GE Oil and Gas
Rod Christie - VP and CEO GE Subsea Systems
Eric Gebhardt - VP and Chief Technology Officer, GE Oil and Gas

J.P. Morgan Aviation, Transportation & Industrials Conference
12th March 2014

Imagination at work.
Caution Concerning Forward-Looking Statements:
This document contains “forward-looking statements” – that is, statements related to future, not past, events. In this context, forward-looking statements often address our expected future business and financial performance and financial condition, and often contain words such as “expect,” “anticipate,” “intend,” “plan,” “believe,” “seek,” “see,” or “will.” Forward-looking statements by their nature address matters that are, to different degrees, uncertain. For us, particular uncertainties that could cause our actual results to be materially different than those expressed in our forward-looking statements include: current economic and financial conditions, including volatility in interest and exchange rates, commodity and equity prices and the value of financial assets; potential market disruptions or other impacts arising in the United States or Europe from developments in sovereign debt situations; the impact of conditions in the financial and credit markets on the availability and cost of General Electric Capital Corporation’s (GECC) funding and on our ability to reduce GECC’s asset levels as planned; the impact of conditions in the housing market and unemployment rates on the level of commercial and consumer credit defaults; changes in Japanese consumer behavior that may affect our estimates of liability for excess interest refund claims (GE Money Japan); pending and future mortgage securitization claims and litigation in connection with WMC, which may affect our estimates of liability, including possible loss estimates; our ability to maintain our current credit rating and the impact on our funding costs and competitive position if we do not do so; the adequacy of our cash flow and earnings and other conditions which may affect our ability to pay our quarterly dividend at the planned level or to repurchase shares at the planned level; GECC’s ability to pay dividends to GE at the planned level; our ability to convert pre-order commitments/wins into orders; the price we realize on orders since commitments/wins are stated at list prices; the level of demand and financial performance of the major industries we serve, including, without limitation, air and rail transportation, energy generation, real estate and healthcare; the impact of regulation and regulatory, investigative and legal proceedings and legal compliance risks, including the impact of financial services regulation; our capital allocation plans, as such plans may change and affect planned share repurchases and strategic actions, including acquisitions, joint ventures and dispositions; our success in completing announced transactions and integrating acquired businesses; our ability to complete the staged exit from our North American Retail Finance business as planned; the impact of potential information technology or data security breaches; and numerous other matters of national, regional and global scale, including those of a political, economic, business and competitive nature. These uncertainties may cause our actual future results to be materially different than those expressed in our forward-looking statements. We do not undertake to update our forward-looking statements.

"This document may also contain non-GAAP financial information. Management uses this information in its internal analysis of results and believes that this information may be informative to investors in gauging the quality of our financial performance, identifying trends in our results and providing meaningful period-to-period comparisons. For a reconciliation of non-GAAP measures presented in this document, see the accompanying supplemental information posted to the investor relations section of our website at www.ge.com."

"In this document, "GE" refers to the Industrial businesses of the Company including GECC on an equity basis. "GE (ex. GECC)" and/or "Industrial" refer to GE excluding Financial Services."
GE’s Investor Relations website at www.ge.com/investor and our corporate blog at www.gereports.com, as well as GE’s Facebook page and Twitter accounts, contain a significant amount of information about GE, including financial and other information for investors. GE encourages investors to visit these websites from time to time, as information is updated and new information is posted.
Oil and gas industry fundamentals remain strong

### Increasing supply-side complexity

<table>
<thead>
<tr>
<th>Oil and gas production growth</th>
<th>CAGR ‘13–’18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gas</td>
<td>~3.6%</td>
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<tr>
<td>Subsea</td>
<td>7%</td>
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<tr>
<td>Unconv. Gas</td>
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<tr>
<td>Liquids</td>
<td>~1.5%</td>
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<tr>
<td>Unconv. Liquids</td>
<td>9%</td>
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### Demand from emerging economies

<table>
<thead>
<tr>
<th>Demand growth ‘13–’18</th>
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</thead>
<tbody>
<tr>
<td>Crude oil</td>
</tr>
<tr>
<td>mbbl/d</td>
</tr>
<tr>
<td>+18%</td>
</tr>
<tr>
<td>+11%</td>
</tr>
<tr>
<td>+4%</td>
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</table>

| Gas                    |
| bcf/d                  |
| +83%                   |
| +15%                   |
| (4)%                   |
| +7%                    |

- Oil demand driven by rising living standards in emerging economies ... China is key driver
- Gas demand growing in developed and developing economies

New resources driving technology intensity ...
demand driven by long-term economic development

Note: Liquids includes crude oil, synthetic crude, gas to liquids (GTL) and natural gas liquids (NGLs)

Source: GE O&G analysis based on Rystad, Barclays, PFC Energy, IHS CERA, IEA, GE Age of Gas 2013
Industry challenges and implications

- Limited easy oil + increase in regulations
- Depletion of current oil reserves
- Project complexity & On-time delivery
- Operating costs & capital inflation
- More offshore, subsea and shale ... difficult developments
- Production enhancement and optimization
- Strong process foundation & digitization
- Product structuring & execution excellence
GE Oil & Gas strategy

We operate in critical segments of the entire oil and gas value chain

Allow complex resource exploitation
- Subsea drilling and production
- Unconventional monetization

To mudline
- Compression technologies
- Data analytics to optimize performance

From topside
- From critical services
  - Well services
  - Software and data analytics

Production optimization

To critical services
- Well services
- Software and data analytics

Support well lifecycle
- Artificial lift
- Downhole tools

Into the well equipment

“We push the boundaries of technology to bring energy to the world. From extraction to transportation to end use, we address the toughest challenges in order to fuel the future.”
Building on a strong foundation
(Orders $ in billions)

- **1994**: A Turbomachinery company
- **1997**: Developed a Service model
- **2004**: Expanded in Inspection Technologies
- **2008**: Entered the Drilling & Production segment
- **2011**: The “new” GE Oil & Gas
- **2012**: Integrating and driving organic growth
- **2013**: Continue to build out capabilities to focus on specific segments

Well Support
Pressure Control
Electrical Submersible Pumps
Logging Services

Orders $ in billions:
- $1
- $2
- $4
- $10
- $15
- $18
- $20

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Providing advanced technology across all oil and gas segments

**GE solutions for the oil and gas space**

- **subsea drilling & production**
  - Drilling BOP, risers
  - Subsea wellheads & trees
  - Manifolds and flowlines
  - Subsea controls

- **full range LNG solutions**
  - Compressors
  - Gas and steam turbines
  - Small-scale LNG solutions
  - Electric motors

- **gas reinjection & artificial lift**
  - Centrifugal compressors
  - Gas turbines (Aero, HD)
  - Electric Submersible Pumps
  - Electric motors

- **powergen**
  - Heavy duty gas turbines
  - Aeroderivatives
  - Recip. gas engines
  - Steam turbines
  - Industrial modules

- **electrification**
  - Variable speed electric motors
  - Compressors
  - Pumps
  - Turbogenerators

- **pipelines**
  - Recip. gas engines
  - Pumps & valves
  - Gas turbines
  - Centrifugal compressors
  - Pipeline inspection

- **shale oil & gas solutions**
  - Power to Lift
  - CNG-in-a-box
  - Artificial Lift solutions
  - Water treatment

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**Asset condition monitoring, control, sensing, optimization & diagnostic software**

**Services**

Intelligent machines + big data & analytics + people at work

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GE Oil & Gas Subsea Systems … on a journey

• Global broad-based orders growth
• Equipment & services ++
• Backlog margins ↑
• ~6500 employees worldwide
• Increased global capacity & capability
### Subsea outlook … major production systems

<table>
<thead>
<tr>
<th>Operator</th>
<th>Project</th>
<th>Region</th>
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<tbody>
<tr>
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<tr>
<td>Chevron</td>
<td>IDD 2nd Call off</td>
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<td>Abadi</td>
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<td>STATOIL</td>
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</table>
Subsea industry performance

- EHS
- Quality & Reliability
- On Time Delivery
- Aftermarket
- Responsiveness
- Expertise
- Pre-install Plan & Eng
- Price
- Track Record
- Technology

Source: 2012 Welling & Company Report
Subsea imperatives

1. Standardization & modularization
   - Cycle, cost, scalability

2. Supplier ecosystem
   - Standard QA/QC, reliability, cost

3. Project Management capability
   - Global execution, #1 differentiator OTD

4. Execution insight
   - Digitization, risk mitigation
GE Subsea Systems structured products

Trees
- Structured deepwater VT & HT tree systems
- High degree of standardisation
- Modular options

Controls
- Modular scaleable systems
- High levels of redundancy
- Providing upgrade scaleable options

Manifolds
- Structured manifold systems
- Standard structures
- Enabling localisation

Processing
- Power and Processing systems
- Utilizing building blocks from broader GE
- Highly modular

Delivering value through standardisation
Subsea Systems ... a simplification journey

Global programs and initiatives:

• Process standardization ... leveraging the best in GE
• Digitization and automation ... full suite of IT tools
• Oracle implementation ... all Subsea Systems sites

... enabling resource optimization
The Subsea technology “Apps”...

**Turbomachinery**
- Gas compression
- Pumping

**Power & Water**
- Water treatment

**Power Conversion**
- Topside power supply
- Variable Speed Drive
- UPS
- Switchgear
- Electrical motors

**Processing System**
- Gas compression
- Full wellstream boosting
- Seawater injection
- Separation & boosting

**Drilling & Surface**
- Electrical submersible pumps

**Subsea Systems**
- System design and integration:
  - Conceptual design & FEED
  - Flow assurance
  - Standard mechanical interfaces
  - Running tools & procedures
  - Connector stabbing mechanisms
  - Operations/installation
- Components:
  - Controls
  - LSPS
  - MECON connectors
  - Separation
- Services
- Measurement & Control:
  - Pressure/Temperature sensors
  - Leak detection
  - Acoustic monitoring
  - Flow metering
  - RM&D

Subsea autonomous production
Technology - our differentiator

Our strengths

- R&D spend up 30% in 2013; continuing to increase investment
- Applying technology from Aviation, Healthcare, Energy Management, Power & Water, GRCs
- Expertise in metallurgy, coatings, aero-mechanics, electrification, analytics
- Organic and inorganic technology infusions
- Over 70 product launches ‘13
- Solutions for harsher, more extreme environments; smarter oil and gas extraction

7,000 GE Oil & Gas engineers across the world ...

- Canada
  - Heavy Oil & Pipelines
- Norway
  - Subsea & M&C
- Russia
  - R&D & Applications Engineering
- Sub-Saharan Africa
  - Expanding Subsea capabilities
- Brazil
  - Investing in research
- Australia
  - Supporting development of the world’s largest LNG exporter (by 2020)

... leveraging 6 GE Global R&D centers worldwide

Investing to bring GE technology to the oil and gas industry
Oil & Gas Technology Center ... Oklahoma

Applied R&D focus

**Artificial Lift**
- Flex range ESP
- HT insulation
- Erosion coatings
- Sand tolerant pump

**Electric Well Pad**
- Power-to-Lift
- Electric driven pump
- Micro-grid technology

**Unconventionals**
- Geomechanics modeling
- Downhole sensors
- Imaging
- CO2 fracturing

**Production Optimization**
- Enhanced data acquisition
- Advanced analytics

**Drilling & Subsea**
- Early kick detection
- Next gen shearing
- Marinized sensors

**Energy Systems**
- Micro LNG
- Home refueling
- H2S & CO2 cleanup

- $110MM investment
- R&D underway - CO2 & Artificial Lift
- Permanent OKC facility 1H’15
- 70+ employees by end of ‘14
- University collaborations in discussion
Bringing innovation to our customers

- Oklahoma City Tech Center operational
- Session T Process
- Well Productivity, Unconventionals, Services
- Advanced manufacturing
- Software & Analytics
- Modeling/Simulation
- New technologies vetted in NTI/R&D
- Leveraging rigor from Aviation
- Systems-level
- Customer collaboration (e.g., Statoil/Chevron)
- Technology collaboration with customers
- Integrating multiple GE P&Ls
- Rigorous technical design review

Able to deliver at scale ... enabling industry advances
Oilfield optimization

• Full portfolio of artificial lift, injection and micro-grid technologies
• Advanced controls & sensing ... creates the data for expert analytics
• Reliability, Efficiency, Production Rate ... key focus areas

Systems-level architecture

Life Cycle of an Unconventional Well

- Early Well Life: Free Flow - Or Lifted by ESP
- Mature Well: TECHNOLOGY GAP

Problem:
- Need to Change Artificial Lift (Time & Cost)

Solutions:
- Distributed AL Systems (DALS)
- Understand reservoir dynamics
- Pumps with broad range of flow rates
Natural Gas

- Full spectrum of solutions: 10,000 – 12 million gallons/day systems
- Modular solutions reduce installation cost & time for customers
- 1st two floating LNG facilities ever, enabled by GE liquefaction technology

Scale to enable industry needs
Summary

- Strong fundamental technology
- Organic and inorganic infusion of technology
- Ability to innovate ... and scale fast
- Work across entire R&D spectrum
- Strategically focused on major industry trends
- We do big well

Building a great industrial franchise for GE