Court File No. 07-CL-7120

DATE: December 14, 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 "Twelfth Communication") is to provide a weekly information update to all stakeholders, including:

   (a) The Applicants' weekly variance report for the week ended November 30, attached as Schedule 1; and

   (b) The Applicants' weekly reporting of all outstanding legal accounts receivable and work in process for the week ended November 30, 2007, attached as Schedule 2.

TERMS OF REFERENCE

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

4. In preparing this Twelfth 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 Twelfth 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 November 30, 2007 are $4.8 million. The projected inter-company repayments to February 1, 2008 combined with the actual inter-company repayments up to November 30, 2007 total approximately $4.9 million.

DISCUSSIONS AMONG THE PARTIES

7. The negotiating parties have reached the framework for settling their issues upon which they reported to Mr. Justice Campbell on Tuesday, November 6, 2007. On Friday November 9, 2007 Mr. Justice Campbell issued an order extending the Stay Period to December 21, 2007. The Monitor has been advised that the Applicants intend to file a motion returnable on December 19, 2007 seeking an extension of the Stay Period to January 18, 2008. The parties are engaged in moving this framework forward to a formal Settlement Agreement.

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 Week Ended Friday 30-Nov	Actual Results for the Week Ended Friday 30-Nov	Variance	Notes
Opening Cash, ex. Funds in Trust	**3,769**	**4,342**	573	
Receipts				
Dividends	-	-	-	
Interest income	-	-	-	
Other	-	1	1	
Intercompany Accounts Receivable (Payable)	-	-	-	
Total receipts	**-**	**1**	**1**	
Disbursements				
Payroll & Benefits	-	-	-	
Directors Fees and Insurance	-	(37)	(37)	
Legal Fees (including retainers)	(85)	-	85	1
Chapter 15 Legal Fees (US)	(10)	-	10	1
CCAA Legal Fees (Canada)	(60)	-	60	1
CCAA Monitor Fees	(40)	-	40	1
Contractor Fees	-	-	-	
Advisors	(7)	(2)	5	
Litigation Trust	(11)	-	11	
Monitor re Claims Process	-	-	-	
Monitor Counsel re Claims Process	-	-	-	
Interest on Senior Secured Notes	-	-	-	
Operating Costs related to building	-	-	-	
Taxes	-	-	-	
Other	(1)	43	44	2
Total Disbursements	**(214)**	**3**	**218**	
Change in cash	**(214)**	**4**	**219**	
Closing cash, ex. Funds in Trusts	**3,554**	**4,346**	**792**	

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

2) Other disbursements 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 November 30, 2007
CDN $

	Pre Filing	Post Filing	Outstanding Invoices	Estimated WIP from August 1 to November 30, 2007	Total Revised "Bubble" at November 30, 2007	Total Revised "Bubble" as of November 30, 2007 **(excluding pre filing amounts)**	Total Revised "Bubble" as of November 23, 2007 **(excluding pre filing amounts)**	Increase in (Decrease) "Bubble" **(excluding pre filing amounts)**
Legal Fees	56,270	3,859	60,129	114,125	174,254	117,984	89,262	28,722
CCAA Legal Fees	-	15,120	15,120	136,820	151,939	151,939	118,037	33,903
Ch 15 Legal Fees	-	167,345	167,345	20,180	187,524	187,524	185,037	2,487
Overall Total	**56,270**	**186,324**	**242,594**	**271,124**	**513,718**	**457,448**	**392,336**	**65,112**

F/X **0.95**

Note that the Applicants did not make any payments in respect of legal fees during the week ended November 30, 2007; therefore, the increase in the bubble represents the legal fees incurred during the week, subject to additional information that may be received by the Applicants from their counsel.

Reconciliation for the week ended November 30, 2007

Reverse Opening Balance (as of November 23, 2007) including pre-filing amounts	(448,606)
Cash Distributions on account of legal fees for the week ended November 16, 2007	-
Reduction (increase) in contingency	(5,919)
Add Closing Balance (as of November 30, 2007) including pre-filing amounts	513,718
Approximate Legal Fees incurred during the week ended November 30, 2007	59,193