
An Experienced Management Team



James W. Buckee was appointed President and Chief Executive Officer of Talisman Energy Inc. (formerly BP Canada Inc.) in May 1993. Dr. Buckee has been with the Company and its predecessor for 28 years and is responsible for leading the development and execution of the Company's long-term strategy with a view to creating shareholder value.



Michael D. McDonald is Executive Vice-President, Finance and Chief Financial Officer. Mr. McDonald has 23 years experience with the Company and has held positions of progressively increasing responsibility in the Company. He is currently responsible for the Company's global Financial Reporting, Treasury, Tax and Accounting functions.



Ronald J. Eckhardt is Executive Vice-President, North American Operations. Mr. Eckhardt has 19 years' experience with the Company and is responsible for all of Talisman's development and production operations in Canada and the lower 48 states.



Robert M. Redgate is Executive Vice-President, Corporate Services. Mr. Redgate has been with the Company for 27 years. His responsibilities include Information Systems, Materials and Contracts, Health, Safety and Environmental Affairs, Security, Facilities Administration and Human Resources.



T. Nigel D. Hares is Executive Vice-President, Frontier and International Operations. Over the past 10 years, Mr. Hares has led Talisman's international operations making the company the largest Canadian based international producer.



M. Jacqueline Sheppard is Executive Vice-President, Corporate and Legal, and Corporate Secretary. Ms. Sheppard joined Talisman in 1993 and is responsible for the Company's worldwide legal affairs, corporate projects and acquisitions and is Secretary to the Board. Corporate Communications, Investor Relations and Corporate Social Responsibility are also her responsibilities.



Joseph E. Horler is Executive Vice-President, Marketing. Mr. Horler has been with the Company for 18 years and is responsible for marketing Talisman's global natural gas, crude oil, sulphur and natural gas liquids production.



John 't Hart is Executive Vice-President, Exploration. He joined the Company in 1978. Dr. 't Hart is responsible for Talisman's global exploration program.

Corporate Governance



Talisman has a firm commitment to sound principles of corporate governance.

Talisman's corporate governance practices satisfy all the existing guidelines for effective corporate governance established by the Toronto Stock Exchange ("TSX"), all of the New York Stock Exchange ("NYSE") corporate governance listing standards applicable to non-US companies and substantially all of the NYSE corporate governance listing standards applicable to US companies. Talisman's corporate governance practices also satisfy the proposed Canadian corporate governance and best practices rules.

Board of Directors

Talisman's Board of Directors sees its principal role as stewardship of the Company and its fundamental objective as the creation of shareholder value, including the protection and enhancement of the value of the Company's assets. The Board oversees the conduct of the business and management, which is responsible for developing long-term strategy and conducting the Company's day-to-day business.

Among its duties, the Board ensures systems are in place to manage the risks and through the Chief Executive Officer, sets the attitude and disposition of the Company towards regulatory compliance, environmental, safety and health policies, financial practices and reporting.

Independence of the Board

In full compliance with the TSX recommendations and the NYSE corporate governance listing standards, all members of Talisman's Board are unrelated and independent of management, except for the President and Chief Executive Officer. The composition of the Board, including the independence of the Chairman and his specified role, ensures that Talisman's Board has appropriate structures and procedures in place to ensure that the Board can function independently of management. All committees of the Board of Directors are composed entirely of unrelated, independent directors with the exception of the Executive Committee and the Pension Funds Committee, the majority of whose members are unrelated and independent.

Stock exchange and regulatory compliance

With respect to the NYSE corporate governance listing standards, Talisman's corporate governance practices differ significantly in only two respects from those applicable to US companies. First, the NYSE listing standards require that the Audit Committee charter specify that the Audit Committee assist the Board of Directors in its oversight of Talisman's compliance with legal and regulatory requirements. Talisman's Board oversees Talisman's compliance with legal and

Corporate Governance at Talisman

A full description of Talisman's approach to corporate governance can be found in Schedule A to the Company's 2005 Management Proxy Circular.

Mandates of Talisman's Board, its committees, the Chairman and the Chief Executive Officer may be obtained from the Company website at www.talisman-energy.com.

regulatory requirements and this responsibility is included in the Board's Terms of Reference. Each of the Board committees assists the Board in its oversight of Talisman's compliance with legal and regulatory requirements in each of their areas of responsibility. Secondly, the NYSE listing standards require shareholder approval of all equity compensation plans and any material revisions to such plans, regardless of whether the securities to be delivered under such plans are newly issued or purchased on the open market, subject to a few limited exceptions. In contrast, the TSX rules require shareholder approval of equity compensation plans only when such plans involve newly issued securities. Equity compensation plans that do not provide for a fixed maximum number of securities to be issued must have a rolling maximum number of securities to be issued based on a fixed percentage of the issuer's outstanding securities and must also be approved by shareholders every three years. If the plan provides a procedure for its amendment, the TSX rules require shareholder approval of amendments only where the amendment involves a reduction in the exercise price or an extension of the term of options held by insiders.

Talisman either satisfies the requirements of the Multilateral Instrument 58-101 and Multilateral Policy 58-102 as published on October 29, 2004, or has implemented procedures designed to meet the same governance objectives.

Talisman's Compliance

A list of the existing TSX corporate governance guidelines is set out below. Talisman complies with each guideline.

Talisman's Compliance	TSX Corporate Governance Guidelines
✓ 1	The Board should assume responsibility for the stewardship of the Company, explicitly for:
✓	(a) adoption of a strategic planning process;
✓	(b) identification of the principal risks of the Company's business and ensuring implementation of appropriate systems to manage these risks;
✓	(c) succession planning, including appointing, training and monitoring senior management;
✓	(d) a communications policy; and
✓	(e) the integrity of the Company's internal control and management information systems.
✓ 2	A majority of the Company's Directors should be unrelated.
✓ 3	The Board has responsibility to apply to each individual Director, the definition of "unrelated Director", disclosing on an annual basis the analysis of the application of the principles supporting this conclusion.
✓ 4	The Board of every Company should appoint a committee of Directors composed exclusively of outside, i.e., non-management Directors, a majority of whom are unrelated Directors, with the responsibility for proposing to the Board new nominees to the Board and for assessing Directors on an ongoing basis.
✓ 5	Every Board of Directors should implement a process to be carried out by the nominating committee or other appropriate committee, for assessing the effectiveness of the Board as a whole, its Committees and the contribution of individual Directors.
✓ 6	The Company should provide an orientation and education program for new Board members.
✓ 7	The Board should examine its size and undertake where appropriate, a program to reduce the number of Directors to a number which facilitates more effective decision-making.
✓ 8	The Board should review the adequacy and form of the compensation of Directors and ensure the compensation realistically reflects the responsibilities and risk involved in being an effective director.
✓ 9	Committees of the Board of Directors should generally be composed of outside Directors, a majority of whom are unrelated Directors, although some Board committees may include one or more inside Directors.
✓ 10	The Board should assume responsibility for, or assign to a committee of Directors, the general responsibility for developing the Company's approach to governance issues. This Committee would, amongst other things, be responsible for the Company's response to these governance guidelines.
✓ 11	The Board, together with the CEO, should develop position descriptions for the Board and for the CEO, involving the definition of the limits to management's responsibilities. In addition, the Board should approve or develop the corporate objectives that the CEO is responsible for meeting.
✓ 12	The Board of Directors should have in place appropriate structures and procedures to ensure that it can function independently of management. An appropriate structure would be to (i) appoint a chair of the Board who is not a member of management with responsibility to ensure the Board discharges its responsibilities or (ii) adopt alternate means such as assigning this responsibility to a committee of the Board or to a Director, sometimes referred to as the "lead Director". Appropriate procedures may involve the Board meeting on a regular basis without management present or may involve expressly assigning the responsibility for administering the Board's relationship to management to a committee of the Board.
✓ 13	The Audit Committee should be composed only of outside Directors. The roles and responsibilities of the Audit Committee should be specifically defined so as to provide appropriate guidance to Audit Committee members as to their duties. The Audit Committee should have a direct communication channel with the internal and external auditors to discuss and review specific issues as appropriate. The Audit Committee duties should include oversight responsibility for management reporting on internal controls. Although it is management's responsibility to design and implement an effective system of internal controls, it is the responsibility of the Audit Committee to ensure that management has done so.
✓ 14	The Board should implement a system that enables an individual Director to engage an outside adviser at the Company's expense in appropriate circumstances. The engagement of the outside advisor should be subject to the approval of an appropriate Committee of the Board.

Credentials. Corporate Responsibility. Sustainable Value Creation.

Talisman maintains high standards in the areas of ethical business conduct, environmental practices and community relations.

At Talisman, the business case for corporate responsibility is clear. Acting responsibly helps the Company avoid risk, improves employee recruitment and retention, creates business opportunities and increases access to capital. We call it sustainable value creation. We think our corporate responsibility **Credentials** speak for themselves. We invite you to read our 2004 Corporate Responsibility Report.

2004 ACCOMPLISHMENTS

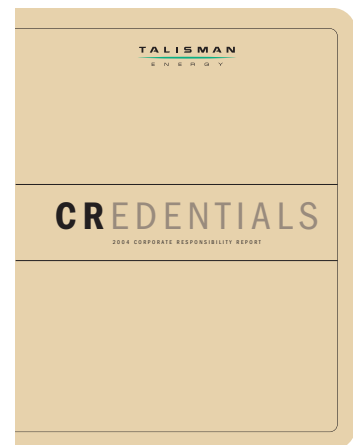
Social Performance

- Confirmed participation in the UN Global Compact.
- Worked with approximately 45,000 Canadian stakeholders, regarding more than 1,345 projects.
- Revised our Security Policy based on the Voluntary Principles on Human Rights and Security.
- Continued refinement of our new project risk assessment process.
- Signed a Memorandum of Understanding with the United Nations Development Program in Trinidad.



Health, Safety and Environmental Performance

- Recorded no fatalities, life-threatening occupational injuries or major environmental incidents at Talisman-operated facilities.
- Constructed a cogeneration facility in Edson, Alberta and began development of an offshore wind farm demonstrator project in the North Sea.
- Continued our ongoing program of routine HSE audits and reviews at Talisman operations worldwide.
- Completed formal Environmental Impact Assessments in support of proposed projects in Trinidad, the UK, Malaysia/Vietnam and the US.
- Received Gold Award from Scotland's Health at Work program, recognizing Talisman (UK)'s commitment to promoting a healthy lifestyle amongst its workers.



You can view Talisman's Corporate Responsibility Report on its website, www.talisman-energy.com or write, phone or email Talisman's executive office in Calgary.