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ENERGY RISK MANAGEMENT

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ENERGY MARKET REPORT FOR APRIL 9, 2009

Oil Movements reported that OPEC's oil exports, excluding Angola and Ecuador, are expected to fall by 280,000 bpd to 22.24 million bpd in the four weeks ending April 25. Crude shipments from the Middle East in the four week period will remain unchanged at 16.1 million bpd.

According to Euroilstock, gasoline inventories at the end of March fell by 8.6% on the year as refiners cut refinery operations. Meanwhile distillate stocks increased by 5.5% on the year

as refiners focused on what was viewed as higher demand for distillates in Europe. It showed that the average refinery options rate in March fell to 86.03% from 89.54% in February due to planned maintenance and run cuts.

April Calendar Averages

CL – \$50.77
HO – \$1.4096
RB – \$1.4558

Market Watch

Shipping brokers said between 15-20 oil tankers are being used to store oil products off the coast of the UK and the oil hub of Amsterdam, Rotterdam and Antwerp. The ships are believed to be carrying gas oil and jet fuel.

The Economic Cycle Research Institute said its Weekly Leading Index increased to 107.9 in the week ending April 3^d from 106.6. The index's annualized growth rate improved to negative 20.6% from the previous week's rate of negative 22.2%. The ECRI's Weekly Coincident Index, which measures current economic conditions, fell 8.8%.

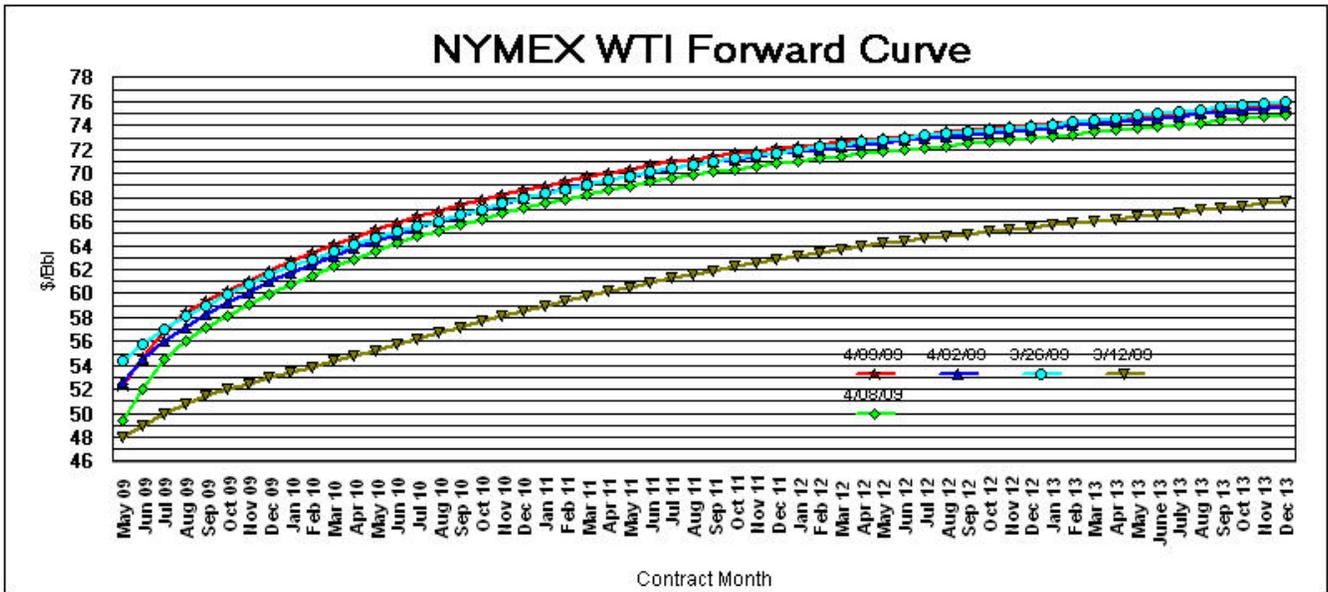
The Labor Department reported that initial claims for unemployment benefits fell by 20,000 to 654,000 in the week ending April 4. The four week average fell by 750 to 657,250. According to the report, the tally of continuing jobless claims increased by 95,000 to a record high of 5,840,000.

China will invest about 9.3% of the CNY4 trillion or \$585 billion economic stimulus package in energy-related sectors. The country's oil and gas exploration sector will receive CNY127.5 billion while China's oil refining and nuclear fuel processing industries will receive CNY47.4 billion.

Cargo volumes in Rotterdam fell by 10.8% in the first quarter to 94 million tons mainly due to a decline in steel demand and lower container traffic and are expected to fall further in 2009. Transport of crude oil fell by 4% to 24.9 million tons.

The heads of three local governments will meet on Friday afternoon to discuss whether to give final consent to the reopening of Tokyo Electric Power Co's Kashiwazaki-Kariwa nuclear plant. The final consent may come as early as Friday's meeting but the three leaders may delay a decision pending a public meeting to explain the planned restart.

Iran inaugurated its first nuclear fuel production plant and announced it tested more advanced equipment for enriching uranium. This will



likely increase western concerns about Iran's nuclear program. Iran's President Mahmoud Ahmadinejad inaugurated a fuel manufacturing plant near Isfahan in central Iran, a development which one leading politician said meant Iran has mastered all stages of nuclear fuel production. He also said Iran tested two new types of uranium enrichment centrifuges with a capacity a few times higher than the existing centrifuges. Meanwhile, the head of Iran's Atomic Energy Organization, Gholamreza Aghazadeh said Iran was operating 7,000 uranium enrichment centrifuges and had obtained technology to produce more accurate centrifuges. On Wednesday, the US, Russia, China, France Germany and Britain said they will ask European Union foreign policy chief Javier Solana to invite Iran to a meeting to find a diplomatic solution.

Refinery News

Repairs to a fire damaged crude distillation unit at ConocoPhillips' 232,000 bpd Bayway refinery in Linden, New Jersey are expected to take a week or two. The cause of the fire is still under investigation.

Valero Energy Corp completed its purchase of the Albert City, Iowa ethanol plant from Verasun Energy Corp on Thursday. Valero won seven of Verasun's ethanol plants and the right to build an eighth during a bankruptcy auction in March. It will take about a month to restart the Albert City plant after it takes ownership.

Kuwait National Petroleum Co has shutdown nearly 50% of its 460,000 bpd Mina al-Ahmadi refinery for 35 days of maintenance since April 5th. A 200,000 bpd crude unit at the refinery was shut for the work.

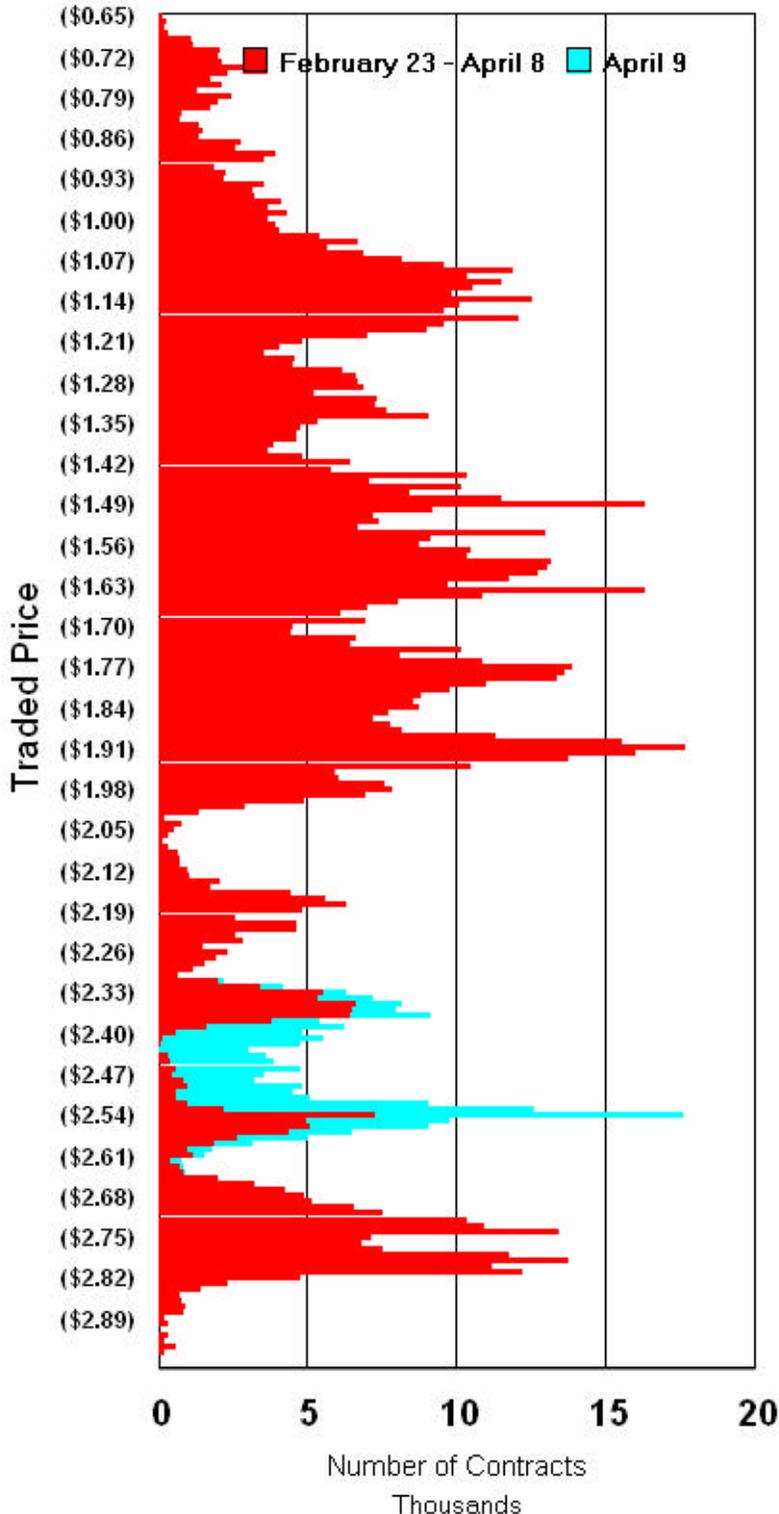
Royal Dutch Shell has shut a residue catalytic cracking unit at its 500,000 bpd Bukom island refinery in Singapore since last week.

Petro Rabigh started operations of an ethane cracker and refining facilities at its refinery and chemicals complex in Rabigh. It started operations of a vacuum distillation unit and a vacuum gas oil hydrotreating unit ahead of the start up of a new high olefin fluid catalytic unit, which will produce 900,000 tons a year of propylene and 59,000 bpd of gasoline.

Overall crude operations rates at South Korean refiners in April has fallen to the lowest level since June last year due to weak demand for petroleum products and repairs to a crude unit. South Korea's

NYMEX WTI: May June Spread Price Vs Volume for February 23 - April 9, 2009

Trade Weighted Avg 4/7 -2.64, 4/8 -2.70, 4/9 -2.44



SK Energy, GS Caltex, S-Oil Corp and Hyundai Oilbank have been processing 2.2 million bpd in April, down from 2.38 million bpd in March and about 80% of their 2.76 million bpd capacity.

Petrobras received an invitation from Iraq's government to build a mid-sized refinery in Iraq, with a capacity of 200,000 bpd.

Russia's Lukoil said it is interested in buying a stake in Lithuania's Mazeikiu Nafta refinery. Meanwhile Lukoil is planning to take part in the tender for Iraq's West Qurna-1 oilfield.

Fuel oil demand in China's export hub, Guangdong province, fell over 30% in the first quarter due to a new tax and lower demand. Imports likely fell 30% to about 1.62 million tons in March after an increase in the January-February period when Chinese importers rushed to book cargoes ahead of an increase in the consumption tax.

CNPC said China's fuel demand may increase by nearly 3% in each of the coming two years despite slowing economic growth. Fuel consumption is forecast at about 214 million tons or 4.28 million bpd this year, with an increase of 3% to 4.4 million bpd in 2010. China's fuel demand is expected to accelerate in the decade through 2020, with demand rising to 280 million tons in 2015 or 30% more than 2010. China's fuel demand by 2020 will increase to 320 million tons or 6.4 million bpd.

China National Aviation Fuel Holding has cut prices to domestic airlines by about 12% or 460 yuan or \$67/ton from April 1. CNAF's total jet fuel sales increased almost 13% in the first quarter despite a slowing Chinese economy and are expected to maintain that growth throughout the

year.

BP has purchased 1.5 million barrels of gasoline for liftings in March and April from the Singapore cash market, which may be shipped to the Middle East and Indonesia. Saudi Arabia's April gasoline imports are expected to increase 17% on the month to 80,000 bpd to make up for shortfalls caused by refinery maintenance and outages. Iran's imports are expected to increase by 25% in May and June as the country needs to have ample stocks before presidential elections. Meanwhile Indonesia needs to import about 5.6 million barrels of gasoline in April to stockpile for the current parliamentary elections and July's presidential vote.

Petrochemical Corp of Singapore will start replacing about 10% of naphtha feedstock at its cracking complex with liquefied petroleum gas from May, reducing its naphtha usage by 27,000-28,000 tons/month. It is currently operating its 1.09 million ton/year Jurong cracking complex at about 90% of capacity.

Singapore's International Enterprise said the country's residual fuel stocks fell by 795,000 barrels to 20.185 million barrels in the week ending April 8th. It also reported that the country's light distillate stocks built by 16,000 barrels to 9.053 million barrels while its middle distillate stocks fell by 439,000 barrels to 11.593 million barrels.

Production News

BP found a potential problem with a natural gas pipeline that feeds part of its Alaska North Slope Prudhoe Bay oil field and will keep the pipeline shut for further inspection. A BP spokesman declined to estimate how much oil production may be curtailed or how many days it would take to resolve the issue.

Saudi Aramco is holding its May crude oil allocations steady. Its exports to the US will remain unchanged in May after implementing a cut of 20-25% in January. A Mediterranean buyer said the company has also seen no change to May allocations. However a European buyer said Saudi Aramco will cut its May oil supply.

Baker Hughes reported that the number of rigs drilling for oil and natural gas in the US fell by 38 to 1,005 in the week ending April 9th. The number of rigs searching for oil fell by 20 to 204 while the number of rigs searching for natural gas fell by 18 to 790.

Britain's North Sea Brent crude oil system is scheduled to load 137,000 bpd or 4.24 million barrels in May, up from 120,733 bpd or 3.622 million barrels in April.

The North Sea Forties crude oil system is scheduled to load 677,000 bpd or 21 million barrels in May compared with 680,000 bpd or 20.4 million barrels in April.

The BP Plc-led Baku-Ceyhan pipeline is expected to pump about 871,000 bpd or 27 million barrels in May.

India launched its auction of oil and gas assets on Thursday, offering 70 exploration blocks, as it seeks to attract investors at a time of falling world oil demand during the economic downturn. India offered 24 deepwater blocks, 28 shallow water blocks and 18 on land blocks.

Italy's Eni and Turkey's Calik Energy expect to start construction of a pipeline that will carry Caspian crude to the Mediterranean by the first quarter of next year. The pipeline will run from the Black Sea port of Samsun to the Mediterranean energy hub at Ceyhan.

OPEC's news agency reported that OPEC's basket of crudes fell further to \$50.25/barrel on Wednesday from \$50.96/barrel on Tuesday.

Market Commentary

The oil complex continued to trade in tandem with the equities market as the oil markets remained supported by the strength in the stock market. The crude market posted its low of \$49.72 in overnight trading before it traded above the \$50 level and never looked back. The market rallied to \$52.35 early in the session amid the gains in the equities market and the weakness in the dollar. The market gave up some of its gains by mid-day as it traded back towards \$50.75 before the market bounced off that level on late buying ahead of the long holiday weekend. The market rallied to a high of \$52.45 and settled up \$2.86 at \$52.24. The May/June spread, which found its near term support at -\$2.76, settled at -\$2.45 and is seen targeting -\$2. The oil market will continue to trade along with the equities market. However any of its gains will remain limited by the market's bearish fundamentals. The market is seen finding support at \$50.75, \$49.72, \$47.35, \$45.24 and \$43.74. Resistance is seen at \$52.45, \$53.60, \$54.75, \$55.98 and \$57.20. Meanwhile, the RBOB market continued to trade within its recent trading range. The market rallied to a high of \$1.5103 early in the session amid the strength in the oil market. It however gave up its gains and posted a low of \$1.4521 in afternoon trading. The RBOB market retraced some of its losses as traders covered their positions ahead of the long holiday weekend and settled up 4.14 cents at \$1.481. Support is seen at \$1.4521, \$1.4047, \$1.367 and \$1.34. More distant support is seen at \$1.318 and \$1.27. The heating oil market posted an inside trading day after posting an outside trading day on Wednesday. The market rallied to a high of \$1.4521 before it retraced its gains and sold off to a low of \$1.4021. It however bounced off its low ahead of the close and settled up 3.06 cents at \$1.4288. The heating oil market, which continues to trade within its recent trading range, is seen trending lower given the market's fundamentals. Support is seen at \$1.4021, \$1.3608, \$1.34 and \$1.30 while resistance is seen at \$1.4305, \$1.4521, \$1.4586, \$1.4715, \$1.4865, \$1.5050 and \$1.5143.

(CL) MAY.09 193,217 -33,111 JUN.09 252,536 +33,736 JUL.09 128,144 +13,115 AUG.09 41,137 +604 Totals: 1,176,861 +14,549 Heating Oil MAY.09 43,562 -1,806 JUN.09 45,471 +2,770 JUL.09 26,583 +1,299 AUG.09 14,729 +245 Totals: 249,615 +2,698 RBOB MAY.09 61,625 -6,811 JUN.09 42,267 +3,407 JUL.09 26,176 +1,342 AUG.09 15,591 +127 Totals: 198,663 -506.

Crude Support	Crude Resistance
50.75, 49.72, 47.35, 45.24, 43.74, 40.00, 38.95, 32.25, 29.66, 28.63, 26.65, 25.50	52.45, 53.60, 54.75, 55.98, 57.20
Heat Support	Heat resistance
1.4021, 1.3608, 1.3400, 1.3000, 1.1359	1.4305, 1.4521, 1.4586, 1.4715, 1.4865, 1.5050, 1.5143, 1.5285, 1.5520 167.15,
Gasoline support	Gasoline resistance
1.4521, 1.4047, 1.3670, 1.3400, 131.80, 1.2700, 1.2625 1.1680, 1.0128, 9590,	1.5103, 1.5260, 1.5340, 1.5800