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ENERGY MARKET REPORT FOR APRIL 16, 2009

Iraq's Oil Minister Hussain al-Shahristani said OPEC expects oil prices to keep on increasing during the coming months and that demand for crude in the summer will be high.

Oil Movements reported that OPEC's oil exports, excluding Angola and Ecuador, are forecast to fall by 560,000 bpd to 22.24 million bpd in the four-week period ending May 2nd. It said OPEC's compliance with the supply cuts is about 80%.

According to the American Petroleum Association, US demand for crude oil and petroleum products in March fell by 2.2% or 443,000 on the

Market Watch

Royal Dutch Shell is seeking more VLCCs to store North Sea Forties crude in a bid to take advantage of current low freight rates. Talks to charter between four and five VLCCs are underway.

Morgan Stanley has more than tripled its leased fuel storage capacity in the Middle East to over 1.5 million barrels as it strengthens its regional trading presence.

The Labor Department reported that initial claims for unemployment claims fell by 53,000 to 610,000 in the week ending April 11. The four week average fell by 8,500 to 651,000. It was the first decline in 12 weeks. The US has lost 5.1 million jobs since the recession started in late 2007. According to the report, the continuing jobless claims increased by 172,000 to 6,022,000, the highest level since the government started keeping track of unemployment data in 1967.

The Commerce Department reported that housing starts fell by 10.8% to a seasonally adjusted 510,000 annual rate. The drop was driven by lower apartment construction. Year over year, housing starts were 48.4% below the pace of construction in March 2008.

The Association of American Railroads said freight traffic across North America fell by 24.2% on the year in the week ending April 11, including a 23.3% decline in US rail freight, as a slow economy, bad weather conditions and a Good Friday holiday cut railroad shipments. US rail carloads fell 5.4% to 248,391 in the week ending April 11 from 262,624 carloads the prior week.

China's annual economic growth slowed to 6.1% in the first quarter from 6.8% in the fourth quarter. Domestic consumption accounted for a larger part of the first quarter's gross domestic product growth than investment. China's consumer price index fell 1.2% in March from a year earlier, the second consecutive monthly decline. Meanwhile, annual industrial output growth rebounded to 8.3% in March from a record low 3.8% in January-February. China's State Council or cabinet warned against blind optimism about the economy. It promised to take steps to encourage private investment, which it said was still too weak. The cabinet vowed to tweak existing stimulus measures and guide the flood of bank credit to ensure it reaches the economy but it made no mention of a new stimulus package, an idea that had surfaced as a market rumor in recent days.

The National Oceanic and Atmospheric Administration said there is no clear trend for the eastern half of the US during the May through July period, meaning there are equal chances for normal, above normal or below normal temperatures in the late spring, early summer period. Below normal temperatures are expected for southern Alaska and the Alaska panhandle, coastal areas of the Pacific Northwest and parts of the upper Midwest. Above normal temperatures are expected in May through July from Texas northward to southern and eastern Oregon.

April Calendar Averages

CL – \$50.37
HO – \$1.4082
RB – \$1.4575

year to 19.289 million bpd. In the first quarter, total petroleum demand fell by 700,000 bpd on the year to 19.203 million bpd, the lowest level for the first quarter since 1998. In March, gasoline demand increased by 1.8% or 163,000 bpd to 9.232 million bpd while distillate demand fell by 10.6% or 439,000 bpd to 3.701 million bpd.

Meanwhile, US crude oil production increased 7.2% to 5.472 million bpd. Crude oil and petroleum product imports average 12.924 million bpd, up 3.3% on the year.

Refinery News

The US EPA is seeking public comment on whether to allow a higher level of ethanol to be blended into gasoline. Growth Energy and more than 50 ethanol producers petitioned the EPA last month to raise the maximum blend level for ethanol in gasoline from 10% to as much as 15%. The Renewable Fuel Standard enacted by Congress requires 11.1 billion gallons of renewable fuels such as ethanol to be blended into the country's gasoline supply this year. The mandate will reach 36 billion gallons in 2022.

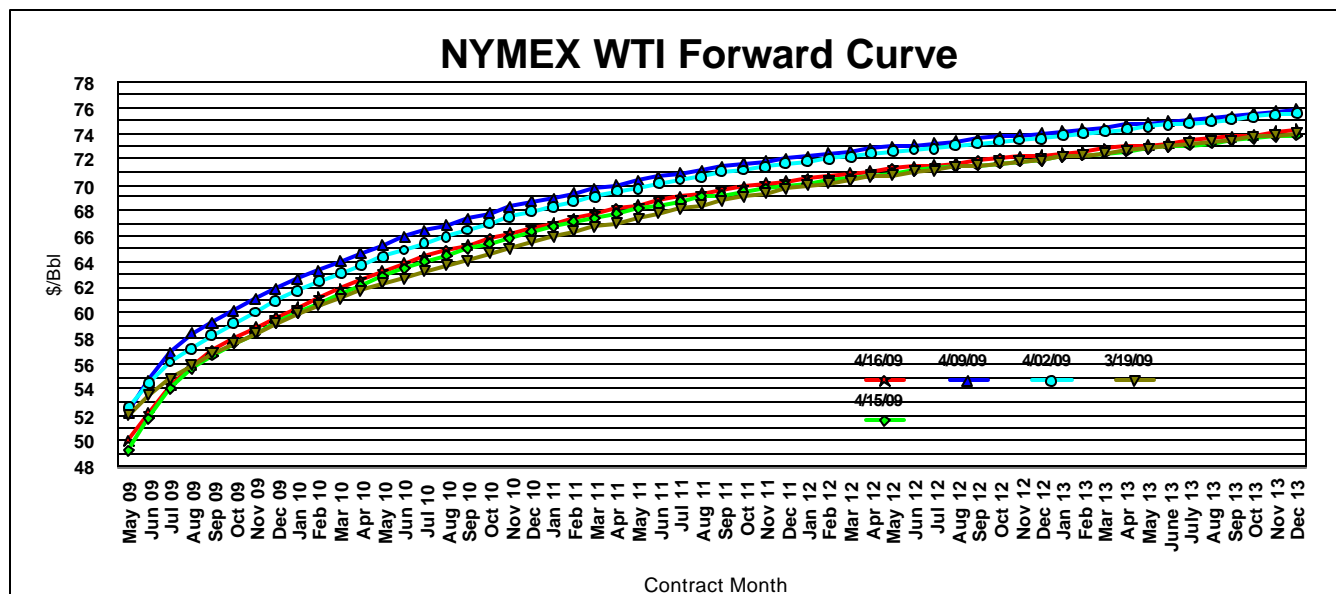
Marathon Oil is restarting its 204,000 bpd refinery in Robinson, Illinois after completing planned work on a crude unit and two coker units.

Husky Energy Inc said a fluid catalytic cracking unit at its 160,000 bpd Lima, Ohio refinery was at slightly lower rates following a minor snag last Friday. The unit is expected to resume normal rates next Tuesday. The problem will not have an impact on overall refinery production.

Holly Corp expects the US government to grant a one-year waiver to its newly acquired Tulsa, Oklahoma refinery so that it can meet the ultra-low sulfur diesel requirements. By 2010, US refiners are required to lower the sulfur content of highway diesel by 97%.

Japan's Kyokuto Petroleum Industries has delayed the resumption of full operations at its 175,000 bpd crude distillation unit at its Chiba refinery after failing to restart a secondary unit.

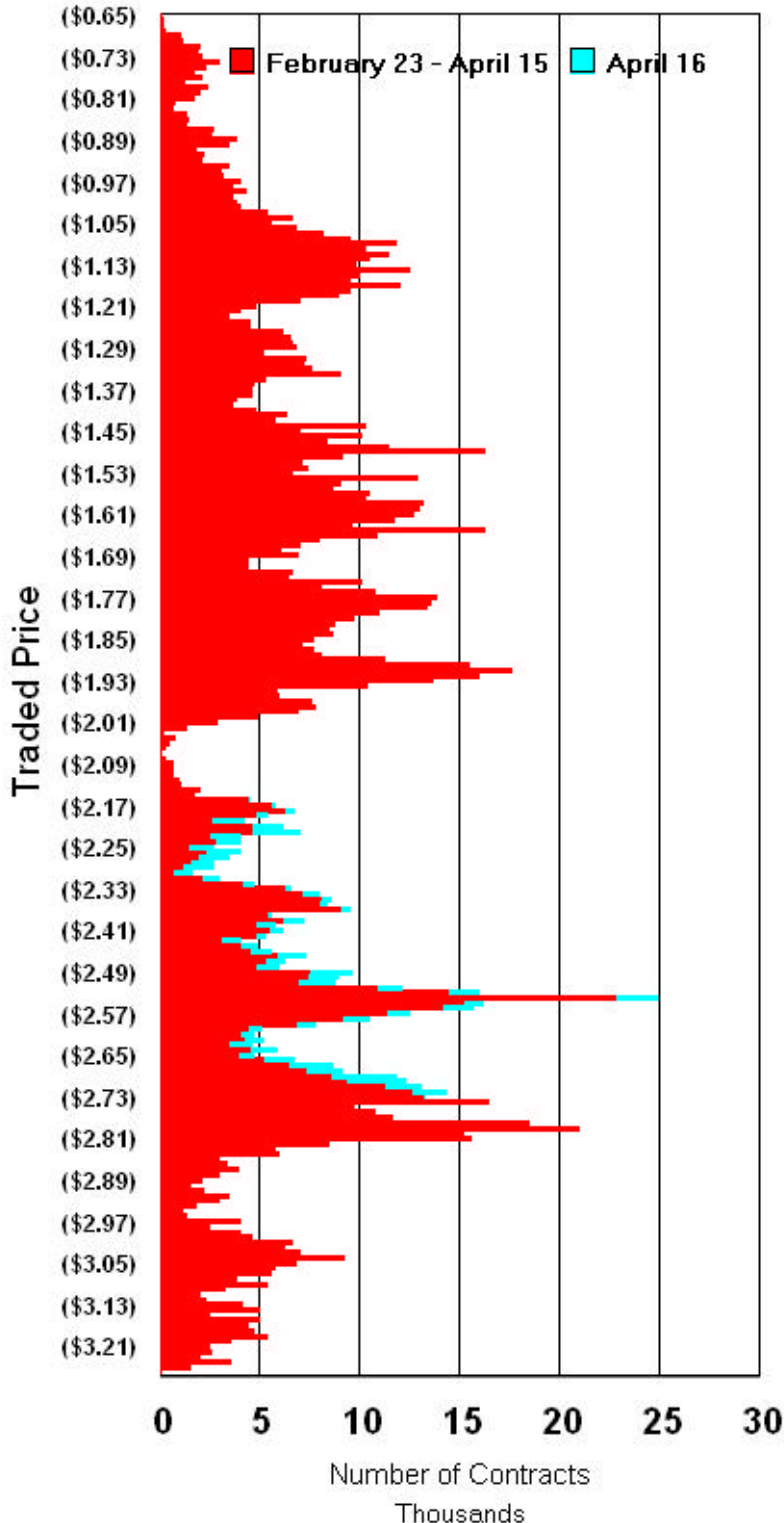
Spain's Repsol, which said it planned to shutdown its 100,000 bpd Cartagena refinery until margins improved, will runs its other refineries at full capacity. It is it has to protect its refining margins by shutting Cartagena. Cartagena is the smallest of Repsol's four refineries in Spain, which have combined capacity to process about 530,000 bpd.



NYMEX WTI: May June Spread

Price Vs Volume for February 23 - April 16, 2009

Trade Weighted Avg 4/14 -3.06, 4/15 -2.55, 4/16 -2.44



India's Petroleum Secretary R.S. Pandey said oil product consumption will grow 4% to 5% in the current financial year. In the previous financial year, which ended March 31, oil product consumption grew by 3.3%. He said India's domestic oil sales should increase 4-5% during the year ending March 2010.

Indian Oil Corp bought four million barrels of West African crude via its third tender for June loading sweet crude on Thursday. IOC bought one VLCC or 2 million barrels of Nigerian Qua Iboe and another VLCC made up of 1 million barrels each of Qua Iboe and Angolan Plutonio crude.

Gasoline inventories in independent storage in the Amsterdam-Rotterdam-Antwerp area in the week ending April 16th fell by 8.74% on the week and by 17.11% on the year to 804,000 tons while gas oil stocks fell by 7.09% on the week but increased by 83.64% on the year to 2.268 million tons. Outflows of gasoline from the ARA independent tanks went to the US. Cargoes were also shipped to Canada, Congo, the Mediterranean, Mexico, Namibia, Nigeria, South Africa, Trinidad and Tobago and the barge market. Fuel oil stocks increased by 15.59% on the week and by 25.25% on the year to 749,000 tons while naphtha stocks increased by 6.85% on the week but fell by 15.22% on the year and jet fuel stocks fell by 8.1% on the week but increased by 290.32% on the year to 726,000 tons.

		Contract			TODAY'S	PREVIOUS	ESTIMATED		DAILY
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AO	1	10	P	40	1.79	1.87	365	0	0
AO	6	10	P	40	2.16	2.22	365	0	0
AO	2	10	P	40	1.85	1.94	365	0	0
AO	9	10	P	40	2.25	2.31	365	0	0
AO	11	10	P	40	2.38	2.45	365	0	0
AO	7	10	P	40	2.2	2.25	365	0	0
AO	10	10	P	40	2.34	2.39	365	0	0
AO	3	10	P	40	1.89	1.98	365	0	0
AO	12	10	P	40	2.35	2.42	365	0	0
AO	8	10	P	40	2.19	2.25	365	0	0
AO	5	10	P	40	2.07	2.13	365	0	0
AO	4	10	P	40	1.97	2.05	365	0	0
LC	6	9	P	45	1.08	1.25	2150	0	0
LC	12	9	C	60	8.58	8.45	500	0	0
LC	12	9	P	60	8.9	9.19	500	0	0
LC	7	9	P	45	1.74	1.86	500	0	0
LC	12	9	P	58	7.8	8.08	450	0	0
LC	12	9	C	58	9.47	9.32	450	0	0
LC	7	9	P	54	5.07	5.28	350	0	0
LC	7	9	C	54	5.43	5.37	350	0	0
LO	6	9	C	60	0.98	0.99	6514	1.18	0.95
LO	6	9	P	45	1.08	1.25	4153	1.2	1
LO	5	9	C	50	0	0.62	3542	0.85	0.07
LO	6	9	C	55	2.35	2.32	3152	2.49	2.19
LO	7	9	C	65	1.68	1.73	2713	1.7	1.7
LO	5	9	P	48	0	0.45	2711	0.2	0.01
LO	6	9	P	35	0.1	0.13	2705	0.12	0.1
LO	5	9	P	49	0	0.83	2601	0.49	0.01
LO	7	9	C	60	2.98	3	2134	3.15	3.15
LO	12	9	C	60	8.6	8.47	2026	8.7	8.7
LO	12	9	P	60	8.92	9.21	2025	0	0
LO	7	9	P	46	2	2.13	2025	0	0
LO	5	9	P	50	0.02	1.37	1849	1.05	0.09
LO	6	9	C	65	0.38	0.4	1821	0.47	0.34
LO	5	9	C	48	1.98	1.7	1632	2.4	1.5
LO	5	9	C	49	0.98	1.08	1622	1.25	0.62
LO	6	10	P	40	2.17	2.22	1600	0	0
OB	9	9	C	1.8	0.1065	0.1	200	0	0
OB	10	9	C	1.5	0.1786	0.1698	200	0	0
OB	5	9	C	1.26	0.2182	0.1935	100	0	0
OB	5	9	P	1.26	0.004	0.0068	100	0	0
OH	6	9	C	1.6	0.05	0.0499	480	0.0475	0.045
OH	7	9	P	1.4	0.1074	0.1169	200	0	0
OH	7	9	P	1	0.0089	0.0107	200	0	0
OH	12	9	P	0.9	0.0105	0.0166	175	0	0
OH	12	9	C	3.5	0.0148	0.0084	175	0	0

Singapore's International Enterprise reported that the country's residual fuel stocks fell by 1.566 million barrels to 18.619 million barrels in the week ending April 15th. It also reported that the country's light

distillate stocks fell by 521,000 barrels to 8.532 million barrels and its middle distillate stocks fell by 393,000 barrels to 11.2 million barrels on the week.

Production News

BP Plc reported its largest year on year increase in hydrocarbons output for almost four years, producing over 4 million bpd of oil equivalents in the first quarter of 2009. The majority of the increase came from the startup of the Thunder Horse field in the Gulf of Mexico this year, which is producing about 300,000 bpd of oil equivalent.

Oil exports from Saudi Arabia's terminal at Ras Tanura were unaffected by bad weather conditions that halted crude and oil product shipments from Kuwait. Kuwait expects to resume oil and product exports Thursday evening.

According to the Norwegian Petroleum Directorate, Norway's oil production fell to 2.15 million bpd on average in March from 2.167 million bpd in February. Norway's natural gas liquids and condensate production fell to 348,000 bpd in March from 399,000 bpd in February. The country's gas production fell to 9.7 billion standard cubic meters in March from 9.8 billion cubic meters in February.

Ukraine's State Statistics Committee said the country cut its oil production by 6.6% to 730,000 tons in January-March 2009. Its gas condensate production fell by 7.1% to 263,000 tons so far.

Iraq's Finance Minister said the country's oil exports were about 150,000 bpd lower than budgeted for in the first quarter of 2009 at a time when the country is preparing to record a large budget deficit due to lower oil prices. During the first three months of the year, crude oil exports were about 152,000 bpd below its 2 million bpd target at 1.848 million bpd.

Nigeria and Angola have added crude cargoes to their April and May loading programs. Nigeria's additional cargoes may not lead to an increase in overall exports as the country has some shipments under force majeure due to disruptions. The additional cargoes could increase overall exports from Angola, which was already supplying more than its target set by OPEC. Angola is set to export about 1.7 million bpd in May and increase further to 1.76 million bpd in June.

Ecuador's central bank reported that the country exported 20.2 million barrels in January and February, down 17.55% from 24.5 million barrels exported last year. It exported 343,068 bpd in the first two months, down from 408,067 bpd last year.

Colombia's crude oil production in March increased by 4,000 bpd on the month and by 87,000 bpd on the year to an average 650,000 bpd. Average crude oil output in the first quarter of the year was 637,000 bpd.

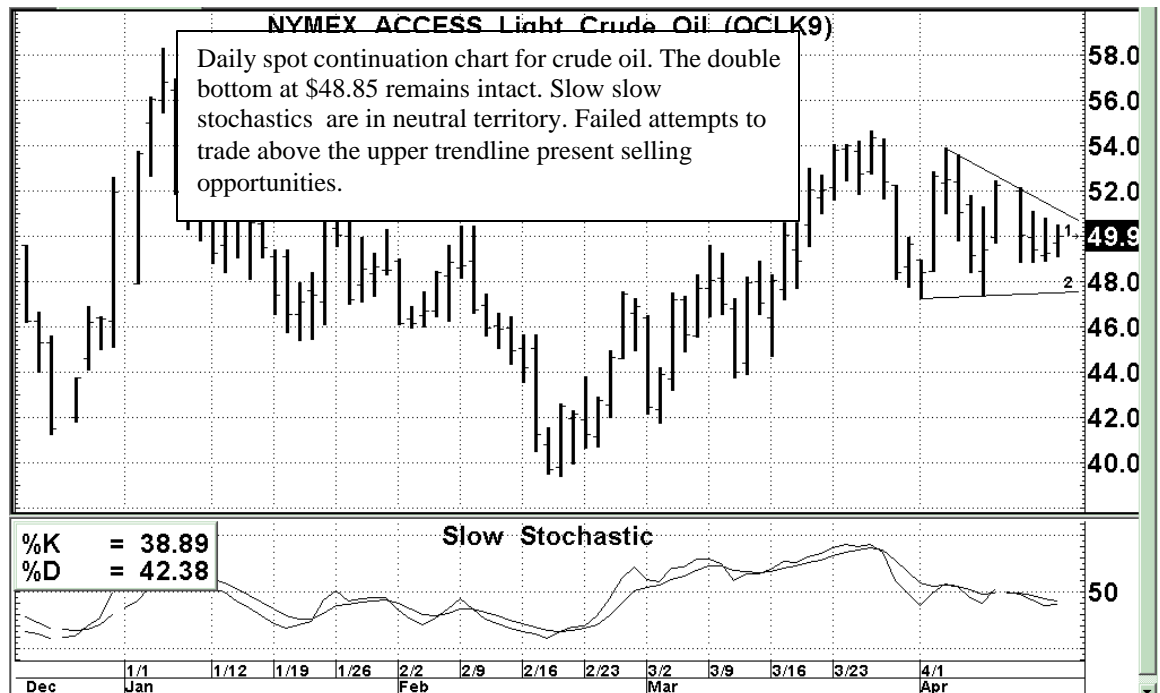
Brazil's Petrobras is on target to pump the first oil from its Tupi deepwater field on May 1. The initial test well at Tupi is expected to produce about 30,000 bpd. In late 2010, Petrobras will start a pilot production, storage and offloading vessel at the field. In November 2007, Petrobras estimated Tupi had recoverable reserves of between 5 billion and 8 billion barrels of oil equivalent. Separately, Petrobras said it is still too early to make estimates on the size of the latest offshore oil discoveries. It announced the discovery of traces of oil at the Iguacu project, the third successful wildcat well in the Santos Basin's BM-S-9 block.

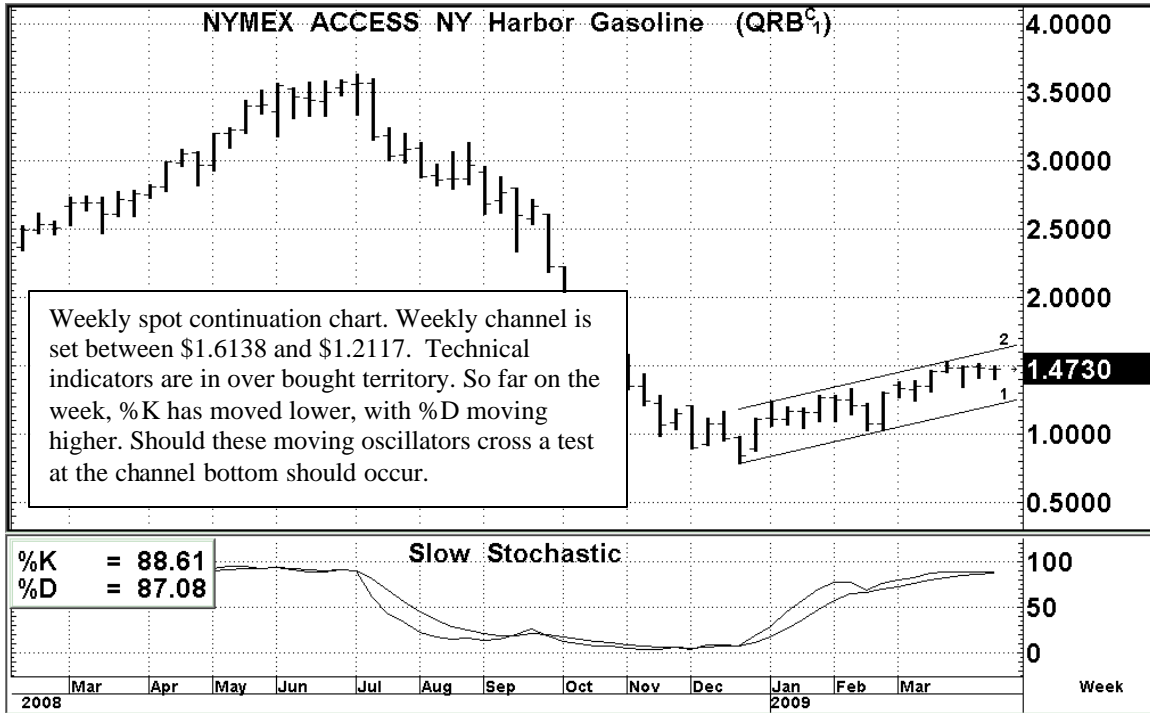
OPEC's news agency reported that OPEC's basket of crudes increased slightly to \$51.17/barrel on Wednesday from \$51.07/barrel on Tuesday.

Market Commentary

Crude oil edged higher today in response to an unexpected drop in U.S. jobless claims. According to a report by the U.S. Labor Department, unemployment for the week ending April 11 decreased by 53,000 to 610,000. China, the world's second largest energy consumer said its economy for the month of March showed signs of improvement. This was another supportive factor. Market players took this as a sign that the economy may be turning around. The true fundamentals of this market however, are not supportive of prices. Crude oil inventories are at an 18-½ year high at a time when refiner demand for crude oil remains low in response to weak U.S. oil demand, which dropped below 19 million barrels per day. Product demand is also low, with implied distillate demand falling 296,000 barrels per day week-on-week and gasoline demand falling 80,000 barrels per day week over week. Both product inventory levels based on five-year averages are running higher. The May crude oil contract from a technical standpoint, faces more room to the downside. Based upon a weekly bar chart the spot month, prices remain below the channel bottom, which is set at \$52.66. Slow stochastics remain in over bought territory, with percent K lower and percent D higher so far. Should these to technical indicators cross, lower prices should follow. There is still a double bottom on the daily chart set at \$48.85. The initial objective would be to penetrate this double bottom, and for prices to test the projected downside of \$43.80. Gasoline traded higher today in response to the unemployment figures and the news out of China. Gasoline continues to trade within the ascending channel basis a weekly spot continuation chart, with moving oscillators trending in overbought territory. Given the fundamentals of this market, we feel more comfortable selling any pops in this market rather than buying dips.

(CL) MAY.09 85,002 -22,339 JUN.09 329,022 +4,712 JUL.09 155,835 +5,905 AUG.09 47,554 +1,259
 Totals: 1,181,250 -11,369 Heating Oil MAY.09 34,357 -1,036 JUN.09 54,249 +1,569 JUL.09 31,179
 +942 AUG.09 15,970 +820 Totals: 260,457 +3,565 New YORK HARBOR RBOB MAY.09 41,975 -
 4,048 JUN.09 58,970 +3,278 JUL.09 31,952 +592
 AUG.09 17,932 +329 Totals: 206,301 + 743





Crude Support	Crude Resistance
48.85, 47.35, 45.24, 43.80, 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,