

FAIRFAX *News Release*

Stock Symbol: FFH (TSX and NYSE)
TORONTO, September 22, 2006

FAIRFAX ANNOUNCES FURTHER PURCHASE OF SFK PULP FUND UNITS

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

Fairfax Financial Holdings Limited (TSX and NYSE: FFH) announced today that it has purchased, in the investment portfolio of an insurance subsidiary, an additional 1,049,600 units of SFK Pulp Fund, bringing its total holdings in the Fund to 9,415,100 units or approximately 15.9% of the total units outstanding. Fairfax also purchased, in the investment portfolio of an insurance subsidiary, 900,000 subscription receipts which entitle the holder to receive one unit for each subscription receipt upon the closing of SFK Pulp Fund's mill acquisitions. The units and subscription receipts were purchased through the facilities of the Toronto Stock Exchange for investment purposes.

Fairfax previously acquired 800,000 subscription receipts and \$6.0 million of convertible debentures of SFK Pulp Fund (which may be converted into 1,250,000 units upon closing of the mill acquisitions), in the investment portfolio of an insurance subsidiary, pursuant to SFK Pulp Fund's public offering which closed on September 7, 2006.

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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