

Liz Ditchburn
Director General Economy
St Andrew's House
Regent Road
Edinburgh
EH1 3DG

10 July 2019

Dear Liz

Ferguson Marine Engineering Limited ("FMEL") and Ferguson Marine Engineering (Holdings) Limited ("FMELH") (together the "Group")

We refer to your letter of 10 July 2019 addressed to the directors of the Group.

We note that you are aware that the extension for the 801 refund guarantee has still not been signed by Caledonian Maritime Assets Limited ("CMAL").

In addition to this, it has been brought to the attention of the directors of FMEL that CMAL have resolved to terminate the contract between FMEL and CMAL for the build of the 801 vessel (the "CMAL Contract").

In light of the above information, can the Scottish Ministers please advise on the following:

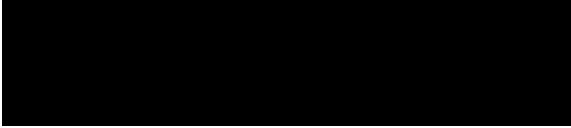
1. Does the above information impact the Scottish Ministers' proposal to pursue a solvent solution through exercising their right to buy the shares held by CBC in FMELH and fund it going forward?
2. Can the Scottish Ministers provide responses to our questions raised in our letter of 8 July 2019 and in particular and as a priority:
 - (i) Are the Scottish Ministers willing, in principle, to provide interim funding to cover the potential prejudice to creditors arising during their period of diligence?
 - (ii) Can the Scottish Ministers confirm in writing that there are no barriers, legal or otherwise (including without limitation, any state aid barriers) to them providing any form of funding to FMEL either now or in the future as part of the proposal (with appropriate detailed supporting justification)?

Given the urgency of the situation and the new developments in relation to the CMAL Contract, we require that you respond to this letter with the requested information and in particular, confirmation of your intention to provide the necessary interim funding by no later than close of business today.



We look forward to hearing from you.

Yours faithfully



Director, Ferguson Marine Engineering Limited