

GOLD FIELDS ENCOURAGED BY DRILLING RESULTS ON JV PROJECTS

SIGNIFICANT BUDGET APPROVED

Clancy Exploration Limited (ASX: CLY, 'Clancy') is pleased to provide the following update on the Gold Fields Australasia Pty Ltd (Gold Fields) Joint Venture exploration projects in the Lachlan Fold Belt of New South Wales.

Highlights

- **\$5.4M budget approved** – Gold Fields has approved a \$5.4M budget to June 2010 to fund an aggressive drilling campaign on the JV projects, with up to 12,500m of diamond drilling, 26,000m of aircore drilling and 3,000m of RC drilling planned.
- **Myall JV** – Aircore drilling has intersected strong alteration related to porphyry copper-gold mineralisation at several prospects. At the Calais prospect, mineralised porphyry intrusives have also been intersected by a recently completed diamond hole, with assay results awaited. Several other promising prospects remain to be drilled.
- **Cowal East JV** – Very encouraging aircore results continue to flow from a number of prospects including Bimbowie, Eurowie, Leppington and Barmedman Creek with a follow-up diamond drilling program underway.

Clancy's Managing Director Mark Stewart said that the current high level of exploration activity on the JV projects would continue into 2010, accompanied by a substantial increase in diamond drilling.

"We are delighted to have Gold Fields commit to a substantial drilling campaign on our JV projects on the back of the very positive results from aircore drilling received in the last quarter," said Mr Stewart.

Gold Fields is highly encouraged by the results being obtained, especially at Myall and Cowal East. In its most recent September 2009 quarterly, Gold Fields Limited stated:

"Aircore drilling at Myall has intersected strong alteration related to porphyry Cu-Au mineralisation on the Kingswood South and Calais Targets. Consistent end-of-hole gold anomalism has defined a large Cu-Au target over two kilometres by one kilometre.

Aircore drilling at Cowal East continues to define several very encouraging drill targets including the Bimbowie Prospect, a mineralised porphyry Cu-Au system. Budgets have been approved to fund an aggressive programme of additional aircore drilling and initial diamond drilling on seven targets during the remainder of financial 2010."

Myall JV – Gold Fields earning 51%

Highly encouraging alteration associated with porphyry copper-gold mineralisation has been intersected at a number of prospects including **Kingswood** (10 metres @ 0.64% copper and 0.61g/t gold, 64m @ 0.20% copper and 5m @ 0.34g/t gold, 0.15% copper) and **Calais** (9m @ 1.03g/t gold including 2m @ 3.0g/t gold). A follow-up diamond hole at Calais was recently drilled to 699.7m, which intersected epithermal-style veins higher up in the hole to porphyry-style alteration and veining with increasing depth. Disseminated and fracture controlled

chalcopyrite ± bornite mineralisation associated with porphyry intrusives was intersected over an approximate 20m interval. Results for the Calais diamond hole are awaited. Several other promising prospects remain to be drilled. Gold Fields has scheduled a further 5,200m of diamond drilling and 11,000m of aircore drilling for Myall.

Cowal East JV – Clancy 20%, Gold Fields 80%

Very encouraging aircore results continue to flow from a number of prospects including Bimbowie, Barmedman Creek, Leppington and Eurowie. This first phase aircore program on the Wyrra tenement has delineated several large and significant areas of hydrothermally altered volcanic and intrusive rocks with copper, gold, molybdenum and zinc anomalism. At **Bimbowie**, a previous significant aircore intercept of 49m @ 0.15% Cu from 76m to the end of the hole including 3m @ 0.14g/t Au from 120m, is being followed up with a diamond hole, which is currently in progress. Diamond drilling is also proposed for the **Barmedman Creek** and **Eurowie** prospects. Gold Fields has scheduled 4,000m of diamond drilling and 15,000m of aircore drilling for Cowal East and the diamond drilling has commenced.

– ENDS –

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About the Gold Fields JV projects

Gold Fields Australasia Pty Ltd is in joint venture with Clancy on four projects: Myall (Gold Fields earning 51%), Cowal East (Gold Fields 80%, Clancy 20%), Wellington North (Gold Fields 80%, Clancy 20%) and Gobondery (Gold Fields earning 80%). Gold Fields Australasia Pty Ltd is a subsidiary of Gold Fields Limited, the world's fourth largest gold producer. Gold Fields took over management of the joint venture projects in April 2009 and is currently spending approximately \$2M per quarter on those projects

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.

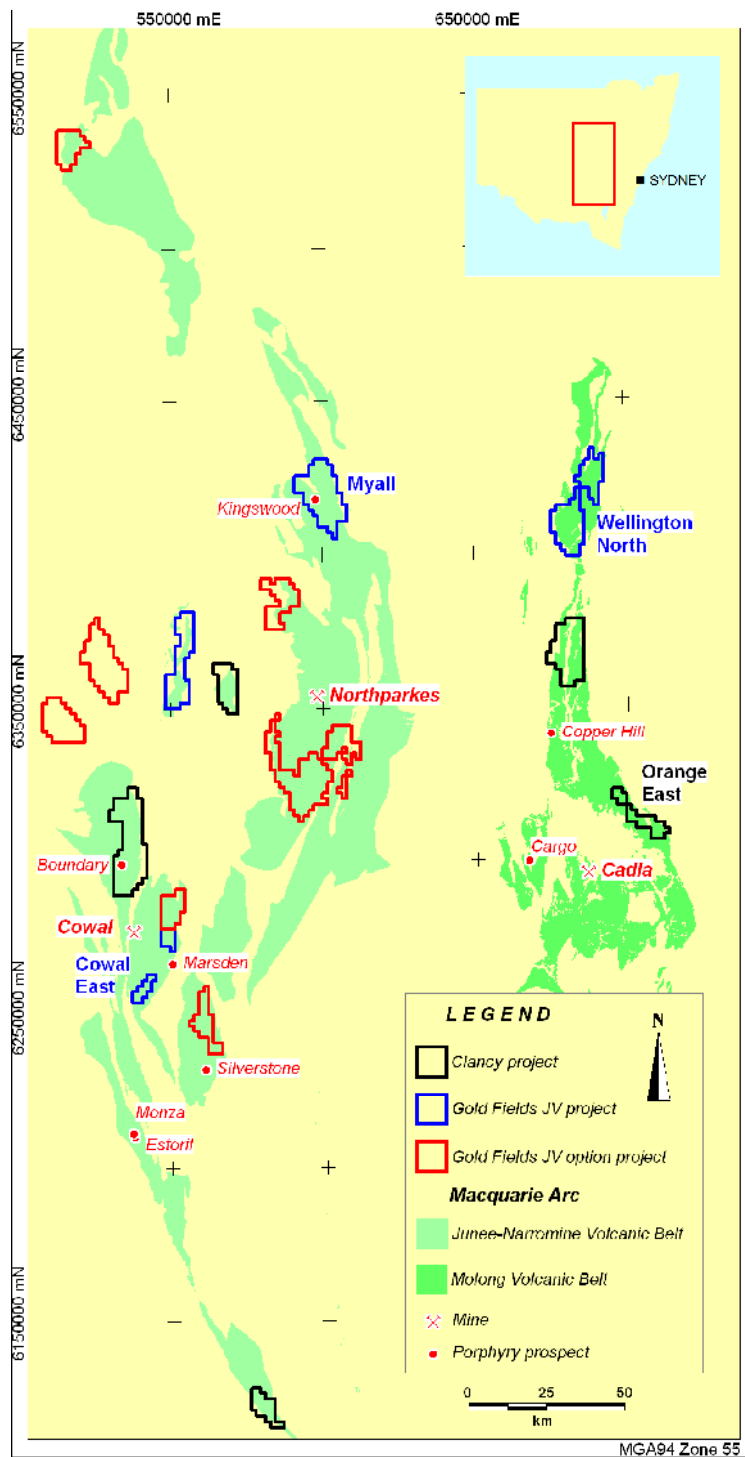
Details of Clancy's projects can be found at the website - www.clancyexploration.com

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.

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 (~2700km²), and the innovative use of digital geological and geophysical data in probability based targeting.

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.



Location of Clancy and Clancy – Gold Fields joint venture projects in the Macquarie Arc, NSW. The projects mentioned in the text are labelled.