

FAIRFAX *News Release*

Stock Symbol: FFH

TORONTO, August 24, 2004

FAIRFAX ANNOUNCES U.S. DEBT ISSUE

Fairfax Financial Holdings Limited announces the sale of US\$95 million of its 7¾% Senior Notes due 2012 at an issue price of 97.25%.

Fairfax intends to use the net proceeds from this offering to purchase its outstanding debt from time to time, based on market conditions. To the extent Fairfax is unable to purchase its outstanding debt at reasonable prices, the proceeds will be used for general corporate purposes.

Banc of America Securities LLC acted as sole book-running manager for this offering, which is expected to close on August 27, 2004. A copy of the prospectus supplement and related base shelf prospectus may be obtained from Banc of America Securities LLC, Prospectus Department, 100 West 33rd Street, New York, NY 10001, Phone: (646) 733-4166.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

Fairfax Financial Holdings Limited is a financial services holding company which, through its subsidiaries, is engaged in property and casualty insurance and reinsurance, investment management and insurance claims management.

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