

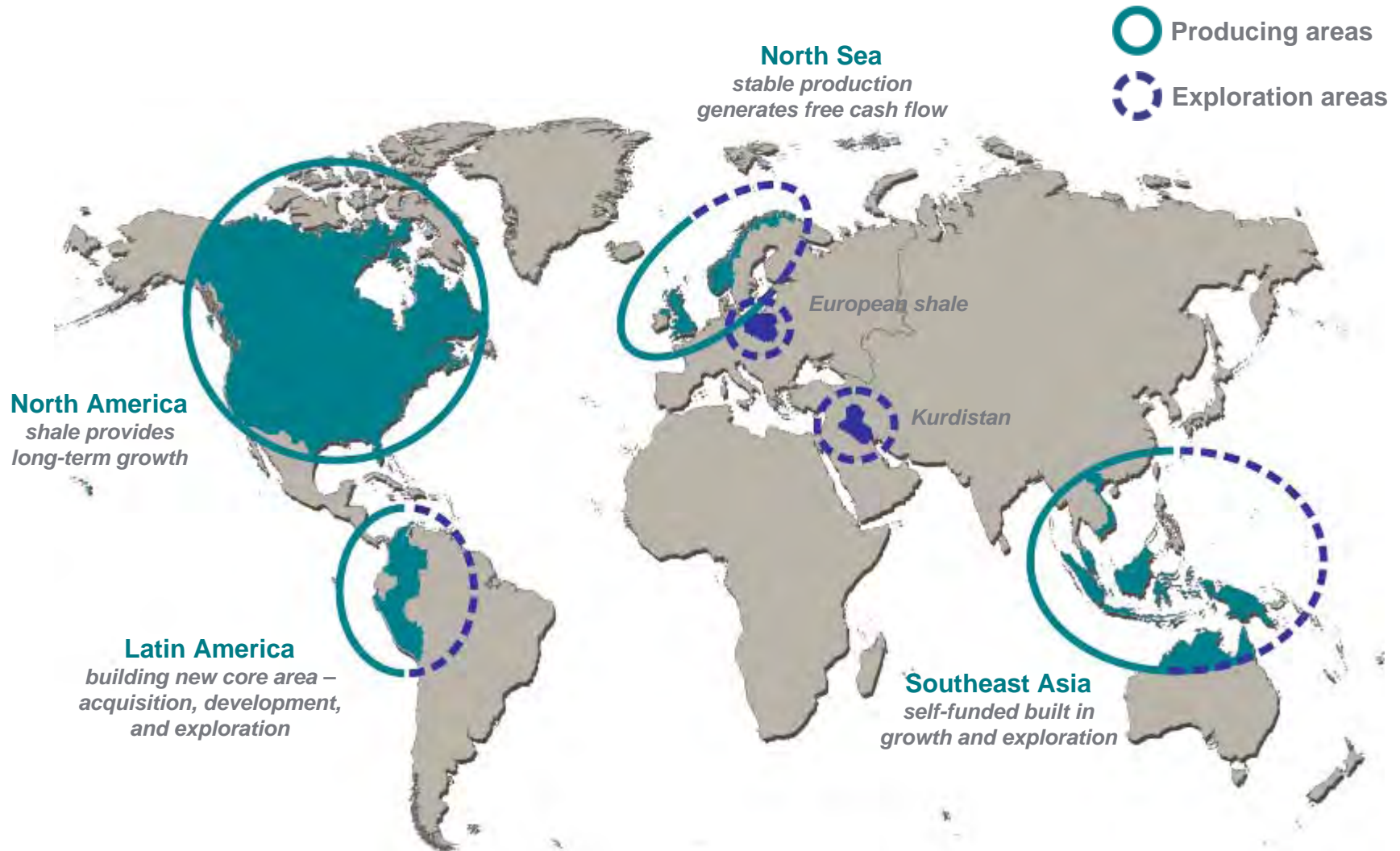


First Energy East Coast Energy Conference

March 8, 2012

TALISMAN
ENERGY

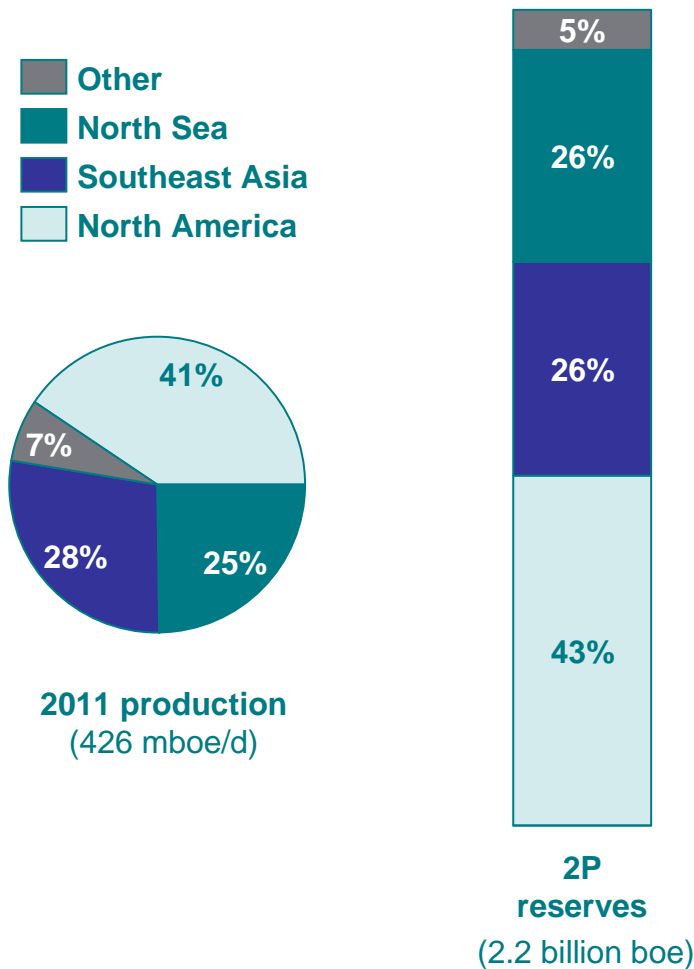
Talisman – three core production areas, plus high impact international exploration



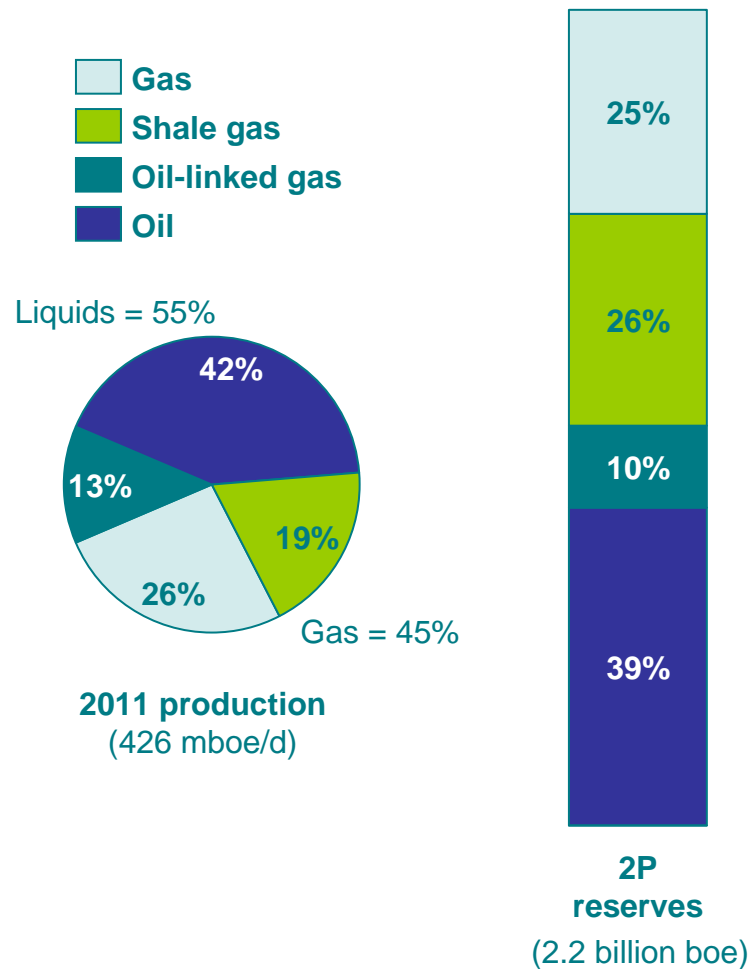
Diversified portfolio – oil and gas mix



Geography



Liquids/gas



2011 accomplishments and 2012 highlights



2011 accomplishments

- Doubled Marcellus shale production producing over 400 mmcf/d
- Entered the Duvernay shale with a substantial land position
- Successfully brought Jambi Merang and Kitan fields on production
- Exploration success in Colombia
- Three year replacement cost trend continues to improve
- Consolidated the repositioning of the portfolio to secure long term growth potential
- Improved our personal safety statistics by ~40%

2012 highlights

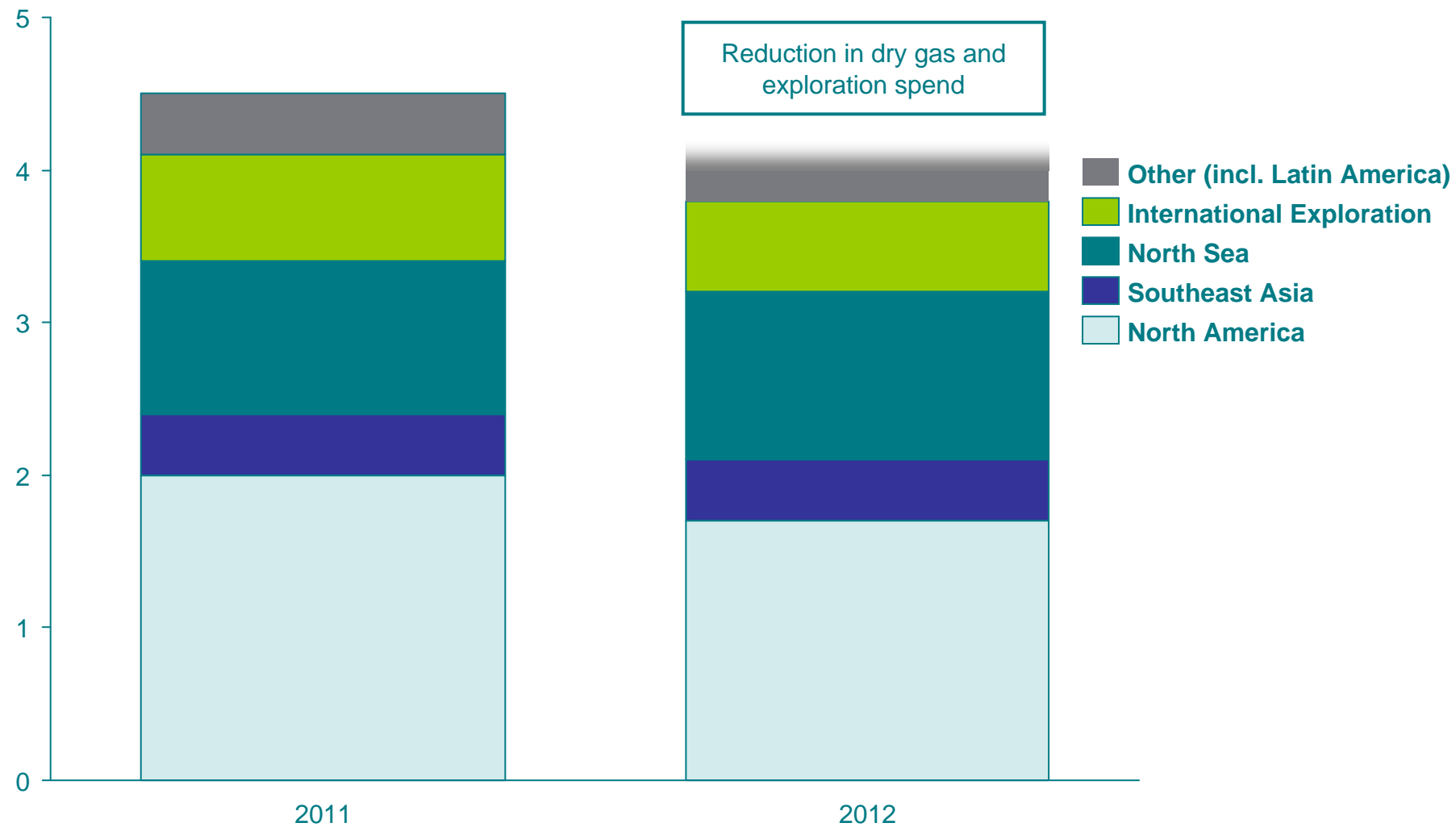
- Exploration and development capital expected to be ~\$4 billion, \$500 million lower than 2011 due mainly to reduced spending in dry gas
- Profitability over headline growth is a priority in the current gas price environment
- Production growth in 2012 will be up to 5% with a refocusing of investment in liquids
- \$1-2 billion in disposal proceeds from focusing the portfolio in the North Sea, North American conventional, and International Exploration
- Exploration drilling results expected from Peru, Kurdistan, Colombia, PNG, and Poland

E&P cash capital expenditure



Cash capital spend

\$ billion



North America shale – leading, returns-focused business



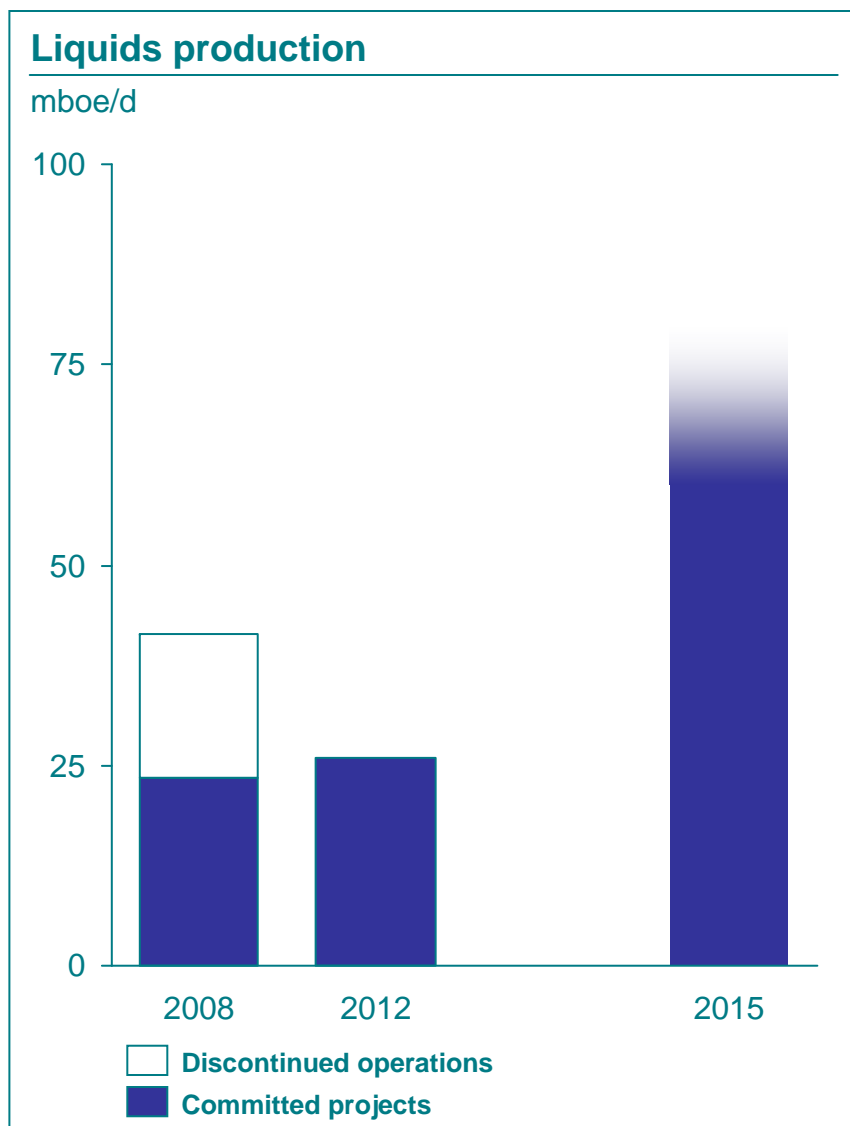
1 **Base**
Free cash flow to invest

2 **Growth**
5-10% sustainable growth

North America shale – Liquids and leading gas plays

3 **Exploration**
Renewal of the firm

North America – liquids growth

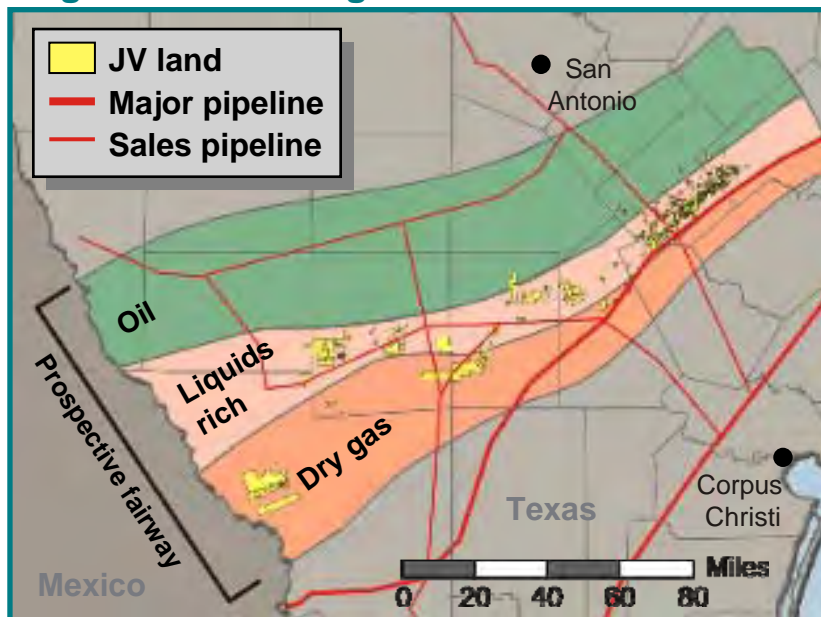


- Refocusing shale investment into liquids-rich opportunities
- Liquids growth from ~25 mboe/d to over 60 mboe/d by 2015
- Portfolio drivers
 - Eagle Ford
 - Wild River
 - Liquids-rich conventional opportunities

2012 focus on growing liquids production



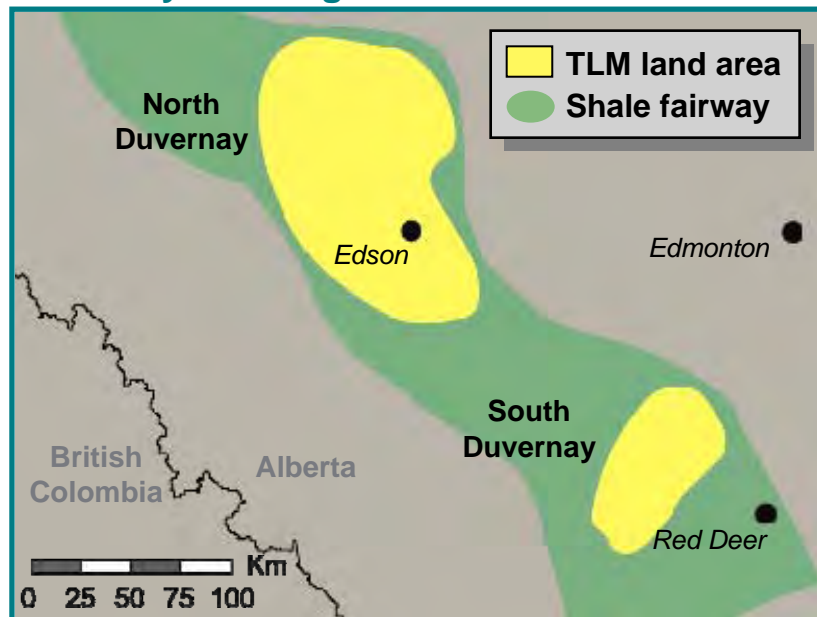
Eagle Ford – average W.I. ~40%



Key metrics	Eagle Ford
Net acres	~80,000
EUR per well (mboe)	660
30 day IP per well (boe/d)	1,200

	2011		2012
Capex (\$ million)	\$350	↑	\$500
Estimated rig count (gross operated)	10	↑	14

Duvernay – average W.I. ~90%



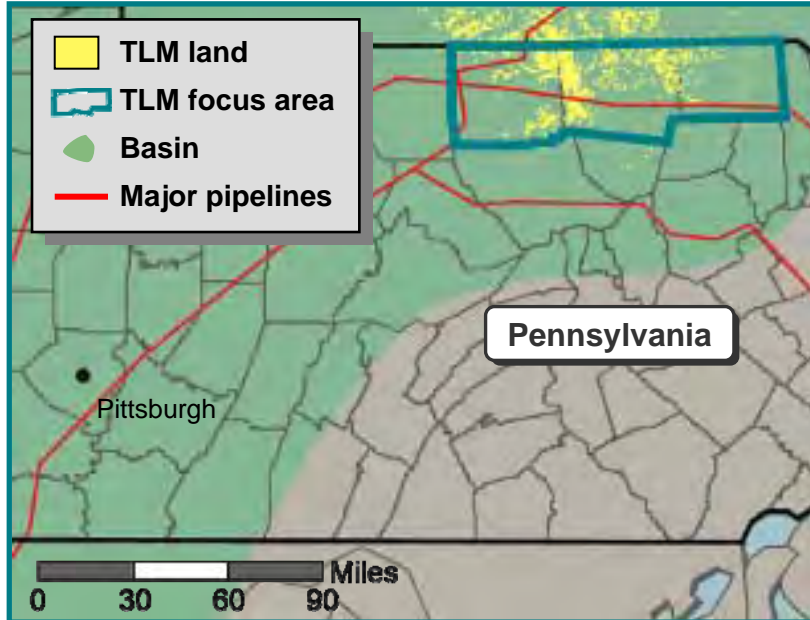
Duvernay
360,000

2012
~\$100
1

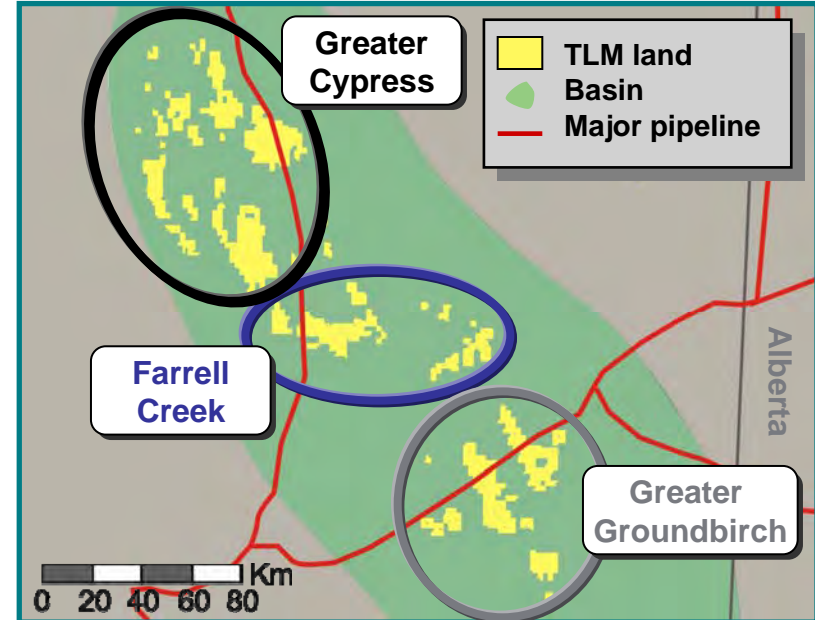
Significant reduction in dry gas capital



Marcellus – average W.I. ~80%



Montney – average W.I. ~50%



Key metrics	Marcellus
Net acres	~200,000
EUR per well (bcf)	~5
30 day IP per well (mmcf/d)	~4

Key metrics	Montney
Net acres	~200,000
EUR per well (bcf)	~7
30 day IP per well (mmcf/d)	~6

	2011		2012
Capex (\$ million)	~\$1,200	↓	\$600
Estimated rig count (gross operated)	11	↓	3-7

	2011		2012
Capex (\$ million)	\$100	↓	\$100
Estimated rig count (gross operated)	10	↓	4

Shale gas operations – technology and innovation

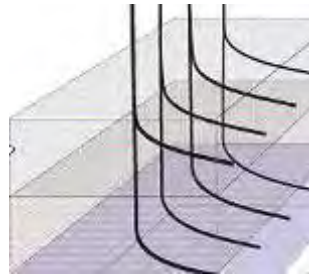


Zipper Fracing / Super Fracs



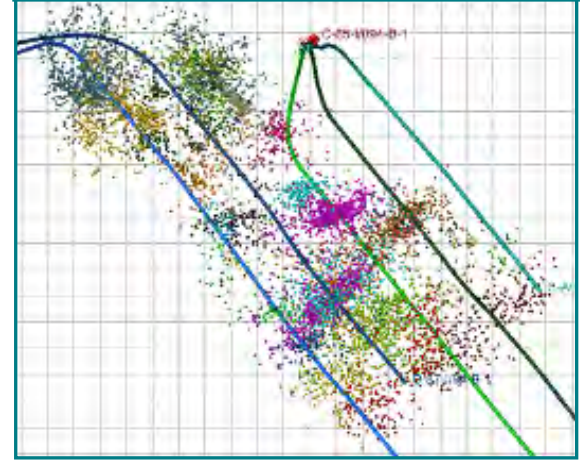
- Zipper fracs save significant time and capital
- Increasing the intensity of fracs

Multi-lateral Completions



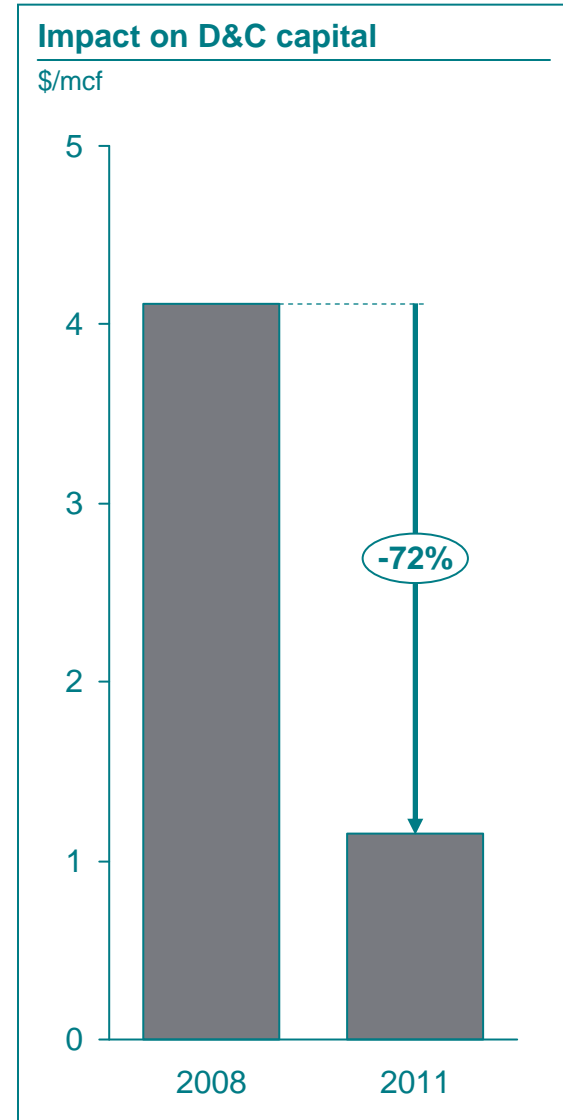
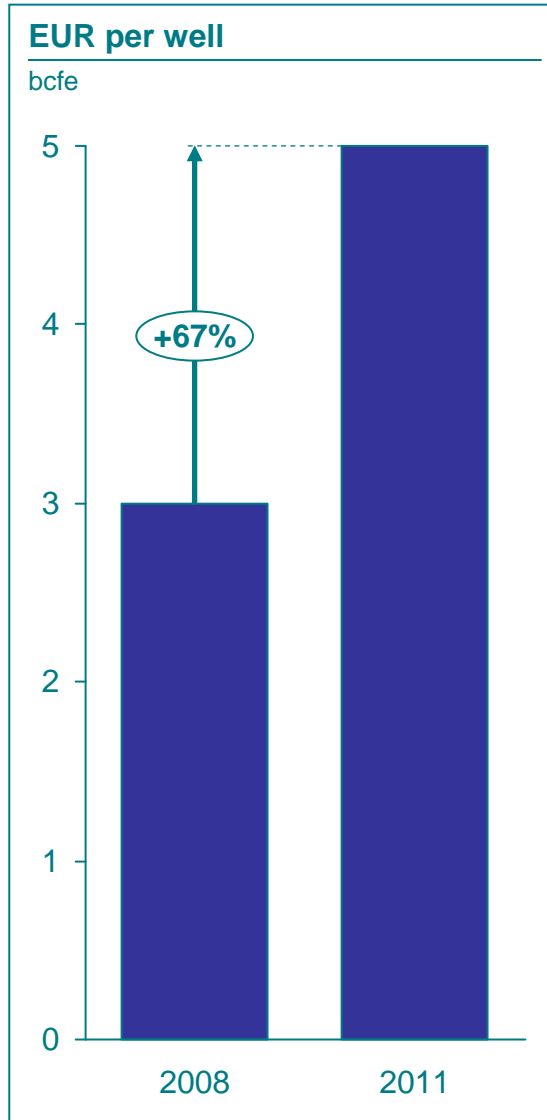
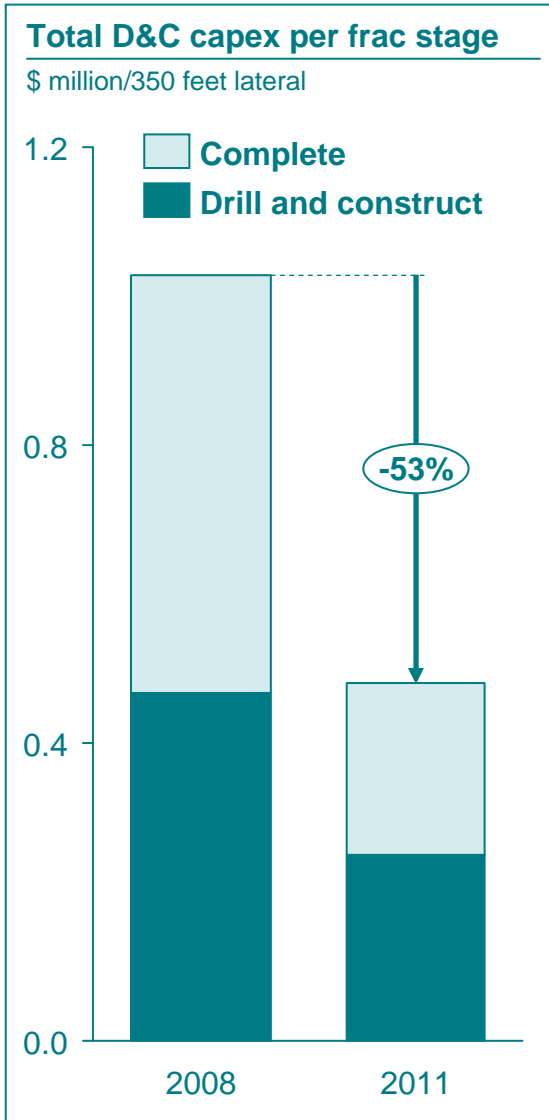
- Drilled one of the first multi-lateral wells in North America
- Drill multiple horizontals with one downhole well

Micro Seismic



- Achieve the highest reserve recovery possible at the lowest cost
- Optimize well spacing and fracturing techniques

Shale learning curve – Marcellus example



Safe, profitable growth



- 5-10% growth into the future
 - 2012 growth rate up to 5% due to capital reallocation to liquids
 - Improving profitability as replacement costs reduce
 - Liquids options including Colombia
- Focus portfolio in 2012 in the North Sea, North America conventional and International Exploration
- Exploration upside to come
 - Key exploration drilling results to come in 2012
- Focus on world class execution



Forward-Looking Information

This presentation contains information that constitutes "forward-looking information" or "forward-looking statements" (collectively "forward-looking information") within the meaning of applicable securities legislation. This forward-looking information includes, among others, statements regarding: business strategy, priorities and plans; expectation of drilling results from Peru, Kurdistan, Colombia, PNG and Poland; planned drilling, planned number of rigs; estimated production and production growth; expected liquids production and growth; planned capital expenditures; expected disposal proceeds; expected portfolio focus; and other expectations, beliefs, plans, goals, objectives, assumptions, information and statements about possible future events, conditions, results of operations or performance. The factors or assumptions on which the forward-looking information is based include: assumptions inherent in current guidance; projected capital investment levels; the flexibility of capital spending plans and the associated sources of funding; the successful and timely implementation of capital projects; the continuation of tax, royalty and regulatory regimes; ability to obtain regulatory and partner approval; commodity price and cost assumptions; and other risks and uncertainties described in the filings made by the Company with securities regulatory authorities. The Company believes the material factors, expectations and assumptions reflected in the forward-looking information are reasonable but no assurance can be given that these factors, expectations and assumptions will prove to be correct. Forward-looking information for periods past 2012 assumes escalating commodity prices. Closing of any transactions will be subject to receipt of all necessary regulatory approvals and completion of definitive agreements. Unless the context indicates otherwise, references in this presentation to "Talisman" or the "company" include, for reporting purposes only, the direct or indirect subsidiaries of Talisman Energy Inc. and the partnership interests held by Talisman Energy Inc. and its subsidiaries. Such use of "Talisman" or the "company" to refer to these other legal entities and partnership interests does not constitute waiver by Talisman Energy Inc. or such entities or partnerships of their separate legal status, for any purpose. Undue reliance should not be placed on forward-looking information. Forward-looking information is based on current expectations, estimates and projections that involve a number of risks which could cause actual results to vary and in some instances to differ materially from those anticipated by Talisman and described in the forward-looking information contained in this presentation. The material risk factors include, but are not limited to: the risks of the oil and gas industry, such as operational risks in exploring for, developing and producing crude oil and natural gas, market prices and demand and unpredictable facilities outages; risks and uncertainties involving geology of oil and gas deposits; uncertainty related to securing sufficient egress and markets to meet shale gas production; the uncertainty of reserves and resources estimates, reserves life and underlying reservoir risk; the uncertainty of estimates and projections relating to production, costs and expenses, including decommissioning liabilities; risks related to capital allocation decisions, including potential delays or changes in plans with respect to exploration or development projects or capital expenditures; fluctuations in oil and gas prices, foreign currency exchange rates, interest rates and tax or royalty rates; the outcome and effects of any future acquisitions and dispositions; health, safety, security and environmental risks, including risks related to the possibility of major accidents; environmental regulatory and compliance risks, including with respect to greenhouse gases and hydraulic fracturing; uncertainties as to the availability and cost of credit and other financing and changes in capital markets; risks in conducting foreign operations (for example, civil, political and fiscal instability and corruption); risks related to the attraction, retention and development of personnel; changes in general economic and business conditions; the possibility that government policies, regulations or laws may change or governmental approvals may be delayed or withheld, including with respect to shale gas drilling; and results of the Company's risk mitigation strategies, including insurance and any hedging activities. The foregoing list of risk factors is not exhaustive. Additional information on these and other factors which could affect the Company's operations or financial results or strategy are included in Talisman's most recent Annual Information Form. In addition, information is available in the Company's other reports on file with Canadian securities regulatory authorities and the United States Securities and Exchange Commission. Forward-looking information is based on the estimates and opinions of the Company's management at the time the information is presented. The Company assumes no obligation to update forward-looking information should circumstances or management's estimates or opinions change, except as required by law.

Oil and Gas Information

Reserves National Instrument 51-101 ("NI 51-101") of the Canadian Securities Administrators imposes oil and gas disclosure standards for Canadian public companies engaged in oil and gas activities. Talisman has obtained an exemption from Canadian securities regulatory authorities to permit it to provide certain disclosures in accordance with the US disclosure standards, in addition to the disclosure mandated by NI 51-101, in order to provide for comparability of oil and gas disclosure with that provided by US and other international issuers. Accordingly, the reserves data and certain other oil and gas information included in this presentation are disclosed in accordance with US disclosure standards. Information on the differences between the US requirements and NI 51-101 requirements is set forth under the heading "Note Regarding Reserves Data and Other Oil and Gas Information" in Talisman's most recent Annual Information Form. A separate exemption granted to Talisman also permits it to disclose internally evaluated reserves data. Any reserves and resources data contained in this presentation reflects Talisman's estimates of its reserves and resources. While Talisman annually obtains an independent audit of a portion of its proved and probable reserves, no independent qualified reserves evaluator or auditor was involved in the preparation of the reserves and resources data disclosed in this presentation. Possible reserves are those additional reserves that are less certain to be recovered than probable reserves. There is a 10% probability that the quantities actually recovered will equal or exceed the sum of proved plus probable plus possible reserves.

Production Volumes and Reserves Estimates Unless otherwise stated, production volumes and reserves estimates are stated on a Company interest basis prior to the deduction of royalties and similar payments. In the US, net production volumes and reserve estimates are reported after the deduction of these amounts. US readers may refer to the table headed "Continuity of Net Proved Reserves" in Talisman's most recent Annual Information Form for a statement of Talisman's net production volumes and reserves. The use of the word "gross" in this presentation means a 100% interest prior to the deduction of royalties and similar payments.

Resources, EURs and In-place Estimates In this presentation, Talisman also discloses OIIP, GIIP and EURs as at April 30, 2011. GIIP is defined as gas initially in place and is that quantity of gas that is estimated to exist originally in naturally occurring accumulations. It includes that quantity of gas that is estimated, as of a given date, to be contained in known accumulations, prior to production. All GIIP estimated in this presentation is discovered. There is no certainty that it will be commercially viable to produce any portion of the resources. OIIP is defined as oil initially in place and is that quantity of oil that is estimated to exist originally in naturally occurring accumulations. It includes that quantity of oil that is estimated, as of a given date, to be contained in known accumulations, prior to production. All OIIP estimated in this presentation is discovered. There is no certainty that it will be commercially viable to produce any portion of the resources. Estimated ultimate recovery (EUR) is a term commonly used in the oil and gas industry. EUR is an estimate of the quantity of oil and gas that is potentially recoverable. There is no certainty that it will be commercially viable to produce any portion of the EUR amount that is contained herein.

BOE Conversion Throughout this presentation, barrels of oil equivalent (boe) are calculated at a conversion rate of six thousand cubic feet (mcf) of natural gas for one barrel of oil (bbl). This presentation also includes references to mcf equivalents (mcfes) which are calculated at a conversion rate of one barrel of oil to six thousand cubic feet of gas. Boes and Mcfes may be misleading, particularly if used in isolation. A boe conversion ratio of 6mcf:1bbl and an mcfes conversion ratio of 1bbl:6mcf are based on an energy equivalence conversion method primarily applicable at the burner tip and do not represent a value equivalency at the well head.

US Dollars and IFRS Dollar amounts are presented in US dollars, except where otherwise indicated. Financial information prior to January 1, 2011 was prepared in accordance with Canadian generally accepted accounting principles (CGAAP) then applicable to publically accountable enterprises. The financial information for 2011 and 2012 is presented in accordance with International Financial Reporting Standards (IFRS). Both IFRS and CGAAP may differ from generally accepted accounting principles in the US.

Non-GAAP Financial Measure Included in this presentation is a reference to free cash flow which is a financial measure commonly used in the oil and gas industry. This term is not defined by IFRS. Consequently, it is referred to as a non-GAAP measure. Talisman's reported results of such a measure may not be comparable to similarly titled measures reported by other companies. Free cash flow is used by management to assess the amount of funds available for reinvestment or to reduce debt levels or return to shareholders. Free cash flow is the net of cash provided by operating, investing and financing activities before repayment or issuance of long-term debt.

Reserves Estimates Total 1P 1.5 billion boe; 2P 2.2 billion boe



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