Dear (first name),

This note is provided to analysts & teams that cover Talisman and will be posted on the Analysts section of Talisman's website.

We request all sell-side analysts that cover Talisman to please provide updated estimates for Q2 2011, FY 2011 & FY 2012 by returning the attached *survey* by Friday July 8th. The summary survey results will contain the high/low and consensus average for each of the metrics and will be provided to all respondents on a no-names basis early the following week.

The company will report its 2011 2Q results on Thursday July 28th 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. All figures in US dollars unless otherwise specified.

Key Q1-2011 Recap

- Gross production of 444mboe/d generated cash flow of $811 million and earnings from operations of $157 million at benchmark prices of $104.97/bbl for Dated Brent and $4.14/mmbtu for NYMEX gas – *Q1 2011 Press Release and Financial Statements*
- Cash taxes (income and PRT) of $443 million and realized losses on oil hedging contracts of $65 million – *1Q 2011 Conference Call Transcript*

2011 Production:

- "Holding our guidance for annual production growth, which is 5% to 10% excluding Colombia, although the issues with Yme are pushing us towards the bottom of that range. We expect volumes in Colombia to average 11,000 boe/d on an annualized basis" – *Q1 2011 Press Release*
- In the Farrell Creek area of the Montney shale, gross production averaged 56mmcf/d in Q1 and 26mmcf/d to TLM in March as the 50% JV with Sasol closed March 1 – *Q1 2011 Press Release and March 8 Talisman Press Release*

North Sea Maintenance Impact on Production and Operating Expenses: Analyst estimates should be aware of the following historic information relating to the impact of seasonal maintenance activities in the North Sea on production volumes and operating costs:

- The average production volume impact from Q1 to Q2 for turnarounds over the last two years has been approximately 25,000 boe/d – *Historical quarterly financial statements*
- The impact of seasonal maintenance activities in the North Sea on operating costs is twofold. First, North Sea operating costs are relatively fixed in nature, so despite lower production levels, unit costs trend higher from Q1 to Q2. Analysts that model operating costs on a per unit basis should exercise their own judgment. Second, maintenance activities such as well intervention costs and equipment upgrades are expensed in operating costs as incurred. For example, in 2010 these types of maintenance activities accounted for an incremental ~$100 million of operating costs in the UK – *Historical quarterly financial statements and 2011 Investor Open House Presentation*

Current Income Taxes:

- "As we think about the full year 2011, taxes are dependent on price, capital, and production. Our biggest exposure to taxes are in the North Sea, UK, and Norway. We are expecting relatively flat production and relatively flat capital, so the impact on taxes will be dependent on prices" *– CFO comments in 1Q 2011 Conference Call Q&A*
- "As a result of the income in the UK tax rate from 50 to 62% … the company recorded approximately $25 million in additional current tax expenditure [in Q1]" – *CFO comments in 1Q 2011 Conference Call Q&A*
- "From a cash tax perspective, it's also important to note that with the transition to US dollars and IFRS, we have taken the opportunity to combine current tax and current PRT into one line item called current income tax on the income statements" – *CFO comments in 1Q 2011 Conference Call Q&A*
- The key Dated Brent oil benchmark price is tracking ~12% higher in Q2 relative to Q1 – *Source Bloomberg*

Timing of Liftings and Inventories: As liftings impact a number of items on the income statement and hence earnings and cash flow results, analysts could model Q2 earnings and cash flow estimates based on Q2 production forecasts and separately adjust for any potential reversal of Q1 inventory impact to avoid confusion. Furthermore, while the company lifted a large portion of the inventory build subsequent to the end of Q1, the ultimate impact on Q2 earnings and cash flow will depend on the closing inventory position at the end of Q2. Analysts should exercise judgment if adjusting Q2 estimates for liftings.

- The Q1 results included an $80 million after-tax cash flow and $45 million earnings negative impact from a 1.9 million barrel build in oil inventories caused by the timing of liftings, a substantial portion of which had been lifted subsequent to the quarter end – *Q1 2011 Press Release and Conference Call Transcript*
- The timing of liftings lowered Q1 operating costs and DD&A – *1Q 2011 Conference Call Transcript*

Hedging: Please see the attached link *"Talisman Energy Inc Hedging Contract Summary"* for the latest disclosure of financial and physical contracts outstanding

- Please note that all oil collars were out of the money in Q2 2011
- The majority of Talisman's liquids production is linked directly or indirectly to the Dated Brent price benchmark. Talisman's net economic exposure to oil prices should take into account applicable royalties and taxes in each respective jurisdiction. For Q2 2011, Talisman has 61,000/bbls of its net economic exposure to Brent hedged through oil collars with a ceiling between $91.27 and $97.57 per barrel. In addition, Talisman has 9,000/bbls of its net exposure to WTI linked production hedged with a ceiling of $92 per barrel
- Financial hedging contracts contain both realized and unrealized gains/losses and are reported in the "Held-for-trading financial instruments" line in the income statement
- Current taxes on international oil production such as the North Sea are based on realized oil prices and do not benefit from realized commodity losses
- Physical hedging contracts are accounted for as sales revenue in the income statement and netback tables. Analysts should take into consideration that Talisman's physical

hedges for AECO gas volumes are substantially lower in Q2 2011 compared to 2010 when trending netbacks

World Oil Prices (*Source - Bloomberg*)**:** Global oil benchmarks relevant to Talisman are currently tracking ~10-20% higher than the Q1 2011 average (all in US$ terms).

From the Prior Quarter:

- Canada- Western Canadian Select benchmark up 21% and continues to trade at a wide differential to WTI due to pipeline outages in Western Canada
- North Sea – Brent light crude benchmark up 12%
- Indonesia – Minas light crude benchmark up 16%
- Malaysia – Tapis benchmark up 14%
- Indonesia – Duri heavy crude benchmark, which the majority of Talisman's Indonesian gas production is linked to, up 19%
- Malaysia – Singapore High Sulphur Fuel Oil benchmark, which Malaysian gas production is linked to, up 11%
- Colombia – Cuisiana light crude benchmark up 10%

Talisman's gross revenues are correlated to changes in the price of oil as approximately 60% of the company's overall production (including most Southeast Asian gas) is sold at prices indexed to a liquids benchmark. In addition to benchmark prices, the timing of liftings can have an impact on realized prices and gross revenues.

North America Gas Prices (*Source – Bloomberg*)**:** NYMEX is tracking 5% higher in US$ terms and the AECO basis differential to NYMEX is unchanged compared to the prior quarter

Exchange Rates (*Source – Bloomberg*)**:** The Canadian dollar has strengthened by roughly 2% versus the US dollar during the second quarter

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

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Talisman Q2 2011 Analyst Survey

Sent: June 29th, 2011
Please respond by: Friday, July 8th

Firm:	

Total Production (before royalties)		Q2 2011	FY 2011	FY 2012
Oil & Liquids	mbbls/d			
Gas	mmcf/d			
BOE	mboe/d	0.0	0.0	0.0

Production from Continuing Ops (before royalties)		Q2 2011	FY 2011	FY 2012
Oil & Liquids	mbbls/d			
Gas	mmcf/d			
BOE	mboe/d	0.0	0.0	0.0

Financial		Q2 2011	FY 2011	FY 2012
Operating Cash Netback[1]	US$ million			
Pre-tax Cash Flow	US$ million			
Cash Flow	US$ million			
Income Before Taxes	US$ million			
Net Income	US$ million			
Earnings from Operations[2]	US$ million			

Commodity price assumptions		Q2 2011	FY 2011	FY 2012
WTI Crude	US$/bbl			
NYMEX Gas	US$/mmbtu			
Exchange Rate	C$/US$			

Comments	

1. Operating Cash Netback = Revenues- Royalties- Operating Costs- Transportation Costs 2. Talisman calculates Earnings from Continuing Operations as Net Income plus (or minus) non-operational items such as stock-based compensation expense, gains (or losses) on asset sales, unrealized gains (or losses) on risk management contracts etc.

Please return the completed spreadsheet to us by **Friday July 8, 2011**. We will tabulate the results and provide respondents with a high-level summary (on a no-names basis) early the following week.

If you have any questions or comments, please do not hesitate to call.

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TALISMAN ENERGY

Talisman Energy Inc
Hedging Contract Summary (as disclosed in May 4, 2011 MD&A)
2Q 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
ICE	Swap	6.07	6.07	16,886	1-Apr-11	30-Jun-11	91
ICE Swaps Average		6.07	6.07	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	94,936	1-Apr-11	30-Jun-11	91
NYMEX	Collar	6.14	6.59	71,202	1-Apr-11	30-Jun-11	91
NYMEX Contracts Average		5.70	6.57	189,872	1-Apr-11	30-Jun-11	91

Natural Gas Physical Contracts (Reported under sales revenue)

Benchmark	Contract	Price Floor ($US/mcf)	Price Ceiling ($US/mcf)	Volume (mcf/d)	Contract Start	Contract Expiry	Days
AECO	Swap	3.00	3.00	3,671	1-Apr-11	30-Jun-11	91
Physical Contracts Average		3.00	3.00	3,671	1-Apr-11	30-Jun-11	91

2011 Gas Contracted Volumes				210,429	1-Apr-11	30-Jun-11	91

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

Talisman Energy Inc
Hedging Contract Summary (as disclosed in May 4, 2011 MD&A)
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	71,202	1-Jul-11	30-Sep-11	92
NYMEX Contracts Average		6.14	6.47	94,936	1-Jul-11	30-Sep-11	92

Natural Gas Physical Contracts (Reported under sales revenue)

Benchmark	Contract	Price Floor ($US/mcf)	Price Ceiling ($US/mcf)	Volume (mcf/d)	Contract Start	Contract Expiry	Days
AECO	Swap	3.00	3.00	3,671	1-Jul-11	30-Sep-11	92
Physical Contracts Average		3.00	3.00	3,671	1-Jul-11	30-Sep-11	92

2011 Gas Contracted Volumes				98,607	1-Jul-11	30-Sep-11	92

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
Brent	Put	90.00		20,000	1-Jul-11	30-Sep-11	92
Put Average		90.00		20,000	1-Jul-11	30-Sep-11	92

2011 Oil Contracted Volumes				70,000	1-Jul-11	30-Sep-11	92

TALISMAN ENERGY

Talisman Energy Inc

Hedging Contract Summary (as disclosed in May 4, 2011 MD&A)

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	71,202	1-Oct-11	31-Dec-11	92
NYMEX Contracts Average		6.14	6.47	94,936	1-Oct-11	31-Dec-11	92

Natural Gas Physical Contracts (Reported under sales revenue)

Benchmark	Contract	Price Floor ($US/mcf)	Price Ceiling ($US/mcf)	Volume (mcf/d)	Contract Start	Contract Expiry	Days
AECO	Swap	3.00	3.00	3,671	1-Oct-11	31-Dec-11	92
Physical Contracts Average		3.00	3.00	3,671	1-Oct-11	31-Dec-11	92

2011 Gas Contracted Volumes				98,607	1-Oct-11	31-Dec-11	92

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
Brent	Put	90.00		20,000	1-Oct-11	31-Dec-11	92
Put Average		90.00		20,000	1-Oct-11	31-Dec-11	92

2011 Oil Contracted Volumes				70,000	1-Oct-11	31-Dec-11	92

TALISMAN ENERGY

Talisman Energy Inc

Hedging Contract Summary (as disclosed in May 4, 2011 MD&A)

Full Year 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
ICE	Swap	6.49	6.49	17,824	1-Jan-11	31-Mar-11	90
ICE	Swap	6.07	6.07	16,886	1-Apr-11	30-Jun-11	91
ICE Swaps Annualized		6.28	6.28	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	94,936	1-Jan-11	30-Jun-11	181
NYMEX	Collar	6.14	6.59	71,202	1-Jan-11	31-Dec-11	365
NYMEX Contracts Annualized		5.85	6.53	142,014	1-Jan-11	31-Dec-11	365

Natural Gas Physical Contracts (Reported under sales revenue)

Benchmark	Contract	Price Floor ($US/mcf)	Price Ceiling ($US/mcf)	Volume (mcf/d)	Contract Start	Contract Expiry	Days
AECO	Swap	3.00	3.00	3,671	1-Jan-11	31-Dec-11	365
Physical Contracts Annualized		3.00	3.00	3,671	1-Jan-11	31-Dec-11	365

2011 Gas Contracted Volumes				154,290	1-Jan-11	31-Dec-11	365

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 Annualized		81.34	93.67	59,918	1-Jan-11	31-Dec-11	365
Brent	Put	90.00		20,000	1-Jul-11	31-Dec-11	184
Brent Put Annualized		90.00		10,082	1-Jan-11	31-Dec-11	365

2011 Oil Contracted Volumes				70,000	1-Jan-11	31-Dec-11	365

Talisman Energy Inc

Hedging Contract Summary (as disclosed in May 4, 2011 MD&A)

Full Year 2012

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	90.00	148.32	20,000	1-Jan-12	31-Dec-12	366
Collars Annualized		90.00	148.32	20,000	1-Jan-12	31-Dec-12	366
2012 Oil Contracted Volumes				20,000	1-Jan-12	31-Dec-12	366

TALISMAN ENERGY