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Gerry Marshall
For the Directors of FMEL

By email: [REDACTED]

20 July 2019

Dear Gerry,

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

I refer to your letter of the afternoon of 19 July 2019.

We have been following the recent press coverage and appreciate the difficult position this must put the directors of FMEL in as well as the uncertainty for the business’s customers and employees. Please be assured that we have not prompted such communication and we have respected the interests of all stakeholders by not providing details to the press.

I confirm that we received a copy of the draft due diligence report from our advisors late on 18 July 2019. Thank you for your cooperation in this process. You will appreciate that we require to read, consider and discuss this detailed information across the various relevant parts of Scottish Government. We appreciate the difficult position of the directors in such circumstances and propose that we respond to you with our considered comments in response to the questions you set out early next week. This may not be possible prior to your noon deadline on Monday.

As set out in our meeting of 8 July and our subsequent correspondence, Scottish Ministers continue to work towards a solvent transaction, buying CBC's shares in FMEHL, as quickly as possible and certainly within the time period stated in the Subscription and Shareholders Agreement.

We continue to believe our proposal represents the best solution for all creditors and stakeholders of the Group and we are grateful for your continued patience during this process.

Yours sincerely,



LIZ DITCHBURN

