

FAIRFAX *News Release*

TSX Stock Symbol: FFH and FFH.U

TORONTO, May 19, 2011

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FAIRFAX LAUNCHES \$400 MILLION SENIOR NOTES OFFERING
(Note: All dollar amounts in this press release are expressed in Canadian dollars.)

Fairfax Financial Holdings Limited (TSX: FFH and FFH.U) announces that it intends to offer \$400 million in aggregate principal amount of 6.40% Senior Notes due 2021.

The Senior Notes will be offered through a syndicate of dealers to be led by BMO Capital Markets, CIBC World Markets, RBC Capital Markets and Scotia Capital, that includes TD Securities, Cormark Securities and GMP Securities. The Senior Notes will be unsecured obligations of Fairfax and will pay a fixed rate of interest of 6.40% per annum. Fairfax intends to use the net proceeds of the proposed offering primarily to purchase additional notes tendered under its previously announced tender offer for existing notes issued by Fairfax and its subsidiaries.

Fairfax intends to file a prospectus supplement to its short form base shelf prospectus dated December 10, 2010 in respect of this offering with the applicable Canadian securities regulatory authorities. Details of this offering will be set out in the prospectus supplement which will be available on the SEDAR website for the Company at www.sedar.com.

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. This press release is not an offer of securities for sale in the United States, and the securities may not be offered or sold in the United States absent registration or an exemption from registration. The securities have not been and will not be registered under the United States Securities Act of 1933.

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

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