

CLANCY EXPANDS POTENTIAL AT COWAL EAST

Copper and Gold anomalous zone extends over 2 km

Clancy Exploration Limited (ASX: CLY) is pleased to announce results of aircore drilling completed in the December 2008 quarter on the Wyrra tenement EL6554, at the Cowal East project in New South Wales. A total of 37 aircore holes (4,441m) were drilled at the Bimbella and Eurowie prospects to define further centres of copper-gold anomalism in the project area, following previous positive results. Two new copper-gold anomalies have been identified at Bimbella and one at Eurowie, with another zone extended from previous drilling.

Clancy's targeting process identified the Eurowie and Bimbella prospects, with initial exploration results supporting the potential for a large mineralised system to be present in the project area.

Clancy's Managing Director Mark Stewart said the results from this round of aircore drilling at Cowal East have defined several new centres of copper-gold enrichment that will enable a more focused approach to future drilling campaigns, particularly at depth.

"The visual highlight of disseminated and vein-hosted bornite at Bimbella is especially encouraging because bornite mineralisation is associated with the richest porphyry deposits in the Macquarie Arc, such as the nearby Marsden prospect," said Mr Stewart.

"Over one third of the holes we recently drilled have hit gold, copper or both and we have defined over 2km of anomalous strike length between Bimbella and Eurowie so far. Plenty of upside remains, not only with the follow-up of these results, but also testing other parts of the structure that have not been previously drilled," said Mr Stewart.

Bimbella

Aircore drilling in the south of the prospect has defined a new zone of copper-gold anomalism that is open to the south, which is spatially associated with intersecting NNE-trending and NW-trending magnetic lows (Figure 1). The magnetic lows map the probable location of faults. Bottom of hole aircore samples are phyllicly altered diorite containing abundant disseminated pyrite with chalcopyrite and bornite. The results from Bimbella include:

49m @ 0.16 % copper (Cu) from 76m in WYAC051, including:

- 4 m @ 0.48 % Cu from 96m
- 3 m @ 0.14 g/t Au from 120m

Surrounding drill holes have yielded the following results:

- WYAC047: 4 m @ 0.12 g/t Au from 96m
- WYAC050: 12 m @ 0.1 % Cu from 103m including 4m @ 0.20 g/t Au
- WYAC052: 4 m @ 0.18 g/t Au from 124m
- WYAC053: 4 m @ 0.26 g/t Au from 132m

One hole in the northeast sector of Bimbella returned the following significant result:

4m @ 0.67 g/t Au from 68m in WYAC044

The intercept from this hole is open in all directions with the nearest hole 300m to the southwest. The gold tenor of this intercept is one of the strongest recorded for EL6554 to date. Basement consists of K-feldspar-magnetite-chlorite altered diorite containing veins of pyrite-chalcopyrite and bornite. Large areas of the Bimbella prospect remain to be tested and additional drilling will attempt to further define the anomalous zones.

Eurowie

Aircore drilling east of the previously reported diamond holes has confirmed that anomalous copper extends to the northeast alongside a magnetic high where drilling by a previous explorer hit 0.24% Cu and 0.22g/t Au. Basement primarily consists of magnetite- and pyrite-bearing diorite. This anomaly is open to the north towards Bimbella. Results from the recently completed aircore drilling include:

- 32m @ 0.08% Cu from 80m in WYAC026, including:
 - 4m @ 0.11% Cu
 - 12m @ 5.7 g/t Ag
- 8m @ 0.08 % Cu from 94m in WYAC025

Further south, one aircore hole returned the following significant intersection:

8m at 0.24g/t Au from 118m to bottom of hole in WYAC030

This intercept is significant because it is bottom of hole and open at depth. The mineralisation is associated with pyrite-magnetite veins. Both anomalies are 500m east of the copper-bearing, sulphide-rich, phyllic zone where previously reported diamond drilling intersected broad widths of sulphur mineralisation (e.g. 100m @ 2.55% S from 246m and 192m @ 3.44% S from 388m in WYACD001).

Ground magnetic data suggest that the magnetic high body at Eurowie is controlled by intersecting NNE and NW-trending faults. A similar NNE-trending magnetic high, interpreted as a fault, has a strike length of greater than 3 km with adjacent anomalous copper and gold values. The recent aircore drilling programs have intersected magnetite- and pyrite-bearing diorite, identical to the host rocks intersected by the diamond holes 500m to the west. Further testing, especially at depth, is required to determine the full significance of these anomalous zones and whether the two are related.

The Bimbella and Eurowie prospects are about 4km apart and are linked by the previously described NNE-trending magnetic low interpreted as a fault. The recent drilling has defined over 2km of strike length of copper-gold mineralisation between the two prospects, and there remains another 2km of prospective strike length that requires future testing. Bedrock in this area consists of diorite, andesite and volcanoclastic rocks. Previous widely spaced drilling has intersected anomalous gold bearing horizons suggesting that on a broad scale, mineralisation continues between the two prospects. Previous intercepts include 2m @ 0.24 g/t Au and 2m @ 0.14 g/t Au.

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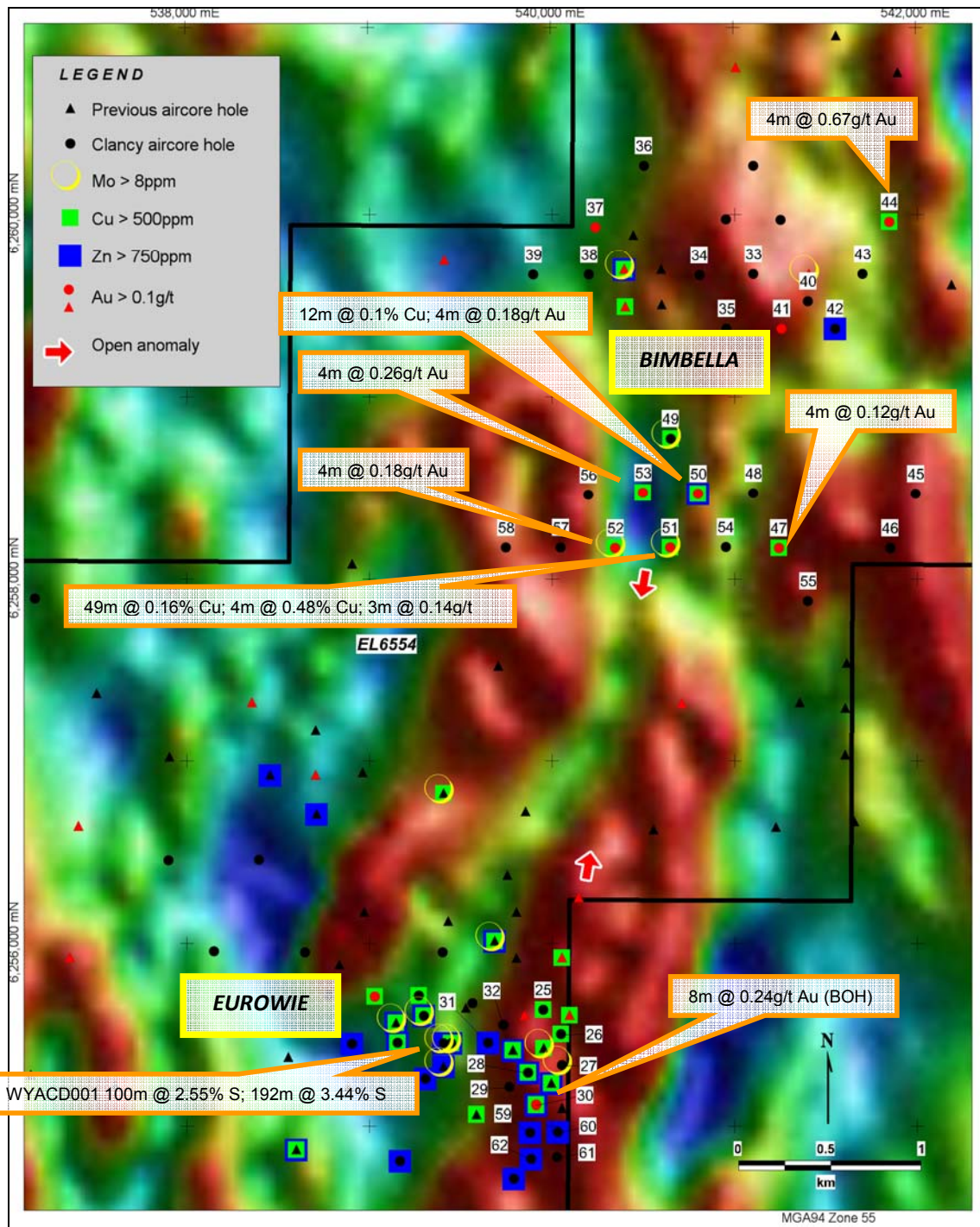


Figure 1 – Aircore anomalies at the Bimbella and Eurowie prospects showing holes drilled in the December quarter (hole numbers labelled are prefixed with WYAC0) and significant intercepts for those holes. The intercept from the previously reported diamond hole (WYACD001) is also shown. The background image is 1VD RTP magnetics. Refer to Appendix 1 for a full list of intercepts.

Cowal East Project

Located east of the Cowal Gold Mine (Barrick) and west of the Marsden copper-gold prospect (Newcrest), the Cowal East project is considered prospective for similar style deposits. The Cowal gold deposit is a low-sulphidation carbonate-base metal gold system with an endowment of >4.5M oz of gold. Marsden is a porphyry copper-gold prospect that is currently being drilled out to resource status. Marsden has an inferred resource of 1,100,000 oz of gold, 640,000 tonnes of copper and 9,100 tonnes of molybdenum and has yielded recent drilling intercepts such as 171m @ 0.82g/t gold and 0.7% copper. Gold Fields Australasia Pty Limited has earned an 80% interest in Cowal East and Clancy is funding its 20% interest and managing the project.

About Clancy

Clancy Exploration (ASX: CLY) is an Australian-focused copper, gold and base metals explorer. Although a relatively recent listing on the ASX (July 2007), the Company's portfolio has been built up over a number of years and consists of highly prospective copper-gold projects in the Lachlan Fold Belt of NSW and base metal projects in the Mount Read Volcanic Belt of Tasmania.

Details of Clancy's projects can be found at the website - www.clancyexploration.com

Clancy's competitive advantages include having one of the largest ground positions of any explorer in the prospective Macquarie Arc (>3300km²), and the innovative use of digital geological and geophysical data in probability based targeting.

The Company's objective is to advance its properties to a stage of commercial development by applying faster, less expensive and more reliable analytical methods to resource exploration. The exploration activities are well-funded, applying Clancy's funds and those of its joint venture partners, and substantial upside exists with the potential addition of resources.

Additionally, Clancy has established joint ventures with Gold Fields on four projects in NSW (managed by Clancy) and with Bass Metals Limited on the Tasmanian tenement package (managed by Bass Metals). Clancy, in conjunction with Gold Fields, has spent over \$5 million on the Lachlan Fold Belt projects to date since listing.

The information in this document that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Gordon Barnes who is a Member of the Australian Institute of Geoscientists. Mr Barnes is a full-time employee of Clancy Exploration Limited and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Gordon Barnes consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Appendix I – Wyrra aircore drilling list of intercepts

Hole	East	North	Total Depth	Interval	From	Cu (%)	Au (g/t)	Ag (g/t)	Mo (ppm)
WYAC025	539954	6255629	115	8	94	0.08			1.2
WYAC026	540052	6255497	115	32	80	0.08		2.27	2.67
			<i>including</i>	4	88	<i>0.11</i>		6.26	4.45
WYAC028	539872	6255284	118	4	110	0.07	0.06	0.42	1.24
WYAC030	539914	6255112	126	4	114	0.06		0.5	0.84
				8	118		0.23	0.62	1.76
			<i>including</i>	4	118	<i>0.04</i>	<i>0.31</i>	<i>0.46</i>	<i>0.95</i>
WYAC037	540239	6259925	127	4	120	0.01	0.19	0.17	0.7
WYAC041	541259	6259367	117	4	105	0.03	0.13	0.07	0.57
WYAC044	541849	6259956	135	4	68		0.67	0.12	1.01
				4	128	0.08	0.02	0.12	0.53
WYAC047	541244	6258166	114	4	96	0.01	0.12	0.13	0.84
				10	104	0.07	0.01	0.21	1.04
WYAC049	540652	6258766	126	24	88	0.06		0.11	12.12
WYAC050	540802	6258466	126	12	103	0.1	0.08	0.1	5.02
			<i>including</i>	4	107	<i>0.12</i>	<i>0.2</i>	<i>0.09</i>	<i>4.69</i>
WYAC051	540649	6258170	125	49	76	0.16	0.02	0.25	5.84
			<i>including</i>	4	100	<i>0.48</i>			
			<i>including</i>	3	120	<i>0.07</i>	<i>0.14</i>	<i>0.13</i>	<i>11.05</i>
WYAC052	540348	6258167	141	4	112	0.05	0.01	0.32	5.98
				4	116	0.05	0.14	0.28	8.23
				4	124	0.02	0.18	0.63	13.85
WYAC053	540501	6258470	138	4	100	0.07		0.18	1.19
				4	112	0.05		0.8	0.97
				4	132	0.04	0.26	0.47	0.94

Note – The above intercepts are based on four metre spear composites of aircore samples, breaking down to smaller intervals towards the bottom of hole. Italicised text refers to sub-intervals. The samples were analysed by ALS Orange for gold by fire assay / AAS finish (method code Au-AA22), and for the other elements by ALS Brisbane by four acid digest ICP AES/OES (method code ME-MS61). Standards and duplicates are inserted into the sample stream to monitor laboratory performance. All intervals have a maximum 2 intervals of internal dilution based on the a 500ppm Cu or 0.1g/t Au cutoff.