

TALISMAN

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Talisman Energy: Success at Buchan, Beatrice and Clyde in the North Sea

CALGARY, ALBERTA--Talisman Energy Inc.'s wholly owned subsidiary, Talisman Energy (UK) Limited announces significant results in its 2001 North Sea development program, notably the resumption of production from Beatrice at the end of June and successful development wells in the Beatrice, Buchan and Clyde oil fields.

Beatrice

Production in the wholly owned Beatrice field was suspended in August 2000 following a routine annual pressure test on the export pipeline. An inspection confirmed the need to replace a section of the pipeline, which is now completed. In addition, a three well drilling program at Beatrice is expected to extend field life by at least five years. The first of these new wells is now onstream at 4,000 bbls/d and production from the field has now risen to 8,000 bbls/d.

The British Government has supported Talisman by granting Royalty Remission to Beatrice redevelopment, a first in the UK, signalling its strong support for rejuvenation of older North Sea fields. The Beatrice field redevelopment is expected to add up to 12 mmbbls of reserves.

Buchan

Further success has been achieved at the Buchan field using innovative drilling technology. Under-balanced coil tubing drilling has been used from a floating platform to sidetrack an existing well and deliver a significant increase in production.

The oil production rate from the B3 well has increased four-fold to 5,500 bbls/d, resulting in a Buchan field oil rate of over 13,000 bbls/d, a rate not seen for over six years. Two further Buchan coil tubing drilling opportunities have been identified for 2002. Success with this technology is highly significant for Buchan because the field, with 400 mmbbls in place, has recovered only 118 mmbbls to date. This is very low by North Sea standards and Talisman now expects substantial incremental reserves to be accessed through coil tubing drilling thus extending remaining field life to 2015 and beyond.

Clyde

Talisman has also completed a further successful horizontal well in the Clyde field, the sixth since it assumed operatorship of the field in 1997. The well has a 2,600-foot horizontal section and accesses undrained reserves in the southern part of the field. The well has come on stream at a rate of 5,000 bbls/d. A further production well will be drilled on the Clyde field in the third quarter.

"These operational results are very exciting. Five years after acquiring the fields, we continue to find investment opportunities add significant production and reserves, with finding and development costs of about C\$5.30/boe," said Jim Buckee, President and Chief Executive Officer. "This confirms that our North Sea strategy is working and demonstrates our commitment to the UK Continental Shelf. There is an additional significance that we are increasingly using new technology to unlock further upside reserves beyond our original expectations."

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Partnership interests in Beatrice, Buchan and Clyde are:

Beatrice	Talisman	100%
Buchan	Talisman	85.7223%
	EDC	13.3700%
	First Oil	0.9076%
Clyde	Talisman	95%
	First Oil	5%

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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. The Company'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.

This press release contains "forward-looking statements" within the meaning of the US Private Securities Litigation Reform Act of 1995, including business plans for drilling and exploration and expectations for reserves, the assumptions upon which estimates are based and other expectations, beliefs, plans, objectives, assumptions or statements about future events or performance (often, but not always, using words such as "expects", "anticipates", "plans", "estimates", or "intends", or stating that certain actions, events or results "may", or "will" be taken, occur or be achieved). Forward-looking statements are based on current expectations, estimates and projections that involve a number of risks and uncertainties, which could cause actual results to differ materially from those, reflected in the statements. These risks include, but are not limited to: the risks of the oil and gas industry (for example, operational risks in exploring for, developing and producing crude oil and natural gas; risks and uncertainties involving geology of oil and gas deposits; the uncertainty of reserve estimates; the uncertainty of estimates and projections relating to future production, costs and expenses; potential delays or changes in plans with respect to exploration or development projects or capital expenditures; and health, safety and environmental risks); uncertainties as to the availability and cost of financing; fluctuations in oil and gas prices and foreign currency exchange rates; and the possibility that government policies may change or governmental approvals may be delayed or withheld. Additional information on these and other factors which could affect the Company's operations or financial results are included in the Company's other reports on file with Canadian securities regulatory authorities and the United States Securities and Exchange Commission. Forward-looking statements are based on the estimates and opinions of the Company's management at the time the statements are made. The Company assumes no obligation to update forward-looking statements should

circumstances or management's estimates or opinions change.

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FOR FURTHER INFORMATION PLEASE CONTACT:

Talisman Energy Inc.

David Mann

Manager, Investor Relations & Corporate Communications

(403) 237-1196

(403) 237-1210 (FAX)

Email: tlm@talisman-energy.com

Website: www.talisman-energy.com