



TALISMAN MINING LTD

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30 October 2007

Companies Announcements Office
Australian Stock Exchange Limited
Exchange House
Level 4, 20 Bridge Street
Sydney, NSW 2000

Dear Sir/ Madam,

PRICE QUERY

Following the Price Query received by the Company on 30 October 2007, we would like to respond as follows to the questions raised in your letter:

1. The Company is not aware of any information that has not been announced to the market which, if known, could be an explanation for recent trading in the securities of the Company. As previously announced, the Company is currently completing a first pass reconnaissance drill evaluation of the Wonmunna Iron Ore project, Pilbara region, Western Australia. Approximately 50% of this drilling is complete with complete results for this portion expected by late November, 2007. The preliminary results received are not deemed by management as significant and could in fact be misconstrued if released in isolation ahead of the completed programme. The remaining 50% of the program will be completed by the end of the 2007 calendar year, with results expected in early 2008. Further, the Company is in preliminary discussions with a potential new investor however the negotiations are incomplete. The Company will update the market if and when those discussions result in an agreement.
2. Not applicable.
3. The Company has no other explanation for the price change and increase in volume of the securities of the Company other than a general correction to the market capitalisation of the Company following the release of an announcement on 14th August 2007 regarding the prospectivity for iron ore on the Company's Wonmunna project.
4. The Company is of the opinion that it is in compliance with the listing rules and in particular listing rule 3.1.

Yours faithfully,
Talisman Mining Limited

Steve Elliott
Managing Director