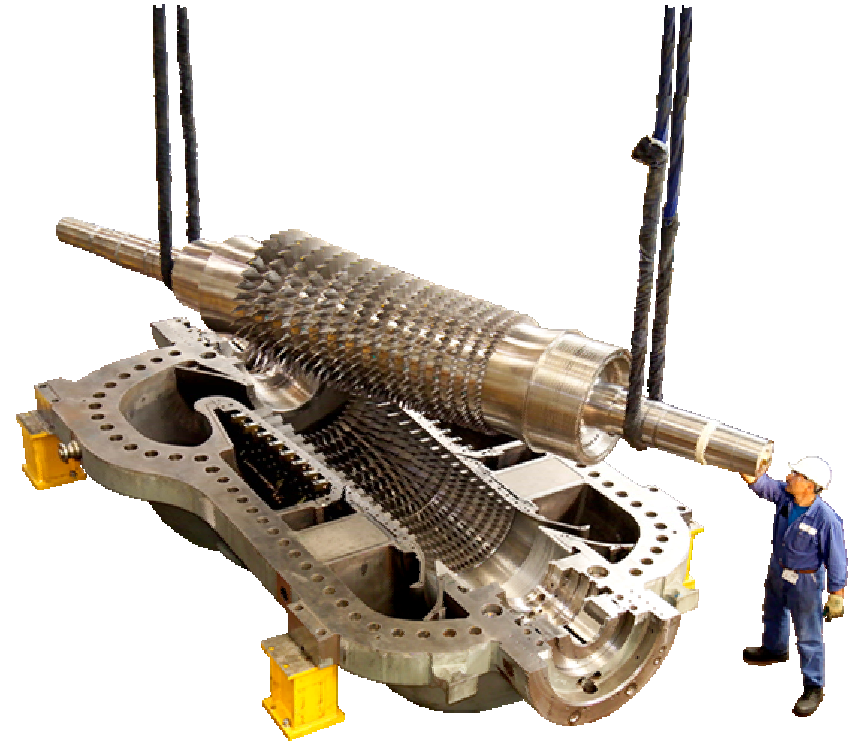


# GE Oil & Gas

Claudi Santiago  
President & CEO

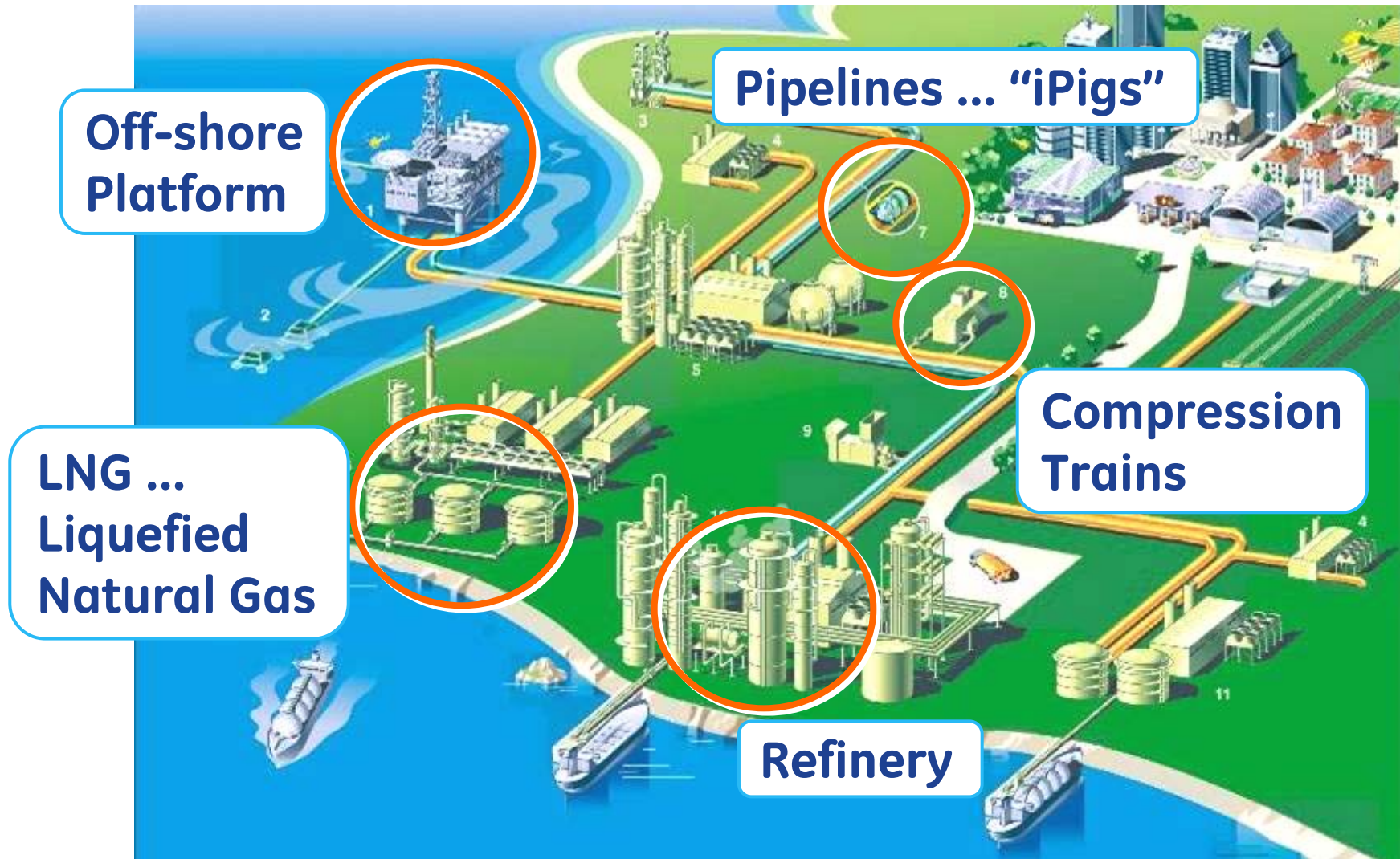


This document contains "forward-looking statements" - that is, statements related to future, not past, events. In this context, forward-looking statements often address our expected future business and financial performance, and often contain words such as "expects," "anticipates," "intends," "plans," "believes," "seeks," or "will." Forward-looking statements by their nature address matters that are, to different degrees, uncertain. For us, particular uncertainties which could adversely or positively affect our future results include: the behavior of financial markets, including fluctuations in interest rates and commodity prices; strategic actions, including dispositions; future integration of acquired businesses; future financial performance of major industries which we serve, including, without limitation, the air and rail transportation, energy generation, media, real estate and healthcare industries; unanticipated loss development in our insurance businesses; and numerous other matters of national, regional and global scale, including those of a political, economic, business, competitive and regulatory 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.



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# Oil & Gas Industry



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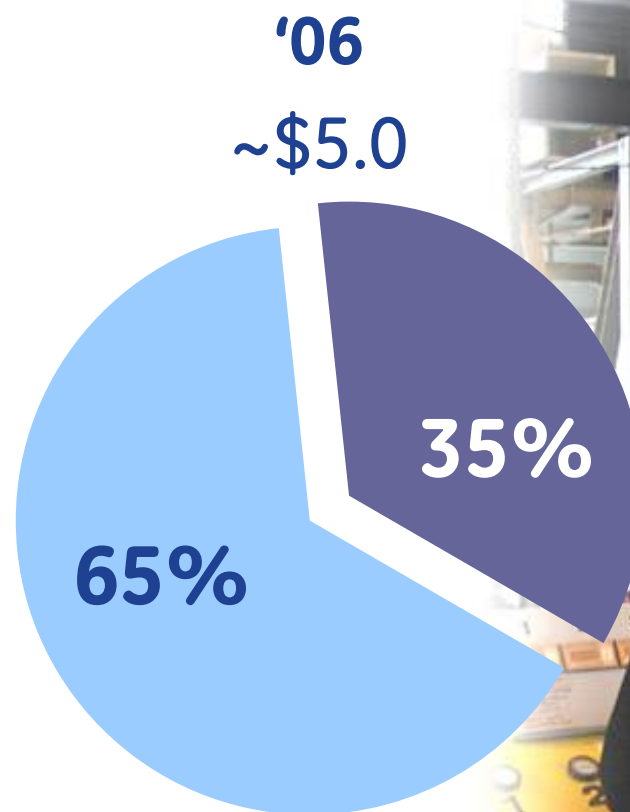
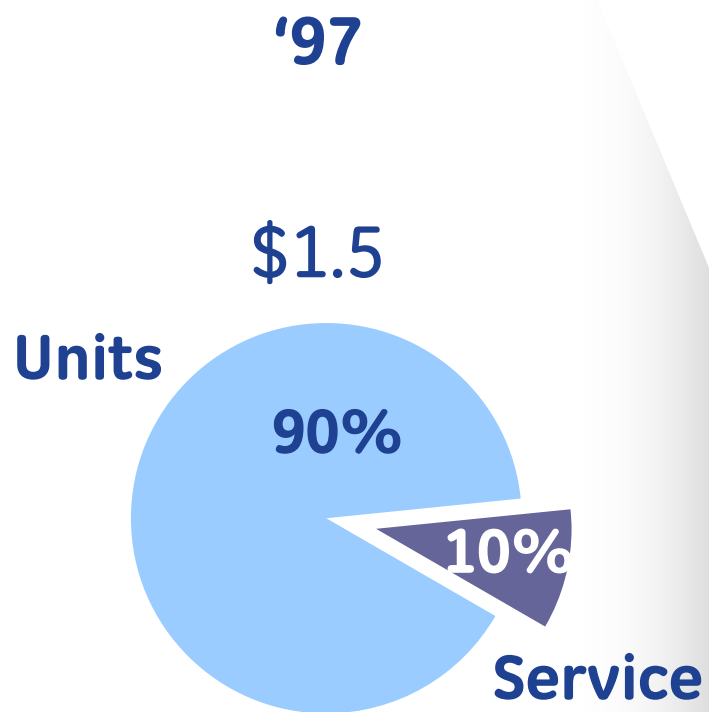
# Building a Growth Platform

(\$B orders)



# Service evolution

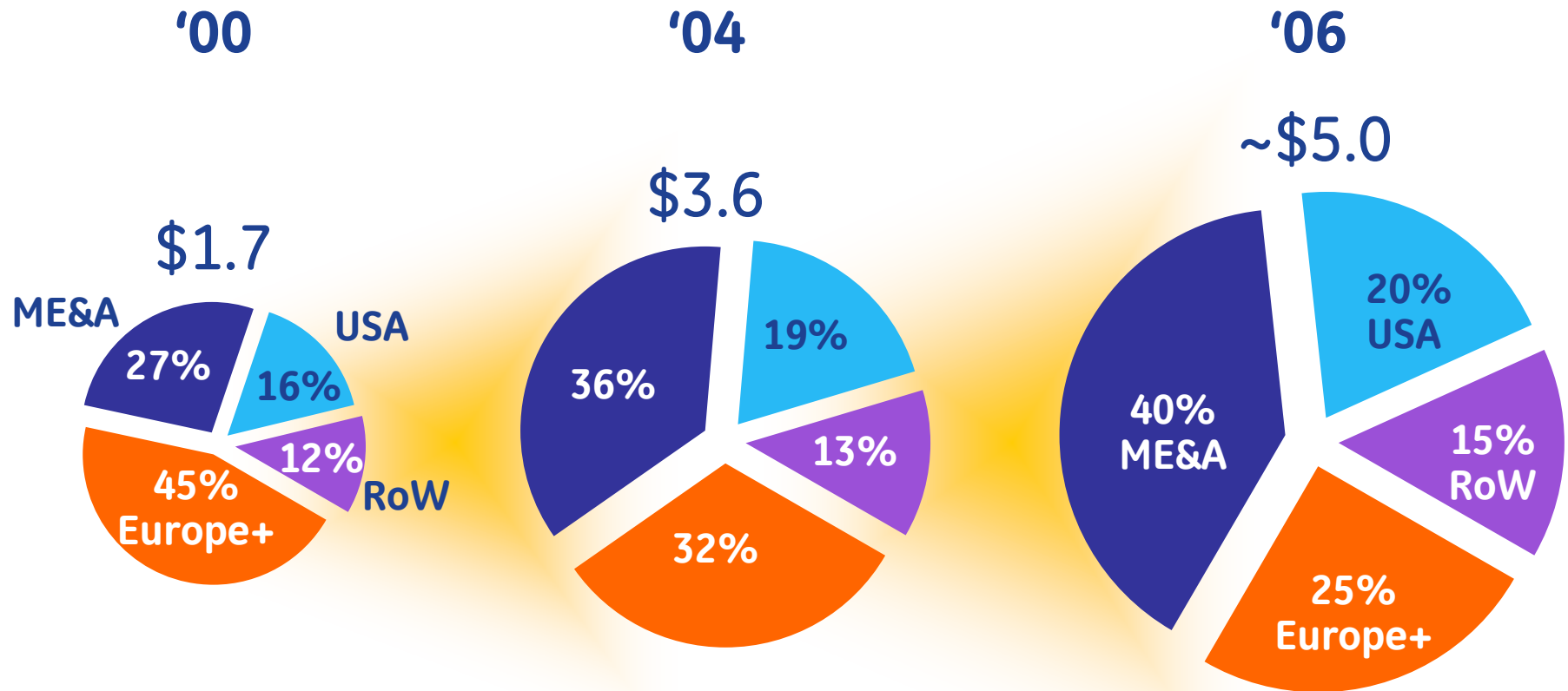
(\$B orders)





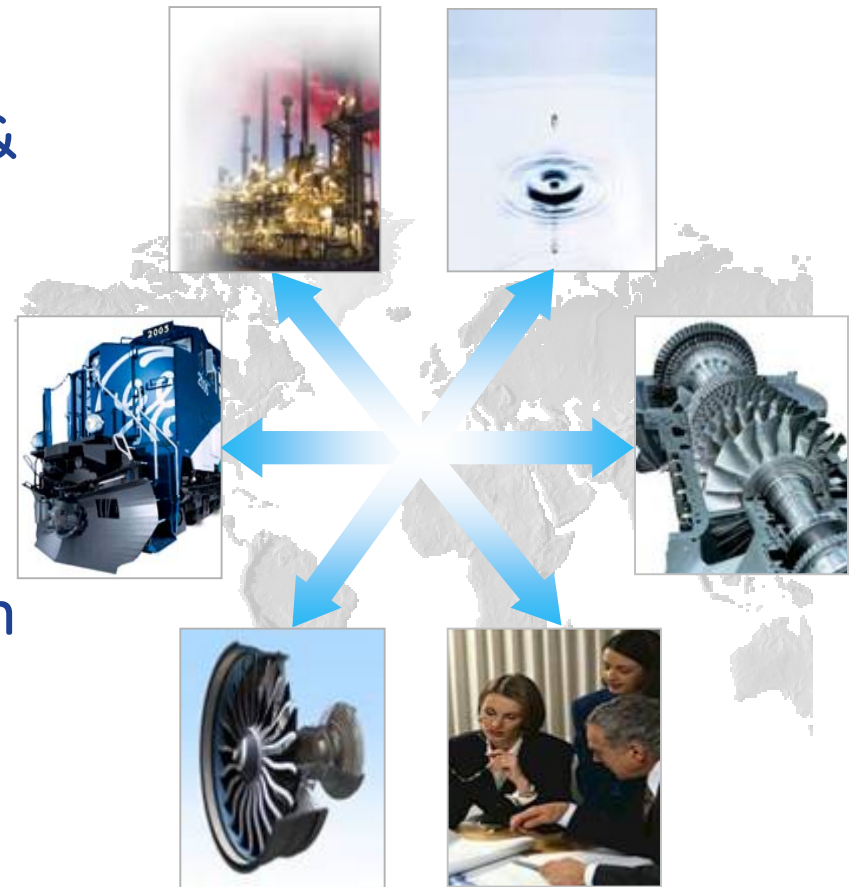
# Global presence

(\$B Orders)



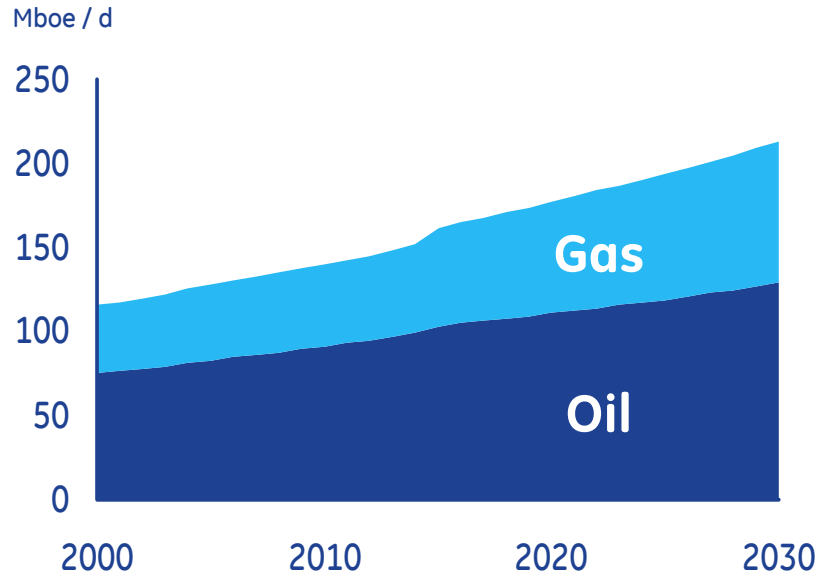
# Oil & Gas part of GE Infrastructure ... for Good Reasons

- **Technology** ... Aviation + Heavy Duty Gas Turbines
- **Fulfillment** ... Lean + Engineering & Manufacturing expertise
- **World-Class Testing Capabilities** ... Full load / full speed string test
- **Global Footprint** ... 130 Service shops combining Energy + Aviation + Oil & Gas
- **Talent** ... global recruiting + GE's training

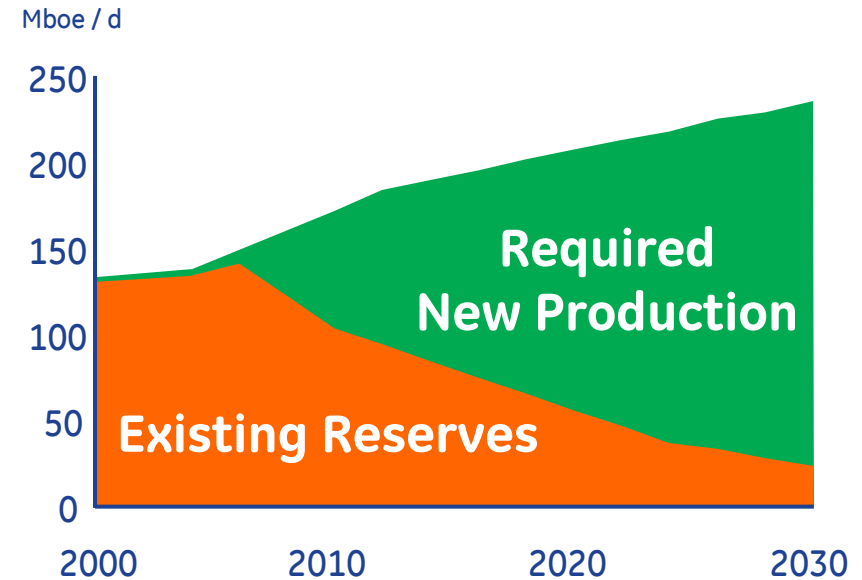


# Oil & Gas demand and supply challenge

## Oil & Gas Demand



## Supply Challenge



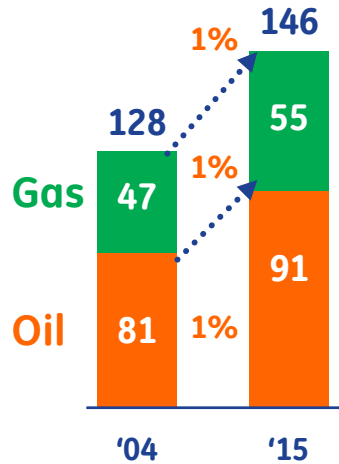
- Depletion rates accelerating ... creating new challenges
- New reservoirs in difficult areas ... increasing project complexity
- Advanced technologies needed to meet world demand

# Oil & Gas regional supply & demand imbalance

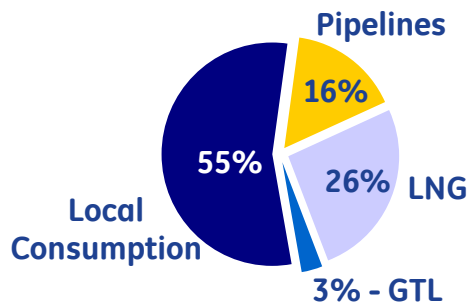
## Total World Demand

(Mboe / d)

(CAGR% '04-'15)



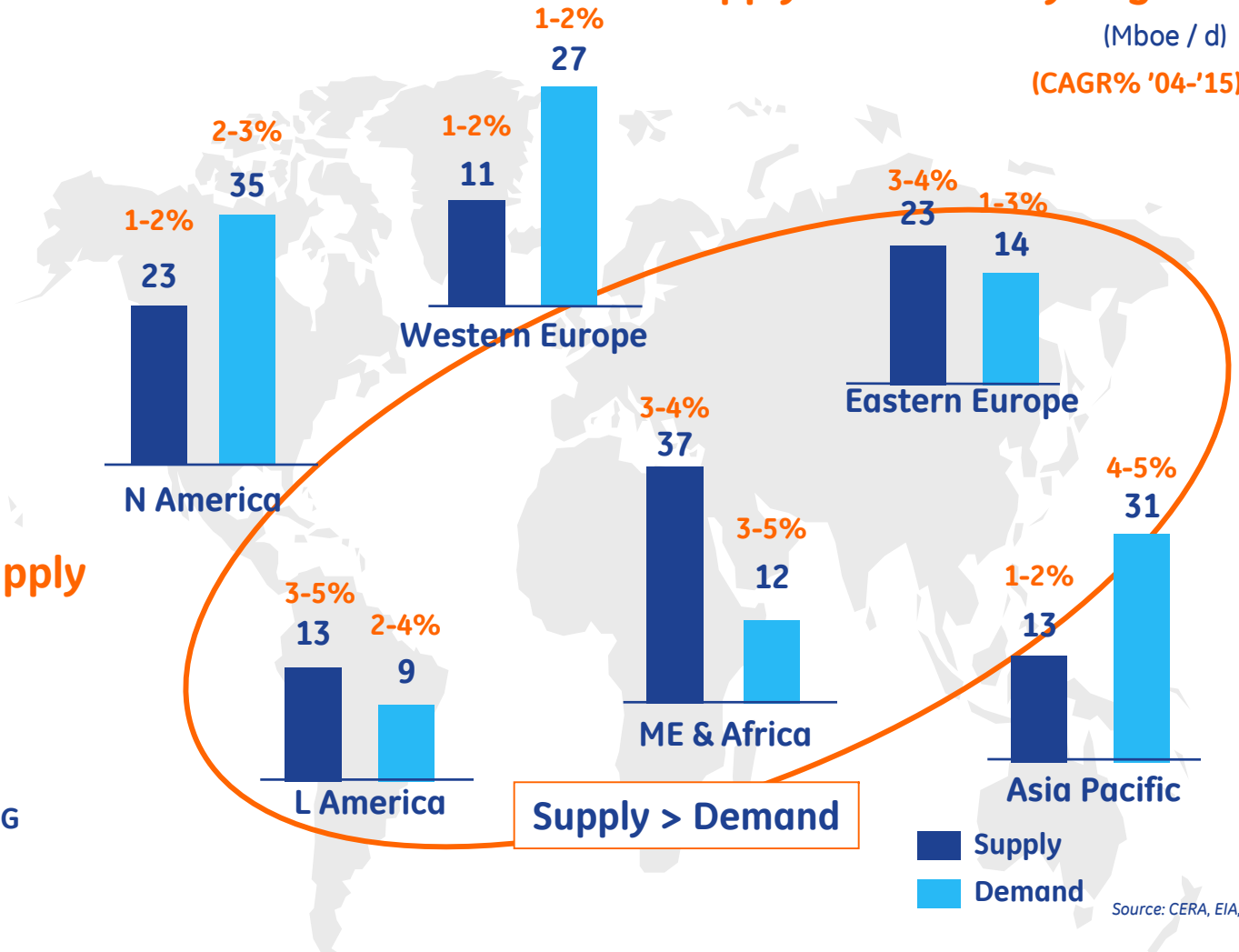
## Required New Supply ('04 - '15)



## '04 Supply - Demand by Regions

(Mboe / d)

(CAGR% '04-'15)



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# Oil & Gas industry ... very attractive for GE

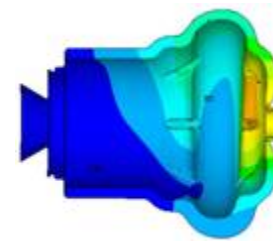
(\$B)

## '05 – '15 Segment Indicators



# Infrastructure Synergies ... Creating Customer Value

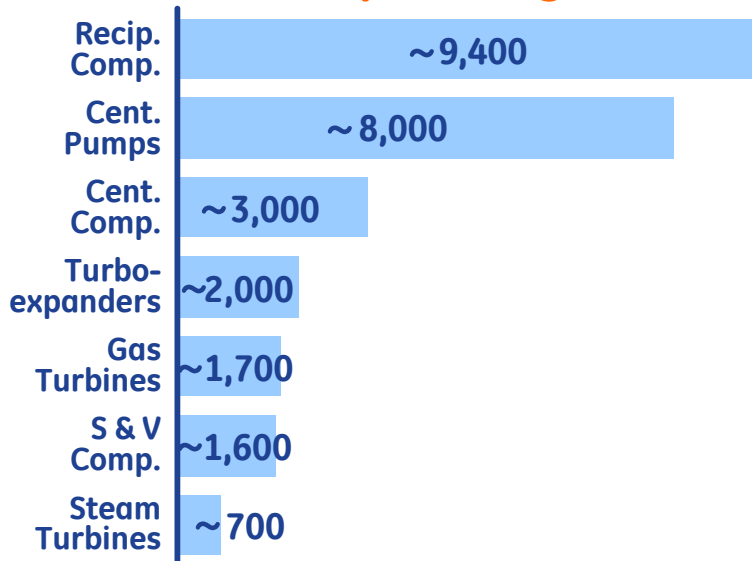
- **LNG Projects** ... proven gas turbine technology with world-class compression
- **Re-injection** ... CFD tools & expertise for highest pressure ever
- **Pipelines** ... Aeroderivative machines driving high efficiency compressors
- **Project & Equipment Financing** ... Working as partners with GE Capital
- **CSA** ... Aviation life extension programs applied to Oil & Gas turbomachinery



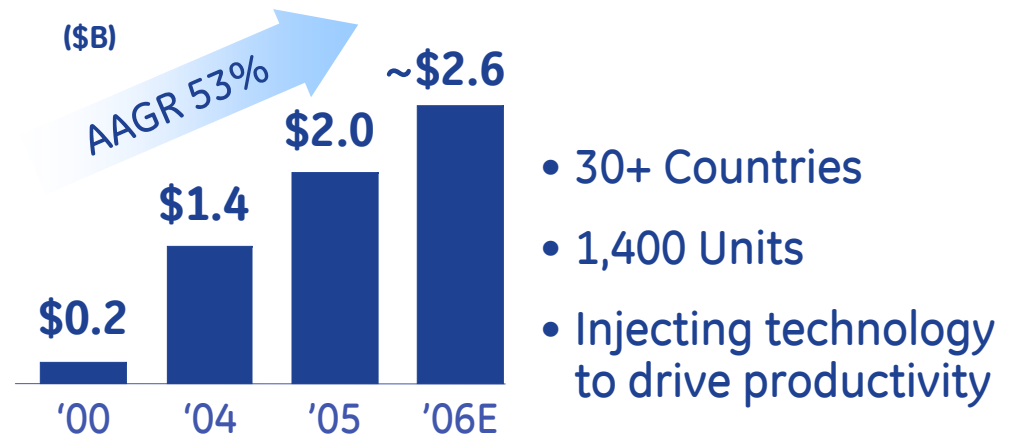
**Multiple Ways to Grow**

# Serving the installed base

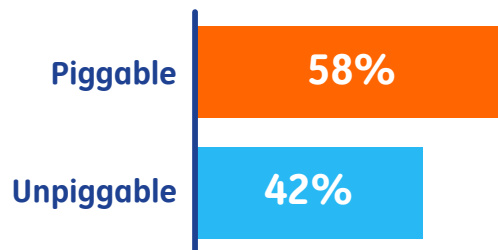
## # of Operating Units



## CSA's Commitments



## World Pipelines = 1.7MM Km



## Pipeline Inspection

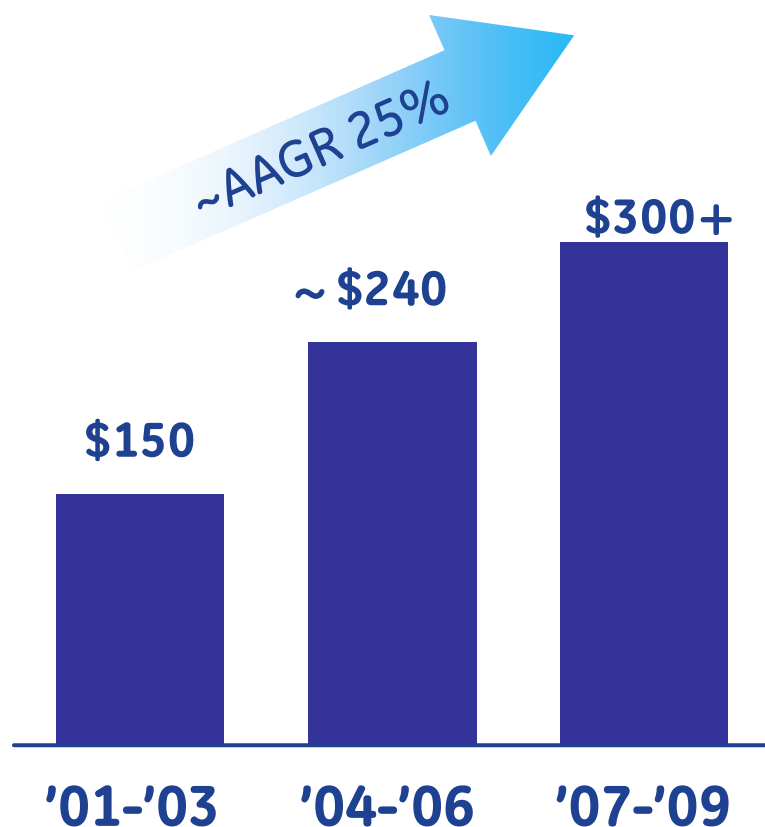


- Invest in technology to serve unpiggable pipelines
- First generation launched summer '05

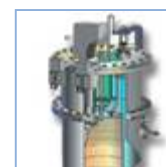
**Service Growth ... 10x in Past 10 Years**

# GE Oil & Gas Commitment to Technology

(\$MM)



- LNG Trains  
... from 4 to 8 MTPY ... **10 MTPY**
- Sour gas re-injection  
... from 500 to 820 bar ... **1,000 bar**
- Compressor efficiency  
... up 6 pts ... **another 2 points**
- In-line inspection  
... to un-piggable ... **robotics**
- NOx emissions  
... from 25 to 15ppm ... **single digit**

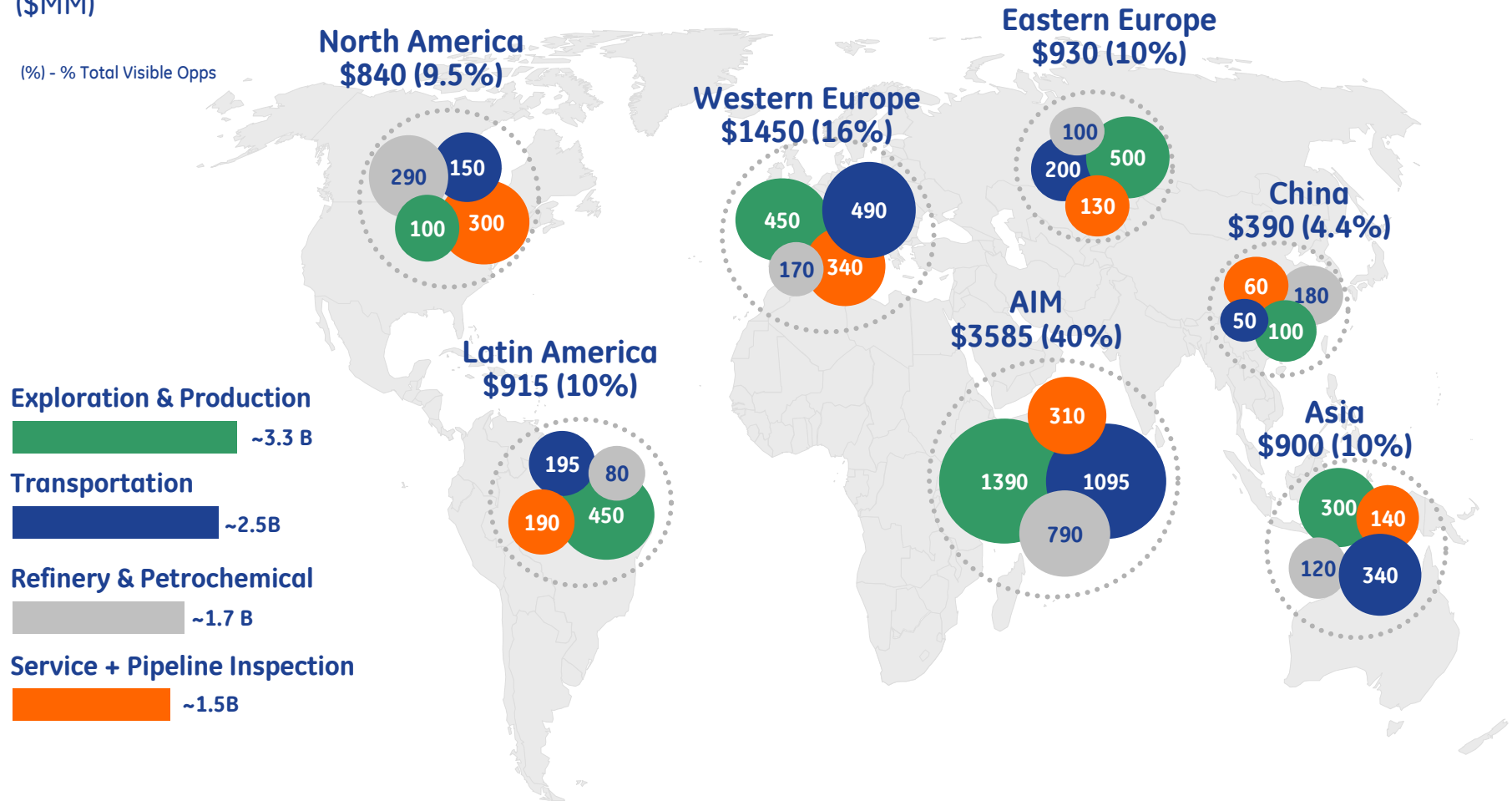


**... Plus access to World's best R&D programs**

# Oil & Gas '06 Opportunities

(\$MM)

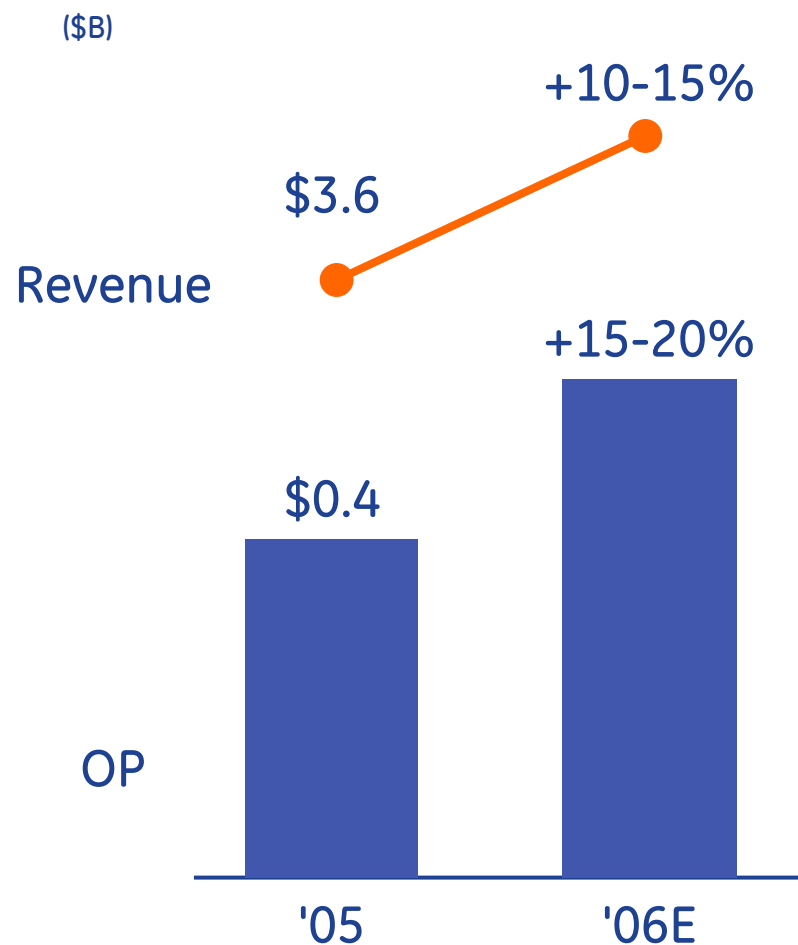
(%) - % Total Visible Opps



**Looking @ \$9B+ of identified opportunities**



# Financial overview ... Oil & Gas



- '06 revenues over 2.5x '00 level
- CSA backlog 3x in 3 years
- \$9B+ identified opportunities ... equipment & services
- Technology investment ... over \$240MM in last 3 years
- Robust market ... multiple ways to grow



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