

TRUNDLE DRILLING UPDATE Copper-gold targets at Trundle Park

Clancy Exploration Limited (ASX: CLY) is pleased to provide a progress update for drilling at the 100% owned Trundle project in central NSW.

Highlights

- Numerous shallow copper-gold drill targets to be tested at Trundle Park, including following up previous intercepts:
 - 11m @ 1.2g/t gold & 0.36% copper from 3m
 - 25.45m @ 0.71g/t gold from 14.85m
 - 35m @ 0.59g/t gold & 0.25% copper from 12m
- Similarities to Big Cadia skarn that is associated with the giant Cadia Valley porphyry deposits
- Potential for porphyry copper-gold mineralisation at depth
- Drilling rig scheduled to commence drilling targets on January 6th 2011
- 2,750 metres of RC drilling planned

Clancy's Managing Director, Mr Mark Stewart, said "We are particularly keen to get drilling underway around the Trundle Park skarn, which is similar in many respects to the Big Cadia skarn in the Cadia Valley. The skarn at Cadia produced about 140,000 tonnes of copper at a grade of 5-7% copper and over 1.5Mt of iron ore before the discovery of the massive Cadia Valley porphyry deposits. The Big Cadia skarn is the distal part of the Cadia hydrothermal system and forms part of the current resource. It was mined for decades before the porphyry deposits were discovered, which is why we are so excited about the potential at Trundle Park."

The drilling at Trundle Park was originally scheduled for November 2010 but has been delayed due to district-wide heavy rain, which has also prevented harvesting of winter crops. The drilling has been rescheduled and will now commence on January 6th 2011. A number of drill targets will be tested:

Target 1 - Porphyry target with maximum bottom of hole RAB assays up to 0.56g/t gold and 0.13% copper over a width of more than 200m (Figure 1).

Historic workings in the central part of the Trundle Park prospect coincide with a circular copper-gold anomaly (in bottom of hole RAB and aircore holes) approximately 220m across. The copper anomaly lies between the two largest historic workings (unknown production) in the project. The average bottom of hole assays for this area are 0.35g/t gold and 0.11% copper and the centre of the copper-gold anomaly has not been drilled below 35m.

Target 1 is testing to the south (along strike) of previously reported percussion holes:

- PCH09 - 60m @ 0.54g/t Au from 1m;
- PPT03 - 51m @ 0.58g/t Au 0.14% Cu from 33m;
- PCH10 - 39m @ 0.55g/t gold and 0.14% copper from surface; and
- PCH11 - 35m @ 0.59g/t gold and 0.25% copper from 12m.

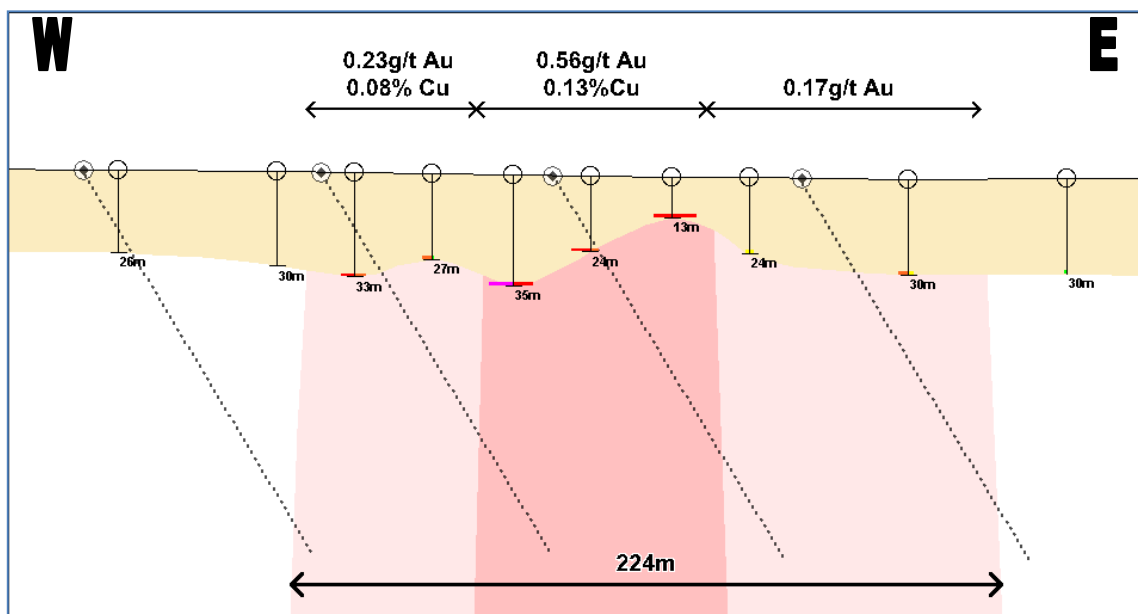


Figure 1 – Schematic Interpretation through Target 1 at Trundle Park.
 The pink zone is an extrapolation of Cu-Au mineralisation projected to depth from bottom of hole (BOH) RAB assays (labels). Grades are average BOH RAB for the indicated zone. The dashed lines represent the approximate locations of proposed RC drill holes.

Target 2 - Previous aircore intercept of 11m @ 1.2g/t gold and 0.36% copper to bottom of hole associated with a discrete magnetic high (Figures 2&3).

Previous aircore hole TR143 was drilled to 14m and the bottom 11m graded 1.2g/t gold and 0.36% copper. One (RC) hole (TD046) was drilled to follow-up this mineralisation, but the hole failed (Figure 2). Significantly, the last 10m of the hole assayed 10m @ 0.54g/t gold well before reaching the target depth. The hole was not re-drilled at the time because of wet weather and the previous joint venture was terminated before the target was revisited.

Target 3 - Previous bottom of hole aircore intercept of 0.19% copper within discrete magnetic low.

Previous aircore hole TR490 was drilled to 9m and had a bottom of hole assay 0.19% copper. TR490 is within a discrete magnetic low, a similar magnetic signature to the E22 and E27 deposits at Northparkes. This hole is just 62m to the north-north-west of a backfilled shaft with abundant malachite at surface; the malachite stained mullock assayed 3.96% copper.

Target 4 - Previous diamond intercept of 45m @ 0.71g/t gold from 14.85m.

Previously drilled diamond hole CHEP-1 returned 25.45m @ 0.71g/t gold from 14.85m. Two follow-up RC holes are planned 50m to the north and south of the CHEP1 intersection.

The previous results are highly significant in the context of distal gold-copper skarn mineralisation peripheral to porphyry style gold-copper mineralisation at depth. Significantly, porphyry style quartz-carbonate-molybdenite veins hosted by monzonite were intersected in a deeper diamond hole drilled into the prospect to date (Figure 4). Also, the tenor bottom of hole geochemistry from previous shallow drilling (>0.1g/t gold and >0.1% copper) is consistent with geochemical anomalies over other porphyry deposits in the district.

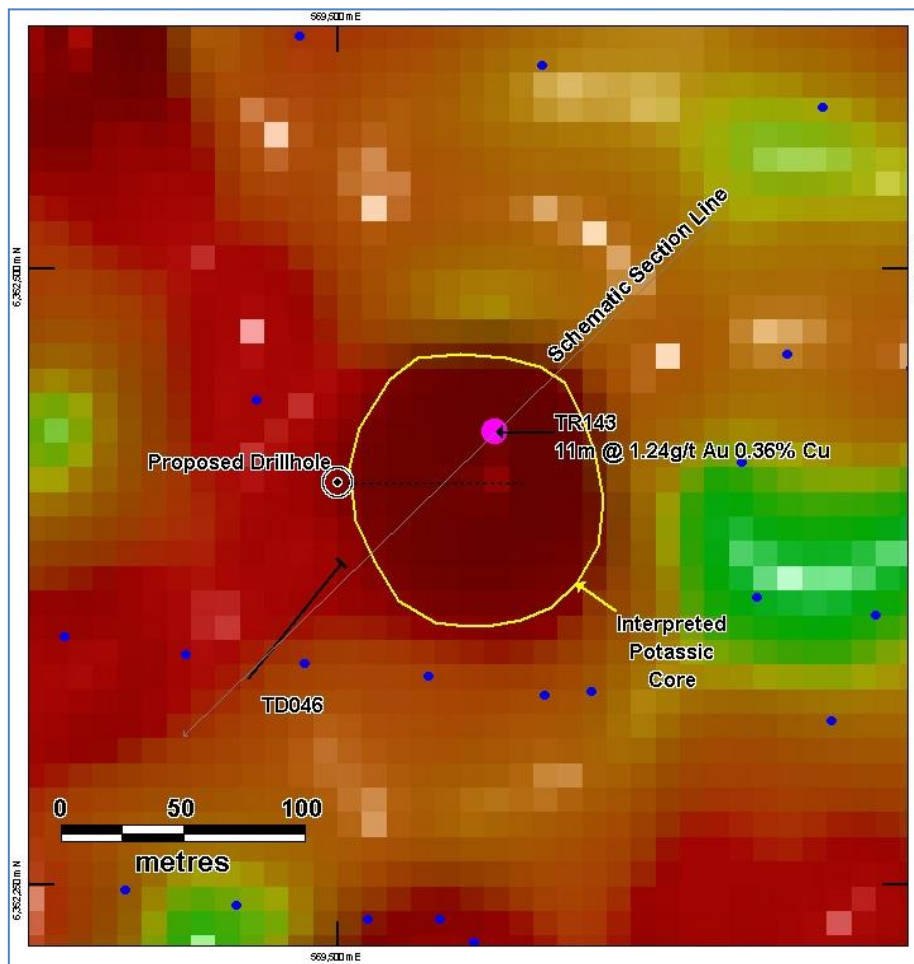


Figure 2 – Target 2 – TR143 11m @ 1.24g/t gold and 0.36% copper (BOH) on RTP Ground Magnetics
 Magnetic anomaly may be potassic (magnetite) alteration coincident with significant copper-gold mineralisation. Hole TD046 failed before reaching target depth. The dashed line represents the approximate location of the proposed follow-up drill hole. See Figure 3 for section.

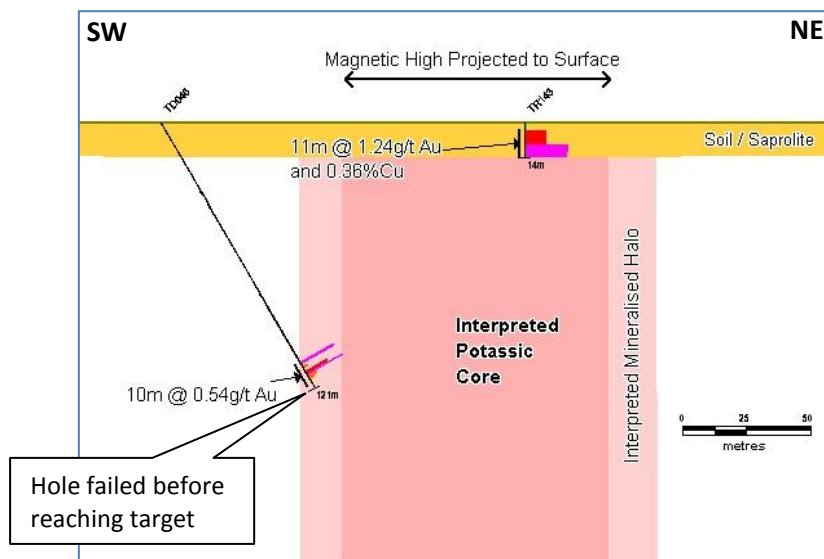


Figure 3 – Target 2 – Schematic interpretation for TR143 and TD046
 The pink zones are an extrapolation of Cu-gold mineralisation projected to depth from previous drill holes TR143 and TD046 drilling results (labels).



Figure 4 – Quartz-calcite-molybdenite-pyrite-chalcopyrite vein in monzonite in hole TD002 420m, Trundle Park prospect. The one metre interval containing this vein returned 1190ppm Mo within a larger zone of 100m @ 34ppm Mo from 357m (NQ core). This core is within 200m of Target 1.

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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 Trundle

Clancy acquired 100% of the Trundle project via transactions with Calibre Mining and Western Plains Resources in 2009. There is a combined 2% NSR payable to third parties on the Trundle project. The project consists of two tenements and is located in the Macquarie Arc 25km west of Northparkes. The project covers an arc fragment that was rifted to the west off the Northparkes complex. There is extensive evidence of porphyry and skarn-style copper-gold mineralisation similar to the Cadia Valley and Northparkes. Several prospects at Trundle have strong similarities to the porphyry deposits at Northparkes, with characteristic 'bulls eye' magnetic low or high anomalies with coincident anomalous copper and gold geochemistry. This pattern can be seen at a number of prospects at Trundle and there are several other important copper-gold anomalies that remain poorly drilled or undrilled. The project therefore has excellent potential for discovery.

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

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applying faster, less expensive and more reliable analytical methods to resource exploration.

Clancy has seven joint ventures with Gold Fields Australasia Pty Ltd in the Lachlan Fold belt. 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 (~2800km²), and the innovative use of digital geological and geophysical data in probability based targeting.