

Talisman Energy announces financial settlement on Yme project

CALGARY, Alberta, March 12, 2013 - Talisman Energy Norge AS (Talisman), (TSX:TLM) (NYSE:TLM) on behalf of its joint venture partners, has reached an agreement with SBM Offshore to terminate the YME MOPUstor™ project, including scrapping the existing above-surface structure, and ending all joint activity for an agreed cost.

"This is a good settlement for Talisman, the Yme partners and Norway," said Paul Warwick, Executive Vice-President, Europe-Atlantic. "This arrangement should allow the partners to move forward to examine options for the Yme field, without incurring significant additional costs related to the existing topsides. Recent analysis has concluded that a new topsides solution is needed in order to develop the Yme field. Our first priority will be to remove the existing platform, safely and expeditiously."

Following an extended period of operational and execution delays, the decision has been taken to have Talisman remove the MOPU (Mobile Offshore Production Unit), which will subsequently be scrapped by SBM Offshore, the unit's owner. Ownership of the in situ subsea structure will be transferred from SBM Offshore to the Yme license holders, as they assess alternative development concepts for the field.

Subject to an upfront settlement payment of US\$470 million made by SBM Offshore, Talisman will complete the work necessary to ensure safe re-manning and will then remove the MOPU from the Yme field. SBM Offshore will manage the transportation and ultimate scrapping of the facility.

All parties will terminate the existing agreements and arbitration procedures with respect to the Yme project.

Talisman Energy Inc. is a global upstream oil and gas company, headquartered in Canada. Talisman has two core operating areas: the Americas (North America and Colombia) and Asia-Pacific. Talisman is committed to conducting business safely, in a socially and environmentally responsible manner, and is included in the Dow Jones Sustainability (North America) Index. Talisman is listed on the Toronto and New York stock exchanges under the symbol TLM. Please visit our website at (www.talisman-energy.com)

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