



Mr Gerry Marshall  
Ferguson Marine Engineering Limited  
Orbital House  
3 Redwood Crescent  
East Kilbride  
G74 5PA

14<sup>th</sup> January 2019

Dear Gerry

### **Glen Sannox (Hull 801) and Hull 802 - Planned Delivery Dates**

Jim Anderson and members of the CMAL site team attended Project Meeting No.44 at the Shipyard offices on Thursday 10<sup>th</sup> January 2019.

We asked at the meeting: will Glen Sannox and Hull 802 be delivered on the revised planned dates 21<sup>st</sup> June 2019 and 10<sup>th</sup> March 2020 respectively; and, will Hull 802 be launched on the revised planned date 05<sup>th</sup> July 2019? Ian Kelso advised at the meeting only that there is – as at last week, in FMEL considered professional view – no change to those revised launch and delivery dates.

#### Glen Sannox Hull 801

The target delivery date is some 23 weeks from the date of this letter. For a vessel this size, the vessel should be at an almost complete state, around 4 weeks before the delivery date, the final 4 weeks for snagging, certification, final inspections etc. Taking this in to consideration; there is little more than 19 weeks to reach the required state of completion.

The revised cardinal date plan also shows 2 weeks for Sea Trials in the 23 weeks period to delivery and the vessel will also dry dock at a facility external to the shipyard facility for 4 weeks (FMEL planning target dates 21<sup>st</sup> Feb to 23<sup>rd</sup> March 2019), where there will be a reduction in production efficiency; with logistics and with staff working away from their normal place of work.

Please also note, that as we advised in email 12<sup>th</sup> July 2018, LNG Sea Trials are scheduled 11<sup>th</sup> to 14<sup>th</sup> June 2018, scheduled 11 weeks after dry dock and 1 week before delivery. This is when the speed trials will be carried out, from a shipyard point of view, speed trials should be conducted soon after dry dock with the cleanest hull.

The new cardinal date programme was issued almost 7 months ago on the 27<sup>th</sup> June 2018. All of the commissioning activities in the new programme have yet to be achieved. CMAL have requested new dates, which FMEL have not provided.



The table below shows our understanding of the current status of commissioning activities: the first run of the auxiliary engines is currently 9 weeks behind schedule and the first run of the main engines is currently 7 weeks behind schedule.

We note in particular the inclining exercise is due in 10 weeks, which requires by then all equipment to be onboard.

*801 revised Cardinal Date Programme (June 2018) - Main Commissioning Activities*

Activity Name	Start Date	Finish Date	Notes (11 January 2019)
Trials & Delivery	30/07/2018	28/06/2019	23.5 weeks overdue
Shore Supply Available	30/07/2018	30/07/2018	23.5 weeks overdue
First Run Auxiliary Engine	09/11/2018	09/11/2018	9 weeks overdue
Commission Systems	09/11/2018	20/05/2019	9 weeks overdue
First Run Main Engine	21/11/2018	21/11/2018	7 weeks overdue
Generator Load Test	07/12/2018	24/12/2018	5 weeks overdue
PMS Set Up	03/01/2019	19/01/2019	1 week overdue
Dock Trial	13/02/2019	15/02/2019	Due in 5 weeks
Dry-Dock	21/02/2019	23/03/2019	The vessel will dry dock at a facility outside the shipyard. There will be a reduction in production efficiency, when staff are working away from their normal place of work.
Inclining	24/03/2019	26/03/2019	Due in 10 weeks. Inclining activity requires all equipment in the vessel to be installed.
Builders Sea Trials	27/04/2019	02/05/2019	Due in 15 weeks
Owners Sea Trials	04/05/2019	09/05/2019	Due in 16 weeks
LNG Tank Commissioning	09/05/2019	20/05/2019	Due in 17 weeks
LNG Bunkering	27/05/2019	06/06/2019	Due in 19.5 weeks
LNG Dock Trial	08/06/2019	09/06/2019	Due in 21 weeks
LNG Sea Trials	11/06/2019	14/06/2019	Due in 22 weeks
Delivery	21/06/2019	21/06/2019	Due in 23 weeks

### Hull 802

According to the revised Cardinal Date Programme, there is a period of 36 weeks between launch to delivery of 802.





We might compare this with 801, which has a period of 82 weeks from launch to delivery. Therefore, 802 from launch to delivery will be completed in less than half the time of 801 and this does not consider dates for activities on 801 have not been achieved.

Summary

Given the foregoing current state of progress and the work still to complete, in our professional opinion it will not be possible to achieve the intended delivery dates for both vessels as per the revised Cardinal Date Programme.

We request a further updated Cardinal Programmes for Hulls Nos 801 and 802, with delivery dates which are realistic and achievable.

Most importantly, we suggest that the sooner you accept the inevitable need to reforecast the cardinal dates, the sooner that all stakeholders – the island communities, the operator, the Ministers and others might begin to plan accordingly.

I hope that with a greater transparency shown towards the likely completion dates, there might be fewer unpleasant surprises arising or criticisms from our stakeholders that the parties to the contracts have unreasonably delayed or withheld a frank appraisal of situation.

Yours sincerely

[Redacted]

Kevin Hobbs  
Chief Executive Officer

for and on behalf of  
Caledonian Maritime Assets Limited

