Court File No. 07-CL-7120

DATE: September 26, 2008

TO: Service List

FROM: Ernst & Young Inc., Monitor of Hollinger Inc., Sugra Limited and 4322525 Canada Inc. (the “Applicants”)

CC: Bill Aziz, Hollinger Inc.

RE: **Applicants’ Information**

BACKGROUND

1. On August 1, 2007, the Applicants filed for and obtained protection from their creditors under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") pursuant to the Order of the Ontario Superior Court of Justice dated August 1, 2007 (the "Initial Order"). Pursuant to the Initial Order, Ernst & Young Inc. was appointed as the Monitor of the Applicants (the "Monitor") in these CCAA proceedings.

PURPOSE

2. The purpose of this communication from the Monitor (the “Twentieth Communication") is to provide a monthly information update to all stakeholders, including the Applicants’ actual receipts and disbursements for the four week period ended August 29, 2008, attached as Schedule 1 in accordance with the Multi-Party Settlement Agreement and the May 21, 2008 order of the Honourable Justice Campbell.

TERMS OF REFERENCE

3. Capitalized terms not defined in this Twentieth Communication are as defined in the Initial Order. All references are in Canadian Currency unless otherwise noted.

4. In preparing this Twentieth Communication, the Monitor has relied upon unaudited financial information and records of the Applicants and certain of their affiliates and

discussions with management of the Applicants. The Monitor has not performed an audit or other verification of such information.

5. The Monitor does not assume any responsibility or liability for losses incurred by the reader or any other party as a result of the circulation, publication, reproduction or use of this Twentieth Communication.

INTER-COMPANY RECEIPTS

6. As previously reported, the Applicants have indicated that 10 Toronto has committed to repay on an "as needed" basis up to $7.8 million of intercompany amounts owed to Hollinger. The total intercompany repayments from 10 Toronto to Hollinger from August 1, 2007 to August 29, 2008 were approximately $7.8 million.

7. The Applicants advise that Domgroup owed Hollinger Inc. approximately $16.7 million (net) as at March 31, 2008 and that Domgroup has agreed to repay part of the intercompany balance, subject to obtaining the necessary approvals from its Board of Directors. The total intercompany repayments from Domgroup to Hollinger, from May 24, 2008 to August 29, 2008 have been approximately $6.7 million. On July 16, 2008 Domgroup's Board of Directors authorized the repayment of up to an additional $2 million of the intercompany balance owed to Hollinger from Domgroup on an "as needed" basis.

8. As at August 29, 2008, the cash balances of each of the Applicants and the principal Non-Applicants (with material amounts of cash) were as follows:

	(Millions)
Applicants	$4.8
Domgroup	$26.2
10 Toronto	$4.7

CURRENT STATUS

9. By Order of this Honourable Court dated May 21, 2008, the Monitor was authorized to conduct a claims process for the Applicants (the "Applicants' Claims Process"). Among other things, the Claims Order established July 11, 2008 as the Claims Bar Date with respect to claims arising prior to August 1, 2007 or after that date if as a result of the restructuring, repudiation or termination of any contract, lease or employment agreement.

10. Forty-eight claims (including inter-company claims) were received either on or just before the Claims Bar Date. Three additional claims were received after the Claims Bar Date. The Applicants and the Monitor are still reviewing the claims. Based on its initial review of the claims submitted, the Monitor believes that there are significant claims that will require careful examination with the assistance of the Applicants and that may be allowed, revised or disallowed in due course. The Applicants and the Litigation Trustee, have been reviewing the claims received to determine what, if any, inter-related issues may exist between the claims process and the pursuit of the Litigation Assets, in order to move both processes forward in the most efficient and cost-effective manner. A more detailed analysis of the claims filed will be provided to stakeholders once the Applicants and the Monitor have had an opportunity to further review and analyze the claims.

11. By Order of this Honourable Court dated August 27, 2008, the Monitor was authorized to conduct a claims process for the Non-Applicants (the "Non-Applicants' Claims Process") to facilitate the winding-up of the Non-Applicants by identifying all third party claims against the Non-Applicants. Any creditor asserting a claim against the Non-Applicants will be required to file a proof of claim with the Monitor prior to 5:00 p.m. on September 30, 2008.

12. As described in the Ninth Report of the Monitor, the Applicants, in consultation with the Monitor concluded that independent counsel should be appointed on behalf of the retired employees of Domgroup in the Non-Applicant Claims Process relating to their post-retirement dental and health benefit plans and life insurance. The Applicants and Non-Applicants are in the process of finalizing the appointment of counsel to represent the

interests of the OPEB Beneficiaries for the Non-Applicants' Claims Process (the "Representative Counsel").

13. It is proposed that Representative Counsel would not act with respect to Claims for pension top-up payments by retirees of the former Dominion Stores and/or their surviving spouses or on behalf of those advancing Claims in respect of any long-term disability payment or entitlement. Those Creditors must file any claim relating to obligations for payment, reimbursement or coverage arising in connection with any post employment benefit plan involving Domgroup Ltd. and 10 Toronto Street Inc. whether in relation to medical, dental, disability, life insurance or other form of benefit, obligation or payment to which they may be entitled. The Monitor sent a separate letter to those individuals who may have such claims advising them of the fact that they should submit a Proof of Claim in the Non-Applicant Claims Process.

14. As part of the Applicants' cash conservation efforts, the Applicants have moved to smaller, less expensive offices located at 100 King Street West, Suite 3700, First Canadian Place Toronto Ontario M5X 1C9. This move coincided with the expiry of the lease term for the premises at 120 Adelaide Street West, Toronto on September 30, 2008.

Hollinger Inc., 4322525 Canada Inc. and Sugra Limited (collectively the "Applicants")
Consolidated Weekly Cash Flow Variance Analysis compared to the May 29, 2008 Cash Flow Projection

C$ 000s	Projected Results for the four weeks ended Friday 29-Aug	Actual Results for the four weeks ended Friday 29-Aug	Variance	Notes
Opening Cash, ex. Funds in Trust	**4,313**	**5,182**	**869**	
Receipts				
Dividends	-	-	**-**	
Interest income	-	3	**3**	
Other	-	(1)	**(1)**	
Intercompany Accounts Receivable - 10 Toronto	-	-	**-**	
Intercompany Accounts Receivable - Domgroup	-	-	**-**	
Total receipts	**-**	**2**	**2**	
Disbursements				
Payroll & Benefits	(17)	(13)	**3**	
Directors Fees and D&O Insurance	-	(12)	**(12)**	
Legal Fees	(100)	(229)	**(129)**	1
Chapter 15 Legal Fees (US)	-	(8)	**(8)**	
CCAA Legal Fees (Canada)	(110)	(19)	**91**	2
CCAA Monitor Fees	(40)	(115)	**(75)**	1
Contractor Fees	-	-	**-**	
Advisors	(21)	(13)	**8**	
Monitor, Counsel and Claims Officer re Claims Process	(120)	-	**120**	2
Interest on Senior Secured Notes	-	-	**-**	
Operating Costs related to building	-	(25)	**(25)**	
Taxes	-	-	**-**	
Other	(15)	(2)	**13**	
Settlement Payments	-	-	**-**	
Foreign Exchange	-	8	**8**	
Total Disbursements	**(422)**	**(429)**	**(6)**	
Net Cash Inflow / Outflow	**(422)**	**(427)**	**(5)**	
Closing Cash Balance	**3,891**	**4,755**	**865**	

1) Actual disbursements for Legal Fees and CCAA Monitor Fees were higher than projected. The difference represents a partial reversal of previously reported timing differences from the projection.

2) Actual disbursements for CCAA Legal Fees and Monitor, Counsel and Claims Officer costs were lower than projected. The difference represents a timing difference from the projection, which is expected to partially reverse in the near term.