



NEWS RELEASE TRANSMITTED BY CCNMatthews

FOR: TALISMAN ENERGY INC.

TSE, NYSE SYMBOL: TLM

MAY 2, 2000

#### Talisman Announces Plans to Develop Halley Oil Field

CALGARY, ALBERTA--Talisman Energy Inc. today announced that its wholly owned subsidiary, Talisman Energy (UK) Limited, has reached agreement in principle to exchange assets with BP Amoco and Amerada Hess to acquire interests adjacent to its operated Clyde/Orion core area. Following completion of these transactions, Talisman will acquire a 60% working interest in the undeveloped Halley oil discovery and become operator. Fast-track joint development for Halley's estimated 8 mmbbls of expected reserves is being planned in conjunction with Amerada Hess which will hold 40% interest in the field. The development plan will involve the drilling of two extended reach wells from the Shell-operated Fulmar platform to achieve first oil in second quarter 2001 at a gross initial rate of approximately 12,000 bbls/d.

BP Amoco will assign its entire interest of 51.54% in Blocks 30/11b, 30/12b containing the Halley oil discovery, together with its 12.71% interest in the producing Fulmar field to Talisman. Fulmar is currently producing approximately 6,500 bbls/d of production. In exchange, Talisman will assign to BP Amoco its 5% interest in Block 9/24a and its 10% interest in Block 9/24b, containing the Devenick gas condensate discovery.

Talisman will acquire an additional 8.46% in the part-blocks 30/11b and 30/12b containing the Halley discovery in exchange for Talisman assigning to Amerada Hess its 51.54% interest in part-blocks 30/11b and 30/12b containing the Appleton gas condensate discovery together with Talisman's 0.25% interest in Block 29/6a.

The transactions, the transfer of operatorship and the Halley development consents are all conditional on receiving UK government approval.

Talisman's North Sea oil and liquids production averaged 110,000 bbls/d during the first quarter of 2000, double the rate a year ago. Oil operating costs in the first quarter of 2000 averaged \$9.24/bbl down from an average of \$11.58/bbl for all of 1999.

"The North Sea continues to be an area of tremendous potential to add value through operatorship and second phase exploration and development," commented Dr. Jim Buckee, President and Chief Executive Officer. "This project demonstrates how cooperation and alignment between operators and partners can unlock incremental value to the benefit of each other and allow development of another North Sea discovery."

Talisman Energy Inc. is the largest independent Canadian oil and gas producer. The Company has operations in Canada, the North Sea, Indonesia and Sudan. Talisman is also conducting exploration in Algeria and Trinidad. Talisman's shares are listed on The Toronto Stock Exchange in Canada and the New York Stock Exchange

in the United States under the symbol TLM.

**FORWARD-LOOKING STATEMENTS**

Statements in this press release may contain forward-looking statements including expectations of future production and capital expenditures. Information concerning reserves may also be deemed to be forward-looking statements as such estimates involve the implied assessment that the resources described can be profitably produced in future. These statements are based on current expectations that involve a number of risks and uncertainties, which could cause actual results to differ from those anticipated.

These risks include, but are not limited to: the background risks of the oil and gas industry (e.g., operational risks in development, exploration and production; potential delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserve estimates; the uncertainty of estimates and projections relating to production, costs and expenses, and health, safety and environmental risks), risks in conducting foreign operations (e.g. political and fiscal instability), price and exchange rate fluctuation and uncertainties resulting from potential delays or changes in plans with respect to exploration or development projects or capital expenditures. Additional information on these and other factors which could affect Talisman's operation or financial results are included in Talisman's Annual Report under the headings "Management's Discussion and Analysis - Sensitivities," "Risks and Uncertainties," and "-Outlook," and in Talisman's other reports on file with Canadian securities regulatory authorities and the U.S. Securities and Exchange Commission.

This release is available on Talisman's Internet Web Site:  
[WWW.TALISMAN-ENERGY.COM](http://WWW.TALISMAN-ENERGY.COM)

-30-

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