

FAIRFAX *News Release*

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

TORONTO, August 2, 2005

FAIRFAX ANNOUNCES THE SALE OF ZENITH NATIONAL INSURANCE SHARES

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

Fairfax Financial Holdings Limited (TSX: FFH.SV) (NYSE: FFH) announced today that certain of its U.S. subsidiaries have sold an aggregate of 2,000,000 shares of Zenith National Insurance Corp. (NYSE: ZNT) common stock to Wachovia Securities at a net price of \$66 per share. Net proceeds from the transaction will be \$132 million resulting in a pre-tax realized gain of approximately \$79 million.

Following the completion of this trade, Fairfax will continue to hold approximately 3.9 million shares, or approximately 16%, of Zenith common stock, on a fully diluted basis.

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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