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FOR: TALISMAN ENERGY INC.

TSE, NYSE SYMBOL: TLM

AUGUST 21, 2001 - 03:03 EDT

#### Talisman's Offer for Lundin Oil Successful

CALGARY, ALBERTA--Talisman Energy Inc. and its Swedish subsidiary, Talisman Energy AB ("Talisman AB"), announce that Talisman AB's offer to acquire all of the outstanding shares and warrants of Lundin Oil AB ("Lundin Oil"), at a cash price of SEK 36.50 per share, has been successful and Talisman AB will acquire all shares and warrants tendered under the offer.

"I am very pleased with the success of the offer," said Dr. Jim Buckee, President and Chief Executive Officer of Talisman Energy Inc. "We are ready to further align and consolidate our core areas in the North Sea with the addition of the Lundin Oil assets.

We are particularly excited by Malaysia. Early success of the offer allows us to put Talisman's imprint on this fast moving development. We also see an abundance of opportunity in the area including Vietnam. This prolific area with existing infrastructure developed by the majors provides an ideal environment for Talisman where we envisage strong growth for many years."

Approximately 95.44 million shares (including Class B shares represented by Global Depositary Shares) and 2.1 million warrants of Lundin Oil were tendered under the offer, representing 89.8% of the total number of shares and 90.3% of the total number of votes in Lundin Oil, on a fully-diluted basis. This does not include approximately 510,000 additional Class B shares represented by Global Depositary Shares expected to be delivered under Notices of Guaranteed Delivery which have been received and would result in both percentages exceeding 90%. In order to expedite the completion of the offer, Talisman AB exercised its right to reduce the applicable percentage in the minimum acceptance condition from 90 percent to 88 percent.

Payment for securities tendered during the initial acceptance period is expected to occur on or about August 30, 2001 in accordance with Swedish law and practice. In respect of Global Depositary Shares tendered under the offer, Morgan Guaranty Trust Company of New York, the U.S. Depositary, will arrange for the Swedish krona amounts that will be paid by Talisman AB for such securities to be converted into U.S. dollars and subsequently distributed in accordance with U.S. market practice.

In order to provide shareholders (including holders of Global Depositary Shares) who have not already tendered their shares under the offer with the opportunity to sell their shares under the offer at the same price per share, Talisman AB has elected to provide a subsequent offer period which will expire at 3:00 p.m. Stockholm time (9:00 a.m. New York City time) on Friday, August 31, 2001. All shares tendered during this period will be accepted and during this period there will be no withdrawal rights. Payment for shares tendered during the subsequent offer period is expected to commence by September 13, 2001.

In accordance with its obligations under the Transaction Agreement previously entered into with Lundin Oil and the resolution passed at the recent extraordinary general meeting of Lundin Oil, Talisman AB will subscribe for 17 million Class C shares of Lundin Oil to enable the distribution of the shares of Lundin Petroleum AB. Through the completion of the offer and the subscription for Class C shares, Talisman AB will become the holder of at least 91.2% of the shares and 91.6% of the voting rights in Lundin Oil, on a fully-diluted basis.

Talisman AB intends to request compulsory acquisition under the Swedish Companies Act of any shares in Lundin Oil not tendered under the offer. In the compulsory acquisition, holders who do not tender under the offer will receive no less than the offer price but may not receive payment for their shares for a considerable period of time.

The offer is not being made, directly or indirectly, in or into Canada, Australia or Japan or in any other jurisdiction in which the offer is or would be unlawful under the laws of that jurisdiction.

Talisman Energy Inc. is the largest independent Canadian oil and gas producer with operations in Canada, the North Sea, Indonesia and Sudan. Talisman is also conducting exploration in the United States, Algeria, Trinidad and Colombia. Talisman has adopted the International Code of Ethics for Canadian Business and is committed to maintaining high standards of excellence in corporate citizenship and social responsibility wherever it does business. 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.

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