

Talisman Energy Rises on Montney LNG Development Options

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[Talisman Energy Inc. \(TLM\)](#) rose the most in more than three years after Chief Executive Officer John Manzoni said the company is in discussions about converting its Montney output to liquefied natural gas.

Talisman [gained](#) 7.3 percent to C\$13.31 at the close in Toronto, the biggest increase since March 2009. The company has been “in a number of discussions around LNG” which is the “more likely” process for its Montney production than converting the gas to liquids, Manzoni said on an earnings conference call today.

The Montney Basin, one of [Canada](#)’s largest proven shale-gas reserves, holds an estimated 49 trillion cubic feet of gas near the nation’s Pacific Coast, where companies including Royal Dutch Shell Plc and Apache Corp. are considering building LNG export terminals to ship the fuel to [Asia](#).

Talisman, based in Calgary, has 144,000 net acres in British Columbia’s Montney shale, according to the company’s website. Petroliaam Nasional Bhd last week raised its C\$5.16 billion (\$5.13 billion) bid for Progress Energy Resources Corp., which holds 820,000 acres in the Montney, after a third party made an offer.

LNG is “kind of the topic of the day, that’s what would move the needle,” said **Pawel Rajszel**, an analyst at **Veritas Investment Research Corp.** in Toronto who rates the company a buy and doesn’t own the stock.

Talisman sold a 50 percent stake in two of its Montney projects last year to Sasol Ltd. in two separate deals for a total of C\$2.1 billion in cash and drilling costs. The company said in June it won’t go forward with a study for a proposed Sasol gas-to-liquids facility.

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