

1 - Risks and Opportunities

Question 1(a)(i) Regulatory Risks

How is your company exposed to regulatory risks related to climate change?

We consider our company to be exposed to regulatory risks because...

Talisman is exposed to a number of risks inherent in exploring for, developing and producing crude oil and natural gas. In all cases, the Company seeks to reduce liability and capitalize on opportunities. Please see page 51-55 of Talisman's 2007 Annual Information Form (AIF) for more information on Talisman's risk perspective.

Greenhouse gas (GHG) emissions and climate change pose regulatory and reputation risks to the energy industry, with implications on the financial markets and corporate performance. Talisman's actions to address these risks includes: 1. maintaining a corporate awareness of the issues and impacts as circumstances evolve; 2. monitoring and participating, where necessary, in the development of provincial, national and international regulatory initiatives such as the EU Emissions Trading System (ETS); 3. maintaining our emissions reporting systems, including third party auditing of management systems; 4. developing environmentally innovative projects such as the Beatrice Wind Farm Demonstrator Project and cogeneration facilities in Western Canada; 5. studying the use of a Clean Development Mechanism (CDM) Project in Southeast Asia to generate certified emissions reductions (CER); and 6. investing in research and development in emissions management technology.

Commercial risks that have been widely associated with climate change are broad in scope, vary in level of definition, and include:

- costs associated with climate change legislation/regulation;
- corporate reputation with the public and shareholders;
- litigation; insurance industry products and/or policy exclusions; and
- infrastructure damage resulting from extreme weather conditions and sea level rise.

At this time, the most tangible commercial climate change risk involves the financial implications of current and future legislation/regulation. Possible negative financial implications include increased costs due to:

- purchase of emissions credits to true up to CO₂e emissions targets under emissions trading frameworks;
 - carbon taxes applied to facility CO₂e emissions or production volumes;
 - adoption of new equipment standards and carbon dioxide equivalent (CO₂e) emissions abatement technologies;
 - retrofitting of existing equipment/processes;
 - corporate resources and systems required to manage risks and achieve compliance (i.e. regional, national, and international); and
 - negative impact on economics of marginal new developments, and existing older and less efficient assets.
- compliance cost flow through to Talisman by third parties for goods and services (electricity and fuel purchases, product processing, product transport, etc)

Regulatory regimes are laws of general application that apply to the Company's business in the same manner as they apply to other companies or enterprises in the energy industry. In light of Talisman's current asset and production mix, the Company does not anticipate being disproportionately disadvantaged under future regulatory frameworks.

Talisman will continue to develop its strategy to proactively respond to stakeholder concerns and enhance long-term shareholder value. Talisman's approach will evolve over time as the regulatory, fiscal and technological framework becomes clearer.

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

Yes

The following is a discussion of the major regulatory activity which may or already has impacted the Company. A discussion of the EU ETS can be found in response to Question 2(g).

United Nations Summit on Climate Change in Bali

Global political leaders met at the United Nations' climate change summit in Bali in late 2007 to develop a roadmap for the establishment of a new international climate change deal. During the conference, participants agreed on the key areas which a new climate agreement should cover including adaptation to climate change, the launch of a fund for adaptation, reducing emissions from deforestation, issues relating to the carbon market, and arrangements for a review of the Kyoto protocol. While no definitive agreements were negotiated, it is expected that a meeting in Copenhagen in December 2009 will result in a post-Kyoto treaty. The new climate change deal could be ratified by national governments before the end of 2012.

EU ETS

In the UK, third party verification of the Company's CO₂ emissions is completed annually. Fuel gas and diesel metering upgrades have also been completed. Talisman's UK operations regularly forecasts emissions, compare forecasts against actual performance and allowances and validates forecast methodologies. The Company's CO₂ allowances exceeded emissions throughout Phase 1 of the EU ETS resulting in surplus credits. On January 1, 2008, Phase II of the EU ETS scheme came into effect and Talisman UK operations CO₂ emissions are currently exceeding allowances resulting in a minor credit deficit. Forecasts predict that Talisman UK will remain in a minor deficit position throughout Phase II (2008-2012). This deficit will be rectified through capital investment or trading.

In Norway, prior to 2008, Talisman's installations were subject to a carbon emissions tax, which was not significant to the Company. Beginning January 1, 2008, the Norwegian government expanded its existing national emissions trading system for greenhouse gases, linking it to Phase II of the EU ETS. The expansion of the Norwegian national emissions trading system results in the inclusion of Talisman's Norwegian installations in Phase II of the EU ETS, making emissions subject to third-party verification. Beginning in 2008, and through 2012, Talisman's Norwegian installations must annually purchase emissions credits corresponding to their total annual emissions. Talisman must also continue to pay the carbon emissions tax in Norway. Talisman does not expect Phase II compliance costs to be material because the Norwegian government will reduce the carbon emissions tax to ensure that total costs of the carbon emissions tax and emissions credit purchases will be similar to the pre-2008 costs.

Canadian Government's Regulatory Framework for Air Emissions

In March of 2007, the Canadian government released details of its Regulatory Framework for Air Emissions, which sets out how the Canadian government intends to manage GHG emissions to 2020. One key component of the proposed framework is a set of intensity-based reduction targets for GHG emissions, which is a departure from the absolute reduction targets required under the Kyoto Protocol. The framework establishes a 2010 implementation date for greenhouse gas emission intensity reduction targets in upstream oil and gas and other industrial sectors. By 2010, all eligible facilities are to have reduced their emissions intensity by 18% relative to a 2006 baseline. An incremental 2% reduction is required annually thereafter. Compliance options are to include internal emission reductions, domestic emissions trading, limited access to CDM credits and limited access to an independently managed climate change technology fund. Many important details of the Federal Government's proposed regulations are yet to be finalized, including equalization with existing and proposed provincial GHG regulations. Talisman will continue to engage in the federal government consultations and evaluate regulations as they are finalized.

Alberta Government's Climate Change and Emissions Management Amendment Act

In March 2007, the Alberta, Canada government introduced its Specified Gas Emitters Regulation as part of the province's Climate Change and Emissions Management Amendment Act. This new regulation requires that facilities that emit more than 100,000 tonnes per year of greenhouse gases report their baseline emissions intensity based on the average emissions and production data from 2003 to 2005, then reduce their emissions intensity by 12% from the baseline by the end of 2007. Compliance options include internal emissions reductions, purchasing Alberta-based emission trading, and contributions to the government-managed Carbon Research Fund at a cost of \$15 per tonne. Talisman currently has only one facility, its Edson gas plant, which exceeds the 100,000 tonne threshold. The Edson Gas Plant reduced its emissions intensity by more than 12% in the first compliance period and expects to receive marketable emissions credits from the government as a result. Third party verification of the Edson Gas Plant compliance statement is complete and the statement has been submitted to the Government for approval. Talisman expects the Edson Gas Plant to remain in a credit surplus stance under

the existing Alberta framework. The Alberta Government reserves the right to alter details of their framework in the future and changes will impact industry, including Talisman. Talisman continues to engage in Provincial regulatory consultations.

British Columbia's Climate Change Actions

BC's greenhouse-gas reduction plans include implementation of a carbon tax by July 2008 and a cap-and-trade system as early as August 2008. The carbon tax will be applied across the entire BC economy. Although the legislation has not yet been released in final form, Talisman does not anticipate that the costs of the carbon tax will be material. In 2007, BC joined the Western Climate Initiative; thereby committing to establishing a market based greenhouse gas regulation. Talisman is involved in ongoing Government consultations regarding the details of a proposed BC emissions cap and trade system.

Talisman will continue to comply with all regulations, while striving to meet or exceed industry best practices and capitalize on any opportunity to increase our competitive advantage. As climate change issues continue to evolve, so will Talisman's strategy and approach.

Question 1(a)(ii) Physical Risks

How is your company exposed to physical risks from climate change?

We do not consider our company to be exposed to physical risks because...

Talisman's assets are designed to withstand probable extreme weather events based on historical data. Talisman has not undertaken a comprehensive assessment of physical risks that may be associated with potentially more-extreme weather events and related phenomena.

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

Yes

Please see Talisman's 2007 Corporate Responsibility Report (<http://cr.talisman-energy.com/>) for comprehensive information about Talisman's emissions accounting methodology; external verification; variations in emissions; direct energy use; production energy intensity; production carbon intensity; and CO₂, CH₄, N₂O and CO₂ equivalent emissions by country of operation.

Question 1(a)(iii) General Risks

How is your company exposed to general risks as a result of climate change?

We consider our company to be exposed to general risks because...

Please see Talisman's response to 1(a)(i) for more detail.

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

Yes

For general information about Talisman's risk perspective, see its Annual Information Form. Also, please see

Talisman's 2007 Corporate Responsibility Report (<http://cr.talisman-energy.com/>) for comprehensive information about Talisman's emissions accounting methodology; external verification; variations in emissions; direct energy use; production energy intensity; production carbon intensity; and CO₂, CH₄, N₂O and CO₂ equivalent emissions by country of operation.

[attachedfiles/Responses/44850/4247/AIF.pdf](#)

Question 1(a)(iv) Risk Management

Has your company taken or planned action to manage the general and regulatory risks and/or adapt to the physical risks you have identified?

We have taken or planned action.

Talisman's comprehensive assessment of risks and opportunities associated with climate change occurs on an ongoing basis. Talisman has and continues to undertake activities to manage risks and opportunities. Please see Talisman's response to 1(a)(i-v) for more details. International operations are empowered to organize their HSE programs and systems and address their unique risks and priorities, which includes consideration of pressures to reduce CO₂e emissions. Specific activities vary within each region the Company operates.

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

No

Question 1(a)(v) Financial and Business implications

How do you assess the current and/or future financial effects of the risks you have identified and how those risks might affect your business?

We assess current and/or future financial effects by...

As stated, Talisman's comprehensive assessment of risks and opportunities associated with climate change occurs on an ongoing basis and International operations are empowered to organize their HSE programs and systems and address their unique risks and priorities. Currently, Talisman operates in several regions where climate change regulations are imposed or proposed. Talisman continues to engage in policy setting discussions in regions with emerging/developing climate change regulations. That engagement allows the Company a familiarity with the respective regulatory frameworks and the ability to assess current and/or future impacts.

The most current financial effects that the Company assesses include energy prices and costs associated with current and future legislation/regulation. All energy price changes that represent, or could represent, material impacts on Talisman operations are assessed periodically throughout the year. As an energy producer, Talisman is inherently insulated from energy price increases.

Please see Talisman's response to 1(a)(i) for more detail.

Would you like to provide any additional information relating to this question that you have not provided

elsewhere?

No

Question 1(b)(i) Regulatory Opportunities

How do current or anticipated regulatory requirements on climate change offer opportunities for your company?

We consider that current or anticipated regulatory requirements offer opportunities because...

Commercial opportunities represented by climate change regulations include the generation and trade of surplus emission credits, involvement in emerging niche energy markets and increased demand for natural gas as a lower carbon fuel and in fuel switching projects.

Talisman may benefit from CO₂e emissions trading schemes by achieving surplus emission credits through improvement in operational efficiencies at regulated installations, and/or through emission reduction projects at non-regulated installations/activities. Emission credits could be used in regulated or voluntary trading markets. Several voluntary CO₂e trading markets currently exist, however, to date; Talisman has not chosen to engage, opting to await additional clarity around legislated climate change regulations and their emissions trading implications. Talisman continues to monitor the development of ongoing international climate change negotiations and Kyoto mechanisms and will take advantage of available opportunities to increase its competitive advantage through increased operational efficiency, project options, and reputation building.

Niche markets strengthened by climate change can also offer forward opportunities to provide additional revenue streams and build on the Company's reputation. Recent projects have provided valuable experience that could help the company take advantage of future prospects in niche markets.

Please see Talisman's response to 1(a)(i) for more detail. For information about Talisman's renewable energy and energy efficiency activities, see question 1(b)(iv).

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

No

Question 1(b)(ii) Physical Opportunities

How do current or anticipated physical changes resulting from climate change present opportunities for your company?

We do not consider that current or anticipated physical changes offer opportunities because...

Talisman does not consider predicted physical changes resulting from climate change as representing opportunities for the company.

Would you like to provide any additional information relating to this question that you have not provided

elsewhere?

No

Question 1(b)(iii) General Opportunities

How does climate change present general opportunities for your company?

We consider that climate change offers opportunities because...

Please see Talisman's response to 1(b)(i) for more detail.

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

No

Question 1(b)(iv) Maximizing Opportunities

Do you invest in, or have plans to invest in products and services that are designed to minimize or adapt to the effects of climate change?

Climate change has not led to investment or planned investment in order to maximise climate change opportunities.

All investment decisions are arrived at following evaluation of all known costs and benefits. Climate change has not directly led to Talisman investments to date but it has been considered within certain overall investment analyses. Talisman supports sensible, economic measures that will improve our energy efficiency and reduce emissions. Emissions reduction and energy efficiency expectations are integrated into the companies daily business operations. Talisman continues to comply with all regulatory emissions limits and pursue voluntary opportunities.

Recent voluntary initiatives or projects to improve energy efficiency and reduce emissions and examples of implementation of Talisman's strategy are listed below:

- Participation in the development of regulatory initiatives including National Allocation Plans established under the EU Emissions Trading System and Canadian "Large Final Emitter" regulations;
- Compliance with current and future emissions regulations;
- Study of the feasibility of a substantial carbon sequestration project in Malaysia to generate Clean Development Mechanism Certified Emission Reductions;
- Improvement of corporate CO₂e, methane and other emissions reporting systems, including third party auditing of management systems;
- Investment in relevant science and technology;
- Participation in the Petroleum Technology Alliance Canada's multi-stakeholder Air Research and Technology committees;
- Participation in voluntary flare transfer scheme in the North Sea;
- Internal energy audits in Canada; and
- Large gas conservation project in Indonesia.
- Development of environmentally innovative projects such as the Beatrice Wind Farm and cogeneration facilities

in Western Canada (as detailed below);

Beatrice Wind Farm Demonstrator Project

In 2007, Talisman's Beatrice Wind Farm Demonstrator Project achieved three significant milestones: first power from the first turbine in May, installation of the second turbine in July and full operations in November. By year-end, the turbines provided up to 80% of the Beatrice platform's daily electricity requirements via subsea cable. The two 87-metre high, 5 MW wind turbines located 25 kilometres off the east coast of Scotland are the biggest offshore deepwater wind generators in operation. The project is a joint venture between Talisman and Scottish and Southern Energy, which aims to test wind power technology in deeper water far from shore.

Over the following two years, Talisman will monitor the technical performance and environmental impacts of the Project to gain a better understanding of the potential of large-scale offshore wind farm developments as a practical and economic source of renewable energy. The turbines have been wired from seabed to blade tip through the use of SCADA control systems. These fiber optic cable and strain gauges, used by Talisman and its partners in the DOWNVIInD (Distant Offshore Windfarms with No Visual Impact in Deepwaters) Research and Technology Development program, will monitor the structural stresses in the turbines resulting from wind and waves. The data gathered in the monitoring program will allow the Company to compare actual performance data with the models created prior to installation.

Although the monitoring program has demonstrated the wind potential of the Moray Firth, with capacity factors of 50-55%, compared with 40% assumed in initial projections, the operating performance of the turbines remains to be assessed to determine the electrical output of the turbines. The project has cost \$90 million or about \$9 million per megawatt of installed generating capacity. Comparatively, most gas-fired power stations cost less than \$1.5 million per MW installed energy to build, thus significant economic barriers remain.

A commercial venture of up to one gigawatt could generate almost 20% of Scotland's current electricity demand (enough energy to power a million average UK homes). However, this vision of a commercial wind farm can only be realized if costs can be brought down.

The Company believes that scale, increased government incentives for wind energy, improving technology (including larger, higher output turbines and reduced production and operating costs) may improve the economics of constructing a large-scale wind farm. However, until those issues are addressed, thoughtful deliberations regarding the project's renewable energy production output, potential revenue generation and future capital requirements are needed. Talisman's Beatrice Wind Farm Demonstrator Project is a central part of DOWNVIInD, which includes 18 different organizations from six European countries and has received funding from the Scottish Executive, the UK Department for Business, Enterprise and Regulatory Reform and the European Commission.

Edson Cogeneration Power Plant

In 2005, Talisman completed construction of a 10-megawatt cogeneration power plant at its Edson, Alberta natural gas processing facility. The \$21 million plant is the first of its kind at a sour gas processing facility in Alberta and among the first retro-fits of an existing facility to cogeneration.

The new cogeneration facility is more efficient and less emissions intensive than the pre-existing plant in producing utility steam, reducing the amount of natural gas needed to operate the sour gas processing plant. It also produces 2 megawatts of surplus electricity (enough power to serve about 1,000 area homes) which is sold to the electrical grid. Cogeneration contributed to the plant reducing its emissions intensity by more than the regulated 12% target in the first compliance period of the Alberta GHG regulatory framework.

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

No

Question 1(b)(v) Financial and Business Implications

How do you assess the current and/or future financial effects of the opportunities you have identified and how those opportunities might affect your business?

We assess current and/or future financial effects by...

As stated in the company's response to question 1(b)(i), Commercial opportunities represented by climate change include the generation and trade of surplus emission credits, involvement in emerging niche energy markets, and increased demand for natural gas as a lower carbon fuel and in fuel switching projects.

Talisman continues to monitor the development of ongoing international climate change negotiations and Kyoto mechanisms and will take advantage of available opportunities to increase its competitive advantage through increased operational efficiency, project options, and reputation building.

Talisman assesses the current and future financial effects of the identified opportunities by comparing the costs of development with the outputs of the project.

In the case of the Beatrice Wind Farm Demonstrator Project, the construction costs remain high in comparison to the energy output. The project has cost \$90 million or about \$9 million per megawatt of installed generating capacity. Comparatively, most gas-fired power stations cost less than \$1.5 million per MW installed energy to build.

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

No

2 - Greenhouse Gas (GHG) Emissions Accounting

Question 2(a)(i) Reporting Boundary

Calculation tools that will assist companies in calculating GHG emissions from particular activities, such as the combustion of fuels, production processes, etc can be found at: <http://www.ghgprotocol.org/calculation-tools/all-tools>. Companies new to emissions reporting are strongly recommended to use these tools to assist them in their calculations. If you have used a calculation tool, please list it under the question on methodologies.

Please indicate the category that best describes the company, entities or group for which your response is prepared:

[Companies over which operational control is exercised.](#)

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

Yes

Please see Talisman's 2007 Corporate Responsibility Report (<http://cr.talisman-energy.com/>) for comprehensive information about Talisman's emissions accounting methodology; external verification; variations in emissions;

direct energy use; production energy intensity; production carbon intensity; and CO₂, CH₄, N₂O and CO₂ equivalent emissions by country of operation.

Question 2(a)(ii) Reporting Year

Please explicitly state the dates of the accounting year or period for which GHG emissions are reported.

Start date: 01 January 2007

End date: 31 December 2007

Financial accounting year: 01 January 2007

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

No

Question 2(a)(iii) Methodology

Please specify the methodology used by your company to calculate GHG emissions.

Please select the methodology that you have used using the radio buttons.

If you have used the GHG Protocol or ISO 14064-1, please also give references to any calculation tools that you have used or an explanation of any calculation methods that you have devised yourself. Please explain the data sources of the Global Warming Potentials and emission factors used in your calculations. If you cannot find a reference for them within a supplied calculation tool, please contact the provider of the calculation tool for the information.

If you have used a methodology that you have devised yourself, please would you explain your methodology, including methods of calculation, and the data sources of the Global Warming Potentials and emission factors.

GHG Protocol

Talisman consolidates GHG emissions data according to the Operational Control Approach as defined by the WBCSD's Greenhouse Gas Protocol. Please see Talisman's 2007 Corporate Responsibility Report (<http://cr.talisman-energy.com/>) for comprehensive information about Talisman's emissions accounting methodology; external verification; variations in emissions; direct energy use; production energy intensity; production carbon intensity; and CO₂, CH₄, N₂O and CO₂ equivalent emissions by country of operation.

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

No

Question 2(b)(i) Scope 1 and Scope 2 of GHG Protocol

Are you able to provide a breakdown of your direct and indirect emissions under Scopes 1 and 2 of the GHG Protocol and to analyse your electricity consumption?

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

Yes

Please see Talisman's 2007 Corporate Responsibility Report (<http://cr.talisman-energy.com/>) for comprehensive information about Talisman's emissions accounting methodology; external verification; variations in emissions; direct energy use; production energy intensity; production carbon intensity; and CO₂, CH₄, N₂O and CO₂ equivalent emissions by country of operation.

Question 2(b)(i)(y) Scope 1 and Scope 2 of GHG Protocol - Year 1 answers

Please enter the dates for the reporting period that you specified in (answer to question 2(a)(i)) , and then answer the questions for that period. By selecting the "Add Additional Year Figures" button at the end of this webpage, you can repeat the process for the previous reporting period, and then for the reporting period before that, and so on. If possible, please give data going back to the reporting period ending in 2004. You do not have to enter historical data if you have already reported this information in response to previous CDP questionnaires.

Please enter the accounting year used to report GHG emissions details below.

Start date: 01 January 2007

End date: 31 December 2007

Scope 1 Direct GHG Emissions: Please provide:

a. Total global Scope 1 activity in Metric Tonnes CO₂-e emitted.

9904000 CO₂e metric tonnes

b. Total Scope 1 activity in Metric Tonnes CO₂-e emitted for Annex B countries.

9862000 CO₂e metric tonnes

By country - Scope 1 activity in metric tonnes of CO₂-e by individual country

Using the same methodology please state your emissions per country. NB : If it is not practical for you to list emissions on a full country by country basis, please list here countries with significant emissions in the context of your business and combine the remainder under "rest of world". If you already have this information in another format (e.g Excel) please attach it.

Country	Scope 1 Emissions (metric tonnes CO2-e)
Canada	2053000
Malaysia	5555000
Norway	169000
United Kingdom	2085000
USA	42000

Scope 2 - Indirect GHG emissions: Please provide:

c. Total global Scope 2 activity in metric tonnes CO2-e emitted

420000 CO2e metric tonnes

d. Total Scope 2 activity in metric tonnes CO2-e emitted for Annex B countries

420000 CO2e metric tonnes

By country - Scope 2 activity in metric tonnes of CO2-e by individual country

Country	Scope 2 Emissions (metric tonnes CO2-e)
Canada	382000
USA	38000

Electricity consumption

e. Total global MWh of purchased electricity

490000 MWh

f. Total MWh of purchased electricity for Annex B countries

490000 MWh

By country – MWh of purchased electricity by individual country.

Country

Canada 406000

United Kingdom 84000

g. Total global MWh of purchased electricity from renewable sources

7745 MWh

h. Total MWh of purchased electricity from renewable sources for Annex B countries

7745 MWh

By country – MWh of purchased electricity from renewable sources by individual country.

Country

United Kingdom 7745

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

No

Question 2(b)(i)(y) Scope 1 and Scope 2 of GHG Protocol - Year 2 answers

Please enter the dates for the reporting period that you specified in (answer to question 2(a)(i)) , and then answer the questions for that period. By selecting the "Add Additional Year Figures" button at the end of this webpage, you can repeat the process for the previous reporting period, and then for the reporting period before that, and so on. If possible, please give data going back to the reporting period ending in 2004. You do not have to enter historical data if you have already reported this information in response to previous CDP questionnaires.

Please enter the accounting year used to report GHG emissions details below.

Start date: 01 January 2006

End date: 31 December 2006

Scope 1 Direct GHG Emissions: Please provide:

a. Total global Scope 1 activity in Metric Tonnes CO₂-e emitted.

7198000 CO₂e metric tonnes

b. Total Scope 1 activity in Metric Tonnes CO2-e emitted for Annex B countries.

7198000 CO2e metric tonnes

By country - Scope 1 activity in metric tonnes of CO2-e by individual country

Using the same methodology please state your emissions per country. NB : If it is not practical for you to list emissions on a full country by country basis, please list here countries with significant emissions in the context of your business and combine the remainder under "rest of world". If you already have this information in another format (e.g Excel) please attach it.

Country	Scope 1 Emissions (metric tonnes CO2-e)
Canada	2075000
Malaysia	2958000
Norway	162000
United Kingdom	2003000

Scope 2 - Indirect GHG emissions: Please provide:

c. Total global Scope 2 activity in metric tonnes CO2-e emitted

438000 CO2e metric tonnes

d. Total Scope 2 activity in metric tonnes CO2-e emitted for Annex B countries

438000 CO2e metric tonnes

By country - Scope 2 activity in metric tonnes of CO2-e by individual country

Country	Scope 2 Emissions (metric tonnes CO2-e)
Canada	406000
United Kingdom	32000

Electricity consumption

e. Total global MWh of purchased electricity

519000 MWh

f. Total MWh of purchased electricity for Annex B countries

519000 MWh

By country – MWh of purchased electricity by individual country.

Country

Canada 447000

United Kingdom 71000

g. Total global MWh of purchased electricity from renewable sources

0 MWh

h. Total MWh of purchased electricity from renewable sources for Annex B countries

0 MWh

By country – MWh of purchased electricity from renewable sources by individual country.

Country

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

No

Question 2(b)(i)(y) Scope 1 and Scope 2 of GHG Protocol - Year 3 answers

Please enter the dates for the reporting period that you specified in (answer to question 2(a)(i)) , and then answer the questions for that period. By selecting the "Add Additional Year Figures" button at the end of this webpage, you can repeat the process for the previous reporting period, and then for the reporting period before that, and so on. If possible, please give data going back to the reporting period ending in 2004. You do not have to enter historical data if you have already reported this information in response to previous CDP questionnaires.

Please enter the accounting year used to report GHG emissions details below.

Start date: 01 January 2005

End date: 31 December 2005

Scope 1 Direct GHG Emissions: Please provide:

a. Total global Scope 1 activity in Metric Tonnes CO₂-e emitted.

6770000 CO2e metric tonnes

b. Total Scope 1 activity in Metric Tonnes CO2-e emitted for Annex B countries.

6770000 CO2e metric tonnes

By country - Scope 1 activity in metric tonnes of CO2-e by individual country

Using the same methodology please state your emissions per country. NB : If it is not practical for you to list emissions on a full country by country basis, please list here countries with significant emissions in the context of your business and combine the remainder under "rest of world". If you already have this information in another format (e.g Excel) please attach it.

Country	Scope 1 Emissions (metric tonnes CO2-e)
Canada	2005000
Malaysia	2811000
Norway	138000
United Kingdom	1816000

Scope 2 - Indirect GHG emissions: Please provide:

c. Total global Scope 2 activity in metric tonnes CO2-e emitted

520000 CO2e metric tonnes

d. Total Scope 2 activity in metric tonnes CO2-e emitted for Annex B countries

520000 CO2e metric tonnes

By country - Scope 2 activity in metric tonnes of CO2-e by individual country

Country	Scope 2 Emissions (metric tonnes CO2-e)
Canada	474000
United Kingdom	46000

Electricity consumption

e. Total global MWh of purchased electricity

553000 MWh

f. Total MWh of purchased electricity for Annex B countries

553000 MWh

By country – MWh of purchased electricity by individual country.

Country

Canada 450000

United Kingdom 103000

g. Total global MWh of purchased electricity from renewable sources

0 MWh

h. Total MWh of purchased electricity from renewable sources for Annex B countries

0 MWh

By country – MWh of purchased electricity from renewable sources by individual country.

Country

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

No

Question 2(b)(ii) Scopes 1 and 2 of GHG Protocol

If you are unable to detail your Scope 1 and Scope 2 GHG emissions and/or electricity consumption, please report the GHG emissions you are able to identify together with a description of those emissions. If you have answered 2(b)(i), please go to question 2(c)(i).

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

Question 2(c)(i) Other Emissions – Scope 3 of GHG Protocol

How do you identify and/or measure Scope 3 emissions?

Talisman does not estimate or account for indirect emissions other than for purchased electricity consumption. Other indirect emissions are categorized as Scope 3 by the WBCSD GHG Protocol and are defined by the WBCSD as follows:

“Scope 3 is an optional reporting category that allows for the treatment of all other indirect emissions. Scope 3 emissions are a consequence of the activities of the company, but occur from sources not owned or controlled by the company. Some examples of scope 3 activities are extraction and production of purchased materials; transportation of purchased fuels; and use of sold products and services.”

Please see Talisman's 2007 Corporate Responsibility Report (<http://cr.talisman-energy.com/>) for comprehensive information about Talisman's emissions accounting methodology; external verification; variations in emissions; direct energy use; production energy intensity; production carbon intensity; and CO₂, CH₄, N₂O and CO₂ equivalent emissions by country of operation.

Please provide where possible:

a. Details of the most significant Scope 3 sources for your company.

See response to question 2(c)(i).

b. Details in metric tonnes CO₂-e of GHG emissions in the following categories:

i Employee business travel.

ii External distribution/logistics

iii Use/disposal of company's products and services.

iv Company supply chain.

c. Details of the methodology you use to quantify or estimate Scope 3 emissions.

[See response to question 2\(c\)\(i\).](#)

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

Question 2(d) External Verification

(i) Has the information reported in response to Questions 2(b)- (c) been externally verified or audited or do you plan to have the information verified or audited?

[Yes \(Please go to 2\(d\)\(ii\)\)](#)

(ii) If your answer to question 2d(i) is Yes, please provide or attach a copy of the audit or verification statement or state your plans for verification.

[TO: THE BOARD OF DIRECTORS AND MANAGEMENT OF TALISMAN ENERGY INC.](#)

[We have been asked to review selected quantitative performance indicators presented in Talisman's Corporate Responsibility Report \(the Report\) for the year ended December 31, 2007. We did not attempt to review all information included in the Report. Talisman management is responsible for collection and presentation of the indicators and information within the Report.](#)

[Our responsibility is to express a conclusion as to whether anything has come to our attention to suggest that the selected performance indicators are not presented fairly in accordance with the relevant criteria.](#)

[Scope](#)

[The information selected for review in 2007 included quantitative indicators relating to community investments, community relations, health, safety and environment, employee relations, and other areas in the Performance Data Summary noted in bold on pages 36 to 40. The performance indicators were selected by Talisman primarily on the basis of perceived external stakeholder interest. We did not review the narrative sections of the Report, except where they incorporated the selected quantitative performance indicators. The Economic Performance Data contains financial performance information extracted from Talisman's 2007 financial statements, along with selected corporate responsibility expenditures that are within scope of this review. We did not review financial performance information taken from Talisman's consolidated financial statements, which were audited by Ernst & Young LLP.](#)

[Methodology](#)

[Our review was completed in accordance with the International Standard on Assurance Engagements \(ISAE\) 3000, developed by the International Federation of Accountants. As such, we planned and performed our work in order to provide limited, rather than absolute, assurance with respect to the selected quantitative information that we reviewed. Our review criteria were based on Global Reporting Initiative \(GRI\) G3 Sustainability Reporting Guidelines, relevant regulations, Talisman management definitions and accepted industry standards. Our procedures included obtaining, examining and evaluating evidence relating to the selected indicators. Our process is further described in the sidebar on this page. We believe our work provides a reasonable basis for our](#)

conclusion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the selected quantitative information presented in bold on pages 36 to 40 of this Report is not presented fairly in accordance with the relevant criteria.

PricewaterhouseCoopers LLP
Calgary, Alberta, Canada
March 7, 2008

(iii) Please specify the standard or protocol against which the information has been audited or verified.

International Standard on Assurance Engagements (ISAE) 3000, developed by the International Federation of Accountants.

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

No

Question 2(e) Data Accuracy

Does your company have a system in place to assess the accuracy of GHG emissions inventory calculation methods, data processes and other systems relating to GHG measurement? If so, please provide details. If not, please explain how data accuracy is managed.

Yes, we do have a system.

Talisman regularly conducts safety and environmental audits at its operated facilities as a basis for continuous improvement and to assess compliance with Company standards and regulatory requirements. Safety and environmental audits may involve in house representatives or third parties. Where audits identify significant deficiencies, improvements are made to the management framework, deficiencies are tracked and follow up work is monitored. Although Talisman does not utilize ISO 14001 as a corporate wide EMS, ISO 14001 is a regulatory requirement for the Company's UK operations. Talisman's UK operations account for approximately 30% of total Talisman gross sales revenue. As part of our annual reporting process, PricewaterhouseCoopers reviewed select information included in the 2007 CR Report, including quantitative indicators relating to health, safety and environment and other areas in the Performance Data Summary noted in bold on pages 36-40.

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

No

Question 2(f) Emissions History

Do the emissions reported for your last accounting year vary significantly compared to previous years? If so, please explain reasons for the variations.

Yes, they do vary significantly.

Talisman's PM-3 CAA project offshore Malaysia and Vietnam is a significant source of the Company's global CO2 equivalent emissions, accounting for approximately 5.5 million tonnes of CO2 equivalent emissions in 2007. This represented more than half of the Company's global CO2 emissions last year. Given that petroleum reservoirs found throughout Thailand, Malaysia, Indonesia, Vietnam and China are particularly CO2-rich, this was not unexpected. Further contributing to the increase in emissions was the startup in 2007 of the new BRE gas processing plant and the accompanying production increase.

The Company recognizes that this growing volume of emissions is a significant. Although standard industry practice in the region is to routinely flare gas and vent CO2, the Company believes it may have a long-term solution that would significantly reduce its CO2 venting at the project. During PM-3 CAA construction, provisions were made that would allow for the reinjection of the almost pure stream of CO2 and Talisman has begun studying if there is feasibility in reinjecting CO2 emissions into older depleted gas reservoirs near the existing facilities.

Although, currently, the fiscal and regulatory regimes throughout the region make no provision for CO2 reinjection, Talisman believes that CO2 reinjection at PM-3 CAA may qualify as a CDM project under the still-developing international climate change framework. CDM projects generate a material volume of CER credits, which could be sold into the market or used to retire regulatory obligations elsewhere. Such a CDM project at PM3-CAA would require the agreement of the governments of Malaysia and Vietnam.

Talisman continues to evaluate the potential for reinjecting CO2 at PM-3 CAA and is continuing to monitor the development of the applicable CDM mechanisms and processes. There are several evolving factors associated with a potential CDM project related to timing, process, definitions, methodologies and economics that are applicable to the geological storage of CO2. There is also uncertainty as to the long-term market value for CER credits. Talisman will continue to assess these various factors on an ongoing basis.

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

No

Question 2(g) Emissions Trading

i) Does your company have facilities covered by the EU Emissions Trading Scheme?

Yes, our company has facilities covered by the EU ETS. (Please answer 2(g)(i)(a), (b) and (c) and 2(g)(ii).)

If so:

a) Please provide details of the annual allowances awarded to your company in Phase I for each of the years from

1 January 2005 to 31 December 2007 and details of allowances allocated for Phase II commencing on 1 January 2008.

In all cases, please enter whole numbers without punctuation, For example, enter 2000 instead of 2,000.

Please enter allowance in Metric Tonnes of CO2:

1 January 2005-31 December 2005

[1428951 Metric Tonnes CO2](#)

1 January 2006-31 December 2006

[1428654 Metric Tonnes CO2](#)

1 January 2007-31 December 2007

[1711582 Metric Tonnes CO2](#)

b) Please provide details of actual annual emissions from facilities covered by the EU ETS with effect from 1 January 2005.

Please enter emissions in Metric Tonnes of CO2.

1 January 2005-31 December 2005

[1216591 Metric Tonnes CO2](#)

1 January 2006-31 December 2006

[1114822 Metric Tonnes CO2](#)

1 January 2007-31 December 2007

[1303355 Metric Tonnes CO2](#)

Phase II annual allowances

1 January 2008 – 31 December 2008

[1857804 Metric Tonnes CO2](#)

1 January 2009 – 31 December 2009

[1841711 Metric Tonnes CO2](#)

1 January 2010 – 31 December 2010

[1841711 Metric Tonnes CO2](#)

1 January 2011 – 31 December 2011

[1841711 Metric Tonnes CO2](#)

1 January 2012 – 31 December 2012

[1841711 Metric Tonnes CO2](#)

c) What has been the impact on your company's profitability of the EU ETS?

[Talisman's profitability was not materially affected by Phase 1 \(2005-2007\) of the EU ETS and the company does not expect profitability to be materially affected by Phase 2 \(2008-2012\). Please refer to the response to question 2\(g\)\(i\) for more details.](#)

ii) What is your company's strategy for trading or participating in regional and/or international trading schemes (eg: EU ETS, RGGI, CCX) and Kyoto mechanisms such as CDM and JI projects? Explain your involvement for each of the following:

EU ETS

[Please refer to Talisman's response to question 2\(g\).](#)

CDM/JI

[Talisman continues to monitor the development of ongoing international climate change negotiations and Kyoto mechanisms and will take advantage of available opportunities to increase its competitive advantage through increased operational efficiency, project options, and reputation building.](#)

[Please refer to Talisman's response to question 2\(f\) for more detail.](#)

CCX

RGGI

Others

Please refer to Talisman's response to question 1(a)(i).

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

Yes

Talisman may benefit from CO2e emissions trading schemes by achieving surplus emission credits through improvement in operational efficiencies at regulated installations, and/or through emission reduction projects at non-regulated installations/activities. Emission credits could be used in regulated or voluntary trading markets. Several voluntary CO2e trading markets currently exist, however, to date; Talisman has not chosen to engage, opting to await additional clarity around legislated climate change regulations and their emissions trading implications.

Talisman will continue to comply with all regulations, while striving to meet or exceed industry best practices and capitalize on any opportunity to increase our competitive advantage. As climate change issues continue to evolve, so will Talisman's strategy and approach.

Question 2(h) Energy Costs

i) Please identify the total costs in US \$ of your energy consumption eg from fossil fuels and electric power.

If you want to enter a number less than 1, please ensure you use a decimal point (e.g. 0.3) and NOT a comma (e.g. 0,3)

ii) What percentage of your total operating costs does this represent?

iii) What percentage of energy costs are incurred on energy from renewable sources?

More details

Talisman currently tracks and aggregates the amount of fuel and electricity consumption by the company. While energy cost tracking is performed at the regional level, these costs are not currently separated from the Company's overall capital and operating expenses and aggregated. Talisman may consider aggregating these costs in the future.

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

No

3 - Performance

Question 3(a) Reduction Plans

i) Does your company have a GHG emissions reduction plan in place? If so, please provide details along with the information requested below. If there is currently no plan in place, please explain why.

No, we do not currently have a plan in place for the following reason(s):

Talisman has not set Company-wide emission-reduction targets or defined a baseline and does not intend to do so until the Company has greater clarity regarding its future regulatory obligations.

Company-wide emissions reduction and energy efficiency expectations are integrated into Talisman's daily business operations at the facility level. In cases where regulatory frameworks apply an emissions target to a facility, that target is integrated into the facility's business operations and acknowledged at the corporate level.

Talisman will continue to develop its strategy and expect its approach to this issue to evolve over time, as the regulatory and fiscal framework becomes clearer.

ii) What is the baseline year for the emissions reduction plan?

If you want to give further information or describe a rolling target, please do so here.

N/A

iii) What are the emissions reduction targets and over what period do those targets extend?

N/A

iv) What activities are you undertaking to reduce your emissions eg: renewable energy, energy efficiency, process modifications, offsets, sequestration etc? What targets have you set for each and over what timescales do they extend?

Please see Talisman's response to 1(b)(iv) for more detail.

v) What investment has been or will be required to achieve the targets and over what time period?

Please see Talisman's response to 1(b)(iv) for more detail.

vi) What emissions reductions and associated costs or savings have been achieved to date as a result of the plan?

Please see Talisman's response to 1(b)(iv) for more detail.

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

No

Question 3(b) Emissions Intensity

i) What is the most appropriate measurement of emissions intensity for your company?

Other

Production Carbon Intensity (PCI) is an aggregate indicator of greenhouse gas emissions. PCI is a measure of the amount of CO₂, CH₄ and N₂O (expressed as CO₂ equivalents) emitted per unit of production (expressed as barrel of oil equivalent volume). PCI normalizes for production growth. The corporate PCI value reported below represents the 2007 operating year.

Talisman consolidates GHG emissions data according to the Operational Control Approach as defined by the WBCSD's Greenhouse Gas Protocol. As such, the denominator of the PCI indicator (Barrel of Oil Equivalent Production) is also expressed as the gross operated production from assets under Talisman's operational control. Gross operated production is not equal to net Talisman production upon which US\$ turnover or EBITDA are based. Talisman does not currently convert gross operated production into a comparable aggregate financial valuation for the company; therefore, question 3(b)(ii) below cannot be answered with available data.

Please give your company's emissions intensity figure for the measurement given above.

If you want to enter a number less than 1, please ensure you use a decimal point (e.g. 0.3) and NOT a comma (e.g. 0,3)

0.052

ii) Please state your GHG emissions intensity in terms of total tonnes of CO₂-e reported under Scope 1 and Scope 2 per US \$m turnover and EBITDA for the reporting year.

Scope 1/ US\$millions turnover

Scope 2/ US\$millions turnover

Scope 1/ EBITDA

Scope 2/ EBITDA

iii) Has your company developed emissions intensity targets?

No, we have not developed emission intensity targets for the following reason(s):

As stated in the Company's response to questions 3(a)(i), Talisman has not set Company-wide emission-reduction targets and does not intend to do so until the Company has greater clarity regarding its future regulatory obligations in Canada and the UK (EU ETS, Phase II).

Company-wide emissions reduction and energy efficiency expectations are integrated into Talisman's daily business operations at the facility level. In cases where regulatory frameworks apply an emissions target to a facility, that target is integrated into the facility's business operations and acknowledged at the corporate level.

a) If the answer to part (iii) above is yes, please state your emissions intensity targets

b) If the answer to part (iii) above is yes, please state what reductions in emissions intensity have been achieved against targets and over what time period.

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

No

Question 3(c) Planning

Do you forecast your company's future emissions and/or energy use?

Yes, we do. (Please answer questions (i) to (iii) below.)

i) Please provide details of those forecasts, summarize the methodology used and the assumptions made.

If you are able to give quantified forecasts of Scope 1 and Scope 2 emissions and/or electricity consumption, you can enter numerical data on the next page.

As stated, Talisman's comprehensive assessment of risks and opportunities associated with climate change occurs on an ongoing basis and this includes reviews of the company's emissions and energy use trends past and future. Currently, Talisman does not forecast its global emissions and energy use. Specific activities vary within each region that the Company operates. International operations are empowered to organize their HSE programs and

systems and address their unique risks and priorities.

Talisman's UK operations regularly forecasts emissions, compares forecasts against actuals, and validates forecast methodologies. Consolidated balance between CO2 emissions and CO2 allowances under EU ETS scheme is monitored monthly.

Talisman Norway forecasts the greenhouse gas emissions of its operated fields to the end of their respective production lifetimes.

ii) How do you factor the cost of future emissions into capital expenditure planning?

Talisman undertakes carbon risk analysis as a part of all development, or acquisition processes. The level of actual analysis undertaken is determined by the CO2e emissions related scope and particulars of any given development or acquisition.

iii) How have these considerations made an impact on your investment decisions?

The current strategic and financial impacts to Talisman of existing climate change regulations are negligible. While Talisman currently believes that the costs of complying with environmental legislation will not have a material adverse effect on the Company's financial condition or results of operations, it is too early to accurately predict the strategic and financial impacts of future climate change regulations to Talisman.

As stated previously, regulatory regimes are laws of general application that apply to the Company's business in the same manner as they apply to other companies or enterprises in the energy industry. Due to Talisman's current asset and production mix, the Company does not anticipate being disproportionately disadvantaged under future regulatory frameworks.

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

No

Question 3(c) (i) Planning - Forecasted emissions/electricity use - Year 1 answers

This page gives you the opportunity to give numerical forecasts for emissions and electricity use. If possible, please provide emissions forecasts for the next five reporting periods. Use the "Add additional year figures" button at the end of the page to enter emission forecasts for successive reporting periods. Note: Please enter whole numbers without punctuation. For example, use 2000 instead of 2,000

Please enter the accounting period used to report GHG emissions details below.

Dates not selected.

Forecasted Scope 1 Direct GHG Emissions: Please provide:

a. Forecasted Total global Scope 1 emissions in Metric Tonnes CO₂-e.

b. Forecasted Total Scope 1 emissions in Metric Tonnes CO₂-e for Annex B countries.

By country - Forecasted Scope 1 emissions in Metric Tonnes of CO₂-e by individual country

Using the same methodology please state your emissions forecasts per country. NB : If it is not practical for you to list emissions on a full country by country basis, please list here countries with significant emissions in the context of your business and combine the remainder under "rest of world". If you already have this information in another format (e.g Excel) please attach it.

**Country Scope 1 Emissions
(metric tonnes CO₂-e)**

Scope 2 Indirect GHG emissions: Please provide:

c. Forecasted total global Scope 2 emissions in Metric Tonnes CO₂-e

d. Forecasted total Scope 2 emissions in Metric Tonnes CO₂-e for Annex B countries

By country - Forecasted Scope 2 emissions in Metric Tonnes of CO₂-e by individual country

**Country Scope 2 Emissions
(metric tonnes CO₂-e)**

Forecasted electricity consumption

e. Forecasted total global MWh of purchased electricity

f. Forecasted total MWh of purchased electricity for Annex B countries

By country – Forecasted MWh of purchased electricity by individual country.

Country

g. Forecasted total global MWh of purchased electricity from renewable sources

h. Forecasted total MWh of purchased electricity from renewable sources for Annex B countries

By country – Forecasted MWh of purchased electricity from renewable sources by individual country.

Country

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

Yes

Emissions and energy use forecasts are based on broad assumptions regarding future corporate strategic direction, development plans, acquisitions and divestitures, production rates, reservoir characteristics, and energy efficiency and emissions reduction activities. Resultant forecasts are useful for corporate planning and predicting impacts; however, they are edited frequently to reflect changing circumstances. Talisman will not be presenting emissions forecasts in CDP6. Readers are advised to review Talisman's historic emissions trends as presented in the company's response to question 2(b)(i)(y).

Please see Talisman's 2007 Corporate Responsibility Report (<http://cr.talisman-energy.com/>) for comprehensive information about Talisman's emissions accounting methodology; external verification; variations in emissions; direct energy use; production energy intensity; production carbon intensity; and CO₂, CH₄, N₂O and CO₂ equivalent emissions by country of operation.

4 - Governance

Question 4(a) Responsibility

Does a Board Committee or other executive body have overall responsibility for climate change? If not, please state how overall responsibility for climate change is managed. If so, please answer parts (i) and (ii) below.

Yes, an executive body does have overall responsibility for climate change.

i) Which Board Committee or executive body has overall responsibility for climate change?

Responsibility for Talisman's Health, Safety and Environmental (HSE) performance rests with the entire Board of Directors and its Executive. In April 2008, Talisman's Board of Directors constituted a Health, Safety, Environment

and Corporate Responsibility (HSECR) Committee. The HSECR's terms of reference include, among other things, responsibility for the review of policies, management systems and internal controls in the HSE area; the regular review of an HSE performance report; the review of significant HSE issues, exposures and strategic initiatives; and to annually receive and review Talisman's Corporate Responsibility Report.

ii) What is the mechanism by which the Board or other executive body reviews the company's progress and status regarding climate change?

Talisman produces an annual, externally verified Corporate Responsibility Report, which highlights its HSE performance. This report includes information on Company CO2 emissions and current risks and initiatives related to climate change. The Report is available at <http://cr.talisman-energy.com/>. HSE reports are provided to the Board of Directors at each regularly scheduled Board meeting throughout the year and include discussion of matters relating to climate change risks, forward strategies and opportunities. Other reports are provided throughout the year as appropriate.

Operations line management and senior management receive regular reports on our HSE performance. Selected performance measures are reported externally to the country specific regulators and/or industry bodies.

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

No

Question 4(b) Individual Performance

Do you assess or provide incentive mechanisms for individual management of climate change issues including attainment of GHG targets? If so, please provide details.

Yes, we do.

As specified in Talisman's Terms of Reference for the Board of Directors, one of the primary responsibilities of the Directors is that they must identify and have an understanding of the principal risks associated with the Company's business, and must ensure that appropriate systems are in place which monitor and manage those risks. Please see the 2007 Management Proxy Circular, pages 31-38. Talisman's senior management team provides strategic direction for the corporate responsibility program and actively reviews and monitors progress towards set goals and objectives at corporate responsibility meetings that are held on a regular basis.

Functional responsibility for strategy evaluation and corporate direction lies with the Executive. Implementation is a collaborative matter involving a wide range of functional departments across the Company including Talisman's Operations, Corporate Responsibility and HSE departments.

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

No

Question 4(c) Communications

Please indicate whether you publish information about the risks and opportunities presented to your company by climate change, details of your GHG emissions and plans to reduce emissions through any of the following communications:

i) the company's Annual Report or other statutory filings

Yes

Talisman's risks and opportunities including those related to climate change are presented in the Company's Corporate Responsibility Report, Annual Report and Annual Information Form.

ii) formal communications with shareholders or external parties

Yes

See above.

iii) voluntary communications such as Corporate Social Responsibility reporting

Yes

Talisman's risks and opportunities including those related to climate change are presented in the Company's Corporate Responsibility Report.

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

No

Question 4(d) Public Policy

Do you engage with policymakers on possible responses to climate change including taxation, regulation and carbon trading? If so, please provide details.

Yes

As stated, Talisman currently operates in several regions where climate change regulations are imposed or proposed. Talisman continues to engage in policy setting discussions in regions with emerging/developing climate change regulations. That engagement allows the Company a familiarity with the respective regulatory frameworks and the ability to assess current and/or future impacts and advise the policy development process.

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

No