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CIRCULAR
May 10, 2004

CONTRACT ADJUSTMENT

Talisman Energy Inc. (TLM) Stock Split

THE FOLLOWING INFORMATION IS PREPARED FOR THE CONVENIENCE OF CANADIAN DERIVATIVES CLEARING CORPORATION (“CDCC”) MEMBERS AND BOURSE DE MONTRÉAL INC. (the “Bourse”) APPROVED PARTICIPANTS. THIS DOCUMENT IS AN UNOFFICIAL SUMMARY OF THE TERMS OF THE AFOREMENTIONED STOCK SPLIT. CDCC AND THE BOURSE ACCEPT NO RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS OF THE SUMMARY.

Bourse de Montréal Inc. (the “Bourse”) and Canadian Derivatives Clearing Corporation (“CDCC”) hereby inform you that Talisman Energy Inc. (“TLM”) announced on May 4, 2004 that its shareholders have approved a three-for-one stock split of the company’s outstanding common shares.

Shareholders will receive two additional TLM common shares for each TLM common share held. The ex-distribution date is Monday, May 17, 2004. The record date is Wednesday, May 19, 2004 and the payable date is May 25, 2004.

CONTRACT ADJUSTMENT DETAILS

CDCC Adjustment details:

Pursuant to Terms of Adjustment provided in Section A-902 of the Rules of CDCC, all TLM options will be adjusted as follows:

- **Effective Date:** **May 17, 2004.**
- **Option Symbol:** **TLM.**
- **Number of Contracts:** **Tripled.**
- **New Deliverable Per Contract:** **100 TLM common shares.**

Circular no.: 060-2004

- **Strike Prices:** An adjustment will be made for all existing series.
- **Multiplier:** 100.
- **Position and Exercise Limits:** Effective May 17, 2004, Position and Exercise Limits will increase to 75,000 contracts.
- **CUSIP* :** 87425E103.

*CDCC is supplying this as information only, although every effort has been made to ensure the accuracy of the information, CDCC cannot be responsible for any errors or omissions.

CDCC will not adjust any outstanding escrow receipts. Members who want to maintain margin relief for their entire position will be required to deposit additional escrow receipts.

Bourse de Montréal Inc. adjustment details:

It is important to note that on the effective date mentioned above, i.e. on May 17, 2004, all open orders on the TLM options class **will not be automatically modified** to reflect the three-for-one stock split and will therefore have to **be re-entered again** into the Montreal Automated System (SAM) by the approved participants using the same symbol.

At the opening of business on Monday, May 17, 2004, the Bourse will adjust the strike prices for TLM series as indicated below:

Talisman Energy Inc.		
Actual Strike Prices	New Strike Prices Effective on Monday, May 17, 2004	Strike Price Codes
\$55.00	\$18.375	X
\$60.00	\$20.00	D
\$65.00	\$21.625	T
\$70.00	\$23.375	U
\$75.00	\$25.00	E
\$80.00	\$26.625	V
\$85.00	\$28.375	W
\$90.00	\$30.00	F
\$95.00	\$31.625	A

Strike prices are subject to change, depending on the underlying value closing price on Friday, May 14, 2004.

PLEASE ENSURE THAT ALL CLIENTS WHO HAVE EITHER LONG OR SHORT POSITIONS IN THIS OPTION CLASS ARE ADVISED OF THIS NOTICE.

For further information, please contact your local CDCC office.

Joëlle Saint-Arnault
Vice-President, Legal Affairs and Secretary