

FAIRFAX News Release

Stock Symbol: FFH

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FAIRFAX'S SUBSIDIARY SPHERE DRAKE COMMENCES ACTION IN THE UNITED KINGDOM

Fairfax Financial Holdings Limited reported today that the previously announced lawsuit brought by its subsidiary, Sphere Drake Insurance Limited (formerly Odyssey Re London), in the Federal District Court in New York City was dismissed yesterday primarily on the basis that the United Kingdom was a more convenient forum. Consequently, Sphere Drake has filed an action in the United Kingdom today respecting the allegations in the dismissed lawsuit.

As stated previously, Fairfax believes that the likely ultimate liability in respect of the reinsurance contracts in dispute will not be material to Fairfax.

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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