



ENERGY RISK MANAGEMENT

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ENERGY MARKET REPORT FOR APRIL 21, 2009

Iran's OPEC Governor, Mohammad Ali Khatibi said if the oil market remained oversupplied, OPEC may decide to further cut its production at its next meeting. He said Iran will support a cut in OPEC's oil production if the market is oversupplied. OPEC is scheduled to meet on May 28th. He also added that OPEC's main concern was oil stockpiling by consumer countries.

Market Watch

Russia and China finalized a \$25 billion deal under which Russia will supply China with oil for 20 years in exchange for loans to Russian state firms. China agreed last year to lend \$10 billion to Russian oil pipeline monopoly Transneft and another \$15 billion to Rosneft in exchange for supplies of 300 million tons of Russian oil over 20 years. Transneft and China National Petroleum Co agreed in October to build a spur to carry 15 million tons/year or 300,000 bpd between the countries' trunk pipelines. The pipeline is a spur of the East Siberian-Pacific Ocean pipeline that is currently under construction and will transport Russian crude from Siberia to a terminal on its eastern coast.

Brazil's Petrobras said it will not provide crude as collateral for loans from China worth as much as \$10 billion. Chinese companies will instead receive right of first refusal on some future output as part of a deal being finalized between Brazil and China's Development Bank. Petrobras is tapping overseas partners to help fund a \$174.4 billion five year investment plan. Petrobras expects final terms of the loan to be agreed next month when Brazil's President Luiz Inacio Lula da Silva travels to China.

A government panel in India approved a plan by Oil & Natural Gas Corp Ltd to acquire a 25% stake in Satpayev oil block in Kazakhstan. It is pending approval from the federal cabinet.

The trading arm of PetroChina, Chinaoil, has been the most active player on crude oil during the Asian Platts window this month, signaling its aim to become a major market force. Chinaoil bought at least eight partial lots of Dubai crude for June loading, making it the most active buyer of the Middle East crude grade so far this month.

API Stocks

Crude – down 1.008 million barrels

Distillate – up 458,000 barrels

Gasoline – up 107,000 barrels

Refinery runs – up 2.2%, at 82.1%

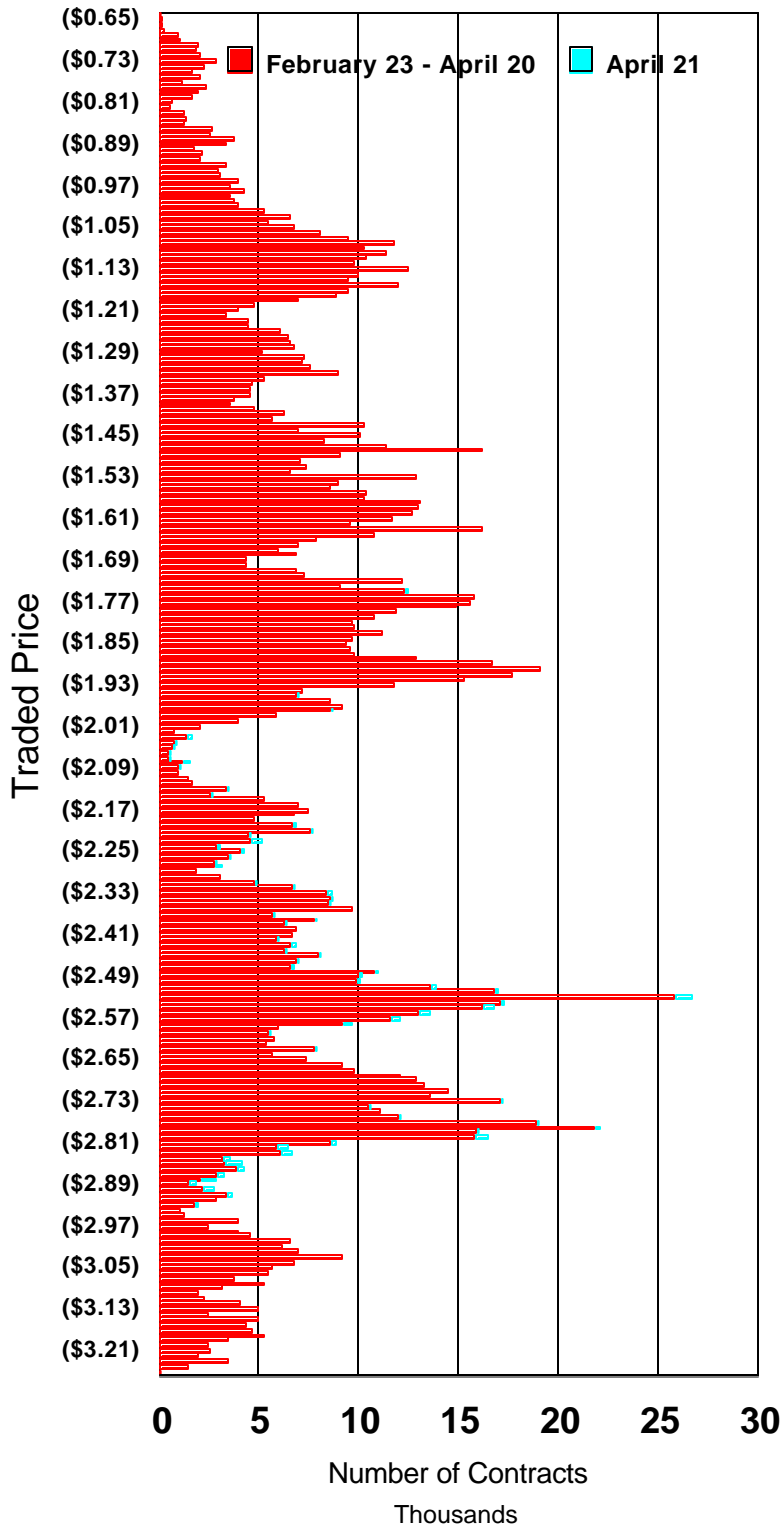
Ecuador's Oil Minister Derlis Palacios said the country sees no need for OPEC to cut output at its next meeting because it expects oil prices to rebound close to \$70/barrel by late 2009.

Gunmen in Nigeria attacked an oil tanker off the coast of the Niger Delta on Tuesday, kidnapping the ship's captain and

NYMEX WTI: May June Spread

Price Vs Volume for February 23 - April 21, 2009

Trade Weighted Avg 4/17 -1.90, 4/20 -2.51, 4/21 -2.53



Indonesia's Pertamina bought 5 million barrels of sweet crude for June arrival via two tenders, down from 5.6 million barrels it purchased for May. Pertamina bought 600,000 barrels of Malaysia's Kikeh, 950,000 barrels of Nigeria's Qua Iboe and 950,000 barrels of Saharan grades from Africa as well as 950,000 barrels of Azerbaijan's Azeri Light crude. In a second tender it also purchased 600,000 barrels of Kikeh and 950,000 barrels of Qua Iboe grades.

Indonesia's upstream oil and gas regulator BP Migas will suspend its crude oil exports from later this month once existing contracts expire. The contracts will be allowed to lapse as production has declined and current prices are unfavorable for term sales.

Production News

The loading rate for the nine main North Sea crude streams will average 2.244 million bpd in May, down 5.36% on the month. The Brent crude stream is scheduled to load 137,000 bpd in May, up 13.22% on the month; the Forties crude stream is scheduled to load 677,000 bpd in May, down 0.44% on the month; the Oseberg crude stream is scheduled to load 215,000 bpd in May, down 3.15% on the month; the Ekofisk crude stream is scheduled to load 398,000 bpd in May, down 5.91% on the month and the DUC crude stream is scheduled to load 155,000 bpd, down 3.13% on the month. The Flotta crude stream is scheduled to load 63,000 bpd in May, down 3.08% on the month; the Gullfaks crude stream is scheduled to load 193,000 bpd in May, down 24.9% on the month; the Statfjord crude stream

is scheduled to load 193,000 bpd in May, down 3.5% on the month and the Troll crude stream is scheduled to load 213,000 bpd in May, down 12.35% on the month.

Mexico's Dos Bocas terminal reopened on Tuesday morning after it was closed since Monday afternoon due to bad weather conditions.

Pemex reported that Mexico's crude oil production fell by 8.4% to 2.67 million bpd during the first quarter. The Cantarell offshore field was the main reason for the poor results. During the first quarter, Cantarell pumped 787,000 bpd. Pemex has been increasing production at the Ku-Maloob-Zaap field to 797,000 bpd.

Angola is expected to export about 1.82 million bpd of oil in June, up from its May exports and above its implied OPEC production target of 1.52 million bpd.

Austria's OMV AG said it has made its first oil discovery in Libya. It is the first test production runs at the A1-NC202 offshore exploration well produced a natural flow rate of up to 1,264 bpd of crude.

TNK-BP is considering making an offer to buy Kazakh oil producer Zhaikmunai. The source did not specify the size of the stake or the offer price. Zhaikmunai produces 8,500 bpd of oil at the Chinarevskoye field in western Kazakhstan.

OPEC's news agency reported that OPEC's basket of crudes fell further to \$49.59/barrel on

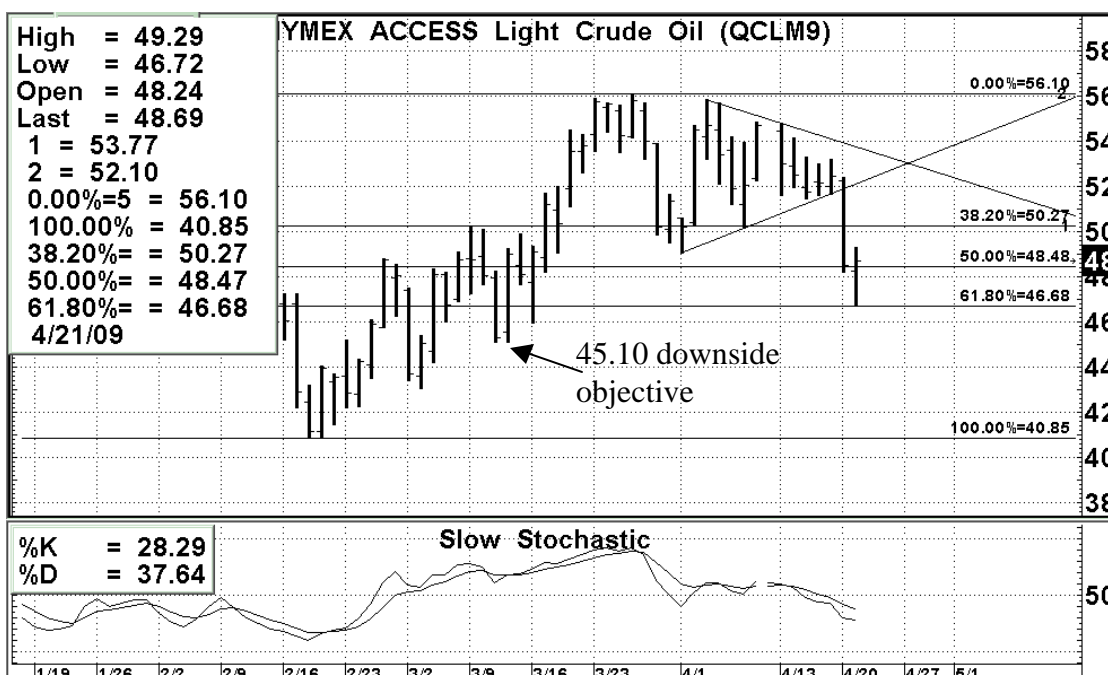
NEW YORK MERCANTILE EXCHANGE(r)									
NYMEX OPTIONS CONTRACT LISTING FOR 04/21/2009									
				TODAY'S	PREVIOUS	ESTIMATED	DAILY	DAILY	
-----CONTRACT-----				SETTLE	SETTLE	VOLUME	HIGH	LOW	
AO	1	10C	59	8.41	8.47	225	0	0	
AO	3	10C	59	9.54	9.57	225	0	0	
AO	5	10C	59	10.74	10.7	225	0	0	
AO	2	10C	59	8.92	8.98	225	0	0	
AO	6	10C	59	11.28	11.26	225	0	0	
AO	4	10C	59	10.13	10.12	225	0	0	
LC	12	10C	160	0.73	0.73	500	0	0	
LC	12	10C	110	2.1	2.1	500	0	0	
LC	12	9C	100	0.5	0.54	450	0	0	
LC	12	9C	75	2.4	2.5	250	0	0	
LO	6	9P	40	0.51	0.59	12468	0.83	0.47	
LO	6	9C	55	0.92	1.02	7301	1.1	0.74	
LO	6	9C	50	2.44	2.57	5924	2.66	2	
LO	6	9C	56	0.73	0.83	4983	0.88	0.65	
LO	6	9P	45	1.61	1.76	4942	2.34	1.6	
LO	7	9C	60	1.54	1.67	3261	1.65	1.45	
LO	6	9P	35	0.12	0.16	2602	0.26	0.15	
LO	9	9C	70	1.69	1.74	2354	1.6	1.6	
LO	6	9P	30	0.02	0.03	2325	0.07	0.04	
LO	6	9P	56	8.18	8.31	2270	0	0	
LO	6	9P	50	3.89	4.06	1996	5.15	4.25	
LO	6	9P	55	7.36	7.51	1726	7.3	7.1	
LO	12	10C	100	2.9	2.91	1477	3.05	2.9	
LO	7	9P	35	0.37	0.4	1426	0.45	0.4	
LO	12	11C	150	1.59	1.58	1400	0	0	
LO	6	9C	53	1.4	1.52	1368	1.52	1.05	
LO	6	9C	54	1.14	1.25	1257	1.24	0.95	
LO	7	9C	70	0.39	0.45	1172	0.39	0.34	
LO	6	9P	43	1.06	1.18	1170	1.6	1.03	
LO	6	9C	67	0.06	0.08	1167	0.08	0.05	
LO	6	9P	44	1.31	1.45	1123	1.97	1.7	
LO	7	9P	40	1.04	1.09	1076	1.15	1.1	
LO	7	9C	55	2.9	3.08	1068	3	2.5	
LO	6	9P	46	1.96	2.12	1064	2.8	1.85	
OB	9	9C	1.4	0.1955	0.1969	325	0	0	
OB	6	9C	1.6	0.0416	0.0428	313	0	0	
OB	2	10C	1.5	0.2048		300	0	0	
OB	8	9C	1.6	0.1034	0.1048	151	0	0	
OB	5	9P	1.26	0.0035	0.0048	150	0	0	
OB	5	9P	1.34	0.0157	0.0188	150	0	0	
OH	6	9C	1.6	0.0278	0.0261	200	0	0	
OH	5	9P	1.15	0.0006	0.0014	102	0	0	
OH	8	9C	1.4	0.1708	0.1675	100	0	0	
WA	6	9C	0	0.16	0.13	2000	0	0	
WA	6	9P	-2	0.73	0.84	200	0	0	
WA	6	9C	-2	0.67	0.58	200	0	0	

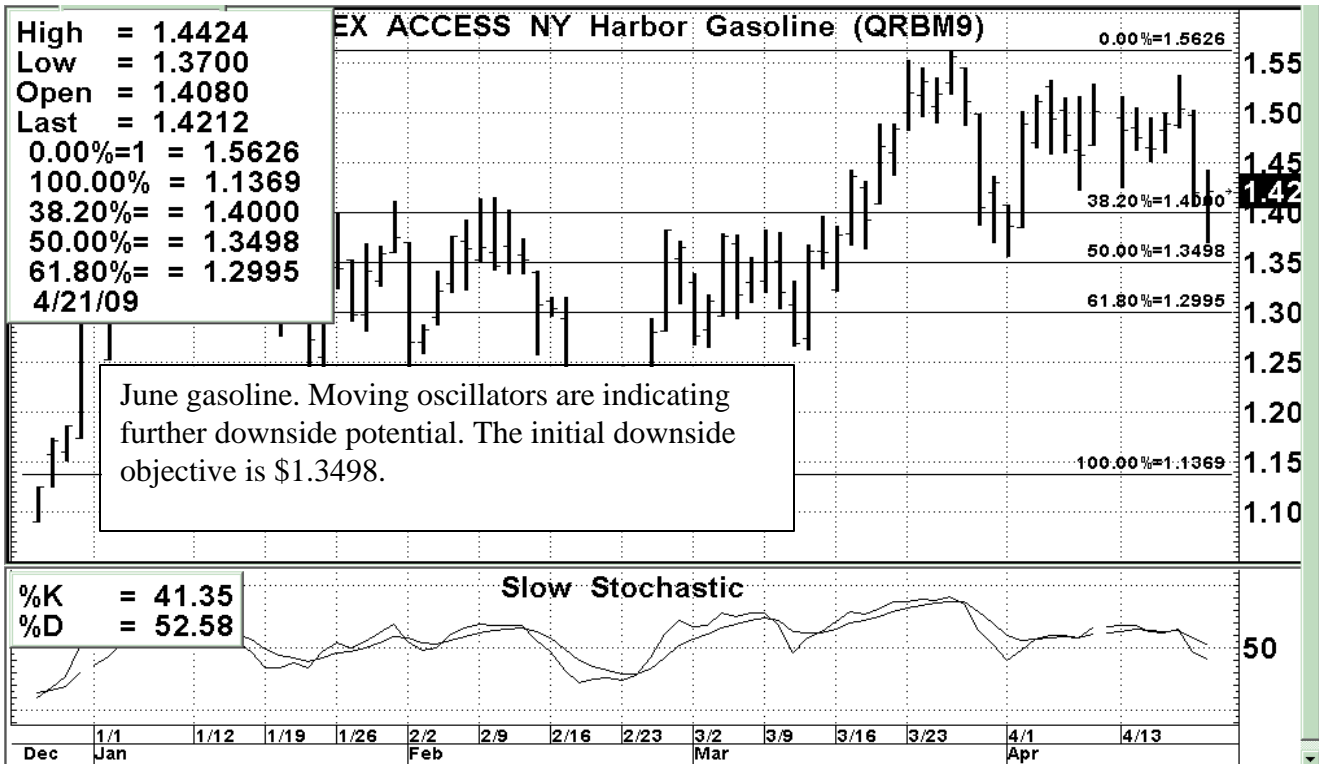
Monday from \$51.45/barrel on Friday.

Market Commentary

Recapturing some of yesterday's loses, the energy markets edged higher today. The June crude oil contract, which is now the spot month, came under pressure early in the session falling four-cents shy of \$46.68, the 62% retracement between the range of \$56.10 and \$40.85. The market slowly worked its way back throughout the session, settling four-cents higher on the day. Based on open interest, it appears that the bears are taking over the market. Total open interest for crude oil rose 10,529 contracts, with open interest for the June contract rising 27,525 contracts. Based upon a Dow Jones survey, crude oil inventories are expected to increase an average of 2.5 million barrels for the week ending 4/17. This market remains oversupplied under stymied demand, due to the global economic situation. From a technical standpoint, there appears to be more room to the downside. Slow stochastics are trending lower and remain in neutral territory. There is key support in this market down around the \$45.10 level. This would be the initial target. We would look for both the gasoline and heating oil markets to also come under pressure, weighed down by high inventories and slackening demand. Weak demand for crude oil and the contango market conditions should lead to additional stockpiling of crude oil. Refinery shut-ins will lead to picking away at product inventories. With this in mind, both the gasoline and heating oil crack spreads should hold recent gains against the crude oil, despite our overall bearish sentiment.

(CL) MAY.09 20,752 -23,353 JUN.09 362,971 +27,525 JUL.09 168,186 +3,521 AUG.09 49,906 +849
 Totals: 1,167,680 +10,529 Heating MAY.09 27,985 -2,532 JUN.09 58,982 +2,289 JUL.09 31,185 +65
 AUG.09 16,667 +169 Totals: 265,251 +1,634 YORK HARBOR MAY.09 31,688 -6,233 JUN.09 68,203
 +535 JUL.09 33,585 -402 AUG.09 19,595 +1,110 Totals: 209,883 -4,107





Crude Support	Crude Resistance
48.46, 46.68, 45.10, 44.50, 43.80, 40.00, 38.95, 32.25, 29.66, 28.63, 26.65, 25.50	47.55, 48.85, 50.27, 51.88, 53.94, 55.98, 57.20
Heat Support	Heat resistance
1.3000, 1.1359, 1.1095, 1.0520	1.4593, 1.4715, 1.4865, 1.5050, 1.5143, 1.5285, 1.5520, 1.6715,
Gasoline support	Gasoline resistance
1.3400, 1.3180, 1.2700, 1.2625, 1.1680, 1.0128, 0.9590,	1.4900, 1.5088, 1.5260, 1.5340, 1.5800,

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