

FAIRFAX
News Release
Stock Symbol: FFH

NOT TO BE DISTRIBUTED OVER U.S. WIRE SERVICES
TORONTO, March 23, 1998

UNDERWRITERS EXERCISE OVER-ALLOTMENT OPTION

Fairfax Financial Holdings Limited announces that its underwriters have exercised their full over-allotment option under the underwriting agreement announced on March 18, 1998. As a result, the underwriting agreement is for a private placement from treasury of 1,000,000 subordinate voting shares of the Company at a price per subordinate voting share of \$475.00. The offering will realize proceeds for Fairfax, after commissions and expenses of issue, of approximately \$455.6 million. Closing of this private placement is scheduled for April 3, 1998.

The offering is being underwritten by a syndicate led by CIBC Wood Gundy Securities Inc. and including Nesbitt Burns Inc., ScotiaMcLeod Inc., RBC Dominion Securities Inc., TD Securities Inc., Deutsche Morgan Grenfell Canada Limited, First Marathon Securities Limited, Midland Walwyn Capital Inc. and Newcrest Capital Inc. The completion of the offering is subject to usual formal documentation and regulatory approvals.

The proceeds from this offering, together with proceeds from a proposed issue of long term debt, will be used to finance the Company's recently announced acquisition of Crum & Forster Holdings, Inc. This acquisition, which is subject to various conditions, is contemplated to close in the fall of 1998. Any proceeds not used for this acquisition will be used for general corporate purposes.

These securities have not been and will not be registered under U.S. securities laws and may not be offered or sold within the United States or to a U.S. person absent registration or an applicable exemption therefrom.

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

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