

Analyst Note 2- Sent out shortly after conference call

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 would like to highlight a few follow-up items from today's conference call discussion to help with your financial modeling for 2011.

1) 2011 Cash Taxes

- As previously mentioned, we expect 2010 current tax to exceed our \$850M target given at the beginning of the year primarily because of higher commodity prices and lower than projected capital expenditures, particularly impacted by an \$150M to \$200M reduction in spending in the North Sea– *2011 Guidance Conference Call Transcript*
- The difference between 2010 and 2011 current taxes will be primarily dependent on the 2011 realized oil price, as we expect our regional capital spend profile to be similar in 2011 to 2010. – *2011 Guidance Conference Call Transcript*

2) Updated Hedging Program

- Attached is an updated summary of all hedging contracts including new contracts disclosed in the conference call

If you have any questions, do not hesitate to call your respective IR contact.

We will be sending out the 4Q 2010 analysts survey shortly with a response requested later next week.

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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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