

Caledonian Maritime Assets Ltd Municipal Buildings Fore Street, Port Glasgow PA 14 5EQ

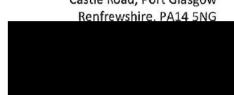
For attention of Kevin Hobbs

25 January 2018

Dear Sirs



Trading Address: Newark Works Castle Road, Port Glasgow Renfrewshire. PA14 5NG



- (1) NEWBUILDCON between Ferguson Marine Engineering Limited ("FMEL") and Caledonian Maritime Assets Limited ("CMAL") dated 16 October 2015, as amended, in relation to FMEL hull no. 801
- (2) NEWBUILDCON between FMEL and CMAL dated 16 October 2015, as amended, in relation to FMEL hull no. 802 (together, the "Contracts")

Thank you for your letter of 12 January 2018.

As we stated in our letter of 8 January 2018, it is clear that several issues remain to be resolved between the parties and these go beyond the specific terms of the Contracts that you refer to.

As we have maintained to both CMAL and your sole shareholder the Scottish Government, the circumstances and complexities which have now arisen in connection with the construction of hull no. 801 and hull no. 802 (together the "Vessels") could not have been foreseen by either party at the time of entering into of the Contracts and accordingly leads us to the wider discussion on an increase to contract price.

We have been encouraged by the Scottish Government to attempt to resolve these matters through mediation which is why we wish the more encompassing definition of "Disputes" which we have suggested. We therefore require your confirmation of your agreement to mediate on this basis.

We have now head back from availability. Unfortunately he is not now available to come to Scotland until either the week of 16<sup>th</sup> or 23 April 2018. Our desire is to commence the mediation before this date so we would suggest we request the availability of the other mediators we had previously suggested, being and select whichever individual has the earliest availability. Please confirm you are comfortable with this approach?

In the absence of our suggested meeting prior to the mediation, we also await your further response referred to in your letter of 13 December 2017.

This letter is confidential and is prepared on an entirely without prejudice basis.

Yours faithfully



Gerry Marshall



Ferguson Marine Engineering Ltd

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