

HIGH-GRADE PRECIOUS AND BASE METALS AT CONDOBOLIN

Clancy Exploration Limited (ASX: CLY) is pleased to announce the results of the recent round of rock chip sampling at its 100% owned Condobolin project (EL6939) in central New South Wales.

The results for 12 rock chip samples have been received, with all sampled prospects returning highly anomalous results in gold, copper, silver, lead, zinc and arsenic. Seven of the 12 samples assayed >5g/t gold and two assayed >5% copper with a maximum values of **26g/t gold** and **8.53% copper** respectively. One sample assayed **25.3% zinc**. Significant results are as follows (sample number):

- **26g/t gold**, 27g/t silver and 1.35% zinc (COR0009)
- **22.5g/t gold, 56g/t silver** and 1.15% lead (COR0001)
- **14.6g/t gold**, 23g/t silver, 2.72% lead, 1.49% copper (COR0003)
- **13.6g/t gold**, 21.3g/t silver, **2.8% zinc** and 0.85% lead (COR0008)
- **12.2g/t gold**, 23.1g/t silver and **2.08% lead** (COR0005)
- **3.6g/t gold, 71g/t silver** and **7.89% copper** (COR0012)
- 1.9g/t gold, **40g/t silver, 25.3% zinc** and 1.38% lead (COR0004)
- 1.0g/t gold, **56g/t silver, 8.52% copper**, and 0.95% lead (COR0002)
- 1.8 g/t gold and 1.21% lead (COR0010)
- **6.8 g/t gold** (COR0006)
- **5.3 g/t gold** (COR0007)

The rock chip samples were collected from mullock dumps during field investigation of multiple historical mine sites which recorded significant production of high grade gold, copper, silver, lead and zinc. The prospects lie on a regional north-east oriented mineralised trend approximately 5km north of the township of Condobolin.

Sulphide mineralisation is evident in epithermal textured veins at the Phoenix, Surprise, Mascotte, Julia Reuben, Piebald and Bluebell prospects (Figures 1 and 2). Most of these prospects have not been properly drill tested.

Clancy's Managing Director Mark Stewart said that the rock chip sampling had outlined several drill targets and that a drilling rig would be mobilising to site in the December 2010 quarter.

"Our first program of rock chip sampling confirms that the area has significant potential for shallow, high grade mineralisation" said Mr Stewart.

"Historical records indicate that mineralised veins are within 100m of the surface and their epithermal nature is an encouraging sign that a larger system at depth may be driving the higher level mineralisation. It's early days yet but our drilling program in the December quarter will be the first step in a broader, regional scale exploration program to test the potential of the Condobolin area" Mr Stewart said.

Table 1 – Significant results from rock chip (COR_) at Condobolin (EL6939).

Sample	GDA_mEast	GDA_mNorth	Au (g/t)	Ag (g/t)	As (ppm)	Cu (%)	Pb (%)	Zn (%)
COR0001	511410	6343357	22.5	58.1	855	0.42	1.15	0.05
COR0002	511413	6343363	1.0	57.1	1490	8.52	0.95	0.28
COR0003	511422	6343379	14.6	26.0	1105	1.49	2.72	0.09
COR0004	511422	6343379	1.9	40.4	585	0.09	1.38	25.30
COR0005	511437	6343376	12.2	23.1	978	0.39	2.08	0.14
COR0006	511737	6342250	6.8	12.0	110.5	0.06	0.20	0.03
COR0007	511749	6342249	5.3	4.8	210	0.14	0.13	0.02
COR0008	512071	6343131	13.6	21.3	588	0.13	0.85	2.80
COR0009	512081	6343154	26.0	27.9	1710	0.02	0.99	1.35
COR0010	511915	6343115	1.8	18.6	646	0.02	1.21	0.04
COR0011	512473	6343391	0.5	11.1	921	0.01	0.27	0.03
COR0012	512313	6342488	3.6	70.0	394	7.89	0.04	0.02

Note –All samples were analysed by ALS Orange for gold by fire assay / AAS finish (method code Au-AA26), and for the other elements by ALS Brisbane by four acid digest ICP AES/OES (method code ME-MS61). Results with a dash (-) were below detection and could not be analysed with the selected analytical method. Standards and duplicates are inserted into the sample stream to monitor laboratory performance.

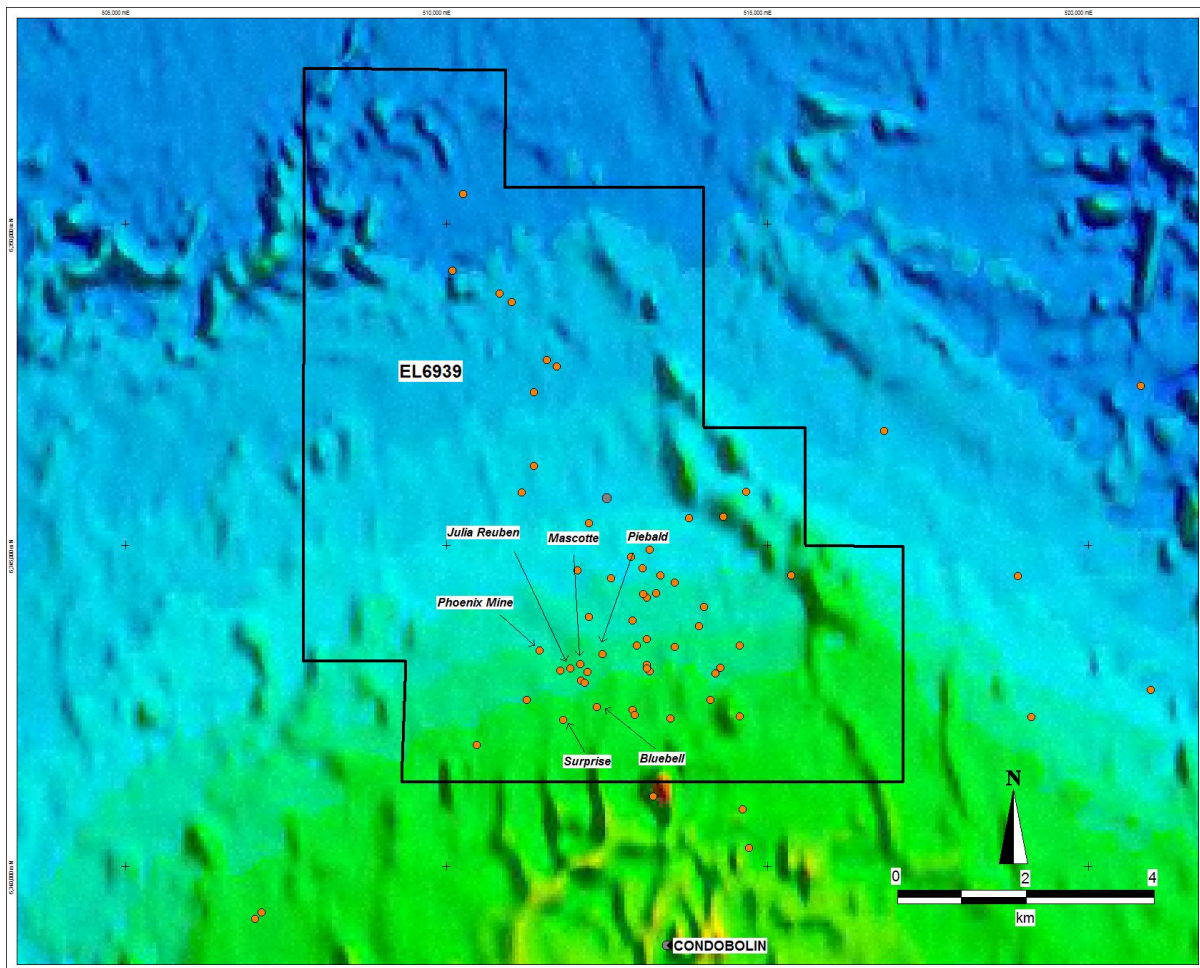


Figure 1- Condobolin EL6939 location on regional magnetic image. Sampled prospects shown. Coordinates GDA94 Zone 55.

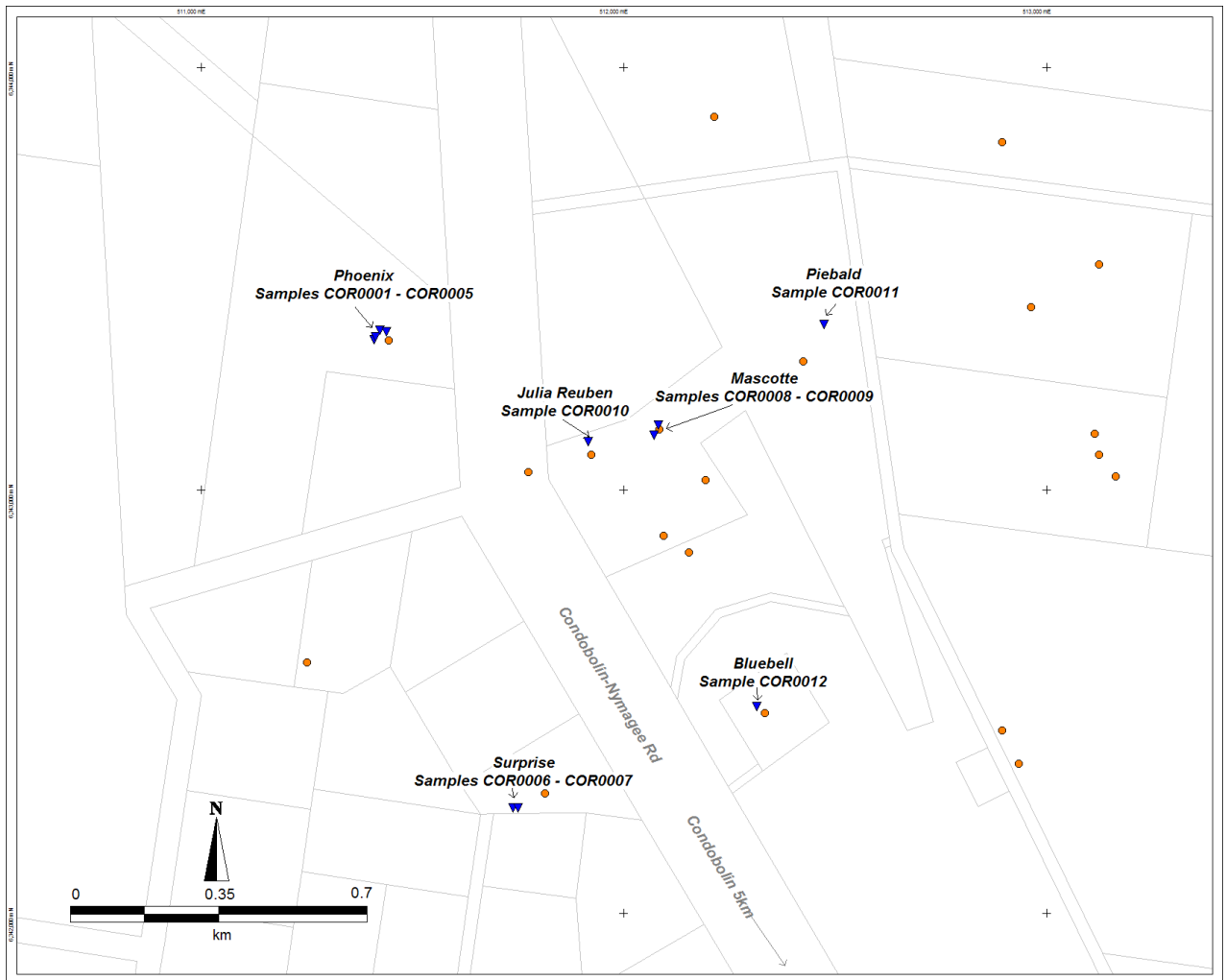


Figure 2- Condobolin EL6939 rock chip localities. Coordinates GDA94 Zone 55.

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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.

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About Condobolin

Located north of the township of Condobolin, NSW, EL6939 spans two target styles including narrow structurally-hosted high grade gold-base metals and epithermal gold-copper. Numerous old workings cross the area in a general north-east oriented trend. The area has been sporadically mined since the early 1890's, producing high-grade gold, copper, silver, lead and zinc.

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 also has a number of joint ventures in the Lachlan Fold belt with Gold Fields Limited, one of the world's largest gold producers. Exploration is advanced through a mix of joint venture projects 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 (~2900km²), and the innovative use of digital geological and geophysical data in probability based targeting.