



ENERGY RISK MANAGEMENT

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ENERGY MARKET REPORT FOR APRIL 15, 2009

OPEC reported in its latest Monthly Oil Market Report that world demand is declining faster than previously thought as the slowing global economy erodes consumption and keeps oil prices under pressure. It said world oil demand is expected to fall by 1.37 million bpd in 2009 to 84.2 million. It had previously estimated world

demand would fall by 1.01 million bpd. According to OPEC, demand is declining fastest in the developed nations of the Organization for Economic Cooperation and Development. Demand is expected to fall to 46 million bpd in OECD countries. Demand for OPEC's crude in 2009 will fall by 2.07 million bpd to 28.74 million bpd, down 330,000 bpd from its previous estimate.

The EIA reported that OPEC's net oil export revenue will fall an estimated 51% to \$476 billion this year. It is up \$93 billion from its previous estimate.

Energy Security Analysis, Inc consultancy downplayed the IEA's oil demand forecast, citing numerous signs of a possible economic recovery at the end of 2009 or early 2010. It called the IEA's position that world oil demand will fall by 2.4 million bpd in 2009 too pessimistic. It sees oil demand falling by 1.5 million bpd.

DOE Stocks

Crude – up 5.6 million barrels
Distillate – down 1.2 million barrels
Gasoline – down 900,000 barrels
Refinery runs – down 1.4%, at 80.4%

Market Watch

More North Sea crude cargoes are heading to the US and Asia as European demand remains sluggish. There is about 1.4 million barrels of Forties crude and about 600,000 barrels of Brent on a VLCC chartered by Vitol Holding B.V. Another VLCC, Astro Taurus, chartered by StatoilHydro ASA, is loading at Hound Point, Scotland and is likely to sail to South Korea. This month, VLCC Front Shanghai, booked by Royal Dutch Shell, left the North Sea for Galveston. Since late February, about 11 million barrels of North Sea crude, mostly Forties crude, have been shipped to the Americas, mostly the US.

The Federal Reserve said US industrial production fell by 1.5% in March. At a level of 97.4, production was at its lowest since December 1998. Capacity utilization receded in March to 69.3%, a historical low since records began in 1967. Over the 12 months ending in March, industrial production was down 12.8%.

China is close to a deal to loan Kazakhstan \$10 billion in exchange for bigger access to oil assets in the central Asian country. China's CNPC is in talks with Kazakhstan's KazMunaiGas to jointly develop oilfields under MangistauMunaiGas.

US Secretary of State Hillary Clinton said the US welcomes dialogue with Iran but has not dropped or added any conditions on a nuclear deal with Iran. She added that European Union foreign policy chief Javier Solana had not yet

received a response to an invitation for Iran to find a diplomatic solution to the nuclear issue.

April Calendar Averages
CL – \$50.41
HO – \$1.4069
RB – \$1.4558

Nigeria’s main militant group, the Movement for the Emancipation of the Niger Delta warned of further clashes with the military in the Niger Delta and said it had moved two British hostages out of harm’s way in anticipation of unrest. It said it would join the dispute between the military joint task force and youths who it said were protesting against Royal Dutch Shell in the southern state of Bayelsa.

Refinery News

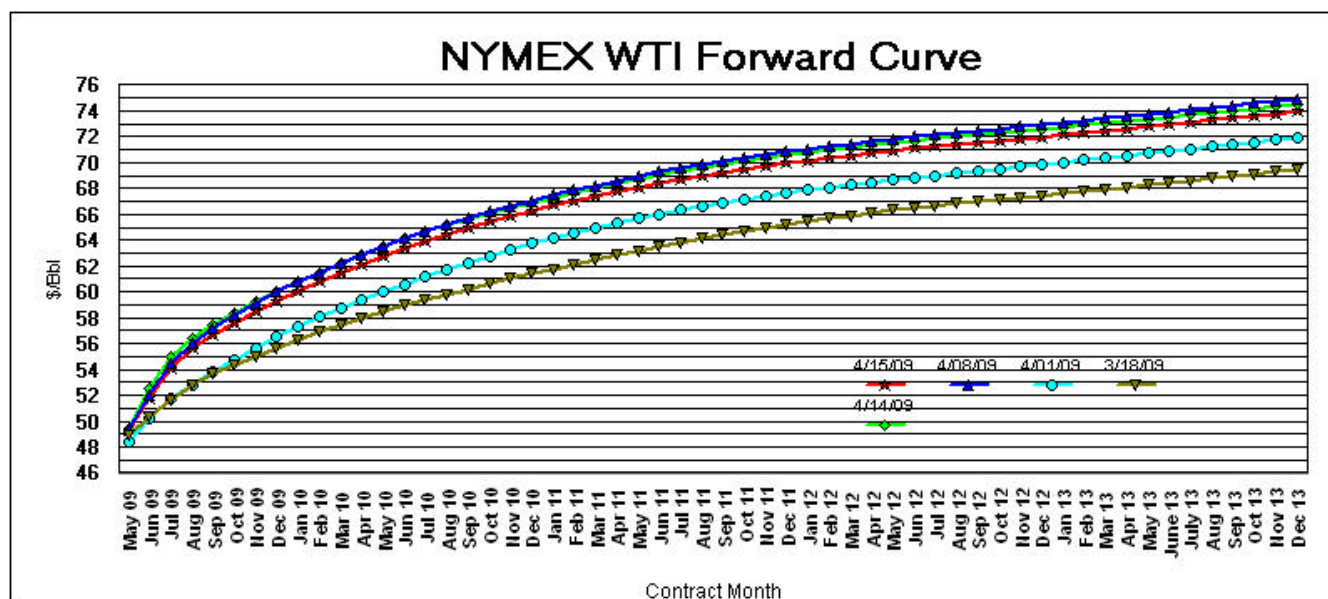
Irving Oil Ltd plans to increase production of ultra-low sulfur gasoline at its 300,000 bpd refinery in Saint John, New Brunswick as part of a project scheduled to begin in September.

Indonesia’s Pertamina bought 3.45 million barrels of crude for June arrival via its regular tender, down from 5.6 million barrels it purchased last month for May arrival.

The Petroleum Association of Japan reported that Japan’s refineries operated at a 6 month low of 70.8% in the week ending April 11th. It is down 7.7% on the week due to refinery shutdowns amid weak demand. It reported that crude inventories fell by 2.05 million barrels on the week but increased by 9.03 million barrels to 100.98 million barrels. Japan’s gasoline stocks fell by 70,000 barrels on the week and increased by 750,000 barrels on the year to 15.14 million barrels while its kerosene stocks fell by 40,000 barrels on the week or by 1.22 million barrels to 10.2 million barrels. It also reported that Japan’s total product sales increased by 15.2% on the week but fell by 9.5% on the year to 3.35 million bpd, with gasoline sales falling by 6.2% on the week and by 12.2% on the year to 960,000 bpd while kerosene sales fell by 28.5% on the week and by 16.7% on the year to 330,000 bpd and gas oil sales increased by 16.3% on the week and by 7.8% on the year to 620,000 bpd. Naphtha sales increased by 212% on the week and by 184.7% on the year to 540,000 bpd while jet fuel sales increased by 55.4% on the week to 157,000 bpd.

Meanwhile, Japan’s Oil Information Center reported that the country’s average price of gasoline was 114.1 yen or \$1.16/liter or \$4.39/gallon in the week ending April 13th, up 0.9 yen on the week.

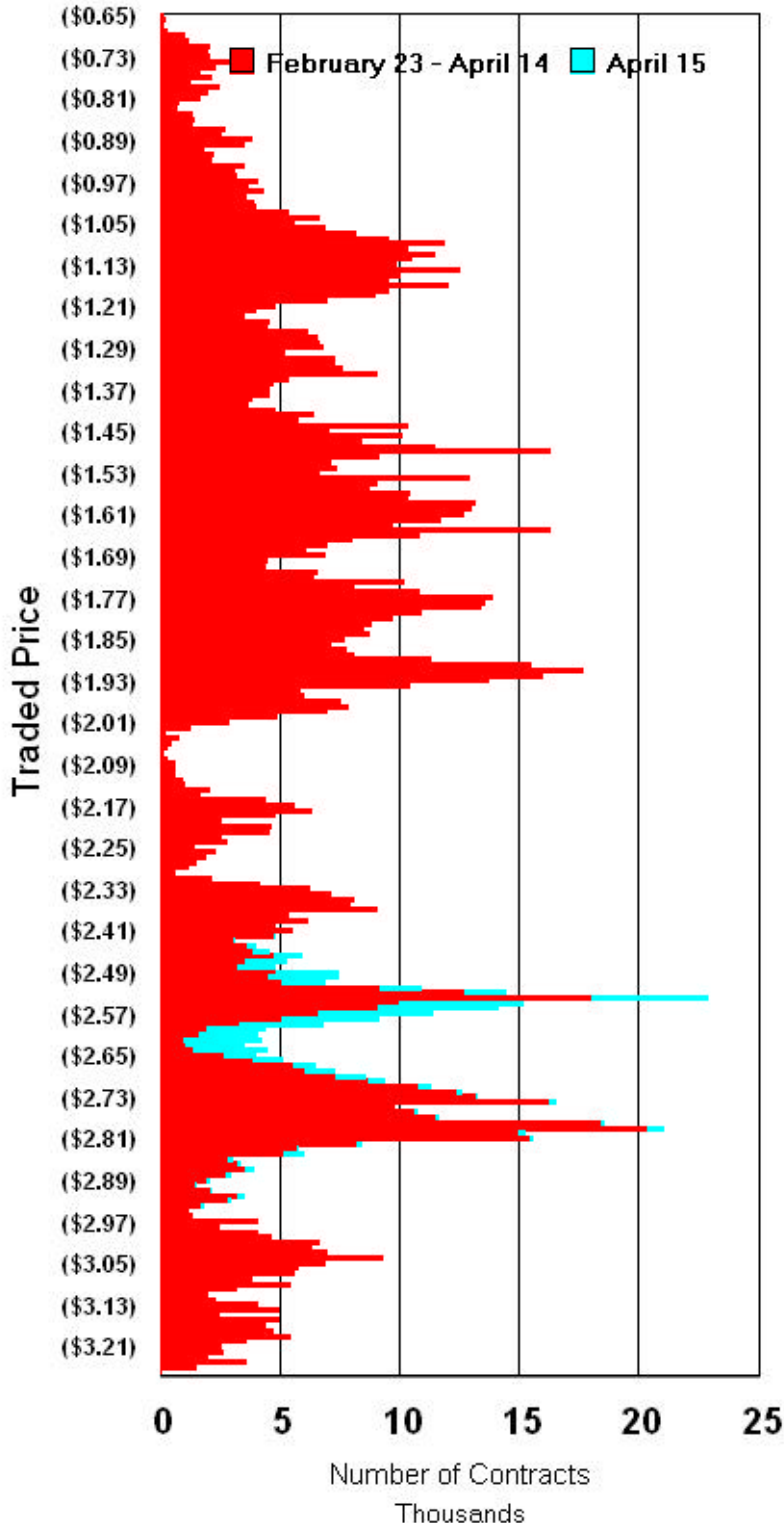
South Korea’s GS Caltex will reduce spot diesel exports to 40,000 tons in May from 120,000 tons shipped out this month, due to routine refinery maintenance.



NYMEX WTI: May June Spread

Price Vs Volume for February 23 - April 15, 2009

Trade Weighted Avg 4/13 -2.79, 4/14 -3.06, 4/15 -2.55



China Aviation Oil Corp Ltd said it has signed a deal with China's CNOOC to export jet fuel from the new 240,000 bpd Huizhou refinery. The refinery was launched late last month and is expected to start jet fuel production by May.

Production News

Royal Dutch Shell said its Nigerian joint venture has declared force majeure on Bonny Light crude exports in April and May. The force majeure is as a result of the recent production shut in from the fire on the Bomu manifold on the Trans Niger Pipeline in Eastern operations. Shell said the joint venture extinguished the fire on Tuesday and was working to repair the line and restore production as soon as possible. Prior to Tuesday's force majeure an estimated 200,000 bpd of Bonny Light crude was shut in. The fire on the manifold on the Trans Niger Pipeline has led to a production loss 180,000 bpd. The loss includes 130,000 bpd for Royal Dutch Shell, 30,000 bpd for France's Total SA and another 20,000 barrels various other operators.

The American Petroleum Institute reported first quarter US oil and natural gas drilling activity fell to levels not seen since 2004, marking the end of six consecutive years of gains in the first quarter. During the first quarter, an estimated 11,071 oil wells, natural gas wells and dry holes were completed in the first quarter of 2009, down 22% on the year and down 35% from the fourth quarter. Estimated oil well completions' share of total drilling activity in the first quarter of 2009 was 36%, down from 40% in the first quarter of 2008. Natural gas continues to be the primary target for domestic drilling, with an estimated 5,735 natural gas wells completed in the first quarter of 2009.

NEW YORK MERCANTILE EXCHANGE(r)									
NYMEX OPTIONS CONTRACT LISTING FOR 04/15/2009									
				TODAY'S	PREVIOUS	ESTIMATED	DAILY	DAILY	
-----CONTRACT-----				SETTLE	SETTLE	VOLUME	HIGH	LOW	
LC	6	9	P	45	1.25	1.22	2500	0	0
LC	6	9	C	60	0.99	1.29	1400	0	0
LC	12	12	C	80	11.61	11.94	1000	0	0
LC	7	9	C	70	0.96	1.15	500	0	0
LC	5	9	P	45	0.04	0.15	400	0	0
LC	12	9	C	80	2.57	2.79	400	0	0
LC	9	9	C	70	2.65	2.98	400	0	0
LC	5	9	P	50	1.37	1.64	400	0	0
LC	7	9	P	45	1.86	1.77	300	0	0
LC	12	9	P	45	3.17	3.08	300	0	0
LO	6	9	P	40	0.46	0.47	3083	0.5	0.4
LO	6	9	C	60	0.99	1.29	3031	1.3	0.94
LO	5	9	P	48	0.45	0.74	2865	0.62	0.19
LO	5	9	C	50	0.62	1.05	2814	1.25	0.42
LO	5	9	C	55	0.01	0.07	2655	0.09	0.01
LO	6	9	C	62.5	0.64	0.86	2200	0	0
LO	5	9	P	47	0.22	0.46	2137	0.38	0.1
LO	5	9	P	50	1.37	1.64	1693	1.65	0.7
LO	5	9	P	49	0.83	1.13	1603	1.03	0.55
LO	5	9	C	51	0.32	0.68	1575	0.77	0.17
LO	6	9	C	55	2.32	2.79	1569	2.75	2.25
LO	6	9	P	45	1.25	1.22	1413	1.3	1.12
LO	5	9	P	46	0.1	0.27	1388	0.2	0.05
LO	5	9	C	52	0.15	0.42	1234	0.46	0.1
LO	6	9	P	48	2.08	2.01	1215	2.25	1.88
LO	6	10	C	85	3.91	4.17	1175	0	0
LO	6	10	P	60	8.79	8.64	1175	0	0
LO	6	9	P	35	0.13	0.14	1155	0	0
LO	5	9	C	48	1.7	2.15	1130	2.1	2.1
LO	8	9	C	60	4.52	5.01	1106	4.64	4.44
LO	6	9	C	80	0.03	0.05	1101	0.04	0.03
LO	6	9	P	50	2.85	2.73	1098	2.95	2.75
LO	7	9	C	65	1.73	2.04	1029	1.85	1.7
LO	5	9	C	49	1.08	1.54	1003	1.27	0.86
LO	12	12	P	50	5.25	5.2	1000	0	0
OB	9	9	C	1.2	0.3651	0.3791	700	0	0
OB	9	9	C	1.4	0.2436	0.2566	700	0	0
OB	9	9	P	1	0.025	0.0256	540	0	0
OB	9	9	C	2.2	0.0396	0.0448	540	0	0
OB	10	9	C	2	0.0621	0.066	315	0	0
OH	6	9	C	1.6	0.0499	0.0551	400	0	0
OH	5	9	C	1.5	0.0225	0.0256	315	0	0
WA	5	9	P	-4	0.04	0.16	300	0.2	0.2
WA	5	9	P	-2.5	0.4	0.81	100	0	0
WA	5	9	C	-2.5	0.39		100	0	0

Iraq's oil exports from its southern Basra terminal increased to their normal rate of 1.44 million bpd on Wednesday after falling to 1 million bpd on Tuesday due to bad weather conditions. Two ships are loading at the terminal, one loading 1.8 million barrels of crude and the other 2 million barrels.

Lukoil President Vagit Alekperov said the decline in Russia's oil production is likely to continue after falling by 2% in the first quarter.

Production from the Vincent oil field off western Australia has been halted indefinitely after a fire on Monday on board a floating production and storage facility. The field was producing at an annual rate of 35,800 bpd at the end of last year.

Russia's Gazprom expects crude production to fall by 5% this year from 30.7 million metric tons produced in 2008.

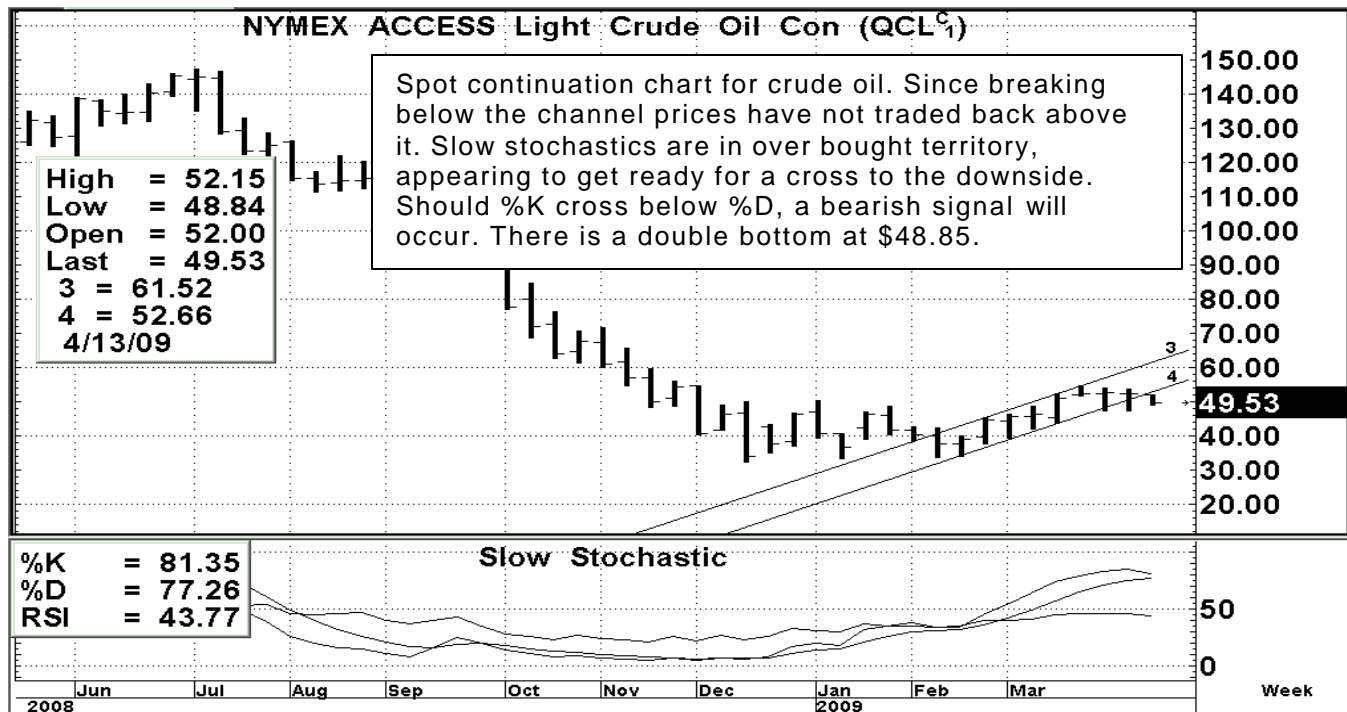
Russia's Surgutneftegaz expects its oil production to steady at 61 million tons this year after production fell in 2008. The Energy Ministry reported Surgut produced 61.7 million tons of oil last year, down 4.3% on the year.

Latvia's Ventspils Nafta Terminals said it shipped 3.8 million tons of crude and oil products in the first quarter of 2009. It shipped more than 2.7 million tons of gas oil by railway and by an oil products pipeline, 700,000 tons of gasoline and 300,000 tons of crude oil via sea in the first three months of the year.

OPEC's news agency reported that OPEC's basket of crudes fell to \$51.07/barrel on Tuesday from Monday's \$51.92/barrel level.

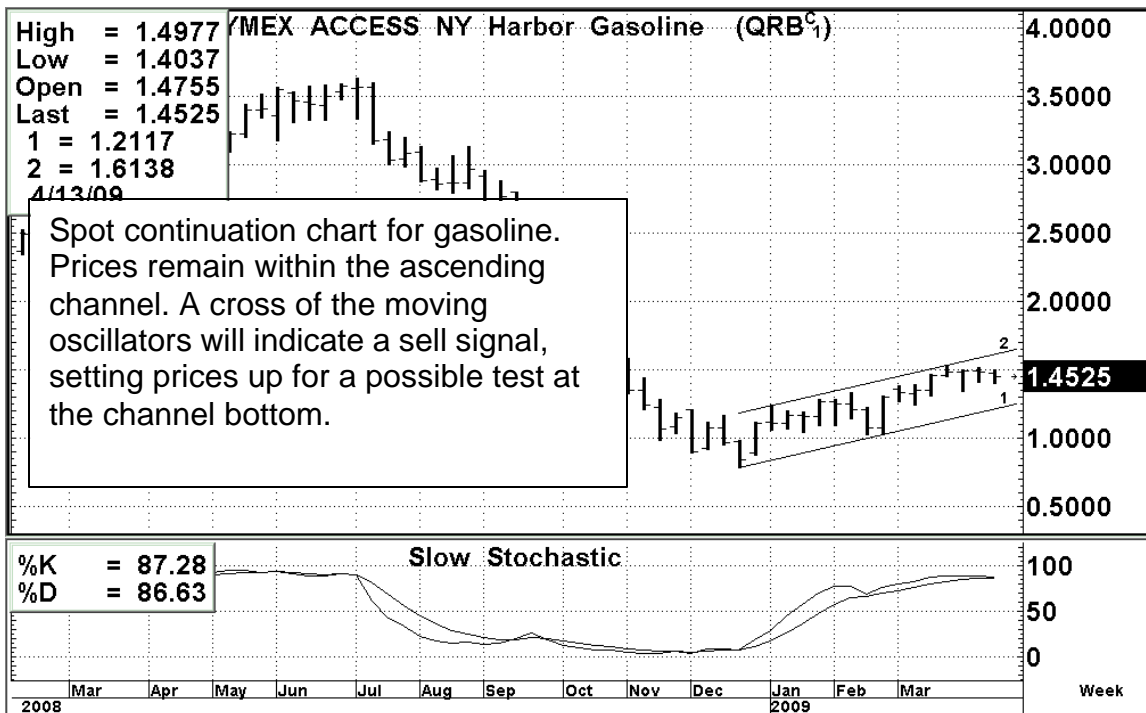
Market Commentary

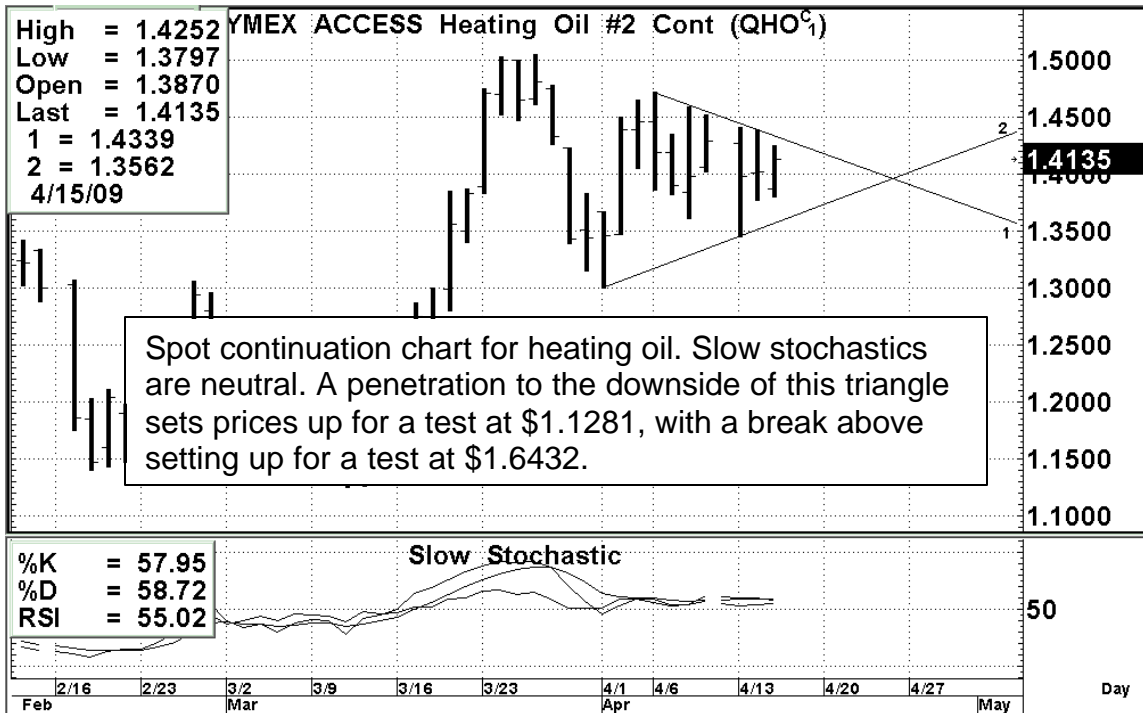
According to the DOE report, crude oil stock levels increased 5.6 million barrels, bringing total oil stocks to 366.7 million barrels. Inventory levels held at Cushing, OK, the NYMEX delivery point, decreased by 800,000 barrels, bringing the total of stocks held at that location to 29.2 million barrels. This is the fourth straight week that inventories held at Cushing fell. This draw helped support the May09/June09 crude oil spread, which gained \$0.59 on the day. While this may appear supportive on the surface, crude oil stocks are at their highest level since September of 1990, with total fuel demand running 5.2% lower on the year. Not until crude oil inventories start to decrease and demand picks up will this market be able to sustain strength. The May contract experienced an inside trading session, failing to take out the support set at \$48.85. Prices basis a weekly continuation chart remain below the ascending \$52.66-\$61.52 channel. Technical indicators are trending in overbought territory, but have moved lower so far on the week. Should the \$48.85 support level become penetrated, we would look for a test at the \$47.30 support level. Gasoline inventories decreased by 900,000 barrels, with demand based upon a four-week average, running about 9 million barrels per day or 0.4% lower than the same four-week period last year. Prices, which have been on an incline since the end of December, remain within the ascending channel on a weekly spot continuation chart. Moving oscillators remain in overbought territory. A cross to the downside of these technical indicators would signal a bearish move in prices. Heating oil stocks decreased by 1.2 million barrels with demand for distillates based upon a four-week average running about 3.9 million barrels or 6.7% lower on the year. From a technical standpoint, heating oil appears to be trading within a period of consolidation, within a symmetrical triangle. Moving oscillators remain neutral. A penetration to the downside of this triangle sets prices up for a test at \$1.1281, with a penetration to the upside setting up prices for a test at \$1.6432.



(CL) MAY.09 107,341 -25,242 JUN.09 324,310 +25,001 JUL.09 149,930 +7,886
 AUG.09 46,295 +2,909 Totals: 1,192,619 +11,520 Heating MAY.09 35,393 -3,574 JUN.09 52,680
 +4,146 JUL.09 30,237 +1,248 AUG.09 15,150 +162 Totals: 256,892 +3,891 YORK HARBOR RBOB
 MAY.09 46,023 -1,331 JUN.09 55,692 +2,709 JUL.09 31,360 +2,168

AUG.09 17,603 +866 Totals: 205,558 +4,153





Crude Support	Crude Resistance
48.85, 47.35, 45.24, 43.74, 40.00, 38.95, 32.25, 29.66, 28.63, 26.65, 25.50	54.75, 55.98, 57.20
Heat Support	Heat resistance
1.3472, 1.3000, 1.1359, 1.10951.0520	1.4593, 1.4715, 1.4865, 1.5050, 1.5143, 1.5285, 1.5520 167.15,
Gasoline support	Gasoline resistance
1.3400, 131.80, 1.2700, 1.2625 1.1680, 1.0128, 9590,	1.4900, 11.5088, .5260, 1.5340, 1.5800,