

Analyst Note 1- Sent out shortly after press release

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 items referenced in today's press release. Key items include:

- 1) Change to US dollar reporting
- 2) Expected 2010 Results
- 3) 2011 Production Guidance
- 4) 2011 Capital Budget

1) Change to US dollar reporting

- Talisman will commence reporting 2011 results in US dollars. The capital program and all financial measures for 2011 will be discussed in US dollars – *note all items are from the 2011 Guidance Press Release unless otherwise noted*
- Talisman will continue to report 2010 year-end results in Canadian dollars, which the company plans to issue on February 16, 2011
- We will provide analysts with 2010 results in US dollars shortly after completing 2010 year-end filings and prior to Q1-2011 results to facilitate timely conversions of financial models
- The first period that we will report only in US dollars is Q1-2011, which the company plans to issue on May 4, 2011

2) Expected 2010 Result

- Confirm expected FY production of around 415 mboe/d
- The production result is in-line with the prior full year guidance of 415 mboe/d – *Q3-2010 Press Release*
- The 2010 result includes the annualized impact of production from discontinued operations which averaged 33mboe/d YTD-Q3 and 15mboe/d in Q3 with closing of the majority of asset sales around mid-year - *Q3-2010 Press Release*
- Confirm expected reductions in reserves replacement costs of 25-35% in total and 45-50% on a proved developed production basis compared to 2009

3) 2011 Production Guidance

- Production growth of 5-10% over 2010 total production plus 12-15mboe/d from Colombia. Approximately half of 2011 production growth will be liquids– *2011 Guidance Press Release*
- The 2011 outlook includes:
 - North American shale production of 455-525mcf/d
 - North American conventional production of 90mboe/d
 - North Sea production of 130-135mboe/d
 - Southeast Asia production of 120mboe/d

4) 2011 Capital Budget

- Total cash E&D capital of approximately US\$4.0 billion plus US\$370 million for non-cash capital leases
 - North America spending of US\$1.7 billion with a 35% reduction in dry gas-directed spending from 2010
 - US\$800 million for development in the Marcellus shale
 - US\$100 million for development in the Farrell Creek Montney shale JV
 - US\$300 million for development of the liquids rich Eagle Ford shale
 - US\$380 million for the conventional portfolio with about 70% allocated to liquids-weighted assets
 - Southeast Asia spending of US\$700-800 million, with roughly 1/3 for exploration
 - North Sea cash capex of US\$1.2 billion, including US\$150 million for exploration, allocated roughly 2/3 to the UK and 1/3 to Norway
 - Total International Exploration spending of US\$700 million which includes spending in the North Sea and Southeast Asia noted above

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

Shailender Randhawa
Senior Investor Relations Analyst
Talisman Energy Inc.
Direct: +1.403.231.2778

Geoff Holmlund
Investor Relations Analyst
Talisman Energy Inc.
Direct: +1.403.920.8701