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The Scottish Ministers
Victoria Quay
Leith
Edinburgh
(the "Scottish Ministers")

5 September 2017

Dear Sirs

Letter of Intent

We refer to the loan facility agreement to be entered into between The Scottish Ministers (the "**Lender**") and Ferguson Marine Engineering Limited (the "**Company**") on or around the date hereof (the "**Facility Agreement**") pursuant to which the Lender will make available to the Company a loan of up to £15,000,000 (the "**Facilities**").

Subject to the satisfaction of (a) the Facilities being fully drawn down and (b) the final conclusion of the dispute between CMAL and the Company regarding the increase to price for the contracts to build the Euro Class B Dual Fuel Passenger Ferry with Builder's Hull Number 801 and the Euro Class B Dual Fuel Passenger Ferry with Builder's Hull Number 802, we hereby confirm our intention to arrange the investment from the private sector (being investors such as Clyde Blowers Capital Fund III LP and/or other non-Scottish governmental private sector investors) (whether by equity or loan) in Ferguson Marine Engineering (Holdings) Limited of an aggregate amount of £8,500,000, being £4,000,000 by April 2018 and £4,500,000 by May 2018, to be used to provide funding to the Company.

This letter of intent is not legally binding.

This letter is to be governed by and construed in accordance with Scots law.

CLYDE BLOWERS CAPITAL FUND III, LP)

acting by its General Partner,

CLYDE BLOWERS CAPITAL GP III LP,

which in turn acts by its General Partner,

CLYDE BLOWERS CAPITAL GP III LIMITED,

