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ENERGY MARKET REPORT FOR APRIL 27, 2009

OPEC Secretary General Abdalla El-Badri said OPEC wants to see oil prices reaching at least \$70/barrel. He said the \$50/barrel price is not enough to cover investment costs for the future. Separately, OPEC's Secretary General may visit Russia soon to discuss cooperation between OPEC and Russia. The talks would address possible mutual steps to support oil prices. He called for OPEC and non-OPEC countries to work together to help reduce oil supply.

Saudi Arabia's Oil Minister Ali Al Naimi said he is concerned that speculation may be returning to the oil markets after some

Market Watch

US President Barack Obama said the US administration is closely monitoring the swine flu outbreak and taking steps to respond quickly and effectively. He said it is a cause for concern and requires a heightened state of alert. So far, 20 cases have been confirmed in five states. The outbreak has caused the death of 103 people in Mexico, its epicenter.

Goldman Sachs said it opened tactical short positions in oil and metals recently in anticipation of a price fall on weak fundamentals. Goldman Sachs analysts believe the markets will likely continue to pull back from current levels in the near term as fundamentals are not yet stable enough to support higher prices.

According to a Reuters survey, US crude oil is expected to average \$50.85/barrel in 2009, up from \$49.73/barrel in a previous survey. Brent crude oil futures are expected to average \$51.06/barrel in 2009, up from \$50.63/barrel in a previous poll. Analysts forecast an average US oil price of \$65.95/barrel in 2010 and \$80.18/barrel in 2011. A near term rally is limited by weak fundamentals of supply and demand.

Saudi Arabia's Finance Minister, Ibrahim Al-Assaf said he anticipates cooperation by oil consuming countries in not adopting policies that adversely impact the oil sector. His call reflected Saudi Arabia's concern over a shift in energy policies in oil consuming countries such as the US, Japan and the UK to cut their economies' reliance on oil and turn to more environmentally friendly alternatives. He suggested a more positive approach will be to concentrate on efficient energy supply to the poor, including through fossil fuel sources that are expected to make up about 80% of supply resources going forward.

The World Steel Association reported that world steel demand is expected to fall by 14.9% in 2009 to 1.019 billion tons, the steepest decline since WWII. Steel demand in China is expected to fall 5% as the ongoing global economic crisis hits the country's exports. Steel demand is seen falling 36.6% in the US and 28.8% in the European Union.

April Calendar Averages

CL – \$49.83
HO – \$1.3851
RB – \$1.4434

funds recently restarted buying crude and that the current market is oversupplied. He said it is too premature to talk about what the country will be recommending when OPEC ministers meet in Vienna on May 28 to review the market and whether output needs to be further adjusted. Separately, Iran’s National Representatives to OPEC Javad Yarjani said that speculation is not healthy for the oil markets.

Qatar’s Energy Minister, Abdulla bin Hamad Al-Attiyah said the country is seeking more international cooperation to sustain investments in developing energy resources, especially in the current scenario of a global downturn. He said isolated national actions are no longer likely to be the only or the most effective action.

The EIA reported that the US retail price of diesel fell by 2 cents to \$2.201/gallon in the week ending April 27th. It also reported that the US retail price of gasoline fell by 1 cent to \$2.049/gallon on the week.

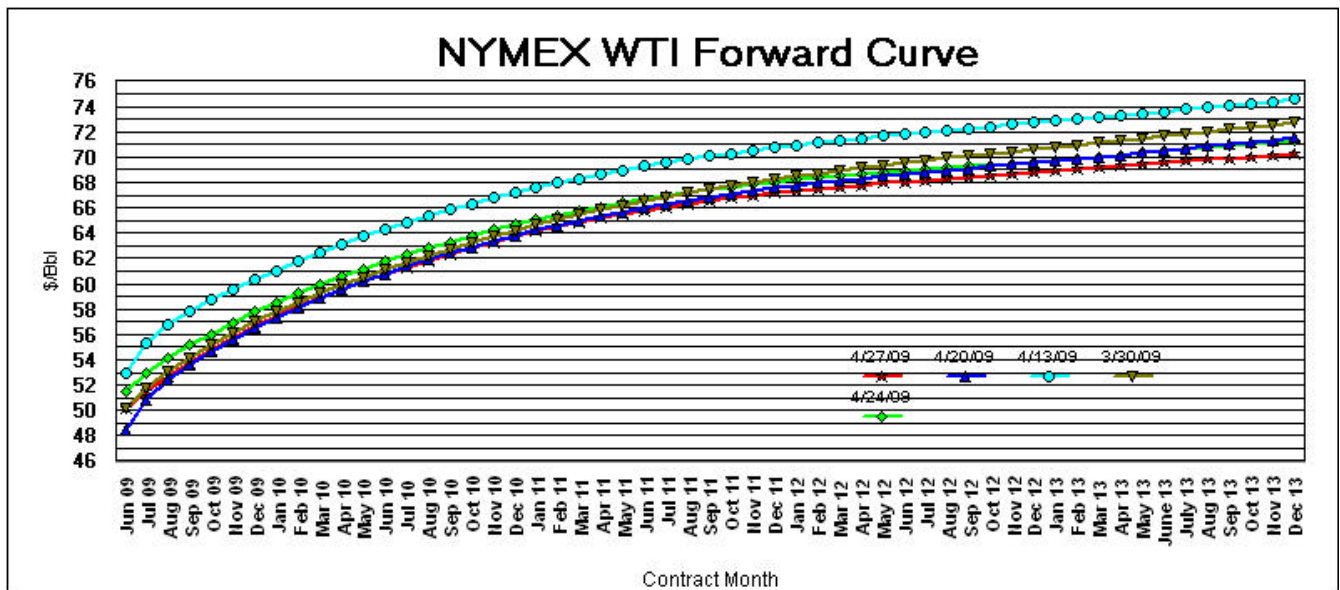
Refinery News

US refiners said they are closely monitoring the spread of swine flu and preparing contingency plans for a possible outbreak. No refinery units had yet been idled or slowed as a result of the health threat and companies were tight lipped about what steps they would take if workers began to fall ill. Shell Oil Co said it cancelled all nonessential travel to Mexico and has given health advice to employees who traveled there in the past few days. Refiners started developing plans to deal with a flu pandemic tow to three years ago when fears about avian flu increased.

Mexico’s Pemex said all of its operations are normal despite the outbreak of a swine flu epidemic in the country. Mexico produces about 2.65 million bpd of oil. It later stated that it is operating normally despite an earthquake that hit Mexico Monday afternoon. The earthquake did not hit an oil zone. The epicenter of the 6.0 magnitude quake was in the Guerrero state.

Royal Dutch Shell declared force majeure on crude oil receipts at its 145,000 bpd Puget Sound refinery in Anacortes, Washington after losing power due to an unexpected interruption of service from its local power provider on Thursday.

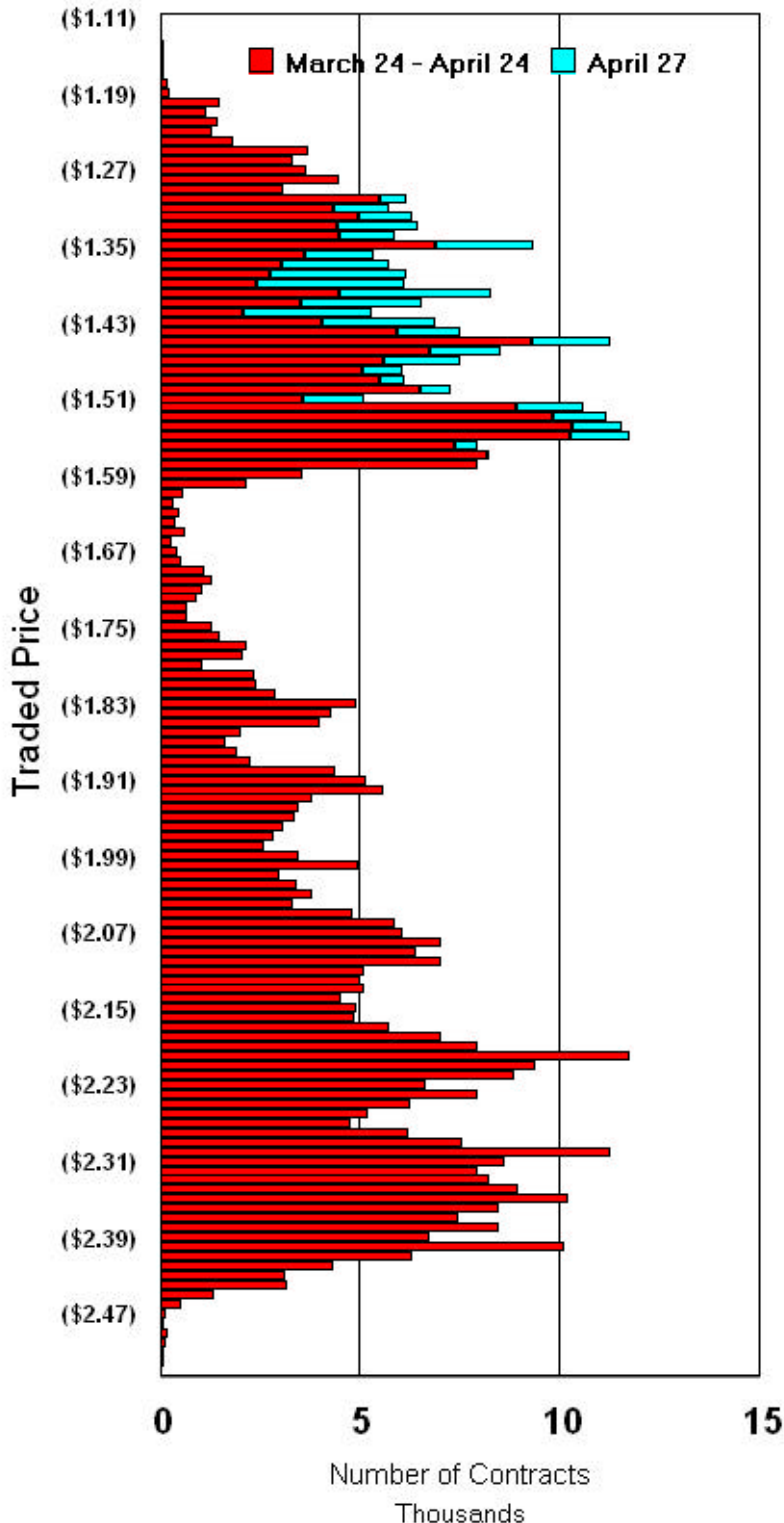
Marathon Oil Corp on Saturday shut a 24 inch pipeline that carries crude from Owensboro to the



NYMEX WTI: June July Spread

Price Vs Volume for March 24 - April 27, 2009

Trade Weighted 4/23 -1.52, 4/24 -1.37, 4/27 -1.42



226,000 bpd Catlettsburg, KY refinery to repair a leak. The refinery continues to operate at reduced rates.

ExxonMobil Corp said a hydrocracker and flexicoker unit resumed operations at its 567,000 bpd Baytown, Texas refinery following Friday night malfunctions triggered by heavy rains. ExxonMobil Corp restarted a fluid catalytic cracking unit at its 60,000 bpd Billings, Montana refinery after the completion of planned work.

ConocoPhillips will shut shutdown an unspecified unit at its 247,000 bpd Sweeny, Texas refinery on Monday for one day of maintenance.

Tesoro Corp's 120,000 bpd Anacortes, Washington refinery resumed normal operations and is operating at planned rates this morning. The refinery was shut on Thursday following a power outage.

According to Credit Suisse, US refining margins were mixed last week. Margins in the Rockies region increased by \$2.08/barrel to \$19.07/barrel and margins in the Northeast increased by 24 cents to \$5.99/barrel. Meanwhile, margins in the Midwest fell by 78 cents to \$8.38/barrel while Gulf Coast margins fell by 33 cents to \$9.12/barrel and West Coast margins fell by 61 cents to \$17.08/barrel.

Nippon Oil Corp said it will process 3.86 million kiloliters or 783,206 bpd in May, down 6% from a year earlier. Nippon is scheduled to shut its 180,000 bpd Muroran refinery starting May 14th for about a month. It is also scheduled to shut the 24,000 No. 1 crude distillation unit at its Oita plant from May 16th for about a month.

Saudi Arabia is expected to import about 80,000 bpd of gasoline in May,

as the country compensates for a shortfall in domestic production due to refinery maintenance work. It has already purchased about 50% of its May requirements or about 40,000 bpd. Saudi Arabia usually imports between 60,000 and 70,000 bpd.

NEW YORK MERCANTILE EXCHANGE(r)									
NYMEX OPTIONS CONTRACT LISTING FOR 04/27/2009									
				TODAY'S	PREVIOUS	ESTIMATED	DAILY	DAILY	
-----CONTRACT-----				SETTLE	SETTLE	VOLUME	HIGH	LOW	
AO	10	9	C	60	5.39	5.98	300	0	0
AO	12	9	P	52	5.36	5.07	300	0	0
AO	10	9	P	52	5.17	4.79	300	0	0
AO	12	9	C	60	6.96	7.54	300	0	0
AO	11	9	P	52	5.3	4.94	300	0	0
AO	11	9	C	60	6.19	6.76	300	0	0
LC	12	9	P	56.5	7.65	7.2	450	0	0
LC	12	9	P	55	6.91	6.49	250	0	0
LO	6	9	P	40	0.33	0.24	5266	0.53	0.28
LO	7	9	P	40	0.75	0.61	4207	1.12	0.75
LO	6	9	P	45	1.08	0.81	2686	1.7	1
LO	9	9	C	70	1.33	1.6	2375	1.38	1.31
LO	6	9	C	52	2.14	2.74	2338	2.5	1.48
LO	8	9	C	70	0.85	1.01	1803	0.85	0.83
LO	6	9	C	55	1.17	1.56	1599	1.43	0.77
LO	12	9	P	55	6.92	6.5	1575	0	0
LO	6	9	P	35	0.08	0.06	1424	0.14	0.05
LO	7	9	C	55	2.98	3.59	1324	3.15	2.72
LO	12	11	C	125	2.37	2.43	1300	0	0
LO	8	9	C	52	5.69	6.49	1281	5.6	5.25
LO	12	9	C	60	6.29	6.88	1200	0	0
LO	6	9	P	25	0.01	0.01	1155	0.01	0.01
LO	12	10	C	100	2.63	2.72	1105	2.6	2.6
LO	6	9	C	50	3.03	3.78	1076	3.35	2.15
LO	12	12	C	100	5.95	6.07	1000	0	0
LO	9	9	C	75	0.82	1	1000	0	0
OB	5	9	P	1.3	0	0.0008	253	0	0
OB	5	9	C	1.4	0.0032	0.0555	205	0.025	0.004
OB	5	9	C	1.41	0	0.0486	154	0	0
OB	6	9	P	1.2	0.019	0.0156	101	0.02	0.02
OB	6	9	P	1.3	0.0442	0.0368	100	0	0
OB	7	9	C	2	0.0126	0.016	100	0	0
OH	6	9	P	1.1	0.0103	0.0083	277	0	0
OH	6	10	P	1.4	0.1534	0.1458	200	0.155	0.155
OH	6	9	C	1.49	0.034	0.0519	200	0	0
OH	8	9	C	1.45	0.1276	0.151	100	0	0
WA	6	9	C	0	0.16	0.2	200	0	0

Brazil's Petrobras and Venezuela's PDVSA continue to discuss a \$4 billion refinery deal. The negotiating teams from the two companies will meet this week. Petrobras' downstream director declined to provide further details about the talks. The refinery Abreu e Lima refinery is expected to process 200,000 bpd of crude.

Production News

Saudi Arabia's 100,000 bpd Nuayyim oilfield will be ready to start production in mid-June. The field is one of three projects due for completion by mid-2009 to increase the country's oil production capacity to 12.5 million bpd. The Nuayyim oilfield will produce Arab Extra Light crude. Saudi Arabia has cut its oil production by 2 million bpd since last summer in line with OPEC's output cut. Saudi Arabia's Oil Minister Ali Al Naimi said Saudi Arabia's oil production is just under 8 million bpd.

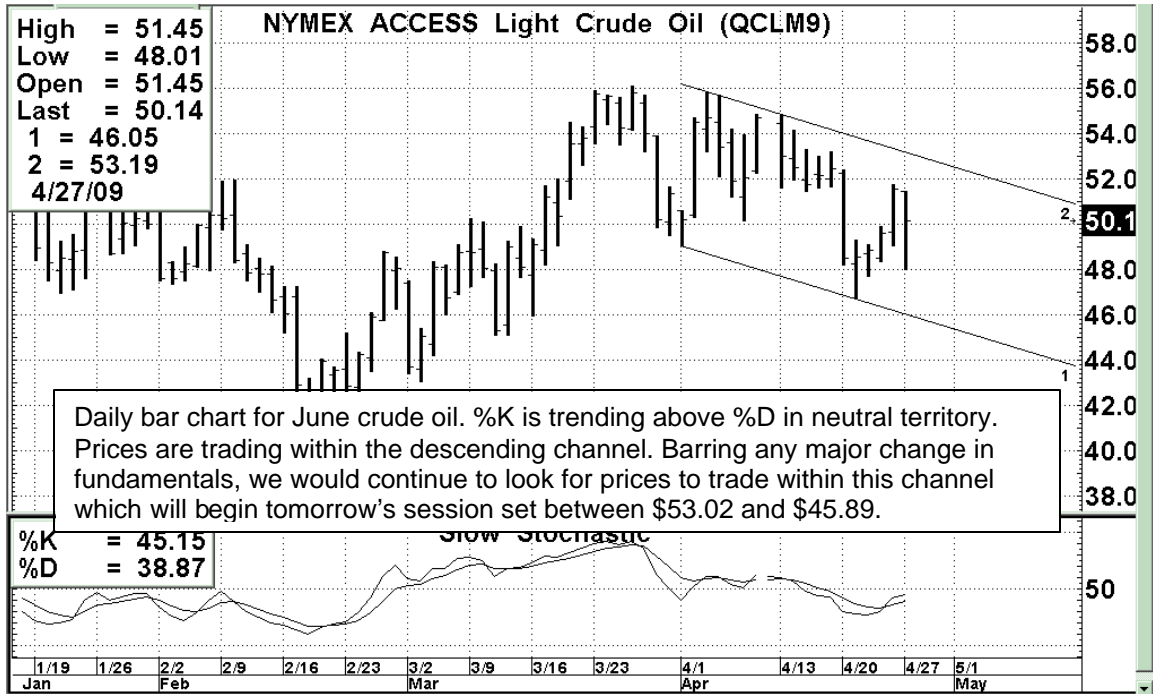
Nigeria's oil exports are expected to average 1.83 million bpd in June against 1.82 million bpd in May and well above the country's implied OPEC production target of 1.67 million bpd. Provisional loading

programs for June show a total of 64 cargoes due to load a total of 54.99 million barrels compared with 63 cargoes carrying 56.3 million barrels in May. Nigeria will export five cargoes of Erha grade crude in June. It is also scheduled to load eight cargoes of Qua Iboe, two cargoes of Bonny Light, five cargoes of Bonga, three cargoes of Akpo, one cargo of Pennington and six cargoes of Agbami crude.

Russia's seaborne oil exports in May will increase by 3.7% on the month to 11.991 million tons or 2.84 million bpd.

Azerbaijan's Energy Minister Natig Aliyev said his country is unlikely to cut oil production as OPEC meets next month to discuss possible reductions.

According to Jeffries & Co. Inc, Brazil's Petrobras may be hurt by a rig shortage as it begins the development of the Tupi field. It expects to almost double the number of rigs operating in deepwater offshore



Brazil to 68 by 2012 from 38. Demand for vessels that can drill in ocean depths up to 10,000 feet is growing faster than the supply of rigs, forcing oil companies to pay escalating rates even after crude lost two thirds of its value in the past nine months. The Tupi field, which starts pumping on May 1, and other Santos Basin fields may contain about 100 billion barrels of oil.

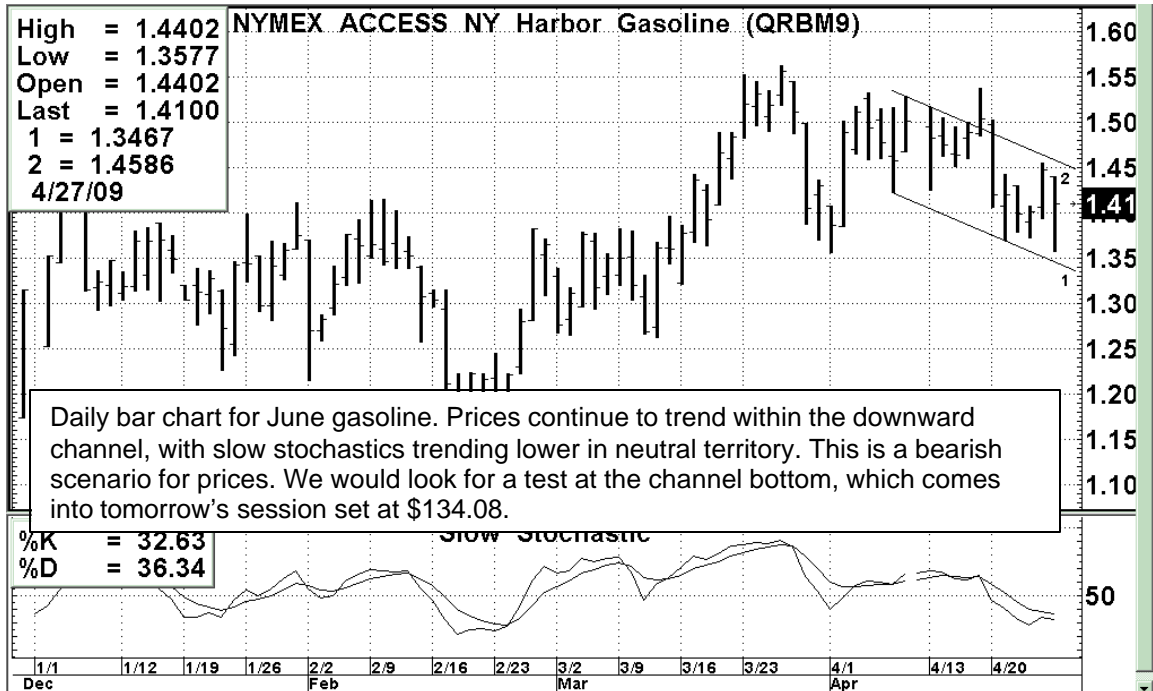
PetroChina Co said its net profit in the first quarter fell by 35% on the year to CNY18.96 billion due to lower oil prices and weaker energy demand. It said its crude oil production fell by 5.7% on the year to 205.7 million barrels in the first quarter. The average selling price of its crude oil fell by 57.8% to \$37.10/barrel.

OPEC's news agency reported that OPEC's basket of crudes increased to \$49.97/barrel on Friday, up \$1.37 from \$48.60/barrel on Thursday. It also reported that OPEC's basket of crudes fell by \$2.40 to \$49.03/barrel in the week ending April 24th.

Market Commentary

Reports of the Swine Flu reaching the U.S, sent travel and global economic fears through the marketplace, putting pressure on prices. With the Swine Flu stretching from Mexico to the U.S. and Europe, world travel is expected to drop, thereby impacting jet fuel demand. The global economic crisis is still being felt around the world as governments try to hold up their banking systems. The true fundamentals of this market are painting a bearish scenario, with supplies near record highs and demand still suffering from economic woes. Overall, the shape of the forward curve has not changed and is still indicative of an oversupplied market. The June09 crude oil contract experienced a lower low today but was unable to attain a higher high, settling down \$1.41 on the day. A downward channel has formed on a daily bar chart. This channel will begin tomorrow's session set between \$53.02 and \$45.89. Gasoline opened the electronic session trading lower on the day and continued lower until the

floor traded session commenced. Prices tried to make a come back as the stock market faired better. Weak fundamental s and bearish technicals are standing in the way of seasonal strength. Moving oscillators are on the low end of



neutral, pointing lower. We would look for the June gasoline contract to continue lower, trending within the descending channel that can be drawn on a daily bar chart.

Crude Oil (CL) JUN.09 320,964 -8,193 JUL.09 187,690 +6,085 AUG.09 54,302 +440 SEP.09 39,655 +1,154 Totals: 1,136,842 - 967 N.Y. Heating Oil (HO) MAY.09 18,106 -1,986 JUN.09 61,518 -2,651 JUL.09 33,905 +636 AUG.09 18,322 +405 Totals: 264,613 -3,772 NEW YORK HARBOR RBOB GASOLINE MAY.09 18,986 -2,210 JUN.09 76,562 +1,904 JUL.09 33,828 -38 AUG.09 21,962 -5 Totals: 211,884 + 298

Crude Support	Crude Resistance
48.00, 46.68, 45.10, 44.50, 43.80, 40.00, 38.95, 32.25, 29.66, 28.63, 26.65, 25.50	, 53.94, 54.65, 55.98, 57.20
Heat Support	Heat resistance
1.2715, 1.2300, 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, 9590,	1.4900, 1.5088, 1.5260, 1.5340, 1.5800,

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