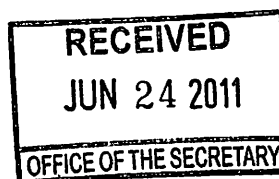


June 23, 2011

Elizabeth M. Murphy
Secretary
U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549-1090



Re: File Number S7-42-10, Proposed Rules for Disclosure of Payments by Resource Extraction Issuers

Talisman Energy Inc. (Talisman or the Company) is pleased to have this opportunity to provide comments to the Securities Exchange Commission (SEC) on proposed rules regarding the Disclosure of Payments by Resource Extraction Issuers which seeks to implement section 1504 of the *Dodd-Frank Wall Street Reform and Consumer Protection Act* (the Dodd-Frank Act).

Talisman is an international upstream oil and gas company headquartered in Canada. The Company has a diversified, global portfolio of oil and gas assets. Talisman’s main operating areas are North America, the North Sea and Southeast Asia. In addition, the company is pursuing a number of high-impact international exploration opportunities. Talisman is committed to conducting its business safely and in an ethically, socially and environmentally responsible manner. Talisman is listed on the New York and Toronto Stock Exchanges under the symbol TLM. The company is also part of the S&P/TSX 60 Index.

Talisman’s Position on Transparency

Talisman continues to demonstrate that it is fully supportive of improving revenue transparency and the application of rules which foster this objective. Talisman began to publish payments to governments in 2001 and has extended this reporting to all the countries in which it operates. Currently Talisman publishes its tax and royalty payments at a national level and includes both cash and production-sharing components. These

figures are disclosed in the key performance indicators section of our online Corporate Responsibility Report. Commentary is also provided on exceptional payments covering all transfers to government that are over one million dollars in value including, for example, payments for capacity building, technical training and education.

Talisman also has an ethics policy which promotes zero tolerance for corruption and the Company provides annual training to staff to ensure compliance. The Company participates in The Extractive Industries Transparency Initiative (EITI), a globally developed standard that promotes revenue transparency at the national level within participant countries. Talisman is also a member of Transparency International Canada, which seeks among other things to promote best practice regarding public disclosure.

It is in this context that the Company makes the following suggestions regarding the proposed rules associated with section 1504 of the Dodd-Frank Act. Please be advised that the Company has limited its comments to those areas where it believes that it can add value given our experience in implementing corporate programs and processes to enhance disclosure and transparency.

Project Level Reporting

Talisman urges the Commission to adopt rules that permit issuers to disclose resource extraction payments to foreign governments be made at a country level by defining "project" as a country. This is in alignment with the current EITI reporting requirements and meets the goals of protecting investors and citizens while providing clarity and consistency in the interpretation of the reporting requirements. If reporting becomes too granular, the ability to synthesize the data is impaired by the sheer volume of material disclosed. For example, Talisman holds approximately 7100 provincial government leases in Canada. Reporting at the lease level would be expensive and time consuming yet provide the end-user little or no useful information. Further, there are payments where it is difficult and subjective to disaggregate payments on a project basis such as tax.

Should the Commission determine that country level reporting is inappropriate, Talisman would be supportive of "project" being defined as a reporting unit or entity. This would avoid the expense and uncertainty of allocating items such as tax at a granular level as well as avoiding confusion. A reporting unit can be comprised of diverse operations however, reporting on this basis would ease the implementation burden and, lessen commercial sensitivity concerns while being practical and easily understood.

Not de minimis

In order to assist issuers in complying with the "not de minimis" requirement, we respectfully submit that the Commission include guidance with respect to this standard. Talisman suggests reporting be set at a dollar figure. This would level the playing field among the issuers and provide clarity with respect to the requirements. As well, it would eliminate reporting on immaterial information while at the same time ensuring that

significant payments by issuers are disclosed. Currently, Talisman reports payments in excess of one million dollars and our experience supports this as the minimum level of reporting to ensure that the objectives of revenue transparency are met while not clouding the data with largely irrelevant information.

Subnationals

The legislation is clear that in the United States, there will not be reporting at a subnational level, so payments made to state governments in the U.S. are not reported. However, it is less clear whether subnational reporting will be required outside of the United States. In order for there to be fair and equal treatment for all issuers and to provide consistent, relevant information to investors and citizens, we suggest that all payments be reported on a country basis.

As previously noted, Talisman has significant holdings in its home jurisdiction of Canada where it holds approximately 7100 provincial government leases. Not only would it would be overburdened by reporting payments on a subnational level, there would be little value in doing so.

State Owned Companies

Talisman supports the Commission including an instruction that those payments made to companies which are majority owned by foreign governments in an ordinary *bona fide* commercial manner are exempt from the disclosure requirements. It would seem that the intent of section 1504 is that only where a company owned by a foreign government is operating in a quasi- governmental capacity in receiving payments, those payments ought to be reported. Without such an instruction, it may be construed that every commercial payment to a company majority owned by a foreign government will need to be reported. For example, payments to joint venture partners as the operator of a well for maintenance costs should not be captured.

Accrual vs. Cash

Talisman's preference would be to report on an accrual basis which is consistent with our current reporting obligations. Significant time and expense would be required to report on a cash basis and it would be of limited value to either investors or citizens. Reporting on a cash basis would also make it more difficult to compare corporate financials to the reporting under section 1504.

Control/Joint Venture

The proposed rule requires disclosure of payments made by a subsidiary or by an entity under the issuer's control. We respectfully submit that a detailed definition of "control" is required to ensure that reporting requirements are met. Currently, it is unclear how it is determined what entities must be reported on. Talisman would support reporting on the

entities consolidated in a company's financial statements. This ensures that the issuer has access to the accounting data for the payments they are required to disclose. For those entities that are equity accounted, the issuer may have little control over the entity and may not be entitled to review of the books or records making disclosures under section 1504. The handling of joint ventures in the context of disclosure is unclear and we request that the Commission provide clarification on their handling.

Exemptions:

In our view, there are limited circumstances in which the Commission should permit an exemption from disclosure:

Currently, those issuers filing a Form 10-K annual report have an exemption from reporting for detrimental effect under Instruction E. However, there is no such exemption for foreign issuers filing a Form 20-F or a Form 40-F annual report. It is important that the reporting obligations are consistent for all issuers. Placing a higher disclosure burden on foreign issuers is unfair. Either a new consistent form is required or the existing form(s) need to be amended to include the exemption for detrimental effect. Otherwise, foreign issuers are not receiving fair and equal treatment.

Where disclosure is prohibited by law, regulation, agreement, court order or executive decree, we believe that there should be an exemption from disclosure. We respectfully submit that it is inappropriate to force issuers into a situation where they are breaching either the law or their contractual obligations in order to comply with the requirements of section 1504.

Further, it is known that several overseas jurisdictions are considering similar revenue transparency provisions to that of the Dodd-Frank Act. The head of the European Commission has announced an intention to draft similar legislation, while the most recent meeting of the G8 this month included a commitment to setting in place transparency laws and regulations or to promoting voluntary standards that require or encourage oil, gas, and mining companies to disclose the payments they make to governments. We respectfully request that the SEC work with other U.S. government agencies and foreign governments in a diplomatic effort to achieve harmonization of such regulations insofar as this is possible; such efforts will reduce the burden on companies of having to comply with multiple versions of different rules designed to achieve the same objective of revenue transparency. Importantly, in the absence of harmonization, we also respectfully request that the SEC consider a provision for certain exemptions where companies have already disclosed the same payments in another jurisdiction with requirements at or above a certain standard.

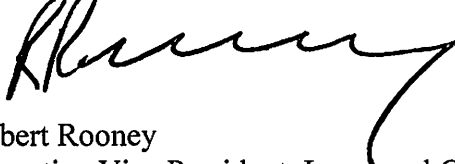
In closing, Talisman recommends that when drafting the rules for compliance with the Dodd-Frank Act, the SEC does so within the context of satisfying the primary audiences for the information which will be generated by SEC reporting issuers. Increased transparency should serve to protect investors, inform communities, and hold

governments and companies accountable, however, the Dodd-Frank Act may not achieve all of these objectives. It may force some foreign governments to create payment mechanisms falling outside of the reporting requirements and favor companies which are not required to report in the United States. Consequently, section 1504 has potential foreign policy and relations implications for governments as well as implications for the competitiveness of U.S. issuers.

We appreciate the opportunity to comment on the SEC's proposed rules on Disclosure of Payments by Resources Extraction Issuers contained in section 1504. If you have any questions, or require any further information, please do not hesitate to contact me at (403) 237-1234, or by email at brooney@talisman-energy.com.

Sincerely,

TALISMAN ENERGY INC.

A handwritten signature in black ink, appearing to read 'R. Rooney', written over the printed name.

Robert Rooney
Executive Vice President, Legal and General Counsel