Fairfax Africa Holdings Corporation *News Release*

TSX Stock Symbol: FAH.U

TORONTO, August 2, 2018

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SECOND QUARTER FINANCIAL RESULTS

(Note: All dollar amounts in this news release are expressed in U.S. dollars except as otherwise noted. The financial results are prepared using the recognition and measurement requirements of International Financial Reporting Standards except as otherwise noted, and are unaudited.)

Fairfax Africa Holdings Corporation (TSX: FAH.U) announces a net loss of $41.8 million in the second quarter of 2018 ($0.80 net loss per diluted share), compared to net earnings of $3.8 million in the second quarter of 2017 ($0.07 net earnings per diluted share), reflecting net unrealized losses on investments and net foreign exchange losses.

Highlights in the second quarter of 2018 included the following:

- On June 18, 2018 the company completed a public offering and raised gross proceeds of $150.7 million (net proceeds of $148.3 million after commission and expenses) through the issuance of 12,300,000 subordinate voting shares at a price of $12.25 per share. Fairfax Financial participated in the public offering and purchased, directly or through its affiliates, 4,100,000 subordinate voting shares for $50.2 million.
- On May 28, 2018 the company entered into a second secured lending arrangement with Philafrica Foods, a subsidiary of AFGRI, pursuant to which the company provided Philafrica with an additional $13.2 million (170 million South African rand) credit facility for a total loan facility to Philafrica of $41.2 million (500 million South African rand). The loans were made in advance of a 500 million South African rand rights issue to existing AFGRI shareholders, which is expected to close during the third quarter.
- On May 18, 2018 the company entered into a secured lending arrangement with Consolidated Infrastructure Group that provided CIG with a $23.3 million (300 million South African Rand) convertible facility that can be converted into a maximum of 57.7 million CIG ordinary shares at a price per share of 5.20 South African rand, representing 29.4% of the current outstanding CIG shares. CIG will use the proceeds from the convertible facility to fund their operations.
- On May 18, 2018 the company entered into an agreement with CIG regarding a $62.8 million (800 million South African rand) rights offer to CIG shareholders. Subject to CIG shareholder approval of the CIG Rights Offer, existing CIG shareholders will be invited to participate on a pro rata basis in the non-renounceable CIG Rights Offer for 200,000,000 CIG ordinary shares at a price of 4.00 South African rand per share. Fairfax Africa will acquire any shares not taken up by existing CIG shareholders and as a result Fairfax Africa will earn a fee equal to 2.5% of the CIG Rights Offer or $1.6 million (20 million South African rand).
- On May 18, 2018 in conjunction with the CIG convertible facility and rights issue underwriting, Fairfax Africa entered into a secured lending agreement with PGR2 Investments, the largest shareholder of CIG. The company provided PGR2 Investments with financing of $20.4 million (260 million South African rand) which is secured by CIG ordinary shares held by PGR2 Investments and associated parties.

- On April 24, 2018 Fairfax Africa entered into a placing agreement with Atlas Mara, pursuant to which the company purchased $16.0 million in secured bonds maturing on April 24, 2020. The company's investment represented an anchor investment in connection with a debt fundraising by Atlas Mara.
- At June 30, 2018 common shareholders' equity was $664.2 million, or $10.56 per share, compared to $516.7 million, or $10.21 per share, at December 31, 2017, an increase of 3.4% per share.

Subsequent to June 30, 2018:

- In July, 2018 the company amended the terms of the placing agreement with Atlas Mara to provide an additional $20 million in funding, maintaining Fairfax Africa's position as an anchor investor.
- Effective August 2, 2018, Louis von Zeuner has resigned from the Company's board of directors to focus on his board appointments in South Africa. Mr. von Zeuner will remain as a director of AFGRI. We thank Mr. von Zeuner for his excellent contribution and wish him well in his future endeavours.
- Effective August 3, 2018 Guy Bentinck will become Senior Vice President, Corporate Development, while continuing to assist as the company's liaison with the financial community. The office of Chief Financial Officer is being assumed by Jennifer Allen, who serves as Chief Financial Officer of Fairfax India and as a Vice President of Fairfax Financial.

There were 52.4 million and 50.6 million weighted average shares outstanding during the second quarter of 2018 and 2017, respectively. At June 30, 2018 there were 32.9 million subordinate voting shares and 30 million multiple voting shares outstanding.

Fairfax Africa's detailed second quarter report can be accessed at its website *www.fairfaxafrica.ca*.

Fairfax Africa is an investment holding company whose investment objective is to achieve long-term capital appreciation, while preserving capital, by investing in public and private equity securities and debt instruments in Africa and African businesses or other businesses with customers, suppliers or business primarily conducted in, or dependent on, Africa.

For further information, contact: Guy Bentinck, Chief Financial Officer and Corporate Secretary
(416) 646-4181

This press release may contain forward-looking information within the meaning of applicable securities legislation. Forward-looking statements may relate to the company's future outlook and anticipated events or results and may include statements regarding the financial position, business strategy, growth strategy, budgets, operations, financial results, taxes, dividends, plans and objectives of the company. Particularly, statements regarding future results, performance, achievements, prospects or opportunities of the company or the African market are forward-looking statements. In some cases, forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate" or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might", "will" or "will be taken", "occur" or "be achieved".

Forward-looking statements are based on the opinions and estimates of the company as of the date of this press release, and they are subject to known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking statements, including but not limited to the following factors: taxation of the company and its subsidiaries; substantial loss of capital; long-term nature of investment; limited number of investments; geographic concentration of investments; potential lack of diversification; financial market fluctuations; pace of completing investments; control or significant influence position risk; minority investments; ranking of company investments and structural subordination; follow-on investments; prepayments of debt investments; risks upon dispositions of investments; bridge financings; reliance on key personnel; effect of fees; performance fee could induce Fairfax to make speculative investments; operating and financial risks of investments; allocation of personnel; potential conflicts of interest; employee misconduct at the portfolio advisor could harm the company; valuation methodologies involve subjective judgments; lawsuits; foreign currency fluctuation; derivative risks; unknown merits and risks of future investments; resources could be wasted in researching investment opportunities that are not ultimately completed; investments may be made in foreign private businesses where information is unreliable or unavailable; illiquidity of investments; competitive market for investment opportunities; use of leverage; investing in leveraged businesses; regulation; investment and repatriation restrictions; aggregation restrictions; restrictions relating to debt securities; pricing guidelines; emerging markets; corporate disclosure, governance and regulatory requirements; legal and regulatory risks; volatility of the African securities markets; political, economic, social and other factors; governance issues risk; African tax law; changes in law; exposure to permanent establishment; enforcement of rights; smaller company risk; due diligence and conduct of potential investment entities; African economic risk; reliance on trading partners risk; natural disaster risks; government debt risk; and economic risk. Additional risks and uncertainties are described in the company's annual information form dated March 9, 2018 which is available on SEDAR at www.sedar.com and on the company's website at www.fairfaxafrica.ca. These factors and assumptions are not intended to represent a complete list of the factors and assumptions that could affect the company. These factors and assumptions, however, should be considered carefully.

Although the company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The company does not undertake to update any forward-looking statements contained herein, except as required by applicable securities laws.