



ENERGY RISK MANAGEMENT

Howard Rennell, Pat Shigueta,
& Karen Palladino

(212) 624-1132 (888) 885-6100

www.e-windham.com

NATURAL GAS & POWER MARKET REPORT FOR NOVEMBER 8, 2010

NATURAL GAS MARKET NEWS

Cheniere Energy Partners announced today that it had signed a memorandum of understanding with Morgan Stanley Capital group for LNG processing at the Sabine Pass LNG terminal. Definitive agreements would provide Morgan Stanley the ability to export or import 1.7 mtpa of LNG from the facility.

The NRC reported today that some 77,722 Mw of generating capacity was online today, down 1.1% from yesterday and 7.7% higher than the same day a year ago.

The director of the IEA's Energy markets and Security said today that the search for unconventional gas in Europe would not quickly generate new supplies of gas that could help the region cut its dependency on imports. He noted that the "exploration phase" has just begun and there remain large hurdles still for this potential production to come on line, as it still must gain regional and national "acceptability".

The Norwegian North Sea gas field Gjøea came on stream on Sunday. The field has reserves of 40 bcm of natural gas and 82 million barrels of oil and condensate. This field is expected to become the center point for other smaller fields which could be tied in. Statoil said that the neighboring satellite Vega field, would come on stream in the "near future".

Gazprom said today that it expects to generate profit of \$3.58-\$3.9 billion this year from domestic gas sales. Last year the company netted a profit from domestic sales for the first time as the government embarked on a campaign of increasing gas prices within Russia to reach parity with export prices by 2014.

Natural Gas Cash Market						
	ICE Next Day Cash Market					
	Volume Traded	Avg Price	Change	Basis (As of 12:30 PM)	Change	Basis 5-Day Moving Avg
Henry Hub	565,900	\$3.494	\$0.026	(\$0.551)	(\$0.119)	(\$0.384)
Chicago City Gate	861,900	\$3.693	\$0.020	(\$0.352)	(\$0.144)	(\$0.251)
NGPL-TX/OK	566,000	\$3.370	(\$0.056)	(\$0.675)	(\$0.220)	(\$0.539)
SoCal	347,700	\$3.552	\$0.106	(\$0.493)	(\$0.058)	(\$0.454)
PG&E Citygate	680,400	\$4.139	\$0.181	\$0.094	\$0.017	\$0.133
Dominion-South	376,600	\$3.717	\$0.007	(\$0.328)	(\$0.157)	(\$0.222)
USTrade Weighted	21,342,100	\$3.582	\$0.045	(\$0.463)	(\$0.12)	(\$0.384)

According to AIS live ship-tracking data, the Maersk Meridian LNG tanker is expected to arrive at UK's Isle of Grain terminal on November 18. The vessel, which can hold up to 166,000

cubic meters of LNG, is the first ship to re-export super-cooled natural gas from U.S. Sabine Pass LNG terminal.

Royal Dutch Shell plans to sell down about a third of its stake in Woodside Petroleum, Australia's largest oil and gas company. Shell said it was selling 10 percent of Woodside at \$42.23 per share in a sale underwritten by UBS, leaving it with a 24.27 percent stake, which it would keep for at least a year.

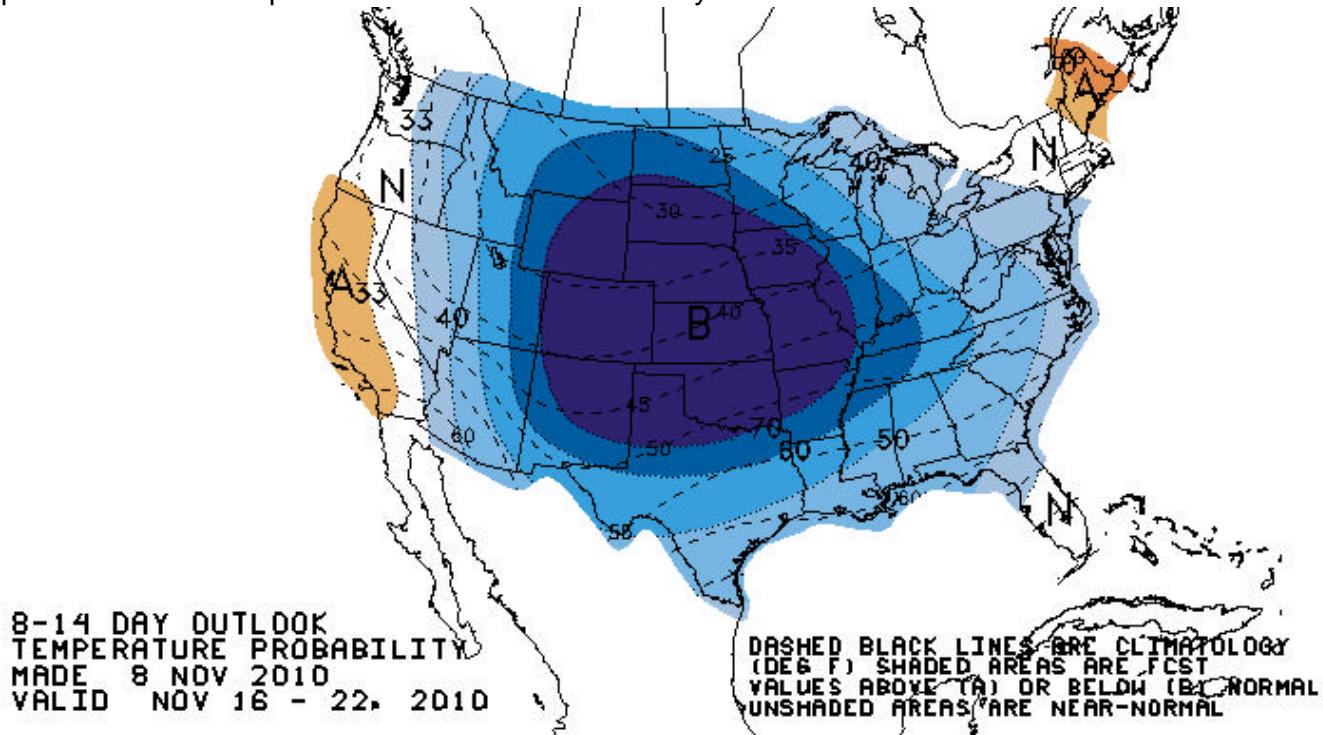
The Qatari Sheehaniya LNG tanker, which can carry up to 210,000 cubic meters of super-cooled natural gas, is expected to unload at Belgium's Zeebrugge terminal on November 25 according to the port authority.

Origin reported today that its coal seam gas projects in Australia have received regulatory approval to move forward. Meanwhile AWE Ltd has identified potential gas resources that may hold 13-20 tcf of gas in shale reserves within the Perth Basin.

ECONOMIC NEWS

Dallas Fed President Richard Fisher said the Federal Reserve Bank took a big risk with its recent decision to move \$600 billion into the economy and added that now Congress had to do its part to foster growth. He said the decision to pump \$600 billion into the economy to boost growth is a move that can only succeed if lawmakers address the economy's root fiscal and regulatory ills.

Genscape reported today that U.S. power output for the week ending November 4th fell 1.9% from the prior week but was up 1.8% from the same week last year.



ELECTRICITY NEWS

Britain said Monday that it would open its next competition for building carbon-capture and storage (CCS) projects to gas fired power plants with a possible \$15.4 billion being spent on its four CCS competition projects over the next 15 years. This action would mean that opening to other technologies, that Centrica's withdrawn Teeside pre-combustion project, shelved because it did not fit the rules of the first competition, could now theoretically be re-entered. Britain is seeking to lead the world in carbon capture storage.

Entergy Corp has temporarily shuttered its nuclear plant. The plant, which has a history of leaking radioactive material, was shut down at about 7 PM est on Sunday night because of a "very minimal leak". Entergy disclosed last week that it was exploring the sale of the plant. The leak, caused by a

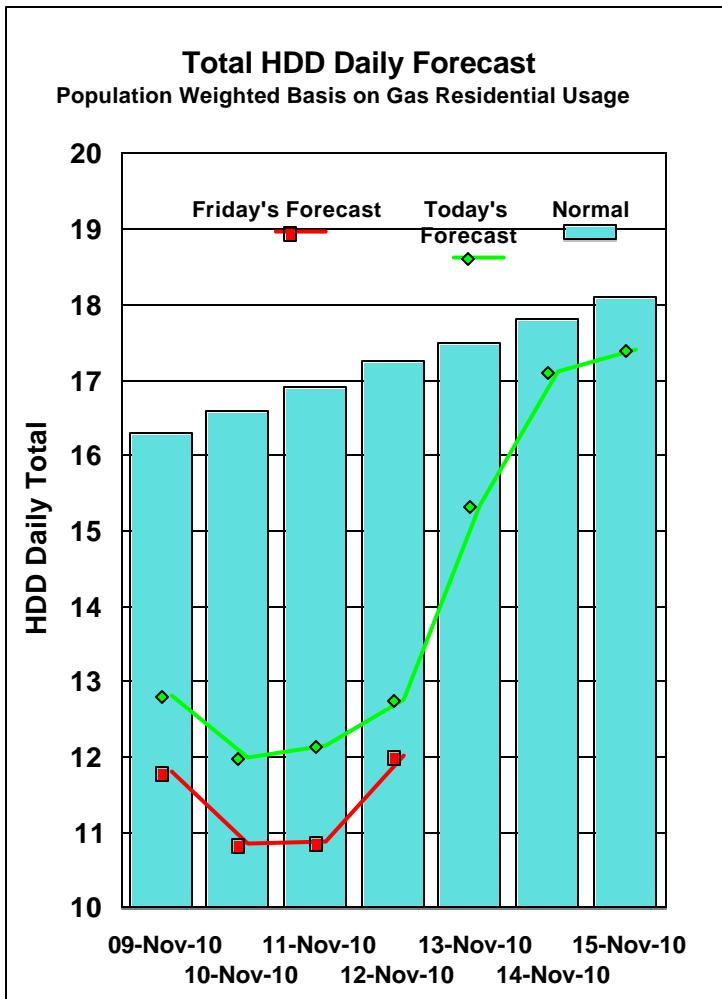
crack in a 24-inch pipe, poses no threat to the public. There's no estimated time frame on when the plant will be back up and running. There was also an explosion on Entergy's main transformer on Sunday that shut down the 1,020-megawatt Unit 2 at the Indian Point nuclear power plant in New York. An electrical problem set off the explosion but there were no casualties, injuries or resulting fire associated with the explosion.

MARKET COMMENTARY

The natural gas futures market settled higher for the third day in a row today as temperatures across much of the nation for this coming week were now seen as being not quite as warm as forecasted last week as well as a colder forecast for next week, which now sees much of the nation being colder than normal. While cash prices were higher today, its strength was far more muted than the futures market which finished the day up some 10-15 cents, led by the December contract. The December futures contract today completed retracing slightly more than 62% of the sell off from mid September through mid October and settled at its highest level since October 6th.

We would look for this market to begin to

run out of steam given the still ample stock levels of natural gas and the fact that early cold snaps in November are still not as severe as those in December or January. We would look for prices to begin to run into resistance tomorrow at \$4.175-\$4.187, followed by another significant area of resistance at \$4.234-\$4.252. We would continue to look to begin scale up selling in these areas tomorrow. Additional resistance we see at \$4.55-\$4.56. Support we see at \$3.984 followed by \$3.88 and \$3.834-\$3.82. Additional support we see at \$3.744 and the gap in the spot continuation chart at \$3.656-\$3.41.



The information contained in this letter is taken from sources, which we believe to be reliable, but is not guaranteed by us as to accuracy or completeness and is sent to you for information purposes only. The Windham Group bases its market recommendations solely on the judgment of its personnel. Reproduction in whole or part or other use without written permission is prohibited.