

FAIRFAX *News Release*

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

TORONTO, December 1, 2004

FAIRFAX ANNOUNCES U.S. DEBT OFFERING

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

Fairfax Financial Holdings Limited announces that it is offering \$150 million of its 7¾% Senior Notes due 2012. The closing of this debt financing is conditional upon the closing of its \$300 million equity financing announced October 28, 2004 and the closing of its debt tender offer announced on November 18, 2004.

Fairfax will use the net proceeds from this offering to purchase debt accepted for purchase pursuant to its tender offer announced on November 18, 2004 and, to the extent that there are net proceeds remaining, Fairfax intends to purchase its outstanding debt from time to time. To the extent that Fairfax is unable to purchase its outstanding debt at reasonable prices, the proceeds will be used for general corporate purposes.

Banc of America Securities LLC is acting as sole book-running manager for this offering. A copy of the preliminary prospectus supplement and related base shelf prospectus may be obtained from Banc of America Securities LLC, Prospectus Department, 100 West 33rd Street, New York, NY 10001, Phone: (646) 733-4166.

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.

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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