Announcement to the ASX 13 July 2007

CLANCY KICKS OFF AGGRESSIVE EXPLORATION CAMPAIGN IN THE LACHLAN FOLD BELT FOLLOWING SUCCESSFUL ASX DEBUT

Highlights

- Exploration to commence immediately on the Lachlan Fold Belt assets
- 16 highly ranked Cu-Au targets to be drilled within the next 12 months
- Drill rig secured for 6 months from October 2007
- First-pass reconnaissance drilling confirms targeting at Gobondery and Goobang
- Soil sampling to test a McPhillamy's style gold target at Orange East to commence shortly

Clancy is pleased to announce that work will commence immediately on its exciting portfolio of Cu-Au projects in the Lachlan Fold Belt in NSW after a successful listing on the ASX. Clancy has identified 24 highly-ranked Cu-Au porphyry targets on its tenements, 16 of which will be drill tested in the next 12 months. The tenements are in the Ordovician Macquarie Arc, a highly mineralised terrain that hosts the world-class Cadia-Ridgeway Cu-Au deposits (>35 Moz Au endowment), the Cowal Au mine and the Northparkes Cu-Au mine. Clancy has assembled one of the largest ground positions of any explorer in the Macquarie Arc with more than 1850 km^2 under tenure.

Clancy has secured a drill rig for a minimum of 6 months commencing in October 2007 to carry out the drilling at the targets described above. Geophysical surveys are also planned for a number of projects and this work is scheduled to start in late August 2007.

Clancy has completed first-pass reconnaissance aircore drilling on two targets at Gobondery EL6534 and Goobang EL6537. The drilling has confirmed the targeting premise, identifying fractionated Ordovician intrusive rocks and associated porphyry-style alteration and mineralisation beneath a cover sequence of 30 to 75m depth. Basement copper anomalies up to 2 x 1km dimension with peak values of +500ppm Cu have been defined at both projects.

Compilation of previous exploration data at Cowal East (EL6553 and EL6554) has defined a 2.7km long basement geochemical anomaly with peak values of +200ppb Au, +500ppm Cu and +750ppm Zn. Previous drill intercepts of 4m @ 2.16g/t Au and 2m @ 0.22g/t Au, 0.137% Cu were not followed up. The anomalies are associated with Ordovician intrusive rocks with porphyry-style hydrothermal alteration and have similar characteristics to the nearby Cowal Au mine (Barrick) and Marsden Cu-Au prospect (Newcrest).

At Fairholme EL6552 unequivocal Ordovician porphyry intrusives with hydrothermal alteration and Cu-Au mineralisation have been defined by previous drilling. The best drill intersection is 48m @ 0.60g/t Au 0.16% Cu. Clancy has completed 3D modeling of the geology and magnetics which suggests potential for higher-grade Cu-Au mineralisation exists at depth (>450m). Similar style porphyry intrusives and alteration have also been identified at Myall where a large, fractionated intrusive complex is associated with extensive +1000ppm Cu anomalies. Previous drilling at the complex has identified quartz-magnetite veins with bornite and chalcopyrite and has yielded drill intercepts such as 107m @ 0.11g/t Au and 0.43% Cu.

Clancy also has several other grass roots prospects with demonstrated porphyry Cu-Au potential including Wellington North (EL6178, EL6328 and EL6662), Cundumbul (EL6661), and Orange East (EL6181). At Wellington North, a large basement magnetic complex beneath shallow Mesozoic sediments (<150m) contains Ordovician intrusive rocks with porphyry-style alteration and mineralisation. At Cundumbul and Orange East, favourable Ordovician intrusives have been identified in outcrop with numerous historical rock chip samples >1g/t Au at the former, and the latter having similar style host rocks as Cadia. All of the above prospects have had little or no previous drilling.

Clancy will also commence mapping and auger soil sampling on a Silurian gold target in the southern part of the Orange East tenement EL6181. Recent work by the Alkane/Newmont Joint Venture at the McPhillamy's prospect about 15km south of EL6181 has identified significant gold mineralisation from surface in Silurian rocks with intercepts such as 123m at 1.96g/t Au from surface and higher grade intervals of 28m at 3.83g/t Au and 10m at 4.93g/t Au.

This mineralisation is structurally controlled and the host structure extends north of McPhillamy's bisecting the southern portion of the Orange East tenement. The structural setting and the radiometric response are comparable providing potential for similar style mineralisation and Clancy will be testing this over the next few weeks.

For further information on Clancy and its projects see the website www.clancyexploration.com

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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.