

SCHEDULES

SCHEDULE 15

OIL ACTIVITIES: TRANSFERABLE TAX HISTORY

PART 2

THE TOTAL TTH AMOUNT

The “uplifted decommissioning costs estimate”

- 9 (1) To adjust the allocated amount for the purposes of paragraph 5(c)—
- (a) disregard the adjustments listed in sub-paragraph (2) made, for the purposes of calculating the net cost amount, in accordance with the terms of the decommissioning security agreement, and
 - (b) if, in making that calculation in accordance with those terms, the relevant proportion of the estimate of the decommissioning costs is increased by an amount to take account of inflation, disregard the amount (if any) by which the increase exceeds the standard inflation adjustment amount.
- (2) The adjustments to be disregarded are—
- (a) any discount applied by reference to the period of time expected to elapse before the decommissioning costs are payable in relation to the TTH oil field, and
 - (b) any adjustment made for the purposes of taking account of the risk that the decommissioning costs for the TTH oil field will exceed the estimate of those costs.
- (3) The “standard inflation adjustment amount” means the amount (if any) by which the relevant proportion of the estimate of the decommissioning costs for the TTH oil field would be increased if an adjustment for the purposes of taking account of inflation were made on the basis specified by Her Majesty’s Revenue and Customs for the purposes of this paragraph.