

FAIRFAX *News Release*

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

TORONTO, November 18, 2004

FAIRFAX ANNOUNCES CASH TENDER OFFER FOR DEBT SECURITIES

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

Fairfax Financial Holdings Limited ("Fairfax") today announced that it has commenced a tender offer (the "Offer") for certain of the outstanding debt securities (the "Notes") of Fairfax and its wholly-owned subsidiary, TIG Holdings, Inc. ("TIG"), for up to \$150 million in cash.

In order to receive the applicable total consideration, including the early tender payment, holders must validly tender and not withdraw their Notes by 5:00 p.m., New York City time, on Thursday, December 2, 2004 (the "Early Tender Date"). Holders who tender Notes after the Early Tender Date will not receive the early tender payment.

The total consideration for each series of Notes will be based on a specified fixed spread for that series over the yield of the reference U.S. Treasury security for that series (or, in the case of the 8.597% Capital Securities, a fixed price).

The table below shows each series of Notes included in the Offer as well as the applicable fixed spread or price, reference security and early tender payment for each series.

<u>Title of Security</u>	<u>Issuer</u>	<u>Principal Amount Outstanding</u>	<u>Acceptance Priority Level</u>	<u>Early Tender Payment ⁽¹⁾</u>	<u>Reference Security</u>	<u>Fixed Spread⁽²⁾/ Price⁽¹⁾</u>
8-1/8% Notes due 2005	TIG	\$38,584,000	1	\$40.00	1-5/8% U.S.T. due 3/31/05	35 bp
7-3/8% Notes due 2006	Fairfax	\$130,274,000	2	\$40.00	1-5/8% U.S.T. due 2/28/06	50 bp
6-7/8% Notes due 2008	Fairfax	\$99,225,000	3	\$40.00	2-5/8% U.S.T. due 5/15/08	125 bp
8.597% Capital Securities due 2027	TIG	\$56,813,000	4	\$40.00	--	\$850.00

(1) Per \$1,000 principal amount of Notes that is accepted for purchase.

(2) The total consideration is calculated with reference to the indicated fixed spread or price and is payable in cash. The total consideration, payable to holders who tender prior to the Early Tender Date, includes the early tender payment.

The Offer will expire at 12:00 midnight, New York City time, on Monday, December 20, 2004, unless extended or earlier terminated by Fairfax. Tendered Notes may not be withdrawn after 5:00 p.m., New York City time, on Thursday, December 2, 2004, unless extended by Fairfax.

Accrued interest up to, but not including, the settlement date will be paid in cash on all validly tendered and accepted Notes. The settlement date is expected to be promptly after the expiration date. The price determination date will be Tuesday, December 7, unless extended by Fairfax.

In the event that the Offer is oversubscribed, tenders of Notes will be subject to proration. Fairfax will accept tendered Notes of each series according to the "Acceptance Priority Level" for that series specified in the table above. All Notes having a higher Acceptance Priority Level will be accepted for purchase before any tendered Notes having a lower Acceptance Priority Level are accepted. Therefore, all tendered Notes having Acceptance Priority Level "1" will be accepted before any tendered Notes having Acceptance Priority Level "2" will be accepted, and so on. For a particular series of Notes that has some, but not all, tendered Notes accepted, tenders of Notes of that series will be accepted on a pro rata basis according to the principal amount tendered.

The complete terms and conditions of the Offer are set forth in the Offer to Purchase dated November 18, 2004, which is being sent to holders of Notes. Holders are urged to read the tender offer documents carefully.

The Offer is subject to the satisfaction or waiver of certain conditions, including the closing of Fairfax's previously-announced issuance of \$300 million of subordinate voting shares to certain institutional investors. The Offer is not conditioned on any minimum amount of Notes being tendered.

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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