



ENERGY RISK MANAGEMENT

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NATURAL GAS & POWER MARKET REPORT FOR APRIL 14, 2009

NATURAL GAS MARKET NEWS

The EIA released their latest Short term Energy Outlook this morning. As a result of the economic outlook, the EIA lowered its forecast for U.S. industrial natural gas demand for this year from a 6% decline to now having an expectation for a 7.4% decline. The agency now sees overall consumption of natural gas declining by 1.8% in 2009 and remains flat in 2010 versus their forecast a month ago of a 1.3% decline this year followed by 0.4% rebound in 2010. Total marketed natural gas production in the U.S. which last month was seen as remaining unchanged in 2009 over 2008, is now seen declining by 0.35% and will continue to decline in 2010 by 1%. LNG imports are now forecasted to be 100 bcf more this year than estimated last month at 480 bcf. Prices are seen averaging \$5.29 per mcf in 2009 down 6.7% from last month's forecast. The price outlook for 2010 is estimated at \$6.42 per Mcf.

Raymond James & Associates in their latest energy outlook noted that the U.S. natural gas market remains oversupplied by more than 4 Bcf/d. It looks for additional shut-ins to occur this summer of between 500-700 bcf.

National Grid reported that the new South Hook LNG import terminal in Britain started to flow gas over the weekend and on Tuesday had reached a rate of 6 million cubic meters per day. The terminal could flow out gas at much higher rates when fully operational, estimated at 29 million cubic meters per day, and will see its capacity double by the end of the year when capacity work is finished. A second LNG tanker is expected to deliver a cargo to the facility from Qatar around April 19th.

Enbridge launched its non-binding Open Season for the proposed LaCrosse pipeline, which will run between Carthage, Texas to Washington Parish in Southeastern Louisiana. The pipeline will have a capacity of at least 1 bcf/d. The non-binding season is slated to run through May 15th.

Total's LNG Sokoto LNG tanker is reportedly scheduled to arrive at the Sabine Pass terminal in Louisiana on April 16th. The cargo was sourced from Nigeria LNG.

Generator Problems

NPCC – Entergy's 852 Mw FitzPatrick nuclear unit was at 55% capacity. The unit had been at full power yesterday.

Constellation Energy's 621 Mw Nine Mile Point #1 nuclear unit was at 45% capacity as operators continued to ramp the unit higher.

OPG's 490 Mw Nanticoke coal fired Unit #5 was shut early Tuesday.

MISO- AmerenUE's 1190 Mw Callaway Nuclear unit was still off line today at 10% capacity.

PJM- Exelon's 1134 Mw Limerick #2 nuclear power unit ramped up to 46% this morning up 26% from yesterday.

SERC – Operators at Southern's 883 Mw Hatch #2 nuclear unit which has been offline since February 9th for a refueling outage, discovered problems with a turbine rotor. No timetable for these repairs was given.

WSCC – Energy Northwest's 1131 Mw was at 96% capacity, up 11% from Monday.

The NRC reported this morning that 79,867 Mw of nuclear generation capacity was on line, down 0.1% from Monday but up 4.8% from the same time a year ago.

BG Group's Neo Energy LNG tanker is reportedly scheduled to arrive at the Elba Island terminal on April 23rd from Egypt. This will be the fourth BG tanker to arrive in the U.S this month, all from Egypt. According to ship tracking consultant, Waterborne Energy, another cargo is scheduled to arrive at the facility on April 28th from Trinidad. This would amount to 14.6 bcf of LNG for the month, up from 11.7 bcf in March and just 5.8 bcf in February.

Natural Gas Cash Market						
ICE Next Day Cash Market						
	Volume	Avg	Change	Basis	Change	Basis 5-Day
Location	Traded	Price		(As of 12:30 PM)		Moving Avg
Henry Hub	812,200	\$3.587	\$0.126	(\$0.089)	(\$0.032)	(\$0.224)
Chicago City Gate	495,700	\$3.426	\$0.050	(\$0.250)	(\$0.044)	(\$0.174)
NGPL- TX/OK	675,500	\$3.274	\$0.091	(\$0.403)	(\$0.003)	(\$0.357)
SoCal	428,500	\$3.075	\$0.088	(\$0.601)	(\$0.006)	(\$0.576)
PG&E Citygate	686,400	\$3.463	\$0.059	(\$0.214)	(\$0.035)	(\$0.117)
Dominion-South	259,200	\$3.953	\$0.011	\$0.277	(\$0.083)	\$0.416
USTrade Weighted	17,097,600	\$3.416	\$0.062	(\$0.260)	(\$0.03)	(\$0.224)

Royal Dutch Shell said it expects to restart the Soku LNG plant sooner than later. The plant which was shut in November was briefly reopened and then closed recently.

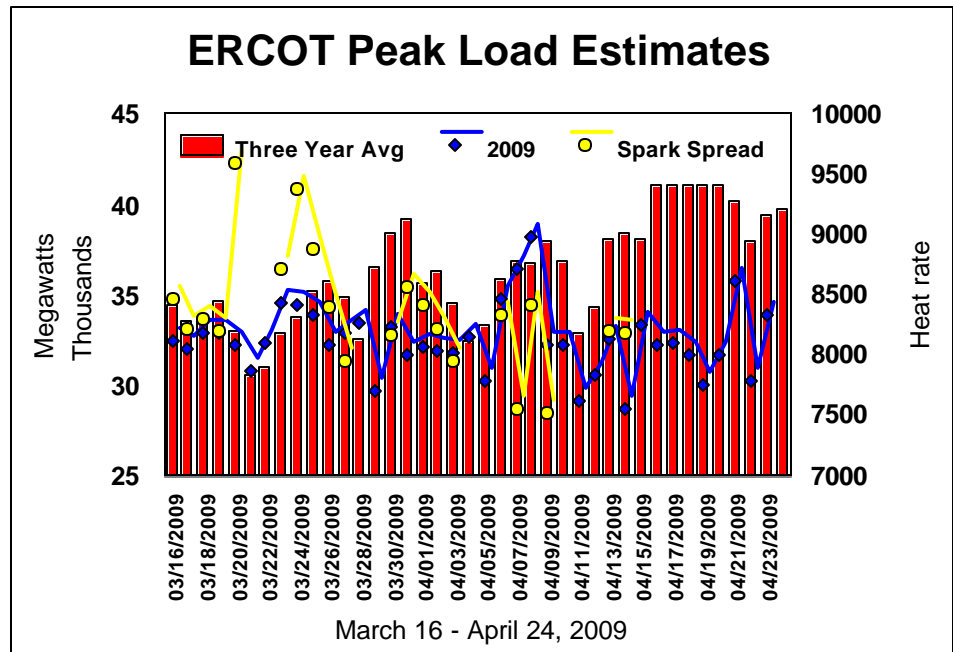
Lukoil said it may produce about 2.7 billion cubic meters of gas at Uzbekistan's Khauzak production fields in 2009. Lukoil launched production at the field in late 2007. Lukoil estimates annual production within this project could reach 11 billion cubic meters.

PIPELINE RESTRICTIONS

Tennessee Gas Pipeline said effective for April 14th it has restricted Carthage line Lateral to Market Secondary Out of the path nominations pathed from meters located on the Carthage Line Lateral.

PIPELINE MAINTENANCE

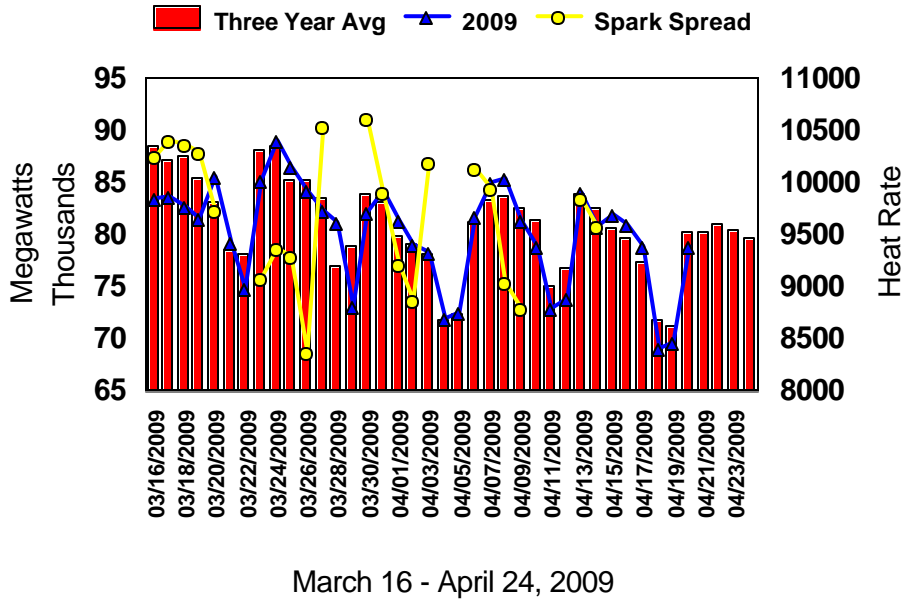
Cheyenne Plains Gas Pipeline issued a reminder to shippers that Colorado Interstate Gas will be performing the annual DOT ESD systems check at the Greewood Compressor Station on April 15th, thus reducing capacity from 195 MMcf/d to 140 MMcf/d. Dark Canyon Meter Station and Parachute Meter Station will be reduced to zero during this outage.



ELECTRIC MARKET NEWS

While the EIA's in its Short Term Energy Outlook continues to look for U.S. electric demand to contract in 2009 it has reduced its rate of contraction by 0.1% from last month's estimate and now looks for demand to be off only 1.6% and now looks for demand to rebound even faster in 2010 looking now for growth of 1.4%. Coal fired generation in the electric power sector is expected to decline by 3.2% in 2009, while generation fueled by natural gas is expected to increase by 1.6%, due

PJM Peak Load Estimates Vs Spark Spread

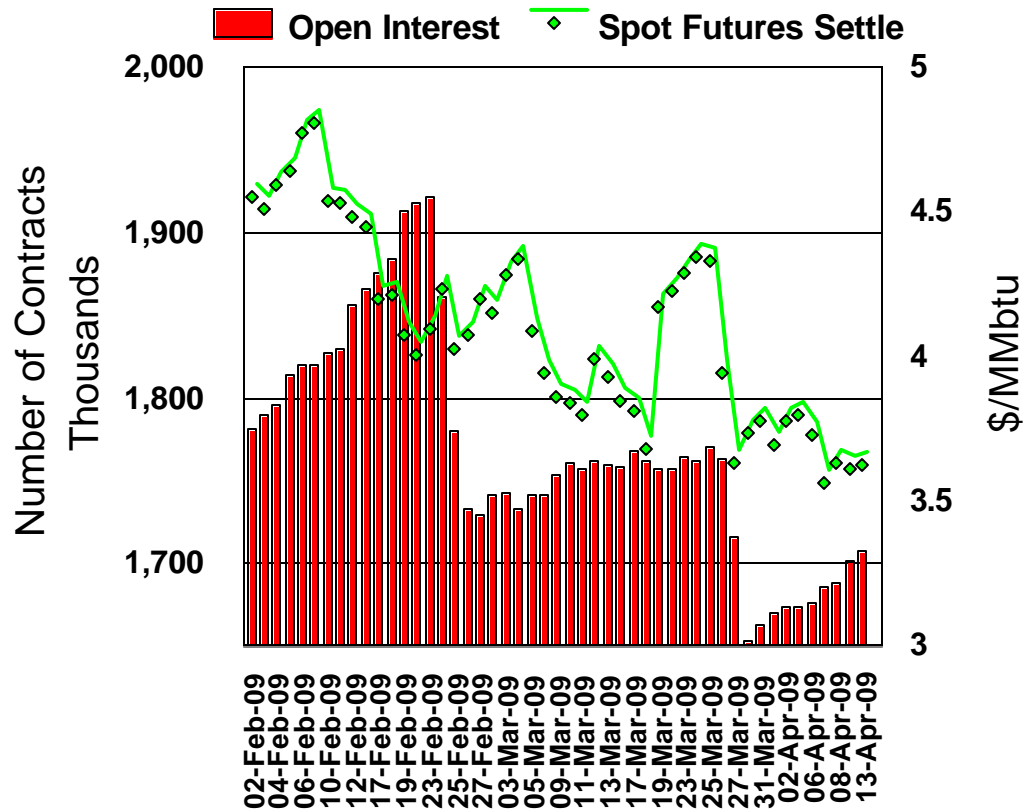


in part to favorable natural gas prices versus coal values. Wind generation though is expected to be slowed as a result credit tightness hampering some developers from moving forward with some projects. Coal production in 2009 is expected to fall by 5.3% in 2009, some 0.4% more than forecasted last month.

Some 100,000 power customers remained without power in parts of Alabama and Georgia this morning as a result of springtime storms that rolled across the area on Sunday and Monday. At the peak some 525,000 customers were without

power.

NYMEX Natural Gas Open Interest Henry Hub Futures and Swaps (Adjusted)



NEW YORK MERCANTILE EXCHANGE(r)									
NYMEX OPTIONS CONTRACT LISTING FOR 04/13/2009									
				TODAY'S	PREVIOUS	ESTIMATED	DAILY	DAILY	
-----CONTRACT-----				SETTLE	SETTLE	VOLUME	HIGH	LOW	
LN	5	9	C	4	0.0611	0.0693	2853	0.0425	0.0425
LN	8	9	C	6	0.0994	0.0991	2400	0	0
LN	6	9	C	3.75	0.324	0.3217	2275	0	0
LN	10	9	C	10	0.0335	0.0333	2050	0.0375	0.0375
LN	10	9	P	4	0.5774	0.5912	1700	0	0
LN	5	9	P	3.5	0.1245	0.1453	1650	0	0
LN	7	9	C	4.5	0.2345	0.2335	1650	0	0
LN	7	9	C	5.5	0.0738	0.0752	1550	0	0
LN	5	9	P	3.25	0.0503	0.0645	1525	0	0
LN	10	9	C	4.25	0.7128	0.7004	1500	0	0
LN	6	9	P	3	0.06	0.0678	1313	0.07	0.07
LN	5	9	P	3	0.0166	0.024	1003	0	0
LN	7	9	C	4.75	0.177	0.1772	1000	0	0
LN	6	9	P	3.5	0.1974	0.2122	1000	0	0
LN	5	9	C	4.5	0.0119	0.0166	950	0.011	0.011
LN	10	9	P	3.5	0.3529	0.3633	800	0	0
LN	10	9	C	5	0.4593	0.4511	800	0	0
LN	5	9	C	3.8	0.1132	0.1215	800	0.0825	0.07
LN	9	9	C	6.5	0.117	0.1162	750	0.12	0.12
LN	11	9	C	6.5	0.2973	0.2923	750	0	0
LN	3	10	C	9	0.248	0.2473	700	0	0
LN	10	10	C	8	0.5913	0.5874	700	0	0
LN	10	12	C	8	1.0774	1.0729	700	0	0
LN	6	9	C	5	0.042	0.0441	650	0	0
LN	3	10	P	3	0.0411	0.0432	625	0	0
LN	6	9	C	5.25	0.0267	0.0285	618	0	0
LN	6	9	P	3.25	0.1159	0.1273	603	0	0
LN	12	9	P	3	0.0407	0.0431	600	0	0
LN	10	9	P	3	0.1905	0.1974	600	0	0
LN	6	9	C	4.5	0.1004	0.1025	553	0	0
LN	9	9	C	7	0.0843	0.084	550	0	0
LN	7	9	P	3.5	0.2312	0.2458	550	0	0
LN	5	9	C	3.75	0.1306	0.1386	525	0	0
LN	6	9	P	5	1.2753	1.2972	500	0	0
LN	9	9	C	8	0.0451	0.0453	500	0	0
LN	9	9	C	9	0.0265	0.0269	500	0	0
LN	5	9	C	5.25	0.0011	0.0022	500	0	0
LN	5	9	P	5	1.3739	1.3935	500	0	0
LN	9	9	C	6	0.1649	0.1628	500	0	0
LN	9	9	C	4.75	0.4019	0.3948	500	0	0

President Obama said today that the nation cannot delay in imposing a cap-and-trade system to fight global warming until the economy recovers. Meanwhile the White House's Office of Management and Budget has approved an EPA document that could lead the agency to begin regulating greenhouse gas emissions across the U.S. economy, from such sources as power plants, oil refineries and heavy industry. The EPA document notes that greenhouse gases directly cause climate change and as a result GHG pose a threat to human health and welfare.

Genscape reported today that for the week ending Tuesday, coal stocks at U.S. power plants rose 1% from the previous week and now are some 17.1% greater than the same week a year ago.

MARKET COMMENTARY

The natural gas market today once again appeared to run counter to the oil market. While the oil market saw values erode in the late morning and into the early afternoon, natural gas prices firmed and climbed slowly higher and were able to finish the trading session higher for the second straight session this week. It appears that this market is once again trying to build a base of

support to work off of. Volume today was excellent with over 150,000 futures traded. This was the highest volume in the futures since expiration back on March 27th, and the best volume futures day outside of expiration since March 24th. It will be interesting to see if today's trading activity was new longs coming into the market or just some of the shorts that have flooded into the market over the last couple of the weeks cashing out.

We continue to feel that the market though without a bullish inventory number this week will have a tough time clearing the \$4.00 barrier and will instead remain in its downward channel. We see initial resistance at \$3.74 followed by \$3.793, \$3.87 and \$3.904. Additional resistance we see at \$3.986 and

\$4.10. Support we see at \$3.666 followed by \$3.61, \$3.58 and \$3.504. Additional support we see \$3.409.

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