

Dear (first name),

Talisman's 4Q 2010 results press release and unaudited financial results are now posted at the following web address:

http://www.talisman-energy.com/investors/financial_information/quarterly_results/.

Full year 2010 audited financial statements and MD&A are expected to be made public on February 28th.

Further to today's press release, we are pleased to provide you with the following items for your reference and convenience:

1) Country level segmented netbacks & gross of royalties production

2) Hedging contract summary

3) Key items to note on the quarter:

a) Current income taxes are \$401 million for the fourth quarter and \$1,032 million for the full year. As indicated in our 2011 Guidance Call there are two reasons for the higher tax relative to our original \$850 million top end guidance:

- i) Higher revenues in the North Sea due to both production & price
- ii) Lower than planned capital spend in the North Sea of \$150 – 200 million reducing current income tax offsets

b) Current production revenue taxes (PRT) of \$41 million increased from the prior quarter based on higher production and revenues in the UK and Australia

c) Realized stock based compensation expense of \$29 million

d) Realized hedging loss on financial instruments of \$52 million

e) Realized gains on North American natural gas physical commodity contracts of \$45 million or \$0.63/mcf are included in reported North American sales revenue and netbacks

f) Exploration expense of \$143 million is roughly double the prior quarter with large seismic programs ongoing globally

Talisman management will host a conference call to discuss 4Q 2010 results at 11:00 AM Calgary time (1:00 PM Eastern). To participate in the call, please register 10 minutes in advance. Dial-in numbers are 1-888-231-8191 (North America) or 1-416-849-0899 (Local Toronto & International).

We will be in the office at 6:00am Calgary time (8:00am Eastern) to field your questions.

Shailender Randhawa
Senior Investor Relations Analyst
Direct: +1.403.231.2778

Geoff Holmlund
Investor Relations Analyst
Direct: +1.403.920.8701

Netbacks

	1Q 2010		2Q 2010		3Q 2010		4Q 2010		FY 2010	
	Oil (C\$/bbl)	Gas (C\$/mcf)	Oil (C\$/bbl)	Gas (C\$/mcf)	Oil (C\$/bbl)	Gas (C\$/mcf)	Oil (C\$/bbl)	Gas (C\$/mcf)	Oil (C\$/bbl)	Gas (C\$/mcf)
Canada										
Sales price	69.68	5.85	62.36	4.80	61.40	4.77	63.73	4.67	64.47	5.07
Royalties	16.34	0.53	11.26	0.01	14.54	0.26	12.03	0.27	13.58	0.27
Transport	0.94	0.26	0.75	0.22	0.63	0.18	0.54	0.17	0.73	0.21
Op Cost	10.81	1.61	12.70	1.61	12.48	1.67	10.28	1.85	11.58	1.68
Netback	41.59	3.45	37.65	2.96	33.75	2.66	40.88	2.38	38.58	2.91
USA										
Sales price	-	5.73	-	4.56	-	4.67	-	4.02	-	4.57
Royalties	-	0.79	-	0.63	-	0.69	-	0.61	-	0.67
Transport	-	0.13	-	0.09	-	0.16	-	0.17	-	0.14
Op Cost	-	0.96	-	0.84	-	0.67	-	0.71	-	0.76
Netback	-	3.85	-	3.00	-	3.15	-	2.53	-	3.00
North America										
Sales price	69.68	5.83	62.36	4.75	61.40	4.73	63.73	4.42	64.47	4.93
Royalties	16.34	0.57	11.26	0.15	14.54	0.41	12.03	0.40	13.58	0.38
Transport	0.94	0.24	0.75	0.19	0.63	0.17	0.54	0.17	0.73	0.19
Op Cost	10.81	1.50	12.70	1.42	12.48	1.31	10.28	1.39	11.58	1.40
Netback	41.59	3.52	37.65	2.99	33.75	2.84	40.88	2.46	38.58	2.96
UK										
Sales price	79.50	5.16	79.90	3.62	78.87	4.95	86.75	5.42	81.71	4.72
Royalties	0.24	-	0.36	-	0.17	-	0.25	-	0.25	-
Transport	1.04	1.15	1.18	0.85	0.87	0.95	1.07	1.49	1.04	1.08
Op Cost	30.26	0.21	35.85	0.32	31.13	0.24	24.95	0.13	30.13	0.23
Netback	47.96	3.80	42.51	2.45	46.70	3.76	60.48	3.80	50.29	3.41
Scandinavia										
Sales price	82.05	5.94	80.09	5.85	81.63	7.40	91.25	7.93	83.75	6.86
Royalties	-	-	-	-	-	-	-	-	-	-
Transport	1.82	1.06	2.38	1.15	2.66	0.98	2.45	0.73	2.30	0.97
Op Cost	19.57	0.95	19.04	0.84	19.67	0.92	19.75	0.94	19.51	0.92
Netback	60.66	3.93	58.67	3.86	59.30	5.50	69.05	6.26	61.94	4.97
Indonesia										
Sales price	79.75	7.43	84.58	7.53	78.06	7.05	87.01	7.57	82.20	7.39
Royalties	45.81	2.18	47.53	2.39	40.96	2.11	48.28	2.56	45.54	2.31
Transport	1.07	0.38	1.74	0.38	1.44	0.39	2.54	0.38	1.67	0.38
Op Cost	17.00	0.37	14.27	0.38	17.35	0.30	14.72	0.70	15.86	0.43
Netback	15.87	4.50	21.04	4.38	18.31	4.25	21.47	3.93	19.13	4.27
Malaysia										
Sales price	76.75	4.98	80.73	3.62	77.65	5.55	98.74	5.94	82.90	5.06
Royalties	30.89	1.20	37.79	0.85	32.82	1.32	49.64	1.45	37.49	1.22
Transport	-	-	-	-	-	-	-	-	-	-
Op Cost	10.43	0.69	9.31	0.75	10.44	0.59	20.81	1.32	12.31	0.84
Netback	35.43	3.09	33.63	2.02	34.39	3.64	28.29	3.17	33.10	3.00
Vietnam										
Sales price	83.80	-	86.13	-	85.07	-	95.94	-	87.33	-
Royalties	14.19	-	14.74	-	14.35	-	16.14	-	14.79	-
Transport	-	-	-	-	-	-	-	-	-	-
Op Cost	18.90	-	30.04	-	26.77	-	28.22	-	25.43	-
Netback	50.71	-	41.35	-	43.95	-	51.58	-	47.11	-
Australia										
Sales price	87.58	-	71.94	-	79.70	-	90.70	-	83.00	-
Royalties	1.87	-	2.24	-	2.29	-	2.56	-	2.22	-
Transport	-	-	-	-	-	-	-	-	-	-
Op Cost	15.43	-	17.73	-	25.41	-	18.20	-	19.01	-
Netback	70.28	-	51.97	-	52.00	-	69.94	-	61.77	-
SE Asia										
Sales price	79.30	6.98	81.47	6.77	78.37	6.73	94.09	7.22	82.95	6.92
Royalties	31.22	2.00	36.97	2.09	31.80	1.94	42.62	2.32	35.49	2.09
Transport	0.33	0.31	0.50	0.31	0.48	0.30	0.80	0.30	0.52	0.31
Op Cost	13.59	0.43	12.33	0.45	14.93	0.36	19.06	0.84	14.77	0.52
Netback	34.16	4.24	31.67	3.92	31.16	4.13	31.61	3.76	32.17	4.00
Algeria										
Sales price	78.32	-	77.31	-	85.00	-	98.67	-	85.22	-
Royalties	44.31	-	40.26	-	42.57	-	53.39	-	45.38	-
Transport	1.40	-	1.38	-	1.40	-	1.37	-	1.39	-
Op Cost	5.27	-	5.04	-	5.81	-	5.26	-	5.39	-
Netback	27.34	-	30.63	-	35.22	-	38.65	-	33.06	-
Tunisia										
Sales price	77.97	-	-	-	-	-	-	-	78.11	-
Royalties	13.72	-	-	-	-	-	-	-	13.61	-
Transport	1.89	-	-	-	-	-	-	-	1.88	-
Op Cost	13.56	-	-	-	-	-	-	-	13.35	-
Netback	48.70	-	-	-	-	-	-	-	49.27	-
Other										
Sales price	78.31	-	77.31	-	85.00	-	98.67	-	85.17	-
Royalties	43.33	-	40.26	-	42.57	-	53.39	-	45.13	-
Transport	1.41	-	1.38	-	1.40	-	1.37	-	1.39	-
Op Cost	5.96	-	5.04	-	5.81	-	5.29	-	5.52	-
Netback	27.61	-	30.63	-	35.22	-	38.62	-	33.13	-
Total Company										
Sales price	78.70	6.23	77.70	5.51	78.09	5.66	87.38	5.65	80.52	5.76
Royalties	11.07	1.02	13.49	0.87	11.78	0.95	13.16	1.03	12.35	0.96
Transport	1.08	0.33	1.23	0.29	1.16	0.29	1.23	0.27	1.18	0.29
Op Cost	20.69	1.08	21.20	1.03	21.27	0.92	19.72	1.16	20.70	1.04
Netback	45.86	3.80	41.78	3.32	43.88	3.50	53.27	3.19	46.29	3.47

Production

	1Q 2010			2Q 2010			3Q 2010			4Q 2010			FY 2010		
	Oil (bbl/d)	Gas (mmcf/d)	BOE (mboe/d)	Oil (bbl/d)	Gas (mmcf/d)	BOE (mboe/d)	Oil (bbl/d)	Gas (mmcf/d)	BOE (mboe/d)	Oil (bbl/d)	Gas (mmcf/d)	BOE (mboe/d)	Oil (bbl/d)	Gas (mmcf/d)	BOE (mboe/d)
Canada	25,799	661	135.9	25,051	613	127.2	20,543	491	102.3	20,440	482	100.7	22,940	561	116.4
USA	-	126	21.0	114	184	30.8	332	259	43.5	333	298	50.0	193	218	36.4
North America	25,799	787	156.9	25,165	797	158.0	20,875	750	145.9	20,773	780	150.8	23,133	778	152.8
UK	83,065	17	86.0	61,395	18	64.4	69,152	16	71.8	82,739	11	84.6	74,074	16	76.7
Scandinavia	44,302	91	59.5	38,456	73	50.6	35,042	91	50.2	38,201	98	54.5	38,973	88	53.6
Indonesia	12,077	385	76.2	12,476	393	78.0	12,408	402	79.4	10,600	368	71.9	11,888	387	76.4
Malaysia	20,545	88	35.1	25,783	95	41.5	19,578	110	37.9	17,806	102	34.7	20,917	98	37.3
Vietnam	2,763	-	2.8	2,095	-	2.1	2,032	-	2.0	1,925	-	1.9	2,201	-	2.2
Australia	4,175	-	4.2	3,067	-	3.1	3,322	-	3.3	3,350	-	3.4	3,476	-	3.5
SE Asia	39,560	473	118.4	43,421	488	124.7	37,340	512	122.7	33,681	469	111.8	38,481	485	119.3
Algeria	13,722	-	13.7	13,470	-	13.5	13,312	-	13.3	14,972	-	15.0	13,870	-	13.9
Tunisia	454	-	0.5	-	-	-	-	-	-	-	-	-	113	-	0.1
Other	14,176	-	14.2	13,470	-	13.5	13,312	-	13.3	14,972	-	15.0	13,983	-	14.0
Total	206,902	1,368	434.9	181,907	1,376	411.2	175,721	1,369	403.9	190,366	1,358	416.7	188,644	1,367	416.5

Talisman Energy Inc
Hedging Contract Summary (as disclosed in February 16, 2011 Press Release)
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	6.45	6.45	17,824	1-Jan-11	31-Mar-11	90
ICE	Swap	5.89	5.89	16,886	1-Apr-11	30-Jun-11	91
ICE Swaps Average		6.18	6.18	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	2.98	2.98	3,671	1-Jan-11	31-Dec-11	365
Physical Contracts Average		2.98	2.98	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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Talisman Energy Inc

Hedging Contract Summary (as disclosed in February 16, 2011 Press Release)

1Q 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	6.45	6.45	17,824	1-Jan-11	31-Mar-11	90
ICE Swaps Average		6.45	6.45	17,824	1-Jan-11	31-Mar-11	90

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-Mar-11	90
NYMEX	Collar	5.27	6.66	95,000	1-Jan-11	31-Mar-11	90
NYMEX	Collar	6.14	6.59	71,200	1-Jan-11	31-Mar-11	90
NYMEX Contracts Average		5.70	6.57	189,934	1-Jan-11	31-Mar-11	90

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	2.98	2.98	3,671	1-Jan-11	31-Mar-11	90
Physical Contracts Average		2.98	2.98	3,671	1-Jan-11	31-Mar-11	90

2011 Gas Contracted Volumes				211,429	1-Jan-11	31-Mar-11	90
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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	31-Mar-11	90
WTI	Collar	80.00	92.00	9,000	1-Jan-11	31-Mar-11	90
Brent	Collar	80.00	91.27	21,000	1-Jan-11	31-Mar-11	90
Brent	Collar	84.00	97.57	20,000	1-Jan-11	31-Mar-11	90
Collars Average		81.14	93.49	70,000	1-Jan-11	31-Mar-11	90
Financial Contracts Average		81.14	93.49	70,000	1-Jan-11	31-Mar-11	90

2011 Oil Contracted Volumes		81.14	93.49	70,000	1-Jan-11	31-Mar-11	90
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Talisman Energy Inc

Hedging Contract Summary (as disclosed in February 16, 2011 Press Release)

2Q 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	5.89	5.89	16,886	1-Apr-11	30-Jun-11	91
ICE Swaps Average		5.89	5.89	16,886	1-Apr-11	30-Jun-11	91

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-Apr-11	30-Jun-11	91
NYMEX	Collar	5.27	6.66	95,000	1-Apr-11	30-Jun-11	91
NYMEX	Collar	6.14	6.59	71,200	1-Apr-11	30-Jun-11	91
NYMEX Contracts Average		5.70	6.57	189,934	1-Apr-11	30-Jun-11	91

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	2.98	2.98	3,671	1-Apr-11	30-Jun-11	91
Physical Contracts Average		2.98	2.98	3,671	1-Apr-11	30-Jun-11	91

2011 Gas Contracted Volumes				210,491	1-Apr-11	30-Jun-11	91
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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-Apr-11	30-Jun-11	91
WTI	Collar	80.00	92.00	9,000	1-Apr-11	30-Jun-11	91
Brent	Collar	80.00	91.27	21,000	1-Apr-11	30-Jun-11	91
Brent	Collar	84.00	97.57	20,000	1-Apr-11	30-Jun-11	91
Collars Average		81.14	93.49	70,000	1-Apr-11	30-Jun-11	91
Financial Contracts Average		81.14	93.49	70,000	1-Apr-11	30-Jun-11	91

2011 Oil Contracted Volumes		81.14	93.49	70,000	1-Apr-11	30-Jun-11	91
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Talisman Energy Inc
Hedging Contract Summary (as disclosed in February 16, 2011 Press Release)
3Q 2011

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

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-Jul-11	30-Sep-11	92
NYMEX	Collar	6.14	6.59	71,200	1-Jul-11	30-Sep-11	92
NYMEX Contracts Average		6.13	6.47	94,934	1-Jul-11	30-Sep-11	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	2.98	2.98	3,671	1-Jul-11	30-Sep-11	92
Physical Contracts Average		2.98	2.98	3,671	1-Jul-11	30-Sep-11	92

2011 Gas Contracted Volumes				98,605	1-Jul-11	30-Sep-11	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	80.00	92.00	9,000	1-Jul-11	30-Sep-11	92
Brent	Collar	80.00	91.27	21,000	1-Jul-11	30-Sep-11	92
Brent	Collar	84.00	97.57	20,000	1-Jul-11	30-Sep-11	92
Collars Average		81.60	93.92	50,000	1-Jul-11	30-Sep-11	92
Financial Contracts Average		81.60	93.92	50,000	1-Jul-11	30-Sep-11	92

2011 Oil Contracted Volumes		81.60	93.92	50,000	1-Jul-11	30-Sep-11	92
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Talisman Energy Inc

Hedging Contract Summary (as disclosed in February 16, 2011 Press Release)

4Q 2011

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

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-Oct-11	31-Dec-11	92
NYMEX	Collar	6.14	6.59	71,200	1-Oct-11	31-Dec-11	92
NYMEX Contracts Average		6.13	6.47	94,934	1-Oct-11	31-Dec-11	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	2.98	2.98	3,671	1-Oct-11	31-Dec-11	92
Physical Contracts Average		2.98	2.98	3,671	1-Oct-11	31-Dec-11	92

2011 Gas Contracted Volumes				98,605	1-Oct-11	31-Dec-11	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	80.00	92.00	9,000	1-Oct-11	31-Dec-11	92
Brent	Collar	80.00	91.27	21,000	1-Oct-11	31-Dec-11	92
Brent	Collar	84.00	97.57	20,000	1-Oct-11	31-Dec-11	92
Collars Average		81.60	93.92	50,000	1-Oct-11	31-Dec-11	92
Financial Contracts Average		81.60	93.92	50,000	1-Oct-11	31-Dec-11	92

2011 Oil Contracted Volumes		81.60	93.92	50,000	1-Oct-11	31-Dec-11	92
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