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NATURAL GAS & POWER MARKET REPORT FOR APRIL 21, 2010

NATURAL GAS MARKET NEWS

Encana's CEO said today that current natural gas prices are unsustainable. He noted that there is the potential for continued downward price pressure, which may force the country to once again look at shutting in natural gas production if prices remain low. The company currently has 25 MMcf/d of gas production shut in at the end of the 1st quarter.

Atlas Energy said today that it would buy 42,344 acres in the Marcellus shale in conjunction with its joint venture partner Reliance Industries. The acreage is located in the Fayette, Washington, Indiana, Westmoreland, Armstrong and Clarion counties of Pennsylvania at an average price of $4,532 per acre. As a result of this latest transaction, the new joint venture will control about 343,000 Marcellus Shale acres. Atlas said it would be able to drill over 450 horizontal wells on the latest acquired acreage. The company said that it intends to develop a large percentage of the acreage in the next five years.

Questar Corp said today that it was looking at spinning off its exploration and production unit to focus on natural gas distribution and pipelines.

Generator Problems

NPCC- Entergy's 620 Mw Yankee nuclear plant was at 93% power this morning. The unit is expected to go off line for refueling on April 24th.

PJM – PPL's Susquehanna #1 nuclear unit was at 13% power up 10% from yesterday.

MISO – Exelon's 855 Mw Quad Cities #2 nuclear unit was at 86% power, up 21% from yesterday.

SPP – Entergy's 1207 Mw Grand Gulf nuclear unit is preparing to enter into it's once in 18 month refueling and maintenance outage, scheduled to begin this weekend. The unit was at 85% power this morning.

SERC – Southern's 876 Mw Hatch #1 nuclear unit was reduced to 58% of capacity, so operators could work on a generator cooling fan. The unit had been at full power yesterday.

Duke Power's 1100 Mw McGuire #1 nuclear unit was at 48% power this morning up 18% from yesterday.

The NRC reported that there was some 76,727 Mw of nuclear power generated today, up 0.3% from yesterday and off 5.9% from a year ago.

Natural Gas Cash Market

ICE Next Day Cash Market

Location	Volume Traded	Avg Price	Change	Basis (As of 12:30 PM)	Change	Basis 5-Day Moving Avg
Henry Hub	261,600	$3.939	$0.014	($0.092)	($0.092)	$0.002
Chicago City Gate	733,200	$4.019	$0.028	($0.012)	($0.096)	$0.069
NGPL- TX/OK	643,100	$3.867	$0.028	($0.164)	($0.096)	($0.087)
SoCal	496,100	$3.939	$0.059	($0.092)	($0.065)	($0.034)
PG&E Citygate	687,200	$4.373	$0.007	$0.342	($0.117)	$0.464
Dominion-South	405,100	$4.198	$0.034	$0.167	($0.090)	$0.236
USTrade Weighted	21,250,800	$3.946	$0.032	($0.085)	($0.09)	$0.002

The IMF once again upgraded its projection for U.S. economic growth in 2010, forecasting GDP growth will now expand by 3%, some 0.5% better than its estimate in January. The IMF though noted that the U.S labor market would temper the nation's stimulus-driven recovery.

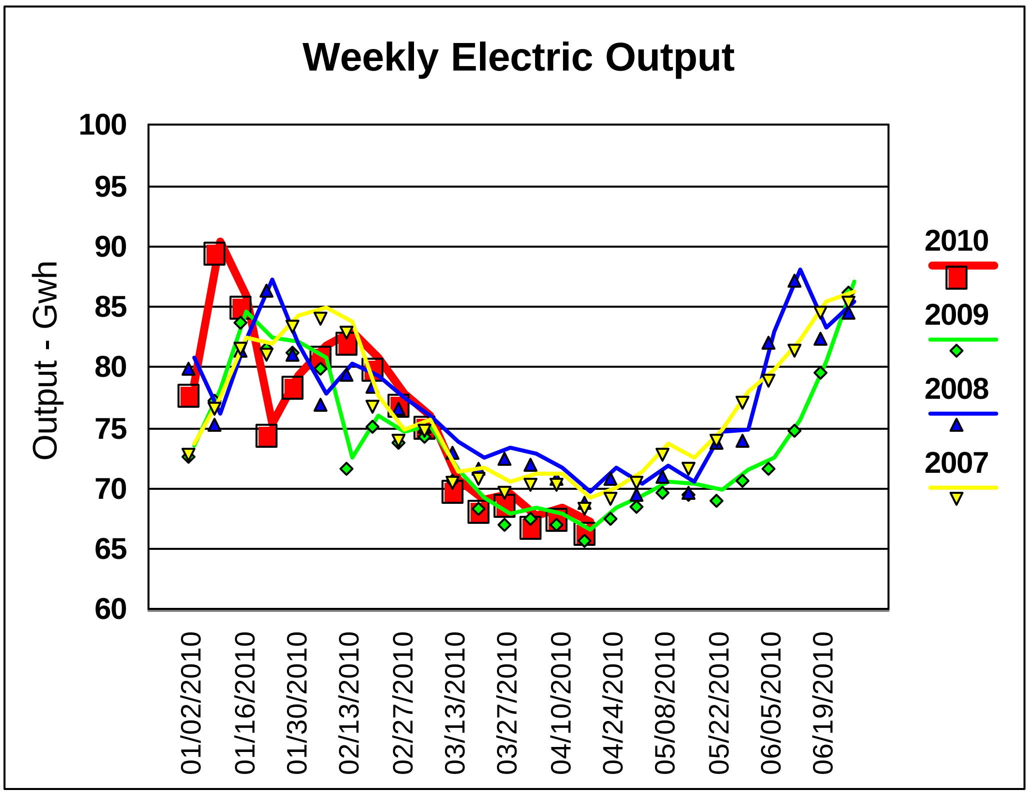
Gazprom announced it has agreed to changes in its gas contract with the Ukraine. Gazprom said the export duty would be lowered by $100 per 1,000 cubic meters of gas, but no more than 30% of the gas price. The lowered export duty will be applied for 30 bcm of gas in 2010 and 40 bcm in the following years. Gazprom said it has agreed to supply 36.5 bcm of gas to the Ukraine this year.

China's imports of LNG jumped 86.4% from a year earlier to 599,740 tonnes in March. March levels were 26% higher than import levels in February. Seventy percent of March's LNG imports were discharged at Shenzhen with the remaining 30% of imports entering the country via two other terminals.

According to data from Gas Storage Europe, Britain's gas stocks are currently less than 20% full versus 39% full last year at this time.

BP's LNG tanker the British Innovator was scheduled to arrive at the Milford Haven terminal from Trinidad on May18th.

An offshore drilling rig operating some 50 miles southeast of Venice, Louisiana suffered an explosion and fire Tuesday night. The rig reportedly was still burning Wednesday morning and listing about 10 degrees. The rig, which had been drilling but was not in production at the time of the event was owned and operated by Transocean.



PIPELINE MAINTENANCE

Williston Basin Interstate Company said that planned maintenance would be performed April 27th at the Williston Compressor Station. Based on current nominations and expected weather conditions, the company expects deliveries to be restricted by approximately 3500 Dth/d to East Mondak and Sheyenne.

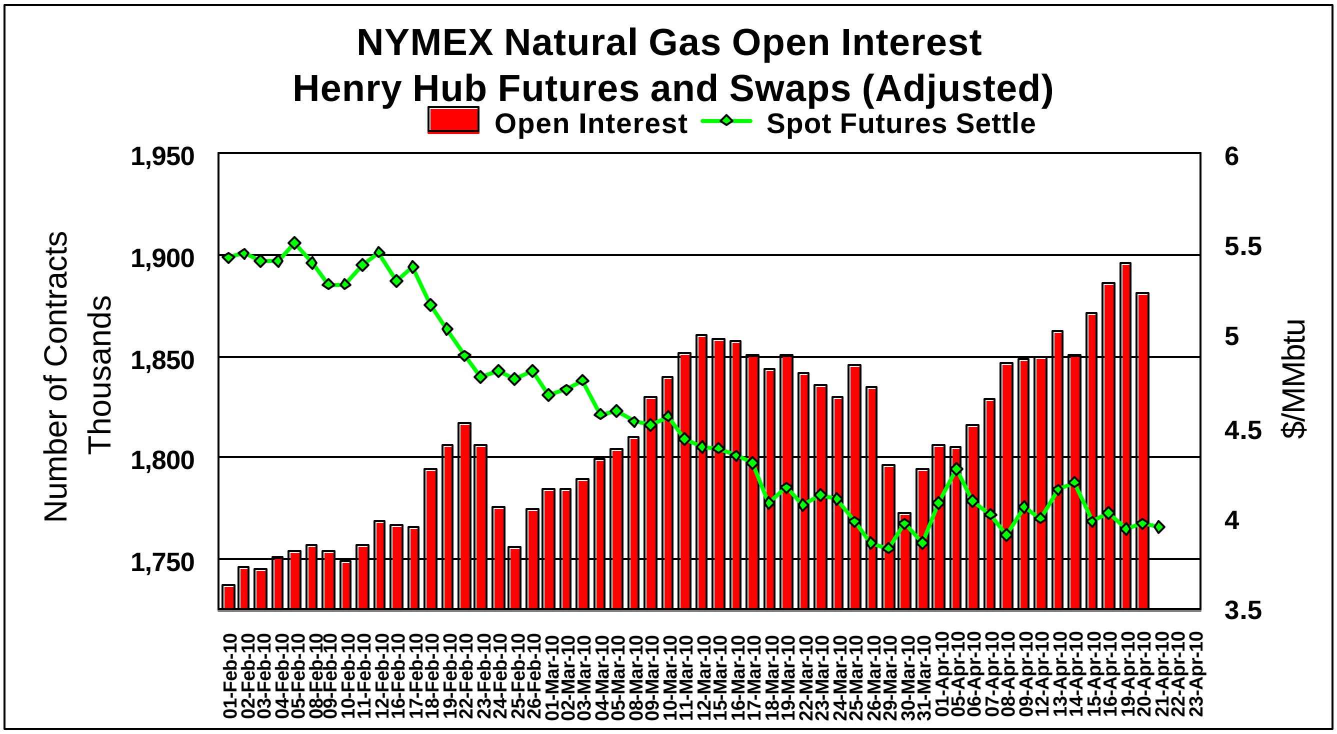
Alliance Pipeline said routine maintenance would require the Gold Creek compressor to be off line for eight hours April 22nd. During the work station capacity will be lowered to 800 e3m3 for the gas day.

PIPELINE RESTRICTIONS

Kern River Transmission said that due to favorable pipeline conditions, it will raise the capacity at its Goodsprings Compressor Station to 1,841,000 DTh/d for gas days April 21 and April 22nd.

The Rockies Express Pipeline said that effective for April 21st and until further notice it is at capacity for delivered quantities through Segment 140 (Echo to Arlington). Authorized overrun/interruptible transportation and secondary out of path quantities are at risk of not being scheduled.

Tennessee gas Pipeline said it has repaired the leak on the 509A-1200/590A-1100 line and has lifted a resulting force majeure. Vermillion 261A may resume flow as soon as a nomination is in place.



ELECTRIC MARKET NEWS

The Edison Electric Institute reported today that for the week ending April 17th electric generation in the U.S. reached 66,309 Gwh, down 1.7% from the prior week but 0.9% better than the same week a year ago.

MARKET COMMENTARY

Yet another bullish long term temperature forecast was released today that was calling for this summer especially from July through September being 4-6% warmer than a year ago, with EarthSat calling for not only an active tropical Atlantic season but with the Gulf of Mexico, Florida and Caribbean most favored for risk of landfall. This news appeared to help firm prices especially at midday but prices still fell back at the close and once again settled back below the $4.00 level for the third consecutive session and the fourth time out of the last five trading sessions. Volume continued to decline each day this week as traders continue to be reluctant to take positions as the storage report approaches.

Open interest reported at midday showed that on a combined and adjusted basis Henry Hub futures and swaps fell yesterday by 15,171 lots the first decline in four trading sessions. Given today's price action in a relatively light trading environment, it would not surprise us to see that today's price action resulted in further reduction in open positions.

Market expectations for tomorrow's storage report appear to be running between 70-90 bcf build with the majority of estimates looking for a build of 75-80 bcf. A year ago saw just a 42 bcf build while the fiver year seasonal average is a 33 bcf build.

While we remain bearish on this market over the intermediate term, we feel that this market is once again is trying to build a base of support to bounce off and post some price correction. As a result we would look for a potential quick sell off following the release of the storage report but would view this as a potential buying opportunity for a short term play. We would look to be a buyer of the May $4.00-$4.50 call spread, looking for a price rebound in the May contract before the May options expire on Tuesday, April 27th.