

District of: Ontario
Division No: 09-Toronto
Court No: 31-1423389
Estate No: 31-1423389

In the Matter of the Bankruptcy of
4514858 Canada Inc.
Report of the Trustee on Preliminary Administration
For the First Meeting of Creditors
November 16, 2010

PRELIMINARY COMMENTS

4514858 Canada Inc. ("4514858" or "The Corporation") filed an assignment in bankruptcy with the Official Receiver on October 27, 2010 and FTI Consulting Canada Inc. ("FTI") was appointed Trustee of the estate of the bankrupt (in such capacity, the "Trustee") by the Official Receiver on October 28, 2010, subject to confirmation of its appointment by the creditors.

In preparing this Report, we relied on unaudited financial information and information collected during discussions and/or meetings with management of 4514858. We have not carried out an audit or other review of the information, and accordingly express no opinion thereon.

BACKGROUND

The Company formerly carried on business as the National Post Holdings Ltd., until its assets and operations were ultimately acquired by PostMedia Network Inc. under a court approved transaction process. Effective October 27, 2010, National Post Holdings Ltd. changed its name to 4514858 Canada Inc.

Legacy NPC Partnership is a general partnership created on June 27, 2000 and organized under the *Partnership Act* (Ontario), R.S.O. 1990 Chapter P.5. Its units are held by 4514866 Canada Inc. (formerly Canwest Media Inc.) ("CMI") and 4514858 Canada Inc. (formerly National Post Holdings Ltd.), a wholly-owned subsidiary of CMI. 4514858 is a corporation that was incorporated on June 27, 2000. A copy of the organizational chart outlining this relationship can be found in Exhibit "A".

On October 6, 2009, CMI and certain of its subsidiaries listed in Schedules "A" and "B" to the CCAA initial order (collectively, the "CMI Entities") sought and obtained protection from their creditors pursuant to an initial order (the "Initial Order") under the *Companies' Creditors Arrangement Act* (Canada) (the "CCAA"). All documents in their proceedings under the CCAA can be found posted online at the Monitor's website: <http://cfcanada.fticonsulting.com/cmi/>. Pursuant to the Initial Order, FTI was appointed Monitor of the CMI Entities.

4514858's head office and principal place of business was located at 1450 Don Mills Road, Toronto, Ontario, M3B 3R5.

Until October 30, 2009, 4514858 carried on business as a holding company for the publisher of the National Post national newspaper and related online publications. Effective October 30, 2009, the assets of the Partnership were transferred to National Post Inc. (a wholly-owned subsidiary of Canwest Publishing Inc./Publications Canwest Inc.) pursuant to the National Post Transition Agreement. National Post Inc. was subsequently acquired by PostMedia Network Inc. as part of the Court-approved plan of compromise and arrangement of Canwest Publishing Inc. and certain related entities.

The Company has no employees and has been acting as a holding company since its inception.

4514858 is an inactive company, there are no employees and there are unsecured obligations due and insufficient cash to satisfy the obligations. 4514858 no longer has the capacity to meet its obligations generally as they become due. In addition, Section 5.6 of the Amended and Restated Plan of Compromise, Arrangement and Reorganization of the CMI Entities (the "Plan") and the Plan Sanction Order dated July 28, 2010 provided that 4514858 would make an assignment in bankruptcy under the *Bankruptcy and Insolvency Act* (Canada) ("BIA") on the Plan Implementation Date (as defined in the Plan).

CONFLICT OF INTEREST

No conflict of interest exists for FTI to act as Trustee of 4514858.

As previously noted, on October 6, 2009 FTI was appointed as Monitor of the CMI Entities. Furthermore, on January 8, 2010 FTI was appointed Monitor of Canwest Publishing Inc./Publications Canwest Inc., Canwest Books Inc., Canwest (Canada) Inc. and Canwest Limited Partnership/Canwest Societe Commandite.

On November 26, 2009, FTI was appointed Trustee in the bankruptcies of Fireworks Entertainment Inc., CEIDI (Canada) I Inc., CEIDI (Canada) II Inc., and Canwest Entertainment Inc.

TAKING POSSESSION AND SAFEGUARDING ASSETS

There are no known assets.

CONSERVATORY AND PROTECTIVE MEASURES

The Trustee has made arrangements for storage of the Partnerships books and records.

STATEMENT OF AFFAIRS

The Statement of Affairs ("SoA") was prepared with the assistance of the Trustee in compliance with the provisions of the BIA on October 27, 2010 (being the date the assignment in bankruptcy was filed with the Official Receiver). The following is a summary of the assets and liabilities of 4514858, as reflected in the SoA:

Original Statement of Affairs

Assets		
Cash	\$	-
Total Assets	\$	-

Liabilities		
Unsecured Creditors	\$	1,744
Total Liabilities	\$	1,744
Deficiency	\$	(1,744)

Cash

4514858 does not have any cash on hand and did not have a bank account.

Unsecured Creditors

More than 37% of 4514858's liabilities are due to related parties (Canwest Media Inc and Canwest Global Communications Corp.)

Pursuant to Section 5.6 (c) of the Plan Sanction Order, the claims procedure implemented as part of the CMI Entities' CCAA proceedings will apply to determine all unsecured claims against the Partnership. Section 5.6(c) of the Plan Sanction Order provides as follows:

The Claims Procedure Order, the CMI Claims Bar Date, and the Restructuring Claims Bar Date shall continue to apply in respect of the determination of Claims against National Post Holdings, National Post and the National Post Consolidated Bankruptcy Estate, if any, for voting purposes and distributions in such estates and only Ordinary Creditors having Proven Distribution Claims against National Post Holdings, National Post and the National Post Consolidated Bankruptcy Estate, if any, shall be entitled to receive distributions from National Post Holdings, National Post or the National Post Consolidated Bankruptcy Estate.

LEGAL PROCEEDINGS

According to information available to the Trustee, no legal proceedings against the estate were commenced since the date of bankruptcy.

To date, the Trustee has not initiated any legal actions.

TRANSFERS UNDERVALUE AND PREFERENCES

The trustee has secured the books and records of 4514858 for the purpose of identifying Transfers Under Value and Preferences. The Trustee will report to and seek instructions from the Estate Inspector(s) regarding its findings once this review is completed.

THIRD PARTY DEPOSITS/GUARANTEES

The Trustee does not have any third party deposits/guarantees.

ANTICIPATED REALIZATION AND DISTRIBUTION PROCESS

Based on the estimated realizable value of the assets of 4514858, the Trustee is of the view that the unsecured creditors with proven claims will receive a nil distribution of the available assets.

Within the coming weeks, the Trustee intends to bring a motion in the bankruptcy Court to consolidate the estates of Legacy NPC Partnership and 4514858 Canada Inc.

We will be available at the meeting of creditors should creditors have any questions regarding this report or other related matters.

DATED at the City of Toronto, in the Province of Ontario this 15th day of November, 2010.

FTI Consulting Canada Inc.

In its capacity as Trustee of 4514858 and not in its personal capacity

Per:

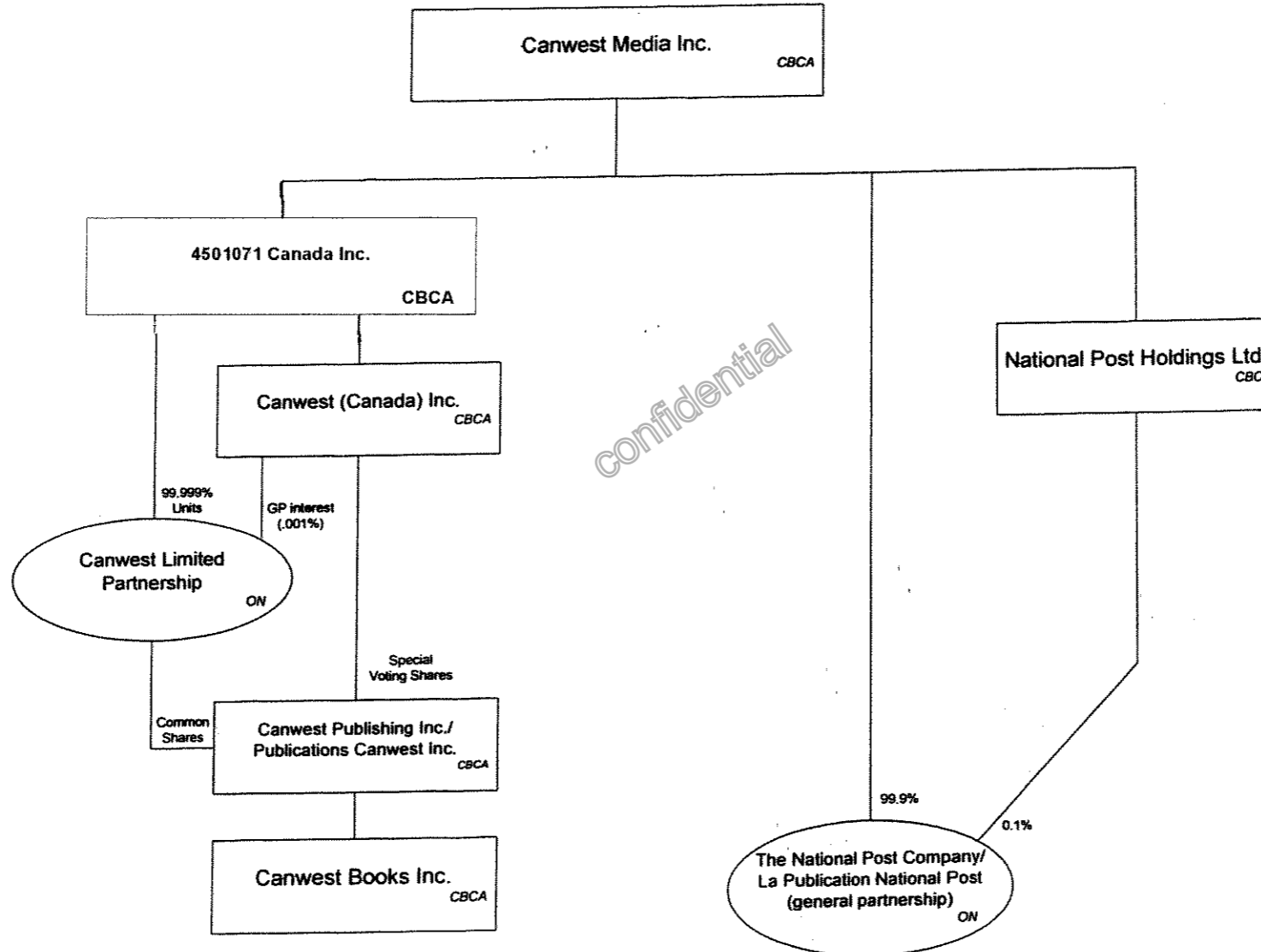
A handwritten signature in blue ink, appearing to read 'Greg Watson', with a stylized flourish extending to the right.

Greg Watson
Senior Managing Director

Exhibit A

Canadian Operations

All holdings are 100%, unless otherwise noted



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