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ASX / MEDIA ANNOUNCEMENT
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CONDOBOLIN DRILLING UPDATE

Diamond drilling in progress, aircore drilling completed and RC drilling to commence in January 2012

Clancy Exploration Limited (ASX: CLY) is pleased to announce that more than 2,100m of drilling has been completed to date from an extensive 4,300m summer drilling campaign underway at the Condobolin project.

Highlights

- 1,171m of diamond drilling and 948m of aircore drilling completed to date.
- 1,047 samples have been submitted for analysis to date (694 aircore and 353 diamond core) with results expected in January 2012.
- A further 818m of diamond core have been prepared for geological logging – these samples will be submitted for analysis in January 2012.
- Three diamond holes have been completed at Phoenix.
- Two diamond holes have been completed at Mascotte, with a third in progress.
- 2,250m of RC drilling will commence at Meritilga in January 2012.

Clancy's Managing Director Gordon Barnes said that progress with the drilling had been steady despite some minor rain delays and will continue into the New Year, with the first assay results expected in early to mid-January 2012.

"The first batch of samples hit the lab in late November and results will start flowing in January. A substantial RC drilling program will commence in late January at Meritilga and with the pending assays from diamond and aircore drilling completed to date, plus the ongoing drilling, will ensure steady news flow in the New Year," Mr Barnes said.

The diamond drilling is targeting extensions of gold, silver and base metals intercepts from previous RC drilling at the Phoenix and Mascotte prospects. Aircore drilling has also been completed, testing a palaeodrainage north of Meritilga for alluvial gold, as well as basement targets near historic workings in the broader Meritilga area. Further RC drilling (2,250m) is planned for Meritilga and this is currently scheduled to commence in January 2012.

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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, EL7748 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