

Dear (first name),

The following note is provided to analysts & teams that cover Talisman and will be posted on the Analysts & Investors Section of Talisman's website.

We request all sell-side analysts who cover Talisman to please provide updated estimates for 4Q 2010, FY 2010 & FY 2011 by returning the attached survey by Friday January 21st. We will tally the results received and provide a summary to all respondents on a no-names basis early the following week. The summary of survey results will contain the high/low/average and number of responses received for each of the metrics. This quarter we have added pre-tax estimates and FX for additional granularity.

The company will report its 2010 4Q results on Wednesday February 16th with press release at 3:00 am Calgary time (5:00 am Eastern) and conference call to follow at 11:00 am Calgary time (1:00 pm Eastern).

In addition, we'd like to remind you of the following items which have been previously disclosed by Talisman or are a summation of public information for the third quarter.

Q3 Recap:

- Cash flow for 3Q 2010 of \$727mm and earnings from continuing operations of \$22mm based on commodity prices averaging US\$76.20/bbl for WTI and \$US\$4.41/mmbbtu for North American gas - *3Q 2010 Press Release*
- G&A expense was slightly higher due to additional one time items involving opening offices in Brisbane, Pittsburgh and Houston – *3Q 2010 Financial Statements*
- Cash flow and Net Income sensitivities are provided as an estimation tool for quarter over quarter movements. Please note, that the sensitivities are estimated annualized impacts and exclude the impact of hedging - *3Q 2010 MD&A, Page 13*

Production:

- 2010 full year production is expected to be "around 415,000 boe/d." – *2011 Guidance Conference Call Transcript*
- 2011 full year production is expected to be 5 – 10% above the 415,000 boe/d in 2010 excluding an additional 12,000 – 15,000 boe/d for the Colombia acquisition – *2011 Guidance Conference Call Transcript*

Discontinued Operations/Asset Sales/Acquisitions:

- Husky Energy announced the acquisition of a Talisman North American asset package producing ~11 mboe/d expected to close "in the fall". This package was recorded in Talisman's Q3 2010 discontinued operations – *Husky Energy Press Release September 1, 2010 & 3Q 2010 Financial Statements*
- As the expected close for the BP Colombia acquisition is in January 2011, no production for this asset should be included in 4Q 2010 – *2011 Guidance Conference Call Transcript*

Hedging: The following pages provide a listing of outstanding financial and physical contracts as disclosed on the most recent conference call – *2011 Guidance Conference Call Transcript*

- Please note, three tranches of oil collars were out of the money in all or part of 4Q 2010 based on witnessed spot prices – *3Q 2010 Financial Statements, Note 11*

Current Income Taxes:

- For the second conference call in a row we indicated that current income taxes would be above the \$850 million target provided at the beginning of the year – *2011 Conference Call Transcript*
- Reasons for the higher current taxes are primarily higher oil prices and a \$150 - \$200 million capital under spend in the North Sea which reduces deductions against cash taxes at statutory tax rates of 50% in the UK (fully deductible exploration and development) and 78% in Norway (6 year straight line deductible development and 100% exploration) – *2011 Conference Call Transcript*
- The difference between 2010 and 2011 current taxes will be primarily dependant on the 2011 realised oil price as we expect our regional capital spend profile to be similar, 2011 to 2010 – *2011 Conference Call Transcript*
- Current Production Revenue Tax (PRT) is also highly dependant on North Sea prices and production and offset by capital spend – *Historical financial statements and MD&A*

World Oil Prices (*Source - Bloomberg*): Global oil benchmarks relevant to Talisman were higher in 4Q versus 3Q 2010 (all in USD terms).

- From the Prior Quarter:
 - Canada - 9% up for Edmonton light and 12% up for Western Canadian Select. Note that Canadian differentials widened in the quarter due to Enbridge pipeline shut-ins
 - North Sea - Brent light crude benchmark was up 14% and the differential widened significantly to WTI
 - Indonesia - Minas light crude benchmark was up 16%
 - Malaysia - Tapis benchmark was up 14%
 - Indonesia - Duri heavy crude benchmark, which the majority of Talisman's Indonesian gas production pricing is linked to, saw an increase of 18%
 - Malaysia – Singapore High Sulphur Fuel Oil benchmark, which Malaysian gas production is tied to, saw an increase of 10%
- Talisman's gross revenues are closely correlated to changes in the price of oil as approximately 60% of the company's overall boe production (including most Southeast Asian gas) is sold at prices indexed to a liquids – *May 2010 Investor Open House*
- In addition to benchmark prices, the timing of production liftings can have an impact on realised prices and gross revenues. Please note that inventories remained near historical lows at the end of 3Q 2010. – *3Q 2010 MD&A, Page 3*

North America Gas Prices (*Source - Bloomberg*): Prices for key North American gas benchmarks were mixed 4Q versus 3Q 2010. NYMEX and AECO were down 9% and up 2% respectively (both in C\$ terms). Please note that these prices affect Talisman's North America natural gas volumes only.

Please call your respective analyst if you have any questions about the survey or require clarifications for modeling.

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Talisman Energy Inc.
Hedging Contract Summary (as disclosed in 3Q 2010 MD&A)
4Q 2010

Natural Gas Financial Contracts (Reported under held-for-trading financial instruments)

Benchmark	Contract	Price Floor (\$C/mcf)	Price Ceiling (\$C/mcf)	Volume (mcf/d)	Contract Start	Contract Expiry	Days
AECO	Collar	5.78	7.39	47,410	1-Oct-10	31-Dec-10	92
ICE	Swap	6.73	6.73	17,824	1-Oct-10	31-Dec-10	92
Financial Contracts Average		6.04	7.21	65,234	1-Oct-10	31-Dec-10	92

Benchmark	Contract	Price Floor (\$US/mcf)	Price Ceiling (\$US/mcf)	Volume (mcf/d)	Contract Start	Contract Expiry	Days
NYMEX	Collar	5.90	7.03	95,000	1-Oct-10	31-Dec-10	92

Natural Gas Physical Contracts (Reported under sales revenue)

Benchmark	Contract	Price Floor \$C/mcf	Price Ceiling (\$C/mcf)	Volume (mcf/d)	Contract Start	Contract Expiry	Days
AECO	Swap	3.05	3.05	3,671	1-Oct-10	31-Dec-10	92
AECO	Swap	6.33	6.33	14,223	1-Oct-10	31-Dec-10	92
AECO Swaps Average		5.66	5.66	17,894	1-Oct-10	31-Dec-10	92
AECO	Collar	6.33	7.55	175,417	1-Oct-10	31-Dec-10	92
Physical Contracts Average		6.27	7.37	193,311	1-Oct-10	31-Dec-10	92

4Q 2010 Gas Contracted Volumes				353,545	1-Oct-10	31-Dec-10	92
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Oil Financial Contracts (Reported under held-for-trading financial instruments)

Benchmark	Contract	Price Floor (\$US/bbl)	Price Ceiling (\$US/bbl)	Volume (bbls/d)	Contract Start	Contract Expiry	Days
WTI	Collar	50.20	60.87	22,000	1-Oct-10	31-Dec-10	92
Brent	Collar	49.00	57.79	5,000	1-Oct-10	31-Dec-10	92
Brent	Collar	55.35	85.00	23,000	1-Oct-10	31-Dec-10	92
Brent	Collar	71.72	90.00	25,000	1-Oct-10	31-Dec-10	92
Collars Average		58.87	77.77	75,000	1-Oct-10	31-Dec-10	92
Financial Contracts Average		58.87	77.77	75,000	1-Oct-10	31-Dec-10	92

4Q 2010 Oil Contracted Volumes		58.87	77.77	75,000	1-Oct-10	31-Dec-10	92
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Talisman Energy Inc.
Hedging Contract Summary (as disclosed in 3Q 2010 MD&A)
Full Year 2010

Natural Gas Financial Contracts (Reported under held-for-trading financial instruments)

Benchmark	Contract	Price Floor (\$C/mcf)	Price Ceiling (\$C/mcf)	Volume (mcf/d)	Contract Start	Contract Expiry	Days
AECO	Collar	5.78	7.39	47,410	1-Jan-10	31-Dec-10	365
AECO	Collar	5.82	7.17	94,820	1-Jan-10	30-Jun-10	181
Collar Average		5.80	7.28	94,430	1-Jan-10	31-Dec-10	365
ICE	Swap	7.28	7.28	20,638	1-Jan-10	31-Mar-10	90
ICE	Swap	5.60	5.60	20,638	1-Apr-10	30-Sep-10	183
ICE	Swap	6.73	6.73	17,824	1-Oct-10	31-Dec-10	92
ICE Swaps Average		6.28	6.28	19,929	1-Jan-10	31-Dec-10	365
Financial Contracts Average		5.88	7.11	114,359	1-Jan-10	31-Dec-10	365

Benchmark	Contract	Price Floor (\$US/mcf)	Price Ceiling (\$US/mcf)	Volume (mcf/d)	Contract Start	Contract Expiry	Days
NYMEX	Collar	5.90	7.03	94,936	1-Jul-10	31-Dec-10	184

Natural Gas Physical Contracts (Reported under sales revenue)

Benchmark	Contract	Price Floor \$C/mcf	Price Ceiling (\$C/mcf)	Volume (mcf/d)	Contract Start	Contract Expiry	Days
AECO	Swap	3.05	3.05	3,671	1-Jan-10	31-Dec-10	365
AECO	Swap	6.33	6.33	14,223	1-Jan-10	31-Dec-10	365
AECO Swaps Average		5.66	5.66	17,894	1-Jan-10	31-Dec-10	365
AECO	Collar	6.33	7.55	175,417	1-Jan-10	31-Dec-10	365
Physical Contracts Average		6.27	7.37	193,311	1-Jan-10	31-Dec-10	365

2010 Gas Contracted Volumes				355,528	1-Jan-10	31-Dec-10	365
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Oil Financial Contracts (Reported under held-for-trading financial instruments)

Benchmark	Contract	Price Floor (\$US/bbl)	Price Ceiling (\$US/bbl)	Volume (bbls/d)	Contract Start	Contract Expiry	Days
WTI	Collar	50.20	60.87	22,000	1-Jan-10	31-Dec-10	365
Brent	Collar	49.00	57.79	5,000	1-Jan-10	31-Dec-10	365
Brent	Collar	55.35	85.00	23,000	1-Jan-10	31-Dec-10	365
Brent	Collar	71.72	90.00	25,000	1-Jan-10	31-Dec-10	365
Collars Average		58.87	77.77	75,000	1-Jan-10	31-Dec-10	365
Financial Contracts Average		58.87	77.77	75,000	1-Jan-10	31-Dec-10	365

2010 Oil Contracted Volumes		58.87	77.77	75,000	1-Jan-10	31-Dec-10	365
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Talisman Energy Inc
Hedging Contract Summary (as disclosed on January 11, 2011 Conference Call)
Full Year 2011

Natural Gas Financial Contracts (Reported under held-for-trading financial instruments)

Benchmark	Contract	Price Floor (\$C/mcf)	Price Ceiling (\$C/mcf)	Volume (mcf/d)	Contract Start	Contract Expiry	Days
ICE	Swap	6.41	6.41	17,824	1-Jan-11	31-Mar-11	90
ICE	Swap	5.84	5.84	16,886	1-Apr-11	30-Jun-11	91
ICE Swaps Average		6.13	6.13	8,605	1-Jan-11	31-Dec-11	365

Benchmark	Contract	Price Floor (\$US/mcf)	Price Ceiling (\$US/mcf)	Volume (mcf/d)	Contract Start	Contract Expiry	Days
NYMEX	Swap	6.12	6.12	23,734	1-Jan-11	31-Dec-11	365
NYMEX	Collar	5.27	6.66	95,000	1-Jan-11	30-Jun-11	181
NYMEX	Collar	6.14	6.59	71,200	1-Jan-11	31-Dec-11	365
NYMEX Contracts Average		5.85	6.53	142,044	1-Jan-11	31-Dec-11	365

Natural Gas Physical Contracts (Reported under sales revenue)

Benchmark	Contract	Price Floor \$C/mcf	Price Ceiling (\$C/mcf)	Volume (mcf/d)	Contract Start	Contract Expiry	Days
AECO	Swap	3.05	3.05	3,671	1-Jan-11	31-Dec-11	365
Physical Contracts Average		3.05	3.05	3,671	1-Jan-11	31-Dec-11	365

2011 Gas Contracted Volumes				154,319	1-Jan-11	31-Dec-11	365
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Oil Financial Contracts (Reported under held-for-trading financial instruments)

Benchmark	Contract	Price Floor (\$US/bbl)	Price Ceiling (\$US/bbl)	Volume (bbls/d)	Contract Start	Contract Expiry	Days
Brent	Collar	80.00	92.41	20,000	1-Jan-11	30-Jun-11	181
WTI	Collar	80.00	92.00	9,000	1-Jan-11	31-Dec-11	365
Brent	Collar	80.00	91.27	21,000	1-Jan-11	31-Dec-11	365
Brent	Collar	84.00	97.57	20,000	1-Jan-11	31-Dec-11	365
Collars Average		81.34	93.67	59,918	1-Jan-11	31-Dec-11	365
Financial Contracts Average		81.34	93.67	59,918	1-Jan-11	31-Dec-11	365

2011 Oil Contracted Volumes		81.34	93.67	59,918	1-Jan-11	31-Dec-11	365
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