



BDO Dunwoody Goodman Rosen Inc.

Suite 620, 1718 Argyle Street
Halifax, Nova Scotia Canada B3J 3N6
Telephone: (902) 425-3100
Fax: (902) 425-3777
Toll Free: (800) 337-5764
Email: insol-halifax@bdo.ca
www.bdo.ca

**TO THE PROVED CREDITORS
IN THE MATTER OF THE
COMPANIES' CREDITORS ARRANGEMENT ACT ("CCAA") PROCEEDING OF
FEDERAL GYPSUM COMPANY ("FGC")**

January 17, 2008

Dear Sir or Madam:

Your company has proved its claim under the Claims Bar Process in the CCAA proceeding of FGC. On January 7, 2008, we, BDO Dunwoody Goodman Rosen Inc., the Monitor, sent the Meeting Materials package to you by ordinary mail as directed in the Meeting Order issued on December 14, 2007. The Meeting Materials package included the Plan of Compromise and Arrangement (the "Plan") as it was developed at that time and filed with the Monitor and the Court as well as a copy of the Meeting Order and other materials.

We now enclose the Plan as has been amended. The only amendments to the Plan relate to the lease of Nova Scotia Business Inc. ("NSBI"). There are no other changes in the Plan that affect the positions of the other creditor classes. The amendments as they relate to the NSBI lease are:

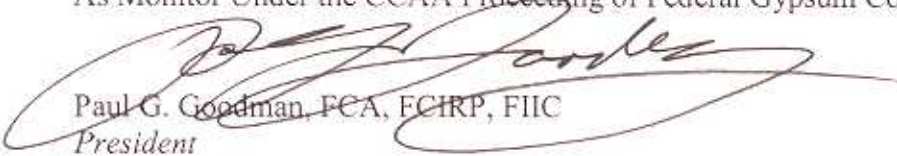
1. Wording has been added on Page 6, Paragraph 3.4(d)(i)(G) relating to changes in the NSBI lease and reference is made to Appendix "A" and Appendix "B".
2. Appendix "A" has been added as an attachment to the Plan.
3. Appendix "B" has been added as an attachment to the Plan.

The Monitor notes that pursuant to the Meeting Order, Proxies and Voting Letters must be filed with the Monitor by 5:00 p.m. (Halifax time) on Friday, January 18, 2008, if you want to register your vote on the Plan. A number of you have already filed your Proxy/Voting Letter with us, and for those of you who have not yet filed your Proxy/Voting Letter, we encourage you to do so as permitted in the Meeting Order. You may file it by fax at (902) 425-3777 or by email at insol-halifax@bdo.ca. All of the FGC documents as they relate to the CCAA filing are posted on our special website at www.bdo.ca/fgc.

Please contact us if you have any questions.

Yours very truly

BDO DUNWOODY GOODMAN ROSEN INC.
As Monitor Under the CCAA Proceeding of Federal Gypsum Company


Paul G. Goodman, FCA, FCIRP, FIIC
President



Suite 301, 295 George Street
Sydney, Nova Scotia B1P 1J7

Toll Free: (888) 666-3764
Telephone: (902) 539-9850
Fax: (902) 539-5373
Email: insol-sydney@bdo.ca

Appointments also held in other
locations in Nova Scotia