

CLANCY'S PROJECTS IN THE LACHLAN FOLD BELT SHOW PROMISE

Clancy Exploration Limited (ASX: CLY) is pleased to provide an update of recent air core drilling exploration activities on two of its Lachlan Fold Belt projects, Cowal East and Goobang. The drilling programs at these projects were designed to follow-up previously identified anomalies.

Clancy's Managing Director, Mr Mark Stewart, said previous drilling identified significant gold, copper and zinc anomalism at Cowal East and Clancy has been actively drilling at this complex over the quarter. A total of 21 holes for 1841m have been completed at the Cowal East project.

"We have visual evidence from these holes of abundant pyrite in a large phyllicly-altered zone associated with intrusive rocks," Mr Stewart said.

"These results lead us to regard Cowal East as a very promising target."

Full assay results from the drilling are expected shortly. Air core drilling will resume at Cowal East in October-November 2008 which will be followed up with deeper RC and diamond drilling.

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 800,000 oz of gold and 380,000 tonnes of copper and has yielded recent drilling intercepts such as 171m @ 0.82g/t gold and 0.7% copper. Gold Fields is earning an 80% interest in Cowal East.

Goobang is 100% owned by Clancy and located approximately 20km south of the Northparkes copper-gold mine (Rio Tinto), which has an endowment of 1.2Mt of copper and 1.6Moz of gold. There has been little previous exploration in the area, which is surprising given its location.

Two zones of elevated copper anomalism were defined by Clancy during previous drilling programs at Goobang, completed in 2006. The first is open to the NW and covers an area of approximately 2 x 1.3km where seven adjacent holes have copper ranging from 326 to 496ppm. The second anomalous zone is situated in the SE of the drilled grid and is open in that direction, where three adjacent holes have maximum copper values of 324, 448 and 542ppm. Clancy recently drilled 39 holes for 2367m at Goobang, and this drilling has identified encouraging alteration and sulphides. Assay results are expected shortly. Full details can be seen in the attached figures.

Mr Stewart said he was particularly pleased by the preliminary assessments of both drilling campaigns and looked forward to announcing the results once they are available. "I encourage our shareholders to review our upcoming Quarterly Activities Report, which will be released later this month," said Mr Stewart. "This report will provide updates on further drilling activities, including diamond drilling programs at Gobondery."

30,000m of drilling is planned from now until the end of 2008, testing 17 targets on Clancy's tenement portfolio in the Lachlan Fold Belt.

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Please direct enquiries to:

Mark Stewart
Managing Director
Tel: +61 8 9481 8241
Email: info@clancyexploration.com

Ann Nahajski
Porter Novelli
Tel: +61 8 9386 1233
Mob: +61 (0)400 205 433

Web: www.clancyexploration.com

About Clancy

Clancy Exploration (ASX: CLY) is an Australian-focused copper, gold and base metals explorer. Although a relatively new listing on the ASX (July 2007), the Company's portfolio has been built up over the past four years to consist 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.

Full details of Clancy's projects and a recent Analyst report from Taylor Collison, can be found at Clancy's website - www.clancyexploration.com/news/news.html

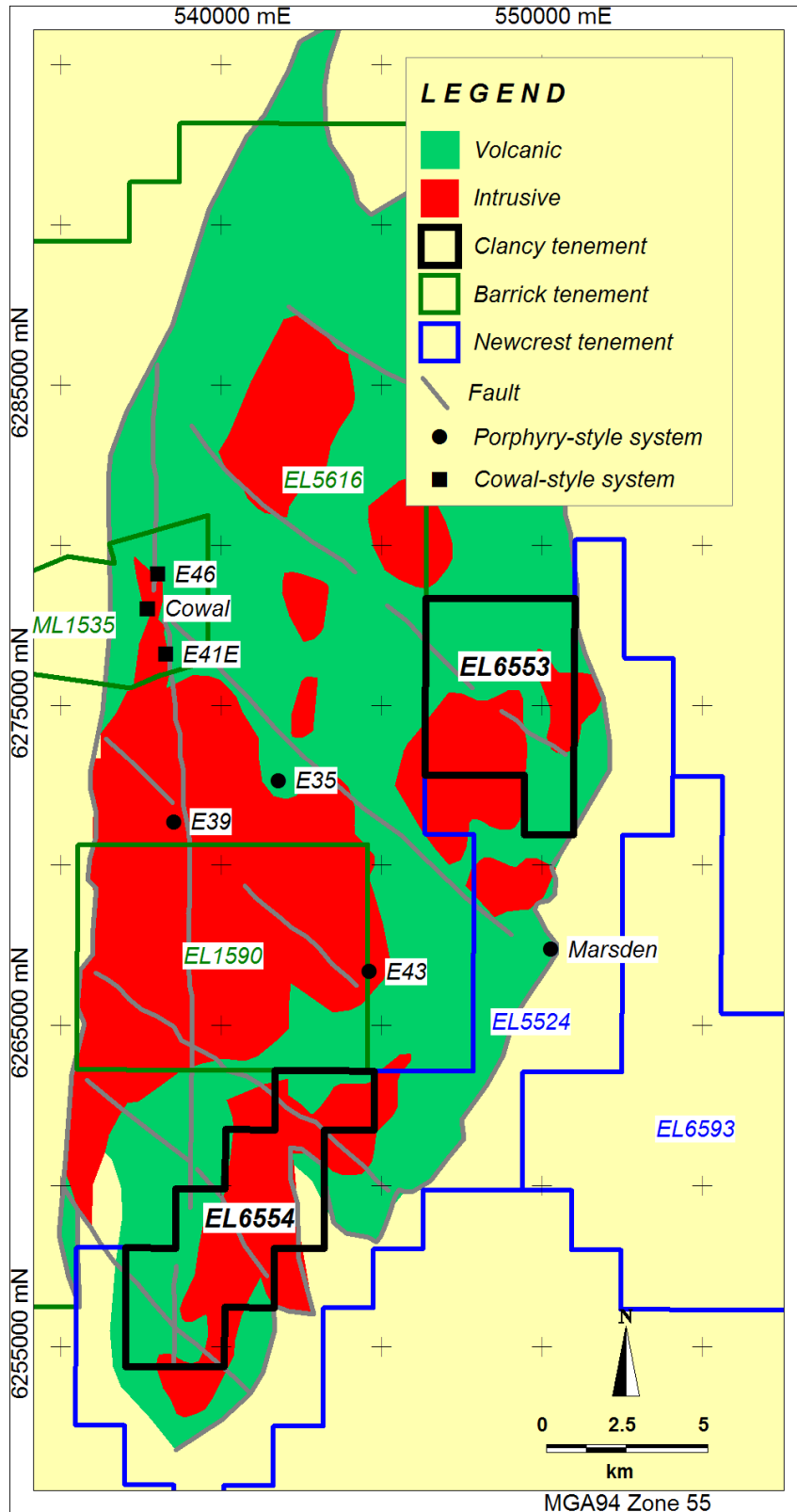
Clancy's competitive advantages include support from major shareholder, Geoinformatics (TSX-V), having one of the largest ground positions of any explorer in the prospective Macquarie Arc (>1850km²), and the innovative use of digital geological and geophysical data in probability based targeting.

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 Limited on three projects in NSW (managed by Clancy) and with Bass Metals Limited on the Tasmanian tenement package (managed by Bass Metals). Clancy, in conjunction with its JV partners, has spent significant funds on the projects to date, with a combined \$7.4 million to be spent on the Company's tenement package over the two years from date of listing.

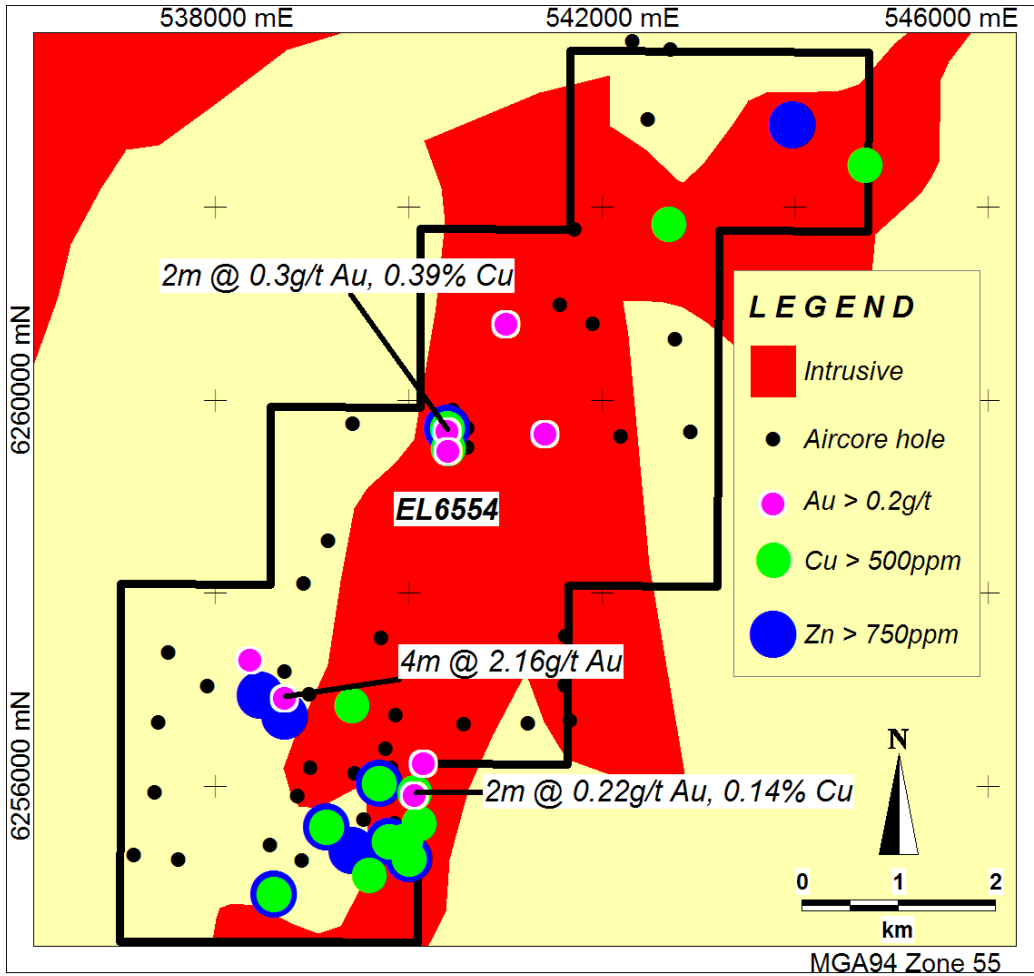
The information in this document that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Gordon Barnes who is a Member of the Australian Institute of Geoscientists. Mr Barnes is a full-time employee of Clancy Exploration Limited and has sufficient 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.

Figure 1 – Cowal East EL 6553 and EL6554



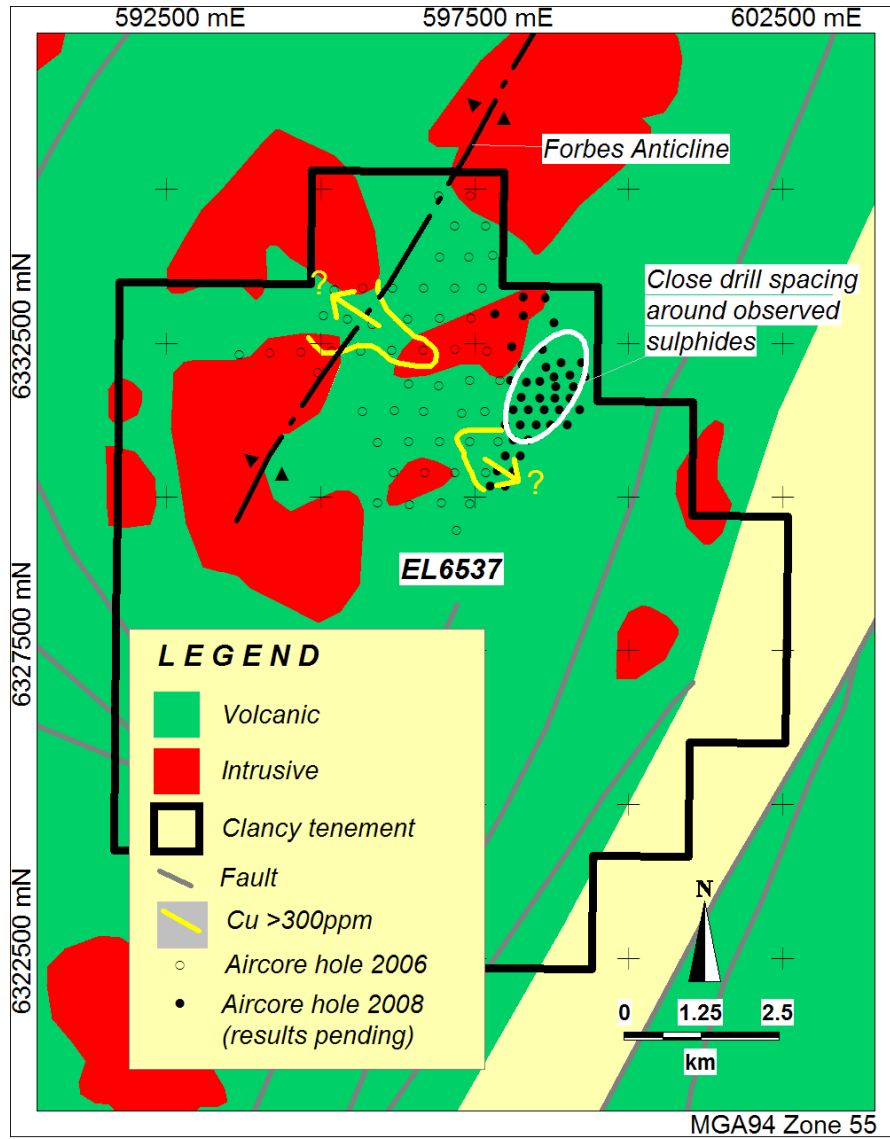
Geology of the Cowal Igneous Complex showing Clancy's tenements EL6553 and EL6554 and significant mineralised systems.

Figure 2 – Cowal East EL 6554



EL6554 Wyrra previous aircore drilling results showing significant basement drill intercepts.

Figure 3 – Goobang EL 6537



Geology of Goobang EL6537 showing the location of the Clancy aircore holes from 2006 and 2008 and basement copper anomalies.