



[Redacted]

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By email: [Redacted]

9 August 2019

Dear [Redacted]

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

I refer to your letter of 7 August 2019, the subsequent discussions and the notice of intention to appoint administrators to FMEL filed by the directors today.

[Redacted]

Scottish Ministers are unable to accept the position where CBC would be able to take debt enforcement action against the Group in public ownership when in the intervening period it seems likely that funding of the business would be from public funds.

It is clear from previous correspondence between us, and CBC’s latest position, that CBC has a requirement to obtain value for its investors. This reality, which we all acknowledge, directly conflicts with a solvent solution, where, in order to provide value for CBC’s investors, the only available source is public funds.

I would like to highlight that Scottish Ministers have complied with all of the terms of our agreement and have been working hard to find a solvent solution, there being no other alternatives that we are aware of where additional funds are lawfully made available for the yard.

[Redacted]

In such circumstances, especially given the notice of intention to appoint administrators that has now been filed, putting the insolvency of FMEL beyond anyone’s doubt, it would be extremely unusual for CBC’s debt to

be repaid in advance of other secured debts and only by the further injection of funds from Scottish Ministers.

Yours sincerely



LIZ DITCHBURN