MCEnergy, Inc.

eNews Brief

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Energy Market Update
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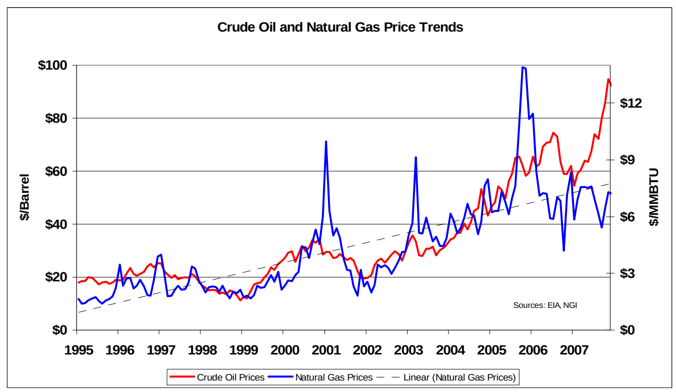
Crude oil prices skyrocketed in 2007 – up ~68% at the end of 2007 and reached over $100 per barrel this month. The historic sharp rise in oil prices was attributed to tight market fundamentals, political instability in Nigeria and Venezuela, huge volume of speculative oil trading and the weak US dollar.

In contrast, natural gas and electricity markets were relatively flat in 2007. Robust gas inventories from warm winter months in early 2007 and a quiet hurricane season have kept gas and electricity prices relatively stable. Nevertheless, electricity prices increased over 10% in 2007 as compared to a year ago.

Looking Ahead in 2008

Although the global oil markets will remain tight and volatile in 2008, most experts are projecting prices to ease off. The latest forecast from U.S. Energy Information Administration (EIA) is projecting a flattening in oil demand with crude prices to average $86 per barrel in 2008, while other pundits are forecasting lower prices - around $75 to $80 per barrel.



Strong demand growth and higher replacement costs will keep oil prices at high levels. However, oil market fundamentals will loosen slightly in 2008. Supply-growth in non-OPEC countries is expected to recover. Inventories, which fell throughout the second half of 2007, are also expected to rebound. Along with these fundamentals, other factors such as slowing demand from recession, cooling geopolitical risk and a strengthening US dollar should also help ease oil prices off their record high levels of 2007.

While oil and gas have historically moved in lock-step, the gas/oil price relationship has decoupled since 2006. Natural gas prices are driven mainly by regional supply/demand and weather. The colder winter temperatures in 2008 have worked off most of excess gas reserves. Current gas inventories are now 9% below last year and ~6% higher than the 5-year average. The recent oil price surges helped lifted natural gas prices. The EIA is projecting gas prices to increase ~9% in 2008. Likewise, electricity prices are expected to trend higher.

Looking ahead, natural gas and electricity markets continue to be volatile and likely to move higher from tighter supply. While weather remains the key factor in driving prices, the extent of recession in the U.S. will likely have an impact on demand and the potential of moderating prices. In this volatile market, MCE is best positioned to help develop an energy procurement strategy that meets your tolerance for risk and financial objectives.

Click here or call Meg Carey or Selena Wong at (914) 767-3100 if you are interested in participating MCE's PowerShopping^{SM} program to procure more competitive electricity, oil and gas supplies.

Regards,

Meg

Margaret M. Carey

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