

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

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

2 February, 2024

Dear Mr Mountain,

Update on Glen Sannox, Hull 801 & Hull 802

As requested in your letter 15th November '23 and following approval by the FMPG board meeting last week, I provide an interim update to you and your committee.

In our letter to you 21st December, I identified an emerging risk relating to the LNG system on Glen Sannox. The very low temperature liquid (-160-170 degrees C) converts to high pressure gas fuel for the engines and during bunkering, very low temperature air is discharged from the on-board storage tank. The entire system requires specialist cryo-steels and we contracted with a specialist company for design and installation.

Supply of the final parts of the piping systems should have taken place in the last quarter of 2023, but was delayed, and I can now confirm that we've had an alternative specialist UK company on site since the beginning of January this year, with installation due to complete by the middle of March. The specialist dual fuel engine supplier will then commence the final testing and commissioning of the system which they advise usually takes 10 weeks (this is the first ship with LNG to be commissioned in the UK and hence we defer to their experience with other shipyards around the world).

Despite our best efforts to mitigate risks around timelines, this will have a bearing on the final handover of Glen Sannox.

We are evaluating the risks to further slippage on the planned late May handover date for Glen Sannox, the cascade impacts onto Hull 802 and the overall costs to complete impacts for both ships. We aim to update Scottish Government prior to your visit to site on the 23rd February (and to have data available for discussion at that visit).

In the context of reducing risk of delays to Glen Sannox, we have decided to move the launch date for Hull 802 from 12th March to the next suitable high tide date of 9th April. This has no impact on the programme for Hull 802 however it allows critical work on Glen Sannox in March to be carried out close to the FMPG engineering office and more efficiently alongside the quay in the shipyard.

Glen Sannox is booked for dry-docking¹ 3-7th April and will then move to the Inchgreen quayside as the operating base for further sea trials and the rest of the programme to handover.

This move to mitigate further risk to handover of Glen Sannox has been discussed in the weekly '801 Acceptance Workgroup' meeting involving SG, Transport Scotland, Calmac, CMAL and FMPG and has the support of that review team and the FMPG board.

Yours sincerely,

David Tydeman
Chief Executive Officer

¹ delayed from pre-Christmas by bad weather as previously advised