

CLANCY HITS SIGNIFICANT COPPER AND GOLD IN FIRST DRILLING PROGRAM AT MYALL

Clancy Exploration Limited (ASX: CLY) is pleased to announce the discovery of new zone of copper and gold mineralisation at the Kingswood prospect at the Myall project in New South Wales. Aircore drilling completed in March 2009 identified a 500m x 300m zone of anomalous copper (Figure 1). One diamond hole was recently completed to test the depth extent of the copper anomalism.

The aircore drilling produced the following significant copper intercepts (>0.1% copper):

21m @ 0.12% copper from 116m in MYAC027
22m @ 0.14% copper from 116m in MYAC028
24m @ 0.19% copper from 109m in MYAC029
26m @ 0.13% copper from 110m in MYAC030
31m @ 0.13% copper from 112m in MYAC052
12m @ 0.20% copper from 96m in MYAC053
23m @ 0.18% copper from 119m in MYAC054
33m @ 0.13% copper from 116m in MYAC056
20m @ 0.24% copper from 102m in MYAC062
26m @ 0.22% copper from 109m in MYAC063
29m @ 0.12% copper from 109m in MYAC064

The diamond hole was drilled to 407.2m with a 123.85m pre-collar. Assays have been received for the first 62.15m of core and include the following intercept:

42m @ 0.70% copper, 0.23g/t gold from 144m in MYACD001

The bottom 221.2m of assays are pending

The aircore copper anomaly forms a broad ellipse over 500m x 300m, which is open to the east and at depth

Clancy's Managing Director, Mr Mark Stewart, said the first round of aircore and diamond drilling at the Kingswood prospect has discovered a new zone of mineralisation.

"At this stage the geology fits very neatly into our porphyry copper-gold exploration model," said Mr Stewart

"We are very excited with the results from our first drilling campaign at Kingswood. Our targeting identified Myall as being highly prospective for porphyry copper-gold systems. The project covers most of the fertile Narromine Igneous Complex, and we have numerous other drill targets there which we have not started work on yet," Mr Stewart said.

The copper in the aircore holes is native copper within a zone of intense chlorite alteration surrounded by a concentric zone of intense quartz-sericite-pyrite alteration (QSP). The presence of gold in the diamond hole is particularly encouraging as there was no significant gold in the aircore drilling. A full list of results is presented in Table 1.

“We drilled the diamond hole expecting to find gold and higher grade copper deeper in the system and that is what we have now found. It also shows that native copper in the oxide zone transitions to sulphide copper in fresh basement, so there is quite a bit of upside at this new zone, given the widespread distribution of native copper and the fact that this is the first hole into the system,” Mr Stewart said.

The diamond hole intersected two strongly veined zones with associated chalcopyrite separated by a 78m zone of faulting and strong fracturing. Results have been received for the upper zone and are pending for the lower zone.

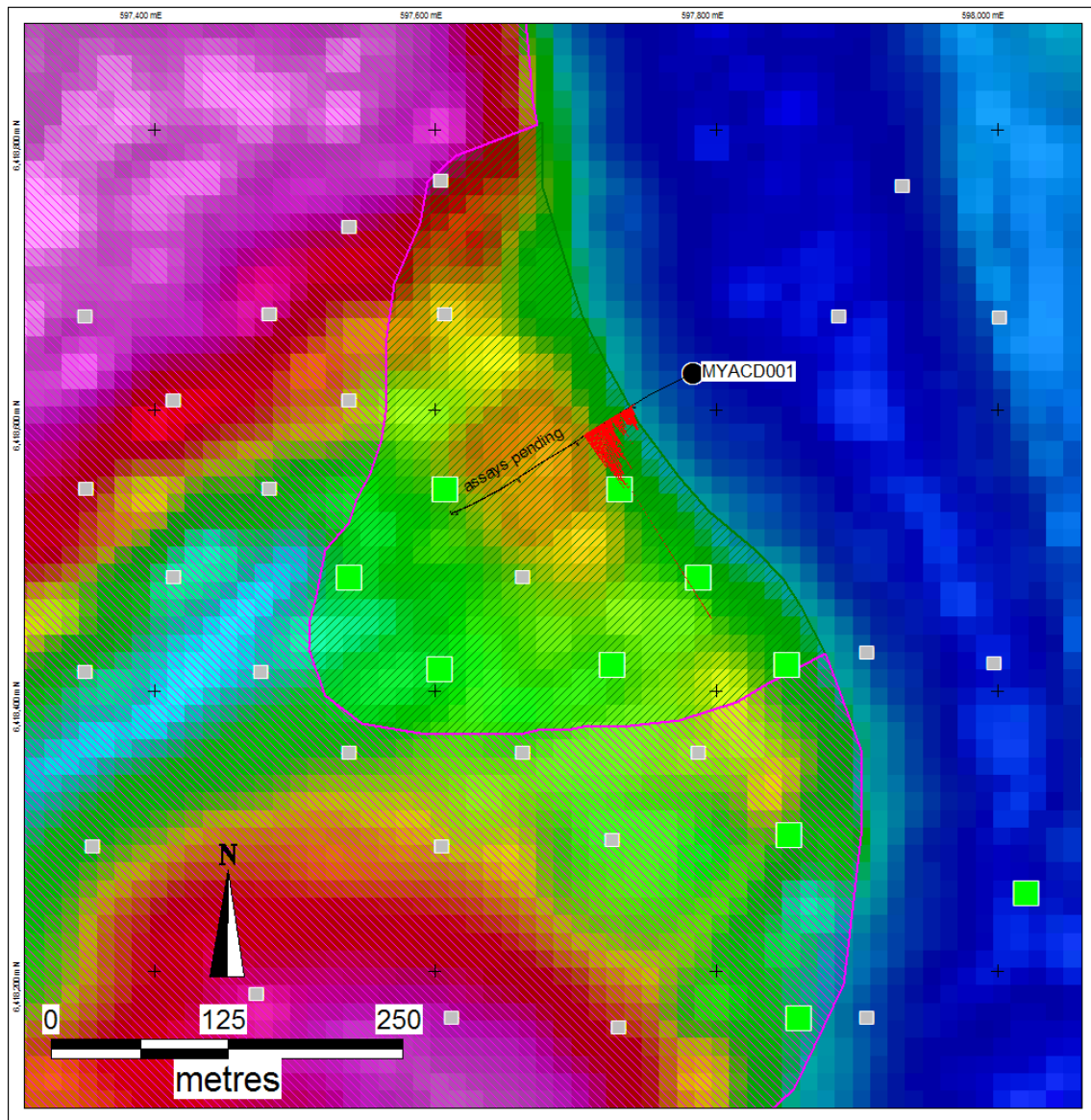


Figure 1 – Kingswood aircore and diamond drillhole locations on RTP 1VD magnetics. Green squares represent bottom of hole copper values >0.1% in aircore holes. The red histogram scale on the diamond drillhole trace is copper 0.1%=1mm. Magenta cross-hatch = QSP alteration, green cross-hatch = intense chlorite alteration with native copper..

Table 1 – Significant copper and gold intersections from Kingswood.

Hole ID	Easting	Northing	Dip	Azimuth	From	To	Width (m)	Cu (%)	Au (g/t)	Mo (ppm)
MYAC004	603105	6417912	-90	0	27	31	4	0.05	0	3.85
MYAC006	603123	6417453	-90	0	38	54	16	0.09	0.01	1.39
MYAC008	603351	6417427	-90	0	27	39	12	0.07	0	1.18
MYAC010	604116	6417410	-90	0	45	49	4	0.06	0	2.52
MYAC012	603864	6417164	-90	0	58	70	12	0.07	0.01	2.31
MYAC012	603864	6417164	-90	0	74	82	8	0.06	0.01	2.05
MYAC013	604087	6416918	-90	0	30	46	16	0.1	0.01	2.47
MYAC014	603621	6416910	-90	0	75	79	4	0.06	0	0.78
MYAC015	604359	6417171	-90	0	20	24	4	0.05	0.01	0.74
MYAC020	602360	6417660	-90	0	64	76	12	0.06	0.01	1.48
MYAC023	603868	6417676	-90	0	64	72	8	0.06	0.01	1.91
MYAC025	603850	6416928	-90	0	57	61	4	0.08	0.06	2.22
MYAC026	602351	6417418	-90	0	73	77	4	0.06	0	2.11
MYAC027	597607	6418544	-90	0	116	137	21	0.12	0.04	1.78
MYAC028	597726	6418419	-90	0	116	138	22	0.14	0	0.74
MYAC029	597852	6418298	-90	0	109	133	24	0.19	0	2.60
MYAC030	597835	6418061	-90	0	110	136	26	0.13	0.01	1.00
MYAC032	597605	6418289	-90	0	123	127	4	0.06	0	0.72
MYAC033	597476	6418414	-90	0	124	137	13	0.06	0.01	0.60
MYAC037	597727	6417923	-90	0	119	128	9	0.1	0.01	3.19
MYAC038	597477	6417917	-90	0	124	128	4	0.05	0.01	0.89
MYAC039	597799	6417827	-90	0	122	137	15	0.08	0.01	5.17
MYAC042	597471	6417664	-90	0	132	136	4	0.06	0	1.11
MYAC043	597592	6418042	-90	0	106	116	10	0.1	0	3.86
MYAC051	595823	6419394	-90	0	144	145	1	0.05	0.02	1.27
MYAC052	597663	6418481	-90	0	112	143	31	0.13	0.01	1.15
MYAC060	597351	6418414	-90	0	121	125	4	0.07	0.05	0.21
MYAC060	597351	6418414	-90	0	129	133	4	0.06	0	0.41
MYAC062	597788	6418481	-90	0	102	122	20	0.24	0.02	0.65
MYAC063	597851	6418419	-90	0	109	135	26	0.22	0.02	1.37
MYAC064	597788	6418356	-90	0	109	138	29	0.12	0.02	16.42
MYAC065	597726	6418294	-90	0	118	122	4	0.07	0.01	2.15
MYAC065	597726	6418294	-90	0	125	135	10	0.08	0	1.07
MYAC067	597482	6418669	-90	0	102	114	12	0.08	0.01	0.87
MYAC067	597482	6418669	-90	0	118	146	28	0.08	0	0.88
MYAC069	597607	6418669	-90	0	112	116	4	0.09	0	0.08
MYAC069	597607	6418669	-90	0	124	145	21	0.08	0	0.31
MYACD001	597784	6418627	-60	243	111	186	75	0.47	0.13	11.03
				including	111	115	4	0.34	0.02	1.25
					128	136	8	0.35	0.03	17.91
					144	186	42	0.70	0.23	14.46

Note – Holes with prefixed with MYAC are aircore holes. Hole prefixed with MYACD is a diamond hole. The intercepts are based on a 0.05% Cu cutoff with a maximum of 2m of contiguous internal dilution. The aircore intercepts are based on four metre composite spear samples, breaking down to smaller intervals at bottom of hole. The diamond intercepts are based on one metre half sawn core. Italicised text refers to sub-intervals using a 0.3% Cu cutoff. 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.

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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.

About Myall

Myall (EL6913) is located 25km southwest of Narromine within the Narromine Igneous Complex at the northern end of the Junee-Narromine Volcanic Belt of the Macquarie Arc. The Junee-Narromine Volcanic Belt hosts the Northparkes copper-gold mine. At Northparkes, the geophysical anomaly is a coincident regional gravity low and magnetic high and the geochemical anomaly is a broad zone of anomalous copper (>500ppm) over >7km². The scale of the Myall geophysical and geochemical anomalies is similar.

Myall is a Joint Venture between Clancy Exploration Limited and Gold Fields. Under the terms of the agreement, Gold Fields has the right to earn 51% of the project by funding A\$3 million over three years with A\$500,000 minimum commitment in the first year.

About Clancy Exploration

Clancy Exploration (ASX: CLY) is an Australian-focused copper, gold and base metals explorer. 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, base metal projects in the Mount Read Volcanic Belt of Tasmania, Nadbuck near Broken Hill and Yalgoo adjacent to the Golden Grove mine in Western Australia.

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

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.

Clancy's strategic partner in the Lachlan Fold belt is Gold Fields Limited, one of the world's largest gold producers. Exploration is advanced through a mix of joint venture projects now managed by Gold Fields and 100% owned projects managed by Clancy. This mix of Joint Venture and Clancy project funding allows a high level of exploration activity to be maintained, whilst prudently managing Clancy's financial resources.

Clancy's competitive advantages also include having one of the largest ground positions of any explorer in the prospective Macquarie Arc (~3000km²), and the innovative use of digital geological and geophysical data in probability based targeting.

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