



BDO Dunwoody Goodman Rosen Inc.

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TO THE UNPROVED AND LATE-FILED CREDITORS OF
FEDERAL GYPSUM COMPANY ("FGC")

December 17, 2007

Dear Sir or Madam:

**Re: Federal Gypsum Company ("FGC") and
Companies' Creditors Arrangement Act ("CCAA") Proceeding**

By communication to FGC creditors dated November 26, 2007, which was sent to the addresses contained in the records of FGC, we, BDO Dunwoody Goodman Rosen Inc., the Court-Appointed Monitor in the CCAA proceeding, notified creditors of the Claims Bar process established by the Court. With the November 26 communication, we enclosed all of the materials as directed by the Court in the Claims Bar Order taken out on November 26, 2007. The Claims Bar date was established as 5:00 p.m., Halifax time, on Wednesday, December 12, 2007 in the Claims Bar Order.

Our records reflect that as at 5:00 p.m., Halifax time, on December 12, 2007, we did not receive a Proof of Claim from you in the form approved by the Court Order. Due to the time of year, the Monitor feels it is appropriate, as permitted by the Court Order, to seek direction from the Court to extend the Claims Bar date to 3:00 p.m., Halifax time, on Friday, December 21, 2007.

In view of the above, the Monitor provides this communication to all creditors who had not filed their Proof of Claim within the requirements of the Claims Bar Order which was previously sent to you.

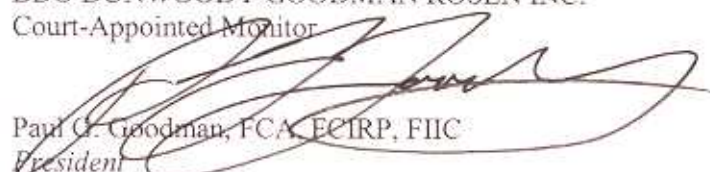
Take notice that the onus is on you to file your Proof of Claim if you wish to do so. There will be no further notices or extensions, unless you apply to Court for such extension. The Claims Bar Order provides that any claim for which a Proof of Claim has not been filed before the Claims Bar date is forever extinguished. Such creditor cannot make or enforce any claim against FGC, the Monitor, or any other person without further Order of the Court.

The Proof of Claim must be filed in the format as approved by the Court Order. To obtain the Proof of Claim form, instructions, and the Claims Bar Order, you may visit our dedicated FGC website at www.bdo.ca/fgc. Everything you need to complete the Proof of Claim is located on this website.

Please understand that any claims received after 3:00 p.m., Halifax time, on Friday, December 21, 2007 will only be accepted if the Court provides the Monitor with instructions to do so. Disallowance/revision and appeal provisions of the November 26, 2007 Claims Bar Order shall be extended by two (2) business days to apply to Proofs of Claim received in the contemplated extended period, that is, to 3:00 p.m., Halifax time, on Friday, December 21, 2007, or such other time that the Court may approve. The timing aforementioned shall apply except for the requirements of Paragraph 10 of the original Claims Bar Order which shall be 12:00 noon, Halifax time, on Friday, December 28, 2007, and Paragraph 11 which shall be 5:00 p.m., Halifax time, on Friday, January 4, 2008, or such other time as the Court may direct.

Yours very truly

BDO DUNWOODY GOODMAN ROSEN INC.
Court-Appointed Monitor


Paul G. Goodman, FCA, ECIRP, FIIC
President



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Appointments also held in other
locations in Nova Scotia