

ORANGE EAST DIAMOND DRILLING RESULTS

Clancy Exploration Limited (ASX: CLY) is pleased to report the results of diamond drilling at its Orange East project. The drilling targeted several strong induced polarisation chargeability anomalies that have now been confirmed as large sulphide-bearing bodies with strong associated hydrothermal alteration and quartz-veining. Eight diamond holes (1564m) were completed (Figure 1). The sulphide bodies contain narrow intersections of low to moderate grade gold and copper mineralisation.

The best intersections include:

- OED011: 1m @ 0.67g/t gold from 98m
1m @ 1.13g/t gold from 113m
- OED013: 1m @ 1.25% copper and 0.11g/t gold from 52m
- OED016: 1m @ 1.11g/t gold from 1m
1m @ 0.84 g/t gold from 29m
1m @ 0.55% copper from 118m
- OED018: 0.5m @ 1.24% copper from 96m
0.5m @ 1.74% copper from 121m

Three distinct alteration-mineralisation styles have been intersected:

- 1) Massive biotite with pyrrhotite-chalcopryrite veins and disseminations
- 2) Quartz-carbonate-fuchsite-sulphide-gold veins
- 3) Quartz-sulphide-gold veining with intense albite alteration

The strong biotite alteration is interpreted to be related to a proximal potassic intrusion, the location of which has yet to be determined. Further work is required to locate it and determine whether it could host high grade mineralisation such as that mined in the mid to late 1800's. The quartz-carbonate-gold and quartz-sulphide-gold veining were previously unreported from this area. The significance of the diverse alteration styles and their relationship to mineralisation is currently under investigation.

Clancy's Managing Director, Mr Mark Stewart, said that whilst the latest drilling results have only defined narrow and relatively low-grade mineralisation, the hunt for gold and copper mineralisation at Orange East would continue.

"We tested several targets in this round of drilling, with each showing large sulphide bearing bodies. The intensity of alteration and the relatively broad drill spacing mean plenty of scope for economic mineralisation remains, given the strong surface geochemical response. We have generated a significant amount of data over the last twelve months, so now we need to put it all into context, which will help us focus in on the source of the mineralisation. Additionally, there are a number of other prospects on the tenement that we haven't investigated yet and work on those will commence in the next few months, following ongoing exploration programs at Trundle and Condobolin" Mr Stewart said.

"It is clear that Orange East remains highly prospective, along with Clancy's other projects in the Lachlan Fold Belt. We have a very aggressive exploration program continuing over the remainder of 2010 to test this potential," said Mr Stewart.

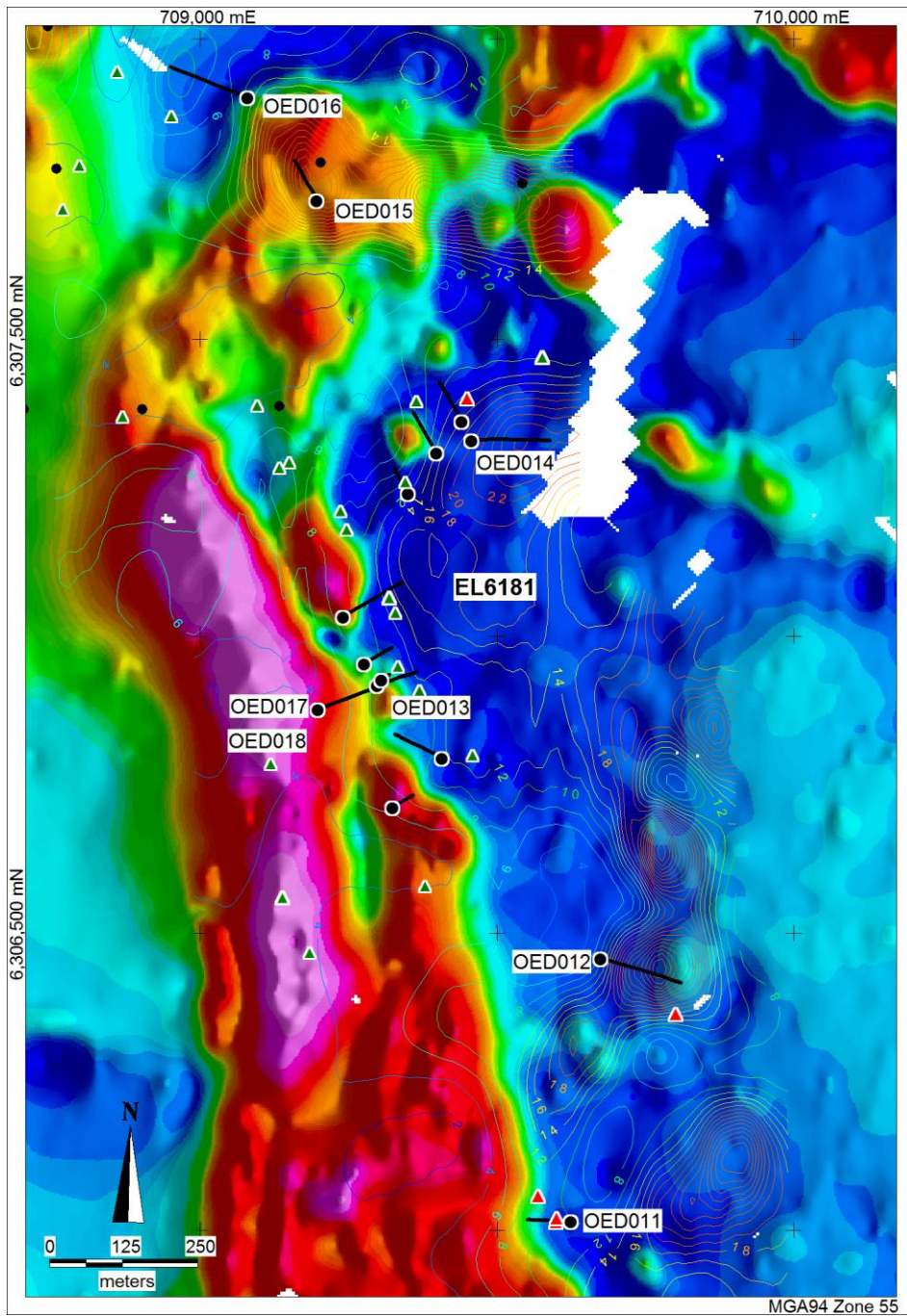


Figure 1- Location of Clancy drill holes (black dots with white outline) showing drill strings projected to surface over RTP ground magnetic response (image) and IP chargeability at 100m below surface (contours in mV/V). The recent diamond hole collars are labelled, previous Clancy RC holes are unlabelled. Also shows location of rock chip samples >0.5g/t Au (red triangles) and >0.5% Cu (green triangles). Previous shallow RAB holes are also shown (small black dots).

-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 Orange East

Located northeast of the township of Orange, NSW, EL6181 spans several target styles including Ordovician porphyry and Silurian copper-gold targets. Numerous old workings cross the area and many are focused along regional-scale structures, such as the Lucknow and Godolphin faults, part of the Mullions Range Imbricate Zone. The area has been mined since the early 1850's, first producing copper, then gold and silver.

The lease area lies 8 km south of the Lewis Ponds Project with an indicated and inferred resource of 6.6 million tonnes at 1.5g/t Au, 69g/t Ag, 2.4% Zn, 0.2% Cu and 1.4% Pb at >3.0% ZnEq. This resource consists of two mineralised bodies, the Main Zone and Tom's Zone in Silurian volcanoclastic rocks of the Anson Formation. The McPhillamys Project lies 18 km south southeast of the lease on the Godolphin Fault and has a reported indicated and inferred resource of 91.94 million tonnes grading 1.00g/t Au and 0.07% Cu (2.96 Moz) at 0.3g/t gold cut-off.

About Clancy Exploration

Clancy Exploration (ASX: CLY) is an Australian-focused copper, gold and base metals explorer. The Company's portfolio has been built up over a number of years and consists of highly prospective copper-gold projects in the Lachlan Fold Belt of NSW, base metal projects in the Mount Read Volcanic Belt of Tasmania, Nadbuck near Broken Hill and Yalgoo adjacent to the Golden Grove mine in Western Australia.

Details of Clancy's projects can be found at the website - www.clancyexploration.com

The Company's objective is to advance its properties to a stage of commercial development by applying faster, less expensive and more reliable analytical methods to resource exploration.

Clancy also has a number of joint ventures in the Lachlan Fold belt with Gold Fields Limited, one of the world's largest gold producers. Exploration is advanced through a mix of joint venture projects managed by Gold Fields and 100% owned projects managed by Clancy. This mix of joint venture and Clancy project funding allows a high level of exploration activity to be maintained, whilst prudently managing Clancy's financial resources.

Clancy's competitive advantages also include having one of the largest ground positions of any explorer in the prospective Macquarie Arc (~2900km²), and the innovative use of digital geological and geophysical data in probability based targeting.