Court File No. 07-CL-7120

DATE: September 28, 2007

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 "Fourth Communication") is to provide a weekly information update to all stakeholders, including:

   (a) The Applicants' weekly variance report for the week ended September 21, 2007, attached as Schedule 1; and

   (b) The Applicants' weekly reporting of all outstanding legal accounts receivable and work in process for the week ended September 21, 2007, attached as Schedule 2.

TERMS OF REFERENCE

3. Capitalized terms not defined in this Fourth Communication are as defined in the Initial Order. All references to dollars are in Canadian currency unless otherwise noted.

4. In preparing this Fourth 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 Fourth Communication.

DISCUSSIONS AMOUNG THE PARTIES

6. On September 26, 2007, the Applicants obtained an extension of the Stay Period until October 12, 2007. The Applicants are required to report back to Court on October 4, 2007 and advise the Honourable Justice Campbell as to the status of the settlement discussions.

Hollinger Inc., 4322525 Canada Inc. and Sugra Limited (collectively the "Applicants")
Consolidated Weekly Cash Flow Variance Analysis compared to the September 15, 2007 Cash Flow Projection

C$ 000s	Projected Results for the Week Ended Friday 21-Sep	Actual Results for the Week Ended Friday 21-Sep	Variance	Notes
Opening Cash, ex. Funds in Trust	**6,310**	**6,310**	-	1
Receipts				
Dividends	-	-	-	
Interest income	-	-	-	
Other	-	33	33	
Intercompany Accounts Receivable	-	700	700	1
Total receipts	**-**	**733**	**733**	
Disbursements				
Payroll & Benefits	(19)	-	19	
Directors Fees and Insurance	(59)	-	59	
Legal Fees (including retainers)	(339)	(397)	(58)	
Chapter 15 Legal Fees (US)	(290)	-	290	2
CCAA Legal Fees (Canada)	(324)	(518)	(195)	3
CCAA Monitor Fees	(85)	-	85	2
Contractor Fees	-	-	-	
Advisors	(16)	-	16	
Litigation Trust	-	-	-	
Monitor re Claims Process	-	-	-	
Monitor Counsel re Claims Process	-	-	-	
Interest on Senior Secured Notes	-	-	-	
Operating Costs related to building	-	-	-	
Taxes	-	-	-	
Other	(12)	(182)	(170)	4
Total Disbursements	**(1,143)**	**(1,097)**	**46**	
Change in cash	**(1,143)**	**(364)**	**779**	
Closing cash, ex. Funds in Trusts	**5,167**	**5,946**	**779**	

1) The proceeds from the Holcay transaction ($5.7 million) represent the majority of cash on hand. These funds are held in trust by Davies, Ward, Phillips & Vineberg pending finalization of the mechanics of payment and are not currently accessible by Hollinger. Therefore, actual receipts from Intercompany Accounts Receivable were more than projected as Hollinger had an increased need to collect intercompany receivables from 10 Toronto Street Inc. to fund disbursements during the week. For the period August 1 to September 21, 2007, 10 Toronto has repaid $3.1 million in respect of intercompany receivables owing to Hollinger.

2) Actual disbursements for Chapter 15 legal costs were lower than projected. The difference represents a timing difference from the projection, which is expected to reverse in the near term.

3) Actual disbursements for CCAA legal costs were higher than projected. The difference represents a timing difference from the projection, which is expected to reverse in the near term.

4) Other disbursements include approximately $0.16 million relating to a foreign exchange adjustment on cash in the bank as a result of the appreciation of Canadian Dollar relative to the US dollar during the week.

Summary of Legal Accruals
As At September 21, 2007
CDN $

	Pre Filing	Post Filing	Outstanding Invoices	Estimated WIP from August 1 to September 21, 2007	Total Revised "Bubb e" at September 21, 2007	Total Revised "Bubble" as of September 21, 2007 **(excluding pre filing amounts)**	Total Revised "Bubble" as of September 14, 2007 (excluding pre filing amounts)	Increase in (Decrease) "Bubble" **(excluding pre filing amounts)**
Legal Fees	715,290	19,589	734,879	165,253	900,132	184,842	678,891	(494,049)
CCAA Legal Fees	8,551	19,355	27,906	27,000	54,906	46,355	579,146	(532,791)
Ch 15 Legal Fees	112,334	538,674	651,008	27,959	678,967	566,633	647,258	(80,625)
Overall Total	**836,174**	**577,619**	**1,413,793**	**220,212**	**1,634,005**	**797,830**	**1,905,296**	**(1,107,465)**

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Note that the Applicants did make approximately $915k of payments in respect of legal fees during the week ended September 21, 2007; therefore, the decrease in the bubble represents the legal fees incurred during the week less payments, subject to additional information that may be received by the Applicants from their counsel.

Reconciliation for the week ended September 21, 2007

Reverse Opening Balance (as of September 14, 2007)	(1,905,296)
Cash Distributions on account of legal fees for the week ended September 14, 2007	915,312
Reduction in contingency	100,679
Reclass to pre-filing (Morris & Eimer)	82,248
Revision in post filing WIP accrual	30,649
Foreign Exchange Adjustment -estimated	45,000
Add Closing Balance (as of September 14, 2007)	797,830
Approximate Legal Fees incurred during the week ended September 21, 2007	66,422