Court File No. 07-CL-7120

DATE: January 3, 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 Thirteenth Communication") is to provide a weekly information update to all stakeholders, including:

   (a) The Applicants' weekly variance report for the two weeks ended December 14, attached as Schedule 1; and

   (b) The Applicants' weekly reporting of all outstanding legal accounts receivable and work in process for the two weeks ended December 14, 2007, attached as Schedule 2.

TERMS OF REFERENCE

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

4. In preparing this Thirteenth 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 Thirteenth Communication.

INTER-COMPANY RECEIPTS

6. As previously reported, the Applicants indicated that 10 Toronto has committed to repay on an "as needed" basis up to $7.5 million of inter-company amounts owed to Hollinger. The total inter-company repayments since filing from 10 Toronto up to December 14, 2007 are $4.8 million. The projected inter-company repayments to February 1, 2008 combined with the actual inter-company repayments up to December 14, 2007 total approximately $4.9 million.

DISCUSSIONS AMONG THE PARTIES

7. The negotiating parties believed they had reached a framework for settling their issues subject to resolving certain details and ancillary issues, upon which they reported to the Honourable Justice Campbell on Tuesday, November 6, 2007. On Friday November 9, 2007 Justice Campbell issued an order extending the Stay Period to December 21, 2007. The three-way negotiations between the Applicants, STMG and DK ended on December 18, 2007 without a settlement agreement being reached. The Applicants continue to explore the potential for a two-way agreement to bring before the Court as a consensual way forward. On Wednesday December 19, 2007 Justice Campbell issued an order extending the Stay Period to January 16, 2008 and ordered a case conference to deal with scheduling issues surrounding motions that may be brought forward by DK and the Applicants on January 10, 2008.

Hollinger Inc., 4322525 Canada Inc. and Sugra Limited (collectively the "Applicants")
Consolidated Weekly Cash Flow Variance Analysis compared to the November 3, 2007 Cash Flow Projection

C$ 000s	Projected Results for the two Weeks Ended Friday 14-Dec	Actual Results for the two Weeks Ended Friday 14-Dec	Variance	Notes
Opening Cash, ex. Funds in Trust	3,092	4,346	1,254	
Receipts				
Dividends	-	-	-	
Interest income	7	25	19	
Other	-	-	-	
Intercompany Accounts Receivable (Payable)	-	-	-	
Total receipts	7	25	19	
Disbursements				
Payroll & Benefits	(22)	(49)	(26)	
Directors Fees and Insurance	-	-	-	
Legal Fees (including retainers)	(171)	(37)	134	1
Chapter 15 Legal Fees (US)	(20)	(160)	(140)	2
CCAA Legal Fees (Canada)	(121)	(171)	(50)	2
CCAA Monitor Fees	(80)	(17)	63	
Contractor Fees	(127)	(122)	5	
Advisors	(89)	(0)	89	
Litigation Trust	(21)	-	21	
Monitor re Claims Process	-	-	-	
Monitor Counsel re Claims Process	-	-	-	
Interest on Senior Secured Notes	-	-	-	
Operating Costs related to building	(10)	(18)	(8)	
Taxes	(22)	-	22	
Other	(2)	38	40	3
Total Disbursements	(685)	(536)	149	
Change in cash	(678)	(511)	167	
Closing cash, ex. Funds in Trusts	2,414	3,835	1,421	

1) Actual disbursements for Legal Fees were lower than projected. The difference represents a timing difference from the projection, which is expected to reverse in the near term

2) Actual disbursements for Chapter 15 and CCAA legal costs were higher than projected. The difference represents a partial reversal of previously reported timing differences from the projection

3) Other disbursements primarily relates to a foreign exchange adjustment on cash in the bank as a result of the appreciation of US Dollar relative to the Canadian Dollar during the week.

Summary of Legal Accruals
As at December 14, 2007
CDN $

	Pre Filing	Post Filing	Outstanding Invoices	Estimated WIP from August 1 to December 14, 2007	Total Revised "Bubble" at December 14, 2007	Total Revised "Bubble" as of December 14, 2007 **(excluding pre filing amounts)**	Total Revised "Bubble" as of November 30, 2007 **(excluding pre filing amounts)**	Increase in (Decrease) "Bubble" **(excluding pre filing amounts)**
Legal Fees	56,270	105,467	161,737	68,688	230,425	174,155	117,984	56,171
CCAA Legal Fees	-	9,250	9,250	84,295	93,545	93,545	151,939	(58,394)
Ch 15 Legal Fees	-	38,244	38,244	8,469	46,714	46,714	187,524	(140,811)
Overall Total	**56,270**	**152,961**	**209,231**	**161,452**	**370,684**	**314,414**	**457,448**	**(143,034)**
F/X	**0.95**							

Note that the Applicants did make approximately $0.4 million of payments in respect of legal fees during the two weeks ended December 14, 2007; therefore, the increase in the bubble represents the legal fees incurred during the two weeks less payments, subject to additional information that may be received by the Applicants from their counsel.

Reconciliation for the two weeks ended December 14, 2007

Reverse Opening Balance (as of November 30, 2007) including pre-filing amounts	(513,718)
Cash Distributions on account of legal fees for the two weeks ended December 14, 2007	368,123
Reduction (increase) in contingency	13,003
Add Closing Balance (as of December 14, 2007) including pre-filing amounts	370,684
Approximate Legal Fees incurred during the two weeks ended December 14, 2007	238,093