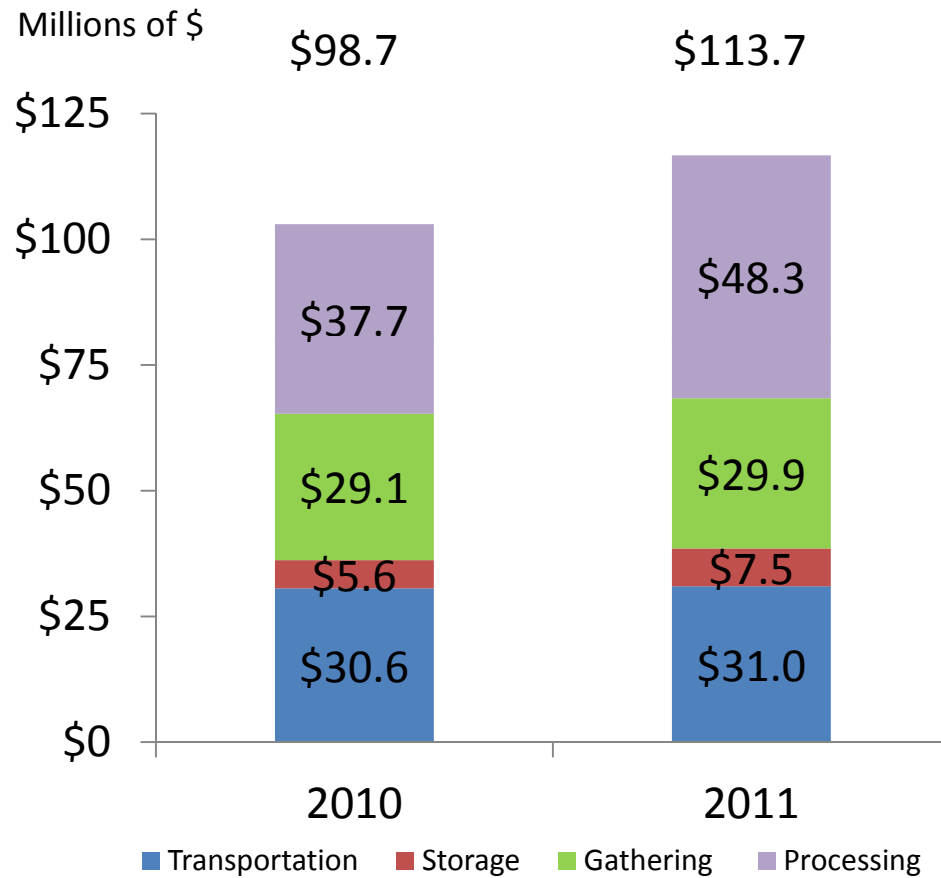
- Weather Up 20%
- Various Riders
- Transmission Rev. from CWIP
- New Customer Growth - ~1%
- Demand Fees and Other

Second Quarter Results – Enogex Holdings

Net income to OGE was \$25.0 million or \$0.25 per share in 2011. This compares to net income of \$18.6 million or \$0.19 per share in 2010. Primary drivers include:

In Millions of \$	2011	2010	Variance Fav/(Unfav)
Gross Margin	113.7	98.7	15.0
Operation & Maintenance	40.6	37.3	(3.3)
Net Other Income (Expense)	3.7	-	3.7
Interest Expense	5.7	7.4	1.7
Enogex Holdings Net Income	31.4	19.2	12.2
OGE Enogex Holdings Net Income <i>(OGE's Portion)</i>	25.0	18.6	6.4

Second Quarter Results - Enogex Holdings Gross Margin*








Drivers:

- Higher Commodity Prices
- Gathered Volumes up 2%

* 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 (\$2.1) million and (\$3.9) million, respectively, and the consolidated eliminations were (\$0.9) million and (\$0.4) million, respectively.

Key Regulatory Initiatives

Initiative	Status
Arkansas Rate Case	
SPP Cost Tracker	
FERC Transmission Rate Incentive Filing	
Demand and Energy Efficiency Program Filing - AR	
Smart Grid Filing – Arkansas	
Pension Tracker Modification – Oklahoma	Order Pending
Oklahoma Rate Case	Filed

Oklahoma Rate Case

- Filed July 28, 2011 requesting a \$73.3 million rate increase
- Requesting an 11% ROE on 53% equity
- Since the 2008 rate case, Oklahoma jurisdictional rate base has increased by \$565 million from \$2.8 billion to \$3.4 billion
- Approximately \$280 million of the increase in rate base is being recovered in the form of riders
- Operating expenses account for \$37 million of the requested increase
- Every 10 basis point change in ROE equates to a \$3 million change in revenue requirement

2011 Financial Outlook

- **OGE Energy projects earnings to exceed the top end of 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**

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Appendix

Projected Capital Expenditures 2011-2016

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Dollars in millions	2011	2012	2013	2014	2015	2016	TOTAL 2011 - 2016
OG&E Base Transmission	\$ 50	\$ 50	\$ 40	\$ 40	\$ 40	\$ 40	\$ 260
OG&E Base Distribution	215	200	200	200	200	200	1,215
OG&E Base Generation	105	80	70	70	70	70	465
OG&E Other	35	30	30	30	30	30	185
Total OG&E Base T&D, Gen & Other	405	360	340	340	340	340	2,125
OG&E Known and Committed Projects:							
Transmission Projects							
Sunnyside-Hugo (345 kV)	105	30	-	-	-	-	135
Sooner-Rose Hill (345 kV)	30	5	-	-	-	-	35
Balanced Portfolio 3E Projects	55	150	190	55	-	-	450
SPP Priority Projects	5	45	180	95	-	-	325
Total Transmission Projects	195	230	370	150	-	-	945
Other Projects:							
Smart Grid Program	75	60	25	25	10	10	205
Crossroads	235	35	-	-	-	-	270
System Hardening	20	-	-	-	-	-	20
Total Other Projects	330	95	25	25	10	10	495
Total OG&E Known and Committed Projects	525	325	395	175	10	10	1,440
Total OG&E	930	685	735	515	350	350	3,565
Enogex:							
Maintenance	75	50	55	60	60	65	365
Western OK & TX Panhandle Expansion	300	310	185	80	30	10	915
Other Gathering, Etc.	30	25	25	25	25	25	155
Enogex (Base Maintenance and Committed Projects)*	405	385	265	165	115	100	1,435
OGE Energy	20	25	25	25	25	25	145
TOTAL OGE Consolidated	\$ 1,355	\$ 1,095	\$ 1,025	\$ 705	\$ 490	\$ 475	\$ 5,145

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