



January 22, 2009

International Accounting Standards Board  
30 Cannon Street  
London  
United Kingdom  
EC4M 6XH

Dear Sir/Madam:

**Re: IASB Exposure Draft: Additional Exemptions for First-time Adopters  
(Proposed Amendments to IFRS 1)**

Talisman Energy Inc. is pleased to submit its comments on the Exposure Draft: Additional Exemptions for First-time Adopters (Proposed Amendments to IFRS 1). Talisman Energy Inc. is an independent upstream oil and gas company headquartered in Calgary, Alberta, Canada. Talisman Energy Inc. will be adopting IFRS effective January 1, 2011.

**Question 1: Do you agree with the proposed deemed cost option for entities using full cost accounting under previous GAAP? Why or why not? If not, what alternative do you propose and why?**

Talisman supports the proposed deemed cost option for entities; however, we strongly believe that the exemption should be extended to all oil and gas entities (that is, to include those using successful efforts) and not just full cost accounting entities. We are concerned that the proposed amendments, if only applicable to full cost entities, will reduce comparability between oil and gas entities. Further, we believe there is potentially considerable cost and effort in retrospectively determining appropriate property plant and equipment values for all oil and gas companies, and not just those using full cost accounting. Specifically, retrospectively accounting for such items as changes in, asset swaps, farm outs, reversal of impairments and componentization will be costly and time consuming for all oil and gas entities. Retrospectively calculating amortization for each historical year and using a reserve base that has changed over time will be costly and, in certain cases, particularly for older assets, the information to perform the calculation may not be available. In the event historical information is not readily available, a successful efforts company may be forced to use the fair value option to determine transition balances, which would be inequitable and potentially prejudicial, considering the proposed flexibility afforded full cost accounting entities. Even if such information is available the effort and associated cost to develop the opening balances at the date of transition will be very high. Recreating such information could result in inconsistent approaches and assumptions, and may ultimately impact the reliability and accuracy of the result.

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**Question 2: Do you agree with the proposed disclosure requirements relating to the deemed cost option for oil and gas assets? Why or why not?**

We agree with the proposed disclosure requirements relating to the deemed cost option for oil and gas assets. Disclosure of the election to use the exemption outlined in the exposure draft, and the basis of carrying value allocations to the new categories of fixed asset accounts, provides stakeholders with the information to understand the effects of the transition from the previous GAAP to IFRS.

**Question 3: Do you agree with the proposed deemed cost option for entities with operations subject to rate regulation? Why or why not? If not, what alternative do you propose and why?**

No comment

**Question 4: Do you agree with the proposal not to require the reassessment of whether an arrangement contains a lease in the circumstances described in this exposure draft? Why or why not?**

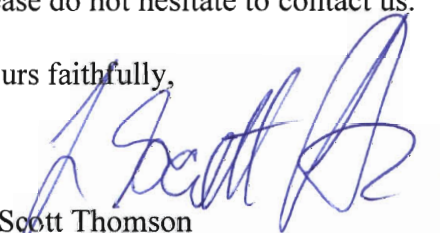
No comment

**Question 5: Do you agree that the situation referred to in Question 4 is the only one in which additional relief of this type is needed? If not, in what other situations is relief necessary and why?**

No comment

We thank the International Accounting Standards Board for its careful consideration of our comments on important amendments to IFRS 1. If you require further information, please do not hesitate to contact us.

Yours faithfully,



L. Scott Thomson  
Executive Vice-President, Finance  
and Chief Financial Officer