



ENERGY RISK MANAGEMENT

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NATURAL GAS & POWER MARKET REPORT FOR APRIL 8, 2009

NATURAL GAS MARKET NEWS

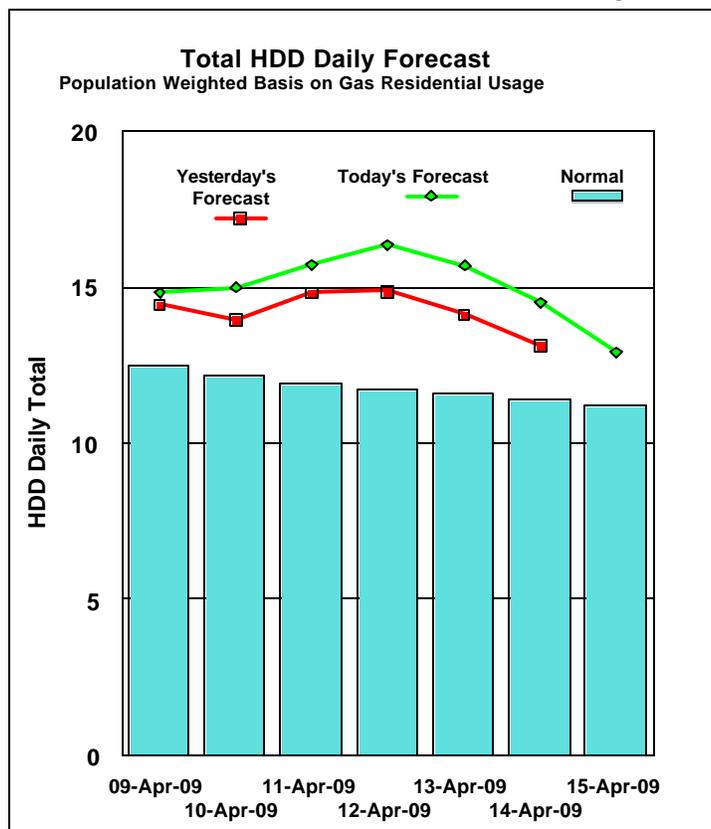
ExxonMobil said today that a disabled water pump was the cause of the shut down of the Sable Island natural gas production yesterday. Officials said it would take days not weeks to make the repairs and return the field to normal operations.

Atlas Pipeline Partners announced it has entered into a definitive agreement with Spectra Energy Partners to sell Atlas Pipeline's NOARK natural gas gathering and interstate transmission system for \$300 million. Atlas said the sale will allow the company to concentrate on its gathering and processing activities in the mid-Continent and its new alliance with Williams in the Marcellus Shale region.

Generator Problems

MAAC – PSEG Nuclear is preparing its 1,120 MW Hope Creek Nuclear Plant in so. NJ for a regularly scheduled refueling and maintenance outage set to begin this weekend. The outage is expected to last about 28 days, with started slated for on or around May 8.

The NRC reported this morning that 80,583 Mw of nuclear generation capacity was on line, basically unchanged from yesterday but up 7.0% from the same time a year ago.

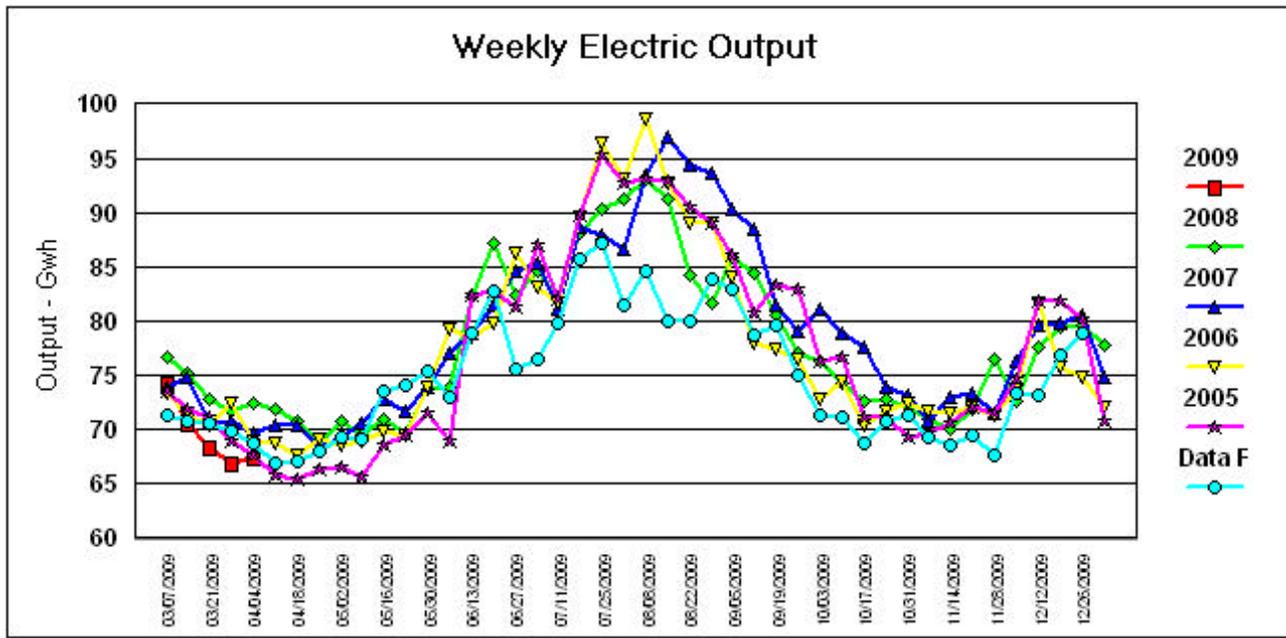


Iran and Venezuela have signed an agreement on the research phase for an \$8 billion project to build a LNG plant in Venezuela. The parties said that the negotiations on the investment terms of the project will begin once the research phase of the project is completed. The project has a proposed commercial start up of 2014 and would produce 10 million tons of LNG per year.

Exceleerate Energy is still on target to deliver a LNG cargo to its UK Teesside facility on April 12th according to local port officials.

Russia on Wednesday cleared ExxonMobil's investment plan for Sakhalin-1 project for 2008-2009 after repeated delays and the firm said it will now unfreeze new phases.

Royal Dutch Shell and Russia's Gazprom signed a series of gas supply agreements on Wednesday under which both companies will buy LNG from the Sakhalin II project over 20



years. Starting this year, Gazprom Global LNG and Shell Eastern Trading will buy 1 million tons/year of LNG each from the Sakhalin Energy Investment Co until 2028. The companies also agreed on a new pipeline supply agreement under which Shell will receive 1 million ton/year of gas from Russia to Europe. Under the agreement, Gazprom affiliates will take capacity in Sempra's Energia Costa Azul LNG import terminal in Baja California and pipeline capacity to transport gas to southern California.

PIPELINE RESTRICTIONS

Tennessee Gas Pipeline said that effective 9:00 AM CT, for the gas day of April 8, it has restricted Carthage Line Lateral pipeline point p00080 through approximately 61 percent of supply to market secondary out of the path nominations, pathed from meters located on the Carthage Line Lateral. Tennessee will not accept any Supply to Market increased pathed from meters located on the Carthage Line lateral, for the remainder of April 8, 2009. Shippers will be allowed to adjust nominations under the same duns number pathed from these meters provided that the net volume change for such adjustments does not exceed previously scheduled volumes pathed from meters located on the Carthage Line Lateral.

ELECTRIC MARKET NEWS

Edison Electric Institute reported that power production in the US during the week ending April 4th fell by 6.2% on the year to 67,476 Gwh. It is up 0.76% on the week.

MARKET COMMENTARY

The natural gas market remained on the defensive in overnight trading as it continued to trade lower, posting a low of \$3.531, a level not seen since late September 2002. It however bounced off that level and retraced its losses early in the morning. The market never looked back as it remained supported by the strength in the oil complex and some short covering ahead of Thursday's weekly inventory. The natural gas market traded to a high of \$3.646 and remained range bound within a 5 cent trading range for much of the session. It settled up 6.8 cents at \$3.63. The natural gas market continued to trade higher, posting a high of \$3.669 in late afternoon trading on further short covering ahead of the report and the upcoming holiday weekend.

Market expectations for tomorrow's EIA storage report appear to be running between a 4bcf draw to a 24 bcf build with the median expectation showing a 15 bcf build. For the same week a year ago stocks fell an adjusted 16 bcf, while the five year season average is for a 13 bcf gain.

While the natural gas market traded higher and will likely find some further short covering ahead of the weekend, it remains in its downward trending channel. The market is seen finding support at \$3.553, \$3.475, basis its support line and \$3.422. Resistance is seen at \$3.669, \$3.684, \$3.739 and \$3.815. More distant resistance is seen at \$3.998, \$4.143 and \$4.237.