



BDO Dunwoody Goodman Rosen Inc.

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TO THE CREDITORS OF
FEDERAL GYPSUM COMPANY ULC

September 19, 2007

Dear Sir or Madam:

We write to you with respect to the financial affairs of Federal Gypsum Company ULC ("FGC").

On the 18th day of September, 2007, an Initial Application under the Companies' Creditors Arrangement Act ("CCAA") was heard in the Supreme Court of Nova Scotia and the Initial Order was granted by Mr. Justice A. David MacAdam.

Pursuant to Paragraph 11.7(1) of the CCAA, BDO Dunwoody Goodman Rosen Inc. has been appointed as Monitor under the CCAA proceedings (Court No. S.H. 285667).

As required by Paragraph 11(5) of the CCAA, we enclose a copy of the Initial Order granted on September 18, 2007 in the CCAA proceeding.

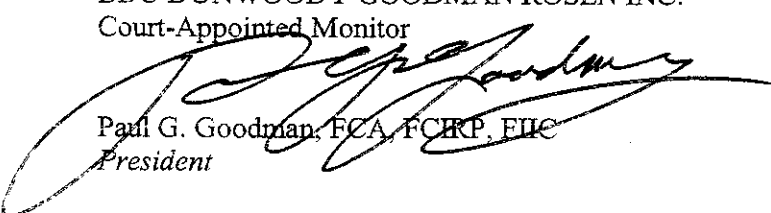
As you will note in the Initial Order, all pre filing debts of FGC and any potential actions of creditors related thereto are stayed by the CCAA process. Management of FGC plans to bring forward a restructuring plan for the consideration of the various classes of creditors in due course. A claims bar filing process and related timing will be established and you will receive notice related thereto. In the interim, you do not need to file a Proof of Claim.

We also refer you to Paragraph 2(A) in the Initial Order in which the Court has set October 18, 2007 at 9:30 a.m. for a further hearing in the CCAA proceeding.

We refer you to our website which address is www.bdo.ca/fgc where we have placed various materials relative to the Court filing under CCAA proceeding by FGC.

Yours very truly

BDO DUNWOODY GOODMAN ROSEN INC.
Court-Appointed Monitor


Paul G. Goodman, FCA, FCRP, FIC
President

PGG/dlc
Enclosure



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Appointments also held in other
locations in Nova Scotia