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ENERGY RISK MANAGEMENT

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ENERGY MARKET REPORT FOR APRIL 20, 2009

Algeria's Energy Minister Chakib Khelil said OPEC will take a big risk if it does not make a further adjustment to oil supply. He favors further OPEC output cuts. In separate comments, he said he expects oil prices to fall further before the next OPEC meeting and then increase later because of increased summer demand. He expects oil prices to end the year at about \$60/barrel and that the average price of the year would be between \$40 and \$50/barrel.

The UAE's Oil Minister Mohammed al-Hamli said the world oil markets are well supplied. He said an oil price of \$50/barrel will help the world economy recover

Market Watch

Goldman Sachs late Friday forecast WTI crude oil will fall to \$45/barrel in the next term due to declining demand.

T. Boone Pickens reiterated his prediction that crude prices would reach \$75/barrel this year as producers cut production.

US March leading economic indicators fell 0.3% compared with a fall of 0.2% in February.

The dollar reached a one-month high against a basket of currencies on Monday when the yen also gained as sharp falls in equities prompted investors to seek the US and Japanese currencies as a haven. The euro came under selling pressure as investors anticipate the European Central Bank will cut rates next month and on uncertainty over what kind of additional unconventional policy measures they may announce.

The Baltic Exchange's main sea freight index, which tracks rates to ship dry commodities, increased 3.27% on Monday to 1,737 points. It was the sixth consecutive session of gains and the highest level since March 25, when it reached 1,740.

China's National Development and Reform Commission said China's government and companies need to work together to enhance the storage capacity for major resource products in order to ease sharp price fluctuations. An official emphasized that it is critical for Chinese firms to make commercial reserves in addition to the state's build up of oil reserves. China will build the second phase of a strategic crude oil reserve with a capacity of 26.8 million cubic meters or about 170 million barrels, after filling its first four reserve bases with a total capacity of 100 million barrels.

Private weather forecasters WSI Corp said cool Atlantic waters should lead to an average number of hurricanes in 2009. Its forecast calls for 11 named storms, 6 hurricanes and 2 intense hurricanes. It previously forecast 14 named storms, seven hurricanes and three intense hurricanes in 2009.

The Iranian parliament is looking to bring major gas and oil deals signed between Iran and other countries under supervision.

faster and allow some room for investment. He said the UAE will proceed with capacity expansion projects despite the decline in oil prices.

The IEA's executive director, Nobuo Tanaka said oil prices are stabilizing and added that the oil market will tighten through to the end of the year if present supply and demand conditions remain unchanged. Separately, the IEA's deputy executive director, Richard Jones said the IEA does not expect OPEC to cut production again when it meets in May and does not see a recovery in oil demand until 2010. He also said a lack of investment could reduce non-OPEC supply capacity by 360,000 bpd in the next 18 months.

April Calendar Averages
CL – \$50.02
HO – \$1.4034
RB – \$1.4567

President Barack Obama said the US has seen potential positive signs in the last few days in US relations with Cuba and Venezuela. Meanwhile, Venezuela's President Hugo Chavez said Venezuela and the US have the political will to work together to improve relations. On Saturday, Venezuela's President and US Secretary of State Hillary Clinton discussed sending ambassadors back to each other's capital in a move to restore normal ties between the two countries.

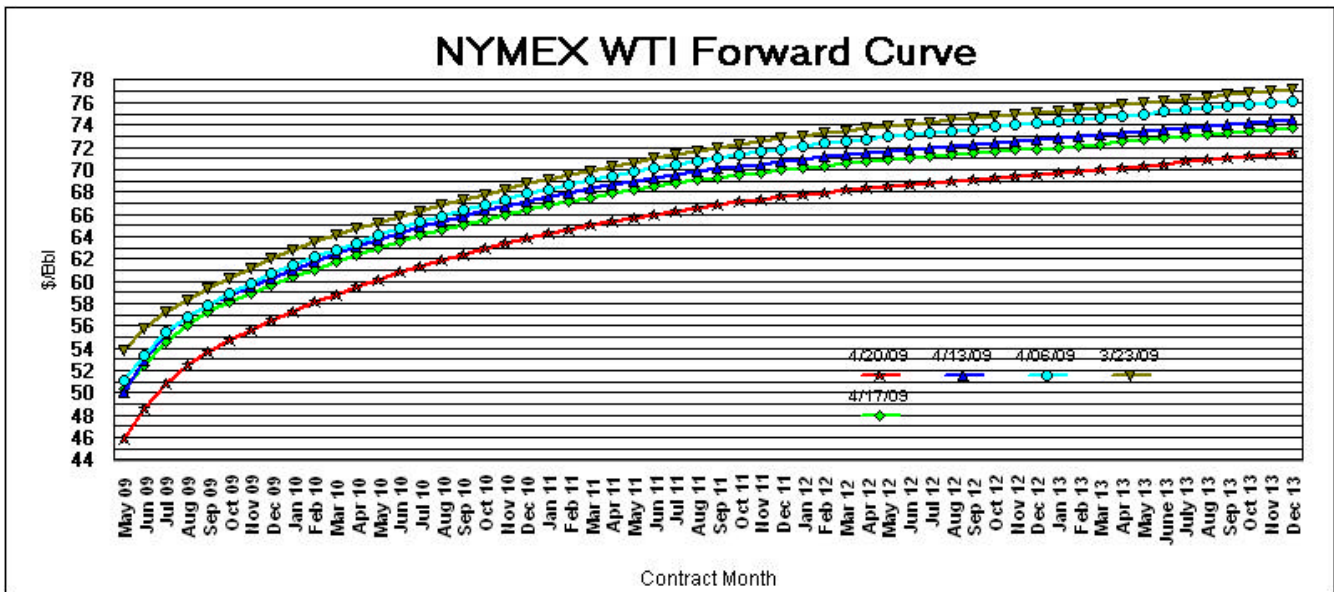
The EIA reported that the US retail price of diesel fell by 0.8 cents to \$2.221/gallon in the week ending April 20th. It also reported that the US retail price of gasoline increased by 0.8 cents to \$2.059/gallon.

Refinery News

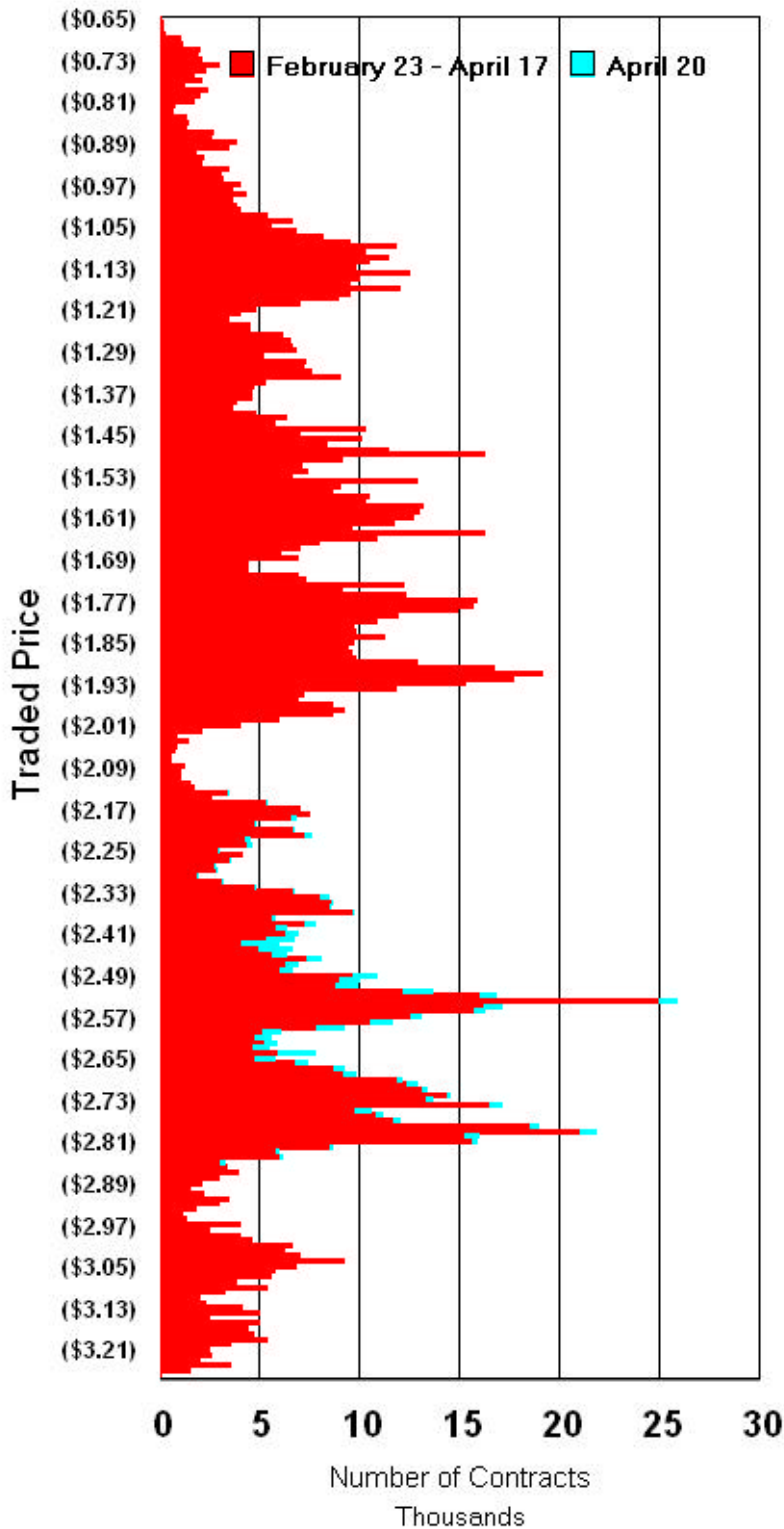
ConocoPhillips will start maintenance on pollution-control devices associated with gasoline making units at its 152,000 bpd Borger refinery in Texas. Maintenance on the electrostatic precipitators tied to unit 29 and unit 40 fluid catalytic crackers will last four days.

Shell Oil Co is increasing rates to a coker unit at its 333,700 bpd Deer Park, Texas refinery after resolving a Friday problem with a coker flare. The refinery is currently increasing its operating rates to planned rates.

BP is planning two days of work on a fluid catalytic cracking unit electrostatic precipitators at its 417,000 bpd Texas City, Texas refinery starting Monday.



NYMEX WTI: May June Spread
Price Vs Volume for February 23 - April 20, 2009
 Trade Weighted Avg 4/16 -2.44, 4/17 -1.90, 4/20 -2.51



Delek US Holdings Inc will begin restarting units at its 58,000 bpd Tyler, Texas refinery as early as Tuesday. The refinery should be fully operational in three weeks after it was shut following a fatal fire and explosion on November 20, 2008.

Fuel inventories in China fell nearly 15% in March, the first sharp decline in over two years, as rising demand lifted sales by more than 20% from February. Refined fuel stocks held by CNPC and Sinopec fell by 14.7% in March to about 12.67 million tons. Sales increased by 21% on the month, an increase likely due in part to the longer month of March.

Saudi Aramco's joint venture oil refinery with Total will be commissioned by early 2013. A Saudi Aramco executive said the cost of the 400,000 bpd refinery should not exceed \$10 billion. Separately, Saudi Aramco signed a memorandum of understanding with Japan's Sumitomo Chemical for a feasibility study on an expansion of their Petro Rabigh refining and petrochemicals complex. The companies aim to expand operations at the complex by the third quarter of 2014. Saudi Aramco has however delayed the development of its Moneefa offshore oilfield project by at least six months, which will delay the start of the offshore oil project to 2012 from the initial schedule of mid-2011.

A refinery joint venture between Indonesia's Pertamina and Japan's Mitsui & Co may stall because Indonesia wants Pertamina to increase its stake. Under the current agreement, Pertamina will take a 20% stake in the project and Mitsui 80%.

India's Petroleum Secretary R.S. Pandey said the sale of petroleum products in the country grew 6.6% in March to 11.6 million metric tons.

NEW YORK MERCANTILE EXCHANGE(r)									
NYMEX OPTIONS CONTRACT LISTING FOR 04/20/2009									
				TODAY'S	PREVIOUS	ESTIMATED	DAILY	DAILY	
-----CONTRACT-----				SETTLE	SETTLE	VOLUME	HIGH	LOW	
AO	10	9	P	40	1.82	1.45	550	0	0
AO	11	9	P	40	1.96	1.63	550	0	0
AO	12	9	P	40	1.92	1.6	550	0	0
AO	9	10	C	115	1.62	1.87	400	0	0
AO	10	10	C	115	1.79	2.04	400	0	0
AO	11	10	C	115	1.73	1.99	400	0	0
AO	12	10	C	115	1.86	2.15	400	0	0
AO	7	10	C	115	1.36	1.59	400	0	0
AO	8	10	C	115	1.49	1.73	400	0	0
LC	6	9	P	45	1.76	0.89	4600	0	0
LC	6	9	P	40	0.59	0.27	1400	0	0
LC	6	9	C	60	0.36	0.89	1050	0	0
LC	9	9	C	70	1.74	2.45	700	0	0
LC	12	10	C	80	5.91	6.83	600	0	0
LC	12	10	C	120	1.57	1.79	600	0	0
LC	7	9	P	35	0.4	0.21	500	0	0
LO	6	9	P	40	0.59	0.27	7054	0.6	0.3
LO	6	9	P	35	0.16	0.06	6235	0.16	0.1
LO	6	9	P	45	1.76	0.89	5365	1.8	1.18
LO	6	9	C	65	0.12	0.32	4146	0.23	0.12
LO	6	9	C	60	0.36	0.89	4126	0.89	0.32
LO	6	9	C	55	1.02	2.28	3431	2	1
LO	6	9	C	75	0.02	0.04	3424	0.07	0.02
LO	6	9	P	43	1.18	0.57	3335	1.2	0.65
LO	7	9	C	70	0.45	0.79	2710	0.65	0.4
LO	6	9	C	50	2.57	4.74	2236	4	2.5
OB	5	9	C	1.58	0.0051	0.0251	264	0	0
OB	7	9	P	1.48	0.1643	0.1258	225	0	0
OB	9	9	P	1.36	0.1392	0.1112	200	0	0
OH	12	9	C	2	0.0899	0.1227	630	0.09	0.09
WA	10	9	C	-0.5	0.57	0.69	550	0	0
WA	7	9	P	-2	0.43	0.45	550	0	0
WA	9	9	C	-0.5	0.47	0.6	550	0	0
WA	12	9	P	-2	0.42	0.45	550	0	0
WA	9	9	P	-2	0.38	0.39	550	0	0
WA	11	9	P	-2	0.38	0.39	550	0	0
WA	8	9	P	-2	0.41	0.44	550	0	0
WA	11	9	C	-0.5	0.5	0.61	550	0	0
WA	7	9	C	-0.5	0.2	0.29	550	0	0
WA	10	9	P	-2	0.39	0.4	550	0	0
WA	8	9	C	-0.5	0.39	0.5	550	0	0
WA	12	9	C	-0.5	0.58	0.66	550	0	0
WA	11	9	C	1	0.14	0.2	500	0	0
WA	12	9	C	1	0.18	0.24	500	0	0
WA	10	9	C	1	0.18	0.26	500	0	0

Kuwait Petroleum Corp sold an additional 50,000 tons of naphtha for May lifting, bringing its total spot sales for next month to an unusually high level of 300,000 tons due to a delay in the start up of an aromatic plant. The new aromatics plant is expected to consume about 150,000 tons of naphtha a month from KPC, a rare spot exporter due to its commitments to term contracts.

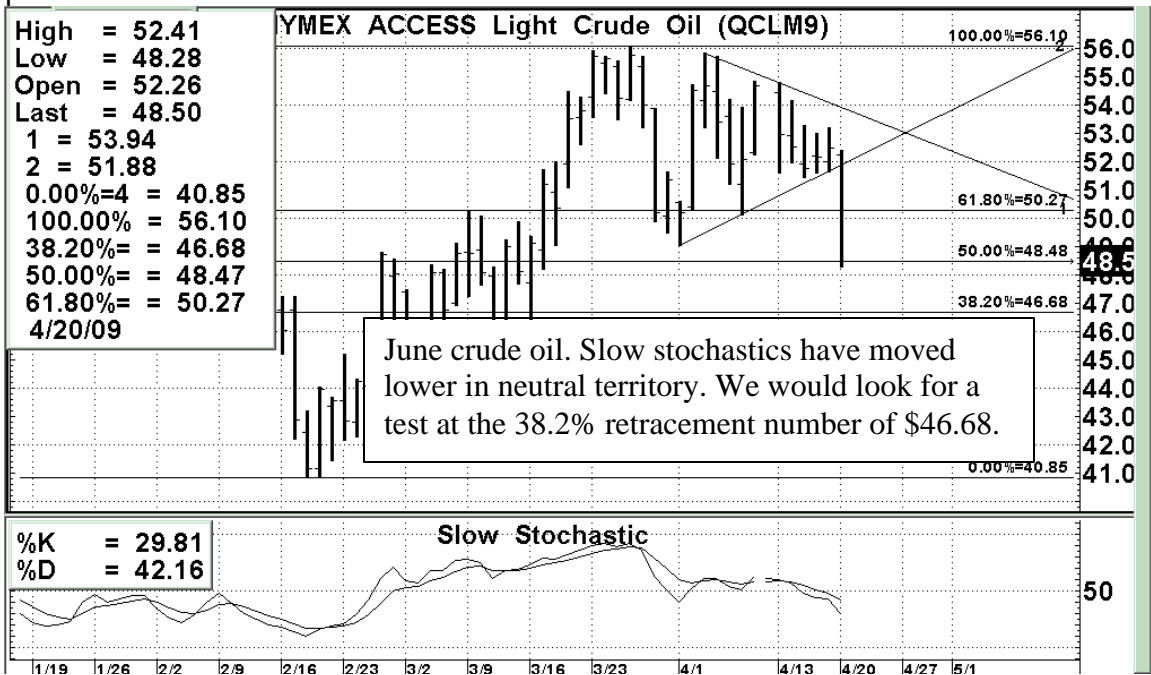
Production News

Norway's Troll crude oil stream is set to load about 213,000 bpd or 6.6 million bpd in May, down from about 243,000 bpd or 7.3 million barrels in April.

Iraq's oil exports averaged 1.8 million bpd in the first quarter of 2009, at least 200,000 bpd below the target set in the 2009 budget. Iraq's Finance minister said the country's budget deficit could increase to \$25 billion this year if oil exports remain at their current levels. Iraq's cabinet is deliberating on ways to increase domestic revenues by increases taxation and higher import duties and customs.

An Iraqi oil industry source said Iraq wants to triple its crude oil production at a field shared with Kuwait, although the two are yet to sign an agreement. Safwan Dome is currently producing about 8,000 bpd. The South Oil Co plans to drill more wells in the field in order to increase production to up to 25,000 bpd.

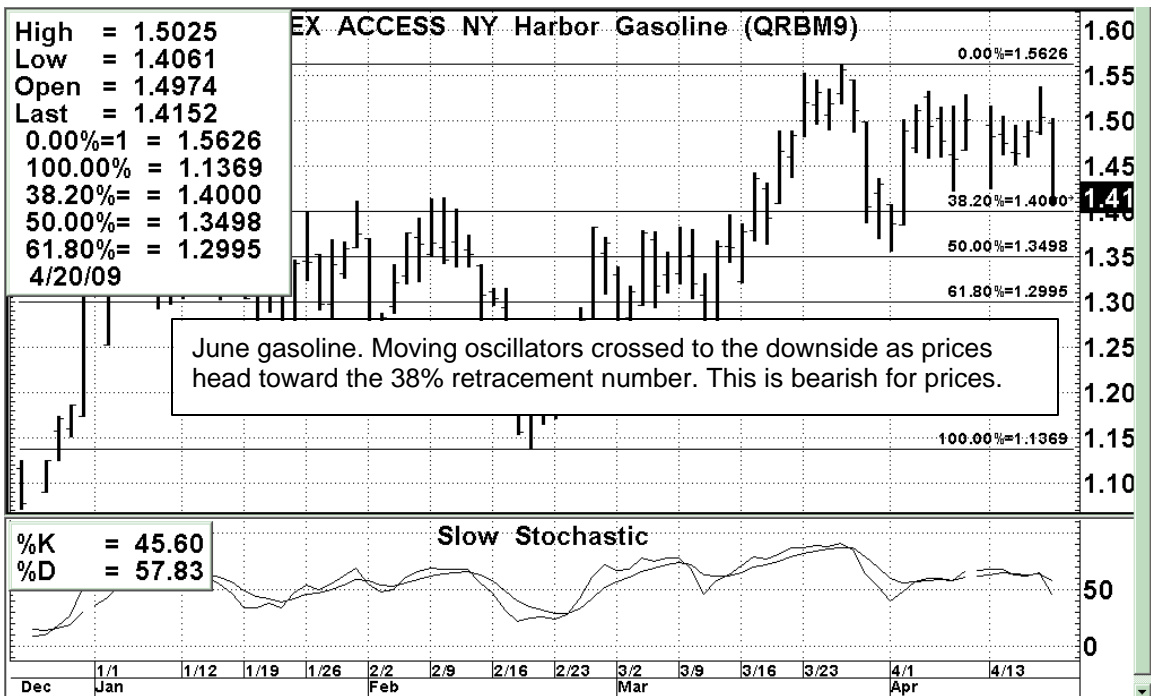
Brazil's Petrobras is seeking about 240 offshore oil development vessels, including drillships, storage units, supply vessels and transportation vessels in the next five-six years. Petrobras is expected to issue tenders for eight floating product storage and offloading units and seven drill ships soon.



OPEC's news agency reported that OPEC's basket of crudes fell to \$51.45/barrel on Friday from \$51.55/barrel on Thursday.

Market Commentary

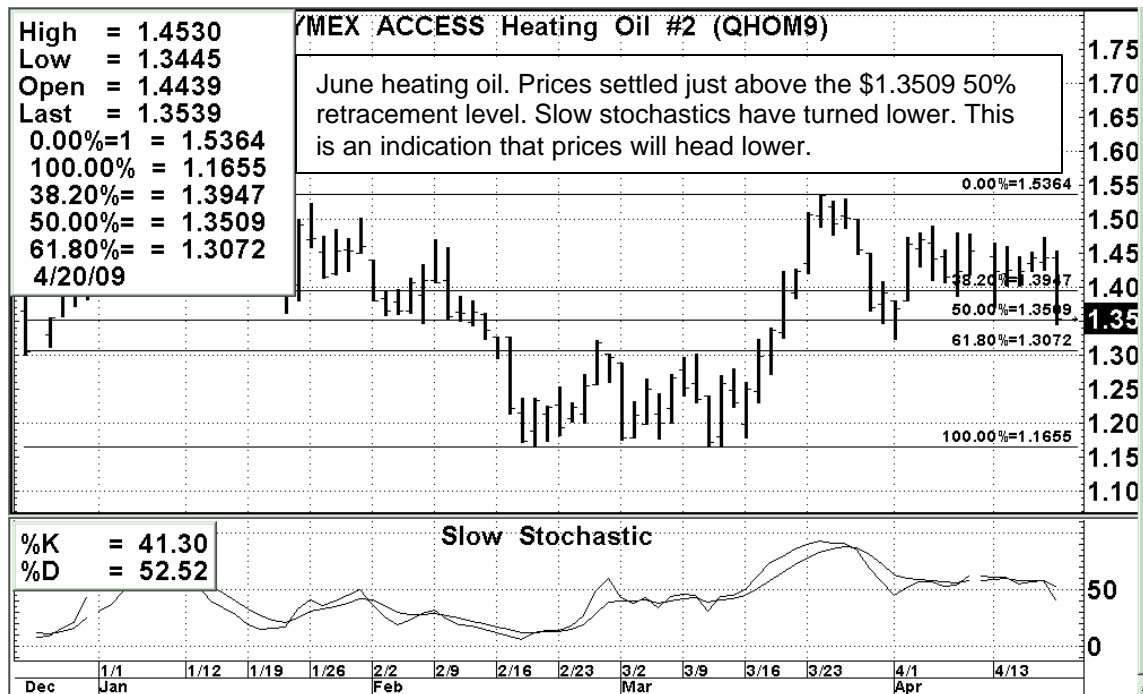
Several factors impacted prices today for crude oil, heating oil and gasoline. Among these factors were, a stronger dollar, statements by U.S. President Obama that the U.S. economy is still under strain, the



UAE stating the oil market is "well supplied", the IEA seeing no further OPEC cut in May and the IMF's expected cut in its global economic forecast this week. The June crude oil contract broke below the bottom line of the symmetrical triangle that is depicted on a daily bar chart. Once penetrating, prices

moved lower bottoming out at \$48.28 and settling just above the \$48.48, the 50% fibonacci retracement number between the range of \$52.41 and \$48.46. Gasoline also moved lower in response to the same fundamentals. The June contract approached \$1.4000, the 38% retracement number between the range of \$1.5626 and \$1.1369. In response to the bearish fundamentals, heating oil, like crude oil and gasoline also came under pressure. The June contract dipped below the 50% retracement level of \$1.3509 using the range of \$1.5364 and \$1.1655. Slow stochastics remain in neutral territory, but have crossed to the downside. With OPEC and the U.S. Energy Department lowering their 2009 global oil consumption forecasts and U.S. fuel demand in the first quarter of 2009 falling to the lowest level in 11 years, aided by a bleak global economic outlook, our stance on this market remains bearish. We would look for continued pressure across the board and for a test at previous lows in all three markets.

(CL) MAY.09 44,105 -20,641 JUN.09 335,446 -5,145 JUL.09 164,665 +832 AUG.09 49,057 -84 Totals: 1,157,151 -28,597 Heating MAY.09 30,517 -1,982 JUN.09 56,693 +1,256 JUL.09 31,120 -731 AUG.09 16,498 +624 Totals: 263,617 +1,839 YORK HARBOR MAY.09 37,921 -2,224 JUN.09 67,668 +6,180 JUL.09 33,987 +428 AUG.09 18,485 +160 Totals: 213,990 +4,620



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,

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