

Newark Works
Castle Road
Port Glasgow
Renfrewshire, PA14 5NG
T. +44 (0) 1475 742300
E. info@fergusonmarine.com
www.fergusonmarine.com

31st May 2024

Edward Mountain
Convenor
Net Zero, Energy & Transport Committee
Scottish Parliament
EH99 1SP

Dear Mr Mountain,

Update on Glen Sannox and Glen Rosa

I write to update you on the current progress of the projected final costs for both vessels namely the Glen Sannox and the Glen Rosa.

Glen Sannox

We are carefully monitoring the costs to go, and we remain confident within the range previously forecasted, namely £145.5m to £149.1m. We have also now provided an additional figure of £3.5m for warranty for this vessel.

The LNG system remains the critical path for delivery of the vessel. We have made significant progress since our last update.

Many obstacles have been encountered which we have previously explained. We have started the testing phase of certain portions of the system and a daily review of progress is made and direction provided to ensure we achieve the overall completion schedule.

Significant Achievements:

- Clam shell doors commissioned.
- Third set of builder's trials completed successfully.
- Owners' observations (OORs) under control and being addressed in a timely manner and signed off.
- IT integration with CalMac underway.
- Crew accommodation nearing completion.

Challenges

- Completion of the LNG to allow other areas to complete.
- Completion of the steam cleaning painting in the machinery compartments.
- Final commissioning.

- Owners' trials including LNG.
- Sign off by Lloyds and passenger certificate from MCA.

So, to confirm we are still endeavouring to achieve the handover date of 31st July 2024.

Glen Rosa

Again, as with the Glen Sannox we are monitoring the costs on Glen Rosa and our view is that we will within the parameters not to exceed £150m.

The final schedule is still being developed but we are moving forward with "intelligent progress". We are not taking the shotgun approach to achieve dates but working on discrete portions of work.

Areas being analysed and worked on:

- All hot work i.e. activities that involve burning or welding such that other activities can progress.
- A great deal of effort has been done with the electrical subcontractor who we feel is the critical path for the delivery of the vessel.
- A full work scope for LNG has been prepared and issued for bidding and will be awarded shortly. This is to ensure this significant portion of work is given the visibility that is requires. This will be awarded, and fabrication started thus avoiding the disruption that occurred on Glen Sannox.
- Whilst Glen Sannox is still in port we are utilising this as a 3D model for lessons learned and first time installation.
- Survey teams have been formed to go prior to start of work in an area to ensure that the area is ready and up to the correct revision.
- Field Engineering team has been formed to assist production and provide on-site and timely answers to any questions.

In conclusion the team is focused and understand the need for these vessels to be built to the schedule provided and the cost indicated or better.

Again, we would invite you to visit the yard at your earliest convenience.

Yours sincerely,

John Petticrew
Interim CEO