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CONDOBOLIN PROJECT – FURTHER GOLD-COPPER-SILVER HITS AT MERITILGA EXTEND STRIKE
Potters Prospect Returns Encouraging Silver-Lead-Zinc

Clancy Exploration Limited (ASX: CLY) is pleased to announce further results from recent reverse circulation drilling (RC) at its 100% owned Condobolin project (EL7748) in central New South Wales.

Highlights

- At the Meritilga Prospect, the broad gold, copper and silver zone surrounding the high-grade shoot has been intersected along strike to the south-west and north-east, also containing lead and zinc:
  - **7m @ 0.3 g/t Gold, 0.3% Copper, 0.2% Lead, 6.88 g/t Silver** (from 59m, CORC030) including:
    - **3m @ 0.27 g/t Gold, 0.1% Copper, 0.3% Lead, 0.26% Zinc, 11 g/t Silver** (from 64m)
  - **5m @ 0.33 g/t Gold, 4.1 g/t Silver** (from 87m, COCR031)
  - **6m @ 0.17 g/t Gold, 0.22% Zinc, 0.12% Lead, 3.6 g/t Silver** (from 104m, CORC031)
  - **4m @ 0.38 g/t Gold, 4.6 g/t Silver, 0.23% Zinc** (from 80m, CORC032)
  - **5m @ 0.2 g/t Gold, 0.18% Zinc** (from 70m, CORC037)
- The mineralised strike length of the Meritilga Fault Zone has been extended to 600m, with the mineralisation now considered to be hosted in a tension vein array.
- Very encouraging grades of lead-silver-zinc intersected at Potters, including extensions to the lode below old workings:
  - **11m @ 1.5% Lead, 0.58% Zinc, 17.68 g/t Silver** (from 48m, CORC023) including:
    - **2m @ 7.1% Lead, 2.4% Zinc, 83.5 g/t Silver** (from 51m)
  - **10m @ 1.79% Zinc, 1.23% Lead, 12.9 g/t Silver** (from 136m, CORC022)
    - **4m @ 4.1% Zinc, 2.87% Lead, 29.6 g/t Silver** (from 136m)
- Gold lode at Phoenix has been widened to 30m with **9m @ 1.08 g/t Gold**, 4.8 g/t Silver, 0.74% Zinc, 0.17% Lead intersected in CORC024 (from 83m).
- Further gold-copper hits at the Bluebell prospect confirms persistence of shoot-style lode at depth:
  - **4m @ 0.51 g/t Gold, 1.24% Copper**, 10.4 g/t Silver (from 105m, CORC039)

Results from the remaining seven RC holes at the Meritilga Prospect have now been received, with further low grade hits confirming a mineralised strike length of 600m of the Meritilga Fault Zone.

Clancy's Managing Director, Mr Gordon Barnes, said the new assay results have confirmed the potential of the Condobolin project to deliver multiple lodes within a complex and widespread system.

"What is clear is that we have really just scratched the surface at Meritilga which is emerging as a zoned polymetallic deposit, with the addition of lead and zinc at depth and along strike to the south-west, to the broad halo of gold-silver and copper which surrounds the high-grade shoot," said Mr Barnes.

"When we model the assay results, we can see that there is more than one parallel structure within the Meritilga Fault Zone, which doubles its currently defined width. There is considerable potential for further structures within the broad Meritilga anomaly, and we are targeting a further drilling program."

"Meritilga is the first prospect within the Condobolin Mineral Field where we have confirmed gold, silver, copper, lead and zinc in the one occurrence. Furthermore, this occurrence is the most extensive to date, with virtually no historic mining." Mr Barnes said.

Hole CORC030, which intersected **7m @ 0.3 g/t Gold, 0.3% Copper, 0.2% Lead, 6.88 g/t Silver** (from 59m), including **3m @ 0.27 g/t Gold, 0.1% Copper, 0.3% Lead, 0.26% Zinc, 11 g/t Silver** (from 64m), was drilled 50m along strike to the south-west of CORC029 (4m @ 20g/t Gold, 0.26% Copper, 30.2 g/t Silver (from 75m)), extending the broad halo around a high-grade shoot.

Similarly, holes CORC031 and CORC032, drilled 55m and 270m respectively, along strike to the north-east of CORC029, both intersected further low grade gold-silver-lead-zinc mineralisation. Key intercepts include: **5m @ 0.33 g/t Gold,** 4.1 g/t Silver (from 87m, CORC031), **6m @ 0.17 g/t Gold,** 0.22% Zinc, 0.12% Lead, 3.6 g/t Silver (from 104m, CORC031), and, **4m @ 0.38 g/t Gold,** 4.6 g/t Silver, 0.23% Zinc (from 80m, CORC032).

Hole CORC037, 230m south-west of CORC031, intersected **5m @ 0.2 g/t Gold**, 0.18% Zinc (from 70m), and was drilled near to 2 shafts, named the 'Pygmy Hill' workings. As the gold intersection also ran >1% Arsenic, this zone is of great interest and will be followed up with further drilling.

Results have also been received from drilling at the Potters, Phoenix and Bluebell prospects, with very encouraging intercepts being returned.

At Potters, drilling continued testing ground around the footprint of the old workings. As indicated by RC drilling in February 2011, ore-grade material remains in close proximity to the workings with hole CORC023 intersecting **11m @ 1.5% Lead, 0.58% Zinc, 17.68 g/t Silver** (from 48m) including **2m @ 7.1% Lead, 2.4% Zinc, 83.5 g/t Silver** (from 51m).

Hole CORC022 was drilled to intersect extensions of the Potters lode, 20m below the known extent of the workings. At 136m, **10m @ 1.79% Zinc, 1.23% Lead, 12.9 g/t Silver** was intersected. The zone included **4m @ 4.1% Zinc, 2.87% Lead, 29.6 g/t Silver** (from 136m).

At the Phoenix prospect, one hole, CORC024, was drilled to twin diamond hole COD001, to verify the persistence of the lode found in RC drilling in February 2011. The intercept, **9m @ 1.08 g/t Gold**, 4.8 g/t Silver, 0.74% Zinc, 0.17% Lead (from 83m), confirmed the Phoenix lode to now be 30m wide. It is still open down dip and along strike.

Three RC holes were drilled at the Bluebell prospect in order to test the strike and down dip extension of the lode intersected during drilling in February 2011, which returned **4m @ 0.29g/t Gold, 1.14% Copper, 8.17g/t Silver** (from 98m, CORC012). Fence hole CORC040, drilled to hit the lode 10m down dip, intersected 2m @ 1.39 g/t Gold, 0.1% Copper, 2.33 g/t Silver (from 84m), indicating the lode dips gently to the south. Hole CORC039, drilled 15m along strike to the west, intersected **4m @ 0.51 g/t Gold, 1.24% Copper**, 10.4 g/t Silver (from 105m). Significant intercepts are given in Table 1.

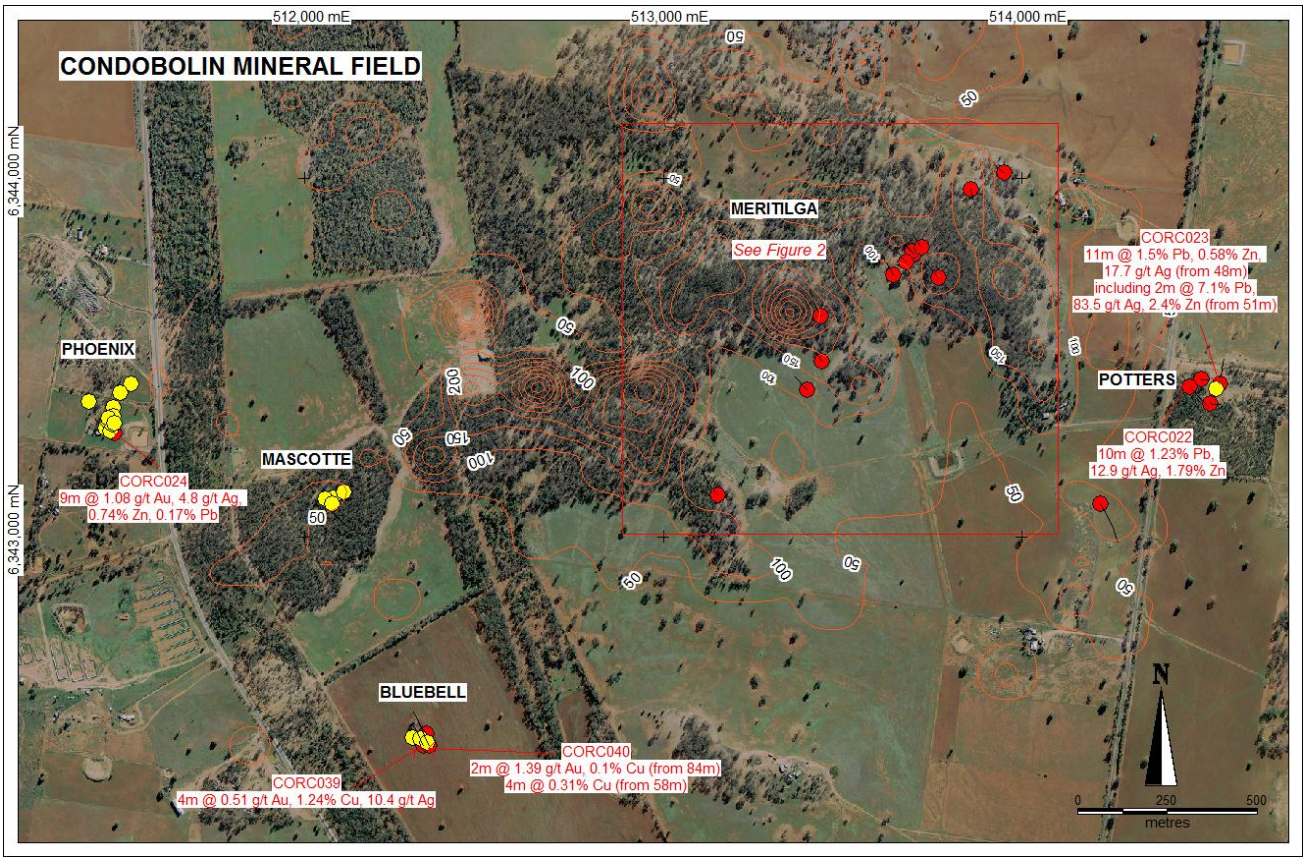

Figure 1 - *Plan view of RC drill program over the Condobolin Mineral Field showing major intercepts at Phoenix, Potters and Bluebell prospects and arsenic in soil anomaly.*

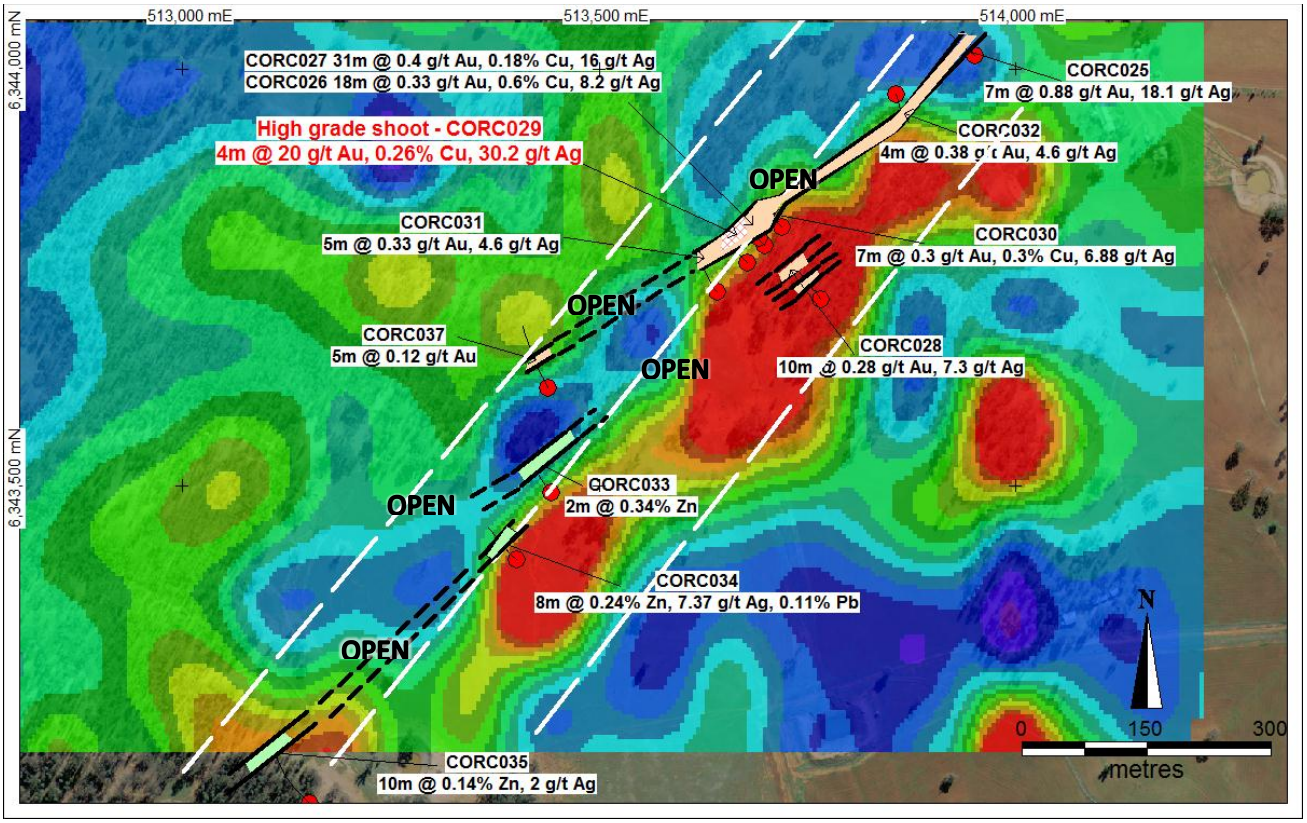

Figure 2 - *Plan view of RC drill program at the Meritilga Prospect showing major intercepts, interpreted mineralisation geometry and 3D IP chargeability anomalies at 100m vertical depth.*

Table 1 - *Significant intercepts for Condobolin RC Drilling*

Hole ID	Interval (m)	Au (g/t)	Cu %	Ag (g/t)	Pb%	Zn%	From (m)
CORC020[3]	4			1.1	0.17	0.27	110
CORC021[3]	30			1.1		0.23	48
Including[5]	**4**			**4.65**	**0.32**	**0.63**	**50**
CORC021[3]	10					0.11	14
CORC021[5]	2			5.33	0.15		28
CORC022[3]	**10**			**12.94**	**1.23**	**1.79**	**136**
Including[4]	**4**			**29.6**	**2.87**	**4.14**	**136**
CORC022[3]	15			2.79	0.17	0.29	71
Including[4]	**3**			**7.45**	**0.5**	**0.44**	**72**
Including[4]	**2**			**4.05**	**0.32**	**0.93**	**80**
CORC022[4]	**2**					**0.5**	**162**
CORC023[3]	**11**			**17.68**	**1.5**	**0.58**	**48**
Including[4]	**2**			**83.5**	**7.1**	**2.4**	**51**
CORC023[3]	12			2.11	0.18	0.15	34
CORC023[3]	2			1.77	0.34	0.24	104
CORC023[3]	12			1.13	0.11	0.18	140
CORC024[1]	**9**	**1.08**		**4.87**	**0.17**	**0.74**	**83**
Including[2]	**4**	**1.02**	**0.12**	**8.2**	**0.27**	**1.48**	**83**
Including[2]	**2**	**2.42**		**3.13**	**0.14**		**90**
CORC024[1]	2	0.39	0.39	1.34			14
CORC024[5]	6			2.36	0.17	0.37	102
CORC030[1]	7	0.3	0.3	6.88	0.2		59
Including[2]	**1**	**0.61**	**0.54**	**5.7**	**0.12**		**60**
Including[3]	3	0.27	0.1	11.02	0.3	0.26	64
CORC030[1]	6	0.19					2
CORC030[1]	1	0.26		2			72
CORC030[1]	2	0.26		1.31			80
CORC031[1]	5	0.33		4.08			87
Including[2]	1	0.74		8.47			89
CORC031[1]	6	0.17		3.6	0.12	0.22	104
CORC032[1]	4	0.38		4.57		0.23	80
Including[2]	**2**	**0.57**		**7.18**		**0.37**	**80**
CORC032[1]	4	0.15		3.46	0.33		46
Including[5]	**2**	**0.1**		**5.34**	**0.58**		**48**
CORC032[1]	2	0.4		3.17	0.28	0.2	108
CORC032[3]	8					0.14	28
CORC032[3]	5	0.29		3.95		0.23	78
CORC033[3]	2					0.34	112
CORC034[1]	2	0.2					22
CORC034[3]	8			7.37	0.11	0.24	54
Including[5]	4			13.35	0.19	0.34	56
CORC035[3]	4	0.1		1.99	0.18	0.34	108
CORC035[3]	10			1.99		0.14	122
including[1]	2	0.11				0.17	130
CORC036[1]	2	0.21					72
CORC036[3]	6					0.18	138
CORC037[1]	5	0.2		1.9		0.18	70
Including[2]	1	0.52		5.26	0.27	0.66	74
CORC037[3]	6	0.16		2.15	0.1	0.23	71
CORC038[1]	2	0.22					22
CORC038[1]	4	0.18	0.12				46
CORC039[1]	**4**	**0.51**	**1.24**	**10.4**			**105**
Including[2]	**1**	**1.43**	**3.77**	**30**			**106**
CORC039[1]	2	0.22	0.13				42

CORC039[1]	2	0.17					50
CORC039[1]	3	0.29		1.15			71
Including[1]	1	0.35	0.21	2.64			72
CORC040[2]	**2**	**1.39**	**0.1**	**2.33**			**84**
CORC040[1]	2	0.14					52
CORC040[6]	4		0.31	1.71			58
CORC040[1]	2	0.13					114
CORC040[1]	1	0.14	0.1	1.08			126
CORC040[1]	2	0.22	0.42	5.79			140

Samples are 1m or 2m cone/riffle split RC samples.
[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 0.5g/t Au cutoffs with a maximum internal dilution of 2 times the minimum sample (2m).
[3] - Intercepts based on 0.1% Zn cutoffs with a maximum internal dilution of 2 times the minimum sample (2m).
[4] - Intercepts based on 0.5% Zn cutoffs with a maximum internal dilution of 2 times the minimum sample (2m).
[5] - Intercepts based on 0.1% Pb cutoffs with a maximum internal dilution of 2 times the minimum sample (2m).
[6] - Intercepts based on 0.1% Cu cutoffs with a maximum internal dilution of 2 times the minimum sample (2m).
Intercepts >0.5 g/t Au or >0.5% Cu or >0.5% Zn or >0.5% Pb in bold text. Au was analysed by ALS Orange by screen fire assay/fire assay / AAS finish, and for the other elements 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 2 for collar location data.

Table 2 - *Condobolin EL7748 drill hole collars.*

Hole ID	Easting (m)	Northing (m)	RL (m ASL)	Dip (Deg)	Azimuth - Mag (Deg)	Depth (m)
CORC020	514500	6343443	232	-80	118	120
CORC021	514526	6343374	236	-80	123	120
CORC022	514467	6343421	232	-70	121	200
CORC023	514551	6343427	232	-70	345	157
CORC024	511469	6343292	224	-55	284	115
CORC030	513719	6343810	240	-70	304	91
CORC031	513641	6343733	240	-70	306	127
CORC032	513856	6343970	242	-70	151	114
CORC033	513442	6343492	238	-70	303	115
CORC034	513400	6343412	236	-65	303	97
CORC035	513152	6343120	235	-55	303	133
CORC036	514218	6343094	234	-60	133	199
CORC037	513438	6343618	244	-60	323	136
CORC038	512337	6342455	215	-60	318	125
CORC039	512331	6342421	215	-65	318	133
CORC040	512345	6342422	214	-70	318	151

--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, 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