

FAIRFAX *News Release*

Stock Symbol: FFH.SV (TSX); FFH (NYSE)

TORONTO, December 7, 2004

FAIRFAX ANNOUNCES PRICING OF CASH TENDER OFFER

(Note: All dollar amounts in this press release are expressed in U.S. dollars.)

TORONTO, Ontario, December 7, 2004 -- Fairfax Financial Holdings Limited ("Fairfax") today announced the pricing terms of its previously announced cash tender offer (the "Offer") for certain of the outstanding debt securities (the "Notes") of Fairfax and its wholly-owned subsidiary, TIG Holdings, Inc. ("TIG").

Holders who tendered their Notes at or prior to December 2, 2004 (the "Early Tender Date") will receive the applicable Total Consideration (as set forth in the table below), which includes the Early Tender Payment. Holders who tender their Notes after the Early Tender Date and at or prior to 12:00 midnight, New York City time, on December 20, 2004 (the "Expiration Date") will receive the applicable Tender Offer Consideration (as set forth in the table below), but will not receive the Early Tender Payment.

<u>Title of Security</u>	<u>Issuer</u>	<u>Reference Security</u>	<u>Reference Yield</u>	<u>Fixed Spread</u>	<u>Tender Offer Yield</u> ⁽¹⁾	<u>Total Consideration</u> ⁽²⁾	<u>Early Tender Payment</u> ⁽²⁾	<u>Tender Offer Consideration</u> ⁽²⁾
8-1/8% Notes due 2005	TIG	1-5/8% U.S.T. due 3/31/05	2.277%	0.35%	2.627%	\$1,017.14	\$40.00	\$977.14
7-3/8% Notes due 2006	Fairfax	1-5/8% U.S.T. due 2/28/06	2.732%	0.50%	3.232%	\$1,049.63	\$40.00	\$1,009.63
6-7/8% Notes due 2008	Fairfax	2-5/8% U.S.T. due 5/15/08	3.284%	1.25%	4.534%	\$1,071.25	\$40.00	\$1,031.25

- (1) Based on the specified fixed spread for that series over the yield of the applicable reference U.S. Treasury security.
- (2) Per \$1,000 principal amount of Notes that is accepted for purchase.

The settlement date for the Offer is expected to be December 21, 2004. Holders whose Notes are validly tendered and accepted for purchase will receive accrued and unpaid interest from the last interest payment date to but not including the settlement date.

The complete terms and conditions of the Offer are set forth in the Offer to Purchase dated November 18, 2004.

Banc of America Securities is the exclusive dealer manager for the Offer. Questions regarding the Offer may be directed to Banc of America Securities LLC, High Yield Special Products, at 888-292-0070 (U.S. toll-free) and 704-388-4813 (collect). Copies of the Offer to Purchase and Letter of Transmittal may be obtained from the Information Agent for the Offer, D.F. King & Co., Inc., at 800-859-8509 (U.S. toll-free) and 212-269-5550 (collect).

This press release is neither an offer to purchase, nor a solicitation for acceptance of the Offer. Fairfax is making the Offer only by, and pursuant to the terms of, the Offer to Purchase.

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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