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DELIVERED VIA E-MAIL

September 5, 2008

Secretary
U.S. Securities and Exchange Commission
100 F. Street, NE
Washington, DC 20549-1090

Re: File Number S7-15-08

Dear Sir/Madam:

This letter is in response to the Commission's proposed rule entitled "Modernization of the Oil and Gas Reporting Requirements" (the "Proposed Rule"). We, Talisman Energy Inc. ("Talisman"), appreciate the opportunity to comment on the Proposed Rule. We believe in active participation by issuers in the development of securities legislation, and the Commission's consideration of our comments encourages us to continue in our efforts.

Talisman's common shares are listed on the Toronto Stock Exchange and the New York Stock Exchange. Talisman files its oil and gas disclosure with the Commission on Form 40-F in accordance with the multi-jurisdictional disclosure system ("MJDS"). Talisman discloses proved reserves and the standardized measure of its proved reserves in accordance with the requirements of the Commission. Talisman also discloses probable reserves determined in accordance with the definition established by the Society of Petroleum Engineers/World Petroleum Congress. Talisman has obtained an exemption order from securities regulators in Canada to permit it to make its oil and gas reserves disclosure in such manner. Talisman also obtained an order exempting it from the mandatory independent reserves evaluation/audit requirement of National Instrument 51-101 (Standards of Disclosure for Oil and Gas Activities).

Talisman submitted a comment letter dated February 15, 2008 in response to the Commission's Concept Release on Possible Revisions to the Disclosure Requirements Relating to Oil and Gas Reserves. For additional commentary please refer to our comment letter dated February 15, 2008.

General Comments

In general Talisman is very supportive of the Commission's Proposed Rule and we applaud the Commission for proposing significant changes to the SEC's oil and gas reporting requirements. We express our support for the inclusion of activities related to "non-traditional" or "unconventional" resources in the definition of "oil and gas producing activities"; modifications to the year end pricing rule; the alignment of various definitions with the Society of Petroleum Evaluation Engineers' Petroleum Resources Management System (PRMS); and the permissive approach to the use of alternative technologies as the basis for determining reserves. We also agree with the Commission's approach to aggregation contained in Instruction 3 to proposed Item 1202, (Disclosure of Reserves) which requires

that when probabilistic methods are used, reserves should not be aggregated probabilistically beyond the field or property level.

We believe that in proposing these changes, the Commission has made significant progress towards achieving its goal of aligning the regulatory and reporting requirements with the current practices and technology of the oil and gas industry.

With these views in mind, we provide the following comments on the Proposed Rule. Where our comments correspond to a specific request for comment, the relevant questions are included.

Specific Comments

1. Separate Reporting of Conventional and Continuous Accumulations

Should we require separate disclosure of conventional accumulations and continuous accumulations, as proposed? Should we permit combining of columns if the product of the oil and gas producing activity is the same, such as natural gas, regardless of whether the reserves are in conventional or continuous accumulations?

Proposed Item 1202 requires a company's reserves disclosure to be organized into separate tables for each of conventional and continuous accumulations. We are concerned that this delineation may be impractical to apply based on the proposed definitions of "continuous" and "conventional" reserves. We are also concerned that the proposed distinction may result in arbitrary and disparate decisions between companies, which in turn will result in inconsistent data for investors. We have arrived at these conclusions for the following specific reasons.

First, we are concerned that the proposed definition of "continuous accumulation" begins to blur the industry's presently accepted distinctions between conventional and unconventional. The presently accepted definition of an unconventional reservoir or resource is one that is the source, reservoir and seal. These provide a clear distinction between conventional and unconventional reservoirs. We agree that unconventional resources are usually found in more continuous reservoirs, since shales and coals were generally deposited in more continuous settings. However, there are some notable examples of conventional reservoirs in the US that have large area extents, poorly defined limits and no controlling bottom water.[1] Each of these examples would technically fit within the proposed definition of "continuous accumulation", yet they are clearly conventional reservoirs. Secondly, it is possible to have conventional and "continuous accumulation" production from the same well bore. There are numerous fields that produce from multiple commingled zones that are conventional and continuous accumulation reservoirs. It would be impractical to distinguish between these reserves.

Given the complexity of the geological formations involved, we respectfully submit that the distinction between conventional and continuous accumulations is more of a spectrum than the "bright line" test proposed by the Commission. As we believe that in many situations, it will be arbitrary and inherently difficult to choose one category over the other (particularly given the current definition of a "continuous accumulation"), we question both the value of requiring companies to separate the two types of accumulations and the ability of investors to accurately compare and analyze the resulting data. To simplify the disclosure requirements and provide for comparability amongst companies, we therefore recommend that the Proposed Rule be amended to eliminate the proposed separate reporting of

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[1] Examples include the Austin Chalk play spanning Texas, Louisiana and Mississippi, the Cotton Valley play in East Texas and the Spraberry trend area of West Texas.

conventional and continuous accumulations. Should separate reporting be required, then the distinction should be conventional and unconventional rather than conventional and continuous accumulations.

2. Disclosure of Investment - Conversion of PUDs to PDs

We agree with the Proposed Rule which will require disclosure of the aging of proved undeveloped reserves (PUDs). We also agree with the Proposed Rule which eliminates the "certainty" standard for PUDs in drilling units beyond the immediately adjacent drilling units. However, we have some concerns with regards to Item 1203 of the Proposed Rule which would require a company to disclose its investment in the conversion of PUDs to proved developed reserves for the current fiscal year and the previous four fiscal years. Specifically, we believe that in the absence of very detailed instructions from the Commission, it will be difficult for companies to definitively determine the components of the "investment." While certain items such as drilling costs are easily determined, other items such as infrastructure costs are more difficult to assign to the conversion of PUDs. The subjectivity and somewhat artificial nature of the determination will lead to a lack of comparability.

In the event that the Commission determines that it is appropriate to include the PUD investment disclosure in the final form of the rules, we request that the table be made prospective from the date that the final rule is adopted. We believe that it would be unduly onerous to require companies to adopt this rule with retroactive effect, as the data records required to complete a five year table may be difficult to locate or recreate (or in some cases, may no longer be in existence due to merger and acquisition activity and limitations of predecessor company records).

3. FASB & the Proposed Rule

Should we require companies to use the same prices for accounting purposes as for disclosure outside the financial statements? Should the disclosures required by SFAS 69 be prepared based on different prices than the disclosures required by proposed Section 1200? What concerns would be raised by rules that require the use of different prices for accounting and disclosure purposes? If the FASB elects not to change its SFAS 69 disclosures to be based on 12-month average year-end prices, should we require reconciliation between the proposed Item 1202 disclosures and the SFAS 69 disclosures?

Under the Proposed Rule, the definition of "proved reserves" would be amended and the price used to determine reserves would be calculated as the unweighted arithmetic average of the closing price on the last day of each month in that 12 month period. Currently, the prices used for accounting purposes have not been changed. As a result, the prices to be used for accounting purposes would be different than those used for disclosure purposes. The Commission noted in the Proposed Rule that it intends to discuss possible changes with FASB.

If the Proposed Rule is adopted without corresponding changes by FASB, we believe that it will result in a confusing disclosure environment. For example, in the event that year end prices are lower than the 12 month end average prices, a company's reserves as calculated for FASB purposes could be lower than the SEC reserves. To avoid the necessity for complex reconciliations between the two pricing environments we encourage the Commission and FASB to strive for consistency and develop rules that are compatible with each other. We also encourage the Commission to achieve this consistency with FASB prior to finalizing the text of the Proposed Rule or at the very latest, prior to its effective date.

4. Discussion and Analysis of Changes, Trends and Uncertainties

Proposed Item 1209 is not intended to increase a company's disclosure requirements, but specify disclosures already required generally by MD&A. Is such an item helpful? Should we permit such

discussions in conjunction with the relevant table as proposed? Would this aid comparability of the disclosure? Or should we keep MD&A as a self-contained section?

Proposed Item 1209 (Discussion and analysis for registrants engaged in oil and gas activities) of the Proposed Rule requires companies to provide a management's discussion and analysis regarding their reserves near or in the management's discussion and analysis of financial conditions and results of operations.

We recommend that Item 1209 be amended to require the discussion and analysis be included proximate to the reserves tables in Items 1201-1203 and not in the MD&A related to financial conditions and results of operations. While we acknowledge that reserves directly impact the financial statements of a company engaged in oil and gas activities (specifically, through the measure of depletion, depreciation and amortization), we query whether a discussion of those reserves in the financial MD&A would be useful or beneficial to an investor without the accompanying tables required by Section 1200. We believe that the discussion points listed in Item 1209 (including material changes in proved reserves, price changes, and technologies used to establish material additions to reserves) are most logically located in the oil and gas disclosure section of a company's filings.

As a related comment, we note that proposed section 3(i) of Item 1209 requires a company to disclose "known trends, demands, commitments, uncertainties and events that have had, or are reasonably likely to have, a material effect on the company with respect to...prices and costs." If interpreted broadly, this section would require a company to provide a subjective macro-economic discussion of global supply and demand issues related to hydrocarbons. We urge the Commission to provide additional clarity on this section such that only factors that are specific to the company (as opposed to the industry generally) need be disclosed.

5. Disclosure of Technology for Material Properties

The Proposed Rule require a company to disclose the technology used to establish the appropriate level of certainty for material properties in a company's first filing with the Commission and for material additions to reserves estimates in subsequent filings. While we are not adverse to the concept of disclosing the applicable technology, we would suggest that more guidance be provided by the Commission as to the interpretation of the word "material." The term "material" is defined differently by different regulatory bodies (eg. accounting standards versus securities legislation), and in addition, is conceptualized only in case law in the United States (as opposed to the statutory definitions that exist in, for example, Canadian and UK securities legislation). Given the disparity of usage, additional guidance from the Commission in this regard would be helpful.

6. Disclosure of Third Party Audits

Would disclosure that a company has hired a third party to audit only a portion of its reserves be confusing to investors? Is there a danger that investors will not be able to ascertain the extent of the reserves audit? Should we require that a company could not disclose that it has conducted a reserves audit unless 80% of all of its reserves have been evaluated by a third party, or, if the company hires multiple third parties, by all of the third parties collectively?

Pursuant to its NI 51-101 exemption order, Talisman is required to disclose, among other things, the manner in which its internally-generated reserves data are determined, reviewed and approved and its relevant disclosure control procedures. As part of this disclosure, Talisman discloses a multi-year rolling average of the percentage of proved reserves (on a boe basis) that have been independently audited. We believe that this information is important to disclose as it supports our reasons for considering the reliability of our internally-generated reserves data to be not materially less than would be provided by a

third party report. In providing this disclosure, we believe that as long as a company discloses the specific percentage of its reserves which have been independently audited, it should be able to do so, regardless of whether it has achieved a particular "bright line" marker (currently proposed at 80%). We believe that investors will be able to discern the reliability of the reserves estimates from the percentage disclosed as well as the other information required by the Proposed Rule.

7. Proposed Implementation Date

We understand that the Proposed Rule, if adopted, may apply to registration statements filed on or after January 1, 2010, and for annual reports on Forms 10-K and 20-F for fiscal years ending on December 31, 2009, and after. To reflect the full year reporting process for reserves, and to ensure that companies are provided with adequate time to respond to the new rules (including system changes, education of reserves evaluators and changes to disclosure documents), we request that the effective date of the oil and gas reporting requirements be one full calendar year after the rule is finalized. Therefore, if the Commission is not able to finalize the text of the Proposed Rule on or before December 31, 2008, we request that the new requirements apply to registration statements filed on or after January 1, 2011 and to annual reports for fiscal years ending December 31, 2010, and after.

Thank-you for the opportunity to contribute to this initiative. Please contact me at (403) 237-4827 if you have any questions with respect to our comments.

Sincerely,

TALISMAN ENERGY INC.

"Signed"

Mike Adams
Senior Manager Corporate Projects and Business Development and
Internal Qualified Reserves Evaluator