



ENERGY RISK MANAGEMENT

Howard Rennell, Pat Shigueta
& Karen Palladino

(212) 624-1132 (888) 885-6100

www.e-windham.com

ENERGY MARKET REPORT FOR APRIL 25, 2008

A strike and rebel attacks have forced ExxonMobil and Royal Dutch Shell to shut in some production. ExxonMobil started shutting in its production on Friday, with a union official saying 200,000 bpd of crude was already shut in. ExxonMobil confirmed that a strike has shut oil production but did not quantify the amount. It said it was working with the Nigerian government to resolve the outstanding issues and to minimize any supply impacts. The Petroleum and Natural Gas Senior Staff Association of Nigeria called the strike, targeting oil production and exports over a labor dispute after negotiations failed. Members of the National Union of Petroleum and Natural Gas Workers Union were meeting to decide whether to join the strike. Meanwhile the

Market Watch

Oil companies have fixed and provisionally booked up to 1.5 million tons or 520,000 bpd of gasoline to the US Atlantic Coast from Europe in the last two weeks, ahead of peak summer demand. The estimate of 42 oil tankers are all spot bookings mostly bound for the NY Harbor area. The bookings were loading from April 10 to May 4 from Northwest Europe, the Mediterranean and terminals in the Baltics.

According to a Reuters survey, analyst raised their forecast for the average WTI price in 2008 by \$5.62/barrel to \$96.86/barrel. They also increased their estimate for WTI prices in 2009 and 2010 to \$92.50/barrel from \$87.12/barrel and to \$92.05/barrel from \$84.37/barrel, respectively.

The Reuters/University of Michigan Surveys of Consumers said its final index of confidence for April fell to 62.6 from 69.5 in March, the lowest level since March 1982. The report showed its reading on one-year inflation expectations increased to 4.8% from 4.3% in March.

The American Trucking Associations' advanced seasonally adjusted For-Hire Truck Tonnage Index fell by 3.3% to 113.4 in March 2008 after remaining unchanged in February. The non-seasonally adjusted index increased by 3.8% from February to 113.2.

The NYMEX said electronic trading on the CME Globex has not yet reached the trigger amount needed for members to receive the promised 10% payout of gross revenue. NYMEX issued the statement in response to members who are disgruntled over how memberships are valued in the proposed CME/NYMEX merger and the price shareholders would get for their shares. It said the payout would occur when any of the core NYMEX products, including oil and natural gas, reached 90% electronic trading in to consecutive fiscal quarters. Once triggered, payment would continue in perpetuity or until the exchange no longer lists such NYMEX products electronically. Under the merger, NYMEX members would give up their right to the trigger payments. The proposed merger is expected to close in the fourth quarter of 2008.

April Calendar Averages

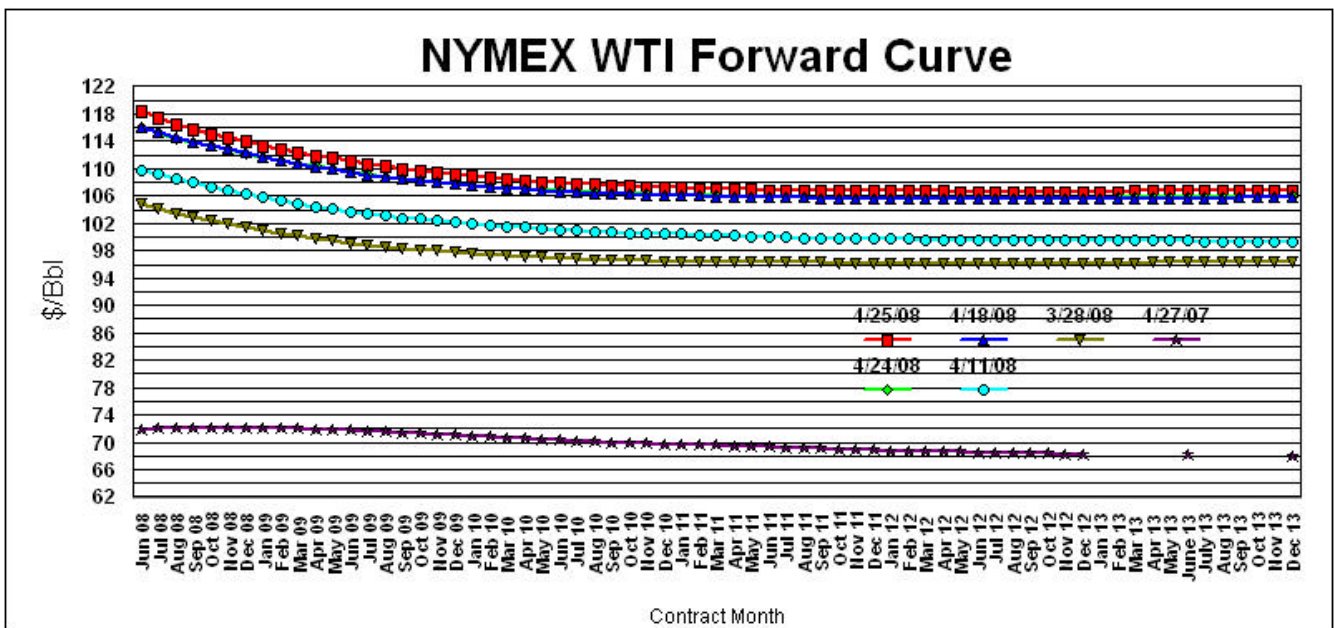
CL – 111.91
HO – 317.89
RB – 286.89

Movement for the Emancipation of the Niger Delta said they attacked a Royal Dutch Shell oil pipeline in Kula late Thursday. It was the fourth attack this week. Shell confirmed the pipeline attack and added that it was assessing the extent of the damage. Shell was forced to shut 169,000 bpd of Bonny Light crude production after a pipeline attack a week ago and has said it was assessing the damage from two further strikes on Monday. It has declared force majeure on Bonny Light exports for the rest of April and May. There is a total of 764,000 bpd of Nigerian oil production shut in due to the militant attacks, sabotage and workers' strike.

BP began shutting its North Sea Forties pipeline system, which supplies up to 50% of the UK's oil production, ahead of the strike planned this weekend at the Grangemouth refinery. The 700,000 bpd Forties pipeline carries the UK's oil production from about 70 fields, some of which started closing overnight Thursday. Management at the 200,000 bpd refinery was meeting with union officials on Friday to continue talks over pensions. Officials with trade union Unite said they expected the power station to shut as planned on Saturday. The government has called on Ineos and the unions to cooperate and ensure the power station remains open, even if the strike proceeds. Forties crude differentials moved higher on Friday amid the possibility of supply disruptions. The shutdown of the Forties pipeline could disrupt May Forties loadings. Meanwhile, Oilexco Inc said its North Sea production could be affected by the strike. It said oil production at its Brenda/Nicol and Balmoral fields would have to be reduced if the Forties pipeline is forced to shutdown. The Balmoral floating production vessel ships 21,500 bpd through the pipeline system.

The chairman of the US joint chiefs of staff said he was extremely concerned about Iran's role in Iraq. Admiral Michael Mullen said the US would maintain a presence in the Gulf in an attempt to deter Iran from taking any military action. He however said he preferred a peaceful outcome and not to use military force.

A US defense official said a cargo ship contracted by the US Military Sealift Command has fired at least one shot toward an Iranian boat. However Iran said there was no confrontation between its forces and a US ship in the Persian Gulf. It said it may have fired on a non-Iranian vessel.



The Texas governor's office requested an exemption from a national standard that requires renewable fuels use. Governor Rick Perry said he was seeking a year long waiver of 50% of the mandate. He said he feared the use of ethanol would drive food prices higher. The Renewable Fuels Standard requires companies to that blend ethanol and other additives into gasoline to sell a certain volume of renewable fuels each year until 2022, when 36 billion barrels of renewable fuels are mandated annually.

Iraqi insurgents blew up an oil pipeline south of Baghdad on Friday. The pipeline, which carries fuel to electricity generating plants, was attacked near the town of Musayyib.

Opposition lawmakers in Mexico agreed to end a 16 day sit in to protest a proposed energy reform. The Progressive Front has agreed to vacate the podiums of the Senate and Lower House after reaching an agreement with other parties to hold a series of national debates on the reform over the coming months.

Refinery News

BP has cut rates to the coking units at its refinery in Texas City, Texas after a problem with a coker drum. BP said it was shutting its 62,000 bpd fluid catalytic cracking unit No. 1 at the Texas City, Texas refinery for maintenance. It gave no further details on the duration of the outage at the 460,000 bpd refinery.

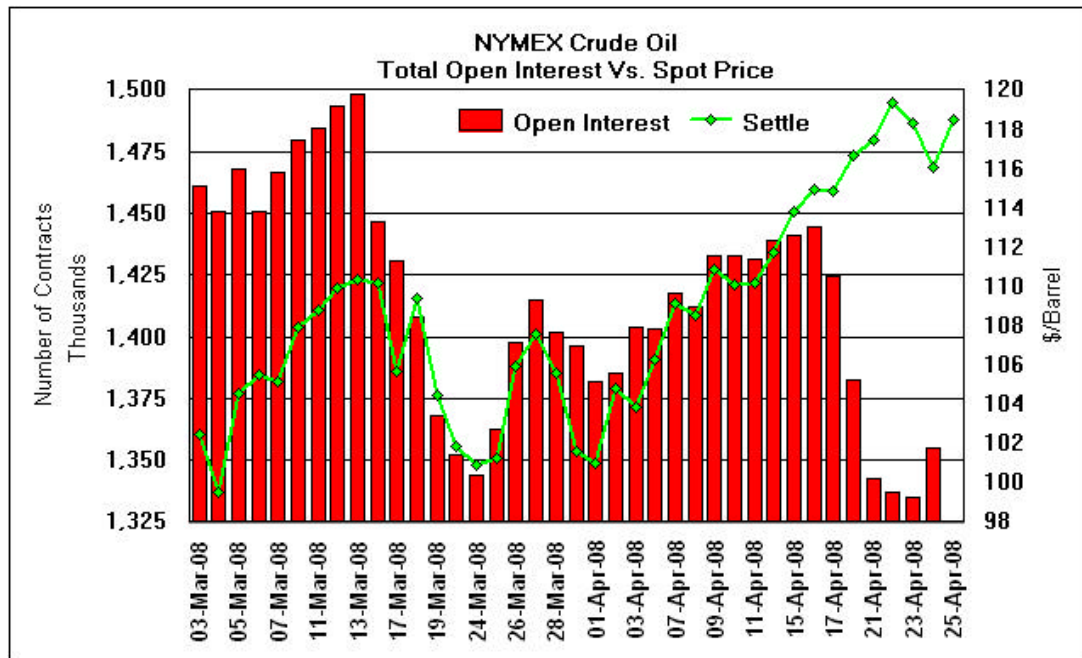
ExxonMobil Corp's 150,000 bpd refinery in Torrance, California was restarting an alkylation unit after two weeks of maintenance. The restart may last through Tuesday.

Total said it shutdown its 112,000 bpd Amenam offshore oil facility in Nigeria for routine maintenance while it moves out a rig.

India's Ministry of Petroleum and Natural Gas reported that India's refiners processed 3.2 million bpd of oil in March, little changed on the

year. India's refinery runs increased 6.5% in the fiscal year ending March. It refined 3.1 million bpd in 2007/08 as state run units operated at higher rates to meet local demand while private refiners continued to look at overseas sales for better margins.

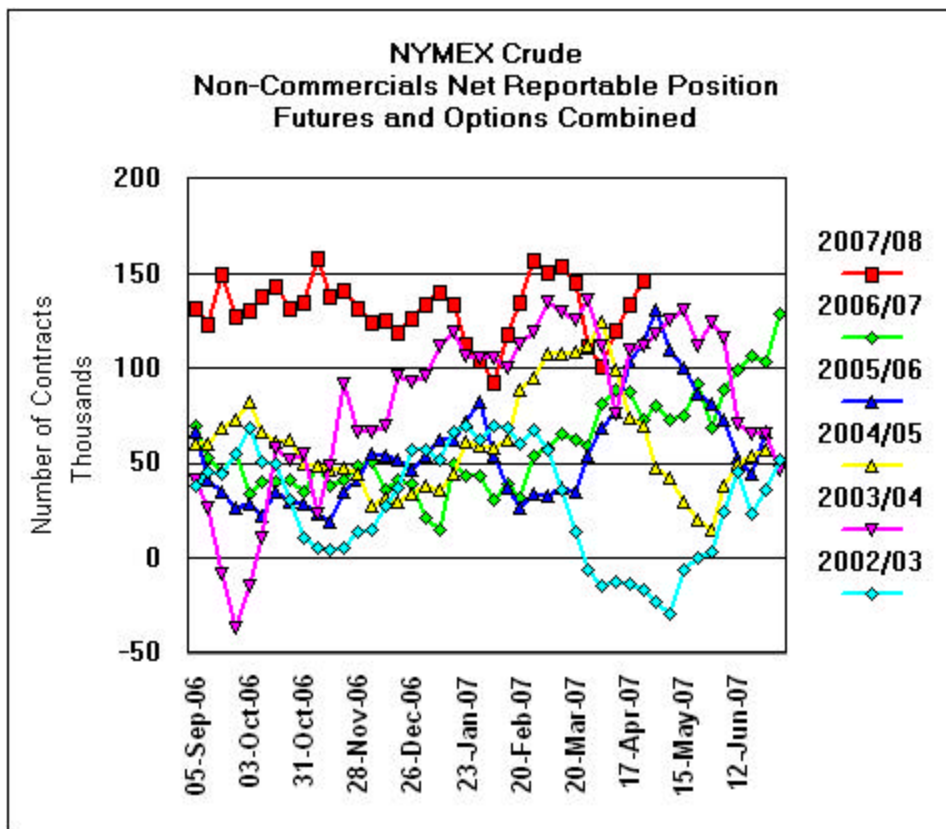
South Korea's SK Energy said it would shutdown two new crude units in June for maintenance. Its No. 1 crude unit, with 75,000 tons of crude refining capacity is scheduled to shutdown from June 30-July 31 while the No. 2 200,000 bpd unit would be shut from June 25-August 7.



Production News

According to Petrologistics, OPEC's oil production in April is expected to fall by 100,000 bpd on the month to 32.5 million bpd. The 12 OPEC members, bound by production quotas except Iraq, pumped 30.24 million bpd, well above their informal target of 29.67 million bpd. Iraq's production is estimated at 2.26 million bpd in April, down from 2.35 million bpd in March due to slower exports. It reported that Saudi Arabia produced 9.15 million bpd.

Analysts stated that Saudi Arabia's oil production has the potential to increase, helping avoid a peak in world oil production. They said prices would most likely rise later, beyond 2010 and reach \$114/barrel by 2015 as spare capacity declines.



Norway's government has approved StatoilHydro 8.7 billion crowns or \$1.69 billion plan to develop the Morvin oilfield for a 2010 start up. The field is expected to produce 7.9 million standard cubic meters of oil and 3.1 billion cubic meters of associated gas.

Norway's DNO said its output fell to 11,565 bpd of oil equivalent in March from 14.824 bpd in February.

ConocoPhillips said Britain's JBlock gas fields in the North Sea were approaching normal output levels on Friday after restarting Thursday evening. The fields produced about 12.4 million cubic meters of gas and 27,750 bpd of oil in December.

Total's subsidiary Mabruk Oil Operations said it temporarily halted production at the offshore Al-Jurf site in Libya, which produces about 45,000 bpd. It shut all platform wells after a production pipe was damaged.

Brazil's Petrobras became a net importer of oil and oil products in the first quarter. During the first three months of the year, Petrobras imported 626,000 bpd of oil and oil products more than it exported.

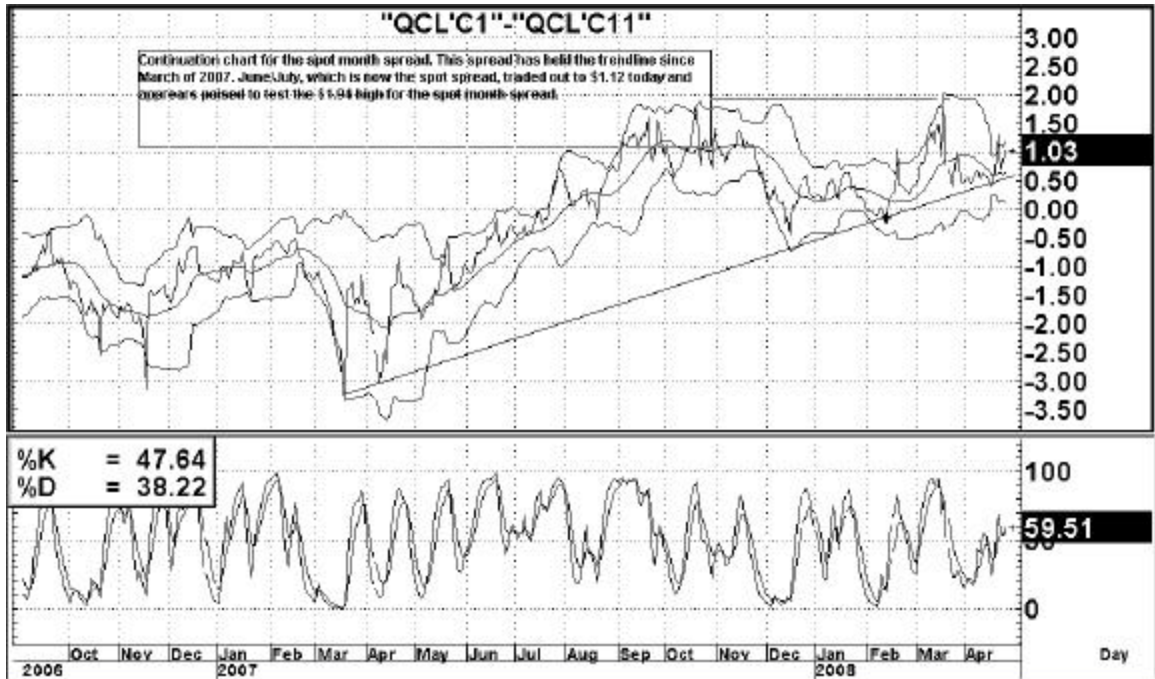
Ecuador's Central Bank reported that the country's average oil output increased 2% to 519,000 bpd in February from 507,214 bpd in February 2007. Petroecuador's oil production averaged 266,655 bpd in February while private companies' output averaged 252,345 bpd.

Colombia's oil production increased to 563,000 bpd in March, up from 519,000 bpd on the year. Colombia's production is expected to top 570,000 bpd by the end of the year.

OPEC's news agency reported that OPEC's basket of crudes fell to \$110.63/barrel on Thursday from \$111.14/barrel the previous day.

Market Commentary

Expectations of BP PLC shutting down its Forties pipeline due to Scottish workers planning to strike and the halting of 90% of Exxon Mobil Corp's Nigerian output, sent crude oil prices higher today. If supply shortages



weren't enough to push prices higher, news broke that a U.S. chartered ship fired warning shots at an Iranian boat in the Persian Gulf. A weak dollar early in the session also added to the run-up in prices. So much for June crude oil making lower highs two days in a row for the first time in a month. Prices defied the technicals set up yesterday and the June crude oil, which settled below the ascending channel on a daily chart, worked higher today, but was unable to work back into this channel. Slow stochastics are still in over bought territory and remain crossed to the downside. Fundamentals at this point are out weighing these technicals and cannot be ignored. One point worth mentioning is that with yesterday's sell off in prices, open interest increased by 20,598 contracts, with June increasing by 10,753 contracts. The fact that the June/July spread did not follow yesterday's sell off was perhaps an

indication of underlying strength. This spread widen further today, topping out at \$1.12. As mentioned previously, this spread appears poised to

			Explanation
CL	Resistance	121.27, 127.21	Basis trendlines
	Support	119.55	Friday's high
	Resistance	117.40, 116.25, 114.51	Friday's low
	Support	114.25, 112.33, 111.74, 109.33, 106.91	Previous low, 38% (99.33 and 119.55), 50%, 62%
HO	Resistance	333.00, 335.00, 349.24	Previous highs, Basis trendline
	Support	332.97	Friday's high
	Resistance	329.25, 327.50, 323.15, 321.85	Friday's low
	Support	321.16, 317.13, 315.57, 313.70	Previous lows, Basis trendline
RB	Resistance	313.86	Basis trendline
	Support	308.15	Friday's high
	Resistance	304.55, 303.95, 300.25, 298.36	Friday's low
	Support	297.17, 296.68, 295.56, 288.90, 286.61	Previous low, Basis trendline, Previous lows.

test the \$1.94 resistance level for the spot month spread. The forward curve chart is still indicating higher prices with the front end of this curve dragging the middle and back end back up. Gasoline today gained back yesterday's loses and achieved yet another record high. For next week, should the dynamics remain the same, we would look for gasoline to stay strong, with a break and settlement above the ascending channel on the spot continuation chart, we would look for a test \$ 3.3505. This breakout point begins the week set at \$3.0805. The June gasoline to June crude oil crack spread came under pressure as the crude oil outpaced the gasoline. This crack however has experienced higher highs and higher lows, which is indicative of further upside potential. We would still look for this crack to widen and our objective still remains \$11.48. Heating oil, which has enjoyed unseasonable prices, failed to take out yesterday's high, basis the May contract. The June heating oil crack continues to come under pressure and has now settled below a trendline that began back in the middle of February. We still feel that profits can be obtained by selling this spread. Total open interest for crude oil is 1,355,292 up 20,598, June08 384,203 up 10,753 July08 117,268 up 2,367 Dec08 200,566 up 3,453. Total open interest for heating oil 231,668 down 2,302, May 21,614 down 5,405 and June 85,200 up 3,227. Total open interest for gasoline, 281,286 up 3,408, May 31,648 down 5,520 and June 99,457 up 4,508.

NYMEX Petroleum Options Most Active Strikes for April 25, 2008								
Symbol	Month	Year	Call/Put	Strike	Exp Date	Settle	Volume	IV
LC	6	8	C	120	05/15/2008	3.4	1,050	34.73
LC	6	8	C	125	05/15/2008	1.78	1,000	35.97
LC	12	8	C	130	11/17/2008	5.24	600	26.61
LC	12	8	P	95	11/17/2008	3.11	600	36.29
LC	6	8	P	110	05/15/2008	1.08	500	38.56
LC	12	8	P	100	11/17/2008	4.43	500	36.35
LC	8	8	C	135	07/17/2008	2.43	500	33.90
LO	6	8	C	125	05/15/2008	1.78	8,151	37.56
LO	7	8	C	125	06/17/2008	3.53	5,824	36.11
LO	6	8	P	110	05/15/2008	1.08	4,594	37.27
LO	8	8	P	90	07/17/2008	0.66	3,600	38.47
LO	7	8	P	105	06/17/2008	1.92	3,502	37.50
LO	6	8	C	80	05/15/2008	38.52	3,395	84.55
LO	6	8	C	120	05/15/2008	3.4	3,130	36.94
LO	8	8	P	85	07/17/2008	0.35	2,750	39.39
LO	6	8	P	105	05/15/2008	0.46	2,690	39.56
LO	6	8	P	115	05/15/2008	2.5	2,486	36.96
LO	6	8	C	126	05/15/2008	1.55	2,028	37.70
LO	8	8	C	150	07/17/2008	0.93	2,024	38.56
LO	8	8	P	110	07/17/2008	4.63	1,961	35.08
LO	6	8	P	114	05/15/2008	2.14	1,819	36.96
LO	8	8	C	140	07/17/2008	1.76	1,775	37.36
LO	7	8	C	94	06/17/2008	24.01	1,750	44.21
LO	8	8	C	125	07/17/2008	4.57	1,650	35.69
LO	7	8	C	85	06/17/2008	32.61	1,645	52.97
LO	7	8	C	101.5	06/17/2008	17.3	1,600	39.85
LO	6	8	C	101.5	05/15/2008	17.25	1,600	43.35
LO	6	8	C	130	05/15/2008	0.88	1,549	38.46
LO	12	9	P	80	11/17/2009	3.67	1,500	30.60
OB	12	8	P	2.52	11/21/2008	0.1053	665	27.24
OB	6	8	C	3.13	05/27/2008	0.0948	400	36.47
OB	12	8	P	2.8	11/21/2008	0.23	335	27.74
OB	9	8	C	3.15	08/26/2008	0.1716	292	35.82
OB	9	8	C	3.21	08/26/2008	0.1556	292	36.38
OB	8	8	C	2.9	07/28/2008	0.2598	173	34.34
OB	6	8	C	3.07	05/27/2008	0.1175	155	35.91
OB	6	8	P	2.87	05/27/2008	0.0606	150	37.49
OB	8	8	C	2.84	07/28/2008	0.2942	150	34.45
OH	6	8	C	3.35	05/27/2008	0.1121	910	35.78
OH	6	8	C	3.6	05/27/2008	0.0472	780	38.26
OH	7	8	P	3.13	06/25/2008	0.1002	520	32.97
OH	6	8	C	2.6	05/27/2008	0.6917	295	43.99
OH	6	8	P	3.28	05/27/2008	0.13	242	35.18

The latest Commitment of Traders report showed that non-commercials in the crude market increased their net long positions by 4,036 contracts to 70,562 contracts in the week ending April 22. It reported that funds cut their total short positions by 11,518 contracts to 169,430 contracts as the market continued to trend higher. The combined futures and options report showed that non-commercials in the crude market increased their net long position by 13,042 contracts to 147,076 contracts on the week. The non-commercials in the RBOB market also increased their net long position by 7,709 contracts to 61,954 contracts while non-commercials in the heating oil market cut their net long position by 1,556 contracts to 27,389 contracts.