

“We are committed to conducting all aspects of our business in a responsible way, and have implemented a series of changes that will help strengthen our focus. In doing so, we are taking steps to make Talisman a stronger company.”

Hal Kvisle, President and CEO



TALISMAN
ENERGY

CORPORATE RESPONSIBILITY — HOW WE DO BUSINESS

Talisman Energy Inc. is an independent, upstream-focused, Canadian-based, international oil and gas company. Our success depends on not only our ability to satisfy a small part of the world's need for energy but, equally important, on the way we run our business.

Running our business means operating safely and responsibly, being transparent and collaborative, and ensuring the communities where we operate benefit from our presence.

Each year, we set targets, work to meet or exceed them, and track our performance. Sometimes our success varies from year to year, reflecting the nature of our journey; however, we continue to focus on maintaining a trend of continuous improvement.

We work hard to earn and maintain “partner of choice” status, so that we are welcomed by governments, communities, and peers around the world. Like any good company, we want our employees to be engaged in their work, to feel proud of their company, and of their contribution to it.

We strive to make this happen in many ways, and while standards, policies, and procedures play a foundational role, it is ultimately the behaviours, values, and

diligence of our people that shape our day-to-day business.

It is our people who ensure our operations are safe, minimize the impact of our activities on the environment, share information with and listen to the needs and concerns of local communities, and deliver the economic benefits that can be shared with our stakeholders.

Our people are fundamental to our success and we are fortunate to have some of the brightest minds in the industry. We continuously invest in their development, not only through diverse work in an international environment, but also through training and exposure to a wide range of projects, teams, and leaders.

Some of our training is technically focused; however, in order to ensure each of our employees run their part of our business responsibly, every year they participate in a formal program on business and ethics. You can read about this, and other

examples of how we run our business, in this report.

You will also read that 2012 represented a period of strategic transition for Talisman. In September, our Board of Directors appointed Hal Kvisle as our new President and Chief Executive Officer, and, shortly thereafter, Hal made some significant adjustments to our strategic priorities.

Such change creates tremendous opportunity, not just for our company and shareholders, but for our current and future employees – each of whom has a new stage upon which to make their mark. But one thing will remain a constant – our commitment to run all aspects of our business in a highly responsible, ethical, and transparent way.

We hope you enjoy this year's Corporate Responsibility Report, and invite your comments to CR@talisman-energy.com.

This report, produced annually, provides performance data on all aspects of our company on a consolidated basis, for the year ending December 31, 2012. Unless otherwise indicated, figures are reported in metric units, and all financial information is reported in US dollars. Unless the context indicates otherwise, reference in this report to “Talisman” or the “company” is intended to include, for reporting purposes only, the direct or indirect subsidiaries of Talisman Energy Inc. and, in certain circumstances, 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 a waiver by Talisman Energy Inc. or such entities or partnership interests of their separate legal status, for any purpose. Performance information relating to joint ventures, where Talisman is not the operator, is excluded except where otherwise noted.

Talisman defines its stakeholders as its employees, shareholders, suppliers, service providers, communities, indigenous groups, investors, debt holders, governments, regulators and non-governmental organizations (NGOs) affected by, or that can affect, the company's operations. Talisman has numerous processes and programs for engaging with its stakeholders, including investor open houses, community consultation meetings, and employee surveys. In addition, Talisman collaborates with many stakeholders through community programs and industry initiatives with the goal of addressing key social and environmental issues. Many of these initiatives are described in this report and additional information is available on our website.

In 2012, Talisman completed a cross-departmental assessment to identify, assess, and prioritize the corporate responsibility issues relevant to the company. The results of this assessment were used to inform our performance goals as well as to identify the key performance indicators for our corporate responsibility reports.

Talisman is listed on the Toronto and New York stock exchanges under the symbol TLM.
For more information, visit talisman-energy.com

CONTENTS

ABOUT TALISMAN	02
OUR APPROACH	04
PRESIDENT'S MESSAGE	06
SAFETY	08
ENVIRONMENT	14
PEOPLE	18
COMMUNITIES AND STAKEHOLDERS	24
GOVERNANCE	28
KEY NUMBERS	33
INDEPENDENT ASSURANCE	34
FORWARD-LOOKING INFORMATION	35
GLOBAL REPORTING INITIATIVE	36
CORPORATE INFORMATION	IBC



ABOUT TALISMAN

We are a global upstream oil and gas company, and, in 2012, we produced 426,000 boe/d. While our headquarters are in Calgary, Canada, we have operations throughout two core operating areas: the Americas (North America and Colombia) and Asia-Pacific. Last year, over 90 per cent of our 3,087 employees worked in these regions, which collectively account for around 90 per cent of our production and 85 per cent of our proven and probable reserves.

In North America, we hold positions in five of the continent's leading plays – representing a blend of natural gas and liquids. In Colombia, we are growing our oil production and own a share of a pipeline, providing us with access to key markets.

In Asia-Pacific, we have built a reputation of efficient operations and consistent safe delivery. This creates opportunities, the most recent was our being awarded operatorship of the Kinabalu platform in Malaysia, marking the first time such an

asset hasn't reverted to the national oil company.

During the year, we divested 49 per cent of our UK North Sea business to Sinopec, creating a joint venture company called Talisman Sinopec Energy UK Limited. Going forward, the activity from this company will not form part of our corporate responsibility reporting.

In addition to our core operating areas, we have a number of other high-value assets and near-term exploration activities. For example, in the Kurdistan region of Northern Iraq, we have already proven the presence of significant hydrocarbons, and our current drilling program will help identify the full potential of this area. We are focused on unlocking the value in all our non-core opportunities and delivering it back to shareholders.

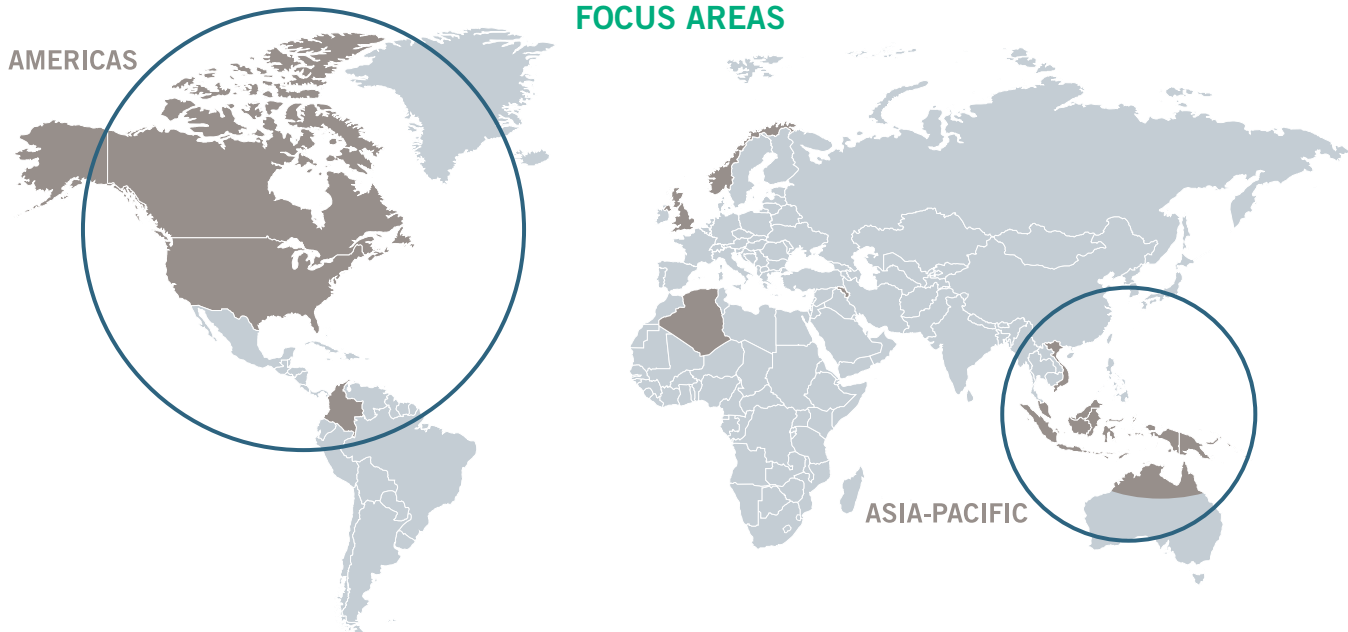
The upstream oil and gas industry is highly competitive and dynamic, and 2012 was no exception. While we enjoyed strong energy demand and high

prices in our Asia-Pacific business, the opposite was true in North America, where an oversupply of natural gas depressed prices.

We are fortunate that our portfolio gives us the flexibility to shift our focus to more profitable assets, and, as we move into 2013, 90 per cent of our capital budget is directed toward liquids opportunities and international gas.

As you'd expect, such economic conditions create challenges, but, as our employees told us when we asked them to reflect on our 20-year history as Talisman, overcoming challenges and creating value is what we do – it lies at the very heart of our corporate character and our brand.

In September, Hal Kvisle was appointed President and CEO. He was already a member of the Board, and brings 35 years of industry experience and a track record in running highly disciplined companies. Shortly after his arrival, he made some significant adjustments to our strategic



2012 FACTS AND FIGURES

\$3B

cash flow¹

3,087

employees

426,000

boe/d

priorities – shifting our focus, bringing capital spending closer to projected cash flow, and investing in high-margin liquids and international gas opportunities.

At a high level, we are focused on improving performance, unlocking value from undeveloped assets, and improving shareholder returns. Integral to this are four key priorities:

1. Live within our means

2. Focus our capital program

3. Improve operational performance and reduce our cost structure

4. Unlock net asset value in the portfolio

Each of our employees carries responsibility for delivering our strategy in a highly responsible, safe, ethical, and transparent way, which – thanks to the commitment of our Board, executive team, and every

one of our employees – we have a long track record of doing. This requires smart, motivated, and adaptable people who can flourish in challenging environments, which has never been more pertinent than now. We have talented, dedicated people who are making a difference and building a truly successful company.

For more information on our strategy and 2013 capital plan, see our 2012 Annual Report on our website, talisman-energy.com.

OUR PORTFOLIO

AMERICAS (North America and Colombia)

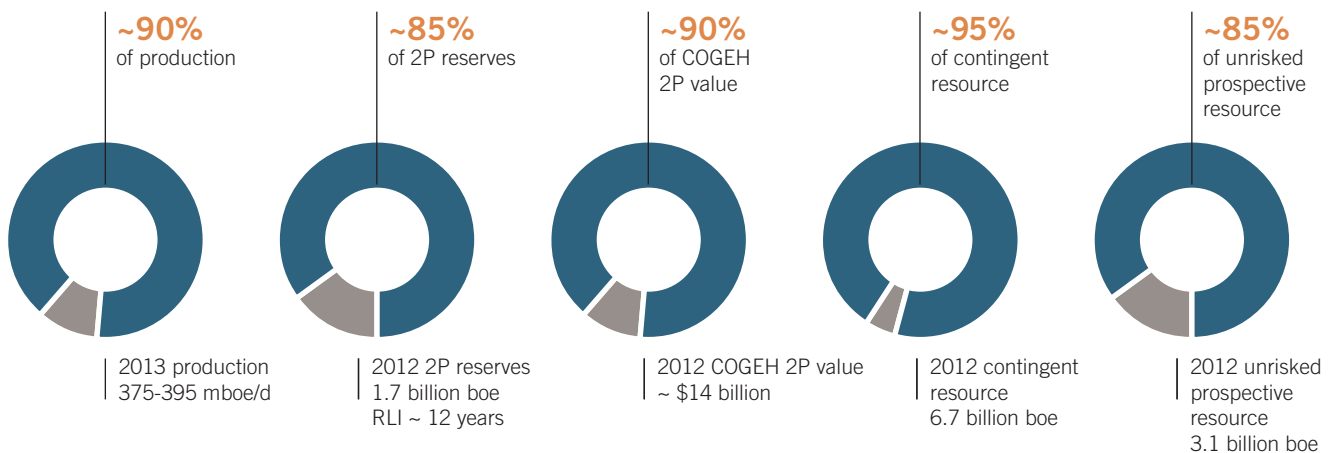
- Five leading North American plays with over 35 tcf of contingent resources and significant opportunity to unlock value
- 80 per cent of North American capital spend directed toward liquids-rich plays

- In Colombia, we have near-term oil growth through our Equion joint venture and heavy oil blocks, and our part ownership of the Ocesa pipeline provides access to key markets

ASIA-PACIFIC (Indonesia, Malaysia, Vietnam, Australia and Papua New Guinea)

- Asia-Pacific is characterized by rapid economic growth, strong energy demand, and high natural gas prices
- We have long-life assets, with high netbacks, and a low cost structure
- We anticipate 8 per cent per annum production growth over the medium term and have near-term exploration potential

TWO CORE REGIONS: AMERICAS AND ASIA-PACIFIC²



1. Cash flow is a non-GAAP measure. See advisories in Talisman's 2012 Annual Report.

2. Includes Algeria

OUR APPROACH

The hallmark of well-run companies is that they deliver returns to shareholders, operate safely and responsibly, and engage employees. These objectives are linked: well-run and efficient operations tend to be safe operations; engaged employees tend to be proud of their employer and care about their reputation in the community; and effective plans and processes require cooperation, transparency, and collaboration with key stakeholders.

We understand these links. Our success is intrinsically connected to the way in which we run our business. Our approach to corporate responsibility is built upon three strategic principles:

- **Responsible Operations**
- **Mutual Benefit**
- **Transparency and Collaboration**

These principles lie at the heart of how we run our business and guide the five priority areas you can read about in this report: safety, environment, people, communities and stakeholders, and governance.

Striving to meet the targets we set against each area helps us be safe, ethical, transparent, and responsible – wherever we operate. Ultimately, it supports the success of our company by enabling us to be a trusted partner of choice among governments, peers, and communities, attract talented people, create business opportunities, and mitigate risk.

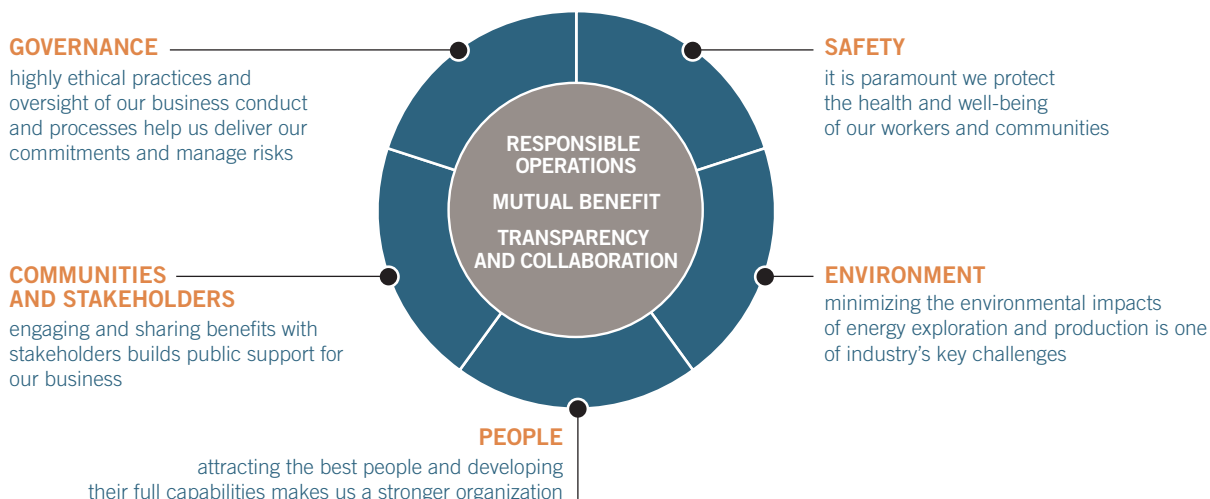
Our commitment to corporate responsibility – and the framework we use to implement and measure our results – starts with our Board of Directors, is directed by management, and is supported by our employees.

We are proud of our track record, and of our inclusion in the Dow Jones Sustainability Index and the Jantzi Social Index.

As we write this report, we have learned that we will be included in the 2013 *Maclean's* / Sustainalytics list of the 50 Most Socially Responsible Corporations in Canada, which recognizes Canadian businesses for their sustainability efforts and commitment to corporate responsibility.

This is our 13th Corporate Responsibility Report. In order to keep the report readable and relevant, we discuss issues we believe are important to you; however, we welcome your questions and feedback, which you can email to CR@talisman-energy.com.

OUR CORPORATE RESPONSIBILITY FRAMEWORK: DEFINING HOW WE DO BUSINESS





PRESIDENT'S MESSAGE

Hello. I'm Hal Kvisle, President and Chief Executive Officer of Talisman Energy. I am pleased to welcome you to our 13th Corporate Responsibility Report, to share a brief summary of our year and to provide an overview on how we approach corporate responsibility. To me, this is all about how we run our business.

2012 was marked by strategic change and transition for Talisman. Early in the year, the Board determined large-scale change was needed, both in terms of our direction and how we run the company. They acted quickly and decisively, and I was appointed President and CEO in September.

I sought to understand all aspects of the company from the inside rather than from a director's perspective, and then quickly made some significant adjustments to our strategy. My overarching objective is to create value for shareholders, but with less risk, lower spending and more focus. It is about doing things better, faster, safer and at lower cost.

Against the current backdrop of change, there are many things that will remain constant at Talisman, particularly our commitment to corporate responsibility and to running our business in line with our three strategic principles: responsible operations, mutual benefit, and transparency and collaboration. These principles underpin the five focus areas

you will read about in this report: safety, environment, people, communities and stakeholders, and governance.

Safety remains a top priority, and we have delivered continuous improvement in this area over the past few years. Most important in 2012, we had no fatalities. As we move forward, our increased focus and discipline should enable us to improve our execution on many dimensions, not least in lost-time injury frequency and flammable unintentional hydrocarbon release frequency, both of which fell short of our targets and expectations. We aim to improve this in 2013.

We are acutely aware that all large-scale, industrial activities have an impact on the environment. The oil and gas industry is no different, and we work hard to minimize our impact by embedding environmental planning, monitoring, remediation work, and continuous improvement into all aspects of our operations.

In 2012, we met or exceeded all our environmental targets, including reducing

spill frequency by 21 per cent and spill volume by almost half. We made progress collecting baseline data on both green completions and freshwater use intensity in our shale operations, and, working in partnership with the University of Texas, the Environmental Defense Fund, and eight industry peers, we continued a study that will improve the accuracy of methane emission measurements and estimates associated with shale development.

People are the engine that drives our business. And, while the energy industry attracts some criticism, in my experience it is full of highly talented people who are committed to continuous improvement and who care about our planet. This is certainly true within Talisman, where the continued dedication, resilience, and expertise of our employees are fundamental to our ongoing transition and success.

As the company passed its 20th anniversary in 2012, we took the opportunity to ask employees about the characteristics that have made us who we are. Their passion and commitment was evident when they said their company and co-workers are defined by their ability to overcome challenge and create value. As we continue our journey, I believe these brand and cultural attributes will serve us well.

We place great emphasis on how we interact with communities and stakeholders connected to our operations. This is critical to our business, not only



Hal Kvisle, President and Chief Executive Officer

because it's central to our license to operate, but because it's fundamentally important to our employees – each of whom takes their responsibility of working in the energy industry seriously. Throughout the year, our engagement with indigenous communities in Colombia was recognized as meeting international best practices, while, in the Kurdistan region of Northern Iraq, our contribution to building roads, drinking-water wells, and conducting school repairs received a special award by the Prime Minister of Kurdistan. This was the first time a company has been singled out for such an award.

Strong governance practices and ethical business conduct lie at the heart of all we do. Each year, every employee is required to participate in an annual training program and certify compliance with our Policy on Business Conduct and Ethics. They are encouraged to report any breaches via our confidential Integrity Matters hotline.

Talisman has processes, procedures and policies in place to ensure the company complies with laws and regulations in every jurisdiction where it operates. The company also takes steps to identify and mitigate business risks. As an example, leaders throughout the company are required to provide regular input to an organization-wide Enterprise Risk Management system. Talisman's independent internal audit group measures and assesses the steps

management is taking to mitigate those risks, and when necessary, provides recommendations for further management action.

The Board oversees the conduct of the business and management, including oversight of governance structures, processes, transparency, business ethics, and compliance with US and Canadian anti-corruption and bribery laws. Our participation in the Voluntary Principles on Security and Human Rights plenary group, coupled with the United Nations Global Compact, helps keep our policies and activities in line with international best practices.

In reading this report, I hope you gain a better understanding of our commitment to continuous improvement, and the solid strategic framework within which we set targets and share our performance in a transparent way. There is little doubt 2012 was a challenging year, and I expect 2013 will also bring change and transition; however, the changes we have made to our strategic priorities are intrinsic to helping us continue to improve the way we run our business.

Our reduced capital plan is highly focused on two core regions, operational excellence, cost control, and value creation. This focus will help us concentrate on our corporate responsibility priorities. Within our disciplined governance structures, we will continue to operate safely, minimize our environmental

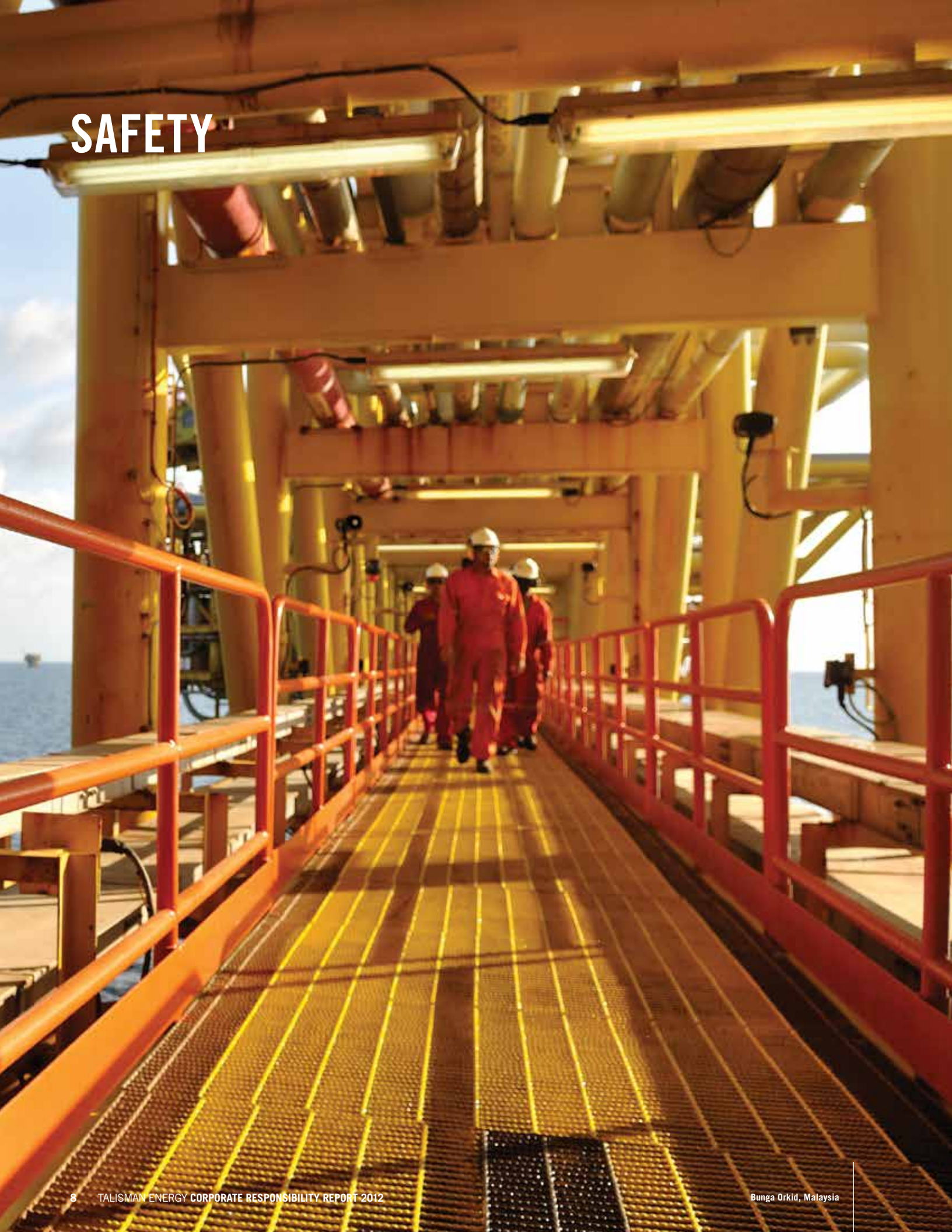
impact, support our employees, and ensure communities and stakeholders benefit from our activities.

As we move into 2013, we remain committed to conducting all aspects of our business in a responsible way and have implemented a series of changes that will improve our performance in all respects. In doing so, we are taking steps to make Talisman a stronger company.

Hal Kvisle

*President and Chief Executive Officer
Talisman Energy Inc.
May 1, 2013*

SAFETY



SAFETY SCORECARD: 2012 PERFORMANCE

15%

increase in lost-time injury frequency (per million exposure hours)

16%

decrease in total recordable injury frequency (per million exposure hours)

8%

increase in flammable unintentional hydrocarbon release frequency (per million exposure hours)

2012 PERFORMANCE AND 2013 PLANS

What we said we'd do in 2012	What took place in 2012	What we plan for 2013
<ul style="list-style-type: none"> Reduce lost-time injury frequency by an additional 15% 	<ul style="list-style-type: none"> 15% increase in lost-time injury frequency 	<ul style="list-style-type: none"> Reduce lost-time injury frequency by 20%
<ul style="list-style-type: none"> Reduce total recordable injury frequency by an additional 20% 	<ul style="list-style-type: none"> 16% decrease in total recordable injury frequency 	<ul style="list-style-type: none"> Reduce total recordable injury frequency by 15%
<ul style="list-style-type: none"> Reduce flammable unintentional hydrocarbon release frequency by 20% 	<ul style="list-style-type: none"> 8% increase in flammable unintentional hydrocarbon release frequency 	<ul style="list-style-type: none"> Reduce flammable unintentional hydrocarbon release frequency by 15%
<ul style="list-style-type: none"> Achieve zero backlog of overdue safety critical repairs 	<ul style="list-style-type: none"> All regions except the UK achieved zero backlog of overdue safety critical repairs 	
<ul style="list-style-type: none"> Achieve zero overdue critical preventative maintenance man-hours 	<ul style="list-style-type: none"> All regions except the UK achieved zero overdue critical preventative maintenance man-hours 	
<ul style="list-style-type: none"> Pilot PREVENT, a process safety barrier management tool, in the UK 	<ul style="list-style-type: none"> Piloted PREVENT in the UK 	

SAFETY

OUR APPROACH

Safety is a significant part of our corporate responsibility. While the nature of our operations can cause annual variations in performance, we have delivered marked improvement over recent years through better systems, processes, and measurement, and we continue to ensure safety is a top priority and a core value in our activities. This commitment starts with our executive and operational leadership, who aim to ensure we create working conditions where we cause no harm to people, and that safe operations supersede operational results. Year-over-year, we set targets in order to measure and report on our performance, we celebrate our successes, and take appropriate steps when we need to improve. This is how we do business.

PERSONAL SAFETY

Keeping people safe means continuously adjusting management system controls, practising proactive risk management, and ensuring we have safe systems of work, effective supervision, and available training.

In 2012 – and most important in terms of personal safety – there were zero fatalities.

Other important indicators of personal safety performance are lost-time injury

frequency (LTIF) and total recordable injury frequency (TRIF). LTIF is the rate of lost time due to workplace injuries, and is measured per million exposure hours. In 2011, we reported a significant improvement in LTIF of 45 per cent; however, we were unable to sustain this trend in 2012 and experienced a 15 per cent increase in frequency from 0.54 in 2011 to 0.62 in 2012. A number of slip, trip and fall injuries in some of our operations contributed to the increase. Measuring LTIF continues to be an

important part of our overall commitment to safety, and we have set a 20 per cent reduction target for 2013.

TRIF is also measured per million exposure hours and includes fatalities and cases of lost workdays, restricted work, and medical treatment. In 2012, we reduced TRIF by 16 per cent (our frequency rate was 3.62 in 2011 and 3.02 in 2012). This was short of our target of 20 per cent; however, still reflects a significant improvement. In part, this improvement is due to behavioural-based safety initiatives, structured safety audits and site inspections, and our Target Zero safety culture program in Asia-Pacific. In 2013, we are working to build on our progress and decrease TRIF by 15 per cent.

In addition to our full-time employees, our business relies on thousands of contractors to provide diverse services to our operations, and we expect each to follow the same safety standards. To ensure greater consistency, we began implementing our Global Contractor Health, Safety, Security and Environment (HSSE) Management Standard in 2009, which has been effective in decreasing the frequency of incidents and injuries among our contractors. This was demonstrated in 2012 through a 14 per cent improvement in contractor TRIF performance compared to the previous year.

As a precautionary measure, in July, we removed all 140 people from our



Yme Mobile Offshore Production Unit (MOPU), which was being installed in the Norwegian North Sea. This step was taken based on results of engineering studies and inspections. The safety of people was our top priority, and we stopped all work to enable the Yme MOPU contractor and owner, SBM Offshore, to provide written documentation attesting to the safety of the platform. In March 2013, following an extended period of operational and execution delays, we terminated the project.

A mode of transportation that represents a risk to personal safety within our industry is helicopters. Like many of our peers, some of our operations rely upon helicopters for the transport of personnel, equipment, and supplies. We are working to ensure we are proactive and that we are providing appropriate oversight of aviation operations, including continuous improvement of our processes to audit and coach our aviation providers.

We began implementing our 10 Golden Rules for Safe Operations in 2010. These include preventing oil, gas, and chemical leaks, and operating vehicles safely. Our Golden Rules remain an integral part of our safety strategy and culture. Clear rules and procedures at all our work sites around the world help prevent personal injuries, and we continued to communicate the rules to employees and contractors as part of our ongoing operations in 2012.

PROCESS SAFETY – PREVENTING MAJOR ACCIDENTS

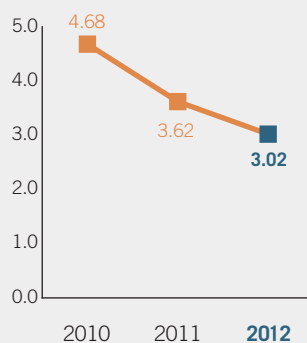
Process safety is about taking preventative measures to ensure hydrocarbons and other dangerous substances are contained where they belong. Effective process safety and operational integrity can be the difference between a safe workplace and a major incident that impacts both the

health of employees and the environment. In an effort to prevent major incidents and injuries, we have specific processes in place and continuously strive for improvement. We work to ensure that any incidents are investigated, with findings shared globally to help us make process improvements where necessary.

One of the ways we work to reduce the risk of incidents and injuries is by

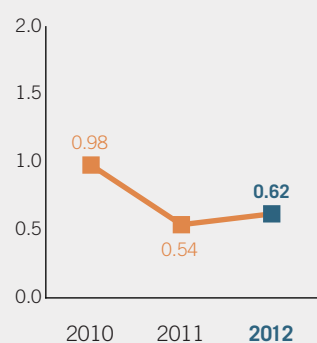
GLOBAL TOTAL RECORDABLE INJURY FREQUENCY

(per million exposure hours)



GLOBAL LOST-TIME INJURY FREQUENCY

(per million exposure hours)





conducting operational readiness reviews at the onset of major projects. These ensure we have the right safety processes, people, and equipment in place. In 2012, we completed five readiness reviews in operated areas (Canada, the US, Sierra Leone, Vietnam, and Colombia Block CPE-8) and one in a joint venture area offshore Colombia. We also conducted a readiness review to ensure the safe and successful transition of the Kinabalu platform in Malaysia from Shell.

A key performance indicator that measures process safety is the frequency of flammable unintentional hydrocarbon releases (FUHRs). In 2012, the rate of FUHR frequency per million exposure hours grew from 0.98 in 2011 to 1.06 in 2012 – an increase of 8 per cent. This increase was primarily caused by a number of incidents that occurred during the rampup of one of our operations, as well as some legacy equipment failures. In other areas, however, performance improved due to additional monitoring, better planning of turnarounds and maintenance, and implementing a

mechanical isolation program and hydrocarbon release guidance. We are working to improve our performance in this area and have targeted a 15 per cent reduction in 2013.

For other key performance indicators for process safety, we achieved a zero backlog of overdue safety critical repairs and zero overdue critical preventative maintenance man-hours in all regions except the UK. As planned, we successfully piloted the PREVENT barrier management system in the UK. This system monitors the health of the layers of protection we have in place to safeguard our operations against major accident hazards, and provides a quick diagnostic of possible issues that require immediate attention.

BUILDING A SAFETY CULTURE

Collectively, our safety policy, standards, procedures, and the commitment of leadership help to embed a safety culture at all levels within our organization. We investigate, report, and learn from

recordable incidents – as well as incidents that have high potential for consequences – both within our company and from other companies within our industry. We seek to understand root causes and share our learnings across the organization to prevent future reoccurrence.

An important part of our safety culture for the last four years is our annual CEO Safety Awards, which celebrate significant health, safety, and environmental achievements in our operations. The awards recognize employees who have introduced further improvements to our culture, leadership, and contractor practices.

The 2012 CEO Safety Award for Improved Contractor Management was awarded to our well servicing and rig coordinator team in Chauvin, Alberta. This team worked with an environmental and energy services company to develop an innovative custom-designed mobile tubing rack, significantly reducing the risk of personal injury from working manually with tubing on wellsites. The award recognized the initiative of our employees



Chauvin, Alberta

to work collaboratively with their contractor with the common goal of getting people home safely at the end of each day.

ANTICIPATING AND MANAGING RISK

Risk is part of any business, and, as a responsible company, we work to identify, assess, and mitigate risk by incorporating risk assessments and mitigation plans into our business planning processes. This includes conducting operational readiness reviews as well as regular assessments for our ongoing operations, projects, and other activities.

Our Global Integrated Emergency and Crisis Management Standard establishes the minimum expectations for responding to and managing emergencies and crises, as well as business continuity planning – two interrelated activities that contribute to the overall resilience and readiness of the business.

In 2012, we conducted two major emergency response and crisis management exercises involving all

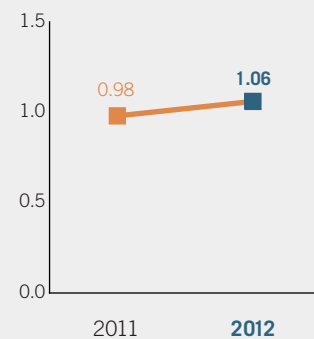
levels of our Emergency Management System. The first was a country evacuation scenario in our operations in the Kurdistan region of Northern Iraq and the second was a well problem and spill scenario in our offshore drilling program in Sierra Leone. The exercises centred on identified risks and provided response teams with practice in coordination and communication and helped identify opportunities for improvement.

A variety of further exercises were conducted with our Country Emergency Business Support teams in regions including Colombia, Canada, the Kurdistan region of Northern Iraq, the US, and the UK. We also conducted the first audit of our Emergency Response and Crisis Management Standard for our Norway operations, which resulted in an action plan for continuous improvement.

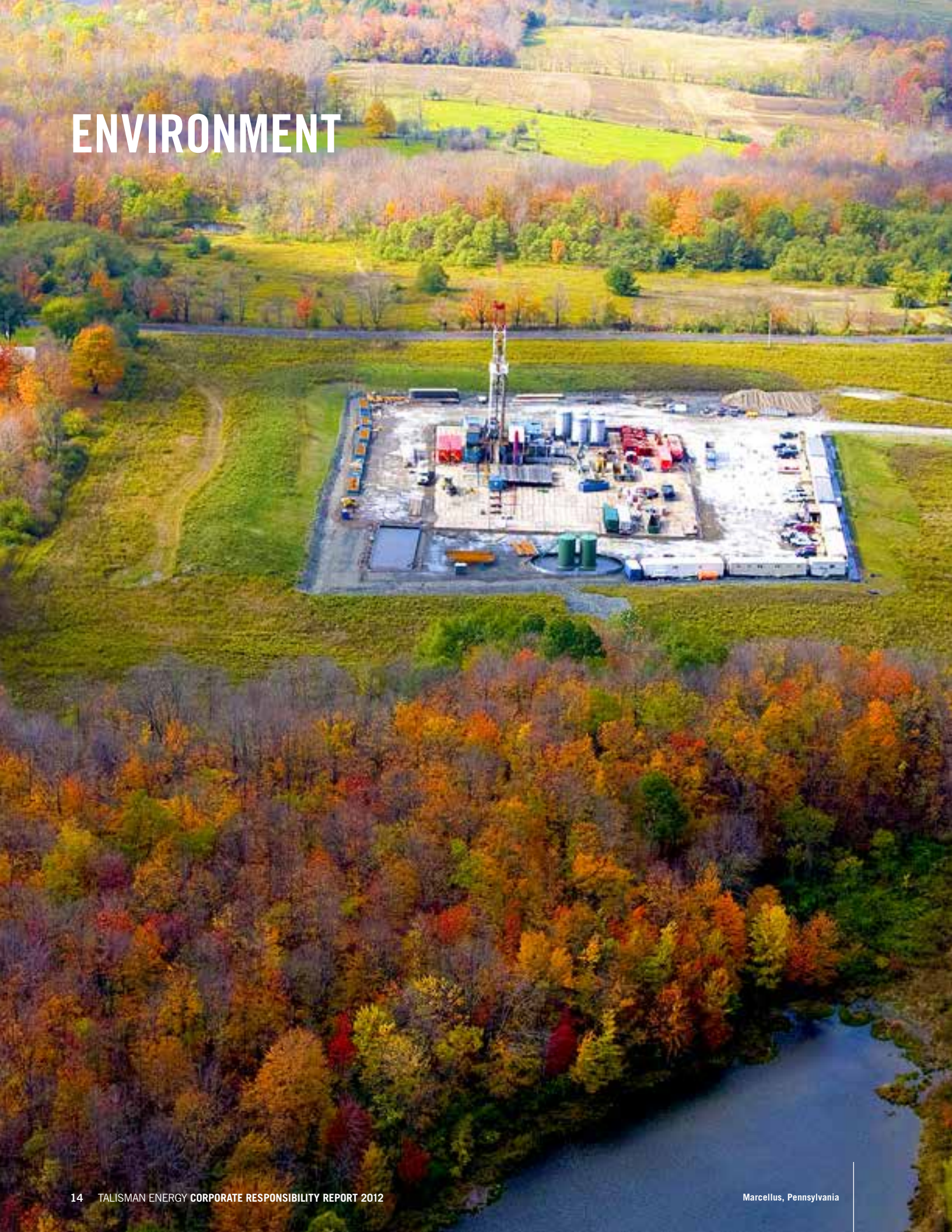
We will continue to identify, understand, and reduce risks in 2013 through work that includes cross-functional and multidisciplinary input from across the business.

FLAMMABLE UNINTENTIONAL HYDROCARBON RELEASES (FUHRs)

frequency (number of FUHRs per million exposure hours)



ENVIRONMENT



ENVIRONMENT SCORECARD: 2012 PERFORMANCE



collected baseline data on freshwater use intensity and green completions in our shale operations

21%

decrease in spill frequency (per million man-hours worked)

48%

decrease in volume of spills (in cubic metres)

2012 PERFORMANCE AND 2013 PLANS

What we said we'd do in 2012

- Achieve a 10% reduction in our spill frequency
- Collect baseline data on freshwater use intensity in our shale operations
- Collect baseline data on green completions in our shale operations

What took place in 2012

- 21% decrease in spill frequency
- Collected baseline data on freshwater use intensity in our shale operations
- Collected baseline data on green completions in our shale operations

What we plan for 2013

- Reduce spill frequency by 10%
- Continue our multi-year journey to implement our Shale Operating Principles

ENVIRONMENT

OUR APPROACH

Minimizing our impact on the environment is an important consideration in being a responsible operator. This means looking at and reducing the effects of our operations on air, land, water, and waste generation, and finding ways to make efficient use of resources. We integrate these environmental considerations into our community consultations, decision-making, and project planning – in all areas where we operate.

PREVENTING SPILLS

We take spills seriously by tracking and recording them as a key indicator of our environmental performance. A significant spill is defined as greater than half a barrel in volume. By investigating significant spills for causes, developing corrective actions, and sharing what we learn, we help prevent similar incidents from occurring in the future.

In 2012, our number of recordable spills greater than half a barrel fell from 134 in 2011 to 96 – a decrease of 28 per cent. Volume of spills greater than half a barrel decreased by 48 per cent, from 707 m³ in 2011 to 368 m³ in 2012. In last year's report, we said we would start reporting and setting targets on spill frequency per million man-hours in order to more clearly understand our spill

performance in the context of our activity levels. In 2012, we reduced this by 21 per cent – significantly better than our target of 10 per cent. In 2013, we will continue to build on our progress and aim to reduce our spill frequency by 10 per cent.

During the year, a routine inspection of the Galley Pipeline in the UK North Sea identified an upheaval buckling of the line. Our response was immediate, and we quickly shut in and depressurized the line. Further investigation revealed a small leak. We took a number of precautionary actions, including deploying a spill recovery and containment vessel, and monitoring the leak area via a remotely operated vehicle. In addition, we used spotter planes to monitor the sea surface twice per day, and tasked a trained wildlife observer to monitor seabirds and marine

life. The estimated maximum total release from the pipeline was approximately 75 barrels of water and 13 barrels of oil. While any spill is regrettable, our response helped minimize the release and the environmental impact, and the lessons learned will help prevent similar occurrences in the future.

MANAGING EMISSIONS

In order to continuously improve the energy efficiency of our operations, we integrate economic energy measures into our business, and we made progress in this area in 2012. In our shale operations, we collected baseline data on green completions after developing it as an indicator in 2011. Green completions is a process that captures methane during well completions, and, rather than it being released into the atmosphere, it is sent to a processing plant. Green completions ensures we are reducing greenhouse gas emissions and not wasting a valuable resource. We will continue to look for opportunities to improve trends in green completions through our multi-year journey to implement our Shale Operating Principles.

In addition to taking action around our own operations, we partnered with the University of Texas, the Environmental Defense Fund, and eight industry peers in a multilateral methane emissions study. This study focused on improving the accuracy of methane emissions



Marañon Basin, Peru

measurements and estimates associated with shale gas production, and is a good example of successful collaboration between industry, academia, and a non-governmental organization. The results of the study will be shared in our 2013 Corporate Responsibility Report. Through scientific collaboration and collecting and sharing data, we will continue to look for opportunities to increase the level of understanding of shale operations.

CONSERVING AND PROTECTING FRESH WATER IN OUR SHALE OPERATIONS

Oil and gas operations – particularly shale development – require water, and, through better understanding of our freshwater use, we work hard to conserve and protect it. We developed freshwater use intensity in our shale operations as a new indicator in 2011, and successfully collected baseline data in 2012.

Specific to freshwater conservation, we continue to look for opportunities to maximize the reuse of flowback water and produced water (fluid that flows back through the wellbore to the surface), and reuse it for fracturing in future wells. This practice helps minimize freshwater use and reduce off-site waste disposal as water is returned to the formation after completion and during the life of the well. We store as much flowback as possible at some of our facilities so that it is available for reuse. During times of reduced drilling activity, it can be a

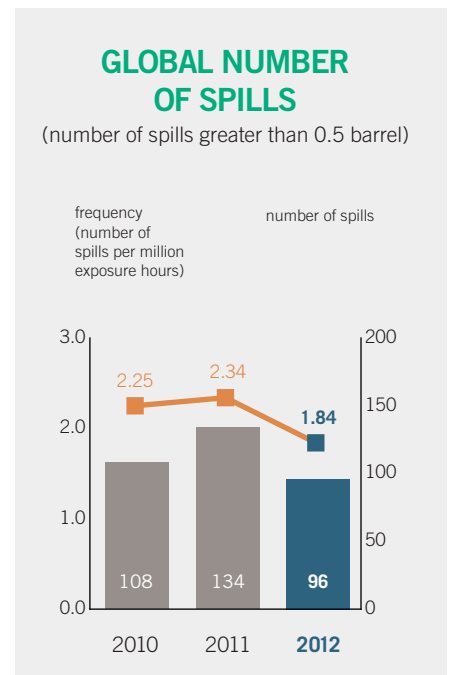
challenge to reuse all flowback water; however, we continue to look for ways to improve our practices.

We were proud to be recognized and included as an Energy Sector Case Study in the Carbon Disclosure Project's (CDP) 2012 Global Water Report. The CDP is an independent, not-for-profit organization working to reduce greenhouse gas emissions and promote sustainable water use by businesses and cities. In its report, we were acknowledged for our responsible water use, conservation practices, and increased transparency as part of our shale operations.

We work closely with our fluid suppliers to publicly disclose the composition of hydraulic fracturing fluids on fracfocus.org for operations in the US and fracfocus.ca for Canada. Additional information can be found on our websites, talisman-energy.com and talismanusa.com. Providing this information is part of our commitment to maintaining open and transparent communications with our stakeholders and the communities where we operate. We continue to work to improve the hydraulic fracturing process, and engage regularly with stakeholders.

Shale Operating Principles

In 2011, we shared our Shale Operating Principles, which are built upon three main objectives: to minimize the impact of our operations on the environment, ensure the communities in which we



operate benefit from our presence, and provide transparency into our operations. These serve as a guide for our employees and contractors, as we strive to continuously improve our responsible shale operations. Being a responsible operator remains a commitment for Talisman, and these principles continue to provide multi-year aspirations for our shale operations. To learn more, visit the HSSE section of talisman-energy.com.

PEOPLE



PEOPLE SCORECARD: 2012 PERFORMANCE

2ND

conducted our second global employee survey

\$13M

invested \$13 million in training and career development for our employees

360°

completed 360-degree feedback programs for 50 leaders in our organization

2012 PERFORMANCE AND 2013 PLANS

What we said we'd do in 2012	What took place in 2012	What we plan for 2013
<ul style="list-style-type: none"> Require all permanent employees to complete career development plans 	<ul style="list-style-type: none"> 67% of permanent employees who completed career development plans in 2011 refreshed their plans in 2012 	<ul style="list-style-type: none"> Redeploy people wherever possible, in response to our new strategy priorities
<ul style="list-style-type: none"> Continue 360-degree feedback for leaders to support ongoing development 	<ul style="list-style-type: none"> Completed 360-degree feedback programs for 50 leaders in our organization 	<ul style="list-style-type: none"> Communicate leadership model and integrate with appropriate people processes
<ul style="list-style-type: none"> Baseline and benchmark our current learning and development investment of \$10.9 million 	<ul style="list-style-type: none"> Invested \$13 million in training and career development programs for our employees 	<ul style="list-style-type: none"> Leverage discipline networks to develop critical competencies
<ul style="list-style-type: none"> Conduct a second global employee survey and create a plan for improvement based on the results, building on the 2010 survey 	<ul style="list-style-type: none"> Conducted our second global employee survey and created a plan for improvement based on the results 	<ul style="list-style-type: none"> Maintain ongoing communication with employees and conduct a pulse-check survey to monitor progress on 2012 employee survey improvement plan
<ul style="list-style-type: none"> Target 10% improvement in employees' satisfaction score on career development in the employee survey 	<ul style="list-style-type: none"> Achieved a 2% improvement in employees' satisfaction score on career development in the employee survey 	
<ul style="list-style-type: none"> Hire approximately 50 new graduates and pilot a targeted development program in North America 	<ul style="list-style-type: none"> Hired 40 new graduates 	

PEOPLE

A YEAR OF TRANSITION

2012 was a challenging year for energy companies and for Talisman – especially in North America. It's testimony to the strength in our portfolio, our adaptability, and our employees that we were able to shift our focus from gas to liquids and set a new strategic course for our business. We have built our company around successfully responding to such challenges – this is just one reason why Talisman is an exciting and rewarding place to work.

For many employees, 2012 brought significant change, particularly as one of our strategic priorities is the review and reduction of our cost structure – including workforce reduction. As we write this report, the process has already begun, and, through a combination of natural attrition and layoffs, several hundred employees and contractors have left our company.

This is a difficult but necessary exercise that will continue in 2013 as we execute on our new strategy and work to create a more fit-for-purpose and competitive organization. Our commitment is to make all adjustments to our workforce in a fair and respectful way.

As we focus on building a successful company, we are working hard to create an environment where every employee is

focused on challenging, meaningful, and value-adding work.

DEVELOPING PEOPLE

The talent, commitment, and technical expertise of our employees is integral to our success. We develop our people in a challenging, fast-paced, and dynamic environment, and provide opportunities for personal and career development through a combination of structured technical and leadership development programs.

Our leaders work hard to ensure the right people are placed in the part of the business where they can add the most value. This can provide our employees with an opportunity to transition their skills into new roles and international locations – growing their skills, global perspective, and broadening

their career potential within Talisman. This global mobility applies equally to our efforts to redeploy employees in line with adjustments to our strategic priorities.

Each year, beginning with our overall business strategy, employees set career development plans and goals. This begins at the executive level and cascades throughout every layer of our business, ensuring our employees are focused on the right value-adding work. Progress is monitored throughout the year, as employees meet with their leader to discuss how they are developing through experience, exposure, and education. These conversations are followed by a formal year-end performance review.

Throughout 2012, and as planned, we continued our 360-degree leadership feedback program. Fifty leaders participated, which is key to both their ongoing development and to our leadership succession plans. Following our second global employee survey, we began to evolve our leadership model, a framework through which we will build leadership capability and establish consistent behaviours. We will begin to implement this in 2013.

We invested more than \$13 million or approximately 3.4 per cent of total salaries in learning and development activity, which includes regulatory, HSSE, technical, soft skills, and



leadership development.

As an example, throughout 2012, 80 people participated in our Emerging Leadership and Leadership Development programs – both of which play a key role in enhancing the leadership skills of our employees and developing our future senior leaders.

We continued to develop critical technical competencies within the organization by focusing on our discipline networks (D-Nets), which help to assess capabilities, facilitate specific training needs, move technical employees around our business, and enable better knowledge and skills transfer.

ATTRACTING, RETAINING, AND ENGAGING TALENTED PEOPLE

In 2012, we hired 622 people. This was partially offset by a voluntary attrition rate of 11 per cent, bringing our total employee population to 3,087 full-time permanent people. One of the ways we attract new talent into our company is by inviting our existing employees to refer potential employees. In 2012, 15 per cent of our new recruits in Canada, the US, and the UK came through our referral program.

We hired 40 new graduates across a number of departments and roles. This was slightly less than our anticipated target of 50, reflecting our response to low

North American gas prices, our shift to liquids opportunities, and our efforts to redeploy existing employees into priority positions.

As a global company, our portfolio affords us the opportunity to redeploy our talent; indeed, it's one of the reasons employees seek a career at Talisman. This is particularly important when parts of our business are growing while others contract. During such times, we work hard with our employees to ensure people are focused on high-priority, value-adding work.

Throughout 2012, and with a backdrop of change and uncertainty, we worked hard to keep our employees informed and engaged. We hosted two global town halls and dozens of department and functional town halls. We set in place a clear employee communication process around our quarterly financial reports, where our CEO and executive leadership team host a leaders' call to expand upon our performance and priorities. These two-way engagements are supported by quarterly business and operational

reviews – short summaries of the past quarter and some priorities for the upcoming quarter, which are distributed to all global employees to ensure they are fully informed. Our intranet and global employee magazine provide further opportunities to engage employees.

In 2012, approximately 3,000 employees answered 67 questions across 18 categories as part of our second global employee survey. In doing so, they helped identify many areas in which we perform well or have improved since our last survey in 2010. In particular, 78 per cent agreed that teamwork is encouraged throughout the organization; 83 per cent said they have a clear understanding of their goals and objectives and how they're contributing to the company, and 85 per cent highlighted our continued focus on safety.



PM-3 CAA, Malaysia

They also drew attention to areas where we could do better. In particular, they asked senior leadership for a clear “vision of the future” and for senior leaders to become role models for our values and behaviours. They also shared their perspective that some parts of our business had become unnecessarily complex and that priorities changed too often.

This is valuable feedback for any organization, and we took the results and created a plan for improvement, against which we have already made progress. Our new strategic direction has been clearly communicated among employees and outlines a vision for 2013. We shared an evolved leadership model with our senior leaders in December and are preparing to cascade it among our global employees in 2013, while our focus on two core regions and our reduced capital budgets have laid the foundations for streamlining how we work and reducing

changes to priorities. There is more work to do in this area; however, our global employee survey has helped focus our attention on what matters most to employees.

EMPLOYEE VOLUNTEERING

Our employees are active volunteers and contributors to their local communities. In Calgary, for example, we have focused our efforts on our annual United Way program, where employee donations and our corporate matching program have contributed more than C\$9.4 million over the past 13 years.

In 2012 alone, we raised C\$1 million for the United Way of Calgary and Area. It was also our third consecutive year of A Day Makes a Difference – our week-long volunteer campaign for employees and leadership to lend a hand at various good causes across the city. More than 330 employees participated in this program in 2012, bringing our three-year total

to nearly 3,500 hours of service to our community.

In the US, more than 120 employees and retirees spent a total of 300 hours volunteering with Junior Achievement and the YWCA. Similar efforts and programs are evolving in other areas of our business around the world, and will continue to be an important part of our community involvement program in 2013.

REWARDING PERFORMANCE

Our total compensation program links individual performance with corporate success and is designed to reward our employees in a way that is competitive among our industry peers. In spite of challenges in our industry in 2012, the employment market remains relatively robust, and, in order to compete for talent, salary increase budgets were set to reflect changes in the market.



Calgary, Alberta

In the fall of 2012, and as a result of the shift in company priorities, we took the opportunity to realign our compensation plans with our new strategic direction, taking care to allow for sufficient differentiation between individual and regional performance. Specifically for variable pay, metrics within the plan have shifted from a growth focus to a profitability and efficiency focus, while a new performance element was added to increase accountability at the regional level.

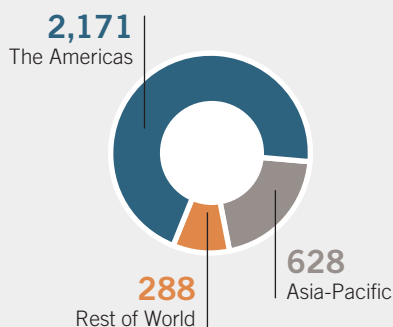
Leaders can now more consistently create appropriate levels of differentiation year-over-year as we have stabilized the funding for the individual components of the variable pay plan. These changes increase the plan's alignment to typical market practice and reinforce our already strong pay-for-performance culture.

Changes were made to the long-term incentive program in an effort to increase the plan's alignment to market, improve employee understanding of the plan, and provide greater consistency in rewards for employees. Refinements to the existing performance share unit plan awards were made, and eligible non-executive employees will be receiving restricted share units (RSUs) for their 2013 long-term incentive grant. RSUs are full-share units that track Talisman's share price

and provide a strong alignment with shareholders, while also allowing us to be flexible and responsive in our strategic and capital allocation decisions, without creating disconnects within the program.

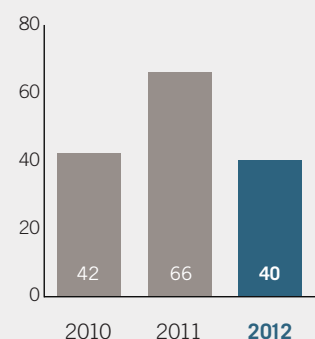
We will continue to review and revise our compensation program as required in future years to ensure we have the best possible approach to attract and retain our industry's best talent.

EMPLOYEE DISTRIBUTION BY GEOGRAPHY

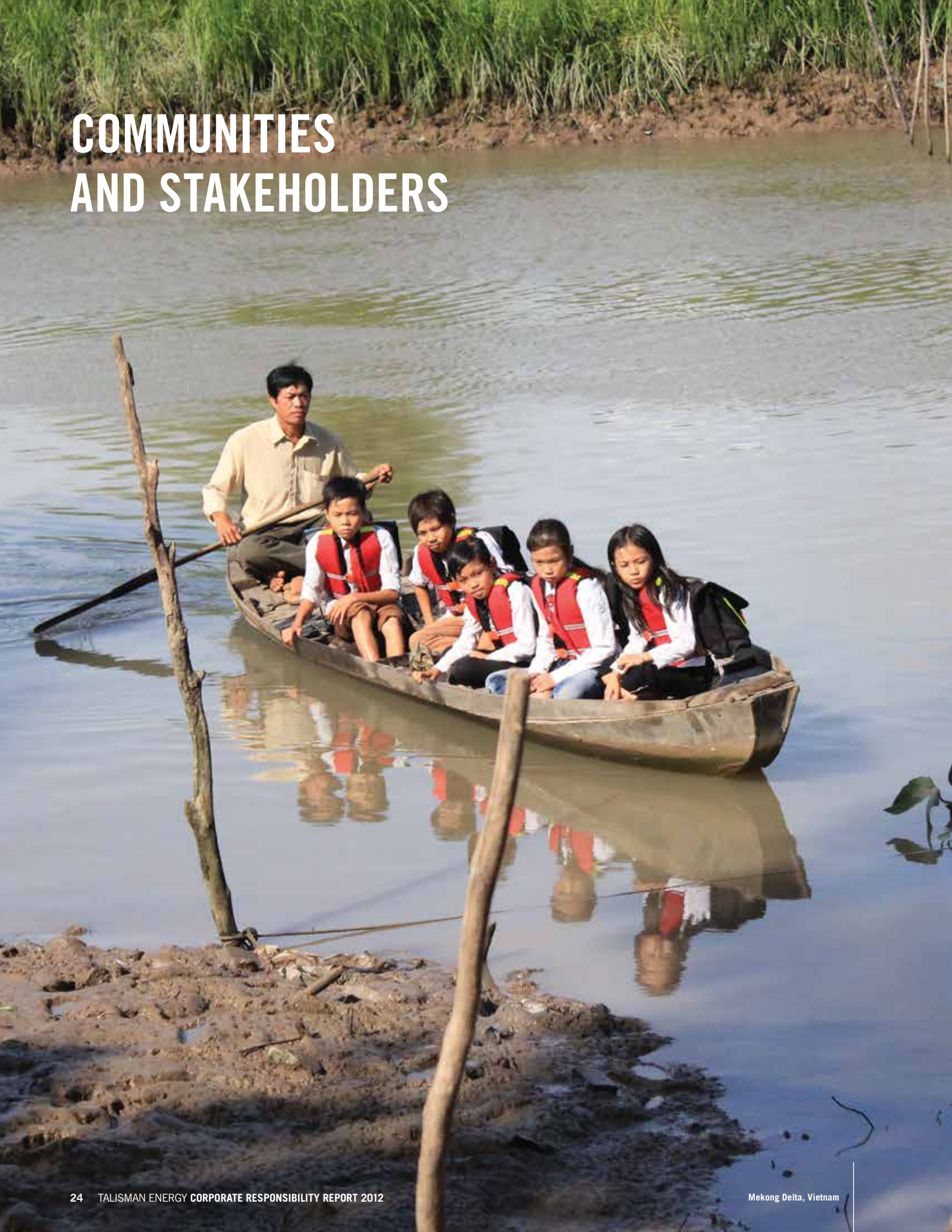


Number of full-time permanent employees as at December 31, 2012. Excludes our joint venture partnership in the UK North Sea – Talisman Sinopec Energy UK Limited.

NUMBER OF NEW GRADUATES HIRED



COMMUNITIES AND STAKEHOLDERS



COMMUNITIES AND STAKEHOLDERS SCORECARD: 2012 PERFORMANCE

269

students studying on Talisman scholarships

\$9M

contributed \$9 million to community initiatives worldwide¹

6M

6 million people in 63 countries with access to better water and sanitation

2012 PERFORMANCE AND 2013 PLANS

What we said we'd do in 2012

- Begin developing a process for monitoring and evaluating the implementation of the Global Community Relations Policy
- Contribute \$10.5 million to community initiatives in areas where we are the operator
- Identify opportunities for further partnerships with other global organizations with capabilities relevant to our operations and locations

What took place in 2012

- Began developing a process for monitoring and evaluating the implementation of the Global Community Relations Policy
- Contributed \$9 million to community initiatives in areas where we are the operator
- Completed initial screening of additional partnership opportunities with other global organizations

What we plan for 2013

- Collect baseline information on community and local benefits
- Continue to contribute to community initiatives in areas where we are the operator
- Review and, if necessary, realign global community investment partnerships with new strategic priorities
- Review country exit processes to ensure alignment with the Global Community Relations Policy

1. Excludes Peru. Community contribution expenditures for Peru were not finalized at time of this report.

COMMUNITIES AND STAKEHOLDERS

OUR APPROACH

Our community and stakeholder relations activities are integral to being accepted and welcomed into the communities where we operate. We work alongside these communities, outlining our plans, and listening to and addressing concerns. Our highly experienced people aim to minimize the impact of our operations and maximize the benefits of our presence. Globally, we focus our investments in the areas of education, environment, and empowering communities.

PROACTIVELY ENGAGING COMMUNITIES AND STAKEHOLDERS

Wherever we operate, our goal is to share information about our business plans, learn from the views of others, and build strong relationships with local communities – all in support of our collective, long-term success.

To help guide us, we introduced the Global Community Relations Policy (GCRP) in 2011. This policy defines standards such as respecting the rights and interests of indigenous and tribal communities, and finding ways for communities to share in the economic benefits of development over the full life cycle of our operations, including

decommissioning and exit. In 2012, we worked on implementing the GCRP throughout all our operations.

An example of our policy in action was in Colombia, where we worked to ensure our operations and engagement with indigenous communities met international best practice standards for human and indigenous rights. We conducted a detailed, on-the-ground security risk assessment, entered into agreements with the Colombian Public Security Forces, and developed a highly participative and tailored consultation process to support our operations in Block CPE-8. We will continue to build on and further assess our policy's effectiveness in select international locations in 2013.

To learn more about our GCRP, visit the corporate responsibility section of our website at talisman-energy.com.

In September 2012, Talisman decided to discontinue operations in Peru and exit the country upon completion of all obligations. This includes fulfilling our commitments to communities and stakeholders, such as reclamation and remediation work for wellsites and funding social programs related to health and education. This work is scheduled to be completed in 2013.

MEASURING BENEFITS TO LOCAL COMMUNITIES

Creating local benefits in the communities and host countries where we operate includes employment (local labour), business opportunities (provision of goods and services), and community investment (donations and sponsorship).

For example, we continue to share the benefits of oil and gas exploration with various local communities in Papua New Guinea (PNG). Since we first acquired an extensive acreage position in PNG's Western Province in 2009, we have created almost 450 temporary jobs for local workers in our seismic program, and provided sewing machines, fabric, and school supplies. In conjunction with the Provincial Government of the Western Province, we have also set up local medical clinics and immunization programs in remote areas.



To help coordinate such initiatives around the world, we began developing a Global Community and Local Benefits Standard in 2012. We will pilot this in 2013, collecting baseline information for future years.

The standard has been built in part on our existing North American Local Economic Engagement Strategy, which includes prioritizing the hiring of qualified local contractors and working with government to develop programs that train and educate local people to work in our industry. Having a global standard is important for consistency throughout our business, and will help us measure and report on all of the community and local benefits across our operations.

COMMUNITY INVESTMENT

In 2012, we contributed \$9 million to community investment initiatives in areas where we are the operator. Some examples include establishing the Talisman Chair of Environmental Sustainability and a scholarship for Aboriginal students at Mount Royal University in Calgary. We also created an endowment fund for the Banff Centre Emerging Artists Award, providing international artists with opportunities for learning and development. A total of 269 students around the world studied on Talisman scholarships in 2012. These educational scholarships range from

primary school to post-secondary, and encapsulate diverse programs, including engineering and performing arts.

We continue to support Ducks Unlimited and the World Resources Institute's Aqueduct Alliance, and, through our five-year commitment of \$1 million to the Centre for Affordable Water and Sanitation Technology (CAWST), six million people in 63 countries now have access to better water and sanitation.

In Asia-Pacific, our partnership between Talisman Vietnam and the Saigon Children's Charity helped launch a six-month vocational training program for disadvantaged youth living in Ho Chi Minh City, which focused on hospitality skills for the tourism and restaurant industries. Our employees and their families volunteered in a wide range of roles, including administration, teaching English, and helping with resume writing and interview skills.

In flood-prone areas of Vietnam, drowning is a real issue for young children. To help address this, we continued to provide children in grades 1 to 5 with specially made school bags that become life jackets in the event they fall into water. In the two years since we started this program, we have delivered almost 10,000 bags. Through our partnership with Pertamina in Indonesia, we also provided life jackets

and water safety training to primary school children who live in the remote village of Muara Medak, which is isolated by river.

In December 2012, we were recognized for our work with communities in the Kurdistan region of Northern Iraq. Prime Minister Nechirvan Barzani presented us with a special award for our contributions, including road construction in remote communities, drilling water wells, funding dental care, constructing animal watering troughs and washing stations, reconstructing the Qadir Karem Park, school repairs, and providing educational supplies. This was the first time a company has been singled out for an award of this kind in the country.

To keep our policies and programs relevant and effective, we completed a thorough re-evaluation and update of our Global Corporate Community Involvement Strategy against our business objectives in 2012, and posted new guidelines on our internal and external websites.

In 2013, our community investment budget will remain focused on empowering communities, education, and the environment. This strategy continues to provide a framework for us to make social investments that are directly aligned with our business principles and commitments.

GOVERNANCE



GOVERNANCE SCORECARD: 2012 PERFORMANCE

99%

of employees completed online ethics awareness training

32

issues submitted through our Integrity Matters hotline

53%

decrease in the number of notices of non-compliance globally

2012 PERFORMANCE AND 2013 PLANS

What we said we'd do in 2012

- Achieve 10% reduction in the number of notices of non-compliance globally
- Strive to achieve 100% completion of online ethics awareness training by employees and company directors
- Continue to ensure every complaint is reviewed and that appropriate action is taken

What took place in 2012

- 53% reduction in the number of notices of non-compliance globally
- 99% completion of online ethics awareness training by employees and company directors
- Continued to ensure every complaint is reviewed and that appropriate action is taken

What we plan for 2013

- Pilot the Supplier Code of Conduct across areas of our operations
- Undertake cross-functional review of the Policy on Business Conduct and Ethics and associated training
- Implement internal global community involvement guidelines
- Continue to measure global HSSE standard implementation against country-specific milestones and plans for existing HSSE standards

- Conduct an implementation assessment of the Voluntary Principles on Security and Human Rights

- Partially completed an implementation assessment of the Voluntary Principles on Security and Human Rights

GOVERNANCE

OUR APPROACH

Strong governance and business practices start at the Board of Directors and are reinforced throughout all levels of management and operations. Our four key focus areas are governance structure and processes, business ethics, transparency and compliance.

GOVERNANCE STRUCTURE AND PROCESSES

Board of Directors

The principal role of the Board of Directors, as representatives of our shareholders, is both the stewardship of our company and creating shareholder value. Having clear structures in place ensures our Board can function independently from management. The roles of Chairman of the Board and CEO have been separate since 1993. We have 11 directors, all of whom are independent, except for our President and CEO. The Board has six standing committees: Audit, Governance and Nominating, Human Resources, Reserves, Executive, and Health, Safety, Environment and Corporate Responsibility.

In early 2012, the Board determined a change in strategic direction and leadership was required. They reacted quickly and decisively in a changing environment, appointing Hal Kvisle as President and CEO in September 2012. Board renewal and director succession is

a top priority in order to provide effective oversight of our new strategic priorities. The Governance and Nominating Committee of the Board continues to oversee a Board renewal process.

More information on this can be found in the 2012 Management Proxy Circular on our website, talisman-energy.com.

Risk Management

Our primary process for identifying and evaluating risks to the company, including operational, HSSE, social, political, and reputational, is through our Enterprise Risk Management (ERM) program. Oversight of risk management is embedded in our Board and committee structures.

In addition to the ERM, we have a number of other tailored risk analysis and monitoring tools. One example is our quarterly Political Risk Dashboard, which allows us to track changes in the regulatory and political environments of the countries where we operate. In 2012, our approach was benchmarked

against more than 30 internationally active corporations by an external risk consultant, and was rated third for best practice.

BUSINESS ETHICS

Policy on Business Conduct and Ethics (PBCE)

Talisman promotes and encourages a culture of ethical business conduct. Our PBCE provides guidelines for employees on a wide range of issues, including personal conduct, human rights, community relations, and HSSE. Every year, employees complete an online ethics awareness training course centred on the PBCE, and are required to sign a compliance certificate and report any observed breaches. In 2012, 99 per cent of employees and company directors completed the training. In 2013, we are conducting a cross-functional review of the PBCE and our associated training, including analyzing the current systems and processes for delivery.

In 2012, we began working on a Supplier Code of Conduct, which clearly communicates to our suppliers our expectations for ethical performance. In 2013, we plan to complete a pilot of the code as well as associated risk assessment processes across areas of our operations.

Integrity Matters

Our Integrity Matters hotline provides an open and accessible way for employees,

vendors, independent contractors, and other stakeholders to raise grievances they may have about our company in relation to our PBCE. The hotline is available 24 hours a day, seven days a week, and in more than 140 languages.

Each year, following its introduction in 2009, we continue to raise awareness of the hotline, particularly among our employees who are made aware of its purpose and encouraged to use it as part of their annual ethics awareness training course. We take every complaint seriously, making sure it goes to the right level of management for investigation and appropriate action. In 2012, a total of 32 issues were raised from five countries through the hotline; nine were internal, five were external, and 18 were anonymous. This is a 78 per cent increase in the number of complaints in 2011, which can be partially attributed to increased awareness of the facility. Equally important, many of the calls received were not directly related to integrity, but to observations and comments people chose to share through a private channel. Each complaint was reviewed, assessed, and investigated appropriately. Recommendations and learnings from these investigations were discussed and management actions were taken as necessary.

You can learn more about the PBCE and Integrity Matters hotline by visiting our website, talisman-energy.com.



Voluntary Principles on Security and Human Rights (VPSHR)

We continue to participate in the VPSHR plenary group, and also as an industry representative on the steering committee for companies involved in the Voluntary Principles (VPs). From an implementation perspective, train-the-trainer programs were undertaken in 2012.

We completed an independent third-party audit of our Global Security organization, which included a thorough review of our protocols, procedures, and guidelines for corporate and country-specific security. The audit observed that our security delivery at the tactical level meets and exceeds industry best practices; the professionalism, expertise, and initiative of our security personnel is excellent; and the VPs are well incorporated into our agreements with external stakeholders, such as host nations and security providers. All of the feedback from the

audit has been incorporated into our planning cycle in 2013.

United Nations Global Compact (UNGC)

We continue to be involved with the UNGC – a network that supports companies in applying or implementing principles related to human rights, labour, the environment, and anti-corruption.



Yavo Base, Western Province of Papua New Guinea

TRANSPARENCY

Extractive Industries Transparency Initiative (EITI)

We have participated in the EITI since 2005, which includes full publication and verification of royalties, taxes, other material payments, and government revenues from oil, gas, and mining activities across our global operations. We believe an important way to establish greater economic transparency is through the public disclosure of revenue payments to host governments. We support increased transparency that generates information that is meaningful to intended audiences, and that does not compromise confidentiality or fair competitive advantage.

We are also subject to new US Securities and Exchange Commission (SEC) rules regarding payment disclosures, which will apply to payments made starting October 1, 2013. Thereafter, we will be required to report payments annually in accordance with the new SEC rules.

Political Donations

At the provincial level in Canada, political contributions totalling approximately C\$29,000 were provided to political parties in British Columbia and Alberta in 2012. In the US, we paid \$25,000 for corporate memberships to the Democratic Governors Association.

COMPLIANCE

Regulatory Compliance

All of our operations are subject to a wide variety of laws and regulations, and we are required to report all notices of non-compliance of health, safety, environment, and operational integrity. In 2012, we exceeded our target of a 10 per cent reduction in the number of notices of non-compliance globally. We saw significant improvements in our North America Operations; in Canada, this was due to better regulatory compliance awareness and inspection processes, and, in the US, to establishing a positive working relationship with the regulatory enforcement authorities and improved

regulatory awareness. We received one notice of non-compliance in the UK, resulting from a dropped object on a platform. We continue to analyze every incident and every inspection by regulators, with and without violations, so we can develop plans for improvement.

KEY NUMBERS

All data is global and as of December 31, 2012 unless otherwise stated.
All currencies in US dollars unless otherwise stated.

This table provides a snapshot of different areas of our performance.

For a further list of key numbers, visit the Corporate Responsibility section of our website at talisman-energy.com.

	Indicator	2012	2011	2010
Health and Safety	Number of Fatalities	0	1	1
	Lost-time Injury Frequency <i>(Number of lost-time injuries per million exposure hours)</i>	0.62	0.54	0.98
	Total Recordable Injury Frequency <i>(Number of recordable injuries per million exposure hours)</i>	3.02	3.62	4.68
Operational Integrity	Flammable Unintentional Hydrocarbon Release Frequency <i>(Number of flammable unintentional hydrocarbon releases per million exposure hours)</i>	1.06	0.98	N/A
Environment	Total Energy use <i>Gigajoules</i>	49,787,000	53,381,000	50,747,000
	Production Energy Intensity <i>Gigajoules per barrel of oil equivalent</i>	0.294	0.325	0.318
	Total CO ₂ Equivalent Emissions <i>Tonnes</i>	12,165,000	12,207,000	12,820,000
	Production Carbon Intensity <i>Tonnes of CO₂ equivalent emissions per barrel of oil equivalent</i>	0.072	0.074	0.080
	Fresh Water Use <i>1,000 cubic metres</i>	2,579	3,888	2,998
	Flaring <i>1,000 cubic metres</i>	481,511	524,425	544,000
	Number of Spills <i>Greater than 0.5 barrel</i>	96	134	108
	Volume of Spills <i>Greater than 0.5 barrel, expressed in cubic metres</i>	368	707	499
People	Number of Employees <i>Full-time permanent</i>	3,087 ¹	3,600	2,975
	Employee Turnover <i>Expressed as %, not including retirements</i>	11.3	6.8	6.2
Communities	Community Contributions <i>\$millions in total funding to community initiatives</i>	9.0 ²	9.5	8.5
Economic	Production <i>Thousand barrels of oil equivalent per day</i>	426	426	417
	Net income <i>\$millions</i>	132	776	945
	Exploration and development expenditures ³ <i>\$millions</i>	3,511	4,142	3,473
Governance	Number of Certificates of Compliance with Policy on Business Conduct and Ethics Received <i>Employee and contract</i>	5,469	6,002	4,760
	Amount of Money Paid to Political Parties <i>Canada</i> <i>US</i>	C29,000 25,000	19,775 50,000	46,645 not previously reported

1. Number of full-time permanent employees as at December 31, 2012. Excludes employees in our joint venture partnership in the UK North Sea – Talisman Sinopec Energy UK Limited.

2. Excludes Peru. Community contribution expenditures for Peru were not finalized at time of this report.

3. Excludes exploration expensed.

INDEPENDENT LIMITED ASSURANCE STATEMENT

To the Board of Directors and Management of Talisman Energy Inc. (“Talisman”)

Our Responsibilities

Our limited assurance engagement has been planned and performed in accordance with the International Standard on Assurance Engagements ISAE 3000 “Assurance Engagements other than Audits or Reviews of Historical Financial Information”.

Subject Matter

We have performed a limited assurance engagement on the corporate responsibility performance indicators that are presented in bold type in the Performance Data Tables on page 33 of the 2012 Corporate Responsibility Report “the Report” for the year ended December 31, 2012 which covers corporate responsibility performance information that has been prepared by Talisman Management.

Criteria

Talisman has prepared its specified performance information in accordance with the GRI G3 Guidelines or where relevant, internally developed criteria.

Talisman Management Responsibilities

The Report was prepared by the management of Talisman, who is responsible for the collection and presentation of the performance indicators, statements, claims in the Report and the criteria used in determining that the information is appropriate for the purpose of disclosure in the Report. In addition, management is responsible for maintaining adequate records and internal controls that are designed to support the reporting process.

Level of Assurance

Our procedures were designed to obtain a limited level of assurance on which to base our conclusions. The procedures conducted do not provide all the evidence that would be required in a reasonable assurance engagement and accordingly, we do not express a conclusion conveying a reasonable level of assurance. While we obtained an understanding of management’s internal processes when determining the nature and extent of our

procedures, our limited assurance engagement was not designed to express a conclusion on internal controls.

Work Performed

In order for us to express a conclusion in relation to the above scope of work, we have sought to answer the following questions for the Subject Matter reviewed:

Completeness

- Has Talisman fairly presented performance information concerning the selected performance indicators with respect to the boundaries and time period defined in the Report?
- Has Talisman included sustainability performance information from all material entities in its defined boundary for its reporting of the selected performance indicators?
- Has Talisman accurately collated corporate data relating to the selected performance indicators from operations level data?

Accuracy

- Is the data reported for the selected performance indicators sufficiently accurate and detailed for stakeholders to assess Talisman’s performance?

Our assurance procedures at Talisman’s corporate head office included but were not limited to:

- Interviewing selected personnel at Corporate and selected international sites to understand the key sustainability issues related to the selected performance data and processes for the collection and accurate reporting of performance information
- Where relevant, obtaining an understanding of the design and implementation of systems and processes for data aggregation and reporting
- Checking the completeness of key assumptions and the evidence to support the assumptions

- Checking the accuracy of calculations performed, on a test basis, primarily through inquiry, variance analysis and re-performance of calculations, and analytical procedures
- Checking that data and statements had been correctly transcribed from corporate systems and/or supporting evidence into the Report

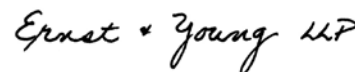
Limitations of our Work Performed

Our scope of work did not include expressing conclusions in relation to:

- The materiality, completeness or accuracy of data sets or information relating to areas other than the selected performance data, and any site-specific information
- Information reported outside of Talisman’s 2012 Corporate Responsibility Report
- Management’s forward-looking statements
- Any comparisons made by Talisman against historical data
- The appropriateness of definitions for internally developed criteria

Our Conclusion

Based on our procedures for this limited assurance engagement described in this Report, nothing has come to our attention that causes us to believe that the Subject Matter is not, in all material respects, reported in accordance with the relevant criteria.



Calgary, Alberta
May 15, 2013

FORWARD-LOOKING INFORMATION

This report 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; expected allocation of the capital budget; expected production; planned reduction in lost-time injury frequency, total recordable injury frequency and flammable unintentional hydrocarbon release frequency; planned reduction in spill frequency; planned continuation of implementation of the Shale Operating Principles; planned redeployment of people wherever possible in response to new strategic priorities; planned development of critical technical competencies; planned communication of the leadership model and integration with appropriate people processes; planned maintenance of ongoing communication with employees and planned pulse-check survey; planned review of country exit processes; planned collection of baseline information on community and local benefits; planned review and potential realignment of global community investment partnerships; planned review of the PBCE and associated training; planned piloting of the Supplier Code of Conduct; planned implementation of internal global community involvement guidelines; planned continued measurement of global HSE standard implementation; and other expectations, beliefs, plans, goals, objectives, assumptions, information and statements about possible future events, conditions, results of operations or performance. The company priorities disclosed in this report are objectives only and their achievement cannot be guaranteed.

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 2013 assumes escalating commodity prices.

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 report. 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; risks and uncertainties involving geology of oil and gas deposits; risks associated with project management, project delays and/or cost overruns; uncertainty related to securing sufficient egress and access to markets; the uncertainty of reserve and resource 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 strategic and 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; 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.

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, in addition to the reserves data and certain other oil and gas information included in this report which is provided in accordance with NI 51-101, there is data and information provided in accordance with US disclosure standards.

A separate exemption granted to Talisman also permits it to disclose internally evaluated reserves data. Any reserves and resources data contained in this report 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 report.

Resources¹

In this report, Talisman also discloses contingent resources and prospective resources as at February 28, 2013. Where not otherwise indicated, in this report, the contingent resources provided are 2C and the prospective resources are unrisks best estimates.

Contingent resources are defined as those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations using established technology or technology under development, but which are not currently considered to be commercially recoverable due to one or more contingencies. The contingencies that prevent the resources from being classified as reserves are: lack of gas sales contract; additional testing; production and performance appraisal activities; development time frame too far in the future; demonstration of economic viability; facilities and egress; access to equipment and services; hydraulic fracturing technology; commodity prices and regulatory approvals. There is no certainty that it will be commercially viable to produce any portion of the resources. In addition to these contingencies and uncertainties the development of commerciality of resources is also subject to a number of risk factors, as discussed more fully above.

Prospective resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective resources have both an associated chance of discovery and a chance of development. There is no certainty that any portion of the resources will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of the resources. Unrisks prospective resources are not risks for change of development or chance of discovery. If a discovery is made, there is no certainty that it will be developed or, if it is developed, there is no certainty as to the timing of such development. In this report risks prospective resources have been risks for chance of discovery but have not been risks for chance of development. If a discovery is made, there is no certainty that it will be developed or, if it is developed, there is no certainty as to the timing of such development.

Production and Reserves Volumes

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 report means a 100% interest prior to the deduction of royalties and similar payments.

Non-Core Assets

In this report, all references to “core” and “non-core” assets and properties align with the company's current public disclosure regarding its assets and properties.

BOE Conversion

Throughout this report, 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 report 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 mcf 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.

IFRS

The financial information for contained herein is presented in accordance with International Financial Reporting Standards (IFRS). IFRS may differ from generally accepted accounting principles in the US.

Non-GAAP Financial Measures

Included in this report are references to financial measures used in the oil and gas industry such as cash flow and exploration and development spending. These terms are not defined by IFRS. Consequently, these are referred to as non-GAAP measures. Talisman's reported results of such measures may not be comparable to similarly titled measures reported by other companies.

Cash Flow represents net income before exploration costs, DD&A, impairment, deferred taxes and other non-cash expenses. Cash flow is used by the Company to assess operating results between years and between peer companies using different accounting policies. Cash flow should not be considered an alternative to, or more meaningful than, cash provided by operating, investing and financing activities or net income as determined in accordance with IFRS as an indicator of the company's performance or liquidity.

Exploration and development spending is calculated by adjusting the capital expenditure per the financial statements for exploration costs that were expensed as incurred.

1. The reserves life index (“RLI”) of 12 years for proved plus probable reserves in the Americas and Asia-Pacific was calculated by dividing the year-end proved plus probable reserves by the 2013 production guidance in the Americas and Asia-Pacific.

GLOBAL REPORTING INITIATIVE (GRI)

Profile Disclosure	GRI Description	Location in CR Report / other TLM disclosures
1. Strategy and Analysis		
1.1	Statement from the most senior decision-maker of the organization	CRR p. 6 - 7
1.2	Description of key impacts, risks, and opportunities	AIF p. 28 - 36
2. Organizational Profile		
2.1	Name of the organization	CRR IFC, AIF p. 1
2.2	Primary brands, products, and/or services	AIF p. 4
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures	AIF p. 1 & 4
2.4	Location of organization's headquarters	AIF p. 1
2.5	Number of countries where the organization operates	AIF p. 4 - 17
2.6	Nature of ownership and legal form	AIF p. 1
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries)	AIF p. 4 - 17
2.8	Scale of the reporting organization	CRR p. 2 - 3, AR p. 1
2.9	Significant changes during the reporting period regarding size, structure, or ownership	AR p. 27 - 28
2.10	Awards received in the reporting period	CRR IFC
3. Report Parameters		
3.1	Reporting period (e.g., fiscal/calendar year) for information provided	CRR IFC
3.2	Date of most recent previous report (if any)	CRR Web page
3.3	Reporting cycle (annual, biennial, etc.)	CRR IFC
3.4	Contact point for questions regarding the report or its contents	CRR IFC
3.5	Process for defining report content	CRR IFC
3.6	Boundary of the report	CRR IFC
3.7	State any specific limitations on the scope or boundary of the report	CRR IFC
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, etc.	CRR IFC
3.9	Data measurement techniques and the bases of calculations, including assumptions, estimations, etc.	Online data tables
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, etc.	Online data tables
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report	Online data tables
3.12	Table identifying the location of the Standard Disclosures in the report	CRR p. 38 - 40
3.13	Policy and current practice with regard to seeking external assurance for the report	CRR p. 34
4. Governance, Commitments, and Engagement		
4.1	Governance structure of the organization, including committees	CRR p. 30, MPC p. 16 - 33
4.2	Chair of the highest governance body	CRR p. 30
4.3	Number of members of the highest governance body that are independent and/or non-executive members	CRR p. 30
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	MPC 1 - 4, 16 - 17

GLOBAL REPORTING INITIATIVE (GRI)

4.5	Linkage between compensation and the organization's performance (including social and environmental performance)	MPC p. 34 - 78
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided	AIF p. 28
4.7	Process for determining the qualifications and expertise of the members of the highest governance body	MPC p. 6
4.8	Internally developed statements of mission or values, codes of conduct, and principles, etc.	AIF p. 17 - 18
4.9	Procedures of the highest governance body for overseeing the organization's CR performance	CRR p. 30
4.10	Processes for evaluating the highest governance body's own performance	MPC p. 26 & 33
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization	AIF p. 17 - 18
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses	CRR p. 31 - 32
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations, etc.	CRR p. 31 - 32
4.14	List of stakeholder groups engaged by the organization	CRR IFC
4.15	Basis for identification and selection of stakeholders with whom to engage	CRR IFC
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	CRR IFC
4.17	Key topics and concerns that have been raised through stakeholder engagement	AR p. 42 - 48, CRR IFC
Economic Performance Indicators		
DMA EC	Disclosure of Management's Approach - Economic	CRR p. 26 - 27
EC1	Direct economic value generated and distributed, including revenues, operating costs, community investments, etc.	CRR p. 26 - 27, AR p. 16
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	AR p. 46
EC3	Coverage of the organization's defined benefit plan obligations	AR p. 63
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation	CRR p. 26 - 27
Environmental Performance Indicators		
DMA EN	Disclosure of Management's Approach - Environment	AIF p. 17 - 18
EN3	Direct energy consumption by primary energy source	CRR p. 33, online data tables
EN4	Indirect energy consumption by primary source	CRR p. 33, online data tables
EN8	Total water withdrawal by source	CRR p. 33, online data tables
EN16	Total direct and indirect greenhouse gas emissions by weight	CRR p. 33, online data tables
EN17	Other relevant indirect greenhouse gas emissions by weight	Online data tables
EN20	NOx, SOx, and other significant air emissions by type and weight	Online data tables
EN22	Total weight of waste by type and disposal method	Online data tables
EN23	Total number and volume of significant spills	CRR p. 33, online data tables
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	CRR p. 16 - 17

GLOBAL REPORTING INITIATIVE (GRI)

Social: Labor Practices and Decent Work		
DMA LA	Disclosure of Management's Approach - Labor Practices	CRR p. 20 - 21
LA1	Total workforce by employment type, employment contract, and region broken down by gender	CRR p. 21, 23 & 33, online data tables
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region	CRR p. 21, 23 & 33, online data tables
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities, etc.	CRR p. 11 & 33, online data tables
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	CRR p. 20 - 21
LA12	Percentage of employees receiving regular performance and career development reviews	CRR p. 20 - 21
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity	online data tables
Social: Human Rights		
DMA HR	Disclosure of Management's Approach - Human Rights	CRR p. 31, AIF p. 17
Social: Society		
DMA - SO	Disclosure of Management's Approach - Society	CRR p. 26, AIF p. 17
SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	CRR p. 26 - 27
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures	CRR p. 29 - 30
SO4	Actions taken in response to incidents of corruption	CRR p. 30 - 31
SO5	Public policy positions and participation in public policy development and lobbying	CRR p. 32
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country	CRR p. 32
SO9	Operations with significant potential or actual negative impacts on local communities	AIF p. 32 - 33
SO10	Mitigation measures implemented in operations with significant potential or actual negative impacts on local communities	CRR p. 16 & 26

Key:

AIF = Annual Information Form

AR = Annual Report

CRR = Corporate Responsibility Report

MPC = Management Proxy Circular

IFC = inside front cover

All of the above reports are available on our website, talisman-energy.com.

BOARD OF DIRECTORS

Christiane Bergevin ^{3,4}
Quebec, Canada

Donald Carty ^{1,5}
Texas, United States

William Dalton ^{1,3,6}
Arizona, United States

Kevin Dunne ^{4,6}
Tortola, British Virgin Islands

Harold Kvisle ²
Alberta, Canada

Brian M. Levitt ^{3,5}
Quebec, Canada

Lisa Stewart ^{5,6}
Texas, United States

Peter Tomsett ^{4,5}
British Columbia, Canada

Michael Waites ^{1,6}
British Columbia, Canada

Charles Williamson ²
Chairman of the Board
California, United States

Charles Winograd ^{1,3}
Ontario, Canada

1 Member of Audit Committee

2 Member of Executive Committee

3 Member of Governance and Nominating Committee

4 Member of Health, Safety, Environment and
Corporate Responsibility Committee

5 Member of Human Resources Committee

6 Member of Reserves Committee

EXECUTIVES

Harold Kvisle
President and Chief
Executive Officer

Paul Blakeley
Executive Vice-President
Asia-Pacific

Richard Herbert
Executive Vice-President
Exploration and Development

Bob Rooney
Executive Vice-President
General Counsel

Paul Smith
Executive Vice-President
North America

Scott Thomson
Executive Vice-President
Finance and Chief Financial Officer

Paul Warwick
Executive Vice-President
Europe-Atlantic

Helen Wesley
Executive Vice-President
Corporate Services

Talisman Energy Inc.
2000, 888 - 3rd Street SW
Calgary, Alberta, Canada T2P 5C5
p: 403.237.1234
f: 403.237.1902

talisman-energy.com
e: cr@talisman-energy.com

Talisman has produced a separate Annual Report, which is available by contacting the company and can also be viewed or downloaded at talisman-energy.com



TALISMAN
ENERGY