

ODYSSEY RE HOLDINGS CORP
 Form 4
 October 17, 2008

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549**

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
FAIRFAX FINANCIAL HOLDINGS LTD/ CAN

(Last) (First) (Middle)

95 WELLINGTON STREET WEST, SUITE 800

(Street)

TORONTO, ONTARIO, A6 M5J 2N7

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
AbitibiBowater Inc. [ABH]

3. Date of Earliest Transaction
 (Month/Day/Year)
10/15/2008

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

___ Director ___X___ 10% Owner
 ___ Officer (give title below) ___ Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)
 ___ Form filed by One Reporting Person
 ___X___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership Indirect Beneficial Ownership (Instr. 4)
				(A) or (D)	Code V Amount (D) Price		

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security	2. Conversion or Exercise	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any	4. Transaction Code	5. Number of Derivative Securities Acquired	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Security (Instr. 3 and 4)
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(Instr. 3)	Price of Derivative Security	(Month/Day/Year)	(Instr. 8) Code	(A) or Disposed of (D) (Instr. 3, 4, and 5)	Date Exercisable	Expiration Date	Title	Am Num Sha
8.0% Convertible Notes due 2013 (?Notes?)	<u>(1)</u>	10/15/2008	J ⁽²⁾	\$ 2,694,444 <u>(5)</u>	10/15/2008	<u>(3)</u>	Common Stock, \$1.00 par value (?Shares?)	2
8.0% Convertible Notes due 2013	<u>(1)</u>	10/15/2008	J ⁽²⁾	\$ 16,166,666 <u>(5)</u>	10/15/2008	<u>(3)</u>	Common Stock, \$1.00 par value	1,6

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
FAIRFAX FINANCIAL HOLDINGS LTD/ CAN 95 WELLINGTON STREET WEST SUITE 800 TORONTO, ONTARIO, A6 M5J 2N7		X		
WATSA V PREM ET AL 95 WELLINGTON STREET WEST SUITE 800 TORONTO, ONTARIO, A6 M5J 2N7		X		
1109519 ONTARIO LTD 95 WELLINGTON STREET WEST SUITE 800 TORONTO, ONTARIO, A6 M5J 2N7		X		
SIXTY TWO INVESTMENT CO LTD 1600 CATHEDRAL PLACE 925 WEST GEORGIA ST. VANCOUVER, B.C., A1 V6C 3L3		X		
810679 ONTARIO LTD 95 WELLINGTON STREET WEST SUITE 800 TORONTO, ONTARIO, A6 M5J 2N7		X		
TIG INSURANCE CO 250 COMMERCIAL STREET SUITE 5000 MANCHESTER, NH 03101		X		
		X		

NORTH RIVER INSURANCE CO
305 MADISON AVENUE
MORRISTOWN, NJ 07962

ODYSSEY RE HOLDINGS CORP
300 FIRST STAMFORD PLACE X
STAMFORD, CT 06902

ODYSSEY AMERICA REINSURANCE CORP
300 FIRST STAMFORD PLACE X
STAMFORD, CT 06902

Signatures

/s/ Paul Rivett, Vice President	10/17/2008
**Signature of Reporting Person	Date
/s/ V. Prem Watsa	10/17/2008
**Signature of Reporting Person	Date
/s/ V. Prem Watsa, President	10/17/2008
**Signature of Reporting Person	Date
/s/ V. Prem Watsa, President	10/17/2008
**Signature of Reporting Person	Date
/s/ V. Prem Watsa, President	10/17/2008
**Signature of Reporting Person	Date
/s/ Nicholas C. Bentley, President and Chief Executive Officer	10/17/2008
**Signature of Reporting Person	Date
/s/ Paul Bassaline, Vice President	10/17/2008
**Signature of Reporting Person	Date
/s/ Donald L. Smith, Senior Vice President	10/17/2008
**Signature of Reporting Person	Date
/s/ Donald L. Smith, Senior Vice President	10/17/2008
**Signature of Reporting Person	Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
 - ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) The Notes are convertible into Shares based on an initial conversion rate of 100 Shares per \$1,000 principal amount of Notes (equivalent to an initial conversion price of \$10.00 per Share), subject to adjustment under certain circumstances.
 - (2) Pursuant to the terms of the Notes, AbitibiBowater Inc. elected to pay interest on the Notes on the 10/15/2008 interest payment date entirely by increasing the principal amount of the Notes in lieu of paying cash interest on the Notes.
 - (3) The Notes are convertible into Shares at the option of the holder thereof at any time prior to the close of business on the business day immediately preceding 04/15/2013, the maturity date of the Notes.
 - (4) Approximately \$105.4 million aggregate principal amount of Notes is held by Odyssey America Reinsurance Corporation, \$79.0 million aggregate principal amount of Notes is held by The North River Insurance Company, \$52.7 million aggregate principal amount of Notes is held by TIG Insurance Company, \$33.7 million aggregate principal amount of Notes is held by Lombard General Insurance Company of Canada, \$18.4 million aggregate principal amount of Notes is held by Commonwealth Insurance Company, \$11.9 million aggregate

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principal amount of Notes is held by Markel Insurance Company of Canada, \$6.5 million aggregate principal amount of Notes is held by Federated Insurance Company of Canada, \$5.3 million aggregate principal amount of Notes is held by Lombard Insurance Company and \$3.2 million aggregate principal amount of Notes is held by pension plans of certain subsidiaries of Fairfax Financial Holdings Limited.

(5) Aggregate principal amount of Notes.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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