



ENERGY RISK MANAGEMENT

Howard Rennell, Pat Shigueta,
Zachariah Yurch & Karen Palladino
(212) 624-1132 (888) 885-6100

www.e-windham.com

ENERGY MARKET REPORT FOR APRIL 27, 2007

Algeria's Oil Minister Chakib Khelil said OPEC does not need to meet before September as increased gasoline supply steadies the oil market and high prices have not impacted prices. He said political concerns centered on producers Nigeria and Iran helped add a \$10 geopolitical risk factor to oil prices. He said oil supplies were not tight and gasoline stocks should rebound once refiners return from maintenance.

Market Watch

According to a Reuters survey, OPEC production cuts and increased world oil demand are expected to keep prices near \$60/barrel next year. The poll estimated US crude prices this year to average \$61.64/barrel while Brent is estimated to average \$60.39. In 2008, US crude prices are expected to average \$60.18 while Brent prices are expected to average \$58.56/barrel.

Industry sources said Chevron Corp has booked a super tanker to load crude from Mexico, adding an option to use it as storage for surplus imports or to gain from higher forward oil prices. It has provisionally booked a 270,000 ton VLCC to load on May 5. The cargo is scheduled to be discharged at the US Gulf Coast. However it could be stored on the tanker for 30 days.

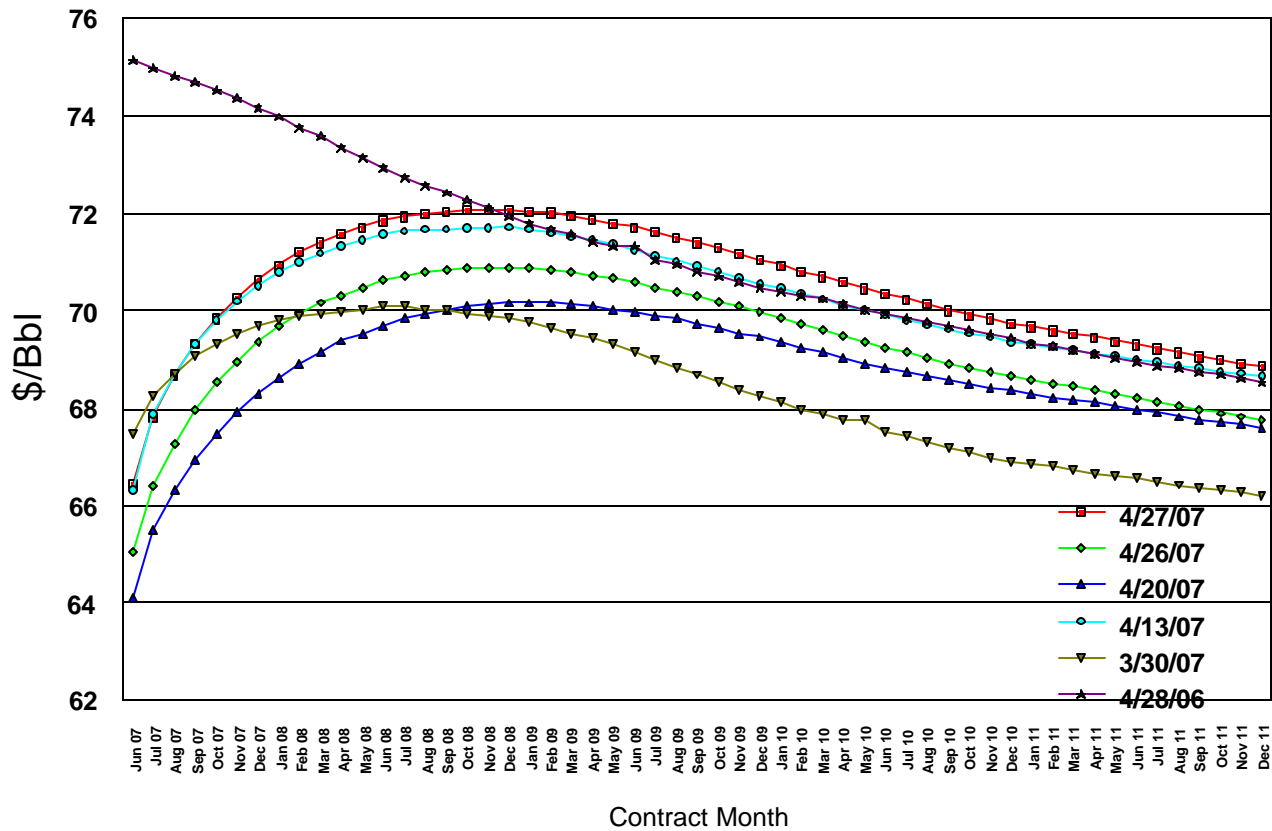
The Commerce Department reported that economic growth slowed to 1.3% in the first quarter, the worst performance in four years. The fall in growth was mostly due to the housing slump. Federal Reserve chairman Ben Bernanke and other economists however do not expect the economy to fall into a recession this year. Meanwhile, consumer spending stood at 3.8% in the first quarter, down from 4.2% in the fourth quarter.

Saudi Arabia's Interior Ministry reported that Saudi police arrested 172 militants who were planning to attack the country's oilfields. Police seized large quantities of arms and more than 20 million riyals or \$5.33 million cash from seven armed cells. One of their main targets was to carry out suicide attacks against public figures and oil installations and to target military bases inside and outside the country.

Nigeria's police reported that gunmen shot dead two policemen in Nigeria's Port Harcourt on Friday in a failed attempt to kidnap two foreign oil workers.

Ethiopian insurgents who kidnaped seven Chinese workers during an attack on an oil terminal said they would free them as soon as the military stops activities in the area. Ethiopia has send defense forces to the region to capture fighters from the Ogaden National Liberation Front, which carried out the raid killing 65 Ethiopians and nine Chinese.

NYMEX WTI Forward Curve



Refinery News

Marathon Oil Corp began the process of restarting its fluid catalytic cracking unit at its Garyville, Louisiana refinery Thursday afternoon following a brief fire earlier in the day. The fire was caused by a leak on a heat exchanger at the unit, which tripped offline.

ExxonMobil Corp said the shutdown of a light ends unit at the 563,000 bpd refinery in Baytown, Texas had minimal impact on production. Its catalytic light ends unit 3 shutdown after compressors tripped offline on Wednesday.

BP PLC's fluid catalytic cracking unit at its Toledo, Ohio refinery is expected to remain down until at least May 7 due to a crack that was discovered following a shutdown earlier in the week. A coker unit was also shutdown. An interruption in steam supply to the refinery over the weekend shutdown all the processing units.

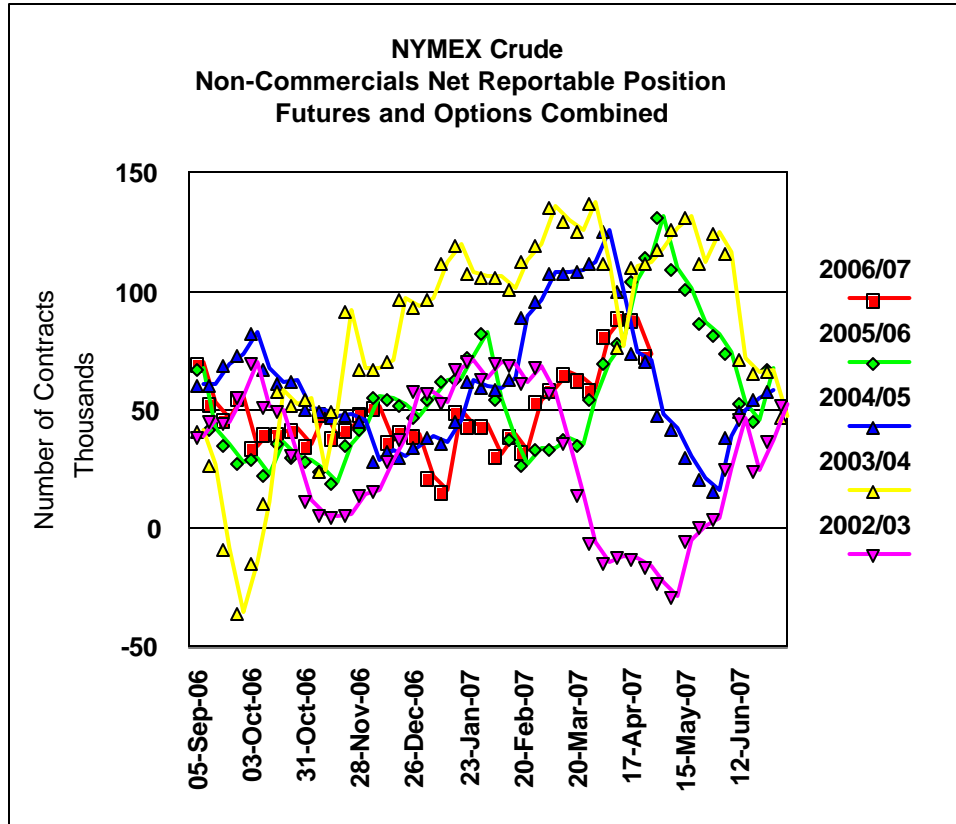
According to a report filed with the Texas Natural Resource Conservation Commission, the Sweeny refinery was shutting down unit 25.2 crude distillate HDS to change out catalyst. It said it would attempt to minimize emissions.

Total said it was restarting two units at its Port Arthur, Texas refinery.

A Coast Guard spokesman said a gasoline tanker has been held at sea off Long Beach, California for the past six days after being escorted out due to high oxygen levels in its tanks. The tanker was delivering 325,064 barrels of gasoline from Amsterdam to Long Beach via the Panama Canal.

Production News

Mexico's Oil Ministry reported that crude production at the Cantarell oilfield increased slightly in March to an average of 1.585 million bpd from 1.567 million bpd in February.



Oil workers at Brazil's Petrobras threatened on Thursday to go on a one day strike next Thursday over a long delayed job promotion and salaries plan. Meanwhile, Petrobras said there was a commission studying the jobs and salaries plan but gave no further details and would not comment on the possible strike.

Ecuador's President Rafael Correa said Ecuador would increase the powers of security forces to break up demonstrations which could shutdown output from oil facilities in the Amazon.

Japan's Ministry of Economy, Trade and Industry said Japan's oil product sales totaled 20.44 million kl or 4.15 million bpd in March. It reported that gasoline sales fell by 2.6% on the year to 5.1 million kl or 1.03 million bpd while kerosene sales fell by 6% to 3.02 million kl or 614,000 bpd. It also reported that

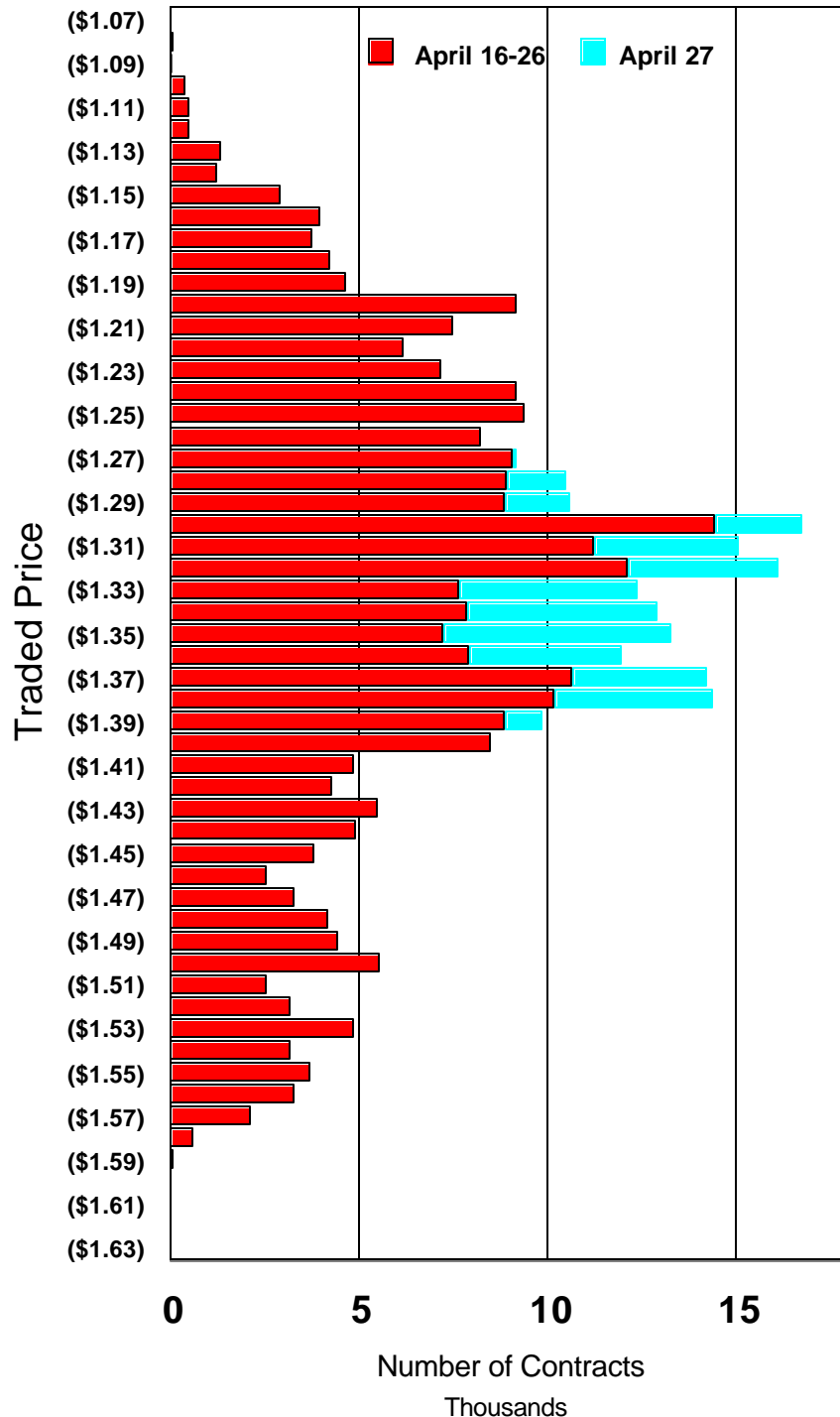
its crude oil imports in March fell by 7.3% on the year to 22.59 million kl or 4.58 million bpd as refiners drew stocks ahead of the maintenance period.

Technical levels		
	Levels	Explanation
CL	Resistance 66.46, up 1.40	67.05, 67.55, 68.00, 68.20 66.85 Previous highs Friday's high
	Support	65.85, 65.05, 64.80, 64.58 64.10, 63.70, 63.35 Friday's low
HO	Resistance 191.35, up 2.44 cents	192.57, 197.38 192.09 Previous high, Basis trendline Friday's high
	Support	190.00, 188.52, 187.00 186.09, 184.60, 184.24, 183.91 Basis trendline, Friday's low 38% retracement(176.38 and 192.09), Previous low, 50%, Previous low
RB	Resistance 236.13, up 7.10 cents	241.04 236.30 Basis trendline Friday's high
	Support	234.15, 230.00, 230.94, 226.85 226.00, 221.75, 220.70 Basis trendline, Friday's low Previous low, 38% retracement(198.20 and 236.30), Previous low

NYMEX WTI: June July Spread

Price Vs Volume for April 16 - April 27, 2007

Trade Weighted Avg: 4/26 -1.281 4/25 -1.40 4/24 -1.308 4/23 -1.33 4/20 -1.39



Oil demand in the Japanese fiscal year ending March fell by 5.2% on the year to 223.8 million kl or 3.86 million bpd.

Japan is expected to cut its distillate exports in May during the peak of refinery maintenance. Japan's oil companies are scheduled to export 80,000 kiloliters or 503,000 barrels of distillates in May, down from 941,000 kl exported in the four weeks ending April 21. Meanwhile, Japan's gasoline imports in May are expected to total 80,000 kl or 503,000 barrels, up from 52,940 kl in the four weeks ending April 21.

Colombia's Ecopetrol said its production of crude and products was not affected by a nationwide power outage. It said it was producing 315,000 bpd of oil while its refined product production was also operating at normal rates.

OPEC's news agency reported that OPEC's basket of crudes increased to \$64.03/barrel on Thursday from \$63.50/barrel on Wednesday.

Market Commentary

In reaction to the news of Saudi Arabia making an arrest of 172 terrorists, the June crude experienced its highest level since April 2nd. Today's session was an outside day. The market opened unchanged and made a new low, prior to taking out yesterday's high. There appeared to be fresh buying in the market with good

activity in the July contract. This is the first time in 15 weeks that the June crude has settled above the

weekly trendline dating back to the second week of January. Based on the spot continuation chart, there is now a double top at 6670. Both short term and long term stochastics are indicating higher prices finishing the week with %K 68.34 and % D 53.26 on a daily chart. As of the close of NYMEX the range in the June/July spread was -1.27 - -1.40. Despite the fact that the market was rallying to new highs, this spread remained stagnant for quite some time, and then moved in and adverse direction. The -1.29 level stands out as a pivotal area on this spread, and as long as July can hold its strength over this number, once the rolls come into play, -1.60 should be the next target for this spread. Currently in the June contract support sits at 65.85, 65.05, 64.80, 64.55, 64.10, 63.70, and 63.35. Resistance is set at 66.70, 67.05, 67.55, 68.00, and 68.20. The RBOB market continued to trend higher and settled up 7.10 cents at 236.13. The market, which continued to retrace Thursday's early gains, sold off to a low of 226.85 amid some reports of refinery units restarting. Marathon reported that began the process of restarting its fluid catalytic cracking

NYMEX Petroleum Options Most Active Strikes for April 27, 2007								
Symbol	Month	Year	Call/Put	Strike	Exp Date	Settle	Volume	IV
LO	6	7	C	70	05/17/2007	0.47	5,905	26.40
LO	6	7	P	65	05/17/2007	1.01	5,732	26.76
LO	6	7	P	60	05/17/2007	0.16	5,647	30.82
LO	9	7	P	54	08/16/2007	0.28	4,300	29.97
LO	6	7	C	65	05/17/2007	2.47	3,100	26.87
LO	6	7	C	66	05/17/2007	1.88	3,081	26.65
LO	7	7	P	60	06/15/2007	0.4	2,268	28.76
LO	12	7	P	55	11/13/2007	0.78	2,175	29.15
LO	9	7	P	58	08/16/2007	0.64	2,150	28.78
LO	12	7	C	69	11/13/2007	6.11	2,125	26.81
LO	12	7	P	69	11/13/2007	4.5	2,125	26.66
LO	9	7	C	75	08/16/2007	1.87	2,056	26.15
LO	12	8	C	90	11/17/2008	2.12	2,050	21.27
LO	12	7	P	60	11/13/2007	1.6	1,850	28.15
LO	9	7	P	60	08/16/2007	0.93	1,723	28.22
LO	7	7	P	64	06/15/2007	1.13	1,626	27.29
LO	6	7	P	66	05/17/2007	1.42	1,528	26.62
LO	12	7	P	52	11/13/2007	0.47	1,500	29.67
LO	12	7	C	80	11/13/2007	2.07	1,350	25.47
LO	9	7	C	80	08/16/2007	0.94	1,255	26.70
LO	6	7	C	71	05/17/2007	0.33	1,250	27.00
LO	12	7	C	75	11/13/2007	3.5	1,203	25.92
LO	9	7	P	64	08/16/2007	1.8	1,200	27.00
LO	7	7	C	75	06/15/2007	0.62	1,104	27.87
LO	9	7	C	70	08/16/2007	3.62	1,075	26.32
LO	6	7	C	66.5	05/17/2007	1.62	1,055	26.53
LO	7	7	P	59	06/15/2007	0.3	1,000	29.17
OB	8	7	C	2.4	07/26/2007	0.0704	274	35.66
OB	8	7	C	2.47	07/26/2007	0.0569	270	36.34
OB	7	7	C	2.17	06/26/2007	0.1443	209	35.24
OB	7	7	P	2.17	06/26/2007	0.1038	200	35.18
OB	6	7	P	2.1	05/25/2007	0.0418	178	42.72
OB	7	7	C	2.5	06/26/2007	0.0425	150	37.80
OB	7	7	C	2.25	06/26/2007	0.1074	119	35.38
OB	7	7	P	2	06/26/2007	0.0441	106	35.95
OB	7	7	P	2.1	06/26/2007	0.075	100	35.49
OH	6	7	C	1.91	05/25/2007	0.0527	951	24.46
OH	6	7	P	1.91	05/25/2007	0.0501	951	24.53
OH	8	7	P	1.6	07/26/2007	0.011	375	29.61
OH	9	7	P	1.8	08/28/2007	0.055	375	28.11
OH	8	7	C	2	07/26/2007	0.0809	210	27.76
OH	6	7	C	1.8	05/25/2007	0.1257	200	25.22
OH	8	7	P	1.8	07/26/2007	0.0472	200	28.26
OH	7	7	P	1.78	06/26/2007	0.0301	170	28.07
OH	6	7	C	1.63	05/25/2007	0.2828	165	31.07
OH	7	7	C	1.73	06/26/2007	0.2139	165	28.99
OH	7	7	P	1.8	06/26/2007	0.0354	150	27.99
OH	7	7	C	2.03	06/26/2007	0.0463	100	28.03

unit late Thursday following the brief fire at its Garyville, Louisiana refinery on Thursday. The market

however bounced off its low and extended its gains to over 7.2 cents as it rallied to a high of 236.30 late in the session despite the lack of any news. The May/June RBOB spread widened even further and settled at 9.99 cents, after it traded over 10 cents. The product markets on Monday will be driven by the expiration of the May contracts at the close of business. The product markets are seen retracing their recent gains. Support in the RBOB market is seen at 234.15, 230.00, 230.94 and 226.85. More distant support is seen at 226.00.

The Commitment of Traders report showed the non-commercials cut their net long positions by 16,986 contracts to 63,829 contracts in the week ending April 24 as non-commercials increased their total short positions by 9,903 lots on the week. The combined futures and option report showed that non-commercials in the crude market cut their net long positions by 14,929 contracts to 73,039 contracts on the week. Meanwhile, non-commercials in the product markets also cut their net long positions. Non-commercials in the heating oil market cut their net longs by 709 lots to 5,647 contracts while non-commercials in the RBOB market cut their net longs by 3,484 contracts to 27,086 contracts.