

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 22, 2009

Libya's National Oil Corp chairman, Shokri Ghanem said OPEC is worried about oversupply in the oil market and wants members to fully comply with their output targets. So far OPEC has delivered on about 80% of its pledged output cuts.

The US Department of Transportation's Federal Highway Administration said vehicle miles traveled on US roads in February fell by 0.9% on the year to 215.8 billion miles. It is the 16th consecutive monthly decline.

Market Watch

A cargo of Alaska North Slope crude is bound for the Louisiana Offshore Oil Port, an unusual destination for Alaskan crude. The crude is similar in gravity and sulfur content to some Gulf Coast grades of oil but there could be nonmarket reasons for the voyage, including retiring the vessel from the Alaska trade. The tanker is scheduled to arrive later this week.

The EIA said the future of the US biodiesel market is uncertain as the removal of a tax credit loophole and new European import tariffs may impact trading. The \$1/gallon tax credit for biodiesel blended with petroleum diesel, known as the Blender Tax Credit, was extended to the end of the year. However the tax credit loophole was closed in October as part of the Emergency Economic Stabilization Act of 2008. Closing the loophole prevents US firms that blend and then export foreign produced biodiesel from getting a tax break. Only exports of blended domestic biodiesel will qualify for the tax credit. Export opportunities of biodiesel may also be limited this year and biodiesel exports to the EU will carry an anti-dumping tariff of up to 29% and an anti-subsidy duty between 29 and 41%. The US exported 677 million gallons of biodiesel in 2008. The EIA said the tariffs, which took effect on March 19 and will be in place for the next six months, could impact trade prospects for 2009.

The IMF said the world economy is set to fall by 1.3% in 2009 compared with its previous estimate that world output will increase by 0.5% in 2009. It projects the UK will see its economy shrink by 4.1% in 2009 and by a further 0.4% in 2010. Other countries are predicted to see their economies shrink, with Germany's economy falling by 5.6%, Japan by 6.2% and Italy by 4.4% in 2009. The US economy's is seen declining by 2.8%. Only a recovery in developing and emerging markets will push the economy into positive growth in 2010, although at a relatively weak level of 1.9%. The IMF said it is important to take urgent action to shore up the banks and continue with short-term fiscal stimulus plans, in order to shorten the length of the recession.

DOE Stocks

Crude – up 3.9 million barrels
Distillate – up 2.7 million barrels
Gasoline – up 800,000 barrels
Refinery runs – up 3%, at 83.4%

Nigerian security forces killed two suspected militants and arrested three in a gun battle in the Niger Delta. The latest attack comes a week after Nigeria's Movement for the Emancipation of the Niger Delta warned of further clashes with the military.

Refinery News

Colonial Pipeline Co imposed restrictions on gasoline shipments to the Northeast. It enacted its Nomination Freeze program to 23rd cycle shipments through its gasoline mainline, Line 01, between Collins, Mississippi and Greensboro, North Carolina as nominations exceed the company's ability to maintain its five-day lifting cycle. Colonial Pipeline also extended the Capacity Allocation Program to the 24th cycle shipments through its distillate mainline, Line 02, between Collins, Mississippi and Greensboro, NC as nominations exceed the company's ability to maintain its five-day lifting cycle.

ConocoPhillips is conducting planned maintenance work at its 76,000 bpd refinery in Rodeo, California.

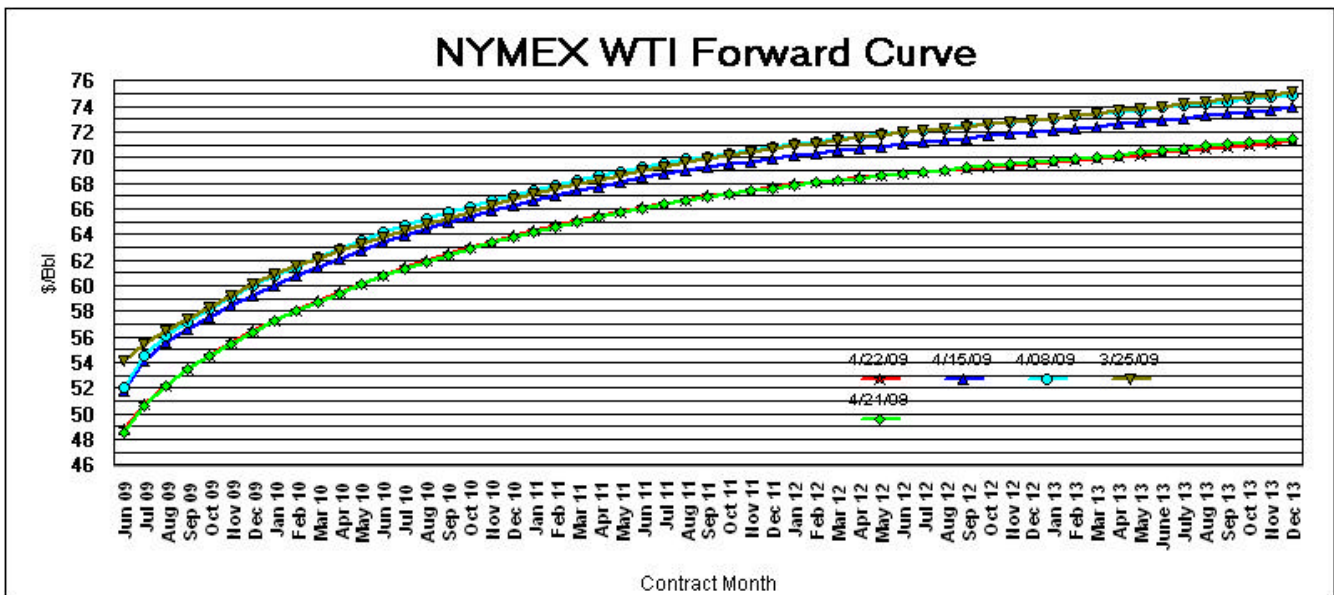
Total Petrochemicals USA plans to begin restarting its 232,000 bpd Port Arthur, Texas refinery early Wednesday morning after a four-week shutdown. The initial restart of the refinery's units is expected to last until early April 28th.

April Calendar Averages
CL – \$49.71
HO – \$1.3948
RB – \$1.4495

Indian Oil Corp will shut about 42% of its 120,000 bpd Barauni refinery for a 28 day routine turnaround starting Saturday. It will shut its 2.5 million ton/year crude unit and some associated units.

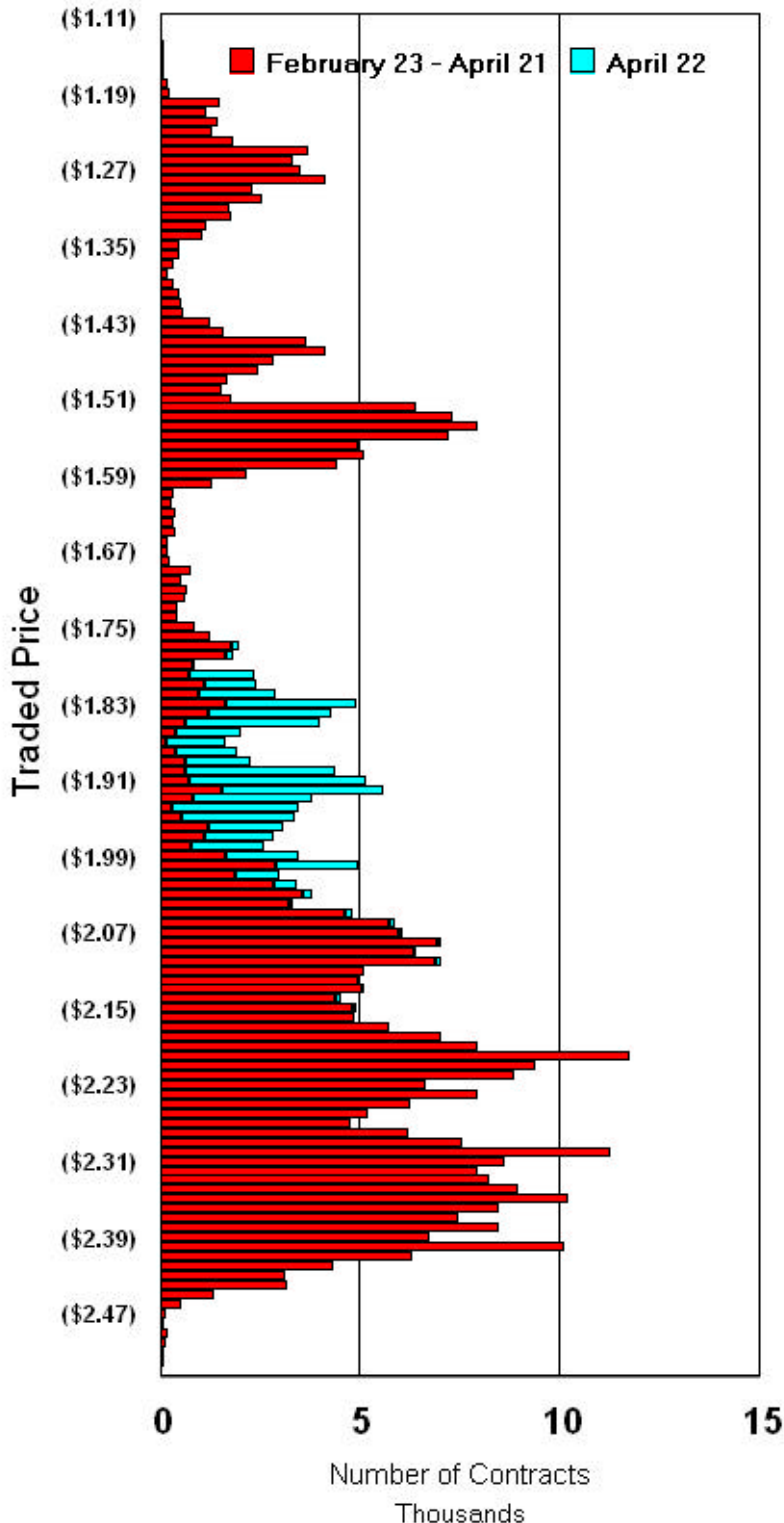
Japan's Sumitomo Chemical Co increased the operating rate to nearly 100% at its 380,000 tons/year naphtha cracker in Chiba in mid-April amid a recovery in petrochemical demand. Runs are up from 90% at the start of the month.

CNPC will postpone the start up of its first major refinery in southern China to the first half of 2010 from the second half of this year. Construction of the 200,000 bpd Guangxi refinery will be completed by year-end and operations will begin in the first half of 2010.



NYMEX WTI: June July Spread Price Vs Volume for March 24 - April 22, 2009

Trade Weighted Avg 4/20 -, 4/21 -1.89, 4/22 -1.91



China's implied oil demand in March fell by 0.3% on the year to 7.306 million bpd. It is up 1.2% on the month. China's crude oil production fell by 1.1% on the year and by 0.2% on the month to 3.726 million bpd while net imports fell by 6.1% on the year but increased by 29% on the month to 3.737 million bpd. Meanwhile its gasoline production increased by 18% on the year and by 6.6% on the month to 1.715 million bpd, its kerosene production increased by 4.1% on the year and by 5.4% on the month to 289,831 bpd, its diesel production fell by 2.3% on the year but increased by 0.4% on the month to 2.594 million bpd and its fuel oil production fell by 21.5% on the year and by 1% on the month to 317,090 bpd. Its net product imports fell by 14.6% on the year and by 21.5% on the month to 388,555 bpd.

According to the Petroleum Association of Japan, the country's crude oil inventories increased by 2.7% to 16.49 million kiloliters or 103.72 million barrels in the week ending April 18th. Meanwhile Japan's gasoline stocks fell by 190,000 barrels on the week but increased by 350,000 barrels to 14.94 million barrels. The country's gasoline stocks fell as sales increased by 4.2% to 1 million bpd. Japan's kerosene stocks built by 650,000 barrels on the week but fell by 50,000 barrels to 10.84 million barrels while naphtha stocks increased by 640,000 barrels on the week to 11.7 million barrels. Its refinery runs increased by 110,000 bpd on the week but fell by 540,000 bpd on the year to 3.54 million barrels. Japanese refiners ran their facilities at an average 73.2% of total capacity of 4.83 million bpd, up 2.4% on the week.

Meanwhile, Japan's Oil Information Center reported that the average retail price of gasoline increased by 1 yen to 115.1 yen/liter or \$4.42/gallon in the week ending Monday.

Japan's Ministry of Finance reported that the country's crude oil imports fell by 18.4% to 18.158 million kiloliters or 3.68 million bpd in March. Japan's imports of liquefied natural gas fell by 8.4% on the year to 5.789 million tons while total imports of both coking and thermal coal fell by 16.6% to 12.417 million tons.

South Korea's Korea National Oil Corp stated that the country's crude oil imports in March fell by 15% on the year to 61.82 million barrels or 1.99 million bpd in March, down from 72.9 million barrels or 2.35 million bpd a year ago. It is down from 74.77 million barrels or 2.67 million bpd in February. South Korea's crude oil inventory increased by 47% on year to 21.22 million barrels by the end of March. Overall private oil stocks stood at 72.77 million barrels, up 12% on the year but down 14% on the month.

German residential heating oil stocks increased to 61% of capacity on April 1 from 58% of capacity on March 1. German residential heating oil tanks were 46% full last year.

Production News

Enterprise GP Holdings LP said Enterprise Products Partners LP and TEPPCO Partners LP exited a project to build the country's second offshore crude oil port.

NEW YORK MERCANTILE EXCHANGE(r)									
NYMEX OPTIONS CONTRACT LISTING FOR 04/22/2009									
				TODAY'S	PREVIOUS	ESTIMATED	DAILY	DAILY	
-----CONTRACT-----				SETTLE	SETTLE	VOLUME	HIGH	LOW	
AO	12	9	C	60	7.1	7.24	500	0	0
AO	10	9	C	60	5.52	5.72	500	0	0
AO	11	9	C	60	6.3	6.45	500	0	0
AO	10	9	C	65	3.87	4.05	425	0	0
AO	9	9	C	65	3.07	3.23	425	0	0
AO	8	9	C	65	2.29	2.51	425	0	0
AO	7	9	C	65	1.4	1.59	425	0	0
AO	11	9	C	65	4.53	4.69	425	0	0
AO	12	9	C	65	5.27	5.41	425	0	0
AO	8	9	P	55	6.67	6.91	400	0	0
AO	7	9	P	55	6.51	6.74	400	0	0
AO	9	9	P	55	6.76	6.95	400	0	0
AO	11	9	P	55	6.87	7.08	400	0	0
AO	12	9	P	55	6.89	7.08	400	0	0
AO	10	9	P	55	6.81	7.02	400	0	0
LC	12	10	C	110	2.03	2.1	500	0	0
LC	12	10	C	160	0.69	0.73	500	0	0
LC	6	9	P	45	1.42	1.61	400	0	0
LO	6	9	P	40	0.43	0.51	6210	0.55	0.41
LO	6	9	C	55	0.89	0.92	5520	0.98	0.72
LO	12	10	C	150	0.8	0.84	3566	0.82	0.8
LO	10	9	C	100	0.23	0.26	2800	0.23	0.22
LO	6	9	P	35	0.11	0.12	2780	0.14	0.12
LO	6	9	C	60	0.27	0.3	2600	0.3	0.2
LO	6	9	P	45	1.42	1.61	2447	1.73	1.4
LO	6	9	P	42	0.71	0.84	2357	0.9	0.79
LO	6	9	C	52.5	1.53	1.54	2270	0	0
LO	7	9	P	30	0.08	0.09	2050	0.14	0.14
LO	7	9	P	40	0.94	1.04	1951	1.1	0.95
LO	7	9	C	65	0.69	0.77	1751	0.7	0.6
LO	6	9	C	51	2.05	2.05	1717	2.1	1.77
LO	6	9	C	50	2.45	2.44	1694	2.51	2
LO	9	9	C	65	2.35	2.62	1600	0	0
LO	12	9	P	50	4.97	5.16	1500	0	0
LO	6	10	P	50	5.27	5.36	1500	0	0
OB	5	9	P	1.3	0.0094	0.0079	751	0.011	0.011
OB	6	9	C	1.5	0.0598	0.0692	355	0.052	0.052
OB	6	9	C	1.6	0.035	0.0416	346	0	0
OB	6	9	P	1.1	0.0102	0.0093	235	0.009	0.009
OB	6	9	P	1.25	0.0385	0.0352	225	0	0
OB	10	9	P	1.15	0.0967		200	0	0
OH	6	9	C	1.36	0.0868	0.1001	205	0	0
OH	11	9	C	1.6	0.1654	0.174	205	0	0
OH	6	9	P	1.3	0.0704	0.0663	200	0	0
OH	8	9	C	1.4	0.1534	0.1708	200	0	0
WA	6	9	P	-2	0.62	0.73	400	0	0
WA	6	9	C	-2	0.77	0.67	200	0	0

Enterprise decline to give reasons for departing the project to build a port off the upper Texas coast, citing a dispute about the exit with partner Oiltanking Holding Americas Inc. Meanwhile, ExxonMobil Corp said it will continue to honor its long-term contract with the planned offshore oil port. An Exxon affiliate and Motiva Enterprises LLC had committed to take a total volume of 725,000 bpd from the port.

Nigeria will export eight cargoes of Qua Iboe crude in June, with each cargo containing 950,000 barrels. In addition, three cargoes of 950,000 barrels of Yoho crude are expected to load. Nigeria will also export six 950,000 barrel cargoes of Agbami crude and two cargoes of 475,000 and 200,000 barrels and a cargo of 950,000 barrels of Pennington crude.

Petroecuador exported 19.8 million barrels of crude between January and March, up 20% from 16.5 million barrels reported last year. It reported oil export revenues of \$608 million between January and March, down 65% on the year.

EnCana Corp said it earned \$962 million, up from \$93 million a year ago. Its first quarter natural gas and oil production increased by 3% to 4.7 billion cubic feet/day of oil equivalent.

OPEC's news agency reported that OPEC's basket of crudes fell to \$48.49/barrel on Tuesday from \$49.59/barrel on Monday.

Market Commentary

Despite what appeared to be extremely bearish numbers, crude oil prices fared better than one would have expected. A strong stock market and the fact that financial institutions are trading energy markets based upon the equity markets and the U.S. dollar are the hidden strengths behind this move. There continues to be a struggle between the true fundamentals of this market and the global economic situation. Crude oil inventories rose more than expected, rising by 3.86 million barrels; gasoline stockpiles rose 802,000 barrels, with distillate stocks increasing 2.68 million barrels. Total fuel demand, based on a four-week average was 18.5 million barrels, down 6.5% from a year ago. Refinery runs increased by 3% while total stocks increased by 11 million barrels. Higher crude oil imports can be viewed, as an indication that demand in the rest of the world is poor. This does not paint a supportive scenario for prices. The June \$40.00 put has proven to be a safety net for any longs in this market looking to guard against their positions. Coming into today's trading session there were 25,889 contracts in open interest for this strike price. The June crude oil experienced an inside trading session, that is its high and low for the day were within the previous days trading range. This may be viewed as a pause in the market prior to the resumption of the current market trend, which is lower. The \$48.50 level has been acting like a pivotal area, working well for in and out profits. Until this market can determine definite direction, we would look to buy and sell against the listed support and resistance levels, using the aforementioned pivotal level for intraday trading purposes.

Crude oil option activity continues to be led by the June 40 put which again today was one of the most actively traded strikes.

Crude Oil (CL) MAY.09 6,289 -14,463 JUN.09 345,048 -17,923 JUL.09 171,543 +3,357 AUG.09 8,022 -1,884 Totals: 1,140,230 -27,450 N.Y. Heating Oil (HO) MAY.09 24,101 -3,884 JUN.09 61,959 +2,977 JUL.09 31,543 +358 AUG.09 17,093 +426 Totals: 266,608 +1,357 NEW YORK HARBOR RBOB GASOLINE (RB) MAY.09 28,261 -3,427 JUN.09 69,537 +1,334 JUL.09 34,147 +562 AUG.09 20,676 +1,081 Totals: 210,662 + 779

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	49.30, 50.79, 53.94, 55.98, 57.20
Heat Support	Heat resistance
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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