

IN THE MATTER OF
THE SECURITIES LEGISLATION OF THE PROVINCES OF
BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN, MANITOBA,
ONTARIO, NOVA SCOTIA, NEW BRUNSWICK, NEWFOUNDLAND, PRINCE EDWARD
ISLAND, NORTHWEST TERRITORIES AND YUKON

AND

IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM FOR EXEMPTIVE RELIEF
APPLICATIONS

AND

IN THE MATTER OF Talisman Energy Inc.

MRRS DECISION DOCUMENT

1. WHEREAS an application has been received by the Canadian securities regulatory authorities or regulators (the "Decision Makers") in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Nova Scotia, New Brunswick, Newfoundland, Prince Edward Island, Northwest Territories and Yukon (the "Jurisdictions") from Talisman Energy Inc. ("Talisman") for a decision pursuant to the legislation and securities directions (collectively the "Legislation") of each of the Jurisdictions that Talisman be granted a waiver from the provisions of subsections 4.1(1)(c) and 4.1(3)(a) of National Policy 47 ("NP 47") as read in conjunction with subsections 4.4(2) and 4.4(3), respectively, of NP 47, so that Talisman may continue to effect distributions under NP 47 without having to file a new annual information form ("AIF") as a result of effecting an amalgamation with one or more wholly-owned subsidiaries;

2. AND WHEREAS pursuant to the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the Alberta Securities Commission is the principal regulator for this application;

3. AND WHEREAS it has been represented by Talisman to the Decision Makers that:

3.1 Talisman is a senior Canadian oil and gas company incorporated under the *Canada Business Corporations Act* (the "CBCA"). Talisman is a reporting issuer and a participant in the prompt offering qualification system (the "POP System") in each Canadian jurisdiction;

3.2 Talisman's Common shares are listed on the Toronto, Montreal and New York stock exchanges, and are widely held. The aggregate market value of Talisman's common shares is in excess of \$5.5 billion;

3.3 in connection with acquisitions made by Talisman from time to time, Talisman may effect amalgamations with wholly-owned subsidiaries whose financial results for the three years preceding the amalgamation will not have been included in Talisman's audited consolidated financial statements. Such amalgamations will be effected in accordance with the CBCA and the Legislation;

3.4 Talisman's audited consolidated financial statements will not have included the subsidiary's results for its last three financial years. Accordingly, the amalgamation comes within the definition of "Reorganization" in Part 3 of NP 47;

3.5 unless the waiver sought is granted, Talisman would have to file, as a "Successor Issuer", as that term is defined in Part 3 of NP 47, a new AIF pursuant to subsection 4.4(3) in order to satisfy the "Current AIF" requirement of subsection 4.1 (3)(a) of NP 47. Also, unless the waiver sought is granted, the determination of whether Talisman satisfies the \$75 million equity requirement in subsection 4.1(1)(c) would depend, pursuant to subsection 4.4(2), upon a calculation that is based on the closing prices for each of the 10 trading days prior to the filing of a new AIF;

3.6 prior to each amalgamation of Talisman with one or more wholly-owned subsidiaries, Talisman will have been a reporting issuer in each Canadian province for more than 12 months and Talisman will satisfy the eligibility criteria in section 4.1 of NP 47; and

3.7 an amalgamation with one or more wholly-owned subsidiaries will not result in any change to the affairs of Talisman which would be material to investors;

4. AND WHEREAS under the System this MRRS Decision Document evidences the decision of each Decision Maker (the "Decision");

5. AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the decision has been met;

6. The Decision of the Decision Makers, pursuant to the Legislation, is that the requirements of subsections 4.1(1)(c) and 4.1(3)(a), as read in conjunction with subsections 4.4(2) and 4.4(3), of NP 47 are waived, so that Talisman may continue to participate in and make distributions under the POP System without first having to file a new AIF as a result of an amalgamation with one or more wholly-owned subsidiaries;

7. This Decision will automatically expire upon proposed National Instrument 44-101 coming into force and being adopted as a rule in each of the Jurisdictions.

DATED at Edmonton, Alberta on November 3, 1999.

Agnes Lau, CA
Deputy Director, Capital Markets

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Waiver granted from the provisions of subsection 4.1(3)(a) of NP 47 as read in conjunction with subsection 4.4(3) of NP 47 to enable Issuer to continue to effect distributions under NP 47 without having to file a new AIF as a result of effecting an amalgamation with one or more wholly-owned subsidiaries.

Applicable Alberta Statutory Provisions

National Policy Statement No. 47, ss. 4.1(3)(a) and 4.4(3)