

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

Clancy Exploration Limited

ABN

65 105 578 756

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|--|
| 1 | +Class of +securities issued or to be issued | Incentive options to acquire ordinary shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 100,000 Incentive options to acquire ordinary shares |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Incentive options are exercisable at 20 cents on or before 30 April 2010 |

+ See chapter 19 for defined terms.

4	Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities? If the additional securities do not rank equally, please state: - the date from which they do - the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment - the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	No, however shares issued upon the exercise of the options will rank equally with ordinary shares. Options have no dividend participation entitlement													
5	Issue price or consideration	Nil													
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	Employee option package for employee													
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	23 July 2008													
8	Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)	<table><tr><th>Number</th><th>+Class</th></tr><tr><td>26,450,000</td><td>ORD</td></tr></table>	Number	+Class	26,450,000	ORD									
Number	+Class														
26,450,000	ORD														
9	Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	<table><tr><th>Number</th><th>+Class</th></tr><tr><td>21,355,506</td><td>Ordinary shares</td></tr><tr><td>2,100,000</td><td>Incentive Options (20c, 30 April 2010)</td></tr><tr><td>500,000</td><td>Series 1 Performance Options (30c, 30 April 2010)</td></tr><tr><td>500,000</td><td>Series 2 Performance Options (40c, 30 April 2010)</td></tr><tr><td>2,000,000</td><td>Broker Options (20c, 10 July 2011)</td></tr></table>	Number	+Class	21,355,506	Ordinary shares	2,100,000	Incentive Options (20c, 30 April 2010)	500,000	Series 1 Performance Options (30c, 30 April 2010)	500,000	Series 2 Performance Options (40c, 30 April 2010)	2,000,000	Broker Options (20c, 10 July 2011)	
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2,000,000	Broker Options (20c, 10 July 2011)														
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A													

Part 2 - Bonus issue or pro rata issue – N/A

Part 3 - Quotation of securities – N/A

You need only complete this section if you are applying for quotation of securities

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:

Date: 24 July 2008



(Company Secretary)

Print name: Rowan Caren

+ See chapter 19 for defined terms.