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Windham Group



ENERGY RISK MANAGEMENT

Howard Rennell, Pat Shigueta,
& Karen Palladino

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

www.e-windham.com

ENERGY MARKET REPORT FOR APRIL 6, 2009

Venezuela's Energy Minister Rafael Ramirez said he hopes oil prices will recover to above \$70/barrel but stopped short of saying if OPEC producers need to cut production again at its next meeting.

US Interior Secretary Ken Salazar said the US has not ruled out opening new offshore territory to oil and gas exploration.

Market Watch

The International Monetary Fund said the world economic contraction could moderate in coming months but is unlikely to grow anytime soon. An IMF official urged policy makers to work quickly to clean up the banking system or face a prolonged recession. He said the global economy could face an era like Japan's lost decade of the 1990s.

TransCanada is converting its 34-inch, Mainline gas pipeline between Burstall, Saskatchewan and Carman, Manitoba to carry crude as part of TransCanada and ConocoPhillips' joint Keystone Oil Pipeline project. It will allow crude oil to be transported to US Midwest markets at Wood River and Patoka, Illinois and to Cushing, Oklahoma. The pipeline is currently undergoing inspection to make sure it is free of stress corrosion cracking that could potentially lead to leaks.

The Baltic Exchange's main sea freight index fell by 1.33% to 1,486 points on Monday from 1,506 on Friday.

The EIA reported that the US retail price of diesel increased by 0.7 cents to \$2.228/gallon in the week ending April 6th. It also reported that the US retail price of gasoline fell by 0.9 cents to \$2.037/gallon on the week.

Refinery News

Credit Suisse reported that US refinery margins fell east of the Rockies despite nearly flat crude oil prices. Margins in the Northeast fell by \$1.36 to \$4.58 while margins in the Midwest fell by \$1.30 to \$7.03/barrel and margins in the Gulf Coast fell by 27 cents to \$7.17/barrel. Refiners in the Rockies increased by \$2.58 to \$13.82/barrel while West Coast margins increased by \$1.02 to \$16.41/barrel.

April Calendar Averages

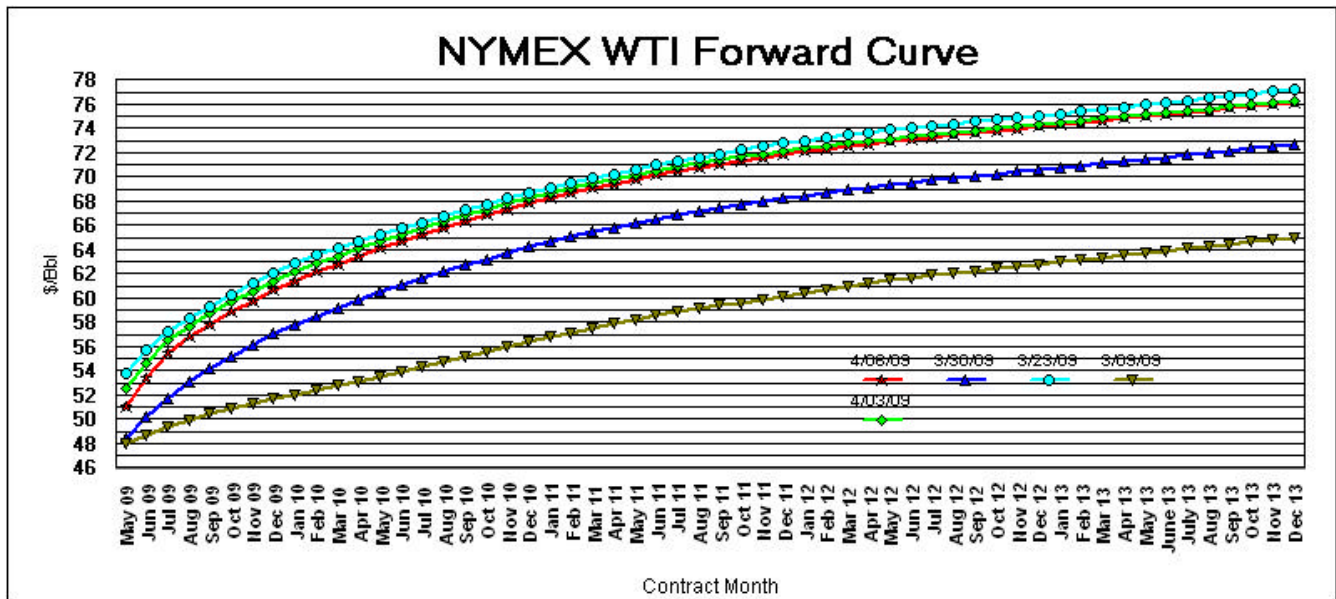
CL – \$51.15

HO – \$1.4125

RB – \$1.4524

Flint Hills Resources shut its sulfur recovery unit No. 2 in the east plant of its 288,126 bpd Corpus Christi, Texas refinery on Sunday for planned repairs.

A crude distillation unit at ConocoPhillips' 238,000 bpd Bayway refinery in Linden, New Jersey was shut due to a fire on Sunday.



The unit will remain shut for a few days. ConocoPhillips said although the crude unit has been safely shutdown, the refinery continues to run at reduced rates. Separately, ConocoPhillips' 247,000 bpd Alliance refinery in Belle Chase, Louisiana was shut on Monday due to a power outage. Power was restored within 10 minutes of the outage. Refinery crews are working on a restart plan for the units.

Valero Energy Corp shut a 45,000 bpd hydrocracker unit at its 325,000 bpd Port Arthur, Texas refinery in order to perform repairs in the air cooler. The unit was shut on Friday and is seen down for about 7-10 days. Separately, a hydrocracker unit at Valero's 144,000 bpd Benicia, California refinery has returned to planned rates following the completion of planned maintenance. Valero also said a sulfur recovery unit at its Benicia, California refinery briefly malfunctioned on Monday.

Sinclair Oil Corp's 83,000 bpd refinery in Sinclair, Wyoming is expected to return to full rates in the middle of next week after a fire started in a heater of the hydro-desulfurization unit on March 29.

A 95,000 bpd sour crude distillation unit and a 64,000 bpd fluid catalytic cracking unit at BP's 410,000 bpd Whiting, Indiana refinery are still undergoing scheduled turnaround work. Separately, BP Plc restarted a reformer unit at its 265,000 bpd Carson, California refinery over the weekend. The unit was shut for a four week overhaul after another reformer unit restarted last month following similar work.

Italy's Eni resumed operations at a coking unit in the Gela refinery in Sicily following a fire.

South Korea's SK Energy unexpectedly cut its crude runs to 820,000 bpd from 970,000 bpd.

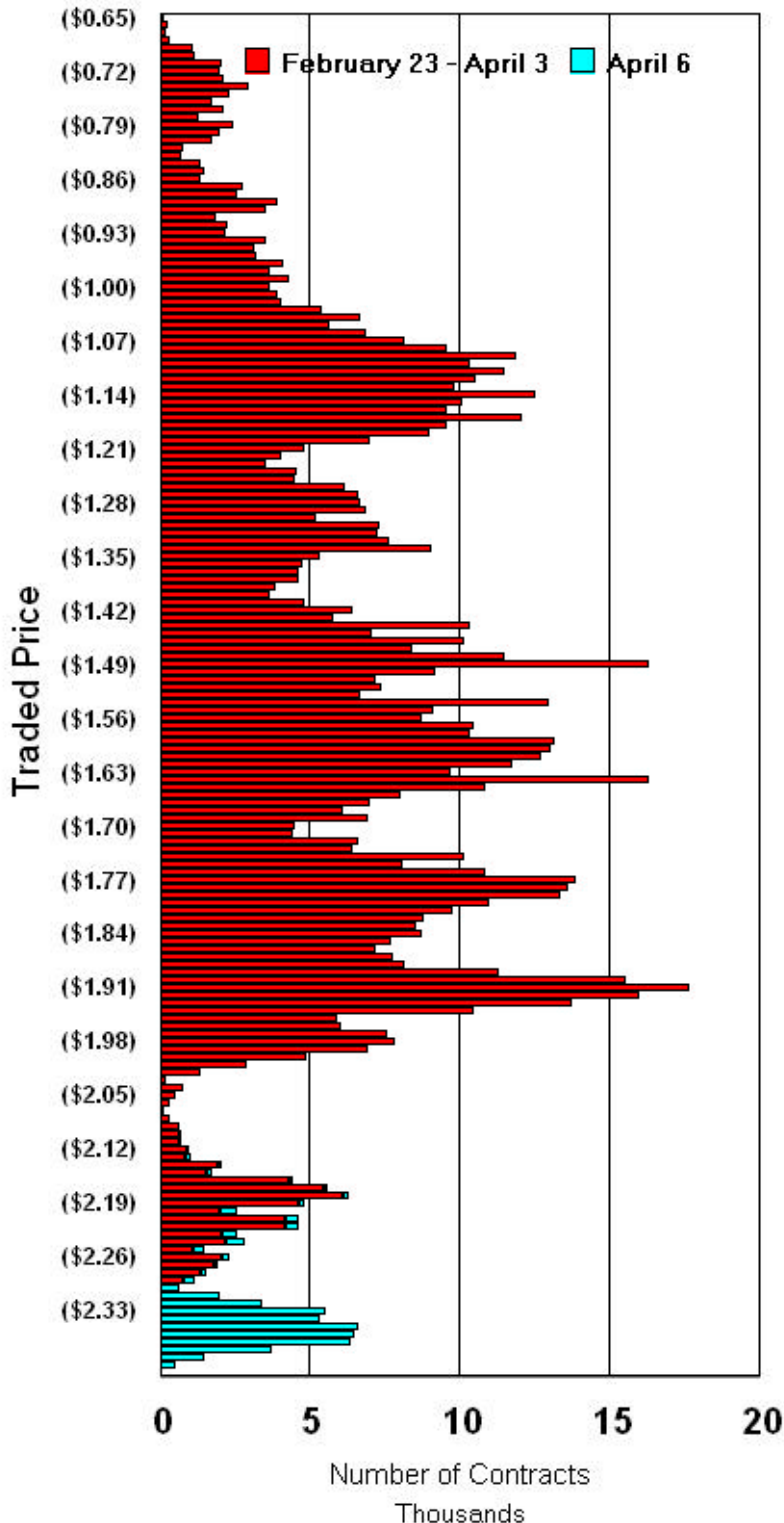
Qatar will start operating its new Laffan condensate refinery in mid-July and plans to double its capacity by 2014 to 146,000 bpd.

Saudi Aramco and ConocoPhillips plan to seek bids in mid-2009 to build their joint venture refinery in Saudi Arabia. The two firms halted the bidding process in November due to uncertainty in financial markets and as the prices of raw materials plummeted. The refinery has a start up target of 2013 and will process heavy crude from the Moneefa oilfield.

China's oil companies cut the amount of crude oil held in stocks during February to 263 million barrels, down from 273 million barrels in January. Gasoline stocks held by China National Petroleum Corp and

NYMEX WTI: May June Spread Price Vs Volume for February 23 - April 6, 2009

Trade Weighted Avg 4/2 -1.88, 4/3 -2.13 4/6 -2.3



Sinopec Group at the end of February stood at 31.9 million barrels while its diesel stocks stood at 53.7 million barrels.

Indonesia's Pertamina plans to import 4.5-5 million barrels of gasoline in May, in line with April and with expectations, despite an outage at its Balongan unit last week. Pertamina restarted its residual fluid catalytic cracking unit at its Balongan refinery on April 3 after a week long outage.

Production News

Mexico's Transportation Ministry reported that strong winds and rough seas forced Mexico to shut its Dos Bocas oil export terminal on Monday.

Chevron Corp on Sunday suspended its oil production in Alaska's Cook Inlet because eruptions from Redoubt volcano are threatening the Drift River tank farm where the company needs to store the oil.

An Iraqi official said Iraq's northern pipeline is expected to be fixed by Thursday or Friday after flows were halted since April 1st. A shipping agent said there was only 200,000 barrels of Kirkuk crude at storage facilities in Ceyhan.

Oil exports from Iraq's main Basra oil terminal fell to 1 million bpd on Monday due to a technical problem at three of Basra's crude processing plants. A shipper said one tanker was loading 2 million barrels and two others were at anchor waiting to be filled.

Ithaca Energy Inc began production at Jacky field and restarted Beatrice Bravo facility. It expects to produce an average of 10,000 bpd of oil from the wells in 2009.

NEW YORK MERCANTILE EXCHANGE(r)									
NYMEX OPTIONS CONTRACT LISTING FOR 04/06/2009									
				TODAY'S	PREVIOUS	ESTIMATED	DAILY	DAILY	
-----CONTRACT-----				SETTLE	SETTLE	VOLUME	HIGH	LOW	
AO	12	9	C	70	6.09	6.59	410	0	0
AO	11	9	C	70	5.34	5.76	400	0	0
AO	11	9	P	45	2.83	2.88	400	0	0
AO	12	9	P	45	2.76	2.78	400	0	0
AO	10	9	C	70	4.72	5.13	400	0	0
AO	10	9	P	45	2.72	2.67	400	0	0
LC	6	9	P	45	1.44	1.36	550	0	0
LC	12	9	P	63	10.35	10.15	500	0	0
LC	12	12	C	150	2.67	2.72	500	0	0
LC	12	12	C	100	7.47	7.59	500	0	0
LC	6	9	P	50	2.94	2.72	500	0	0
LC	12	9	C	63	8.05	8.55	500	0	0
LO	6	9	P	40	0.61	0.59	4855	0.72	0.5
LO	5	9	P	40	0.1	0.12	3197	0.16	0.1
LO	5	9	P	47	0.91	0.86	2934	1.16	0.85
LO	6	9	C	70	0.52	0.76	2312	0.83	0.38
LO	5	9	C	50	2.98	4.2	2292	3.3	2.48
LO	5	9	P	50	1.93	1.69	1894	2.42	1.8
LO	5	9	C	55	0.98	1.73	1811	1.78	0.65
LO	5	9	P	48	1.19	1.08	1742	1.55	1.11
LO	5	9	P	45	0.52	0.52	1634	0.73	0.41
LO	12	9	C	100	1.02	1.25	1338	0	0
LO	12	9	C	71	5.18	5.59	1250	0	0
LO	6	9	P	50	2.94	2.72	1133	3.3	2.61
OB	6	9	P	1.3	0.0578	0.0634	310	0	0
OB	6	9	C	1.9	0.0341	0.0454	310	0	0
OB	6	9	P	1.34	0.0737	0.0767	200	0	0
OB	6	9	P	1.35	0.0773	0.0803	200	0	0
OH	7	9	P	1.47	0.1616	0.1533	150	0	0
OH	12	9	P	1.62	0.2507		150	0	0

Norway's North Sea Statfjord crude oil stream is set to load about 193,000 bpd in May, down from 199,500 bpd in April. It is scheduled to load a total of 5.985 million barrels in May. Norway's North Sea Gullfaks crude oil stream is scheduled to load 193,000 bpd in May, down from 256,500 bpd in April. It is scheduled to load 5.985 million barrels. The North Sea Oseberg crude oil stream is scheduled to load 214,516 bpd or 6.65 million barrels, down from 221,667 bpd in April.

Nigeria's Forcados crude exports in May will fall to 188,000 bpd from an expected 253,000 bpd due to the impact of explosions on a pipeline last month that cut production. Six cargoes are scheduled to load in May, three of which have been delayed from April.

Russia's Prime Minister Vladimir Putin said Russia will finish an oil pipeline connecting Siberian oil fields to China in several weeks. He however did not specify when the pipeline will actually begin pumping Russian oil to

China.

Total SA may delay its investment decision for the proposed Joslyn oil sands mine in northern Alberta by a few months as it seeks to cut costs. Total has been forced to revise the schedule for the Joslyn mine several times due to regulatory delays and heavy competition for labor and materials during the recent industry boom. The first 100,000 bpd phase was originally scheduled to come onstream by 2010 but the company is now looking at a 2014 startup. Separately, Total SA entered into several agreements with Cobalt International Energy LP to explore deepwater areas in the Gulf of Mexico. The agreements will form the basis of a strategic alliance in the area that offers several promising exploration opportunities.

Italy's Eni made a new hydrocarbon discovery offshore Indonesia as it aims to increase activity in the region. It plans to proceed with the appraisal of the Jangkrik discovery and to assess the technical and commercial viability of a fast track development of the new field.

Japan and Venezuela signed a broad cooperation agreement to develop oil and gas projects in Venezuela. Venezuela's Energy Minister Rafael Ramirez said Japan Oil, Gas and Metals National Corp, Inpex Corp and Mitsubishi Corp will pursue a joint feasibility study with Venezuela on the Orinoco oil belt in the next two years. Venezuela also agreed with four Japanese trading houses, Mitsubishi, Itochu Corp, Mitsui & Co and Marubeni Corp to begin participating in the development of a gas field for liquefied natural gas. Separately, Venezuela signed a memorandum of understanding with Japan Bank of International Cooperation, Mitsubishi and Itochu for loans totaling \$1.5 billion to finance the upgrade of two refineries.

Columbia's Ecopetrol discovered oil in the southern province of Putumayo. The new wells will produce 300 bpd of oil. Ecopetrol is aiming to increase its oil production to 531,000 bpd of oil equivalent by the end of the year, up from an average of 447,000 bpd in 2008.

Ecuador exported 9.46 million barrels or 337,857 bpd of crude in February, down 23% from 12.26 million barrels a year earlier. Its oil export revenue totaled \$252.13 million in February, down 74% from \$984.79 million in February 2008.

OPEC's news agency reported that OPEC's basket of crudes increased further to \$51.20/barrel on Friday from \$50.00/barrel the previous day. It also reported that OPEC's basket of crudes fell by \$1.84/barrel to \$48.55/barrel in the week ending April 3rd.

Saudi Aramco cut its official selling prices for crude bound to the US in May. It set the price of its Arab Extra Light at WTI minus 80 cents, down \$3.15 and the price of its Arab Light crude at WTI minus \$2.25, down \$4.15. Its Arab Medium crude was set at WTI minus \$3.85, down \$5 and its Arab Heavy crude was set at WTI minus \$4.85, down \$5.50. Saudi Aramco also cut the prices of its crudes bound for Europe, with the price of its Arab Extra Light crude down 70 cents to BWAVE minus \$2.70, the price of its Arab Light crude down \$1.60 at BWAVE minus \$4.05, the price of its Arab Medium down \$1.90 at BWAVE minus \$5 and the price of its Arab Heavy crude down \$2.10 at BWAVE minus \$5.80. Meanwhile, the price of its Arab Super Light crude bound for Asia was cut by 30 cents to the Oman/Dubai average plus \$3.10 and the price of its Arab Extra Light crude was unchanged at the Oman/Dubai average plus \$1.55. The price of its Arab Light crude was cut by 10 cents to the Oman/Dubai average plus 80 cents, the price of its Arab Medium crude was cut by \$1 to the Oman/Dubai average minus 50 cents and the price of its Arab Heavy crude was cut by \$1.20 to the Oman/Dubai average minus \$1.85.

The official selling price of Iranian Light crude bound for Asia in May was cut by 10 cents to the Oman/Dubai average plus \$1.10 while its Iranian Heavy crude was cut by \$1 to the Oman/Dubai average minus 45 cents and its Forozan Blend crude was cut by \$1 to the Oman/Dubai average minus 40 cents.

Qatar has increased its March retroactive official selling price for Qatar Marine crude to \$45.58/barrel, up \$3/barrel from February. It also set the March Qatar Land official selling price at \$47/barrel, up \$2.68/barrel from February.

Market Commentary

The oil market settled in negative territory for the second consecutive session amid the losses seen in the equities market and the strength in the dollar. The market opened slightly lower at \$52.40 on Globex and rallied to a high of \$53.60. However the market's overnight gains evaporated as the US equities market lost ground. The market was further pressured by the dollar's gain against the euro, which diminished commodities' attractiveness as a currency hedge. The oil market traded to \$50.30 and found some support at it traded back to \$52.00 early in the open outcry session. However as its

gains remained limited, the market sold off to a low of \$49.81. The market retraced some of its losses ahead of the close and settled down \$1.46 at \$51.05. The market will remain influenced by the equities markets as traders take cues from the stock market as a barometer of the economy. Technically, the crude market remains in its upward trend channel, with support seen at \$48.34 on Tuesday. The products markets also settled in negative territory following the weakness in the crude market. The RBOB market, posted an outside trading day as it rallied to a high of \$1.519 in overnight trading following Friday's strength. However the market gave up its gains and sold off to a low of \$1.44 early in the session. It traded in a 2 cent trading range for most of the session before it retraced some of its losses and settled down 1.69 cents at \$1.4755. The RBOB market is seen finding support at \$1.44, \$1.367, \$1.3411, \$1.3184 and \$1.2700. The heating oil market also settled down 2.69 cents at \$1.4191 after posting an outside trading day. Similar to the gasoline market, the heating oil market rallied to a high of \$1.4715 in overnight trading before it sold off to a low of \$1.3857. The market traded in range and retraced some of its losses ahead of the close. The heating oil market is seen find support at \$1.3857, \$1.3466, \$1.34, \$1.3057, \$1.2998 and \$1.2473.

While the option market was much quieter today, the June \$40 put again was the most popular strike on the day trading between 72 and 50 cents 4855 times.

(CL) MAY.09 273,024 -4,458 JUN.09 206,134 +2,672 JUL.09 97,514 +1,994 AUG.09 35,569 +646
 Totals: 1,168,475 +5,402 Heating oil MAY.09 52,639 -3,821 JUN.09 40,726 +242 JUL.09 24,081 +177
 AUG.09 14,108 Totals: 249,093 -2,368 RBOB MAY.09 73,708 -483 JUN.09 36,910 +2,302 JUL.09
 21,516 +47 AUG.09 15,157 -215 Totals: 197,914 -2,107.

Crude Support	Crude Resistance
49.81, 48.45, 48.34, 47.26, 44.72, 43.74, 41.00,40.00	52.00, 53.60, 53.90, 54.75, 55.98, 57.20
Heat Support	Heat resistance
1.3857, 1.3466, 1.3400, 1.3057, 1.2998, 1.2473, 1.2039, 1.14	1.44, 1.4715, 1.4865, 1.5050, 1.5154, 1.5285, 1.5520 167.15
Gasoline support	Gasoline resistance
1.44, 1.367, 1.3411, 1.3184, 1.2700, 1.2625 1.1680, 1.1299	1.495, 1.5455, 1.5546, 1.5800

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