NOTICE OF PROPOSAL OF WIND-UP OF THE HOLLINGER CANADIAN PUBLISHING HOLDINGS CO. PLAN FOR EMPLOYEES OF NEWSPAPERS FORMERLY OWNED BY STERLING NEWSPAPERS

B.C. Registration Number P085060

CRA Registration Number 399444

TO:	**Members, Pensioners and Other Persons Entitled to Benefits under the Hollinger Canadian Publishing Holdings Co. Plan for Employees of Newspapers Formerly Owned by Sterling Newspapers**
AND TO:	**The Superintendent of Pensions of British Columbia**
FROM:	**Hollinger Canadian Publishing Holdings Co. ("HCPH")**
DATE:	**December 21, 2010**

Further to a Court order dated October 14, 2010 in the matter of HCPH's proceedings under the *Companies' Creditors Arrangement Act* ("CCAA"), the Hollinger Canadian Publishing Holdings Co. Plan for Employees of Newspapers Formerly Owned by Sterling Newspapers (the "Plan") will be fully terminated and wound up effective as of December 31, 2010. This notice of full wind-up is being given pursuant to Section 50 of the *Pension Benefits Standards Act* (British Columbia) (the "Act").

Although the Plan will be terminated, if you are currently in receipt of a pension, your monthly pension benefits will continue to be paid during the wind up approval process (which may take a number of months) at their current amounts until the funded position of the Plan on wind up is finally determined. In the event there are sufficient assets to satisfy the liabilities of the Plan, your benefits should continue to be paid at current levels after the wind up process is complete. In the event there are insufficient assets to satisfy the liabilities of the Plan, you may experience changes to your pension. You will be provided with advance notice of any such changes.

Pension benefits will cease accruing effective December 31, 2010. All affected members will be treated as being fully vested at their termination date regardless of their length of service or Plan membership.

The wind-up of the Plan will proceed in accordance with the Act and the *Income Tax Act* (Canada), subject to any restrictions imposed or directions made by the Court or any further orders of the Court in HCPH's CCAA proceedings.

The general procedure for winding up a pension plan registered in British Columbia is regulated by the Act and certain policies established by the Financial Institutions Commission of British Columbia ("FICOM"). The Plan's actuary is required to submit a wind-up report to the Superintendent of Pensions (the "Superintendent") within 60 days following the effective date of the wind-up.

No distribution of benefits, including the purchase of annuities, can be made from the Plan until the wind up report is approved by the Superintendent. However, any pensions being paid from the Plan on the wind-up date will not be interrupted by the Plan wind-up or the approval process. Approval will also be sought from the Superintendent to pay pensions from the Plan to those members who are eligible for an immediate pension and who elect to commence payment of their pension during the approval process.

Upon receipt of the approval of the wind-up report, plan members, former members and other persons entitled to any benefits from the Plan (e.g. surviving spouses), will be provided with an individual statement setting out their entitlements and options under the Plan.

If you have any questions regarding the wind-up of the Plan or its impact on the restructuring process, please contact the Court-Appointed Monitor in HCPH's proceedings, Ernst & Young Inc., or if you have any questions regarding your rights or entitlements on the wind-up of the Plan in the context of HCPH's CCAA proceedings, please contact the Court-Appointed Representative Counsel, Koskie Minsky LLP, as indicated below:

Ernst & Young Inc.
Court-appointed Monitor of
Hollinger Canadian Publishing Holdings Co.
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Representative Counsel, Koskie Minsky LLP, has indicated that it will provide a report to you on the overall status of this matter in January 2011. We are told by Representative Counsel that this status update is meant to inform you of the pension plan wind-up process and about future changes and implications you may experience as a result of the Plan wind-up.

Yours truly,

Dennis M. Byrd,
Court-appointed Chief Restructuring Officer