

FAIRFAX CAPITAL INC.

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NEWS RELEASE

Fairfax Subsidiary signs Letter of Intent with Viterra

Vancouver, B.C. February 12, 2008 – **Fairfax Capital Inc. (TSXV: FFX)** is pleased to announce that a Letter of Intent has been executed with Saskatchewan Wheat Pool Inc. (dba Viterra) to proceed with installation of its patented Ocean Water Heat Exchanger at Viterra's Cascadia grain handling facility in Vancouver, B.C. The proposed installation will be carried out by the Company's wholly owned subsidiary, Free Energy Solutions Inc., subject to engineering review by Viterra and final agreement. Free Energy is excited to work with Viterra and both parties are looking forward to installation of this innovative technology and the development of its full potential.

The proprietary Free Energy Ocean Water Heat Exchanger model OWHX360 has been designed by the Free Energy engineering group to work reliably in working environments with high levels of particulates in the air, giving it a significant advantage over conventional commercial HVAC equipment. The system is planned to replace existing HVAC equipment located at Viterra's Cascadia grain handling facility located in Burrard Inlet, Vancouver, BC.

The OWHX360 heat exchanger uses the Free Energy super conducting technology to transfer heat from the HVAC system used to cool the critical areas in the mechanical plant into the nearby Pacific Ocean without having to pump ocean water. The OWHX solves the issue of particulate ambient air supply (in this case grain dust) around the HVAC equipment and also the issues associated with pumping ocean water for space conditioning. The Free Energy OWHX360 has the capacity to transfer heat at a rate 360,000 BTU per hour into the ocean allowing for efficient and trouble free operation of the HVAC equipment while providing both heating and cooling.

The OWHX Free Energy heat exchanger will also be protected from the harsh ocean environment with our proprietary cathodic protection system to allow trouble-free ocean installation for 25 years and more.

About Viterra

Viterra is Canada's premier agribusiness built on the foundation of Saskatchewan Wheat Pool Inc. and Agricore United. The new company has extensive operations and distribution capabilities across Canada and in the United States and Japan. Viterra is connected to customers at each stage of an integrated supply pipeline that starts with farmers and extends to destination customers around the world.

Well-positioned geographically and with business segment diversity, Viterra serves its customers with a wide range of proprietary seed varieties, fertilizer, equipment, a full line of crop protection products, extensive agronomic and financial services and the largest network of grain handling and marketing facilities in Canada.

Additional information about Viterra and their ventures can be found at www.viterra.ca.

About Free Energy Solutions Inc.

Free Energy is a British Columbia corporation in the renewable energy sector. Free Energy is a 100% subsidiary of Fairfax Capital Inc. Its principal business is developing innovative technologies for the heating and cooling industry based on a new class of thermal superconductors now becoming available on the world market. Its head office and principal place of business is located in Richmond, British Columbia.

Free Energy is in the process of developing a high efficiency condenser that can be used in commercial refrigeration applications, a seawater heat exchanger for large commercial air conditioning systems, and a simple heat exchanger that can be installed in the ground to act as a heat source or heat sink for conventional residential heating and air conditioning systems. Prototypes of its geoheating and geocooling units have already been developed.

Information on the technology can be viewed at the Free Energy website at www.freeenergysolutions.ca.

About Fairfax Capital Inc.

Fairfax is a British Columbia corporation with its head office in Vancouver, British Columbia. Fairfax is listed on the TSX Venture Exchange as a Tier 2 company. Fairfax has a total of 12,657,453 common shares issued and outstanding, of which 7,140,000 shares are subject to escrow arrangements.

Additional information on Free Energy and Fairfax may be found in the Information Circular for the 2007 annual and special general meeting of Fairfax shareholders, which is posted on SEDAR at www.sedar.com.

ON BEHALF OF THE BOARD OF DIRECTORS OF FAIRFAX CAPITAL INC.

“Alf Sanderson”

Alf Sanderson, President

For further information please contact the Company by phone at 604-657-5638 or by email alf@freeenergysolutions.ca

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