



MANAS
Petroleum Corp.

January 21, 2009

Manas Project finance Update

Manas Petroleum Corp. (MNAP.OB)

Baar, Switzerland, January 21, 2009.

Albania (100% Manas)

In 2006 Manas Petroleum Corp. (Manas) funded two bank guarantees totaling US \$ 6.2 million for the exploration of Albania blocks A, B, D, E. Of this amount US \$ 2.4 million has been used and US \$3.8 million remain to be used during the first phase exploration period ending in December 2010. Processing is underway of 190 km of 2D vibroseis acquired during the 2008 seismic program. Seismic data will mature potential drilling prospects including a shallow target (approximately 1000m deep) in Block A. The company is in talks with potential farmin partners regarding drilling this shallow exploration prospect in 2009.

In Manas' recently awarded Albania Blocks 2 and 3 work is continuing to optimize a location for an appraisal well of OXY's Spiragu 1 oil discovery. Formal ratification of the PSC by Albania's council of ministers is expected beginning of 2009. Manas is progressing discussions with potential farmin partners for the drilling of an appraisal well in 2009.

Kyrgyztsan (25% Manas)

In Kyrgyzstan a deep drilling program funded by Santos International Holdings Pty ("Santos") is scheduled to begin in the 2nd quarter of 2009. Manas' has a 25% interest of which 20% is fully carried to production. The costs of exploration from the additional 5% is also funded by Santos but Manas must pay back its pro-rata share of expenses when and if production occurs from that 5% interest.

On December 2nd Manas announced that Farmee Santos had elected to commence phase 2 which consists of the drilling of three (3) exploration wells and three (3) appraisal wells to a maximum expenditure of US\$7,000,000 per well. Santos retains a right to withdraw from Phase 2 within sixty (60) days of the completion of drilling of the second exploration well.

In relation to the recent commitment by Santos to phase 2, Manas Chairman Heinz Scholz commented: "It's a clear indication of the robustness of the Kyrgyz oil exploration assets that Santos, a large oil and gas producer, would choose to spend millions of dollars on these assets even though oil's price has fallen to below \$50 a barrel."

In conjunction with the phase 2 exploration program Santos' operating company SPC (JSC South Petroleum Company) formed an opportunistic joint venture with Caspian Oil & Gas ("Caspian"), a small exploration company active in the basin. The JV was formed to make use of a Caspian owned rig suitable for the drilling of shallow targets in the basin. The planned drilling of these shallow targets was in addition to the drilling program agreed to in the original farmin agreement with Santos. Manas net interest in any production realized from this specific and separate shallow exploration program remains 25%. The Mobilization of the rig by Caspian to the North Ayzar prospect in Tuzluk Block occurred as expected by mid November. Caspian, however, has been unable to commence drilling due to its own financial

constraints. Discussions with an objective of immediately commencing the drilling of this shallow exploration well program are underway.

Tajikistan (90% Manas)

There are no significant expenditures required prior to the completion of the option farm-in agreement between DWM Petroleum AG (100% Manas owned). On December 31 2008 the Tajik Parliament and by decree of President Emomali Rahmon certain legal amendments to Tajikistan's Petroleum Law were approved. These amendments give exploration companies the exclusive right of first refusal regarding the development of any petroleum they discover. The approval of this amendment was a principal condition regarding Santos exercise of its option farm-in agreement. Discussions to finalize the farm-out between both parties are expected to commence in the immediate future.

Mongolia (74% Manas)

Manas has funded a \$4 million escrow guarantee for the exploration of Mongolian blocks 13 and 14. The provision of this money is to guarantee the company's commitments for blocks 13 and 14 as agreed with the Mongolian government. The program is to consist of a 2D acquisition campaign prior to drilling. Manas acreage in Mongolia totals approximately 40,000 square km (9.88 million acres). It contains a proven petroleum system and surrounds two producing oil fields. On December 23, 2008 the Mongolian authorities agreed that Manas may reduce its escrow obligation by \$2 million freeing funds for other projects and working capital. The Mongolian authorities agreed to reduce the required escrow obligation to \$2 million which is sufficient to fund the 2009 -2010 exploration program.

Chile (20% Manas)

Manas is expecting to provide until the end of 2009 around US \$ 1 million for exploration of the Tranquillo Block. Cash calls are expected to commence in summer and fall 2009 exploration period.

In Closing Manas Chairman Heinz Scholz commented: "From our company's founding we have had a strategy of only pursuing exploration projects where the final potential cost of production would likely be very low by industry standards. When oil was over \$100 it seemed over cautious, but the fact is that these projects remain very attractive even at today's current oil price. Examples of this can be found in independent studies completed by RPS Scott Pickford (Kyrgystan) and Gustavson and Associates (The recent economic study of Albania blocks A,B,D,E)."

This Press Release contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. The Company has tried, whenever possible, to identify these forward-looking statements using words such as "anticipates", "believes", "estimates", "expects", "plans", "intends", "potential" and similar expressions. These statements reflect the Company's current beliefs and are based upon information currently available to it. Accordingly, such forward looking statements involve known and unknown risks, uncertainties and other factors which could cause the Company's actual results, performance or achievements to differ materially from those expressed in or implied by such statements. The Company undertakes no obligation to update or advise in the event of any change, addition or alteration to the information catered in this Press Release including such forward looking statements.

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