

News Release regarding FAIRFAX

Stock Symbol: FFH

TORONTO, September 25, 2002

PREM WATSA AND OTHER DIRECTORS AND OFFICERS PURCHASE 134,935 ADDITIONAL OUTSTANDING SHARES OF FAIRFAX FINANCIAL HOLDINGS

V. Prem Watsa, the CEO and controlling shareholder of Fairfax Financial Holdings Limited (“Fairfax”), has purchased 84,600 additional subordinate voting shares of Fairfax on the Toronto Stock Exchange. At the same time, other directors and officers (including Winslow Bennett, Anthony Griffiths, Robbert Hartog, Trevor Ambridge, Francis Chou and Eric Salsberg) have purchased an aggregate of an additional 50,335 subordinate voting shares of Fairfax on the Toronto Stock Exchange. Fairfax is not providing any financing for these share purchases.

As a result of this purchase Mr. Watsa (including through his control of The Sixty Two Investment Company Limited, whose shareholdings of 1,548,000 multiple voting shares and 50,620 subordinate voting shares of Fairfax did not change as a result of this purchase) beneficially owns all of the 1,548,000 outstanding multiple voting shares of Fairfax (which are convertible at any time on a one for one basis into subordinate voting shares of Fairfax) and 278,074 of the 13,391,918 outstanding subordinate voting shares of Fairfax (12.2% of the subordinate voting shares assuming conversion of the multiple voting shares), which together represent 54.6% of the total votes attached to all shares of the company. (Mr. Watsa also exercises control over 2,100 subordinate voting shares of Fairfax which he does not own.)

These purchases were made for investment purposes. Mr. Watsa may make further purchases of Fairfax securities in accordance with applicable laws.

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