

FAIRFAX *News Release*

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

TORONTO, January 17, 2006

FAIRFAX ANNOUNCES ACQUISITION OF SFK PULP FUND UNITS

(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 it has acquired, through a wholly owned subsidiary, 500,000 units of SFK Pulp Fund, bringing its total holdings in the Fund to 6,368,500 units or approximately 10.7% of the total units outstanding. The units were purchased through the facilities of the Toronto Stock Exchange for investment purposes. Fairfax continually reviews its investment alternatives and may purchase additional SFK Pulp Fund units from time to time in accordance with applicable laws.

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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