

FAIRFAX *News Release*

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

TORONTO, December 28, 2005

FAIRMONT AND TIG TRANSACTIONS

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

Fairfax Financial Holdings Limited (TSX:FFH.SV) (NYSE:FFH) announces the following transactions:

- Effective January 1, 2006, the business of Fairmont Specialty Group, under the continuing leadership of Marc Adee, will be carried on as the Fairmont Specialty division of Crum & Forster, thereby giving the Fairmont Specialty business access to the ratings and organizational strength of Crum & Forster.
- The \$100 million note payable by Fairfax to TIG Insurance Company has been increased to incorporate \$22.5 million of additional amounts owing, and its maturity date has been extended one year to June 30, 2007.
- The trust established for the benefit of TIG Insurance Company at the commencement of TIG's runoff in December 2002 has been terminated and the assets in the trust have been released. As a result of this release and other intra-group transfers, 43.6 million of Fairfax's 55.5 million shares of Odyssey Re Holdings are held outside regulated insurance companies.

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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