



Manas Petroleum announces First Quarter Financial and Operational Results

BAAR, SWITZERLAND, May 21st, 2010.

Manas Petroleum Corp. (“Manas”) (OTCBB: MNAP) is pleased to report that it has filed on EDGAR and on SEDAR its first quarter report on Form 10-Q. The complete document can be viewed at either www.sedar.com or www.sec.gov.

Highlights:

- Manas realized a transaction with its Albanian project into the TSX-V listed company Petroman Energy Inc. Manas is holding a strong position in equity and governance.
- In Tajikistan, Manas has finalized around 65% of a 250 KM seismic program as preparation for the upcoming drilling campaign.
- In Kyrgyzstan, drilling preparation has been initiated, drilling location is defined and drill site preparation is planned to commence in Q2.
- In Mongolia, Manas has planned an upcoming gravity survey to prepare a 300 KM seismic campaign on blocks 13 and 14.
- Manas` cash and cash equivalents balance as of end Q1 was \$3,236,525. In addition, Manas had cash inflows through the exercise of warrants amounting to about \$2,225,000 in Q2.
- Manas is debt free and believes that it will be able to meet with the existing funds the total cash requirements of \$5,300,000 planned for the next 12 months.

Results of operations for the three month period ended March 31, 2010 show net income of \$83,011,315 (\$0.70 per share, basic and \$0.62 per share, diluted), as compared to a net loss of \$2,209,639 (\$0.02 loss per common share, basic and diluted) for the comparable period ended March 31, 2009. This increase is mainly due to the \$57,850,918 gain realized from the sale of Manas Adriatic GmbH (the Albanian project) and a change in fair value of investment in associate of \$28,812,901.

For the three month period ended March 31, 2010 Manas` operating expenses increased to \$3,241,960, as compared to \$2,510,438 for the same period in 2009. This 29% increase in total operating expenses is attributable to higher personnel costs and increased consulting fees.

Manas` cash balance as of March 31, 2010 was \$3,236,525, of which \$935,362 was restricted to bank guarantees for the first phase of the work program in Albania. Hence, actual cash and cash equivalents available to the company amounted to only \$2,301,163. However, for the second quarter of 2010, these bank guarantees have been replaced by Petroman Energy Inc., the new operator of the Albanian project, resulting in the release of Manas` bank guarantee.

Net cash outflow from operating activities of \$2,162,485 for the three months ended March 31, 2010 has increased from \$1,076,907 in the comparable period for 2009. This increased outflow is mainly due to the settlement of payables of approximately \$610,000, increased consulting expenses of approximately \$290,000 and the payment of accrued interest in connection with the settlement of debt instruments of approximately \$180,000.

Net cash inflow from investing activities was \$10,388,802 for the three month period ended March 31, 2010, as compared to a net cash inflow of \$2,214,398 during the comparable period for 2009. This increase is mainly due to the proceeds from the sale of Manas Adriatic GmbH of \$10,415,810, which comprises net cash proceeds of CAD \$2,000,000 (\$1,937,396) and \$8,500,000 worth of liabilities repaid by Petroman Energy, and was reduced by \$21,586, the cash owned by Manas Adriatic consolidated as of February 24, 2010.

In the corresponding period of 2009 Manas had a cash inflow from the release of a bank guarantee.

Net cash outflow from financing activities of \$6,648,300 for the three months ended March 31, 2010 has changed from a net cash outflow of \$1,220,000 in the comparable period for 2009. During the three month period ended March 31, 2010, cash outflows resulted from repayment of contingent convertible loans (i.e. \$2,000,000), repayment of debentures (i.e. \$4,000,000) and repayment of promissory notes to shareholders (i.e. \$540,646). In addition, a bank overdraft of \$196,154 was settled and proceeds from the exercise of warrants positively affected cash flow from financing activities by \$88,500. In the comparable period in 2009, Manas repaid a bank loan of \$1,220,000.

Cash Requirements

Manas estimates its cash requirements for the next 12 months as follows:

	Amount
Expenses	
Geological & Geophysical	2,500,000
General & Administrative	2,300,000
Legal	300,000
Audit	200,000
Open Commitments	-
Total Expenses planned for next 12 months	5,300,000

As an operator, Manas has geological and geophysical commitments for the next 12 months in Mongolia amounting to \$1,650,000. Manas is expecting to spend in total \$2,500,000 for capital expenditures and Geological & Geophysical work. In Tajikistan the costs for the seismic program are expected to be approximately US \$ 3.0 million; these costs are currently being funded by Santos International Ventures Pty Ltd. ("Santos"), a wholly owned subsidiary of Santos Limited (ASX Ltd: STO), which is the operator of the project pursuant to a farm out agreement. In the Kyrgyz Republic, the operational costs including seismic are fully carried by Santos. Also, as Manas is not the operator of the Chilean project, it has no geological or geophysical commitments for that project for the next 12 months. The Albanian investment was sold during the first quarter of 2010 without further financial commitments from Manas.

Manas had cash inflows from financing through the exercise of warrants in the second quarter of 2010 amounting to roughly \$2,225,000. In addition, through the release of a bank guarantee, \$875,000 became available in the second quarter.

Given the amount of cash and cash equivalents as of March 31, 2010 of \$2,301,163, Manas believes that it will be able to meet total cash requirements planned for the next 12 months.

Going Concern

Manas' consolidated financial statements were prepared on the assumption that it would continue as a going concern. For the three months ended March 31, 2010, Manas had net income of \$83,011,315, but this was mainly the result of the gain in sale of investment and the change in fair

value of an investment in an associate. Manas' net income from inception until March 31, 2010 was \$17,211,438, which includes the positive affect of the \$57,850,918 gain from the sale of the company's Albania project (Manas Adriatic GmbH) and unrealized gain of \$28,812,901 from a change in fair value of the company's investment in Petromanas Energy Inc. (the purchaser of Manas Adriatic GmbH), of which Manas currently owns approximately 30.46%. Without these two positions, the company would actually have had a net loss, calculated from inception until March 31, 2010, of \$69,452,381.

The company's cash and cash equivalents balance as of March 31, 2010 was \$2,301,163. Based on its estimated cash requirements, it believes that it has sufficient funds to continue its planned operations until April 2011. In order to continue its operations beyond April 2011 and execute on its strategy to develop its assets, the company will require further funds and there can be no assurance that it will be able to source those funds or continue its operations.

Recent Developments

Albania

On February 24, 2010, the company signed a Share Purchase Agreement and completed the sale of all of the issued and outstanding shares of Manas Adriatic, a wholly owned subsidiary of DWM Petroleum AG, to Petromanas Energy Inc., a Canadian company. After the sale, Petromanas Energy Inc., in which Manas currently holds a 30.46% interest, continued ongoing exploration activities at the Albanian project. It has reported that the technical team has finalized the planning of the acquisition of seismic in block E in Albania, calling for the acquisition of approximately 105 KM of 2-D seismic during the summer of 2010 as part of an effort to further define the structural definition of the West Rova, Rova and Papri prospects. If acquired, this would supplement approximately 1300 KM of existing seismic previously acquired by Albpetrol and Coparex and partially reprocessed by Manas' subsidiary, DWM Petroleum AG. The new seismic should fulfill the minimum work commitment of the first exploration period of the Production Sharing Contract for blocks D and E. Petromanas Energy Inc. has released an updated tender for this work based on Manas' 2008 tender for seismic in blocks A, B and D. Several scouting trips were undertaken in order to trace the lines and to define the technology to be applied.

In addition, Petromanas Energy Inc. reports that it has prepared a seismic program for blocks 2 and 3 in order to further define the structural definition of the South Shpiragu 1, South Shpiragu 2 prospects and the Krasi lead. It intends to tie the new seismic in blocks 2 and 3 to the existing Shpiragu well in order to allow a time – depth correlation of the South Shpiragu prospects.

Kyrgyz Republic

During the first quarter of 2010, South Petroleum Company, in which Manas holds a 25% participating interest, continued its geological studies within its five license areas.

Cameral work

South Petroleum began drafting final reports on the Soh, Tuzluk and West Soh license areas to be submitted in April 2010. Also, South Petroleum processed and analyzed geological-geophysical data of previous work within all license areas.

2D field seismic acquisition

South Petroleum has contracted with the Kazak seismic crew “Dank” to perform further seismic work. As part of the Tajik seismic program during the first quarter of 2010, South Petroleum acquired around 20 KM of 2D seismic lines reaching into the Kyrgyz license area. South Petroleum has fulfilled its seismic commitment in the Tuzluk license area for 2010.

Preparation for drilling operations

South Petroleum is planning to conduct drilling operations within the Nanai license area during 2010. The structure to be tested is the West Ala-Buka prospect. The drilling locations are defined based on seismic work conducted in 2008 and previously acquired seismic data. Preparations were initiated to launch a tender for a drilling contractor. The drilling location has been defined and preparation of the drill site is planned to commence in May 2010.

Tajikistan

Somon Oil, in which Manas holds a 90% interest, contracted with the Kazak crew “Dank” to perform a seismic project which commenced on February 13, 2010. By March 31, 2010, around 65% of the program, consisting of a total of 250 linear kilometers, was finalized.

Chile

Manas signed an agreement dated January 29, 2010, pursuant to which it agreed to assign its interest in its Chilean project in exchange for a return of all of the operational costs invested in that project to date and relief from all currently outstanding and future obligations in respect of the project. Although the transfer contemplated by this agreement has been approved by the Chilean ministry, it continues to be subject to approval by the transferees.

Mongolia

Manas’ team of geologists and geophysicists at its office in Ulan Bator has initiated the re-interpretation of existing geological data and is planning an upcoming gravity survey. This is intended to further define the location of lines for the seismic campaign on blocks 13 and 14 which should consist of around 300 linear kilometers. A plan for environmental protection and restoration has been prepared but is subject to the approval of the Ministry of Environment in Mongolia.

Data from a total of 451 existing wells drilled in the Zuunbayan and Tsagaan Els oil field areas and in the company’s prospects has been collected. All well data was translated from Russian and Mongolian into English for analysis by international experts.

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Forward-Looking Statement Disclaimer

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