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FOR: KINGSWAY FINANCIAL SERVICES INC.

TSE SYMBOL: KFS

AUGUST 28, 1997

Kingsway Completes \$9.8 Million Sale Of Over Allotment Shares

TORONTO, ONTARIO--KINGSWAY FINANCIAL SERVICES INC. announced today that it has completed the sale from treasury of 400,000 common shares for gross proceeds of \$9,800,000. The sale is pursuant to the full exercise of an over-allotment option in connection with its public offering of 8,018,180 common shares for gross proceeds of \$196,445,410 completed on Monday, August 25, 1997. The over-allotment common shares were sold at a price of \$24.50 per share and net proceeds to the Company from the sale were \$9,408,000. First Marathon Securities Limited, CIBC Wood Gundy Securities Inc., ScotiaMcLeod Inc. and HSBC James Capel Canada Inc. acted as underwriters for the offering and the exercise of the over-allotment option.

The estimated net proceeds to the Company will be utilized to fund future acquisitions and to increase the regulatory capital of certain of its insurance operations. The balance of the net proceeds are intended to be used for general corporate purposes.

The common shares at the Company are listed on The Toronto Stock Exchange under the symbol "KFS".

The Company, through its subsidiaries, Kingsway General Insurance Company, York Fire & Casualty Insurance Company and Jevco Insurance Company operates in the property and casualty insurance business in Canada.

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FOR FURTHER INFORMATION PLEASE CONTACT:

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INDUSTRY: FIS  
SUBJECT: STK

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