



2nd Quarter 2012 Financial Overview

OGE Energy Corp. (NYSE: OGE), the parent company of Oklahoma Gas and Electric Company (OG&E) and OGE Enogex Holdings LLC, today reported earnings of \$0.95 per diluted share for the three months ended June 30, 2012 compared to \$1.04 per diluted share for the second quarter of 2011.

OG&E, a regulated electric utility, contributed earnings of \$0.74 per share in the second quarter, compared with earnings of \$0.79 per share in the second quarter last year. Enogex, a midstream natural gas business, contributed earnings of \$0.21 per share compared with earnings of \$0.25 per share in the year-ago quarter. The holding company posted breakeven results in both the second quarter of 2012 and 2011.

“Our utility and midstream businesses are on plan,” said Pete Delaney, OGE Energy chairman, president and CEO. “Despite the low natural gas price environment, the substantial drop in natural gas liquids prices and milder weather, we are pleased to report earnings growth for the first half of 2012.”

Discussion of Second Quarter 2012

OGE Energy's consolidated gross margin on revenues was \$446 million in the second quarter, compared with \$428 million a year ago. Net income attributable to OGE Energy was \$94 million in the second quarter, compared to \$103 million in the year-ago quarter.

OG&E's gross margin on revenues was \$323 million in the second quarter, compared with \$314 million in the comparable quarter last year. The increase was primarily due to revenues associated with various investments and higher transmission revenues partially offset by milder weather compared to last year. However, net income at the utility fell to \$73 million in the second quarter, compared with \$79 million a year earlier primarily due to higher operating expenses associated with additional plant in service.

Enogex's gross margin on revenues was \$121 million in the second quarter, compared with \$114 million in the comparable quarter last year. The increase was due to higher gross margins in the gathering and processing businesses as a result of strong volume growth partially offset by lower commodity prices. Increased operating expenses associated with system growth and a higher ownership percentage by OGE's equity partner outpaced the increase in gross margin as net income attributable to OGE Enogex Holdings decreased from \$25 million in the second quarter of 2011 to \$21 million in the second quarter of 2012. OGE Energy's portion of EBITDA likewise decreased from \$62 million in the second quarter of 2011 to \$60 million in the second quarter of 2012.

2012 Outlook

OGE Energy's consolidated earnings guidance for 2012 is unchanged at \$3.40 to \$3.60 per average diluted share. The guidance assumes normal weather for the remainder of the year and assumes new rates associated with the Oklahoma general rate case to be implemented in the August 2012 billing cycle. More information regarding the Company's 2012 earnings guidance is contained in the Company's First and Second Quarter 2012 10-Q's on file with the Securities and Exchange Commission.

Conference Call Webcast

OGE Energy will host a conference call for discussion of the results and the outlook for the rest of 2012 on Thursday, August 2, at 8 a.m. CDT. The conference will be available through www.oge.com. OGE Energy is the parent company of Oklahoma Gas and Electric Company (OG&E), which serves nearly 794,000 customers in a service territory spanning 30,000 square miles in Oklahoma and western Arkansas, and of OGE Enogex Holdings LLC, a midstream natural gas business with principal operations in Oklahoma.

Non-GAAP Financial Measures

Enogex has included in this release the non-GAAP financial measure EBITDA. Enogex defines EBITDA as net income attributable to Enogex Holdings before interest, income taxes and depreciation and amortization. EBITDA is a supplemental non-GAAP financial measure used by external users of the Company's financial statements such as investors, commercial banks and others, to assess:

- the financial performance of Enogex's assets without regard to financing methods, capital structure or historical cost basis;
- Enogex's operating performance and return on capital as compared to other companies in the midstream energy sector, without regard to financing or capital structure; and
- the viability of acquisitions and capital expenditure projects and the overall rates of return on alternative investment opportunities.

Enogex provides a reconciliation of EBITDA to net income attributable to Enogex Holdings, which Enogex considers to be its most directly comparable financial measure as calculated and presented in accordance with GAAP. The non-GAAP financial measure of EBITDA should not be considered as an alternative to GAAP net income attributable to Enogex Holdings. EBITDA is not a presentation made in accordance with GAAP and has important limitations as an analytical tool. EBITDA should not be considered in isolation or as a substitute for analysis of Enogex's results as reported under GAAP. Because EBITDA excludes some, but not all, items that affect net income and is defined differently by different companies in Enogex's industry, Enogex's definition of EBITDA may not be comparable to a similarly titled measure of other companies. To compensate for the limitations of EBITDA as an analytical tool, Enogex believes it is important to review the comparable GAAP measure and understand the differences between the measures. A reconciliation of EBITDA is below and is available on OGE Energy's website: www.oge.com.

Reconciliation of projected EBITDA to projected net income attributable to Enogex Holdings

| (In millions) | Twelve Months Ended December 31, 2012 (A)(B) | |
|--|---|-----|
| Net income attributable to Enogex Holdings | \$ | 176 |
| Add: | | |
| Interest expense, net | | 32 |
| Depreciation and amortization expense (C) | | 100 |
| EBITDA | \$ | 308 |
| OGE Energy's Portion | \$ | 250 |

(A) Based on midpoint of 2012 guidance.

(B) As of November 1, 2010, Enogex Holdings' earnings are no longer subject to tax (other than Texas state margin taxes) and are taxable at the individual partner level.

(C) Includes amortization of certain customer-based intangible assets associated with the acquisition from Cordillera Energy Partners III, LLC in November 2011, which is included in gross margin for financial reporting purposes.

Reconciliation of EBITDA to net income attributable to Enogex Holdings

| (In millions) | Three Months Ended June 30, | | Six Months Ended June 30, | |
|--|--------------------------------|---------|------------------------------|----------|
| | 2012 | 2011 | 2012 | 2011 |
| Net income attributable to Enogex Holdings | \$ 41.2 | \$ 46.7 | \$ 90.7 | \$ 81.2 |
| Add: | | | | |
| Interest expense, net | 7.4 | 5.6 | 15.0 | 12.0 |
| Income tax expense (A) | --- | --- | 0.1 | 0.1 |
| Depreciation and amortization expense (B) | 25.0 | 19.0 | 49.1 | 37.6 |
| EBITDA | \$ 73.6 | \$ 71.3 | \$ 154.9 | \$ 130.9 |
| OGE Energy's portion | \$ 59.8 | \$ 61.8 | \$ 125.9 | \$ 114.1 |

(A) As of November 1, 2010, Enogex Holdings' earnings are no longer subject to tax (other than Texas state margin taxes) and are taxable at the individual partner level.

(B) Includes amortization of certain customer-based intangible assets associated with the acquisition from Cordillera Energy Partners III, LLC in November 2011, which is included in gross margin for financial reporting purposes.

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 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; the cost of protecting assets against, or damage due to, terrorism or cyber-attacks and other catastrophic events; 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.

Note: Consolidated Statements of Income, Financial and Statistical Data attached.

OGE Energy Corp.
consolidated statements of income
(unaudited)

| | Three Months Ended | | Six Months Ended | |
|---|---|-----------|------------------|-----------|
| | June 30 | | June 30 | |
| | 2012 | 2011 | 2012 | 2011 |
| | <i>(In millions, except per share data)</i> | | | |
| OPERATING REVENUES | | | | |
| Electric Utility operating revenues | \$ 528.0 | \$ 568.7 | \$ 954.7 | \$ 990.8 |
| Natural Gas Midstream Operations operating revenues | 327.0 | 409.4 | 741.0 | 827.8 |
| Total operating revenues | 855.0 | 978.1 | 1,695.7 | 1,818.6 |
| COST OF GOODS SOLD (exclusive of depreciation and amortization shown below) | | | | |
| Electric Utility cost of goods sold | 192.7 | 242.5 | 376.3 | 450.0 |
| Natural Gas Midstream Operations cost of goods sold | 216.6 | 307.6 | 518.3 | 633.3 |
| Total cost of goods sold | 409.3 | 550.1 | 894.6 | 1,083.3 |
| Gross margin on revenues | 445.7 | 428.0 | 801.1 | 735.3 |
| OPERATING EXPENSES | | | | |
| Other operation and maintenance | 153.0 | 146.6 | 300.6 | 284.9 |
| Depreciation and amortization | 90.5 | 74.7 | 177.1 | 148.7 |
| Impairment of assets | 0.1 | - | 0.3 | - |
| Gain on insurance proceeds | - | - | (7.5) | - |
| Taxes other than income | 24.8 | 24.5 | 55.0 | 51.6 |
| Total operating expenses | 268.4 | 245.8 | 525.5 | 485.2 |
| OPERATING INCOME | 177.3 | 182.2 | 275.6 | 250.1 |
| OTHER INCOME (EXPENSE) | | | | |
| Interest income | 0.1 | 0.1 | 0.1 | 0.2 |
| Allowance for equity funds used during construction | 1.7 | 5.8 | 3.6 | 10.2 |
| Other income | 2.4 | 7.0 | 10.1 | 13.3 |
| Other expense | (3.6) | (3.5) | (5.5) | (5.8) |
| Net other income | 0.6 | 9.4 | 8.3 | 17.9 |
| INTEREST EXPENSE | | | | |
| Interest on long-term debt | 38.9 | 35.8 | 78.1 | 71.2 |
| Allowance for borrowed funds used during construction | (0.9) | (2.9) | (2.0) | (5.2) |
| Interest on short-term debt and other interest charges | 2.4 | 1.6 | 4.4 | 2.6 |
| Interest expense | 40.4 | 34.5 | 80.5 | 68.6 |
| INCOME BEFORE TAXES | 137.5 | 157.1 | 203.4 | 199.4 |
| INCOME TAX EXPENSE | 35.9 | 47.8 | 54.3 | 60.4 |
| NET INCOME | 101.6 | 109.3 | 149.1 | 139.0 |
| Less: Net income attributable to noncontrolling interests | 7.7 | 6.3 | 18.1 | 11.2 |
| NET INCOME ATTRIBUTABLE TO OGE ENERGY | \$ 93.9 | \$ 103.0 | \$ 131.0 | \$ 127.8 |
| BASIC AVERAGE COMMON SHARES OUTSTANDING | 98.6 | 98.0 | 98.4 | 97.8 |
| DILUTED AVERAGE COMMON SHARES OUTSTANDING | 98.9 | 99.3 | 98.8 | 99.2 |
| BASIC EARNINGS PER AVERAGE COMMON SHARE | | | | |
| ATTRIBUTABLE TO OGE ENERGY COMMON SHAREHOLDERS | \$ 0.95 | \$ 1.05 | \$ 1.33 | \$ 1.31 |
| DILUTED EARNINGS PER AVERAGE COMMON SHARE | | | | |
| ATTRIBUTABLE TO OGE ENERGY COMMON SHAREHOLDERS | \$ 0.95 | \$ 1.04 | \$ 1.33 | \$ 1.29 |
| DIVIDENDS DECLARED PER COMMON SHARE | \$ 0.3925 | \$ 0.3750 | \$ 0.7850 | \$ 0.7500 |

OGE Energy Corp.
financial and statistical data
(unaudited)

| | Three Months Ended | | Six Months Ended | |
|---|----------------------|-----------------|------------------|-----------------|
| | June 30 | | June 30 | |
| | 2012 | 2011 | 2012 | 2011 |
| | <i>(In millions)</i> | | | |
| ELECTRIC UTILITY | | | | |
| Operating revenues by classification | | | | |
| Residential | \$ 215.8 | \$ 234.4 | \$ 385.4 | \$ 411.2 |
| Commercial | 134.0 | 141.9 | 233.9 | 240.1 |
| Industrial | 51.1 | 55.9 | 95.3 | 100.0 |
| Oilfield | 40.7 | 42.7 | 77.3 | 77.6 |
| Public authorities and street light | 50.7 | 55.0 | 90.1 | 93.3 |
| Sales for resale | 13.1 | 14.9 | 25.9 | 28.1 |
| System sales revenues | 505.4 | 544.8 | 907.9 | 950.3 |
| Off-system sales revenues | 5.1 | 12.5 | 14.0 | 21.9 |
| Other | 17.5 | 11.4 | 32.8 | 18.6 |
| Total operating revenues | <u>\$ 528.0</u> | <u>\$ 568.7</u> | <u>\$ 954.7</u> | <u>\$ 990.8</u> |
| Sales of electricity - MWH (a) sales by classification | | | | |
| Residential | 2.2 | 2.3 | 4.1 | 4.5 |
| Commercial | 1.8 | 1.8 | 3.3 | 3.3 |
| Industrial | 1.0 | 1.0 | 2.0 | 1.9 |
| Oilfield | 0.9 | 0.8 | 1.7 | 1.6 |
| Public authorities and street light | 0.9 | 0.8 | 1.6 | 1.5 |
| Sales for resale | 0.3 | 0.4 | 0.6 | 0.7 |
| System sales | 7.1 | 7.1 | 13.3 | 13.5 |
| Off-system sales | 0.2 | 0.3 | 0.6 | 0.6 |
| Total sales | <u>7.3</u> | <u>7.4</u> | <u>13.9</u> | <u>14.1</u> |
| Number of customers | 793,998 | 786,125 | 793,998 | 786,125 |
| Weighted average cost of energy per KWH (b) - cents | | | | |
| Natural gas | 2.576 | 4.485 | 2.727 | 4.477 |
| Coal | 2.276 | 2.032 | 2.260 | 2.033 |
| Total fuel | 2.275 | 2.986 | 2.303 | 2.842 |
| Total fuel and purchased power | 2.669 | 3.255 | 2.701 | 3.156 |
| Degree days | | | | |
| Heating - Actual | 75 | 174 | 1,457 | 2,078 |
| Heating - Normal | 203 | 236 | 2,001 | 2,199 |
| Cooling - Actual | 793 | 885 | 854 | 926 |
| Cooling - Normal | 625 | 547 | 638 | 555 |
| NATURAL GAS MIDSTREAM OPERATIONS | | | | |
| Operating revenues | \$ 344.0 | \$ 430.1 | \$ 773.6 | \$ 872.5 |
| Operating income | \$ 48.5 | \$ 48.9 | \$ 107.2 | \$ 90.5 |
| Net income attributable to OGE Enogex Holdings | \$ 20.9 | \$ 25.0 | \$ 45.9 | \$ 43.8 |
| Net cash provided from operating activities | \$ 63.9 | \$ 86.9 | \$ 112.1 | \$ 136.1 |
| Capital expenditures | \$ 88.6 | \$ 109.5 | \$ 207.1 | \$ 174.6 |
| Gathered volumes - TBtu/d (c) | 1.40 | 1.36 | 1.37 | 1.33 |
| Incremental transportation volumes - TBtu/d (d) | 0.69 | 0.56 | 0.61 | 0.54 |
| Total throughput volumes - TBtu/d | <u>2.09</u> | <u>1.92</u> | <u>1.98</u> | <u>1.87</u> |
| Natural gas processed - TBtu/d | 0.98 | 0.76 | 0.95 | 0.76 |
| Natural gas liquids sold (keep-whole) - million gallons | 37 | 42 | 73 | 84 |
| Natural gas liquids sold (purchased for resale) - million gallons | 156 | 112 | 311 | 224 |
| Natural gas liquids sold (percent-of-liquids) - million gallons | 7 | 6 | 13 | 12 |
| Natural gas liquids sold (percent-of-proceeds) - million gallons | 3 | 1 | 7 | 2 |
| Total natural gas liquids sold - million gallons | <u>203</u> | <u>161</u> | <u>404</u> | <u>322</u> |
| Average natural gas liquids sales price per gallon | \$ 0.83 | \$ 1.24 | \$ 0.91 | \$ 1.17 |
| Average natural gas sales price per MMBtu (e) | \$ 2.23 | \$ 4.36 | \$ 2.49 | \$ 4.25 |

(a) Megawatt-hours.

(b) Kilowatt-hours.

(c) Trillion British thermal units per day.

(d) Incremental transportation volumes consist of natural gas moved only on the transportation pipeline.

(e) Million British thermal units.

OGE Energy Corp.
consolidated statements of income
(unaudited)

| | Three Months Ended | | Six Months Ended | |
|---|---|------------------|------------------|------------------|
| | June 30 | | June 30 | |
| | 2012 | 2011 | 2012 | 2011 |
| | <i>(In millions, except per share data)</i> | | | |
| OPERATING REVENUES | | | | |
| Electric Utility operating revenues | \$ 528.0 | \$ 568.7 | \$ 954.7 | \$ 990.8 |
| Natural Gas Midstream Operations operating revenues | 327.0 | 409.4 | 741.0 | 827.8 |
| Total operating revenues | <u>855.0</u> | <u>978.1</u> | <u>1,695.7</u> | <u>1,818.6</u> |
| COST OF GOODS SOLD (exclusive of depreciation and amortization shown below) | | | | |
| Electric Utility cost of goods sold | 192.7 | 242.5 | 376.3 | 450.0 |
| Natural Gas Midstream Operations cost of goods sold | 216.6 | 307.6 | 518.3 | 633.3 |
| Total cost of goods sold | <u>409.3</u> | <u>550.1</u> | <u>894.6</u> | <u>1,083.3</u> |
| Gross margin on revenues | 445.7 | 428.0 | 801.1 | 735.3 |
| OPERATING EXPENSES | | | | |
| Other operation and maintenance | 153.0 | 146.6 | 300.6 | 284.9 |
| Depreciation and amortization | 90.5 | 74.7 | 177.1 | 148.7 |
| Impairment of assets | 0.1 | - | 0.3 | - |
| Gain on insurance proceeds | - | - | (7.5) | - |
| Taxes other than income | 24.8 | 24.5 | 55.0 | 51.6 |
| Total operating expenses | <u>268.4</u> | <u>245.8</u> | <u>525.5</u> | <u>485.2</u> |
| OPERATING INCOME | 177.3 | 182.2 | 275.6 | 250.1 |
| OTHER INCOME (EXPENSE) | | | | |
| Interest income | 0.1 | 0.1 | 0.1 | 0.2 |
| Allowance for equity funds used during construction | 1.7 | 5.8 | 3.6 | 10.2 |
| Other income | 2.4 | 7.0 | 10.1 | 13.3 |
| Other expense | (3.6) | (3.5) | (5.5) | (5.8) |
| Net other income | <u>0.6</u> | <u>9.4</u> | <u>8.3</u> | <u>17.9</u> |
| INTEREST EXPENSE | | | | |
| Interest on long-term debt | 38.9 | 35.8 | 78.1 | 71.2 |
| Allowance for borrowed funds used during construction | (0.9) | (2.9) | (2.0) | (5.2) |
| Interest on short-term debt and other interest charges | 2.4 | 1.6 | 4.4 | 2.6 |
| Interest expense | <u>40.4</u> | <u>34.5</u> | <u>80.5</u> | <u>68.6</u> |
| INCOME BEFORE TAXES | 137.5 | 157.1 | 203.4 | 199.4 |
| INCOME TAX EXPENSE | 35.9 | 47.8 | 54.3 | 60.4 |
| NET INCOME | 101.6 | 109.3 | 149.1 | 139.0 |
| Less: Net income attributable to noncontrolling interests | 7.7 | 6.3 | 18.1 | 11.2 |
| NET INCOME ATTRIBUTABLE TO OGE ENERGY | <u>\$ 93.9</u> | <u>\$ 103.0</u> | <u>\$ 131.0</u> | <u>\$ 127.8</u> |
| BASIC AVERAGE COMMON SHARES OUTSTANDING | 98.6 | 98.0 | 98.4 | 97.8 |
| DILUTED AVERAGE COMMON SHARES OUTSTANDING | 98.9 | 99.3 | 98.8 | 99.2 |
| BASIC EARNINGS PER AVERAGE COMMON SHARE | | | | |
| ATTRIBUTABLE TO OGE ENERGY COMMON SHAREHOLDERS | <u>\$ 0.95</u> | <u>\$ 1.05</u> | <u>\$ 1.33</u> | <u>\$ 1.31</u> |
| DILUTED EARNINGS PER AVERAGE COMMON SHARE | | | | |
| ATTRIBUTABLE TO OGE ENERGY COMMON SHAREHOLDERS | <u>\$ 0.95</u> | <u>\$ 1.04</u> | <u>\$ 1.33</u> | <u>\$ 1.29</u> |
| DIVIDENDS DECLARED PER COMMON SHARE | <u>\$ 0.3925</u> | <u>\$ 0.3750</u> | <u>\$ 0.7850</u> | <u>\$ 0.7500</u> |

OGE Energy Corp.
consolidated statements of retained earnings
(unaudited)

| | Three Months Ended | | Six Months Ended | |
|---------------------------------------|----------------------|-------------------|-------------------|-------------------|
| | June 30 | | June 30 | |
| | 2012 | 2011 | 2012 | 2011 |
| | <i>(In millions)</i> | | | |
| BALANCE AT BEGINNING OF PERIOD | \$ 1,573.2 | \$ 1,368.7 | \$ 1,574.8 | \$ 1,380.6 |
| Net income attributable to OGE Energy | 93.9 | 103.0 | 131.0 | 127.8 |
| Dividends declared on common stock | (38.7) | (36.8) | (77.4) | (73.5) |
| BALANCE AT END OF PERIOD | <u>\$ 1,628.4</u> | <u>\$ 1,434.9</u> | <u>\$ 1,628.4</u> | <u>\$ 1,434.9</u> |

capitalization ratios
(unaudited)

| | June 30 | December 31 |
|--|---------|-------------|
| | 2012 | 2011 |
| Stockholders' equity | 51.3% | 50.7% |
| Long-term debt (includes long-term debt due within one year) | 48.7% | 49.3% |

OGE Energy Corp.
consolidated statements of cash flows
(unaudited)

| | Six Months Ended | |
|--|----------------------|----------------|
| | June 30 | |
| | 2012 | 2011 |
| | <i>(In millions)</i> | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net income | \$ 149.1 | \$ 139.0 |
| Adjustments to reconcile net income to net cash provided from operating activities | | |
| Depreciation and amortization | 177.1 | 148.7 |
| Impairment of assets | 0.3 | - |
| Deferred income taxes and investment tax credits, net | 63.1 | 60.3 |
| Allowance for equity funds used during construction | (3.6) | (10.2) |
| (Gain) loss on disposition and abandonment of assets | 0.7 | (3.3) |
| Gain on insurance proceeds | (7.5) | - |
| Stock-based compensation | (9.4) | 0.4 |
| Price risk management assets | 2.8 | 1.1 |
| Price risk management liabilities | (5.4) | 6.8 |
| Regulatory assets | 10.3 | 6.8 |
| Regulatory liabilities | (7.6) | 3.3 |
| Other assets | 4.8 | 5.4 |
| Other liabilities | (26.6) | (38.3) |
| Change in certain current assets and liabilities | | |
| Accounts receivable, net | 19.9 | (47.0) |
| Accrued unbilled revenues | (25.3) | (39.8) |
| Income taxes receivable | (8.8) | - |
| Fuel, materials and supplies inventories | (3.6) | 33.9 |
| Gas imbalance assets | (8.3) | (3.6) |
| Fuel clause under recoveries | 1.1 | (21.4) |
| Other current assets | (13.0) | 3.5 |
| Accounts payable | (92.6) | (6.1) |
| Gas imbalance liabilities | (8.3) | 1.0 |
| Fuel clause over recoveries | 57.7 | (20.6) |
| Other current liabilities | 14.6 | 26.6 |
| Net Cash Provided from Operating Activities | <u>281.5</u> | <u>246.5</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Capital expenditures (less allowance for equity funds used during construction) | (558.5) | (571.8) |
| Reimbursement of capital expenditures | 23.4 | 21.6 |
| Proceeds from insurance | 7.6 | - |
| Proceeds from sale of assets | 0.6 | 17.5 |
| Net Cash Used in Investing Activities | <u>(526.9)</u> | <u>(532.7)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Increase in short-term debt | 319.6 | 66.1 |
| Issuance of common stock | 7.0 | 7.5 |
| Contributions from noncontrolling interest partners | 1.0 | 73.5 |
| Proceeds from long-term debt | - | 246.3 |
| Repayment of line of credit | - | (25.0) |
| Distributions to noncontrolling interest partners | (8.0) | (6.1) |
| Dividends paid on common stock | (77.1) | (73.3) |
| Net Cash Provided from Financing Activities | <u>242.5</u> | <u>289.0</u> |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | (2.9) | 2.8 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD | 4.6 | 2.3 |
| CASH AND CASH EQUIVALENTS AT END OF PERIOD | <u>\$ 1.7</u> | <u>\$ 5.1</u> |

OGE Energy Corp.
consolidated balance sheets
(unaudited)

| | June 30 2012 | December 31 2011 |
|--|--------------------------|-----------------------------|
| | <i>(In millions)</i> | |
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash and cash equivalents | \$ 1.7 | \$ 4.6 |
| Accounts receivable, less reserve of \$1.5 and \$3.8, respectively | 302.6 | 322.5 |
| Accrued unbilled revenues | 84.6 | 59.3 |
| Income taxes receivable | 17.1 | 8.3 |
| Fuel inventories | 101.1 | 100.7 |
| Materials and supplies, at average cost | 90.4 | 87.2 |
| Price risk management | 0.9 | 3.5 |
| Gas imbalances | 10.1 | 1.8 |
| Deferred income taxes | 74.7 | 32.1 |
| Fuel clause under recoveries | 0.7 | 1.8 |
| Other | 43.9 | 30.9 |
| Total current assets | <u>727.8</u> | <u>652.7</u> |
| OTHER PROPERTY AND INVESTMENTS, at cost | 48.8 | 46.7 |
| PROPERTY, PLANT AND EQUIPMENT | | |
| In service | 10,956.3 | 10,315.9 |
| Construction work in progress | 363.1 | 499.0 |
| Total property, plant and equipment | <u>11,319.4</u> | <u>10,814.9</u> |
| Less accumulated depreciation | <u>3,455.7</u> | <u>3,340.9</u> |
| Net property, plant and equipment | 7,863.7 | 7,474.0 |
| DEFERRED CHARGES AND OTHER ASSETS | | |
| Regulatory assets | 494.1 | 507.9 |
| Intangible assets, net | 132.2 | 137.0 |
| Goodwill | 39.4 | 39.4 |
| Price risk management | 0.1 | 0.3 |
| Other | 45.3 | 48.0 |
| Total deferred charges and other assets | <u>711.1</u> | <u>732.6</u> |
| TOTAL ASSETS | <u><u>\$ 9,351.4</u></u> | <u><u>\$ 8,906.0</u></u> |

OGE Energy Corp.
consolidated balance sheets
(unaudited)

| | June 30 | December 31 |
|---|--------------------------|--------------------------|
| | 2012 | 2011 |
| | <i>(In millions)</i> | |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| CURRENT LIABILITIES | | |
| Short-term debt | \$ 596.7 | \$ 277.1 |
| Accounts payable | 274.5 | 388.0 |
| Dividends payable | 38.7 | 38.5 |
| Customer deposits | 69.4 | 67.6 |
| Accrued taxes | 45.7 | 42.3 |
| Accrued interest | 54.8 | 54.8 |
| Accrued compensation | 37.2 | 47.8 |
| Price risk management | 0.4 | 0.4 |
| Gas imbalances | 1.5 | 9.8 |
| Fuel clause over recoveries | 65.4 | 7.7 |
| Other | 84.5 | 64.5 |
| Total current liabilities | <u>1,268.8</u> | <u>998.5</u> |
| LONG-TERM DEBT | 2,737.5 | 2,737.1 |
| DEFERRED CREDITS AND OTHER LIABILITIES | | |
| Accrued benefit obligations | 334.1 | 360.8 |
| Deferred income taxes | 1,757.2 | 1,651.4 |
| Deferred investment tax credits | 5.0 | 6.1 |
| Regulatory liabilities | 242.5 | 230.7 |
| Deferred revenues | 40.5 | 40.8 |
| Price risk management | - | 0.1 |
| Other | 87.6 | 61.2 |
| Total deferred credits and other liabilities | <u>2,466.9</u> | <u>2,351.1</u> |
| Total liabilities | <u>6,473.2</u> | <u>6,086.7</u> |
| STOCKHOLDERS' EQUITY | | |
| Common stockholders' equity | 1,028.2 | 1,035.3 |
| Retained earnings | 1,628.4 | 1,574.8 |
| Accumulated other comprehensive loss, net of tax | (41.5) | (40.6) |
| Treasury stock, at cost | (0.1) | (6.2) |
| Total OGE Energy stockholders' equity | <u>2,615.0</u> | <u>2,563.3</u> |
| Noncontrolling interests | 263.2 | 256.0 |
| Total stockholders' equity | <u>2,878.2</u> | <u>2,819.3</u> |
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY | <u><u>\$ 9,351.4</u></u> | <u><u>\$ 8,906.0</u></u> |

OGE Energy Corp.
financial and statistical data
(unaudited)

| | Three Months Ended | | Six Months Ended | |
|---|--------------------|-----------------|------------------|-----------------|
| | June 30 | | June 30 | |
| | 2012 | 2011 | 2012 | 2011 |
| <i>(In millions)</i> | | | | |
| ELECTRIC UTILITY | | | | |
| Operating revenues by classification | | | | |
| Residential | \$ 215.8 | \$ 234.4 | \$ 385.4 | \$ 411.2 |
| Commercial | 134.0 | 141.9 | 233.9 | 240.1 |
| Industrial | 51.1 | 55.9 | 95.3 | 100.0 |
| Oilfield | 40.7 | 42.7 | 77.3 | 77.6 |
| Public authorities and street light | 50.7 | 55.0 | 90.1 | 93.3 |
| Sales for resale | 13.1 | 14.9 | 25.9 | 28.1 |
| System sales revenues | 505.4 | 544.8 | 907.9 | 950.3 |
| Off-system sales revenues | 5.1 | 12.5 | 14.0 | 21.9 |
| Other | 17.5 | 11.4 | 32.8 | 18.6 |
| Total operating revenues | <u>\$ 528.0</u> | <u>\$ 568.7</u> | <u>\$ 954.7</u> | <u>\$ 990.8</u> |
| Sales of electricity - MWH (a) sales by classification | | | | |
| Residential | 2.2 | 2.3 | 4.1 | 4.5 |
| Commercial | 1.8 | 1.8 | 3.3 | 3.3 |
| Industrial | 1.0 | 1.0 | 2.0 | 1.9 |
| Oilfield | 0.9 | 0.8 | 1.7 | 1.6 |
| Public authorities and street light | 0.9 | 0.8 | 1.6 | 1.5 |
| Sales for resale | 0.3 | 0.4 | 0.6 | 0.7 |
| System sales | 7.1 | 7.1 | 13.3 | 13.5 |
| Off-system sales | 0.2 | 0.3 | 0.6 | 0.6 |
| Total sales | <u>7.3</u> | <u>7.4</u> | <u>13.9</u> | <u>14.1</u> |
| Number of customers | 793,998 | 786,125 | 793,998 | 786,125 |
| Weighted average cost of energy per KWH (b) - cents | | | | |
| Natural gas | 2.576 | 4.485 | 2.727 | 4.477 |
| Coal | 2.276 | 2.032 | 2.260 | 2.033 |
| Total fuel | 2.275 | 2.986 | 2.303 | 2.842 |
| Total fuel and purchased power | 2.669 | 3.255 | 2.701 | 3.156 |
| Degree days | | | | |
| Heating - Actual | 75 | 174 | 1,457 | 2,078 |
| Heating - Normal | 203 | 236 | 2,001 | 2,199 |
| Cooling - Actual | 793 | 885 | 854 | 926 |
| Cooling - Normal | 625 | 547 | 638 | 555 |
| NATURAL GAS MIDSTREAM OPERATIONS | | | | |
| Operating revenues | \$ 344.0 | \$ 430.1 | \$ 773.6 | \$ 872.5 |
| Operating income | \$ 48.5 | \$ 48.9 | \$ 107.2 | \$ 90.5 |
| Net income attributable to OGE Enogex Holdings | \$ 20.9 | \$ 25.0 | \$ 45.9 | \$ 43.8 |
| Net cash provided from operating activities | \$ 63.9 | \$ 86.9 | \$ 112.1 | \$ 136.1 |
| Capital expenditures | \$ 88.6 | \$ 109.5 | \$ 207.1 | \$ 174.6 |
| Gathered volumes - TBtu/d (c) | 1.40 | 1.36 | 1.37 | 1.33 |
| Incremental transportation volumes - TBtu/d (d) | 0.69 | 0.56 | 0.61 | 0.54 |
| Total throughput volumes - TBtu/d | <u>2.09</u> | <u>1.92</u> | <u>1.98</u> | <u>1.87</u> |
| Natural gas processed - TBtu/d | 0.98 | 0.76 | 0.95 | 0.76 |
| Natural gas liquids sold (keep-whole) - million gallons | 37 | 42 | 73 | 84 |
| Natural gas liquids sold (purchased for resale) - million gallons | 156 | 112 | 311 | 224 |
| Natural gas liquids sold (percent-of-liquids) - million gallons | 7 | 6 | 13 | 12 |
| Natural gas liquids sold (percent-of-proceeds) - million gallons | 3 | 1 | 7 | 2 |
| Total natural gas liquids sold - million gallons | <u>203</u> | <u>161</u> | <u>404</u> | <u>322</u> |
| Average natural gas liquids sales price per gallon | \$ 0.83 | \$ 1.24 | \$ 0.91 | \$ 1.17 |
| Average natural gas sales price per MMBtu (e) | \$ 2.23 | \$ 4.36 | \$ 2.49 | \$ 4.25 |

(a) Megawatt-hours.

(b) Kilowatt-hours.

(c) Trillion British thermal units per day.

(d) Incremental transportation volumes consist of natural gas moved only on the transportation pipeline.

(e) Million British thermal units.

Oklahoma Gas and Electric Company
statements of income
(unaudited)

| | Three Months Ended | | Six Months Ended | |
|---|---|----------|------------------|----------|
| | June 30 | | June 30 | |
| | 2012 | 2011 | 2012 | 2011 |
| | <i>(In millions, except per share data)</i> | | | |
| OPERATING REVENUES | \$ 528.0 | \$ 568.7 | \$ 954.7 | \$ 990.8 |
| COST OF GOODS SOLD (exclusive of depreciation and amortization shown below) | 204.6 | 254.3 | 400.1 | 473.7 |
| Gross margin on revenues | 323.4 | 314.4 | 554.6 | 517.1 |
| OPERATING EXPENSES | | | | |
| Other operation and maintenance | 114.7 | 110.2 | 225.3 | 216.0 |
| Depreciation and amortization | 62.7 | 52.1 | 122.4 | 103.9 |
| Taxes other than income | 18.2 | 18.8 | 39.3 | 37.9 |
| Total operating expenses | 195.6 | 181.1 | 387.0 | 357.8 |
| OPERATING INCOME | 127.8 | 133.3 | 167.6 | 159.3 |
| OTHER INCOME (EXPENSE) | | | | |
| Interest income | 0.1 | 0.1 | 0.1 | 0.2 |
| Allowance for equity funds used during construction | 1.7 | 5.8 | 3.6 | 10.2 |
| Other income | 0.7 | 1.3 | 5.9 | 6.3 |
| Other expense | (0.6) | (0.9) | (1.3) | (1.5) |
| Net other income | 1.9 | 6.3 | 8.3 | 15.2 |
| INTEREST EXPENSE | | | | |
| Interest on long-term debt | 31.1 | 29.1 | 62.1 | 56.9 |
| Allowance for borrowed funds used during construction | (0.9) | (2.9) | (2.0) | (5.2) |
| Interest on short-term debt and other interest charges | 0.9 | 1.1 | 1.9 | 1.7 |
| Interest expense | 31.1 | 27.3 | 62.0 | 53.4 |
| INCOME BEFORE TAXES | 98.6 | 112.3 | 113.9 | 121.1 |
| INCOME TAX EXPENSE | 25.2 | 33.7 | 28.4 | 36.1 |
| NET INCOME | \$ 73.4 | \$ 78.6 | \$ 85.5 | \$ 85.0 |
| BASIC AVERAGE COMMON SHARES OUTSTANDING | 98.6 | 98.0 | 98.4 | 97.8 |
| DILUTED AVERAGE COMMON SHARES OUTSTANDING | 98.9 | 99.3 | 98.8 | 99.2 |
| BASIC EARNINGS PER AVERAGE COMMON SHARE | | | | |
| ATTRIBUTABLE TO OGE ENERGY COMMON SHAREHOLDERS | \$ 0.74 | \$ 0.80 | \$ 0.87 | \$ 0.87 |
| DILUTED EARNINGS PER AVERAGE COMMON SHARE | | | | |
| ATTRIBUTABLE TO OGE ENERGY COMMON SHAREHOLDERS | \$ 0.74 | \$ 0.79 | \$ 0.87 | \$ 0.86 |

Oklahoma Gas and Electric Company
statements of cash flows
(unaudited)

Six Months Ended
June 30

| | 2012 | 2011 |
|--|----------------------|----------------|
| | <i>(In millions)</i> | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net income | \$ 85.5 | \$ 85.0 |
| Adjustments to reconcile net income to net cash provided from operating activities | | |
| Depreciation and amortization | 122.4 | 103.9 |
| Deferred income taxes and investment tax credits, net | 37.3 | 36.1 |
| Allowance for equity funds used during construction | (3.6) | (10.2) |
| Stock-based compensation expense | 1.2 | 1.6 |
| Regulatory assets | 10.3 | 6.8 |
| Regulatory liabilities | (7.6) | 3.3 |
| Other assets | 1.9 | 2.9 |
| Other liabilities | (32.9) | (45.2) |
| Change in certain current assets and liabilities | | |
| Accounts receivable, net | (13.4) | (40.2) |
| Accrued unbilled revenues | (25.3) | (39.8) |
| Fuel, materials and supplies inventories | (9.1) | 29.3 |
| Gas imbalance assets | (0.3) | - |
| Fuel clause under recoveries | 1.1 | (21.4) |
| Other current assets | (12.9) | 2.0 |
| Accounts payable | (28.5) | (7.9) |
| Accounts payable - affiliates | 0.3 | 1.5 |
| Income taxes payable - parent | (9.0) | - |
| Fuel clause over recoveries | 57.7 | (20.6) |
| Other current liabilities | 16.0 | 28.9 |
| Net Cash Provided from Operating Activities | <u>191.1</u> | <u>116.0</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Capital expenditures (less allowance for equity funds used during construction) | (343.3) | (393.0) |
| Reimbursement of capital expenditures | 23.4 | 21.6 |
| Proceeds from sale of assets | 0.4 | 0.4 |
| Net Cash Used in Investing Activities | <u>(319.5)</u> | <u>(371.0)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Changes in advances with parent | 128.4 | (41.3) |
| Proceeds from long-term debt | - | 246.3 |
| Capital contribution from OGE Energy | - | 50.0 |
| Net Cash Provided from Financing Activities | <u>128.4</u> | <u>255.0</u> |
| NET CHANGE IN CASH AND CASH EQUIVALENTS | <u>-</u> | <u>-</u> |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD | <u>-</u> | <u>-</u> |
| CASH AND CASH EQUIVALENTS AT END OF PERIOD | <u>\$ -</u> | <u>\$ -</u> |

Oklahoma Gas and Electric Company
balance sheets
(unaudited)

| | <u>June 30</u> <u>2012</u> | <u>December 31</u> <u>2011</u> |
|--|-------------------------------|-----------------------------------|
| | <i>(In millions)</i> | |
| ASSETS | | |
| CURRENT ASSETS | | |
| Accounts receivable, less reserve of \$1.5 and \$3.7, respectively | \$ 195.8 | \$ 182.4 |
| Accrued unbilled revenues | 84.6 | 59.3 |
| Advances to parent | - | 97.2 |
| Fuel inventories | 82.9 | 76.9 |
| Materials and supplies, at average cost | 84.2 | 81.1 |
| Gas imbalances | 0.3 | - |
| Deferred income taxes | 45.3 | 10.3 |
| Fuel clause under recoveries | 0.7 | 1.8 |
| Other | 40.9 | 28.0 |
| Total current assets | <u>534.7</u> | <u>537.0</u> |
| OTHER PROPERTY AND INVESTMENTS, at cost | 2.7 | 2.7 |
| PROPERTY, PLANT AND EQUIPMENT | | |
| In service | 8,248.4 | 7,808.8 |
| Construction work in progress | 195.9 | 334.4 |
| Total property, plant and equipment | <u>8,444.3</u> | <u>8,143.2</u> |
| Less accumulated depreciation | <u>2,665.9</u> | <u>2,592.3</u> |
| Net property, plant and equipment | 5,778.4 | 5,550.9 |
| DEFERRED CHARGES AND OTHER ASSETS | | |
| Regulatory assets | 494.1 | 507.9 |
| Other | 23.3 | 22.4 |
| Total deferred charges and other assets | <u>517.4</u> | <u>530.3</u> |
| TOTAL ASSETS | <u><u>\$ 6,833.2</u></u> | <u><u>\$ 6,620.9</u></u> |

Oklahoma Gas and Electric Company
balance sheets
(unaudited)

| | June 30 | December 31 |
|---|----------------------|--------------------|
| | 2012 | 2011 |
| | <i>(In millions)</i> | |
| LIABILITIES AND STOCKHOLDER'S EQUITY | | |
| CURRENT LIABILITIES | | |
| Accounts payable - affiliates | \$ 1.6 | \$ 1.3 |
| Accounts payable - other | 143.8 | 193.4 |
| Advances from parent | 22.2 | - |
| Customer deposits | 67.6 | 65.7 |
| Accrued taxes | 35.4 | 33.5 |
| Accrued interest | 43.2 | 43.2 |
| Accrued compensation | 22.5 | 26.6 |
| Price risk management | 2.2 | 2.2 |
| Fuel clause over recoveries | 65.4 | 7.7 |
| Other | 72.8 | 56.5 |
| Total current liabilities | <u>476.7</u> | <u>430.1</u> |
| LONG-TERM DEBT | 2,039.4 | 2,039.2 |
| DEFERRED CREDITS AND OTHER LIABILITIES | | |
| Accrued benefit obligations | 199.6 | 230.8 |
| Deferred income taxes | 1,218.3 | 1,146.0 |
| Deferred investment tax credits | 5.0 | 6.1 |
| Regulatory liabilities | 242.5 | 230.7 |
| Price risk management | 1.0 | 1.8 |
| Other | 69.5 | 42.2 |
| Total deferred credits and other liabilities | <u>1,735.9</u> | <u>1,657.6</u> |
| Total liabilities | <u>4,252.0</u> | <u>4,126.9</u> |
| STOCKHOLDER'S EQUITY | | |
| Common stockholder's equity | 1,012.6 | 1,011.4 |
| Retained earnings | 1,570.6 | 1,485.1 |
| Accumulated other comprehensive loss, net of tax | (2.0) | (2.5) |
| Total stockholder's equity | <u>2,581.2</u> | <u>2,494.0</u> |
| TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY | <u>\$ 6,833.2</u> | <u>\$ 6,620.9</u> |

OGE Enogex Holdings LLC and subsidiaries
consolidated statements of income
(unaudited)

| | Three Months Ended | | Six Months Ended | |
|---|---|----------|------------------|----------|
| | June 30 | | June 30 | |
| | 2012 | 2011 | 2012 | 2011 |
| | <i>(In millions, except per share data)</i> | | | |
| OPERATING REVENUES | \$ 344.0 | \$ 430.1 | \$ 773.6 | \$ 872.5 |
| COST OF GOODS SOLD (exclusive of depreciation and amortization shown below) | 222.6 | 316.4 | 527.9 | 654.7 |
| Gross margin on revenues | 121.4 | 113.7 | 245.7 | 217.8 |
| OPERATING EXPENSES | | | | |
| Other operation and maintenance | 42.8 | 40.6 | 85.0 | 77.8 |
| Depreciation and amortization | 24.3 | 19.3 | 47.7 | 38.2 |
| Impairment of assets | 0.1 | - | 0.3 | - |
| Gain on insurance proceeds | - | - | (7.5) | - |
| Taxes other than income | 5.7 | 4.9 | 13.0 | 11.3 |
| Total operating expenses | 72.9 | 64.8 | 138.5 | 127.3 |
| OPERATING INCOME | 48.5 | 48.9 | 107.2 | 90.5 |
| OTHER INCOME (EXPENSE) | | | | |
| Other income | - | 3.8 | 0.2 | 4.0 |
| Other expense | (0.1) | (0.1) | (0.7) | (0.5) |
| Net other income (expense) | (0.1) | 3.7 | (0.5) | 3.5 |
| INTEREST EXPENSE | | | | |
| Interest on long-term debt | 6.5 | 5.4 | 13.3 | 11.6 |
| Other interest charges | 0.9 | 0.3 | 1.7 | 0.5 |
| Interest expense | 7.4 | 5.7 | 15.0 | 12.1 |
| INCOME BEFORE TAXES | 41.0 | 46.9 | 91.7 | 81.9 |
| INCOME TAX EXPENSE | 12.6 | 15.5 | 27.9 | 26.9 |
| NET INCOME | 28.4 | 31.4 | 63.8 | 55.0 |
| Less: Net income attributable to noncontrolling interests | 7.5 | 6.4 | 17.9 | 11.2 |
| NET INCOME ATTRIBUTABLE TO OGE ENOGEX HOLDINGS LLC | \$ 20.9 | \$ 25.0 | \$ 45.9 | \$ 43.8 |
| BASIC AVERAGE COMMON SHARES OUTSTANDING | 98.6 | 98.0 | 98.4 | 97.8 |
| DILUTED AVERAGE COMMON SHARES OUTSTANDING | 98.9 | 99.3 | 98.8 | 99.2 |
| BASIC EARNINGS PER AVERAGE COMMON SHARE | | | | |
| ATTRIBUTABLE TO OGE ENERGY COMMON SHAREHOLDERS | \$ 0.21 | \$ 0.26 | \$ 0.47 | \$ 0.45 |
| DILUTED EARNINGS PER AVERAGE COMMON SHARE | | | | |
| ATTRIBUTABLE TO OGE ENERGY COMMON SHAREHOLDERS | \$ 0.21 | \$ 0.25 | \$ 0.46 | \$ 0.44 |

***OGE Enogex Holdings LLC and subsidiaries
consolidated statements of cash flows
(unaudited)***

| | Six Months Ended | |
|--|-------------------------|----------------------|
| | June 30 | |
| | 2012 | 2011 |
| | <i>(In millions)</i> | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net income | \$ 63.8 | \$ 55.0 |
| Adjustments to reconcile net income to net cash provided from operating activities | | |
| Depreciation and amortization | 47.7 | 38.2 |
| Impairment of assets | 0.3 | - |
| Deferred income taxes, net | 27.9 | 26.8 |
| (Gain) loss on disposition and abandonment of assets | 0.7 | (3.3) |
| Gain on insurance proceeds | (7.5) | - |
| Stock-based compensation | 1.5 | 2.1 |
| Price risk management assets | 3.6 | 1.6 |
| Price risk management liabilities | (5.5) | 6.7 |
| Other assets | 4.1 | 4.7 |
| Other liabilities | 4.9 | 2.5 |
| Change in certain current assets and liabilities | | |
| Accounts receivable, net | 33.2 | (6.9) |
| Accounts receivable - affiliates | (0.3) | (1.5) |
| Natural gas, natural gas liquids, materials and supplies inventories | 4.9 | 4.1 |
| Gas imbalance assets | (8.0) | (3.6) |
| Other current assets | (0.1) | 1.0 |
| Accounts payable | (52.7) | 11.0 |
| Gas imbalance liabilities | (8.2) | 1.0 |
| Other current liabilities | 1.8 | (3.3) |
| Net Cash Provided from Operating Activities | <u>112.1</u> | <u>136.1</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Capital expenditures | (207.1) | (174.6) |
| Proceeds from insurance | 7.6 | - |
| Proceeds from sale of assets | 0.2 | 17.1 |
| Net Cash Used in Investing Activities | <u>(199.3)</u> | <u>(157.5)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Changes in advances with parent | 133.2 | 17.6 |
| Contributions from noncontrolling interest partners | 1.0 | 71.6 |
| Capital contribution from OGE Energy | - | 8.0 |
| Repayment of line of credit | - | (25.0) |
| Purchase of treasury stock | (7.4) | - |
| Distributions to noncontrolling interest partners | (8.0) | (6.1) |
| Distributions to OGE Energy | (34.5) | (41.9) |
| Net Cash Provided from Financing Activities | <u>84.3</u> | <u>24.2</u> |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | (2.9) | 2.8 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD | 4.6 | 2.3 |
| CASH AND CASH EQUIVALENTS AT END OF PERIOD | <u>\$ 1.7</u> | <u>\$ 5.1</u> |

***OGE Enogex Holdings LLC and subsidiaries
consolidated balance sheets
(unaudited)***

| | June 30 2012 | December 31 2011 |
|---|-------------------------|-----------------------------|
| | <i>(In millions)</i> | |
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash and cash equivalents | \$ 1.7 | \$ 4.6 |
| Accounts receivable, less reserve of less than \$0.1 each | 106.8 | 140.1 |
| Accounts receivable - affiliates | 1.6 | 1.3 |
| Natural gas and natural gas liquids inventories | 18.2 | 23.7 |
| Materials and supplies, at average cost | 4.4 | 3.8 |
| Price risk management | 3.1 | 5.7 |
| Gas imbalances | 9.8 | 1.8 |
| Deferred income taxes | 16.8 | 11.7 |
| Other | 4.0 | 3.9 |
| Total current assets | 166.4 | 196.6 |
| OTHER PROPERTY AND INVESTMENTS, at cost | 1.4 | 1.5 |
| PROPERTY, PLANT AND EQUIPMENT | | |
| In service | 2,580.9 | 2,386.5 |
| Construction work in progress | 162.3 | 160.6 |
| Total property, plant and equipment | 2,743.2 | 2,547.1 |
| Less accumulated depreciation | 692.9 | 658.0 |
| Net property, plant and equipment | 2,050.3 | 1,889.1 |
| DEFERRED CHARGES AND OTHER ASSETS | | |
| Intangible assets, net | 132.2 | 137.0 |
| Goodwill | 39.4 | 39.4 |
| Price risk management | 1.1 | 2.1 |
| Other | 21.3 | 23.3 |
| Total deferred charges and other assets | 194.0 | 201.8 |
| TOTAL ASSETS | \$ 2,412.1 | \$ 2,289.0 |

OGE Enogex Holdings LLC and subsidiaries
consolidated balance sheets
(unaudited)

| | June 30 | December 31 |
|--|--------------------------|--------------------------|
| | 2012 | 2011 |
| | <i>(In millions)</i> | |
| LIABILITIES AND MEMBER'S INTEREST | | |
| CURRENT LIABILITIES | | |
| Accounts payable | \$ 118.0 | \$ 170.7 |
| Advances from parent | 194.6 | 61.4 |
| Customer deposits | 1.8 | 1.9 |
| Accrued taxes | 10.0 | 8.6 |
| Accrued interest | 11.0 | 11.0 |
| Accrued compensation | 7.8 | 10.9 |
| Price risk management | 0.4 | 0.4 |
| Gas imbalances | 1.5 | 9.7 |
| Other | 15.1 | 11.3 |
| Total current liabilities | <u>360.2</u> | <u>285.9</u> |
| LONG-TERM DEBT | 598.3 | 598.1 |
| DEFERRED CREDITS AND OTHER LIABILITIES | | |
| Accrued benefit obligations | 63.3 | 60.1 |
| Deferred income taxes | 564.9 | 532.3 |
| Deferred revenues | 40.5 | 40.8 |
| Price risk management | - | 0.1 |
| Other | 4.9 | 4.5 |
| Total deferred credits and other liabilities | <u>673.6</u> | <u>637.8</u> |
| Total liabilities | <u>1,632.1</u> | <u>1,521.8</u> |
| MEMBER'S INTEREST | | |
| Member's interest | 532.5 | 524.8 |
| Accumulated other comprehensive loss, net of tax | (15.7) | (13.7) |
| Total OGE Enogex Holdings LLC member's interest | <u>516.8</u> | <u>511.1</u> |
| Noncontrolling interests | 263.2 | 256.1 |
| Total member's interest | <u>780.0</u> | <u>767.2</u> |
| TOTAL LIABILITIES AND MEMBER'S INTEREST | <u>\$ 2,412.1</u> | <u>\$ 2,289.0</u> |