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ABSTRACTS OF PAPERS

Keynote Address 1

A strategy for successful small field and cluster developments in Malaysia — Talisman's perspective

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Talisman Energy Inc. is a large diversified international exploration and development company with operations in North America, the North Sea, Southeast Asia, the Caribbean & Latin America and Africa & the Middle East. We operate defined strategies for value creation and growth, which are based on North American style core areas, operatorship and high working interest. Talisman has a successful 10 year track record of growing production and adding value. Since the Company started in 1992 we have grown production eight fold to around 400 mboe/d in 2003. We have utilized our "North American" style strategy to grow internationally and are active in 11 countries.

Talisman entered Malaysia two years ago through the acquisition of Lundin Oil. Our strategic rationale for entry to Malaysia was the opportunity to buy into and develop a new core production area with the major PM-3 CAA project, recognized good growth opportunities within existing acreage, and the potential to expand our business through exploration and access to undeveloped small field growth opportunities. Two years on we feel that we have made good progress towards delivery of our strategy.

Our UK North Sea business provides a good example of Talisman's strategy in action and provides a good template on how to add value in a mature hydrocarbon basin. The success of our North Sea business provides many pointers on how to develop our Malaysian business and the talk will discuss the key lessons from our successful North Sea strategy.

The presentation will cover the key factors behind the success of the PM-3 CAA Phase 1 small field development and the second phase of the block development with the major PM-3 CAA Phase 2 & 3 cluster development, involving production from some 7 fields. The presentation will also cover details of our "fast track" PM-305 South Angsi small field development which we will bring on production within two years from discovery. The presentation will wrap up by discussing Talisman's views on the key factors for successful small field and cluster developments in the offshore environment.