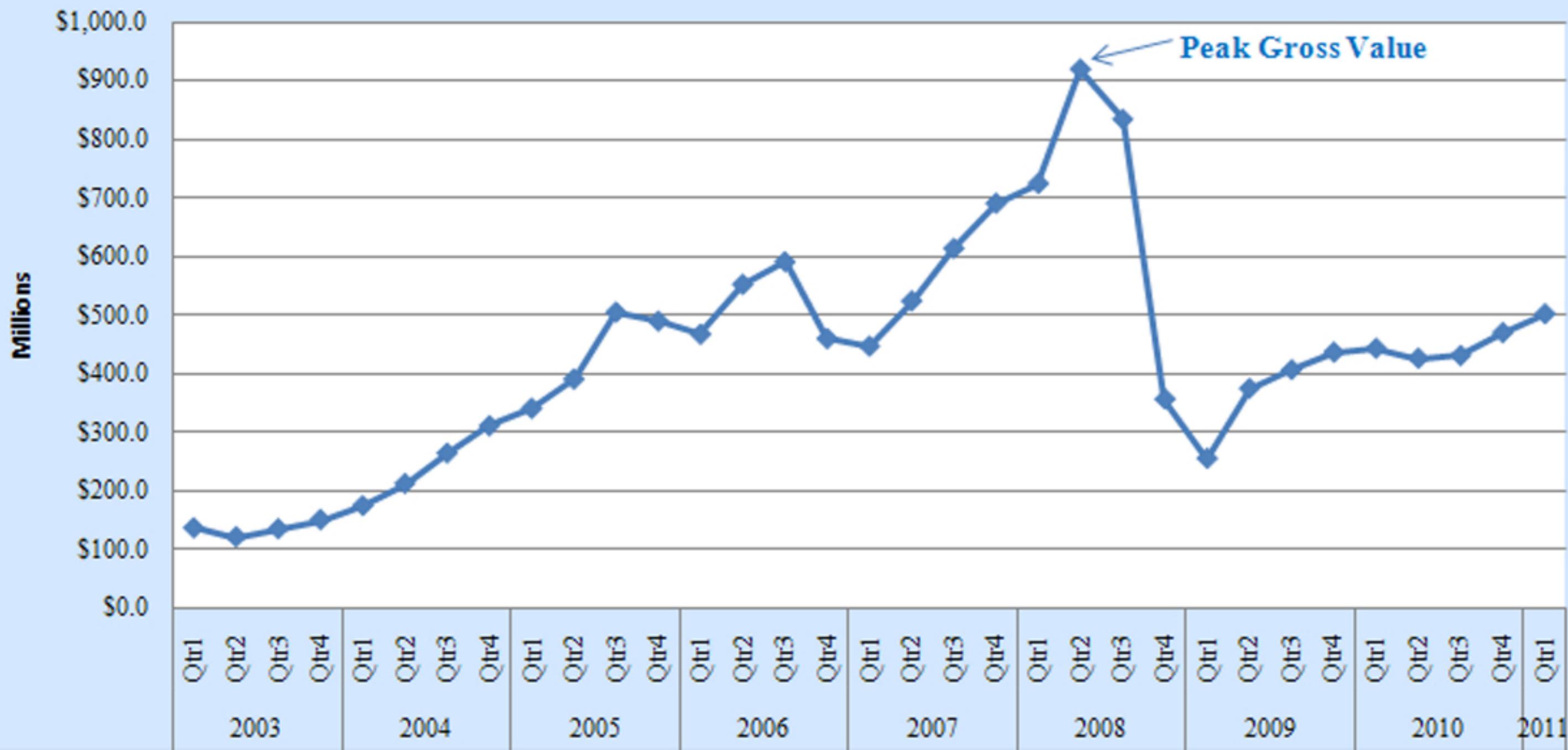


Montana Oil Gross Value By Quarter



Last week's chart showed total oil production in Montana by quarter. Since state oil production taxes are based on the total value of the commodity, production trends do not fully explain the volatility in these tax revenues. The above chart shows total gross value for oil by quarter since 2003. As the chart shows, the gross value of oil peaked during the second quarter of 2008 (\$919.3 million) and plummeted to \$254.8 million by the first quarter of 2009. This was a 72.3% decline in gross value even though production declined by only 3.8% during this same period. This volatility occurred when the nation was slipping into the "Great Recession" and Montana oil prices peaked at \$117 per barrel and then dropped to less than \$34 per barrel. During this period, state oil production taxes peaked at \$84.8 million (2nd quarter 2008) and dropped to \$24.5 million (1st quarter 2009) within three quarters.