


This is Exhibit "B" to the Affidavit of
THOMAS C. STRIKE sworn before me
this 7th day of January, 2010.



Commissioner for Taking Affidavits

January 4, 2010

Scotia Plaza
40 King Street West
64th Floor
Box 4085, Station A
Toronto, Ontario
M5W 2X6

Dear Mr. Porter and Ms. Rowe:

I am writing this letter to you as the CEO of Canwest Media Inc., the parent company of the LP. I am told that the senior lenders to the LP (the "Senior Lenders") are pushing for a CCAA filing in respect of the LP by Friday as well as a more or less concurrent Senior Lender bid to acquire the LP's assets and undertaking under the auspices of that filing.

I am writing to you because, based on the information currently available to me, I profoundly disagree with an early CCAA filing by the LP. I am particularly concerned that such a filing will result in undue and unnecessary harm to the LP's stakeholders, many of whom are undoubtedly individuals and businesses with longstanding relationships with the LP. At the same time, as I discuss below, the business of the LP is showing clear signs of improvement such that I cannot see any reasonable basis to suggest that delaying any such filing could impair the position of the Senior Lenders.

In my opinion, it is open to LP stakeholders to take the position that an early CCAA filing by the LP is solely or primarily for the benefit of the Senior Lenders, to the detriment of past and present employees, suppliers, holders of 9.25% Subordinated Notes ("Subordinated Debtholders") who are, I believe, "in the money" and CMI (which provides other value including management capabilities, shared services and Canadian control for income tax purposes). I have set out below the rationale for my opposition to a filing at this time, and an alternative path.

I have great difficulty with the refusal of the Senior Lenders to permit funding to be provided by the LP to the Subordinated Debtholders to pay for their financial advisor, particularly when the LP has already spent over \$15 million on the LP restructuring alone, primarily for the advisors to the Company and the Senior Lenders, namely their financial advisor and their counsel. This is particularly egregious because the Subordinated Debtholders are most likely to come up with a plan that (a) provides the LP an option other than the currently contemplated CCAA filing and concurrent senior

lender bid and (b) is likely to provide better recovery for other LP stakeholders than what I understand the Senior Lenders contemplate.

As well, a CCAA filing for the LP will create significant new advisory fees as a result of a court process, Debtor in Possession financing fees, and an almost certainty that there will be no value that accrues to the Subordinated Debtholders or CMI.

The LP has significant cash and continues to generate such. As you know, on any given day the balance is \$30-\$40 million. It has capacity to pay all arrears of scheduled principal to the Senior Lenders for the foreseeable future. The LP is current on its interest payments to the Senior Lenders and has the capacity to continue to remain current on such interest payments for the foreseeable future. I have great difficulty, knowing that there is so much cash on hand, seeing the LP file under the CCAA and cause unnecessary losses to employees, retirees, suppliers and other affected parties.

For many months now, the LP has requested permission of the Senior Lenders to start a process of seeking a buyer for the LP business or seeking a party to inject capital in order to refinance the business, or to provide some other alternative to the current capital structure. This has been refused by the Senior Lenders consistently on the basis that a filing was imminent. Several months have gone by, the Senior Lenders took much longer to obtain support for their bid and even now do not have the 2/3rds necessary to ensure that the bid would be successful should no other alternative present itself. Thus, there will be no ability on the part of LP to say there is any certainty in the outcome and this by itself may cause further harm to the business. It will in my view cause more employee turnover at LP and CMI. Corporate uncertainty is the primary reason cited by departing and employees, and the rate of such is increasing. Moreover, a filing now will crystallize in advertisers' minds the split between CMI and LP, thereby affecting revenue at LP by more than \$20 million in my estimation with similar damage accruing to CMI as a result. I have recently verified this with management of both entities. This is because our clients at both LP and CMI are buying advertising as if both entities will continue to sell as a group. If and when it is no longer the case, we want to be prepared with an alternative that minimizes the impact. As for the LP itself, projections endorsed by all advisors call for a 10% revenue erosion in a filing. Why trigger this now?

In the meantime, had the RBC Sale and Investor Solicitation Process ("SISP") commenced in August 2009 when it was first requested, it would have been completed or close to completion by now. I believe the SISP would give the LP more than one attractive option to consider.

In various conversations and correspondence, BNS has asserted that the filing is necessary because of the need for CCAA court supervision of the SISP, among other things. Given that (i) the LP is operating well today, (ii) the LP is current with all suppliers, employees, severed employees and retirees, as well as making full pension payments, (iii) the Subordinated Debtholders have indicated in writing their willingness to put forth a restructuring proposal, and (iv) there is no reason to believe that a non-

court supervised SISP will be any less effective than a CCAA court supervised SISP, I fail to see why there is a need for a court supervised process other than to give the Senior Lenders the ability to impair other stakeholders while resulting in significant costs and value erosion.

I also wish to advise that I profoundly disagree with the assertion of The Bank of Nova Scotia as lead agent for the Senior Lenders that the governance model of the LP is problematic because of any perceived conflict that directors or officers of CMI have with regard to the LP. There is no evidence of any directors or officers of CMI doing anything but acting in the best interests of LP.

Several million dollars and significant amounts of executive time have been spent to ensure that all services and cross business arrangements between CMI and LP are transparent and fair to both parties, and I can assure you that all senior management of CMI are aware of and are fulfilling their duties in this regard.

Given all of this, I propose that the Senior Lenders consider the following path for LP:

1. The LP will immediately begin the SISP to seek a buyer or refinancing of the LP business;
2. The Board of CMI will strike a separate LP Committee to deal with that restructuring separate and apart from the CMI restructuring;
3. The LP in the meantime will ensure all Senior Lenders' arrears of principal will be brought current, and scheduled principal payments will be made until the restructuring process is complete;
4. The LP will remain current on all Senior Lender interest payments throughout the same period;
5. The Senior Lenders would provide a forbearance of the default position of the Senior Credit Agreement for at least six months in order to permit the SISP to proceed; and
6. Once the SISP has been completed, the determination of whether to file under the CCAA or CBCA, or whether to file at all, can be made.

The six steps above provide many benefits, some of which I reiterate here: the senior credit would no longer be financially impaired; and the suppliers, individuals (including retirees) and the LP business overall would not be impaired – the LP business would operate as it currently is today, which avoids (A) anticipated revenue impairment and supplier tightening of credit, (B) demotivating a very productive workforce and (C) unnecessary advisory and DIP fees (likely be in the tens of millions in cash if CMI and other restructurings are to serve as any guide). At the same time, the option still remains for the Senior Lenders to bid to acquire the LP's assets and undertaking if no

acceptable alternative emerges under the SISP. I would observe that the extra time would provide the Senior Lenders more time to ensure they have the requisite 2/3rds support for a "pre-pack," should that ultimately be necessary.

The approach proposed herein allows for all options to be explored simultaneously so that the Board can be satisfied that when it chooses a route that in its view provides the very best outcome for all stakeholders, it will have done so taking into account all of the options without having committed to any one in advance, as I believe a CCAA filing now would do, not to mention having all the damaging effects noted above.

The LP is operating better than at any time since the abrupt declines in advertising first occurred over 14 months ago. It is ahead of plan. For the first time in 14 months, revenue for the most recent month was ahead of the same month last year. Operating management has implemented significant cost reductions and is focused on running the business, rather than explaining to suppliers of 20 years or severed employees why they are not being paid. All employees, retirees, severed employees, and suppliers are being paid. I believe a forbearance for six months as per the above would not expose the Senior Lenders given the improving business environment but would have a very positive effect on the business and greatly enhance the Senior Lenders' ability to be repaid in full. In addition, it would significantly enhance the opportunity for other stakeholders to experience a greater recovery.

If there ever is to be a right time for a filing, it is when it is a true pre-pack, when employees can be guaranteed jobs without words like "soft assurances" and oral versions of such, and when the actual deal that will be consummated is binding on the purchaser (as opposed to one potential deal that has less than the required support, and does not guarantee jobs).

At this time, and based on the information before me, I have trouble supporting a scenario in which so many of the LP stakeholders, particularly its most vulnerable, are injured when there is a clear alternative that does not in any way harm the interests of the Secured Lenders and BNS in particular as their agent.

As a further observation, and knowing that CMI has to date spent \$45 million on fees as part of its restructuring, I am concerned that the advisory groups, who benefit the most from a filing, are the ones driving the process. It is particularly troubling knowing that at least an equivalent amount of fees are likely to be incurred by LP, while severance and other payments to current and former employees totaling a fraction of that amount will be suspended resulting in likely very little recovery for them.

I well appreciate that, as a result of a particularly difficult period in May 2009, the LP is in default of certain principal payments. In that regard, all associated with the LP thank you for your forbearance to date, and acknowledge that you have had a difficult time given the diverse interests within the Senior Lender group.

Since May 2009, the Company has stabilized, and we simply ask for your further forbearance while the Company develops the best and most comprehensive solution that is fair to all parties, a solution that would result in a better outcome for a wider group of stakeholders. With each day that goes by, the chance of greater recovery for stakeholders increases and the proposal contained herein allows the time necessary for that to occur while in no way harming the interests of the Senior Lenders.

I thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Leonard Asper". The signature is fluid and cursive, with a prominent initial "L" and "A".

Leonard Asper
President and Chief Executive Officer