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ASX / MEDIA ANNOUNCEMENT
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CONDOBOLIN EXPLORATION UPDATE
Screen fire assay results upgrade previous gold intercepts
Geophysical and geochemical surveys underway

Clancy Exploration Limited (ASX: CLY) is pleased to announce screen fire assay results from the recent RC drilling program at its 100% owned Condobolin project (EL6939) in central New South Wales. An airborne magnetic and radiometric survey has also been completed and a geochemical survey is underway. Follow-up drilling is scheduled for July 2011, following receipt of survey results.

Highlights

- Screen fire assay of the upper gold lode at Phoenix increases gold grade by more than 30% on an equivalent interval basis:
    - **7m @ 5.18 g/t Gold** from 73m**;** including
        - **5m @ 6.90 g/t Gold** from 73m
        - **2m @ 14.18 g/t Gold** from 76m.

- Screen fire assay of gold within the higher grade core of a broad, zinc-silver-lead-gold lode at Mascotte has increased gold grades more than 70% over the same intersection:
    - **4m @ 2.9 g/t Gold** from 76m; including
        - **1m @ 6.57 g/t Gold** from 77m.

- Significant upgrades of gold, silver and base metal intercepts were also returned from the Bluebell and Potters prospects.

- An airborne magnetic and radiometric survey has been completed over the Condobolin Mineral Field and results are expected in early June 2011.

- A detailed soil geochemical survey is in progress at Phoenix and will be completed within the next two weeks.

- The results from the geophysical and geochemical surveys will define further targets for drill testing. Follow-up diamond and RC drilling is scheduled for July 2011.

Following significant gold and base metal drill intercepts at the Phoenix, Mascotte, Bluebell and Potters prospects reported in March 2011, further samples were collected at 1m intervals from the identified lode zones and submitted for screen fire assay. Screen fire assays offer a higher degree of confidence when coarse gold is present in the mineral system.

Clancy's Managing Director Gordon Barnes said that the new assay results confirm the presence of coarse gold in the mineral systems at Phoenix, Bluebell and Mascotte, which boosts the grade of the known lodes.

"These results increase our confidence in the potential of these prospects and the Condobolin Mineral Field as a whole. We are looking forward to receiving the results for the geophysical and geochemical surveys, which will assist drill targeting beyond the current prospects. Follow up diamond and RC drilling is scheduled for July 2011," said Mr Barnes.

The screen fire assay results are robust and indicate uplift factors of over 30% for gold intercepts (Table 2) and the 1m samples have substantially refined the grades within distinct lodes, particularly those with coarse base metal-bearing sulphides.

Screen fire assay of the upper gold lode at Phoenix increased gold grade by up to 45.9% on an equivalent interval basis (Table 2):

- **7m @ 5.18 g/t Gold** from 73m**;** including
    - **5m @ 6.90 g/t Gold** from 73m
    - **2m @ 14.18 g/t Gold** from 76m.

Screen fire assay of gold within the higher grade core of a broad, zinc-silver-lead-gold lode at Mascotte has increased gold grades by 71.4% over the same intersection:

- **4m @ 2.9 g/t Gold** from 76m; including
    - **1m @ 6.57 g/t Gold** from 77m.

Gold grades within copper-gold-silver mineralisation intersected distal to high-grade zone at Bluebell prospect have been increased by 34.5% over the same zone. Copper grades have also been increased by 17.5% (up from 4m @ 1.14% Cu).

- **4m @ 0.39 g/t Gold and 1.34% Copper** from 98m; including
    - **2m @ 0.68 g/t Gold and 2.35% Copper** from 99m

Within the broad zinc halo at Potters, grades of a coarse base metals-bearing sulphide lode have been increased by 21 - 27% (previous intercept 6m @ 2.7% Zinc, 2.7% Lead, 30g/t Silver from 100m):

- **5m @ 3.11% Zinc, 4.1% Lead and 47.5 g/t Silver** from 101m

A 2,106 line km airborne magnetic and radiometric survey covering the Condobolin Mineral Field was completed on 9th May 2011. The data from the survey are currently being processed with results expected in early June 2011. A detailed soil survey is currently in progress at Phoenix and is expected to be completed in the next two weeks. A broad, regional soil survey to test prospective areas beyond historic workings has also been planned and sampling is already running concurrently with the Phoenix survey. The results from the recently completed geophysical surveys and the geochemical survey currently in progress will assist with drill targeting. Follow up diamond and RC drilling at the Phoenix, Mascotte and Potters prospects and additional targets defined by the geophysical and geochemical surveys is planned for July 2011. Follow up drilling at the Bluebell prospect has been scheduled for November 2011, following harvest of winter crops.

Table 1 – Significant 1m screen fire intercepts for Condobolin RC drilling

Hole ID	Interval (m)	Au (g/t)	Cu %	Ag (g/t)	Pb%	Zn%	From (m)
CORC008[1]	**8**	**4.54**	**0.4**	**14.4**	**0.32**	**0.38**	**72**
including[1]	**7**	**5.18**	**0.46**	**16.4**	**0.37**	**0.43**	**73**
including[1]	**2**	**14.18**	**0.11**	**8.6**	**0.49**	**0.54**	**76**
CORC009[1]	**2**	**0.64**		**3.62**	**0.16**		**72**
CORC012[1]	**4**	**0.39**	**1.33**	**8.67**			**98**
CORC015[1]	**4**	**2.28**		**13.22**	**0.59**	**3.9**	**76**
Including[1]	**1**	**6.57**		**12.6**	**0.48**	**4.27**	**77**
CORC017[2]	**5**			**47.5**	**4.1**	**3.11**	**101**
including[2]	**2**			**64.7**	**5.64**	**1.5**	**104**
including[2]	**1**			**46.8**	**3.94**	**6.31**	**101**

Samples are 1m riffle split RC samples.
Intercepts >0.5 g/t Au or >0.5% Cu or >0.5% Pb or >0.5%Zn in bold text.
[1] - Intercepts based on 0.1g/t Au cutoffs with a maximum internal dilution of 2 times the minimum sample (2m).
[2]- Intercepts based on 0.1% Zn cutoffs with a maximum internal dilution of 2 times the minimum sample (2m).

Table 2 – Comparison of 2m and 1m gold intercepts for Condobolin RC drilling

Prospect	Hole	2m composites			1m re-splits			Cutoff Au (g/t)	Uplift
		Interval (m)	Au (g/t)	From (m)	Interval (m)	Au (g/t)	From (m)		
Phoenix	CORC008	10	3.06	72	**9**	**4.08**	72	0.1	33.4%
		8	3.74	72	**7**	**5.18**	73	0.5	38.7%
		6	4.73	72	**5**	**6.90**	73	1.0	45.9%
		2	10.35	76	**2**	**14.18**	76	5.0	37.0%
Mascotte	CORC015	4	1.33	76	**4**	**2.28**	76	0.1	71.4%
Bluebell	CORC012	4	0.29	98	4	0.39	98	0.1	34.5%

Intercepts based on Au cutoff shown in the table. Bold text denotes 1m intercepts >1g/t Au. Au was analysed by ALS Orange by screen fire assay/ AAS finish, and for the other elements in Table 1 by ALS Brisbane by four acid digest ICP AES/OES. Standards and duplicates are inserted into the sample stream to monitor laboratory performance. Refer to Table 3 for collar location data.

Table 3 – Condobolin EL6939 drill hole collars.

Hole ID	Easting (m)	Northing (m)	RL(m ASL)	Dip (Deg)	Azimuth - Mag (Deg)	Depth (m)
CORC001	511514	6343428	230	60	318	70
CORC002	511484	6343404	230	60	303	78
CORC003	511464	6343362	230	60	303	90
CORC004	511465	6343339	230	60	298	100
CORC005	511442	6343304	230	55	283	100
CORC006	511452	6343333	230	65	293	78
CORC007	511397	6343380	230	60	118	78
CORC008	511456	6343297	230	55	283	112
CORC009	511469	6343319	230	60	293	81
CORC010	512300	6342443	209	60	318	80
CORC011	512322	6342441	209	60	318	85
CORC012	512342	6342428	210	65	320	120
CORC013	512078	6343112	235	65	318	97
CORC014	512056	6343109	234	65	318	42
CORC015	512108	6343127	233	65	313	97
CORC016	512075	6343095	235	65	338	109
CORC017	514540	6343415	236	75	318	120
CORC018	513060	6347375	246	90	0	100
CORC019	512009	6343219	232	90	0	150

Coordinates are MGA94 Zone 55.

--ENDS--

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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 Condobolin

Located north of the township of Condobolin, NSW, EL6939 spans two target styles including narrow structurally-hosted high grade gold-base metals, as well as epithermal gold-copper. Numerous old workings cross the area in a general north-east oriented trend. The area has been mined at various times 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, base metals and tin explorer. The Company's portfolio consists of copper-gold projects in the Lachlan Fold Belt of NSW, base metal and tin projects in the Mount Read Volcanic Belt of Tasmania, Nadbuck near Broken Hill in NSW and Yalgoo, adjacent to the Golden Grove mine in Western Australia.

In NSW, Clancy has 12 wholly owned and managed projects and 7 joint venture projects which are managed by Gold Fields Australasia Pty Ltd. In Tasmania, Clancy has 2 base metal joint venture projects with Bass Metals and 2 tin joint venture projects with TNT Mines Pty Ltd (a wholly owned subsidiary of Minemakers Ltd). The Tasmanian projects are managed by Clancy's joint venture partners. This mix of Clancy and joint venture project funding allows a high level of exploration activity to be maintained, whilst prudently managing Clancy’s financial resources. Details of Clancy’s projects can be found at the Company's website: www.clancyexploration.com