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13th May 2025

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

Dear Mr Mountain,

FERGUSON MARINE INTERIM UPDATE

MV Glen Rosa

As you are aware, I have now started in my role as Chief Executive Officer at Ferguson Marine. My priority over the first few days in this role has been to introduce myself to staff, but also to sit down with the CFO, the finance team, our Project Manager for MV Glen Rosa and the senior management team to review the operational plans for the construction and commissioning of MV Glen Rosa.

This has enabled me to challenge the assumptions on key milestones, critical paths, resource hours and costs, to ensure the cost and schedule development is robust and well-informed.

My assessment is that I am comfortable that the revised plan is well structured, the work is sequenced in a logical manner, the forecasted costs to complete are based on sound calculations and there is an appropriate level of risk attached to the costing of the schedule.

As a result, I can confirm that our plan will see the ship substantially complete in Q1 2026, at which point she will embark on a commissioning plan with CMAL, Lloyds Register and MCA and we aim to achieve full sign-off and delivery for the vessel in Q2 2026.

We are committed to continuing to work closely with all parties to ensure that we deliver within this window and are exploring several measures to increase efficiency.

FMPG will engage with CalMac to explore potential activities the crew can carry out prior to formal delivery of the vessel, though the normal familiarisation process will take place post-handover. In addition, we have



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initiated a weekly Review Group meeting with CMAL and the Scottish Government to review and monitor the progress of the plans and this will continue over the coming months, and we have also increased nightshift workforce to enable a nimbler and more efficient working pattern on the vessel.

With regards to the forecasted cost to complete, we are estimating that, very regrettably, the forecasted costs will increase to **£172.5 million**, with an additional **£12.5 million** risk contingency on top. This means our total cost to complete is currently forecasted as **£185.0 million**.

This is not a financial position we are comfortable with, and we will continue to review our plan, assessing our risks to identify opportunities to bring this cost down. The financial outcome of this project is largely dependent on certain cost components within the risk register, and I am confident that targeted mitigation measures like those already mentioned in this letter will reduce their impact or eliminate them entirely.

We would also like to renew our invitation again to you and members of the committee to visit the yard for a tour of MV Glen Rosa and to meet the team delivering this important project.

Please let us know if that would be of interest.

Yours sincerely,

Graeme Thomson

Chief Executive Officer

Ferguson Marine