

## TALISMAN ENERGY INC.

December 9, 2010

### **GLOBAL COMMUNITY RELATIONS POLICY**

The Global Community Relations Policy (the “Policy”) defines Talisman's standards for engagement with communities including indigenous and tribal communities (hereafter referred to as “Communities”) residing in the areas of impact related to our projects. It provides direction to Talisman employees and contractors, for the creation of mechanisms which will better enable Talisman to engage with Communities in a consistent and good faith manner, so that their concerns can be voiced and considered in decision-making regarding Talisman activities. Talisman’s philosophy is to work to build trust, understanding and positive working relationships based on an open exchange of information to enable informed decision-making between Talisman and affected Communities. The Policy should be read in conjunction with Talisman’s Policy on Business Conduct and Ethics and the Security Policy.

#### **The Policy promotes an interactive approach to engagement with Communities that:**

Respects the rights and related interests of all Communities and individuals, in a manner consistent with Talisman’s core values and policies, the United Nations Universal Declaration of Human Rights and its public commitment to the Voluntary Principles on Security and Human Rights. Talisman also acknowledges the importance of the United Nations Declaration on the Rights of Indigenous Peoples;

Recognizes cultural diversity and the potentially differing needs and aspirations of different Communities;

Promotes the development of Communities through a sharing of benefits associated with our operations; and

Recognizes the expectations that Communities and individuals have of a corporation: to assess and understand the cultural and economic context in which it is working; to do no harm and to enhance social and economic well-being.

#### **Talisman’s Commitments:**

Consistent with applicable laws and regulatory requirements and recognizing that the authority for Free, Prior and Informed Consent is primarily derived from state domestic law, in engaging with Communities:

Talisman will meet or exceed broadly accepted industry standards for community engagement.

Talisman will incorporate the broad principles of Free, Prior and Informed Consent as interpreted below:

**Free** means that Talisman will not engage in, or facilitate coercion when dealing with communities and partners.

**Prior** means that Talisman will always endeavor to engage in a timely, honest and culturally appropriate way with Communities before undertaking significant activities and at appropriate stages throughout the life of a project.

**Informed** means that Talisman will work to build trust and understanding through an open exchange of information that enables knowledgeable decision-making by Communities.

**Consent** means that Talisman will endeavor to obtain and maintain the support and agreement of Communities for its activities, in ways that are respectful and sensitive to local cultural and consultative processes and to the interests of the Community and Talisman.

Talisman will record feedback and support from the Community for its activities in ways that reflect a process of engagement and objectives agreed upon with the Community in question.

Talisman will assess and address the potential impacts of its activities, both positive and negative, at appropriate stages in the life of its operations.

Talisman also recognizes that Communities often possess a unique body of cultural and environmental knowledge. These traditional and other forms of knowledge, when communicated to Talisman, will form part of Talisman's assessment of the potential impacts of its activities.

For each of its projects, Talisman will ensure that there is a grievance mechanism which is transparent, involves the Communities, and has clear lines of accountability for following through on commitments made by properly designated representatives of the Company.

Talisman will strive to contribute to the sustainable economic and social development aspirations of Communities and to work constructively for outcomes which promote mutual benefits for Communities and Talisman.

## **Supporting the Policy**

Talisman will build the capacity of its employees and contractors to understand and appreciate the diverse indigenous and tribal communities where it works and to incorporate these perspectives into the engagement process.

Talisman will develop clear qualitative and quantitative performance indicators to measure compliance with the objectives specified in this Policy and will report on its performance to the Communities and other stakeholders.

Talisman will develop the guidance, supporting documentation and specialized training needed to ensure that its employees and contractors understand and can fulfill Talisman's commitments under this Policy.

In the interest of continuous improvement Talisman will review this policy at least every three years.

This Policy, along with Talisman's policies on Business Conduct and Ethics, and Security are intended to promote good faith engagement and respect for human rights in our dealings with Communities.

Talisman's responsibilities are bounded by applicable laws and the constitutional arrangements of the states where it conducts its activities. Talisman does not control other actors who may act without its knowledge or clear consent and in ways that Talisman does not intend. However, Talisman will seek to influence others with whom it has a business relationship to act in a manner consistent with this Policy.