

"licence" or "permit" means a licence or permit issued under the Petroleum Act;

"net income from petroleum operations" means in respect of a person's tax year, the sum of-

- (a) the amount, if any, by which the person's income after operating costs exceeds any deduction of cumulative resource expense claimed by the person in accordance with paragraphs 4 and 5 of this Schedule; plus
- (b) any amount deemed by paragraph 6 of this Schedule to be net income from petroleum operations;

"Petroleum Act" means The Petroleum (Exploration, Development and Production) Act, 2004;

"resource expense" means an outlay or expense incurred by a person which is reasonably attributable to the person's acquisition of an interest in a licence or permit or the exploration, development and production of petroleum in The Gambia with respect to a particular licence or permit, including an excess operating costs, rentals paid or payable to the Government and a reasonable amount of any general administration and management or interest expense incurred for the purpose of exploration, development and production of petroleum in The Gambia with respect to the licence, but does not include-

- (a) costs or expenses incurred in satisfaction of environmental obligations pursuant to this Act;
- (b) fines or other penalties incurred pursuant to this act; or
- (c) direct operating costs;

"specified rate" means, for-

- (a) net income from petroleum operations not exceeding ten million United States dollars or the equivalent in dalasis, thirty-five per cent;
- (b) net income from petroleum operations between ten million United States dollars and twenty-five million United States dollars or their equivalent in dalasis, thirty-eight per cent; and

(c) net income from petroleum operations equal to or in excess of twenty-five million United States dollars or the equivalent in dalasis, forty per cent;

"The Gambia" includes the continental shelf and all the lands and waters of The Gambia.

(2) A word used in this Schedule in relation to petroleum operations has the meaning given to it in the Petroleum Act.

#### PART II - APPLICATION OF THIS ACT

2. This Act, as modified by this Schedule, applies to-

- (a) a person having an interest in a licence or permit;
- (b) activities or circumstances in connection with a licence or permit;
- (c) a person undertaking petroleum operations or similar activities in The Gambia; or
- (d) activities or circumstances in connection with subparagraph (a), (b) or (c).

#### PART III - INCOME TAX LIABILITY

3. A person described, or undertaking any activity or facing any circumstances described, in paragraph 3 of this Schedule is liable for income tax at the specified rate multiplied by the person's net income from petroleum operations for each tax year.

#### PART IV - CALCULATION OF NET INCOME FROM PETROLEUM OPERATIONS

4. Subject to paragraph 5 of this Schedule, for the purposes of computing net income from petroleum operations for a tax year, a person may claim as a deduction up to twenty-five per cent of the person's cumulative resource expense at the end of the tax year, provided that the deductions do not exceed the person's income after operating costs for the tax year.

5. (1) To the extent that a person's cumulative resource expense is attributable to petroleum operation, similar activities or activities of circumstances in connection therewith prior to a change of control (as described in section 68 of this Act), the person's deduction for the cumulative resource expense in tax years ending after such time is limited to the income after