

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **September 30, 2010**

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: **333-107002**

MANAS PETROLEUM CORPORATION

(Exact name of registrant as specified in its charter)

Nevada

(State or other jurisdiction of incorporation or organization)

91-1918324

(I.R.S. Employer Identification No.)

Bahnhofstrasse 9, 6341 Baar, Switzerland

(Address of principal executive offices) (Zip Code)

41 (44) 718 10 30

(Registrant's telephone number, including area code)

N/A

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Non-accelerated filer

(Do not check if a smaller reporting company)

Accelerated filer

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

APPLICABLE ONLY TO CORPORATE ISSUERS:

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:
122,983,866 shares of common stock as of November 12, 2010.

TABLE OF CONTENTS

PART I—FINANCIAL INFORMATION	4
Item 1. Financial Statements	4
Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations	30
Item 3. Quantitative and Qualitative Disclosures about Market Risk	37
Item 4T. Controls and Procedures	37
PART II—OTHER INFORMATION	38
Item 1. Legal Proceedings	38
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	38
Item 3. Defaults upon Senior Securities	38
Item 4. (Removed and Reserved)	38
Item 5. Other Information.	38
Item 6. Exhibits	39
SIGNATURES	43

PART I—FINANCIAL INFORMATION

Item 1. Financial Statements.

MANAS PETROLEUM CORPORATION

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
UNAUDITED

CONDENSED CONSOLIDATED BALANCE SHEETS

	09.30.2010 USD	12.31.2009 USD
ASSETS		
Cash and cash equivalents	3,318,465	804,663
Restricted cash	98,511	908,888
Accounts receivable	46,993	60,611
Prepaid expenses	522,647	450,372
Total current assets	3,986,616	2,224,534
Debt issuance costs	-	112,619
Tangible fixed assets	100,038	178,191
Investment in associate	238,304	238,304
Investment in associate (Petromanas)	60,041,939	-
Total non-current assets	60,380,281	529,114
TOTAL ASSETS	64,366,898	2,753,648
LIABILITIES AND SHAREHOLDERS' EQUITY/(DEFICIT)		
Accounts payable	211,166	610,581
Bank overdraft	-	196,154
Short-term loan	-	917,698
Promissory notes to shareholders	-	540,646
Contingently convertible loan	-	1,886,905
Debentures	-	3,887,179
Warrant liability	-	683,305
Accrued expenses Exploration costs	-	713,992
Accrued expenses Professional fees	100,576	220,449
Accrued expenses Interest	-	82,749
Other accrued expenses	62,838	13,673
Refundable deposits	53,962	-
Total current liabilities	428,543	9,753,331
Pension liabilities	29,504	29,504
Total non-current liabilities	29,504	29,504
TOTAL LIABILITIES	458,047	9,782,835
Temporary equity (common stock USD 0.001 par value, 14'144'993 and 0 shares, respectively)	5,516,547	-
Common stock (300,000,000 shares authorized, USD 0.001 par value, 122'983'866 and 119'051'733 shares, respectively, issued and outstanding)	122,984	119,052
Additional paid-in capital	49,419,525	49,532,367
Retained earnings/(deficit accumulated during the exploration stage)	8,798,794	(56,731,607)
Accumulated other comprehensive income / (loss)		
Currency translation adjustment	51,001	51,001
Total shareholders' equity/(deficit)	58,392,304	(7,029,187)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY/(DEFICIT)	64,366,898	2,753,648

MANAS PETROLEUM CORPORATION

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
UNAUDITED

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME/(LOSS)

	For the three months ended		For the nine months ended		Period from 05.25.2004 (Inception) to 09.30.2010 USD
	09.30.2010 USD	09.30.2009 USD	09.30.2010 USD	09.30.2009 USD	
OPERATING REVENUES					
Other revenues	-	-	-	-	1'375'728
Total revenues	-	-	-	-	1'375'728
OPERATING EXPENSES					
Personnel costs	(255'045)	(1'080'601)	(3'293'175)	(4'596'455)	(25'350'402)
Exploration costs	(268'345)	(539'468)	(880'367)	(870'544)	(7'972'883)
Depreciation	(13'195)	(14'780)	(42'989)	(76'839)	(210'185)
Consulting fees	(277'948)	(208'182)	(938'967)	(762'312)	(8'833'087)
Administrative costs	(295'737)	(539'821)	(943'939)	(1'119'864)	(12'831'647)
Total operating expenses	(1'110'270)	(2'382'852)	(6'099'437)	(7'426'013)	(55'198'205)
Gain from sale of investment	-	-	-	-	3'864'197
Loss from sale of investment	-	-	-	-	(900)
OPERATING INCOME/(LOSS)	(1'110'270)	(2'382'852)	(6'099'437)	(7'426'013)	(49'959'181)
NON-OPERATING INCOME / (EXPENSE)					
Exchange differences	31'175	44'820	57'971	180'329	203'116
Changes in fair value of warrants	-	2'809'589	533'223	(10'592'637)	(10'441'089)
Warrants issuance expense	-	-	-	-	(9'439'775)
Gain from sale of subsidiary	-	-	57'850'918	-	57'850'918
Change in fair value of investment in associate	10'700'583	-	13'635'118	-	13'635'118
Interest income	728	28'310	1'180	75'122	598'651
Interest expense	(3'379)	(366'736)	(329'494)	(1'027'494)	(2'565'694)
Loss on extinguishment of debt	-	-	(117'049)	-	(117'049)
Income/(Loss) before taxes and equity in net loss of associate	9'618'837	133'131	65'532'430	(18'790'693)	(234'984)
Income taxes	(624)	(356)	(2'028)	(2'292)	(9'969)
Equity in net loss of associate	-	-	-	-	(24'523)
Net income/(loss)	9'618'213	132'775	65'530'401	(18'792'985)	(269'476)
Net income / (loss) attributable to non-controlling interest	-	-	-	-	(18'700)
Net income/(loss) attributable to Manas	9'618'213	132'775	65'530'401	(18'792'985)	(288'176)
Currency translation adjustment attributable to Manas	-	-	-	-	51'001
Net comprehensive income/(loss) attributable to Manas	9'618'213	132'775	65'530'401	(18'792'985)	(237'175)
Net comprehensive loss attributable to non-controlling interest	-	-	-	-	18'700
Net comprehensive income/(loss)	9'618'213	132'775	65'530'401	(18'792'985)	(218'475)
Weighted average number of outstanding shares (basic)	122'901'257	119'051'733	121'343'884	119'051'733	108'784'786
Weighted average number of outstanding shares (diluted)	124'729'875	121'242'439	125'678'549	119'051'733	108'784'786
Basic earnings / (loss) per share attributable to Manas	0.08	0.00	0.54	(0.16)	(0.00)
Diluted earnings / (loss) per share attributable to Manas	0.08	0.00	0.52	(0.16)	(0.00)

MANAS PETROLEUM CORPORATION

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
UNAUDITED

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	For the nine months ended		Period from
	09.30.2010 USD	09.30.2009 USD	05.25.2004 (Inception) to 09.30.2010 USD
OPERATING ACTIVITIES			
Net income/(loss)	65'530'401	(18'792'985)	(269'476)
To reconcile net income/(loss) to net cash used in operating activities			
Gain from sale of subsidiary	(57'850'918)	-	(57'850'918)
Gain from sale of investment	-	-	(3'864'197)
Loss from sale of investment	-	-	900
Change in fair value of investment in associate	(13'635'119)	-	(13'635'119)
Equity in net loss of associate	-	-	24'523
Depreciation	42'989	76'839	210'185
Amortization of debt issuance costs	112'619	97'270	349'910
Warrant issuance expense / (income)	(533'223)	10'592'637	19'880'864
(Decrease) / increase in participation liabilities	-	(432'564)	-
Exchange differences	(57'971)	(180'329)	(203'115)
Non cash adjustment to exploration costs	(204'753)	-	(204'753)
Non cash interest income	(25'619)	-	(25'619)
Interest expense on contingently convertible loan	29'893	105'933	236'798
Loss on extinguishment of contingently convertible loan	83'202	-	83'202
Interest expense on debentures	78'974	326'609	764'142
Loss on extinguishment of debentures	33'847	-	33'847
Stock-based compensation	2'996'596	3'604'815	24'508'711
Decrease / (increase) in receivables and prepaid expenses	(60'633)	(206'204)	(566'421)
(Decrease) / increase in accounts payables	(372'462)	28'263	(298'203)
(Decrease) / increase in accrued expenses	(865'464)	(242'887)	89'207
Change in pension liability	-	-	29'504
Cash flow (used in) / from operating activities	(4'697'640)	(5'022'603)	(30'706'027)
INVESTING ACTIVITIES			
Purchase of tangible fixed assets and computer software	(1'182)	(28'414)	(425'611)
Sale of tangible fixed assets and computer software	-	-	79'326
Proceeds from sale of investment	10'765'810	-	14'765'810
Decrease / (increase) restricted cash	810'724	4'932'325	(98'165)
Acquisition of investment in associate	-	-	(67'747)
Cash flow (used in) / from investing activities	11'575'352	4'903'911	14'253'613
FINANCING ACTIVITIES			
Contribution share capital founders	-	-	80'019
Issuance of units	-	-	15'057'484
Issuance of contingently convertible loan	-	-	1'680'000
Issuance of debentures	-	-	3'760'000
Issuance of promissory notes to shareholders	-	-	540'646
Repayment of contingently convertible loan	(2'000'000)	-	(2'000'000)
Repayment of debentures	(4'000'000)	-	(4'000'000)
Repayment of promissory notes to shareholders	(540'646)	-	(540'646)
Issuance of warrants	-	-	670'571
Proceeds from exercise of warrants	2'260'958	-	2'260'958
Cash arising on recapitalization	-	-	6'510
Shareholder loan repaid	-	-	(3'385'832)
Shareholder loan raised	-	-	4'653'720
Repayment of bank loan	-	(1'220'000)	(2'520'000)
Increase in bank loan	-	1'300'000	2'520'000
Increase in short-term loan	-	-	917'698
Payment of debt issuance costs	-	-	(279'910)
(Decrease) / increase in bank overdraft	(196'154)	-	-
Increase / (decrease) in refundable deposits	53'962	-	53'962
Cash flow (used in) / from financing activities	(4'421'880)	80'000	19'475'180
Net change in cash and cash equivalents	2'455'832	(38'692)	3'022'766
Cash and cash equivalents at the beginning of the period	804'663	225'993	-
Currency translation effect on cash and cash equivalents	57'971	67'187	295'700
Cash and cash equivalents at the end of the period	3'318'465	254'487	3'318'465

Supplement schedule of non-cash investing and financing activities:

Forgiveness of debt by major shareholder	-	-	1'466'052
Deferred consideration for interest in CJSC South Petroleum Co.	-	-	193'003
Warrants issued to pay placement commission expenses	-	-	2'689'910
Debenture interest paid in common shares	-	-	213'479
Forgiveness of advance payment from Petromanas Energy Inc.	917'698	-	917'698
Initial fair value of shares of investment in Petromanas	46'406'821	-	46'406'821
Forgiveness of receivable due from Manas Adriatic GmbH	(3'449'704)	-	(3'449'704)

MANAS PETROLEUM CORPORATION

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY / (DEFICIT)

SHAREHOLDERS' EQUITY / (DEFICIT)	Number of Shares	Share Capital	Additional paid-in capital	Deficit accumulated during the development stage	Accumulated Other Comprehensive Income (Loss)	Total shareholders' equity / (deficit)
Balance May 25, 2004	-	-	-	-	-	-
Contribution share capital from founders	80,000,000	80,000	19	-	-	80,019
Currency translation adjustment	-	-	-	-	(77,082)	(77,082)
Net loss for the period	-	-	-	(601,032)	-	(601,032)
Balance December 31, 2004	80,000,000	80,000	19	(601,032)	(77,082)	(598,095)
Balance January 1, 2005	80,000,000	80,000	19	(601,032)	(77,082)	(598,095)
Currency translation adjustment	-	-	-	-	218,699	218,699
Net loss for the year	-	-	-	(1,993,932)	-	(1,993,932)
Balance December 31, 2005	80,000,000	80,000	19	(2,594,964)	141,617	(2,373,328)
Balance January 1, 2006	80,000,000	80,000	19	(2,594,964)	141,617	(2,373,328)
Forgiveness of debt by major shareholder	-	-	1,466,052	-	-	1,466,052
Currency translation adjustment	-	-	-	-	(88,153)	(88,153)
Net income for the year	-	-	-	-	1,516,004	1,516,004
Balance December 31, 2006	80,000,000	80,000	1,466,071	(1,078,960)	53,464	520,575
Balance January 1, 2007	80,000,000	80,000	1,466,071	(1,078,960)	53,464	520,575
Recapitalization transaction	20,110,400	20,110	(356,732)	-	-	(336,622)
Stock-based compensation	880,000	880	7,244,409	-	-	7,245,289
Private placement of Units, issued for cash	10,330,152	10,330	9,675,667	-	-	9,685,997
Private placement of Units	10,709	11	(11)	-	-	-
Private placement of Units, issued for cash	825,227	825	3,521,232	-	-	3,522,057
Currency translation adjustment	-	-	-	-	3,069	3,069
Net loss for the year	-	-	-	(12,825,496)	-	(12,825,496)
Balance December 31, 2007	112,156,488	112,156	21,550,636	(13,904,456)	56,533	7,814,870
Balance January 1, 2008	112,156,488	112,156	21,550,636	(13,904,456)	56,533	7,814,870
Stock-based compensation	2,895,245	2,895	9,787,978	-	-	9,790,874
Private placement of Units, issued for cash	4,000,000	4,000	1,845,429	-	-	1,849,429
Issuance of warrants	-	-	10,110,346	-	-	10,110,346
Beneficial Conversion Feature	-	-	557,989	-	-	557,989
Currency translation adjustment	-	-	-	-	(13,212)	(13,212)
Net loss for the period	-	-	-	(30,296,106)	-	(30,296,106)
Balance December 31, 2008	119,051,733	119,052	43,852,378	(44,200,563)	43,322	(185,811)
Balance January 1, 2009	119,051,733	119,052	43,852,378	(44,200,563)	43,322	(185,811)
Adoption of ASC 815-40	-	-	(9,679,775)	9,086,971	-	(592,804)
Reclassification warrants	-	-	10,883,811	-	-	10,883,811
Stock-based compensation	-	-	4,475,953	-	-	4,475,953
Currency translation adjustment	-	-	-	-	7,679	7,679
Net loss for the year	-	-	-	(21,618,015)	-	(21,618,015)
Balance December 31, 2009	119,051,733	119,052	49,532,367	(56,731,607)	51,001	(7,029,187)
Balance January 1, 2010	119,051,733	119,052	49,532,367	(56,731,607)	51,001	(7,029,187)
Exercise of warrants	3,832,133	3,832	2,257,127	-	-	2,230,959
FV adjustment of exercised warrants	-	-	72,643	-	-	72,643
Reclassification warrants	-	-	77,439	-	-	77,439
Stock-based compensation	100,000	100	2,996,496	-	-	2,996,596
Redeemable shares	-	-	(5,516,547)	-	-	(5,516,547)
Currency translation adjustment	-	-	-	-	-	-
Net income for the period	-	-	-	65,530,401	-	65,530,401
Balance September 30, 2010	122,983,866	122,984	49,419,525	8,798,794	51,001	58,392,304

1. BASIS OF PRESENTATION

The accompanying unaudited condensed consolidated financial statements of Manas Petroleum Corporation ("Manas" or the "Company") and its subsidiaries ("Group") for the three and nine-month period ended September 30, 2010 have been prepared in accordance with U.S. generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by U.S. generally accepted accounting principles for complete financial statements. These condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and the notes thereto, included in the Group's Annual Report on Form 10-K for the year ended December 31, 2009.

In terms of the oil and gas industry lifecycle, the Company considers itself to be an exploration stage company. Since it has not realized any revenues from its planned principal operations, the Company presents its financial statements in conformity with accounting principles generally accepted in the United States of America (US GAAP) that apply in establishing operating enterprises, i.e. development stage companies. As an exploration stage enterprise, the Company discloses the deficit accumulated during the exploration stage and the cumulative statements of operations and cash flows from inception to the current balance sheet date.

The Company, formerly known as Express Systems Corporation, was incorporated in the State of Nevada on July 9, 1988

On April 10, 2007, the Company completed the Exchange Transaction whereby it acquired its then sole subsidiary DWM Petroleum AG, Baar ("DWM") pursuant to an exchange agreement signed in November 2006 whereby 100% of the shares of DWM were exchanged for 80,000,000 common shares of the Company. As part of the closing of this exchange transaction, the Company issued 800,000 shares as finders' fees at the closing price of \$3.20.

The acquisition of DWM has been accounted for as a merger of a private operating company into a non-operating public shell. Consequently, the Company is the continuing legal registrant for regulatory purposes and DWM is treated as the continuing accounting acquirer for accounting and reporting purposes. The assets and liabilities of DWM remained at historic cost. Under US GAAP in transactions involving the merger of a private operating company into a non-operating public shell, the transaction is equivalent to the issuance of stock by DWM for the net monetary assets of the Company, accompanied by a recapitalization. The accounting is identical to a reverse acquisition, except that no goodwill or other intangibles are recorded.

On February 12, 2010 we signed a formal purchase agreement with WWI Resources LTD. At closing, on February 24, 2010, WWI Resources changed its name to Petromanas Energy Inc. ("Petromanas", TSX-V: PMI). With the closing, DWM completed the sale of all of the issued and outstanding shares of Manas Adriatic GmbH ("Manas Adriatic") to Petromanas. Manas Adriatic is the owner of three on-shore oil and gas production sharing contracts containing six licenses located in Albania. As consideration for these shares, DWM received CAD\$2,000,000 (\$1,937,396) in cash on March 3, 2010, \$350,000 on May 17, 2010 for compensation of operational expenses in Albania for January and February 2010 and 100,000,000 Petromanas common shares, in addition to the \$917,723 advanced from Petromanas in December 2009. Pursuant to the purchase agreement, DWM Petroleum is entitled to receive an aggregate of up to an additional 150,000,000 Petromanas common shares as follows:

- 100,000,000 Petromanas common shares upon completion of the first well on the Albanian project by Manas Adriatic, or on the date that is 16 months after the Closing Date, whichever occurs first;
- 25,000,000 Petromanas common shares if, on or before the tenth anniversary of the Closing Date, Manas Adriatic receives a report prepared pursuant to Canada's National Instrument 51-101, Standards of Disclosure for Oil and Gas Activities, confirming that the Albanian project has 2P reserves of not less than 50,000,000 barrels of oil (BOE); and
- if, on or before the tenth anniversary of the Closing Date, Manas Adriatic receives a report prepared pursuant to Canada's National Instrument 51-101, Standards of Disclosure for Oil and Gas Activities, confirming that the Albanian project has 2P reserves in excess of 50,000,000 BOEs, then for each 50,000,000 BOEs over and above 50,000,000 BOEs, Petromanas will be required to issue 500,000 Petromanas common shares to DWM Petroleum to a maximum of 25,000,000 Petromanas common shares.

In addition, at closing Petromanas funded Manas Adriatic with \$8,500,000 to be used by Manas Adriatic to repay advances made by DWM and its predecessors in respect of the Albanian project. The proceeds from this repayment by Manas Adriatic GmbH to DWM Petroleum AG have been used by our company to repay all of our debt securities prior to maturity.

On May 25, 2010, Petromanas issued to DWM Petroleum AG pursuant to the amended share purchase agreement an additional 100,000,000 Petromanas common shares. DWM now has ownership and control over 200,000,000 Petromanas common shares and the right to acquire a further 50,000,000 common shares of Petromanas according to the conditions described above. The 200,000,000 common shares represent 32.29% of the issued and outstanding common shares of Petromanas.

The Group follows a strategy focused on the exploration and development of oil and gas resources in Central and East Asia (Kyrgyz Republic, Republic of Tajikistan and Republic of Mongolia) and in the Balkan Region (participation in Petromanas Energy Inc. with activities in Albania).

2. GOING CONCERN

The condensed consolidated financial statements have been prepared on the assumption that the Group will continue as a going concern.

Our cash balance as of September 30, 2010 was \$3,318,465.

In addition to our cash balance, of the 200,000,000 common shares of Petromanas held by the Group, 25,000,000 were freely tradable as of September 30, 2010. The quoted market price of Petromanas shares on September 30, 2010 was CAD 0.35. Hence, the market value of the freely tradable shares was over \$8,000,000.

Based on our business plan for the next 12 months, we will need \$8,280,000 to fund our operations.

Given our net working capital plus our freely tradable shares of Petromanas, we do not expect to need additional funding from external sources to cover our monthly burn rate of approximately \$265,000 and minimum commitments before October 2011.

In order to continue to implement the geological work program for our projects particularly in Central and East Asia and to finance continuing operations, the Group will require further funds. We expect these funds will be raised through additional equity and/or debt financing. If we are not able to raise the required funds, we would consider farming-out projects in order to reduce our financial commitments. Any additional equity financing may be dilutive to shareholders, and debt financing, if available, will increase expenses and may involve restrictive covenants. The Company will be required to raise additional capital on terms which are uncertain, especially under the current capital market conditions. Under these circumstances, if the Company is unable to obtain capital or is required to raise it on undesirable terms, it may have a material adverse effect on the Company's financial condition.

3. ACCOUNTING POLICIES

The Group's condensed consolidated financial statements are prepared in accordance with US GAAP. The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures, if any, of contingent assets and liabilities at the date of the financial statements. Actual results could differ from these estimates.

The accompanying financial data as of September 30, 2010 and December 31, 2009 and for the three and nine-month periods ended September 30, 2010 and 2009 and for the period from inception, May 25, 2004, to September 30, 2010 has been prepared by the Company, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission (SEC).

The complete accounting policies followed by the Group are set forth in Note 3 to the audited consolidated financial statements contained in the Group's Annual Report on Form 10-K for the year ended December 31, 2009.

In the opinion of management, all adjustments (which include normal recurring adjustments, except as disclosed herein) necessary to present a fair statement of financial position as of September 30, 2010 and December 31, 2009, results of operations for the three and nine-month period ended September 30, 2010 and 2009 and for the period from inception, May 25, 2004, to September 30, 2010, cash flows for the nine-month periods ended September 30, 2010 and 2009 and for the period from inception, May 25, 2004, to September 30, 2010 and statement of shareholders' equity (deficit) for the period from inception, May 25, 2004, to September 30, 2010, as applicable, have been made. The results of operations for the three and nine-month period ended September 30, 2010 are not necessarily indicative of the operating results for the full fiscal year or any future periods.

4. RECENT ACCOUNTING PRONOUNCEMENTS

In June 2009, the FASB issued FASB ASC 810-10 (prior authoritative literature SFAS No. 167, "Amendments to FASB Interpretation ("FIN") No. 46(R),") which changes how a reporting entity determines when an entity that is insufficiently capitalized or is not controlled through voting (or similar rights) should be consolidated. The determination of whether a reporting entity is required to consolidate another entity is based on, among other things, the other entity's purpose and design and the reporting entity's ability to direct the activities of the other entity that most significantly impact the other entity's economic performance. FASB ASC 810-10 will require a reporting entity to provide additional disclosures about its involvement with variable interest entities and any significant changes in risk exposure due to that involvement. A reporting entity will be required to disclose how its involvement with a variable interest entity affects the reporting entity's financial statements. FASB ASC 810-10 is effective for fiscal years beginning after November 15, 2009, and interim periods within those fiscal years. The Company adopted FASB ASC 810-10 as of January 1, 2010 and its application had no impact on the Company's condensed consolidated financial statements.

In April 2010, the FASB issued ASU 2010-13, "Compensation - Stock Compensation (Topic 718) - Effect of Denominating the Exercise Price of a Share-Based Payment Award in the Currency of the Market in Which the Underlying Equity Security Trades." ASU 2010-13 provides amendments to Topic 718 to clarify that an employee share-based payment award with an exercise price denominated in the currency of a market in which a substantial portion of the entity's equity securities trades should not be considered to contain a condition that is not a market, performance, or service condition. Therefore, an entity would not classify such an award as a liability if it otherwise qualifies as equity. The amendments in ASU 2010-13 are effective for fiscal years, and interim periods within those fiscal years, beginning on or after December 15, 2010. The adoption of this standard will not have an effect on our results of operation or our financial position.

In January 2010, the FASB issued ASU No. 2010-06, *Improving Disclosures about Fair Value Measurements*, which requires additional disclosures about the amounts of and reasons for significant transfers in and out of Level 1 and Level 2 fair value measurements. This standard also clarifies existing disclosure requirements related to the level of disaggregation of fair value measurements for each class of assets and liabilities and disclosures about inputs and valuation techniques used to measure fair value for both recurring and non-recurring Level 2 and Level 3 measurements. The Company included the required additional disclosure for Level 2 fair value measurements as of the first quarter of 2010.

5. CASH AND CASH EQUIVALENTS

	USD (held in USD)	USD (held in EUR)	USD (held in CHF)	USD (held in other currencies)	USD TOTAL Sept 30, 2010	USD TOTAL Dec 31, 2009
Bank and postal accounts	3'282'882	302	9'790	25'492	3'318'465	804'663
Cash and Cash Equivalents	3'282'882	302	9'790	25'492	3'318'465	804'663

Cash and cash equivalents are available at the Group's own disposal, and there is no restriction or limitation on withdrawal and/or use of these funds. The Group's cash equivalents are placed with high credit rated financial institutions. The carrying amount of these assets approximates their fair value.

6. TANGIBLE FIXED ASSETS

2010	Office Equipment & Furniture	Vehicles	Leasehold Improvements	Total
	USD	USD	USD	USD
Cost at January 1	144'196	127'379	47'375	318'950
Additions	1'182	-	-	1'182
Deconsolidation of Manas Adriatic	(27'526)	(37'879)	-	(65'405)
Cost at September 30	117'852	89'500	47'375	254'727
Accumulated depreciation at January 1	(68'088)	(53'077)	(19'593)	(140'758)
Depreciation	(18'574)	(17'308)	(7'107)	(42'989)
Deconsolidation of Manas Adriatic	16'768	12'291	-	29'059
Accumulated depreciation at September 30	(69'894)	(58'094)	(26'700)	(154'689)
Net book value at September 30	47'958	31'406	20'675	100'038

Depreciation expense for the nine-month period ended September 30, 2010 and 2009 was \$42,989 and \$76,839, respectively. Depreciation expense for the three-month period ended September 2010 and 2009 was \$13,585 and \$14,780, respectively.

7. STOCK COMPENSATION PROGRAM

On May 1, 2007 the Board of Directors approved the granting of stock options according to a Nonqualified Stock Option Plan. This stock option plan has the purpose (a) to ensure the retention of the services of existing executive personnel, key employees, and Directors of the Company or its affiliates; (b) to attract and retain competent new executive personnel, key employees, consultants and Directors; (c) to provide incentive to all such personnel, employees, consultants and Directors to devote their utmost effort and skill to the advancement and betterment of the Company, by permitting them to participate in the ownership of the Company and thereby in the success and increased value of the Company; and (d) allowing vendors, service providers, consultants, business associates, strategic partners, and others, with or that the Board of Directors anticipates will have an important business relationship with the Company or its affiliates, the opportunity to participate in the ownership of the Company and thereby to have an interest in the success and increased value of the Company.

This plan constitutes a single “omnibus” plan, the Nonqualified Stock Option Plan (“NQSO Plan”) which provides grants of nonqualified stock options (“NQSOS”). The maximum number of shares of common stock that may be purchased under the plan is 20,000,000.

On February 24, 2010, we re-priced an aggregate of 4,350,000 stock options originally granted to three of our directors and/or officers on May 2, 2007 from an original exercise price of \$4.00 to \$0.70. We also repriced 400,000 stock options granted to one of our directors and officers on June 25, 2007 from an original exercise price of \$5.50 to \$0.70.

On February 24, 2010, we granted stock options to a director of one of our subsidiaries to purchase an aggregate of 1,000,000 shares of our common stock at an exercise price of \$0.70 per share for a term expiring February 22, 2015. The options vest in 12 quarterly installments, subject to proration to account for any partial calendar quarter at the beginning of the vesting period, with the first installment to vest on the first day of the first full calendar quarter after the date of the optionee’s stock option agreement, and with each subsequent installment to vest on the first day of each calendar quarter thereafter. The grant is subject to the execution of stock option agreements by the optionees and the terms of our 2008 stock option plan.

On June 2, 2010 we granted stock options to a consultant to purchase an aggregate of 150,000 shares of our common stock at an exercise price of \$ 0.80 per share for a term expiring June 2, 2013. The options vest in 12 quarterly installments, subject to proration to account for any partial calendar quarter after the date of the optionee’s stock option agreement, and with each subsequent installment to vest on the first day of each calendar quarter thereafter. On July 21, 2010, the consultant ceased to act as a consultant of the company, his options were cancelled and we issued 150,000 warrants with the same terms instead.

On September 14, 2010 we granted to one of our employees according to an employment agreement dated May 1, 2010 100,000 vested shares of our common stock, which are subject to a hold period until May 1, 2011. On the first day of anniversary date beginning with May 1, 2011, he is to receive an additional 100,000 vested shares of our common stock until 2014. On May 1, 2015, he is to receive 200,000 vested shares of our common stock. All granted shares are subject to one-year hold period from the date of each grant.

As of September 16, 2010, we granted stock options to a director to purchase 500,000 shares of our common stock at an exercise price of \$0.52 per share and 500,000 shares of our common stock at an exercise price of \$0.65 per share until September 16, 2020. The options vest in 12 quarterly installments, subject to proration to account for any partial calendar quarter after the date of the optionee’s stock option agreement, and with each subsequent installment to vest on the first day of each calendar quarter thereafter.

On September 16, 2010 the term of a director elapsed. His non-vested options forfeited with that date and his vested options (i.e. 923,356 options with an exercise price of \$0.26 and 400,000 options with an exercise price of \$0.70) remain exercisable for 90 days and expire on December 16, 2010.

The fair value of all of the options granted during the three and nine-month periods ended September 30, 2010 and September 30, 2009 was determined using the Black-Scholes option pricing model applying the weighted average assumptions noted in the following table:

	Nine months period ended		Three months period ended	
	September 30, 2010	September 30, 2009	September 30, 2010	September 30, 2009
Expected dividend yield	0%	0%	0%	0%
Expected volatility	89%	87%	85%	75%
Risk-free interest rate	1.735%	1.463%	1.825%	2.750%
Expected term (in years)	4.59	3.1	6	6

The expected volatility is based on a peer group of companies in a similar or the same industry, and with which the Company is of a comparable size and life cycle stage, for a period equal to the expected term of the options. During the nine-month periods ended September 30, 2010 and 2009, the weighted average fair value of options granted was \$0.48 and \$0.16 at the grant date, respectively.

The following table summarizes the Company's stock option activity for the nine-month period ended September 30, 2010:

Options	Shares under option	Weighted-average exercise price	Weighted-average remaining contractual term (years)	Aggregate intrinsic value
Outstanding at December 31, 2009	10'150'000	2.12		
Cancellation (repricing)	(4'750'000)	4.13		
Re-granted (repricing)	4'750'000	0.70		
Granted	2'150'000	0.65		
Reclassified as warrants	(150'000)	0.80		
Exercised	0			
Forfeited or expired	(1'076'645)	0.26		
Outstanding at September 30, 2010	11'073'355	0.53	4.92	1'291'000
Exercisable at September 30, 2010	7'403'104	0.58	3.72	598'117

For the nine-month periods ended September 30, 2010 and 2009, the Company recorded a total charge of \$2,996,596 and \$3,604,815 respectively, with respect to equity awards granted under the stock compensation and stock option plans. For the nine-month period ended September 30, 2010 \$2,740,137 and \$256,459 were recorded in personnel costs and consulting fees, respectively. In personnel cost included was \$1,544,006 related to the incremental fair value of the vested options due to the re-pricing on February 24, 2010. During the comparable period in 2009 stock based compensation expenses of \$3,532,685 were recorded in personnel costs and \$72,130 in consulting fees.

For the three-month period ended September 30, 2010 the Company recorded a total charge of \$124,067 with respect to equity awards granted under the stock compensation and stock option plans, of which \$74,481 was recorded in personnel and \$49,586 in consulting fees. For the three-month period ended September 30, 2009 the Company recorded a total charge of \$804,310 with respect to equity awards granted under the stock compensation and stock option plans, of which \$784,453 was recorded in personnel and \$19,857 in consulting fees.

A summary of the status of the Company's non-vested options as of September 30, 2010 and changes during the period is presented below:

Nonvested options	Shares under option	Weighted-average grant date fair value
Nonvested at December 31, 2009	4'838'097	0.35
Granted	2'150'000	0.48
Vested	(2'097'391)	0.65
Reclassified as warrants	(143'810)	0.14
Forfeited	(1'076'645)	0.37
Nonvested at September 30, 2010	3'670'251	0.32

A summary of the status of the Company's share grants as of September 30, 2010 and changes during the period is presented below:

Nonvested shares	Shares	Weighted-average grant date fair value
Nonvested at December 31, 2009	-	-
Granted	700,000	0.36
Vested	(100,000)	0.36
Forfeited	-	-
Nonvested at September 30, 2010	600,000	0.36

As of September 30, 2010, there was \$1,401,231 of total unrecognized compensation cost related to non-vested share-based compensation arrangements granted under the Plans. That cost is expected to be recognized over a weighted-average period of 2.74 years.

8. DEBENTURE

On April 30, 2008, the Company successfully negotiated a mezzanine tranche of bridge financing and raised \$4,000,000 through the issuance of 4,000 debenture notes (Debentures) of \$1,000 each and 1,000,000 detachable warrants. The warrants are exercisable to purchase the Company's unregistered common shares at \$2.10 per share and will expire on April 30, 2010. The net proceeds after paying a finder's fee were \$3,790,000. The Debentures bear an interest of 8% per annum payable twice a year (June and December) and are due and payable in full two years from the date of issuance (April 30, 2010). The Debentures can be prepaid along with any unpaid interest at the Company's request without prepayment premium or penalty. The Debentures can be converted into unregistered common shares at any time on demand of the holder at a conversion price based upon the average price of the 20 days trading price prior to conversion. The conversion price of 2,000 of the Debentures is subject to a floor of \$1.00 per share. Interest can be paid in the equivalent amount of unregistered common shares of the Company. If the Company issues shares for proceeds in excess of \$40,000,000, then up to 50% of the proceeds are required to be used to pay down the Debentures.

The aggregate proceeds received have been allocated between the detachable warrants and the Debentures on a relative fair value basis. Accordingly, \$240,000 was credited to additional paid in capital with respect to the warrants.

At the date of issuance the conversion price determined in accordance with the Debenture agreement was less than the actual share price on the issuance date. This resulted in a beneficial conversion feature of \$557,989, which has been amortized using the effective interest rate method and recorded as part of interest expense over the term of the Debenture.

Debt issuance costs of \$210,000 were incurred and will be amortized over the term of the Debentures using the effective interest rate method.

On March 9, 2010, we have prior to its maturity fully repaid the principal and interest accrued.

For the nine month period ended September 30, 2010 we had interest expense on debentures of \$78,974 and \$326,609 for the comparable period in the previous year. For the three-month periods ended September 30, 2010 and 2009 we had interest expense of \$0 and \$108,801, respectively. At September 30, 2010 and December 31, 2009, the unamortized debt discount relating to the Debentures amounted to \$0 and \$224,852, respectively. To account for the unamortized debt discount prevailing at the date of settlement we have recorded a loss on extinguishment of debenture of \$33,847.

9. WARRANTS

In April 2008, the FASB issued FASB ASC 815-40 (*Prior authoritative literature: Emerging Issues Task Force ("EITF") 07-05, "Determining whether an Instrument (or Embedded Feature) Is Indexed to an Entity's Own Stock" ("EITF 07-05")*). FASB ASC 815-40 provides guidance on determining what types of instruments or embedded features in an instrument held by a reporting entity can be considered indexed to its own stock for the purpose of evaluating the first criteria of the scope exception in FASB ASC 815-10-15-74 (*Prior authoritative literature: SFAS 133, paragraph 11(a)*). FASB ASC 815-40 is effective for financial statements issued for fiscal years beginning after December 15, 2008 (our fiscal year 2009). We adopted FASB ASC 815-40 on the first day of our fiscal year 2009. Based on our analysis we determined that 69,966,707 out of the 73,966,707 warrants outstanding are not considered indexed to the Company's own stock under FASB ASC 815-40 as the respective agreements include reset features. Hence, we reclassified \$592,804, comprising of an adjustment of \$(9,679,775) to additional paid in capital and \$9,086,971 to deficit accumulated during the exploration stage, from stockholders' equity to a short-term liability upon adoption. Additionally, the fair value of the warrants subject to FASB ASC 815-40 is adjusted to fair market value at the end of each reporting period.

On April 10, 2009 17,526,881 Warrants from the Warrant A Equity Series granted on April 10, 2007 expired unexercised.

On May 14, 2009 we asked each holder of the Warrants that had a price protection clause to agree to amend their Warrants to delete the price protection clause. As and when any of the holders of these Warrants agree to the proposed amendment, we will provide them with an amended Warrant certificate that shows the price protection clause as having been deleted. As of June 30, 2010, the following Warrant agreements have been amended and, in accordance with FASB ASC 815-40, needed to be reclassified as stockholder's equity:

Warrant series - expired	# of Warrants	Strike price	Grant date	Expiry date	Fair value at date of reclassification
Brokerage Warrant PP # 2	139'958	0.59	July 31, 2007	July 31, 2009	\$ 6'810
Warrant Equity PP2 31-07-2007	3'315'550	0.59	July 31, 2007	July 31, 2009	\$ 199'582
Warrant B Equity PP1	30'598'840	0.59	April 10, 2007	April 10, 2010	\$ 8'101'860
Brokerage Warrant PP # 1	5'880'044	0.59	April 10, 2007	April 10, 2010	\$ 1'930'710
Debenture Warrants	3'114'408	0.59	April 30, 2008	April 30, 2010	\$ 722'288
Total					\$ 10'961'250

On July 31, 2009 7,692,798 Warrants from the Warrant Equity PP2 Series granted on July 31, 2007 expired unexercised.

On July 31, 2009 253,899 Warrants from the Brokerage Warrant PP2 Series granted on July 31, 2007 expired unexercised.

On April 10, 2010 2,357,556 Warrants from the Warrant B Equity PP1 Series granted on April 10, 2007 were exercised and 32,696,207 expired unexercised.

On April 10, 2010 89,831 Warrants from the Brokerage Warrant PP 1 Series granted on April 10, 2010 were exercised and 5,790,213 expired unexercised.

On April 30, 2010 1,384,746 Warrants from the Debenture Warrants Series granted on April 30, 2008 were exercised and 2,174,576 expired unexercised.

On September 1, 2010 4,000,000 Warrants from the Equity PP3 Series granted on September 1, 2008 expired unexercised.

On June 2, 2010, we granted a consultant, stock options to purchase an aggregate of 150,000 shares of our common stock at an exercise price of \$0.80 per share for a term expiring June 2, 2013 in consideration for the consulting services provided by him. On July 21, 2010, the consultant ceased to act as a consultant of the company. His options were cancelled and we issued 150,000 warrants with the same terms instead.

As of September 30, 2010 and December 31, 2009, the Company had 150,000 respectively 48,343,129 warrants outstanding to purchase common stock.

The following table summarizes information about the Company's warrants outstanding as of September 30, 2010:

Warrant series	# of Warrants	Strike price	Grant date	Expiry date
Grant	150'000	0.8	June 2, 2010	June 2, 2013
Total warrants outstanding	150'000			

The following table summarizes the Company's warrant activity for the nine-month period ended September 30, 2010:

Warrants	Classified as liability	Classified as equity	# of warrants	Weighted-average exercise price
Outstanding at December 31, 2009	5'581'532	42'911'597	48'493'129	0.62
Reclassification upon amendment of warrant agreement	(681'695)	681'695	-	0.59
Granted	-	150'000	150'000	0.80
Exercised	(350'763)	(3'481'370)	(3'832'133)	0.59
Forfeited or expired	(4'549'074)	(40'111'922)	(44'660'996)	0.59
Outstanding at September 30, 2010	-	150'000	150'000	0.80

The fair value of liability classified warrants that were exercised during the three and nine-month periods ended September 30, 2010 of \$72,643 was reclassified to additional paid-in capital.

In connection with the warrants granted on July 21, 2010 we expensed during the three-month period ended September 30, 2010 \$39,839 as consultant expense (included in stock based compensation).

For the three-month periods ended September 30, 2010 and 2009 we recorded in warrants expense \$0 and \$2,809,589 respectively.

For the nine-month periods ended September 30, 2010 and 2009 we recorded in warrants expense \$533,223 and \$(10,592,637) respectively.

10. BANK OVERDRAFT/SHORT-TERM LOAN

On December 31, 2009, we had a bank overdraft of \$196,828 which is due on demand and free of interest. On March 3, 2010, we have repaid the bank overdraft of \$196,828.

On December 3, 2009, as part of ongoing negotiations on the sale of the Albanian assets, Petromanas advanced \$917,698 to the Company, which is due on demand and free of interest. In case of a successful closing of the agreement to sell the asset, the amount is considered part of the purchase price consideration. On February 12, 2010 we signed a formal share purchase agreement with WWI Resources LTD. At closing, WWI Resources changed its name to Petromanas Energy Inc. ("Petromanas", TSXV: PMI). On February 24, 2010, we completed the sale of all of the issued and outstanding shares of Manas Adriatic to Petromanas. As a result of this transaction, the advanced \$917,698 was deemed part of the consideration and was recorded as a gain on sale on the income statement.

As of September 30, 2010, we had no outstanding Bank Overdraft/Short-Term Loans.

11. CONTINGENTLY CONVERTIBLE LOAN

On August 18, 2008, the Company issued contingently convertible loans (the "Loans") with a principal amount of \$2,000,000 and disposed of 8% of its interest in its operations in Mongolia related to Blocks 13 and 14 for aggregate proceeds of \$2,000,000. The net proceeds after paying finder's fee were \$1,860,000. The Company is responsible for the Loan holder's share of the exploration costs attributable to Blocks 13 and 14 through phases 1, 2 and 3, hereinafter referred to as the Participation Liability.

The Company has allocated part of the gross proceeds to a Participation Liability for the exploration costs related to the 8% interest in Blocks 13 and 14 in Mongolia provided to the unit holder. The Company has estimated that there is a range of costs that could be incurred through exploration phases 1, 2 and 3. The total minimum estimated spends for phase 1, the only phase that is currently probable, is \$4,000,000 and therefore, a Participation Liability of \$320,000 has been recorded. This liability was reduced as expenses incurred and amounted to \$0 as of December 31, 2009.

The Loans carry an interest rate of 8% per annum and all principal and accrued interest is payable in full two years from the date of issuance (August 18, 2010). The Loans are secured by the Group's assets in the Kyrgyz Republic.

The principal and any accrued but unpaid interest on the Loans are convertible, in whole or in part, at the option of the holders if the Group conducts a public offering at the prevailing market price. The loan was accounted for as a liability in accordance with FASB ASC 480-10-25 (*Prior authoritative literature* :

FAS150 "Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity"). Because the financial instrument embodies a conditional obligation that the Company must or may settle by issuing a variable number of equity shares and the monetary value of the obligation is based on a fixed monetary amount known at inception.

The initial carrying amount of the Loans of \$1,680,000 will be accreted to the redemption amount of \$2,000,000 over the term of the loans using the effective interest method.

On March 9, 2010, we have prior to its maturity fully repaid the principal and interest accrued.

For the nine month period ended September 30, 2010 we had interest expense on contingently convertible loan of \$29,893 compared to \$105,933 for the comparable previous year period. For the three-month periods ended September 30, 2010 and 2009 we had interest expense on contingently convertible loan of \$0 and \$40,013, respectively. At September 30, 2010 and December 31, 2009, the unamortized debt discount relating the contingently convertible loan amounted to \$0 and \$113,095, respectively. To account for the unamortized debt discount we have recorded for the nine-month period ended September 30, 2010 \$83,202 and \$0 for the comparable period of the previous year, respectively in loss on extinguishment of contingently convertible loan.

12. PROMISSORY NOTE

On December 5, 2008, the Company borrowed \$540,646 from four Directors at no discount to the principal amount by selling promissory notes to shareholders ("Shareholder Notes"). The parties agreed that no interest shall accrue on the Shareholder Notes unless the Company breaches the repayment schedule. The repayment of the principal amount of the Shareholder Notes has to occur if the Company raises greater than \$1,000,000 in financing or 90 days after written demand for repayment by the Shareholder Notes holder, whichever is first. The Company may also repay any or all principal amount of the Shareholder Notes at any time without notice, bonus or penalty. In the event that the Company fails to make a payment when it is due, the Company will pay interest on the outstanding principal amount of the Shareholder Notes at the rate of 12% per annum until the Shareholder Notes are paid in full. On May 1, 2009, the Company received \$1,000,000 in financing. Therefore, as the payment falls due immediately, but so far has not been paid yet, interest is being accrued.

On March 9, 2010, we have fully repaid the principal of \$540,646 and a total interest accrued of \$54,568.

For the nine-month periods ended September 30, 2010 and 2009, we recorded \$11,198 and \$27,017 interest expense.

13. SALE OF MANAS ADRIATIC

On February 12, 2010 we signed a formal share purchase agreement with WWI Resources LTD. At closing, WWI Resources changed its name to Petromanas Energy Inc. ("Petromanas", TSXV: PMI). On February 24, 2010, we completed the sale of all of the issued and outstanding shares of Manas Adriatic to Petromanas.

As consideration for these shares, DWM Petroleum received CAD\$2,000,000 (\$1,937,396) in cash on March 3, 2010, \$350,000 on May 17, 2010 for compensation of operational expenses in Albania for January and February 2010 and 100,000,000 Petromanas common shares in addition to the \$917,723 advanced from Petromanas in December 2009. Pursuant to the purchase agreement, DWM Petroleum is entitled to receive an aggregate of up to an additional 150,000,000 Petromanas common shares as follows:

- 100,000,000 Petromanas common shares upon completion of the first well on the Albanian project by Manas Adriatic, or on the date that is 16 months after the Closing Date, whichever occurs first;
- 25,000,000 Petromanas common shares if, on or before the tenth anniversary of the Closing Date, Manas Adriatic receives a report prepared pursuant to Canada's National Instrument 51-101, Standards of Disclosure for Oil and Gas Activities, confirming that the Albanian project has 2P reserves of not less than 50,000,000 barrels of oil (BOE); and
- if, on or before the tenth anniversary of the Closing Date, Manas Adriatic receives a report prepared pursuant to Canada's National Instrument 51-101, Standards of Disclosure for Oil and Gas Activities, confirming that the Albanian project has 2P reserves in excess of 50,000,000 BOEs, then for each 50,000,000 BOEs over and above 50,000,000 BOEs, Petromanas will be required to issue 500,000 Petromanas common shares to DWM Petroleum to a maximum of 25,000,000 Petromanas common shares.

In addition, at closing Petromanas funded Manas Adriatic with \$8,500,000 to be used by Manas Adriatic to repay advances made by DWM Petroleum and its predecessors in respect of the Albanian project.

At closing, Petromanas appointed to its six member board of directors three directors nominated by our company (Michael Velletta, Heinz Scholz and Peter-Mark Vogel). In addition, and also at closing, the board of directors of Petromanas appointed Erik Herlyn (our Chief Executive Officer) and Ari Muljana (our Chief Financial Officer) as the Chief Executive Officer and Chief Financial Officer, respectively, of Petromanas.

Contemporaneously with the completion of its purchase of Manas Adriatic, Petromanas completed a private placement offering in which it sold 100,000,000 of its common shares for gross proceeds of CAD \$25,000,000 (approximately \$24,518,000). After adjustment for the 100,000,000 common shares issued to DWM Petroleum at the completion of the sale of Manas Adriatic and the 100,000,000 common shares issued in this private placement, Petromanas had 328,231,466 common shares issued and outstanding, of which DWM Petroleum owns 100,000,000, or approximately 30.47% .

We have analyzed whether we have obtained control over Petromanas by considering undiluted and diluted voting interests, board members, executive officers, terms of the exchange of equity interest and the relative size of Petromanas and Manas Adriatic. Based on this analysis we concluded that:

- Manas Petroleum Corporation does not have majority voting interest in Petromanas. DWM, a wholly-owned subsidiary of Manas Petroleum Corporation, holds 100,000,000 outstanding shares of Petromanas, and another 100,000,000 shares are issuable at the earlier of 16 months or the completion of the drilling of the first well in Albania, i.e. DWM holds 30.47% or 46.70% of Petromanas. We also determined that Manas shareholders do not represent the majority shareholders.

- Manas Petroleum Corporation does not have a majority in the Board, nor does it have the ability to appoint, elect or remove a Director.
- Two out of three executive officers are current officers of Manas, which due to conflicts of interest are subject to change in near future.
- Regarding the terms of the exchange of equity interests we concluded that no assessment can be made concerning whether or not a significant premium was paid by either party.
- Regarding the relative size of Petromanas and Manas Adriatic, we concluded that both entities are small and have not yet generated any revenue and that neither one of the entities is significantly larger than the other.

Based on the above, Manas Petroleum Corporation did not obtain control over Petromanas.

The transaction therefore is accounted for in accordance with ASC 810-10-40, which results in a de-recognition of the subsidiary Manas Adriatic GmbH in exchange for cash received, liabilities assumed and 200,000,000 of Petromanas common shares issued.

The shares of Petromanas are traded on the TSX-V, which we deem an active market and we therefore believe that the quoted market price of the Petromanas share (PMI.V) is generally a readily determinable fair value and it can be taken as a basis for the calculation of the fair value.

We reached this conclusion based on an assessment on the following criteria:

- The shares are traded in a foreign market of breadth and scope comparable to the OTCBB, which according to ASC 820 provides readily determinable fair value for equity securities;
- Bid/ask-spreads are narrow; and
- Trading activity is regular and frequent.

Since the shares are held in escrow and are subject to an escrow release schedule, we deem the shares as a Level 2 input for the calculation of the fair value in accordance with ASC 820 (Fair value measurements and disclosures). We apply an annual discount rate of 12% on the quoted market price based on the time before the shares become freely tradable. The discount rate is an estimate of the cost of capital, based on previous long-term debt the company has issued.

Release Dates	Percentage of Total Escrowed Securities to be Released
At the time of the Final Exchange Bulletin	10% of the escrow securities
6 months from the Final Exchange Bulletin	15% of the escrow securities
12 months from the Final Exchange Bulletin	15% of the escrow securities
18 months from the Final Exchange Bulletin	15% of the escrow securities
24 months from the Final Exchange Bulletin	15% of the escrow securities
30 months from the Final Exchange Bulletin	15% of the escrow securities
36 months from the Final Exchange Bulletin	15% of the escrow securities

Each escrowed and issued share entitles Manas Petroleum Corporation to exercise voting rights and each escrowed and issued share corresponds to one vote.

Of the 200,000,000 common shares of Petromanas held by the Group, 25,000,000 were freely tradable as of September 30, 2010. The market value of these freely tradable shares was over \$8,000,000.

The 50,000,000 additional Petromanas common shares which are issuable upon achievement of certain conditions (see above (i) and (ii)) will be accounted for in accordance with ASC 450 (Contingencies). These are contingent and will only be recognized when realized.

A gain on sale of asset is recognized on the statement of operations under non-operating income and is calculated according to ASC 810-10-40 as the difference between the fair value of the consideration received and the carrying amount of Manas Adriatic GmbH's assets and liabilities resulting in a gain on sale of subsidiary:

		USD
Cash	CAD \$2,000,000	\$1'937'396
Cash Advance Payment		\$917'698
Cash Receipt on May 17, 2010	compensation for operational expenses for January and February in Albania to be borne by Petromanas	\$350'000
100,000,000 WWI Resources common shares received on March 3, 2010	100,000,000 times quoted market price at February 25, 2010 of CAD \$0.30 (dilution of issuable 100,000,000 shares below included) discounted by an effective discount of 16.23%*	CAD \$0.30 x 100,000,000 (USD/CAD:0.94763 on Feb 25, 2010) on Feb 25, 2010) discounted by 16.23% \$23'815'101
100,000,000 WWI Resources common shares that will be received the latest after 16 months after the Closing date and are not contingent	100,000,000 times quoted market price at February 25, 2010 of CAD \$0.30 (dilution of issuable 100,000,000 shares included) discounted by an effective discount of 20.53%*	CAD\$0.30x100,000,000 (USD/CAD:0.94763 on Feb 25, 2010) on Feb 25, 2010) discounted by 20.53% \$22'591'720
50,000,000 WWI Resources common shares which are contingent.	These will be accounted for under ASC450 that is an acceptable approach under EITF09-4. As this is again contingency it will only be recorded when it can be realized.	\$0
Push down of past exploration costs incurred as per agreement		\$7'012'222
Forgiveness of IC payables		Total liabilities Manas Adriatic GmbH \$(11,949,704) Assumed liabilities by Petromanas \$8,500,000 \$(3'449'704)
Net liabilities of Manas Adriatic GmbH as of 2/24/2010		\$4'676'485
Gain on sale of subsidiary		\$57'850'918

*The quoted market price on February 25, 2010 was CAD\$0.39. In calculating the fair value per share we have taken into account the dilution effect of the additional 100,000,000 shares that are issuable 16 months after the closing date the latest. Furthermore, the shares are subject to an escrow agreement and their fair value was therefore discounted based on the escrow release schedule. The annual interest rate applied to discount the diluted quoted market price was 12% and represents cost of opportunity at which the Company may raise debt.

In the nine month period ended September 30, 2010, net cash proceeds from the sale of Manas Adriatic GmbH amounted to the total of CAD \$2,000,000 (\$1,937,396), \$8,500,000 to be used by Manas Adriatic to repay advances made by DWM Petroleum and \$350,000 for compensation of operational expenses in Albania for January and February 2010 reduced by \$21,586, the cash owned by Manas Adriatic consolidated as of February 24, 2010.

14. INVESTMENT IN PETROMANAS

On February 12, 2010, our wholly-owned subsidiary DWM signed a formal Share Purchase Agreement and completed the sale of all of the issued and outstanding shares of Manas Adriatic to Petromanas Energy Inc. ("Petromanas"). As a result of this transaction, the Company owns 100,000,000 common shares of Petromanas, received on March 3, 2010, and another 100,000,000 common shares will be received upon completion of the first well on the Albanian project by Manas Adriatic, or on the date that is 16 months after the closing date of the transaction, whichever occurs first.

Pursuant to an Amending Agreement dated May 25, 2010, Petromanas has issued to DWM an additional 100,000,000 common shares. The shares are subject to a hold period expiring June 24, 2011 and bear a legend to that effect.

DWM now has ownership and control over 200,000,000 common shares of Petromanas and the right to acquire a further 50,000,000 common shares upon certain conditions. The 200,000,000 common shares represent 32.29% of the issued and outstanding common shares of Petromanas.

Refer to Note 13 for details on the initial measurement of the shares.

As of June 30, 2010, Petromanas had roughly \$73 million (CAD \$75,574,724) cash and cash equivalents available and approximately \$73.5 million (CAD \$76,146,695) working capital. Petromanas has sufficient cash to settle its outstanding liabilities and to complete its Albanian exploration and development programs. As of June 30, 2010, Petromanas had 618,131,466 common shares outstanding, of which 200,000,000 are owned by the Company. For details on Petromanas financial status please refer to www.sedar.com.

Due to timing differences in regulatory reporting we have elected the fair value option in accordance with ASC 820 for the subsequent measurement of the equity investment in Petromanas. The Petromanas financials as of September 30, 2010 are not readily available as of this balance sheet date and therefore the summarized financial information of the associate as required under APB18 is not disclosed herein. The shares of Petromanas are traded on the TSX-V, which we deem an active market and we therefore believe that the quoted market price of the Petromanas share (PMI.V) is generally a readily determinable fair value and it can be taken as a basis for the calculation of the fair value.

Since the shares are held in escrow and are subject to a hold period of four and thirteen months, respectively and an escrow release schedule, we deem the shares a Level 2 input for the calculation of the fair value in accordance with ASC 820 (Fair value measurements and disclosures). We apply an annual discount rate of 12% on the quoted market price based on the time before the shares become freely tradable. The discount rate is an estimate of the cost of capital, based on previous long-term debt the company has issued.

The quoted market price of Petromanas on September 30, 2010 was CAD \$0.35.

In order to calculate the fair value of our investment in Petromanas we have discounted the market price of the shares based on the escrow release schedule. The effective discount applied on the quoted market price of the restricted shares is 11.7% .

During the nine-month period ended September 30, 2010, we have recorded \$13,635,119 unrealized gain on investment in Petromanas. During the three-month period ended September 30, 2010 we have recorded \$10,700,583 unrealized gain on our investment in Petromanas.

15. RELATED PARTY DISCLOSURE

The consolidated financial statements include the financial statements of Manas Petroleum Corporation and the entities listed in the following table:

Company	Country	Equity share Sep 30, 2010	Equity share Dec 31, 2009
DWM Petroleum AG, Baar (1)	Switzerland	100%	100%
Manas Petroleum AG, Baar (2)	Switzerland	100%	100%
Petromanas Energy Inc., Vancouver (3)	Canada	32.29%	n/a
CJSC South Petroleum Company, Jalalabat (4)	Kyrgyz Republic	25%	25%
CJSC Somon Oil Company, Dushanbe (5)	Rep of Tajikistan	90%	90%
Manas Petroleum of Chile Corporation, Victoria (6)	Canada	100%	100%
Manas Management Services Ltd., Nassau (7)	Bahamas	100%	100%
Manas Chile Energia Limitada, Santiago (8)	Chile	100%	100%
Gobi Energy Partners LLC, Ulaan Baator (9)	Mongolia	84%	84%
Manas Adriatic GmbH, Baar (10)	Switzerland	n/a	100%

- (1) Included Branch in Albania that was sold in February 2010
- (2) Founded in 2007
- (3) Petroleum Energy Inc. participation resulted from partial sale of Manas Adriatic GmbH; equity method investee that is not consolidated
- (4) CJSC South Petroleum Company was founded by DWM Petroleum AG; equity method investee that is not consolidated
- (5) CJSC Somon Oil Company was founded by DWM Petroleum AG
- (6) Founded in 2008
- (7) Founded in 2008
- (8) Manas Chile Energia Limitada was founded by Manas Management Services Ltd.; founded in 2008
- (9) Gobi Energy Partners LLC was founded in 2009 by DWM Petroleum AG (formerly Manas Gobi LLC)
- (10) Manas Adriatic GmbH was founded in 2009 by DWM Petroleum AG and sold in 2010.

Ownership and voting right percentages in the subsidiaries stated above are identical to the equity share.

The following table provides the total amount of transactions, which have been entered into with related parties for the relevant financial period:

Affiliates	nine months period ended		Three months period ended	
	Sept 30, 2010	Sept 30, 2009	Sept 30, 2010	Sept 30, 2009
	USD	USD	USD	USD
Management services performed to Petromanas*	(145'662)	-	(65'281)	-

* Services invoiced or accrued and recorded as contra-expense in personnel cost and administrative cost

Board of directors	nine months period ended		Three months period ended	
	Sept 30, 2010	Sept 30, 2009	Sept 30, 2010	Sept 30, 2009
	USD	USD	USD	USD
Payments to directors for office rent	18'000	30'923	6'000	6'000
Payments to related companies controlled by directors for rendered consulting services	214'714	262'700	80'307	72'000
Interest on Promissory notes from directors*	4'843	4'612	-	-
Interest on Promissory notes from former directors*	6'355	6'053	-	-
	As of Sept 30, 2010	As of Dec 31, 2009		
	USD	USD		
Promissory notes from directors*	-	233'812		
Promissory notes from former directors*	-	306'834		

* The promissory notes principal and accrued interest were repaid during the first quarter in 2010. No interest accrued prior to May 1, 2009.

16. COMMITMENTS & CONTINGENT LIABILITIES

Legal actions and claims (Kyrgyz Republic, Republic of Tajikistan, Chile and Albania)

In the ordinary course of business, the associates, subsidiaries or branches in the Kyrgyz Republic, Republic of Tajikistan, Mongolia and Chile may be subject to legal actions and complaints. Management believes that the ultimate liability, if any, arising from such actions or complaints will not have a material adverse effect on the financial condition or the results of future operations of the associates, subsidiaries or branches in the Kyrgyz Republic, Republic of Tajikistan, Mongolia and Chile.

During the initial phase of applying for our Chilean Exploration license, a joint bidding group was formed with Manas, IPR and Energy Focus. Each had a one-third interest. Of its own accord, Energy Focus left the bidding group. Energy Focus prepared a side letter, which was signed by Manas and IPR. By the terms of this side letter, Energy Focus was granted the option to rejoin the consortium under certain conditions.

Even though Energy Focus has been asked many times to join the group by contributing its prorated share of capital, they have failed to do so. Despite this, Energy Focus claims that they are entitled to participate in the consortium at any future time, not just under certain conditions. IPR and Manas disagree with this interpretation.

No litigation has been commenced as of September 30, 2010. Manas and IPR are firmly of the view that Energy Focus no longer has any right to join the consortium, as the previously agreed-upon conditions are no longer valid. While Energy Focus has not accepted this position, they have not commenced litigation. Management regards the likelihood of a litigation as remote.

At September 30, 2010, there had been no legal actions against the associates, subsidiaries or branches in the Kyrgyz Republic, Republic of Tajikistan, Mongolia and Chile.

Management believes that the Group, including associates, subsidiaries or branches in the Kyrgyz Republic, Republic of Tajikistan, Mongolia and Chile are in substantial compliance with the tax laws affecting its operations. However, the risk remains that relevant authorities could take differing positions with regards to interpretative issues.

17. PERSONNEL COSTS AND EMPLOYEE BENEFIT PLANS

Defined benefit plan

The Company maintains a Swiss defined benefit plan for 4 of its employees. The plan is part of an independent collective fund which provides pensions combined with life and disability insurance. The assets of the funded plan are held independently of the Company's assets in a legally distinct and independent collective trust fund which serves various unrelated employers. The fund's benefit obligations are fully reinsured by AXA Winterthur Insurance Company. The plan is valued by independent actuaries using the projected unit credit method. The liabilities correspond to the projected benefit obligations of which the discounted net present value is calculated based on years of employment, expected salary increases, and pension adjustments.

Pension expense	Nine months period ended		Three months period ended	
	September 30, 2010	September 30, 2009	September 30, 2010	September 30, 2009
	USD	USD	USD	USD
Net service cost	3'001	21'939	1'000	7'313
Interest cost	5'060	14'064	1'687	4'688
Expected return on assets	(3'922)	(10'555)	(1'307)	(3'518)
Amortization of net (gain)/loss	-	-	-	-
Net periodic pension cost	4'139	25'448	1'380	8'483

During the nine-month periods ended September 30, 2010 and 2009 the Company made cash contributions of \$55,021 and approximately \$58,300, respectively to its defined benefit pension plan. The company does not expect to make any additional cash contributions to its defined benefit pension plans during the remainder of 2010.

18. FAIR VALUE MEASUREMENT

FASB ASC 820 (*Prior authoritative literature: SFAS 157 Fair Value Measurements*) establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include: Level 1, defined as observable inputs such as quoted prices in active markets; Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions. Financial assets and liabilities carried at fair value as of September 30, 2010 are classified in one of the three categories as follows:

	Level 1	Level 2	Level 3	Total
Assets				
Investment Petromanas (Note 14)	\$ -	\$ 60'041'939	\$ -	\$ 60'041'939
Total Assets	\$ -	\$ 60'041'939	\$ -	\$ 60'041'939

The following table summarizes the changes in the fair value of the Company's level 2 financial assets and liabilities for the period ending September 30, 2010:

Balance at January 1, 2010	-
Total gains (losses) realized and unrealized:	
Included in earnings	13'635'118 2)
Included in other comprehensive income	-
Purchase, sale, or settlement	46'406'821 1)
Net transfer in / (out) of level 2	-
Balance at September 30, 2010	60'041'939

- 1) Sale of Manas Adriatic GmbH (refer to Note 13)
- 2) Recorded in change in fair value of investment in associate (refer to Note 14)

The following table summarizes the changes in the fair value of the Company's level 3 financial assets and liabilities for the period ending September 30, 2010:

Balance at January 1, 2010	683'305
Total gains (losses) realized and unrealized:	
Included in earnings, as a part of change in fair value of warrants	(533'223) 1)
Included in other comprehensive income	-
Purchase, sale, or settlement	(72'643) 2)
Net transfer in / (out) of level 3	(77'439) 3)
Balance at September 30, 2010	-

- 1) Recorded in Change in fair value of warrants.
- 2) Recorded in additional paid-in capital due to warrant exercise
- 3) Reclassification as equity instrument

19. EARNINGS PER SHARE

Basic earnings per share are calculated using the Company's weighted-average outstanding common shares. When the effects are not anti-dilutive, diluted earnings per share is calculated using the weighted-average outstanding common shares, participating securities and the dilutive effect of all other stock-based compensation awards as determined under the treasury stock method.

A reconciliation of shares used in calculating basic and diluted earnings per share is presented in the table below:

	Nine months period ended		Three months period ended	
	Sep 30, 2010	Sep 30, 2009	Sep 30, 2010	Sep 30, 2009
Basic weighted average shares outstanding	121'343'884	119'051'733	122'901'257	119'051'733
Effect of common stock equivalents*				
- stock options and non-vested stock under employee compensation plans	3'385'991	-	2'777'292	2'190'706
- warrants	-	-	-	-
- contingently convertible loan	-	-	-	-
Diluted weighted average shares outstanding*	124'729'875	119'051'733	125'678'549	121'242'439

*For periods in which losses are presented, dilutive earnings per share calculations do not differ from basic earnings per share because the effects of any potential common stock equivalents are anti-dilutive and therefore not included in the calculation

20. SHARE PLACEMENT/PURCHASE AGREEMENT

On September 26, 2010, we entered into a share placement/purchase agreement with Alexander Becker, a holder of 14,144,993 shares of our common stock. Mr. Becker has expressed an interest in selling all of his shares of our common stock to a third party or back to our company. The share placement/purchase agreement provides that in the event any of Mr. Becker's shares of our common stock are not placed with buyers within 6 months from September 26, 2010, we will be obligated to purchase such shares from Mr. Becker.

The purchase deadline is April 26, 2011 and it can be extended on mutual consent. The price of the shares is determined by the first offering. For free trading shares it is the average closing price of the last ten trading days prior to the closing minus a discount of 20 percent. For restricted shares it is the average closing price of the last ten trading days prior to the closing minus a discount of 25%.

As of September 30, 2010 we have calculated the exposure, i.e. the maximum cash obligation of the company according to ASC 480-10-S99 for all redeemable shares. The average closing price of the shares ten days prior to September 30, 2010 was \$0.52. Due to the fact that the redeemable shares were restricted as of the balance sheet date, we have applied a discount of 25%. The following table shows the Company's exposure:

Maximum number of shares to be purchased as of Sep 30, 2010	14,144,993
Price per share on Sep 30, 2010	0.39
Exposure on September 30, 2010	5,516,547

The company recognizes changes in the redemption value immediately as they occur and adjusts the carrying value of the temporary equity to equal the redemption value at each reporting date.

The Company classified its redeemable shares according to ASC 480-10-S99 under Temporary Equity. The following table shows the development of Temporary Equity:

Temporary Equity	USD
Balance December 31, 2009	0
Redeemable shares	5,516,547
Balance September 30, 2010	5,516,547

21. SUBSEQUENT EVENT(S)

According to a share transfer agreement dated October 25, 2010 Mr. Becker sold 3,400,000 common shares at a price of \$0.39 to a third party investor. Hence, our maximum obligation to repurchase shares from Mr. Becker has been reduced to 10,744,993 shares at a price of \$0.39 on April 26, 2011 at the latest. The company's exposure after this transaction can be summarized as follows:

Maximum number of shares to be purchased as of Oct 25, 2010	10,744,993
Price per share to be paid on April 26, 2011	0.39
Exposure on October 25, 2010	4,190,547

On October 25, 2010 we formed Gobi Energy Partners GmbH as a wholly-owned subsidiary of DWM Petroleum AG to hold Gobi Energy Partners LLC. Currently, 26% of the beneficial title to Gobi Energy Partners GmbH is held in trust for others.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Forward-Looking Statements

This quarterly report contains forward-looking statements. Forward-looking statements are statements that relate to future events or future financial performance. In some cases, you can identify forward looking statements by the use of terminology such as "may", "should", "intend", "expect", "plan", "anticipate", "believe", "estimate", "project", "predict", "potential", or "continue" or the negative of these terms or other comparable terminology. These statements speak only as of the date of this quarterly report. Examples of forward-looking statements made in this quarterly report include statements pertaining to, among other things:

- the quantity of potential natural gas and crude oil resources;
- potential natural gas and crude oil production levels;
- capital expenditure programs;
- projections of market prices and costs;
- supply and demand for natural gas and crude oil;
- our need for, and our ability to raise, capital; and
- treatment under governmental regulatory regimes and tax laws.

These statements are only predictions and involve known and unknown risks, uncertainties and other factors, including:

- our ability to establish or find resources or reserves;
- volatility in market prices for natural gas and crude oil;
- liabilities inherent in natural gas and crude oil operations;
- uncertainties associated with estimating natural gas and crude oil resources or reserves;
- competition for, among other things, capital, resources, undeveloped lands and skilled personnel;
- political instability or changes of laws in the countries in which we operate and risks of terrorist attacks;
- incorrect assessments of the value of acquisitions;
- geological, technical, drilling and processing problems; and
- other factors discussed under the section entitled "Risk Factors" in our annual report on Form 10-K filed on March 18, 2010.

These risks, as well as risks that we cannot currently anticipate, could cause our company's or our industry's actual results, levels of activity or performance to be materially different from any future results, levels of activity or performance expressed or implied by these forward looking statements.

Although we believe that the expectations reflected in the forward looking statements are reasonable, we cannot guarantee future results, levels of activity or performance. Except as required by applicable law, including the securities laws of the United States and Canada, we do not intend to update any of the forward looking statements to conform these statements to actual results.

As used in this quarterly report, the terms "we", "us", and "our" refer to Manas Petroleum Corporation, its wholly-owned subsidiaries DWM Petroleum AG, a Swiss company, Manas Petroleum AG, a Swiss company, Manas Energia Chile Limitada, a Chilean company, Manas Petroleum of Chile Corporation, a Canadian company, Manas Management Services Ltd., a Bahamian company and its partially owned subsidiary CJSC Somon Oil Company, a Tajikistan company, Gobi Energy Partners GmbH, a Swiss company, Gobi Energy Partners LLC, a Mongolian company, and its 32.29% ownership interest in Petroman Energy Inc., a British Columbia company, and its 25% ownership interest in CJSC South Petroleum Company, a Kyrgyz company, as the context may require.

The following discussion and analysis provides a narrative about our financial performance and condition that should be read in conjunction with the unaudited consolidated financial statements and related notes thereto included in this quarterly report.

Overview

We are in the business of exploring for oil and gas, primarily in Central and East Asia and the Balkans. In particular, we focus on the exploration of large under-thrust light oil prospects in areas where, though there has often been shallow production, their deeper potential has yet to be evaluated. If we discover sufficient reserves of oil or gas, we intend to exploit them. Although we are currently focused primarily on projects located in certain geographic regions, we remain open to attractive opportunities in other areas. We do not have any known reserves on any of our properties.

We carry out operations both directly and through participation in ventures with other oil and gas companies to which we have farmed out a project. We are currently involved in projects in the Kyrgyz Republic, Albania, Tajikistan and Mongolia. We are also involved in a project in Chile but we are currently engaged in transferring our interest in that project to unrelated third parties.

We have no operating income yet and, as a result, we might depend upon funding from various sources to continue our operations beyond September 2011 and to implement our growth strategy.

The Nine-Month Period Ended September 30, 2010 Compared to the Nine-Month Period Ended September 30, 2009

Results of Operations

Net income for the nine-month period ended September 30, 2010 was \$65,530,401 as compared to a net loss of \$18,792,985 for the comparable period ended September 30, 2009. This increase is basically attributable to three components. Firstly, we realized a gain from the sale of our subsidiary in Albania of \$57,850,918. Secondly, the value of our investment in associate, i.e. Petromanas, increased during this reporting period by \$13,635,118. Thirdly, we had a charge of \$10,592,637 during the nine-month period ended September 30, 2009 due to changes in the fair value of warrants. For the nine-month period ended September 30, 2010, we reported a gain of \$533,223 due to changes in the fair value of warrants. Operating expenses for the nine-month period ended September 30, 2010 decreased to \$6,099,437 from \$7,426,013 reported for the same period in 2009. This is a decrease of 18% or \$1,326,576. This decrease is mainly attributable to lower personnel costs and lower administrative costs.

Personnel costs

For the nine-month period ended September 30, 2010 personnel costs decreased to \$3,293,175 from \$4,596,455 for the corresponding period in 2009. This decrease of 28% or \$1,303,279 in the nine-month period comparison is mainly a result of reduced personnel and the sale of our Albanian subsidiary.

Exploration costs

For the nine-month period ended September 30, 2010 we incurred exploration costs of \$880,367 as compared to \$870,544 for the corresponding period in 2009. This is an increase of 1% or \$9,823 and relates to increased exploration activity in Mongolia.

Consulting fees

For the nine-month period ended September 30, 2010 we incurred consulting fees in the amount of \$938,967 as compared to consulting fees of \$762,312 for the comparable period ended September 30, 2009. This increase of 23% or \$176,655 is mainly attributable to a non-cash charge for stock options for a consultant (approximately \$140,000).

Administrative costs

For the nine-month period ended September 30, 2010, our administrative costs decreased to \$943,939 from \$1,119,864. This decrease of 16% or \$175,925 is mainly due to a lower cost base following the sale of our Albanian subsidiary.

Non-operating income/expense

Non-operating income for the nine-month period ended September 30, 2010 increased to income of \$71,631,867 in contrast to an expense of \$11,364,680 for the corresponding period in 2009. This increase of \$82,996,547 has three major components. Firstly, we recorded a gain from the sale of our subsidiary in Albania of \$57,850,918. Secondly, the value of our investment in associate, i.e. Petromanas, increased during this reporting period by \$13,635,118. Thirdly, we had a charge of \$10,592,637 during the nine-month period ended September 30, 2009 due to changes in the fair value of warrants. For the nine month period ended September 30, 2010, we reported a gain of \$533,223 due to changes in the fair value of warrants.

The Three-Month Period Ended September 30, 2010 Compared to the Three-Month Period Ended September 30, 2009*Results of Operations*

Net income for the three-month period ended September 30, 2010 was \$9,618,213 as compared to a net income of \$132,775 for the comparable period in 2009. This increase of \$9,485,706 is mainly due to an increase in the fair value of our investment in Petromanas, which accounted for \$10,098,881.

Operating Expenses for the three-month period ended September 30, 2010 decreased to \$1,110,270 from \$2,382,852 reported for the same period in 2009. This decrease of 53% or \$1,272,582 in our total operating expenses is mainly attributable to lower personnel costs and lower consulting fees.

Personnel costs

For the three-month period ended September 30, 2010 our personnel costs decreased to \$255,045 from \$1,080,601 for the corresponding period in 2009. This decrease of 76% or \$825,556 in the three-month period comparison is mainly the consequence of lower charges related to equity awards granted under the stock compensation and stock option plans. For such grants \$74,481 were recorded during the quarter ended September 30, 2010 versus \$784,453 for the comparable period in 2009.

Exploration costs

For the three-month period ended September 30, 2010 we incurred exploration costs of \$268,345 as compared to \$539,468 for the corresponding period in 2009. This decrease of 50% or \$271,123 is mainly attributable to the sale of our Albanian subsidiary.

Consulting fees

For the three-month period ended September 30, 2010 we paid consulting fees in the amount of \$277,948 as compared to consulting fees of \$208,182 for the comparable period ended September 30, 2009. This is an increase of 34% or \$69,766. Higher stock-based compensation expenses were the major driver of this increase.

Administrative costs

For the three-month period ended September 30, 2010, we recorded administrative costs of \$295,737 compared to \$539,821 for the three-month period ended September, 2009. This decrease of 45% and \$244,084 is mainly attributable to lower legal, audit and accounting fees.

Non-operating income/expense

Non-operating income for the three-month period ended September 30, 2010 increased from \$2,515,983 for the corresponding period in 2009 to \$10,729,107. This increase of \$8,213,124 is mainly due to a gain in fair value of our investment in Petromanas of \$10,700,583. On the other hand, we recorded during the three month period ended September 30, 2009 an income in changes of fair value of warrants of \$2,809,589 and \$0 for the corresponding period in 2010.

Liquidity and Capital Resources

Our cash balance as of September 30, 2010 was \$3,318,465. Our total current assets as of September 30, 2010 amounted to \$3,986,616 and total current liabilities were \$428,543 resulting in net working capital of \$3,558,073. In addition, of the 200,000,000 common shares of Petromanas held by us, 25,000,000 were freely tradable as of September 30, 2010. The market value of these freely tradable shares was over \$8,000,000.

Our capital commitments are disclosed in this quarterly report on Form 10-Q for the three and nine month periods ended September 30, 2010 as well as in our annual report on Form 10-K for the year ended December 31, 2009. There have been no material changes in these commitments since September 30, 2010.

Operating Activities

Net cash outflow from operating activities of \$4,697,640 for the nine-month period ended September 30, 2010 has slightly decreased from net cash outflow of \$5,022,603 in the comparable period for 2009.

Investing Activities

Net cash inflow from investing activities of \$11,575,352 for the nine-month period ended September 30, 2010 has increased from a net cash inflow of \$4,903,911 in the comparable period for 2009. This increase is mainly attributable to proceeds from sale of investment of \$10,765,810. In the comparable period of the previous year through the reduction of the bank guarantee in Albania and the reduction of the amount on the escrow account in Mongolia positively affected our cash inflow from investing activities by \$4,932,325.

Financing Activities

Net cash outflow from financing activities of \$4,421,880 for the nine-month period ended September 30, 2010 has changed from a net cash inflow of \$80,000 in the comparable period for 2009. During the nine-month period ended September 30, 2010 cash outflows resulted from repayment of contingently 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 \$2,260,958.

Cash Flows

	Nine Months Ended September 30	
	2010	2009
Net Cash (used in) Operating Activities	(4'697'640)	(5'022'604)
Net Cash provided by (used in) Investing Activities	11'575'352	4'903'911
Net Cash provided by (used in) Financing Activities	(4'421'880)	80'000
Change in Cash and Cash Equivalents during the Period	2'455'832	(38'693)

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements.

Cash Requirements

According to our business plan we estimate our cash needs for the next 12 months to be as follows:

Expense	Amount
Geological & Geophysical	5'100'000
General & Administrative	2'600'000
Financing	-
Legal	330'000
Audit	250'000
Open Commitments	-
Total Expenses planned for next 12 months	8'280'000

As an operator, we have geological and geophysical commitments for the next 12 months in Mongolia amounting to \$5,100,000. In Tajikistan, the costs for the seismic program are currently being funded by Santos International Ventures Pty Ltd. ("Santos"), a wholly owned subsidiary of Santos Limited, which is the operator of that project pursuant to a farm out agreement. In the Kyrgyz Republic, the operational costs including seismic are fully carried by Santos. Also, as we are not the operator of the Chilean project, we have 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 us.

Going Concern

The consolidated financial statements have been prepared on the assumption that we will continue as a going concern.

For the three and nine-month periods ended September 30, 2010, we had a net income of \$9,618,213 and a net income of \$65,530,401, respectively. The net income for the three-month period ended September 30, 2010 is mainly attributable to an increase in the fair value of our investment in Petromanas which accounted for \$10,700,583. For the nine-month period ended September 30, 2010 net income is mainly attributable to the gain from sale of our subsidiary of \$57,850,918 and the subsequent increase in fair value of this investment of \$13,653,118.

Our accumulated net loss since inception until September 30, 2010 was \$218,475. Accumulated cash flows used in operating activities since inception until September 30, 2010 amounted to \$30,706,027. Our cash balance as of September 30, 2010 was \$3,318,465. Our total current assets as of September 30, 2010 amounted to \$3,986,616 and total current liabilities were \$428,543 resulting in net working capital of \$3,558,073.

In addition, of the 200,000,000 common shares of Petromanas held by us, 25,000,000 were freely tradable as of September 30, 2010. The market value on September 30, 2010 of these freely tradable shares was over \$8,000,000.

Based on our business plan, we will need \$8,280,000 to fund our operations for the next 12 months.

Given our net working capital plus our freely tradable shares of Petromanas, we do not expect to need additional funding from external sources to cover our monthly burn rate of approximately \$275,000 and minimum commitments before October 2011.

In order to continue our operations beyond October 2011 and execute the strategy to develop our assets, we will require further funds.

Recent Developments

Since the end of our most recent fiscal year, following developments have affected these operations.

Albania

On February 24, 2010, we 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. pursuant to a written Share Purchase Agreement. For further detail, please refer to Notes 13 and 14 to our financial statements, which have been included in this quarterly report on Form 10-Q, above.

During the nine-month period ended September 30, 2010, Petromanas Energy Inc., in which we hold a 32.29% interest, continued its exploration activities in Albania. Petromanas Energy Inc. has announced the following exploration activities during this period:

The technical seismic acquisition of 105 km in block E in was completed in November 2010. This is to further determine the structural definition of the West Rova, Rova and Papri prospects and add to around 1,300 km of existing seismic previously acquired by Albpetrol and Coparex and partially reprocessed by DWM Petroleum AG. The new seismic fulfills the minimum work commitment of the first exploration period of the production sharing contract for blocks D and E.

In addition Petromanas has prepared a seismic program for blocks 2 and 3 in order to further determine the structural definition of the South Shpiragu 1, South Shpiragu 2 prospects and the Krasi lead. Petromanas 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

The closed Joint Stock Company "South Petroleum Company", in which we hold a 25% participating interest, continued its geological studies within their five license areas.

Cameral works Cameral works consisting of the drawing up of final reports on Soh, Tuzluk and West Soh license areas to be submitted in April 2010 were started. South Petroleum Company processed and analyzed geological-geophysical data of previous work within all license areas.

2D field seismic acquisition South Petroleum Company has contracted the Kazak seismic crew "Dank" to realize further seismic work. As part of the Tajik seismic program, around 20 km of 2D seismic lines reaching into the Kyrgyz license area were acquired in 2010. South Petroleum Company fulfilled its seismic commitment in the Tuzluk license area for 2010.

Preparation work for drilling operations

Preparations for drilling operations have been significantly scaled back in the wake of recent unrest in the country. It is currently unlikely that drilling of the proposed Ala Buka West well will commence until 2011.

Tajikistan

Somon Oil, in which we hold a 90% interest, contracted the Kazak crew "Dank" to perform a seismic project which commenced on February 13, 2010 in the southern license areas and locally across the Kyrgyz-Tajik border. This seismic acquisition was completed on June 4, 2010. Data quality is generally good to excellent. Technical database compilation and integration is ongoing. .

Chile

Pursuant to an agreement dated January 29, 2010, we have agreed to assign our interest in our Chilean project in exchange for (i) the return of all of the operational costs that we have invested in this project to date and (ii) relief from all currently outstanding and future obligations in respect of the project. The transfer of our participation in this Chilean project to the new owners has been approved by the Chilean ministry and is now subject to approval by the new parties.

Mongolia

On April 30, 2009, we formed Manasgobi Co. Ltd. as a wholly-owned Mongolian subsidiary of DWM Petroleum AG to hold the license and to fully operate our exploration in Mongolia. On November 12, 2009, we changed the name of this company to Gobi Energy Partners LLC. On October 25, 2010, 2010, we formed Gobi Energy Partners GmbH as a wholly-owned subsidiary of DWM Petroleum AG to hold all of the ownership interest of Gobi Energy Partners LLC. We have legal and beneficial title to 74% of the ownership interest of Gobi Energy Partners GmbH. We hold legal title to the balance of 26% of the ownership interest of Gobi Energy Partners GmbH in trust for two investor groups and one Mongolian oil and gas company.

DWM Petroleum, our wholly-owned subsidiary, is the record owner of the licenses for Blocks 13 and 14 but it is the beneficial owner of only 74% - the remaining 26% of the beneficial ownership of these licenses is held by DWM Petroleum in trust for the same two investor groups and the Mongolian oil and gas company that beneficially own, collectively, 26% of Gobi Energy Partners GmbH.

Blocks 13 and 14 cover an aggregate of over 20,000 square kilometers (almost five million acres) of land located on Mongolia's southern border. DWM Petroleum AG has entered into production contracts with the Mongolian government that provide for a five-year exploration period (with two optional six month extensions allowed) that began on April 21, 2009, and a twenty-year exploitation period (with two five year extensions allowed).

In 2010, a team of geologists and geophysicists from our office in Ulan Bator initiated the reinterpretation of existing geological data and planned for a gravity survey. This was to further define the location of lines for the recently completed seismic campaign on blocks 13 and 14, in which we acquired approximately 300 linear km. In addition, we prepared a plan for environmental protection and restoration, which has yet to be approved by the Ministry of Environment. Also data from a total of 451 existing wells drilled in the Zuunbayan and Tsagaan Els oil fields area and in prospects were collected. All well data was translated from Russian and Mongolian into English for the analysis by international experts.

On August 31, 2010, we entered into a contract with a DQE International, a subsidiary of CNPC Daqing Petroleum, to acquire 300 km of 2D seismic in our project on blocks 13 and 14 in Mongolia at a turn-key rate of \$3,500/km, with no stand-by fees, for an aggregate total of \$1,050,000, payable according to a specific schedule. We were required to provide a bank guarantee over the outstanding amount, which is to be reduced according to the same schedule.

DQE International, a subsidiary of CNPC Daqing Petroleum, is a Chinese data acquisition company that has been in operation since the 1970's. It has a total of 16 seismic crews, 76 drilling crews, 60 well logging crews and 10 cementing crews. This group has established a quality assurance system and all its subsidiaries have passed ISO9000 Series authentication and established HSE management system. The group has operated various projects in the Peoples Republic of China and in the west of China. Internationally, the group has operated in Venezuela, Sudan, Indonesia, Egypt, Iran and Mongolia.

On November 10, 2010, we announced the completion of the 2010 seismic acquisition program for block 13 and 14 without incident. We intend to use the additional 300 km of 2D seismic data to improve our technical database and our chance of drilling a successful exploration well. After interpretation of the full dataset, we intend to decide whether we are ready to drill one or more exploration wells or we need to acquire 3D seismic to define the drill prospects in better detail. Depending on this decision, we hope to spud the first well in 2011.

Item 3. Quantitative and Qualitative Disclosures about Market Risk.

Not applicable.

Item 4T. Controls and Procedures.

Disclosure Controls and Procedures

We maintain "disclosure controls and procedures", as that term is defined in Rule 13a-15(e), promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934. Disclosure controls and procedures include controls and procedures designed to ensure that information required to be disclosed in our company's reports filed under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, and that such information is accumulated and communicated to our management, including our principal executive officer and our principal financial officer, as appropriate, to allow timely decisions regarding required disclosure.

As required by paragraph (b) of Rules 13a-15 under the Securities Exchange Act of 1934, our management, with the participation of our principal executive officer and our principal financial officer, evaluated our company's disclosure controls and procedures as of the end of the period covered by this quarterly report. Based on this evaluation, our principal executive officer and our principal financial officer concluded that as of the end of the period covered by this quarterly report, our disclosure controls and procedures were effective.

Changes in Internal Control over Financial Reporting

During the fiscal quarter ended September 30, 2010, we implemented the following changes to our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect our internal control over financial reporting:

- we hired a senior finance manager who is familiar with both US GAAP and the Securities and Exchange Commission's reporting requirements;
- key members of our staff have received instruction and "on-the-job" training on the principles of US GAAP and the Securities and Exchange Commission's reporting requirements;
- we trained key members of our staff to forward any material documents to our management and to inform our management of any material events in a timely manner so that we can make timely filing of our reports required to be filed under the Securities Exchange Act of 1934; and
- we have a new President and Chief Executive Officer, whose business and educational background is in finance. The business and educational background of our former President and Chief Executive Officer was in engineering.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings.

There are no material pending legal proceedings to which our company or any of our subsidiaries is a party or of which any of our properties, or the properties of any of our subsidiaries, is the subject. In addition, we do not know of any such proceedings contemplated by any governmental authorities.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

None.

Item 3. Defaults upon Senior Securities.

None.

Item 4. (Removed and Reserved).

Item 5. Other Information.

None.

Item 6. Exhibits.

Exhibit Number	Description
(3)	Articles of Incorporation and Bylaws
3.1	Articles of Incorporation (incorporated by reference to an exhibit to our Registration Statement on Form SB-2 filed on July 14, 2003)
3.2	Certificate of Amendment to Articles of Incorporation of Express Systems Corporation filed on April 2, 2007 (changing name to Manas Petroleum Corporation) (incorporated by reference to an exhibit to our Current Report on Form 8-K filed on April 17, 2007)
3.3	Amended and Restated Bylaws (incorporated by reference to an exhibit to our Current Report on Form 8-K filed on June 15, 2009)
(4)	Instruments Defining the Rights of Security Holders, including Indentures
4.1	Form of Debenture (incorporated by reference to an exhibit to our Current Report on Form 8-K filed on May 16, 2008)
4.2	Form of Loan Agreement (incorporated by reference to an exhibit to our Current Report on Form 8-K filed on August 25, 2008)
(10)	Material Contracts
10.1	Share Exchange Agreement, dated November 23, 2006 (incorporated by reference to an exhibit to our Current Report on Form 8-K filed on April 17, 2007)
10.2	Form of Warrant B to Purchase Manas Petroleum Corporation Common Stock (incorporated by reference to an exhibit to our Current Report on Form 8-K filed on April 17, 2007)
10.3	Yaroslav Bandurak employment agreement, dated April 1, 2007 (incorporated by reference to an exhibit to our Current Report on Form 8-K filed on April 17, 2007)
10.4	Farm-In Agreement, dated April 10, 2007 (incorporated by reference to an exhibit to our Current Report on Form 8-K filed on April 17, 2007)
10.5	2007 Omnibus Stock Option Plan (incorporated by reference to an exhibit to our Current Report on Form 8-K filed on April 17, 2007)
10.6	Form of Debenture (incorporated by reference to an exhibit to our Current Report on Form 8-K filed on May 16, 2008)
10.7	Form of Warrants (incorporated by reference to an exhibit to our Current Report on Form 8-K filed on May 16, 2008)
10.8	Form of Subscription Agreement (incorporated by reference to an exhibit to our Current Report on Form 8-K filed on May 16, 2008)
10.9	Form of Loan Agreement (incorporated by reference to an exhibit to our Current Report on Form 8-K filed on August 25, 2008)
10.10	Form of Securities Purchase Agreement, Including the Form of the Warrant (incorporated by reference to an exhibit to our Current Report on Form 8-K filed on September 15, 2008)
10.11	Letter Agreement – Phase 2 Work Period with Santos International Operations Pty. Ltd, dated August 19, 2008 (incorporated by reference to an exhibit to our Annual Report on Form 10-K filed on April 15, 2009)
10.12	Side Letter Agreement – Phase 1 Completion and Cash Instead of Shares with Santos International Holdings Pty Ltd, dated November 24, 2008 (incorporated by reference to an exhibit to our Annual Report on Form 10-K filed on April 15, 2009)
10.13	Amended 2007 Omnibus Stock Option Plan (incorporated by reference to an exhibit to our Annual Report on Form 10-K filed on April 15, 2009)
10.14	Production Sharing Contract for Exploration, Development and Production of Petroleum in Onshore Albania – Block “A-B” – between Ministry of Economy, Trade and Energy of Albania and DWM Petroleum dated July 31, 2007 (incorporated by reference to an exhibit to our Quarterly Report on Form 10-Q/A filed on July 24, 2009)

Exhibit Number	Description
10.15	Production Sharing Contract for Exploration, Development and Production of Petroleum in Onshore Albania – Block “D-E” – between Ministry of Economy, Trade and Energy of Albania and DWM Petroleum dated July 31, 2007 (incorporated by reference to an exhibit to our Quarterly Report on Form 10-Q/A filed on July 24, 2009)
10.16	Promissory note issued to Heinz Scholz dated December 5, 2008 (incorporated by reference to an exhibit to our Quarterly Report on Form 10-Q/A filed on July 24, 2009)
10.17	Promissory Note issued to Peter-Mark Vogel dated December 5, 2008 (incorporated by reference to an exhibit to our Quarterly Report on Form 10-Q/A filed on July 24, 2009)
10.18	Promissory note issued to Alexander Becker dated December 5, 2008 (incorporated by reference to an exhibit to our Quarterly Report on Form 10-Q/A filed on July 24, 2009)
10.19	Promissory note issued to Michael Velletta dated December 5, 2008 (incorporated by reference to an exhibit to our Quarterly Report on Form 10-Q/A filed on July 24, 2009)
10.20	Cancellation of Sub-Tenancy Contract with Heinz Scholz dated January 19, 2009 (incorporated by reference to an exhibit to our Quarterly Report on Form 10-Q/A filed on July 24, 2009)
10.21	Consulting Frame Contract with Varuna AG dated February 1, 2009 (incorporated by reference to an exhibit to our Quarterly Report on Form 10-Q/A filed on July 24, 2009)
10.22	Termination Agreement with Thomas Flottmann dated January 31, 2009 (incorporated by reference to an exhibit to our Quarterly Report on Form 10-Q/A filed on July 24, 2009)
10.23	Consulting Frame Contract with Thomas Flottmann dated January 22, 2009 (incorporated by reference to an exhibit to our Quarterly Report on Form 10-Q/A filed on July 24, 2009)
10.24	Amendment to the Notice with Terms and Condition for the Termination of Employment Agreement with Rahul Sen Gupta dated February 26, 2009 (incorporated by reference to an exhibit to our Quarterly Report on Form 10-Q/A filed on July 24, 2009)
10.25	Amendment to the Termination Agreement with Rahul Sen Gupta dated March 31, 2009 (incorporated by reference to an exhibit to our Quarterly Report on Form 10-Q/A filed on July 24, 2009)
10.26	Termination Agreement with Peter-Mark Vogel dated January 30, 2009 (incorporated by reference to an exhibit to our Quarterly Report on Form 10-Q/A filed on July 24, 2009)
10.27	Consulting Frame Contract with Peter-Mark Vogel dated March 26, 2009 (incorporated by reference to an exhibit to our Quarterly Report on Form 10-Q/A filed on July 24, 2009)
10.28	Employment and Non-Competition Agreement with Erik Herlyn dated June 25, 2007 (incorporated by reference to an exhibit to our Quarterly Report on Form 10-Q/A filed on July 24, 2009)
10.29	Amendment to Employment Agreement with Erik Herlyn dated May 14, 2008 (incorporated by reference to an exhibit to our Quarterly Report on Form 10-Q/A filed on July 24, 2009)
10.30	Amendment to Employment Agreement with Yaroslav dated November 4, 2007 (incorporated by reference to an exhibit to our Quarterly Report on Form 10-Q/A filed on July 24, 2009)
10.31	Production Sharing Contract for Contract Area Tsagaan Els-XIII between the Petroleum Authority of Mongolia and DWM Petroleum (incorporated by reference to an exhibit to our Quarterly Report on Form 10-Q/A filed on July 24, 2009)
10.32	Production Sharing Contract for Contract Area Zuunbayan-XIV between the Mineral Resources and Petroleum Authority of Mongolia and DWM Petroleum (incorporated by reference to an exhibit to our Quarterly Report on Form 10-Q/A filed on July 24, 2009)
10.33	Letter from AKBN regarding Production Sharing Contracts for Blocks A-B and D-E dated May 5, 2009 (incorporated by reference to an exhibit to our Quarterly Report on Form 10-Q/A filed on July 24, 2009)

Exhibit Number	Description
10.34	Employment Agreement between Ari Muljana and Manas Petroleum Corporation dated April 1, 2009 (incorporated by reference to an exhibit to our Registration Statement on Form S-1 filed on July 30, 2009)
10.35	Consultancy Agreement dated November 21, 2008 with Dr. Richard Schenz (incorporated by reference to an exhibit to our Current Report on Form 8-K filed on August 13, 2009)
10.36	Non Statutory Stock Option Agreement dated August 10, 2009 with Dr. Richard Schenz (\$0.68) (incorporated by reference to an exhibit to our Current Report on Form 8-K filed on August 13, 2009)
10.37	Non Statutory Stock Option Agreement dated August 10, 2009 with Dr. Richard Schenz (\$0.79) (incorporated by reference to an exhibit to our Current Report on Form 8-K filed on August 13, 2009)
10.38	Production Sharing Contract for Exploration, Development and Production of Petroleum in Onshore Albania – Block “2-3” – between Ministry of Economy, Trade and Energy of Albania and DWM Petroleum dated November 7, 2008 (incorporated by reference to an exhibit to our Quarterly Report on Form 10-Q filed on November 23, 2009)
10.39	Letter of Intent with WWI Resources Ltd. dated November 19, 2009 (incorporated by reference to an exhibit to our Quarterly Report on Form 10-Q filed on November 23, 2009)
10.40	Share Purchase Agreement dated February 12, 2010 between WWI Resources Ltd., DWM Petroleum AG and Manas Adriatic GmbH (incorporated by reference to an exhibit to our Current Report on Form 8-K filed on February 25, 2010)
10.41	Form of Stock Option Agreement (Investor Relations) (incorporated by reference to an exhibit to our Annual Report on Form 10-K filed on March 18, 2010)
10.42	Form of Stock Option Agreement (Non-Investor Relations) (incorporated by reference to an exhibit to our Annual Report on Form 10-K filed on March 18, 2010)
10.43	Agreement dated January 29, 2010 relating to the assignment of the interest in the Chilean project (incorporated by reference to an exhibit to our Annual Report on Form 10-K filed on March 18, 2010)
10.44	Agreement between Gobi Energy Partners LLC and DQE International Tamsag (Mongol) LLC (incorporated by reference to an exhibit to our Current Report on Form 8-K filed on September 7, 2010)
10.45*	Appointment as Director dated September 16, 2010 by Dr. Werner Ladwein
10.46*	Share Placement/Purchase Agreement dated September 26, 2010 with Alexander Becker
10.47*	Employment and Non-Competition Agreement dated October 1, 2010 with Peter-Mark Vogel
(14)	Code of Ethics
14.1	Code of Ethics, adopted May 1, 2007 (incorporated by reference to an exhibit to our Registration Statement on Form SB-2 filed on November 21, 2007)
(21)	Subsidiaries
21.1*	Subsidiaries of Manas Petroleum Corporation
(31)	Rule 13a-14 Certifications
31.1*	Section 302 Certification of Chief Executive Officer
31.2*	Section 302 Certification of Chief Financial Officer

Exhibit Number	Description
(32)	Section 1350 Certifications
32.1*	Section 906 Certification of Chief Executive Officer
32.2*	Section 906 Certification of Chief Financial Officer

* Filed herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

MANAS PETROLEUM CORPORATION

By
/s/ Peter-Mark Vogel
Peter-Mark Vogel
Chief Executive Officer and President
(Principal Executive Officer)

Date: November 15, 2010

By
/s/ Ari Muljana
Ari Muljana
Chief Financial Officer and Treasurer
(Principal Financial Officer and Principal Accounting Officer)

Date: November 15, 2010

APPOINTMENT AS DIRECTOR

THIS APPOINTMENT TO ACT AS DIRECTOR (the "Appointment") is made as of the 16th day of September 2010, by Dr. Ladwein (the "Director").

WHEREAS, the Shareholders of Manas Petroleum Corporation (the "Company") desire to retain the services of the Director in the manner hereinafter specified, thereby retaining for the Company the benefit of the Director's business knowledge and experience and also to make provisions for the payment of reasonable and proper compensation to the Director for such services;

The Director consents to this Appointment subject to the terms and conditions herein; and,

NOW, THEREFORE, in consideration of the premises and mutual covenants and representations herein contained, the Company and the Director mutually agree as follows:

ARTICLE I
DUTIES

Section 1.1 Consent to Act. The Director shall act as a director of the Company, upon the terms and subject to the conditions hereinafter set forth.

Section 1.2 Fitness to Serve. The Director hereby represents that he is fully qualified, and will remain fully qualified, to serve as a director of the Company in compliance with all applicable rules, regulations and laws of Nevada, the Security Exchange Commission, the OTC BB, the British Columbia Securities Commission and the TSX Venture Exchange.

Section 2 Duties. The Director shall attend by telephone, three meetings of the Board of Directors of the Company (the "Board") per annum and shall attend in person, one meeting of the Board per annum. Furthermore, the Director shall serve on the Audit and/or Compensation Committees of the Company, at the discretion of the Board.

The Director shall devote his best efforts to the business and affairs of the Company and, during the Term (as defined below), shall observe at all times the covenants regarding non-competition, and confidentiality provided herein.

Section 3 Term. Except as otherwise provided herein, the term of this Agreement shall commence upon ratification of this Appointment by the Board and continue until terminated as provided herein. The Director's position as director may be terminated at anytime by either the Director or Company. In the event that the Company ends the Director's position as Director, the Director shall be paid to the end of the subsequent quarter.

Section 4 Compensation. Except as otherwise set forth herein, the Company shall pay, and the Director shall accept as full consideration for the services to be rendered hereunder, and the covenants entered into hereunder, compensation in the amount of US \$5,000 per quarter or US\$20,000 per year.

Section 5 Expenses. The Director shall be reimbursed by the Company for expenses approved of in writing by the Board, including costs of attendance at meetings of the Board.

Section 6 Stock Options. The Company hereby grants unto the Director the option to purchase one million of the Company's common voting shares on the following terms and conditions:

- (a) the first tranche of 500,000 such options shall vest at the rate of 1/12 per fiscal quarter and be exercisable at a strike price of the closing share price on the appointment date, being a price of US\$.52 per share;
- (b) the second tranche of 500,000 such options shall vest at the rate of 1/12 per fiscal quarter and be exercisable at a strike price of 25% over the closing share price on the appointment date, being a price of US\$.65 per share; and,
- (c) the stock options granted shall be subject to and in compliance with the Company's Non-Qualified Stock Option Plan for it's board members.

Section 7.1 Restrictive Covenants.

(a) Confidentiality. The Director agrees that, without the consent of the Company, he will not at any time, in any fashion, form, or manner, either directly or indirectly, divulge, disclose, or communicate to any person, firm or corporation (other than to an attorney or accountant in the regular course of the Company's business) any Confidential Information (as hereinafter defined). Upon the termination of this Appointment for any reason, the Director shall immediately surrender and deliver to the Company all Confidential Information in all forms. The covenants set forth in this Section 7.1(c) shall survive the termination of this Appointment for a term of ten years subsequent to the termination date.

(b) Continuing Obligations. The Director agrees that his obligations and duties contained in this Appointment are continuing obligations and, except as otherwise set forth herein, said duties shall survive the termination or expiration of this Appointment for any reason whatsoever.

“Confidential Information” shall mean any information, not generally known in the relevant trade or industry, obtained from the Company or any of its subsidiaries, affiliates, customers or suppliers or which falls within any of the following general categories: (a) information relating to the business of the Company or that of any of its subsidiaries, affiliates, customers or suppliers, including but not limited to, financial reports, income statements, balance sheets, annual and quarterly reports, general ledger, accounts receivable, and other accounting reports, non-public filings with government agencies, business forms, handbooks, policies, and documents, business plans, business processes and procedures, sales or marketing methods, methods of doing business, customer lists, customer usages and/or requirements, and supplier information of the Company or any of its subsidiaries, affiliates, customers or suppliers; (b) information relating to existing or contemplated products, services, technology, designs, processes, formulae, computer systems, computer software, algorithms and research or developments of the Company or any of its subsidiaries, affiliates, customers or suppliers; (c) information relating to trade secrets of the Company or any of its subsidiaries, affiliates, customers or suppliers; or (d) information, geological data, geographical data, test results, and the like of the Company related to the Companies operations or prospective operations or otherwise; (e) information marked “Confidential” or “Proprietary” by or on behalf of the Company or any of its subsidiaries, affiliates, customers or suppliers.

Section 7.2 Enforcement; Remedies. The Director covenants, agrees, and recognizes that because the breach or threatened breach of the covenants, or any of them, contained in Section 7.1 hereof will result in immediate and irreparable injury to the Company, the Company shall be entitled to an injunction restraining the Director from any violation of Section 7.1 to the fullest extent allowed by law. The Director further covenants and agrees that in the event of a violation of any of the respective covenants and agreements contained in Section 7.1 hereof, the Company shall be entitled to an accounting of all profits, compensation, commissions, remuneration or benefits which the Director directly or indirectly has realized and/or may realize as a result of, growing out of, or in connection with any such violation and shall be entitled to receive all such amounts to which the Company would be entitled as damages under law or at equity. The Director further covenants, agrees and recognizes that, notwithstanding anything to the contrary contained herein, in the event of a violation, breach or threatened breach of any of the respective covenants and agreements contained in Section 7.1 hereof, the Company shall be excused from making any further payments to the Director pursuant to any provision of this Appointment until the Director shall cease violating or breaching his respective covenants and agreements contained in Section 7.1 hereof and shall have received reasonable assurances from the Director that he will no longer engage in the same. Nothing herein shall be construed as prohibiting the Company from pursuing any other legal or equitable remedies that may be available to it for any such violation or breach, including the recovery of damages from the Director. If either party files suit to enforce or enjoin the enforcement of the covenants contained herein, the prevailing party shall be entitled to recover, in addition to all other damages or remedies provided for herein, its costs incurred in prosecuting or defending said suit, including reasonable attorneys' fees.

Section 7.3 Construction. The Director hereby expressly acknowledges and agrees as follows:

(a) That the covenants set forth in Section 7.1 above are reasonable in all respects and are necessary to protect the legitimate business and competitive interests of the Company in connection with its business which the Director agrees, pursuant to this Appointment, to assist the Company in maintaining and developing; and

(b) That each of the covenants set forth in Section 7.1 above is separately and independently given, and each such covenant is intended to be enforceable separately and independently of the other such covenants, including without limitation, enforcement by injunction; provided, however, that the invalidity or unenforceability of any provision of this Appointment in any respect shall not affect the validity or enforceability of this Appointment in any other respect. In the event that any provision of this Appointment shall be held invalid or unenforceable by a court of competent jurisdiction by reason of the geographic or business scope or the duration thereof of any such covenant, or for any other reason, such invalidity or unenforceability shall attach only to the particular aspect of such provision found invalid or unenforceable as applied and shall not affect or render invalid or unenforceable any other provision of this Appointment or the enforcement of such provision in other circumstances, and, to the fullest extent permitted by law, this Appointment shall be construed as if the geographic or business scope or the duration of such provision or other basis on which such provisions has been challenged had been more narrowly drafted so as not to be invalid or unenforceable.

Section 8.1 Governing Law. The validity, construction, interpretation and enforceability of this Appointment shall be determined and governed by the laws of Nevada, USA.

Section 8.2 Remedies.

(a) Termination of this Appointment shall not constitute a waiver of the Company's or the Director's rights under this Appointment or otherwise, nor a release of the Company or the Director from its or his obligations under this Appointment. The parties hereto agree that monetary damages are not adequate relief for breaches under this Appointment hereof and that injunctive relief may be sought and enforced by the Company against the Director for enforcement of the duties and obligations contained therein.

(b) The rights and remedies provided each of the parties herein shall be cumulative and in addition to any other rights and remedies provided by law or otherwise. Any failure in the exercise by either party of his or its right to terminate this Appointment or to enforce any provision of this Appointment for default or violation by the other party shall not prejudice such party's right of termination or enforcement for any further or other default or violation.

Section 8.3 Entire Agreement; Amendment. This Appointment constitutes the entire agreement between the parties respecting the Director's consent, and there are no representations, warranties or commitments, except as set forth herein. This Appointment may be amended only by an instrument in writing executed by the parties hereto.

Section 8.4 Notices. Any notice, request, demand or other communication hereunder shall be in writing and shall be deemed to be duly given when personally delivered to an officer of the Company or to the Director, as the case may be, or when delivered by mail at the addresses set forth below or such other address as may be subsequently designated in writing:

The Director:
Dr. Werner Ladwein
Wenthartgasse 27
A-1210 Wien
Austria

With copy to:

The Company:
Manas Petroleum Corp.
Bahnhofstrasse 9
P.O. Box 155
CH-6341 Baar
Switzerland

With copy to:
Attn: Manas Petroleum Corp.
Michael J. Velletta
General Counsel
4th Floor, 931 Fort Street
Victoria, B.C. V8V 3K3
Canada

Section 8.5 Severability. The provisions of this Appointment and any exhibits are severable and, if any one or more provisions may be determined to be illegal or otherwise unenforceable, the remaining provisions shall be enforceable. Any partially enforceable provisions shall be enforceable to the extent enforceable.

Section 8.6 Gender. Throughout this Appointment, the masculine gender shall be deemed to include the feminine and neuter, and vice versa, and the singular the plural, and vice versa, unless the context clearly requires otherwise.

Section 8.7 Waiver of Breach. Either party's waiver of a breach of any provision of this Agreement by the other shall not operate or be construed as a waiver of any subsequent breach by such other party. No waiver shall be valid unless in writing and, in the case of Company, signed by an authorized officer of the Company.

Section 8.8 Waiver of Jury Trial. The Parties hereto waive the right to a jury with respect to the resolution of any dispute brought in connection with this Appointment.

IN WITNESS WHEREOF, with due authorization the parties have executed this Appointment as of the day and year first above written.

THE CORPORATE SEAL OF MANAS
PETROLEUM CORP.
was hereunto affixed in the presence of:

ISI Ari Muljana
Authorized Signatory
Ari Muljana, CFO



SIGNED, SEALED AND DELIVERED
by Dr. Ladwein
in the presence of:

S/Agnes Tull Ladwein
Name Agnes Tull Ladwein
Wendurfgasse 27, 1210 Wien
Address

ISI Dr. Ladwein
Dr. Ladwein

SHARE PLACEMENT/PURCHASE AGREEMENT

THIS AGREEMENT DATED AS OF THE 26 DAY OF SEPTEMBER, 2010.

BETWEEN:

MANAS PETROLEUM CORP.

(the "Company")

OF THE FIRST PART

AND:

ALEXANDER BECKER

(the "Vendor")

OF THE SECOND PART

WHEREAS:

A. The Vendor is the registered owner of about 14,290,493 Common Shares (collectively, the "Shares") in the authorized share capital of the Company;

B. All of the Shares are "restricted securities", as that term is defined in Section 3(a) of Rule 144 ("Rule 144"), promulgated by the Securities and Exchange Commission pursuant to the U.S. Securities Act of 1933, as amended;

C. Some of the Shares, although not entirely free trading, are currently eligible for resale pursuant to Rule 144 (collectively, the "Free Trading Shares");

D. The remaining Shares are currently not eligible for resale pursuant to Rule 144 (collectively, the "Restricted Shares"), though some or all of these may become so eligible over the course of time; and

E. The Vendor has expressed an interest in liquidating all of the Shares, and has come to an agreement with the Company for the transfer over time of the Shares, whether by placement with third party buyers or by direct purchase by the Company, all on the terms and conditions contained in this Agreement.

THIS AGREEMENT WITNESSES that in consideration of the premises and the covenants, warranties, representations and agreements set out in this Agreement, the parties agree as follows:

1. Escrow of the Shares. From and after the date of this Agreement, all of the Shares shall be held in escrow by Credit Suisse or some other mutually acceptable escrow agent.

VELLETTA & COMPANY
Barristers, Solicitors and Notaries

2. **Placement of a minimum of 1,500,000 Shares.** The Company confirms that it is aware of a potential buyer (the "First Offering Buyer") interested in purchasing at least 1,500,000 Shares (herein referred to as the "First Offering"). The purchase price shall be as follows:

- (a) The purchase price of each Free Trading Share shall be the average of the closing market price for the 10 trading days prior to the closing date of the purchase and sale transaction between the Vendor and the third party buyer, minus a discount of 20%; and
- (b) The purchase price of each Restricted Share shall be the average of the closing market price for the 10 trading days prior to the closing date of the purchase and sale transaction between the Vendor and the third party buyer, minus a discount of 25%.

3. **Payment of Sale Proceeds.** The sale proceeds from third party buyers shall be deposited to the credit of the Vendor at Credit Suisse, Zurich within 10 business days of the closing.

4. **Transfer of Shares to the Company.** In the event that any of the Free Trading Shares or Restricted Shares are not placed with buyers within 6 months from the date of this Agreement (the "Placement Period"), the Company shall be obligated to purchase such shares (the "Remaining Shares") from the Vendor based on the discounted share prices determined at the time of the First Offering. The aggregate purchase price in respect of the Remaining Shares shall hereinafter be referred to as the "Company Purchase Price". The completion date of such purchase by the Company shall be on a date which is not later than 30 days after the expiry of the Placement Period, or such later date as the parties may mutually agree upon (the "Purchase Deadline").

5. **Payment and Interest.** Any amount payable by the Company to the Vendor shall be deposited to the credit of the Vendor at Credit Suisse, Zurich. Any amount payable by the Company to the Vendor that is not paid by the due date shall accrue interest at London Interbank Offered Rate plus 150 basis points. Payment by the Company to the Vendor shall be first applied to interest if any, and the balance to principle.

6. **Dividends and Voting.** During all times that the Vendor continues to be the registered owner of any of the Shares, he shall be entitled to receive the dividends (if any) and shall be entitled to the voting rights in respect of such shares.

7. **Representations and Warranties.** The Vendor warrants and represents, and it is a condition of this Agreement which shall survive the closing that:

- (a) the Vendor is the sole and beneficial owner of the Shares and has good right, title, and authority to sell and deliver the Shares to third party purchasers or to the Company; and,

(b) the Shares are not encumbered in any way and have not been pledged as security in any fashion by the Vendor.

8. **Time of the Essence.** Time is of the essence of this Agreement.

9. **Further Assurances.** The parties shall with reasonable diligence do all things and provide all such reasonable assurances as may be required to consummate the transactions contemplated by this Agreement, and each party shall provide such further documents or instruments required by the other party as may be reasonably necessary or desirable to effect the purpose of this Agreement and carry out its provisions whether before or after the anticipated dates of transfer.

10. **Counterparts.** This Agreement may be executed in as many counterparts as may be necessary or by facsimile and each such agreement or facsimile so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument.

11. **Plural or Masculine.** Whenever the plural or masculine or neuter is used in this Agreement the same shall be construed as meaning singular or feminine or body politic or corporate and vice versa where the context so requires.

12. **Enurement.** This Agreement shall enure to the benefit of and be binding upon the parties to this Agreement, their respective heirs, executors, administrators, successors and assigns.

13. **Applicable Laws.** This Agreement shall be governed by the laws of the Province of British Columbia and the applicable federal securities laws of the United States.

14. Independent Legal Advice. The Vendor acknowledges that Velletra & Company has not provided him with legal advice in this matter and that he was provided with the opportunity to obtain independent legal advice.

IN WITNESS TO THIS AGREEMENT the parties have signed this Agreement as of date first above written.

MANAS PETROLEUM CORP.
/s/ Peter - Mark Vogel
By Its Authorized Signatory

SIGNED, SEALED AND DELIVERED)
in the presence of:)
/s/ Heinz J. Scholz)
Signature)
Name)
Address)

/s/ Alexander Becker
/ALEXANDER BECKER

DATED AS OF THE ___ DAY OF SEPTEMBER, 2010

BETWEEN

MANAS PETROLEUM CORP.

AND

ALEXANDER BECKER

SHARE PLACEMENT/PURCHASE AGREEMENT

VELLETTA & COMPANY
Barristers & Solicitors
4th Floor – 931 Fort Street
Victoria, BC V8V 3K3
Phone: 250-383-9104
Facsimile: 250-383-1922

File: _____

EMPLOYMENT AND NON-COMPETITION AGREEMENT

THIS EMPLOYMENT AND NON-COMPETITION AGREEMENT ("Agreement") is made as of the day of October 1st 2010, by and between Manas Petroleum Corporation (the "Company"), and Peter-Mark Vogel (the "Employee").

WHEREAS, the Company desires to retain the services of the Employee in the manner hereinafter specified in its business, thereby retaining for the Company the benefit of the Employee's business knowledge and experience and also to make provisions for the payment of reasonable and proper compensation to the Employee for such services;

The parties have agreed to enter into this Agreement subject to the terms and conditions herein; and,

NOW, THEREFORE, in consideration of the premises and mutual covenants and representations herein contained, the Company and the Employee mutually agree as follows:

ARTICLE I EMPLOYMENT AND DUTIES

Section 1.1 Employment. The Company shall retain the Employee, and the Employee shall accept the retainer with the Company as an employee of the Company, upon the terms and subject to the conditions hereinafter set forth and shall act as Chief Executive Officer.

Section 1.2 Duties. The Employee shall serve as Chief Executive Officer for the Company and, subject to the general operating policies, as amended from time to time, by the Board of Directors of the Company (the "Board"), the Employee shall have supervision and control over, and executive responsibility for, the day to day business operations of the Company and its subsidiaries world wide. The Employee shall have such other duties as customarily performed by the CEO and also have such other powers and duties as may be, from time to time, prescribed by the Board, provided that the nature of Employee's powers and duties so prescribed

shall not be inconsistent with Employee's position and duties hereunder. The Employee shall report directly to the Board.

The Employee shall devote his best efforts to the business and affairs of the Company and, during the Term (as defined in Section 2.1 of this Agreement) as well as the period provided in Article III, shall observe at all times the covenants regarding non-competition, and confidentiality provided in Article III hereof. The Company and Employee acknowledge and agree that, during the Term, the Employee shall be permitted to (i) serve on civic or charitable boards or committees, and (ii) manage personal investments so long as any such activities do not unduly interfere with the performance of Employee's responsibilities as an employee of the Company in accordance with this Agreement; or provide incidental consultation on matters not related to hydrocarbons or in conflict with business activities of the Company.

ARTICLE II

TERMS OF EMPLOYMENT; COMPENSATION AND BENEFITS

Section 2.1 Term. Except as otherwise provided herein, the term of this Agreement shall commence on October 1, 2010 (the "Effective Date") and continue until terminated as provided herein.

Section 2.2 Compensation. Except as otherwise set forth herein, the Company shall pay, and the Employee shall accept as full consideration for the services to be rendered hereunder, and the covenants entered into hereunder, compensation as set forth in Exhibit "A", attached hereto and incorporated herein by reference.

Section 2.3 Benefits. The Employee shall be entitled to participate in such fringe benefits as are generally available to employees of the Company, and to the normal perquisites provided to such employees. Such benefits, if any, shall be provided upon the terms and conditions as set forth on Exhibit "B", attached hereto and incorporated herein by reference. Provided however, nothing in this Agreement shall be construed to require the Company to offer any specific fringe benefit to Employee, except those specifically enumerated in Exhibit B, to effect compliance with this Section 2.3.

Section 2.4 Place of Employment. The Employee shall work at the Company's offices in Baar, Switzerland, or at such other locations determined by the Board from time to time.

ARTICLE III

NON-COMPETITION AND CONFIDENTIALITY

Section 3.1 Restrictive Covenants.

(a) Confidentiality. The Employee agrees that, without the consent of the Company, he will not at any time, in any fashion, form, or manner, either directly or indirectly, divulge, disclose, or communicate to any person, firm or corporation (other than to an attorney or accountant in the regular course of the Company's business) any Confidential Information (as hereinafter defined). Upon the termination of this Agreement for any reason, the Employee shall immediately surrender and deliver to the Company all Confidential Information in all forms. The covenants set forth in this Section 3.1(c) shall survive the termination of this Agreement for a term of ten (10) years subsequent to the termination date.

(b) Continuing Obligations. The Employee agrees that his obligations and duties contained in this Article III are continuing obligations and, except as otherwise set forth herein, said duties shall survive the termination or expiration of this Agreement for any reason whatsoever.

"Confidential Information" shall mean any information, not generally known in the relevant trade or industry, obtained from the Company or any of its subsidiaries, affiliates, customers or suppliers or which falls within any of the following general categories: (a) information relating to the business of the Company or that of any of its subsidiaries, affiliates, customers or suppliers, including but not limited to, financial reports, income statements, balance sheets, annual and quarterly reports, general ledger, accounts receivable, and other accounting reports, non-public filings with government agencies, business forms, handbooks, policies, and documents, business plans, business processes and procedures, sales or marketing methods, methods of doing business, customer lists, customer usages and/or requirements, and supplier information of the Company or any of its subsidiaries, affiliates,

customers or suppliers; (b) information relating to existing or contemplated products, services, technology, designs, processes, formulae, computer systems, computer software, algorithms and research or developments of the Company or any of its subsidiaries, affiliates, customers or suppliers; (c) information relating to trade secrets of the Company or any of its subsidiaries, affiliates, customers or suppliers; or (d) information, geological data, geographical data, test results, and the like of the Company related to the Companies operations or prospective operations or otherwise; (e) information marked "Confidential" or "Proprietary" by or on behalf of the Company or any of its subsidiaries, affiliates, customers or suppliers.

Section 3.2 Enforcement; Remedies. The Employee covenants, agrees, and recognizes that because the breach or threatened breach of the covenants, or any of them, contained in Section 3.1 hereof will result in immediate and irreparable injury to the Company, the Company shall be entitled to an injunction restraining the Employee from any violation of Section 3.1 to the fullest extent allowed by law. The Employee further covenants and agrees that in the event of a violation of any of the respective covenants and agreements contained in Section 3.1 hereof, the Company shall be entitled to an accounting of all profits, compensation, commissions, remuneration or benefits which the Employee directly or indirectly has realized and/or may realize as a result of, growing out of, or in connection with any such violation and shall be entitled to receive all such amounts to which the Company would be entitled as damages under law or at equity. The Employee further covenants, agrees and recognizes that, notwithstanding anything to the contrary contained herein, in the event of a violation, breach or threatened breach of any of the respective covenants and agreements contained in Section 3.1 hereof, the Company shall be excused from making any further payments to the Employee pursuant to any provision of this Agreement until the Employee shall cease violating or breaching his respective covenants and agreements contained in Section 3.1 hereof and shall have received reasonable assurances from the Employee that he will no longer engage in the same. Nothing herein shall be construed as prohibiting the Company from pursuing any other legal or equitable remedies that may be available to it for any such violation or breach, including the recovery of damages from the Employee. If either party files suit to enforce or enjoin the enforcement of the covenants contained herein, the prevailing party shall be entitled to recover, in addition to all other damages or remedies provided for herein, its costs incurred in prosecuting or defending said suit, including reasonable attorneys' fees.

Section 3.3 Construction. The Employee hereby expressly acknowledges and agrees as follows:

(a) That the covenants set forth in Section 3.1 above are reasonable in all respects and **are** necessary to protect the legitimate business and competitive interests of the Company in connection with its business which the Employee agrees, pursuant to this Agreement, to assist the Company in maintaining and developing; and

(b) That each of the covenants set forth in Section 3.1 above is separately and independently given, and each such covenant is intended to be enforceable separately and independently of the other such covenants, including without limitation, enforcement by injunction; provided, however, that the invalidity or unenforceability of any provision of this Agreement in any respect shall not affect the validity or enforceability of this Agreement in any other respect. In the event that any provision of this Agreement shall be held invalid or unenforceable by a court of competent jurisdiction by reason of the geographic or business scope or the duration thereof of any such covenant, or for any other reason, such invalidity or unenforceability shall attach only to the particular aspect of such provision found invalid or unenforceable as applied and shall not affect or render invalid or unenforceable any other provision of this Agreement or the enforcement of such provision in other circumstances, and, to the fullest extent permitted by law, this Agreement shall be construed as if the geographic or business scope or the duration of such provision or other basis on which such provisions has been challenged had been more narrowly drafted so as not to be invalid or unenforceable.

ARTICLE IV

TERMINATION

Section 4.1 Termination.

(a) If, during the term hereof, the Employee (i) violates in any material respect any provision of Article III hereof; (ii) is convicted of a felony or a crime involving moral depravity or the commission of any other act or omission involving dishonesty or fraud with respect to the Company or any of its subsidiaries, customers or suppliers; (iii) substantially and repeatedly fails to perform the duties of the position held by the Employee which continues

after written warnings to correct such deficiency; (iv) for any reason is no longer able to act as, or qualified to be, CEO, by virtue of any regulation, rule or requirement of any regulatory authority where the Company has business or, (v) commits acts of willful misconduct, the Company may immediately, in writing, terminate this Agreement without further obligation hereunder, except that the Company shall, within 30 days of termination, pay all compensation accrued through the effective date of termination and reimburse Employee for all expenses incurred before the termination of Employee's employment.

(b) If, during the term of this Agreement, the Employee is charged with any act referred to in Section 4.1(a) above, the Company may, upon one (1) day's notice, require the Employee to take a leave of absence without pay for up to fifteen (15) days, the length of such leave of absence to be determined by the Company in the Company's sole discretion.

(c) Upon the Employee's resignation from employment with the Company other than pursuant to Section 4(f) and Section 4(g), the Company shall, within 30 days of termination, pay all compensation accrued through the effective date of resignation and reimburse Employee for all expenses incurred before the termination of Employee's employment, and Employee shall have no further right for any salary or other benefits except as otherwise required by law.

(d) This Agreement shall be terminated by the death of the Employee. If the death of the Employee occurs and this Agreement is thereby terminated, the Company shall, within 30 days of termination, pay to the Employee's estate or legal representative in complete settlement for relinquishment of his interest in this Agreement, compensation and benefits payable to him through the end of the calendar month in which his death and the Agreement's termination occur, and shall reimburse Employee's estate or legal representative for all expenses incurred before the Employee's death.

(e) The Company may terminate this Agreement by written notice to the Employee in the event that during the term hereof the Employee shall become "permanently disabled" as the term "permanently disabled" is hereinafter fixed and defined. For purposes of this Agreement, "permanently disabled" shall mean (i) the Employee is unable, by reason of accident, physical or mental infirmity or other causes beyond his control, to satisfactorily

perform duties then assigned to him or such reduced duties which the Company is willing to assign to him for a continuous period of one hundred twenty (120) days or for a total period of one hundred twenty (120) days, either consecutive or not, in any twelve month period, or (ii) the Employee is unwilling for whatever reason to perform on a full-time basis the duties then assigned to him for a continuous period of one hundred twenty (120) days or for a total period of one hundred twenty (120) days, either consecutive or not, in any twelve month period. For purposes of this Agreement, the Company shall determine the existence of "permanent disability"; provided, however, a determination of "permanent disability" under subsection (i) above may be made only upon receipt of a certificate of disability from a qualified physician, selected by the Company, subject to the reasonable approval of Employee or his representative after examination by such physician of the disabled Employee; provided, further, that in the event the Employee has failed to substantially perform his duties for a period of 30 consecutive days as a result of accident or injury and thereafter refuses to submit to a medical examination at the request of the Company for a continuous period of one hundred twenty (120) days, the Employee shall be deemed to be "permanently disabled." Upon termination pursuant to this Section 4.1(e), the Company shall, within 30 days of termination, pay to the Employee in complete settlement for relinquishment of the Employee's interest in this Agreement, compensation and benefits payable to the Company through the end of the calendar month in which termination of this Agreement occurs, and reimburse Employee for all expenses incurred before the termination of Employee's employment.

(f) In the event that the Employee's employment hereunder is terminated (i) at any time by the Company without cause or (ii) by the resignation of Employee as a result of (A) a breach by the Company of any provision of this Agreement, including, without limitation, the failure of the Company to pay any amount hereunder when the same shall be due and payable, or a material change in Employee's duties, including, without limitation, a material diminution in Employee's title, position, duties or responsibilities, or the assignment to Employee of duties that are inconsistent, in a material respect, with the scope of duties and responsibilities associated with the positions specified in the Agreement, the Company shall (i) within 30 days of termination, pay Employee all compensation accrued through the effective date of resignation and reimburse Employee for all expenses incurred before the termination of Employee's employment, (ii) within 30 days of termination, prior to October 1, 2011 pay

Employee in a lump sum an amount equal to 1 months of Employee's annual guaranteed salary in effect on the date of termination and from and after October 1, 2011 pay Employee in a lump sum an amount equal to 2 months of Employee's annual guaranteed salary in effect on the date of termination. (iii) Upon termination of Employee's employment pursuant to this Section 4(f), all restricted shares of Employee shall immediately vest and become tradable.

(g) At any time prior to October 1, 2011 either party may terminate this agreement by giving the other party one month written notice of their intention to do so. At any time on or after October 1, 2011 either party may terminate this agreement by giving the other party three months written notice of their intention to do so.

(h) If either party is prevented or delayed or anticipates being prevented or delayed in the performance of any of its obligations under this Agreement as a result of a force majeure event, to include but not limited to strikes, lockouts, civil commotion, embargo, governmental legislation or regulation, riot, invasion, acts or threats of terrorism, war, threat of or preparation for war, fire, explosion, storm, flood, earthquake, subsidence, epidemic or other natural physical disaster it shall immediately notify the other party, in writing, of the same, and, where reasonably possible, specifying the period for which such prevention or delay can reasonably be expected to continue. If a party shall have fully complied with its obligations under this clause 4.1(h) it shall be excused from performance of its unfulfilled obligations under this Agreement from the date of such notice until such force majeure event no longer pertains, provided, however, if such obligations related to "deferred compensation" within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended USA (the "Code"), such obligation shall only be permitted to remain unfulfilled to the extent permitted by Section 409A of the Code.

ARTICLE V

MISCELLANEOUS PROVISIONS

Section 5.1 Governing Law. The validity, construction, interpretation and enforceability of this Agreement shall be determined and governed by the laws of Switzerland.

Section 5.2 Assignment. This Agreement shall inure to the benefit of and shall be binding upon the heirs and legal representatives of the Employee and upon the successors and assigns of the Company. This Agreement is a personal service contract and it may not be assigned by the Employee; the Agreement is, however, expressly assignable by the Company to an affiliate of the Company.

Section 5.3 Remedies.

(a) Termination of this Agreement shall not constitute a waiver of the Company's or the Employee's rights under this Agreement or otherwise, nor a release of the Company or the Employee from its or his obligations under Article III hereof. The parties hereto agree that monetary damages are not adequate relief for breaches under Article III hereof and that injunctive relief may be sought and enforced by the Company against the Employee for enforcement of the duties and obligations contained therein.

(b) The rights and remedies provided each of the parties herein shall be cumulative and in addition to any other rights and remedies provided by law or otherwise. Any failure in the exercise by either party of his or its right to terminate this Agreement or to enforce any provision of this Agreement for default or violation by the other party shall not prejudice such party's right of termination or enforcement for any further or other default or violation.

Section 5.4 Entire Agreement; Amendment. This Agreement constitutes the entire agreement between the parties respecting the Employee's employment, and there are no representations, warranties or commitments, except as set forth herein. This Agreement may be amended only by an instrument in writing executed by the parties hereto.

Section 5.5 Notices. Any notice, request, demand or other communication hereunder shall be in writing and shall be deemed to be duly given when personally delivered to an officer of the Company or to the Employee, as the case may be, or when delivered by mail at the addresses set forth below or such other address as may be subsequently designated in writing:

The Employee:
Peter-Mark Vogel
Haabweg 2
CH-8806 Bäch
Switzerland

The Company:
Manas Petroleum Corp.
Bahnhofstrasse 9
P.O. Box 155
CH-6341 Baar
Switzerland

With copy to:
Attn: Manas Petroleum Corp.
Michael J. Velletta
General Council
4th Floor, 931 Fort Street
Victoria, B.C. V8V 3K3
Canada

Section 5.6 Severability. The provisions of this Agreement and any exhibits are severable and, if any one or more provisions may be determined to be illegal or otherwise unenforceable, the remaining provisions shall be enforceable. Any partially enforceable provisions shall be enforceable to the extent enforceable.

Section 5.7 Gender. Throughout this Agreement, the masculine gender shall be deemed to include the feminine and neuter, and vice versa, and the singular the plural, and vice versa, unless the context clearly requires otherwise.

Section 5.8 Freedom to Contract. The Employee represents and warrants that he has the right to enter into this Agreement and that no other agreements exist, whether written or oral, which would be in conflict with any of the terms and conditions of this Agreement. During the first year hereof only, notice must be provided to the Company in writing of any agreements, written or oral, whereby the Employee is to provide services for compensation entered into by

the Employee during the term of this Agreement. Such written notice must describe in detail the proposed relationship, as evidenced by such agreement, and specify whether compensation has been received or will be received under the terms of such agreement. The Employee represents and warrants that he will not enter into any agreement, which is in conflict with the terms and conditions of this Agreement. The Employee and Ponce acknowledge and agree that nothing in this agreement creates an employer-employee relationship between the Company and Ponce.

Section 5.9 Waiver of Breach. Either party's waiver of a breach of any provision of this Agreement by the other shall not operate or be construed as a waiver of any subsequent breach by such other party. No waiver shall be valid unless in writing and, in the case of Company, signed by an authorized officer of the Company.

Section 5.10 Headings. Headings in this Agreement are for convenience only and shall not be used to interpret or construe its provisions.

Section 5.11 Waiver of Jury Trial. The Parties hereto waive the right to a jury with respect to the resolution of any dispute brought in connection with this Agreement.

Section 5.12 Successors; Binding Effect; Third Party Beneficiaries. In the event of a future disposition by the Company (whether direct or indirect, by sale of assets or stock, merger, consolidation or otherwise) of all or substantially all of its business and/or assets, the Company will require any successor, by agreement in form and substance reasonably satisfactory to Employee or by operation of law, to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such disposition had taken place. The foregoing includes the acquisition of the Company by a public shell in a reverse merger or exchange transaction, in which case this Agreement shall be assumed by the parent holding company and Employee's duties shall include those of the CFO & Member of the Board (position) of the parent holding company as well as any subsidiaries thereof, including the Company. As used in this Agreement, "the Company" shall mean the Company as herein before defined and any successor to its business and/or assets as aforesaid which assumes and agrees to perform this Agreement by operation of law, or otherwise.

IN WITNESS WHEREOF, with due authorization the parties have executed this Agreement as of the day and year first above written.

THE CORPORATE SEAL OF MANAS
PETROLEUM CORPORATION
was hereunto affixed in the presence of:

/s/ Ari Muljana
Authorized Signatory



SIGNED, SEALED AND DELIVERED
by Peter-Mark Vogel
in the presence of:

Ari Muljana
Name
Arribabish. 37/3, 8051 Enoch
Address

/s/ Peter Mark Vogel
~~Peter-Mark Vogel~~

EXHIBIT A

Compensation

A. Salary

During the first year of the Term of this Agreement, the Company shall provide the Employee guaranteed remuneration of USD 204,000 per annum, payable monthly in accordance with the Company's normal payroll practices (the "First Year Salary").

During each subsequent year of the Term, the Company shall provide Employee a salary at least equal to the First Year Salary but shall endeavor in good faith to raise Employee's annual salary to such level commensurate with Employee's performance over the prior 12 months, the progression and growth of the Company's business over the prior 12 months, then prevailing industry salary scales and other relevant factors. In no event shall Employee's guaranteed salary be less than the First Year Salary.

EXHIBIT B

Benefits

The Employee shall be provided with benefits now or in the future provided by the Company to its employees and executives, including but not limited to:

Accidence Insurance

The Employee shall be insured against accident during as well as after business hours. The insurance benefits granted to the Employee shall be in accordance with the regulations of Axa Winterthur as amended from time to time for the time the employee if registered in Switzerland. If registered at other location, the employer will provide equivalent funds for other taxes and insurances.

Pension Fund

With respect to the statutory pension fund scheme, the regulations of Axa Winterthur as amended from time to time shall apply for the time the employee if registered in Switzerland. If registered at other location, the employer will provide equivalent funds for other taxes and insurances.

Sick Pay / Permanent Health Insurance

The Employee shall receive full pay during absence from work due to illness for a period of 30 days.

After 30 days and up to 24 months, the Employee shall be entitled to remuneration pursuant to the Employer's permanent health insurance policy ("Krankentaggeldversicherung") as amended from time to time and made with Axa Winterthur insurance for the time the employee if registered in Switzerland. If registered at other location, the employer will provide equivalent funds for other taxes and insurances. The presently valid regulations are attached as Exhibit 3.

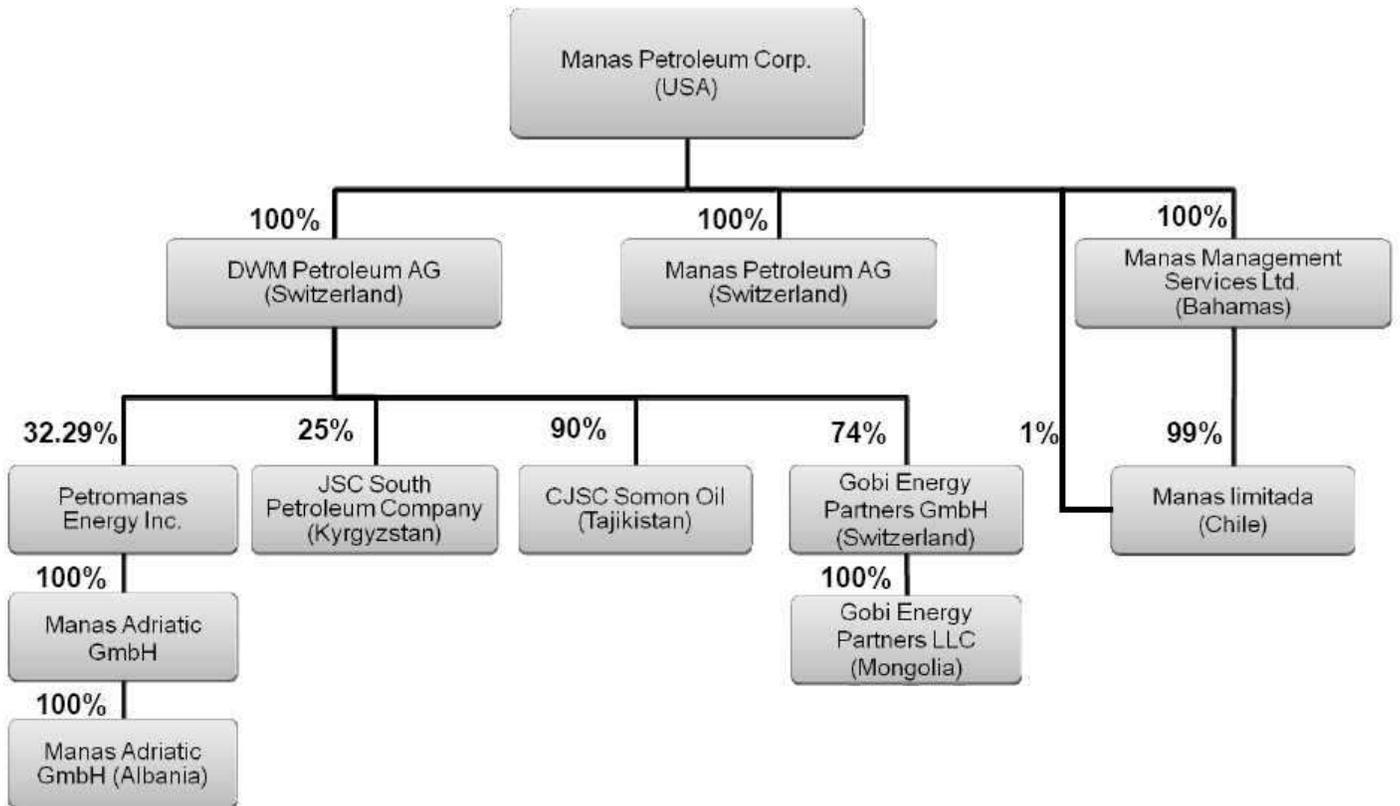
Holidays

The Employee is entitled to 30 days paid vacation in each year. No vacation may be carried over from one year to the next, unless the Employee receives a written extension from the Company's

Board of Directors. The Employee shall also be entitled to all paid holidays given by the Company to its employees and key management personnel.



Corporate structure with subsidiaries and participations of operating companies



**CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Peter-Mark Vogel, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Manas Petroleum Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

November 15, 2010

/s/ Peter-Mark Vogel
Peter-Mark Vogel
Chief Executive Officer and President
(Principal Executive Officer)

**CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Ari Muljana, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Manas Petroleum Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

November 15, 2010

/s/ Ari Muljana
Ari Muljana
Chief Financial Officer and Treasurer
(Principal Financial Officer and Principal Accounting Officer)

**CERTIFICATION PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

The undersigned, Peter-Mark Vogel, hereby certifies, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (a) the quarterly report on Form 10-Q of Manas Petroleum Corporation for the period ended September 30, 2010, fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (b) information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of Manas Petroleum Corporation.

Date: November 15, 2010

/s/ Peter-Mark Vogel
Peter-Mark Vogel
Chief Executive Officer and President
(Principal Executive Officer)

**CERTIFICATION PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

The undersigned, Ari Muljana, hereby certifies, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (a) the quarterly report on Form 10-Q of Manas Petroleum Corporation for the period ended September 30, 2010, fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (b) information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of Manas Petroleum Corporation.

Date: November 15, 2010

/s/ Ari Muljana
Ari Muljana
Chief Financial Officer and Treasurer
(Principal Financial Officer and Principal Accounting Officer)
