

About Clancy

Clancy Exploration (ASX: CLY) is an Australian-focused copper, gold and base metals explorer.

The Company's portfolio has been built up over the past five years to consist of highly prospective copper-gold projects in the Lachlan Fold Belt of NSW and base metal projects in the Mount Read Volcanic Belt of Tasmania.

Clancy's competitive advantages include support from major shareholder, Geoinformatics Exploration Inc (TSX-V), having one of the largest ground positions of any explorer in the prospective Macquarie Arc (>1850km²), and the innovative use of digital geological and geophysical data in probability based targeting.

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. The exploration activities are well-funded and substantial upside exists with the potential addition of resources.

Additionally, Clancy has established joint ventures with Gold Fields Limited on three projects in NSW (managed by Clancy) and with Bass Metals Limited (ASX: BSM) on the Tasmanian tenement package (managed by Bass Metals). Clancy, in conjunction with its JV partners, has spent significant funds on the projects to date, with a combined \$7.4 million to be spent on the Company's tenement package within two years of listing.

A 30,000m drilling program is planned from May to December 2008 with a healthy exploration budget and a well-credentialed team in place to commence testing 17 targets.

Quarterly Activities Report

For the Period Ending 31 March 2008

Overview

The Board of Clancy Exploration Limited is pleased to release its quarterly activities report for the period ending 31 March 2008.

Clancy has been very active during the quarter, with drilling completed at Gobondery, Cowal East, Goobang and Illabunda and IP surveys completed or in progress at Wellington North and Cundumbul.

Drilling results are flowing in and geochemical anomalies are being defined. Processing work on the IP data collected to date is well advanced and several significant basement chargeable IP anomalies have been defined, the results for which will be reported in the next quarter.

Drilling is set to resume in late April 2008 and will continue throughout calendar 2008.

Highlights

- Blind porphyry systems identified at the Allandale and Forest View prospects confirm Clancy's targeting approach is working. Full results awaited.
- Drilling has defined a 1000 x 800m zone of intense phyllic alteration at Wyrra, part of the Cowal East project, which is anomalous in copper, zinc and molybdenum. The results confirm that the alteration is associated with a significant hydrothermal system.
- Aircore drilling at Goobang has refined and extended a previously reported copper anomaly, which is also elevated in zinc. The anomaly is open to the southeast.
- Extensive IP surveys completed at Wellington North with data being processed and several significant basement chargeable IP anomalies defined.
- RC and diamond drilling commencing at the Wellington North project in May.
- 30,000m of drilling planned from May until the end of 2008 testing 17 targets.



Lachlan Fold Belt Projects – New South Wales

Gobondery EL6534

(Gold Fields earning 80%)

Gobondery is located 47km west of the Northparkes copper-gold mine (Rio Tinto). A discrete cigar-shaped +8 millisecond chargeable anomaly over a strike length of 750m with a diameter of 150m was detected at Allandale at a depth of approximately 100m. The chargeable anomaly is coincident with the porphyry-style alteration and mineralisation identified by Clancy's previous aircore drilling in 2006.

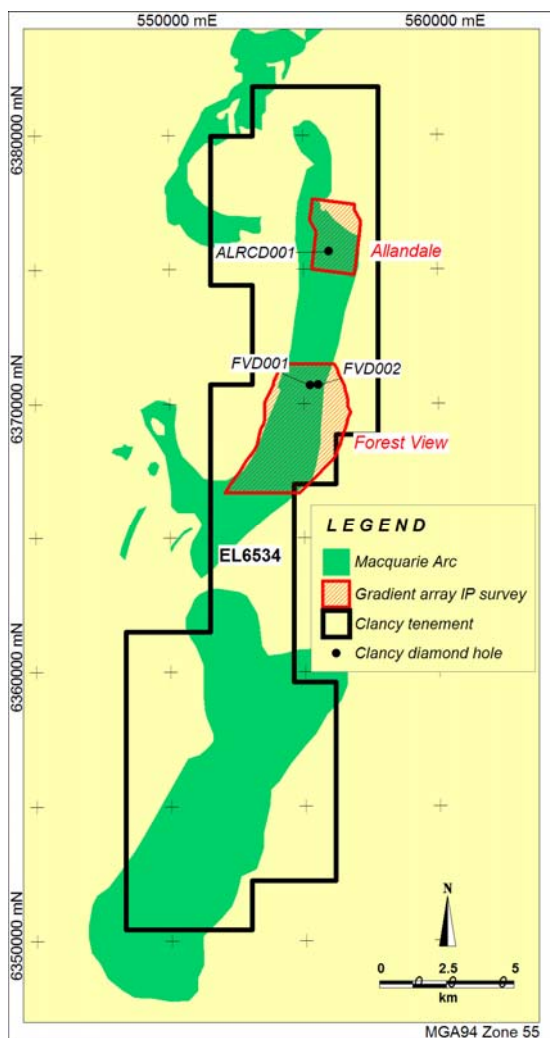
One diamond hole (ALRCD001) was drilled into the Allandale chargeable anomaly to a depth of 378m. The host rocks are mostly andesite flow units with intercalated breccia. The breccia is locally clast-supported and appears to be depositional in nature. Some breccia clasts are red-brown porphyritic monzonite. Much of the core exhibits weak to pervasive propylitic alteration (epidote-chlorite), with the more intense alteration preferentially affecting the breccia. Epidote veinlets with K-feldspar selvages are also more abundant in the breccia. Calcite veins occur throughout, but very few quartz veins were observed. Fine-grained disseminated pyrite (locally up to 2%) was intersected in discrete intervals, but only rare amounts of chalcopyrite was noted on vein margins. Minor specular-to massive-hematite occurs as veinlets, fracture coatings and as disseminated grains in epidote-chlorite altered breccia. Results are expected from this hole in four to six weeks.

The Forest View prospect is located 5km south of Allandale. Clancy identified K-feldspar-magnetite-epidote alteration in hornblende monzodiorite at Forest View in 2006. A quartz-chalcopyrite-bornite vein assayed by Clancy returned 1.14% copper and 0.17g/t gold. A gradient array IP survey was completed which identified a prominent +15 millisecond chargeable zone over an area of 1100m x 600m. Follow-up pole-dipole IP lines confirmed that there is a significant chargeable anomaly at Forest View over an area of 400m x 650m with chargeability's of 15 to +45 milliseconds. The top of the anomaly is between 60m to 150m deep and is open at depth.

Two diamond drill holes were drilled into the Forest View chargeable anomaly. FVD001 was completed at 303.5m and FVD002, which was collared 300m to the east was drilled to 396m. The dominant host rock in FVD001 is fine- to medium-grained volcanic sandstone with intercalated depositional breccia. FVD002 is mostly composed of fine- to medium-grained volcanic sandstone. Minor fine-grained monzodiorite dykes were also intersected in FVD002. There is pervasive epidote and chlorite alteration in both holes, and the alteration appears to be magnetite destructive in FVD001. Calcite veins, garnet and pyrite are more common in FVD002 whereas specular hematite is more common in FVD001. Epidote veinlets with local K-feldspar selvages are common in both holes. There are no quartz veins and only trace pyrite and very rare chalcopyrite (associated with hematite and calcite) in the system. Assays have been received for FVD001 and do not show significant mineralisation. The top 100m of FVD002 has been submitted for analysis and results are expected in three to four weeks. The results for the remaining part of FVD002 will follow in the weeks after that.

The diamond drilling completed at Gobondery in 2007 identified altered porphyry systems at the Allandale and Forest View prospects, confirming the original targeting premise. From a targeting perspective, the results are encouraging as the aim was to identify blind (i.e. covered) porphyry systems, which is what has been defined at both prospects. However the, assays for one hole have shown that the discovered porphyry system is not mineralised. Results of the other two holes are awaited.

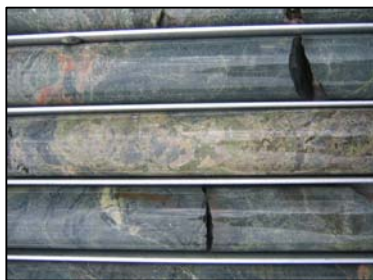
The alteration appears to be higher temperature at Forest View (presence of garnet), however volcanic facies suggest Allandale is more proximal to a volcanic centre. Both systems lack quartz veins and sulphide minerals. The remaining core will be logged and sampled shortly, with results anticipated in four to six weeks. A more thorough assessment will be made after all the results have been received, including whether or not the IP chargeable anomalies at the prospects have been adequately explained.



Gobondery EL6534 showing the IP surveys and diamond drill holes completed in 2007.



Allandale prospect ALRCD001 drill site, October 2007.



NQ drill core from hole ALRCD001 between 51m and 54.5m showing K-feldspar (pink) and epidote alteration (pale green).



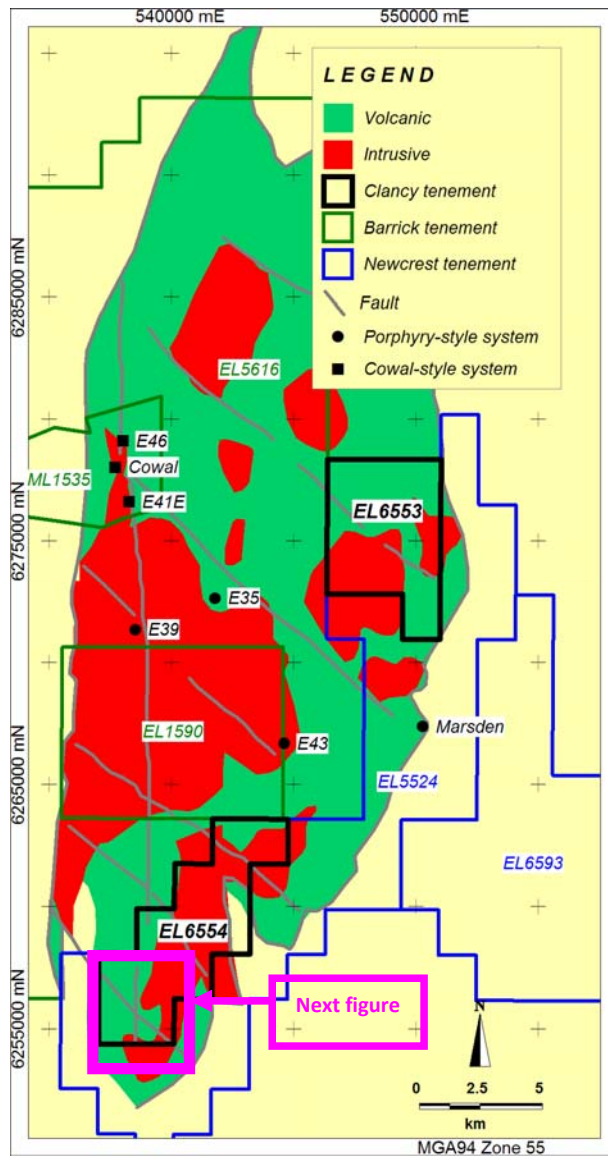
NQ drill core from hole FVD001 between 156m and 162.5m. Note the intense epidote alteration (green) near the bottom of the photo.

Cowal East: EL6553 and EL6554

(Gold Fields earning 80%)

The Cowal East project consists of two tenements, Koobah EL6553 and Wyrra EL6554 that are located in the Cowal Igneous Complex, east of the Cowal gold mine and north and south of the Marsden copper-gold prospect. The Cowal gold deposit is a low-sulphidation carbonate-base metal gold system with an endowment of >4.5M oz of gold which is being mined by Barrick. Marsden is a porphyry copper-gold prospect that is currently being drilled out to resource status by Newcrest Mining. Marsden has an inferred resource of 800,000 oz of gold and 380,000 tonnes of copper and has yielded recent drilling intercepts such as 171m @ 0.82g/t gold and 0.7% copper. The Cowal East project is prospective for both porphyry-style (such as Marsden) and Cowal-style deposits.

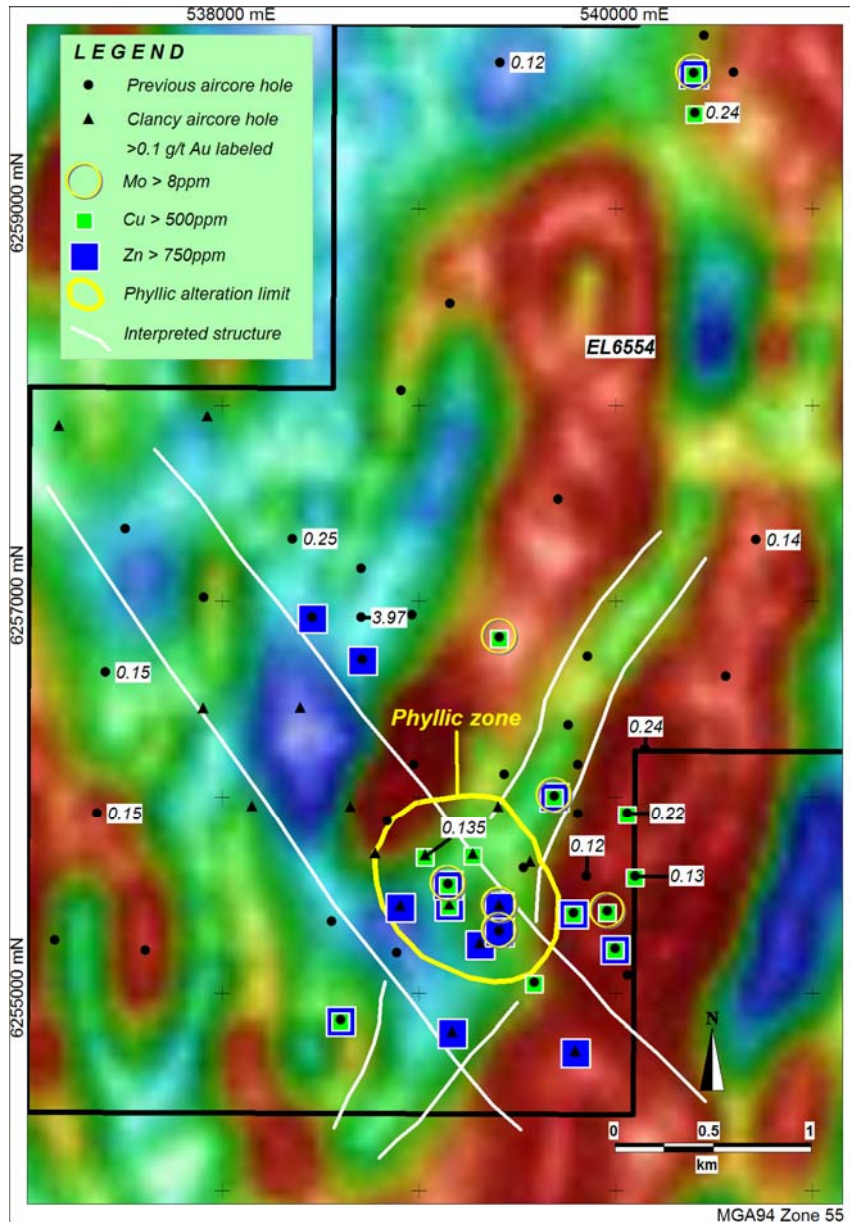
A total of 21 aircore holes for 1841m were completed during the quarter, before heavy rain in the district forced the suspension of drilling activities. The drilling has defined a 1000 x 800m zone of intense phyllic (quartz-sericite-pyrite) alteration on the intersection of northwest and northeast trending structures. The phyllic alteration is pervasive and was identified in nine aircore holes, which are anomalous in copper, zinc and molybdenum.



Geology of the Cowal Igneous Complex showing Clancy's tenements EL6553 and EL6554 and significant mineralised systems.

The host rock in the phyllic alteration zone is difficult to identify due to the intense alteration and weathering, however the surrounding host rocks consist of diorite and monzonite. The presence of phyllic alteration, or bleached rocks, is a common component of other porphyry and epithermal deposits in the district. The phyllic alteration zone is anomalous in copper (>500ppm), zinc (>750ppm) and molybdenum (>10ppm), as defined by maximum basement aircore results. A single point gold result of 0.135g/t was also identified within the zone. The depth of transported cover over the phyllic zone is 30-40m and the anomalous geochemistry is from oxidised Ordovician basement at depths of 60-90m. The evidence therefore confirms a significant hydrothermal system is present at Wyrra. Location, sample interval, assay data and analytical methods for the anomalous Wyrra aircore holes have been previously released to the market.

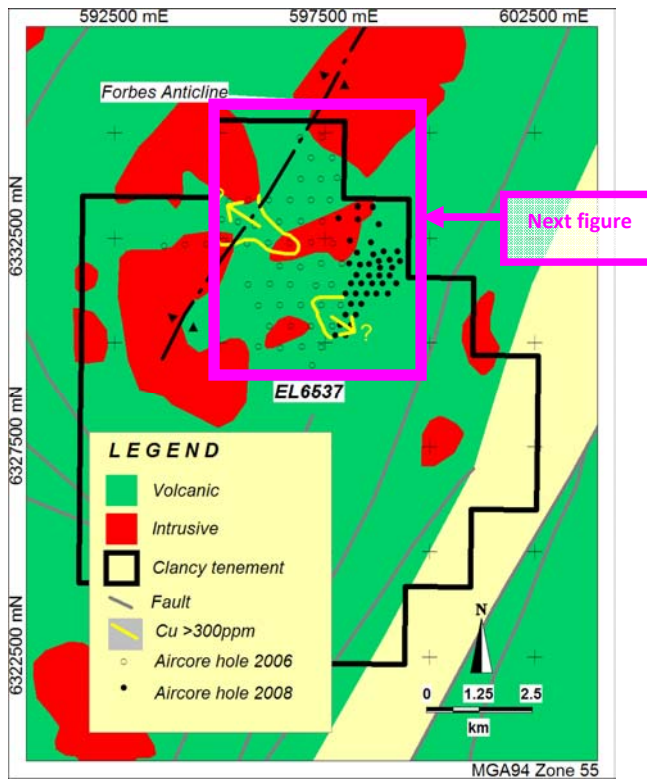
The visual and analytical results confirm that a significant hydrothermal system associated with favourable structure and host rocks has been identified in an area with no deep drilling. Regional aircore drilling will resume after crops are harvested in November. However, given the promising results, the company will determine if it will be possible to bring diamond drilling forward in advance of that.



Summary of historical and current drilling in the southern part of Wyrra EL6554 showing the location of the phyllic zone and the maximum basement copper, zinc and molybdenum results. Gold results >0.1g/t are labelled. The image is 1VD RTP magnetics.

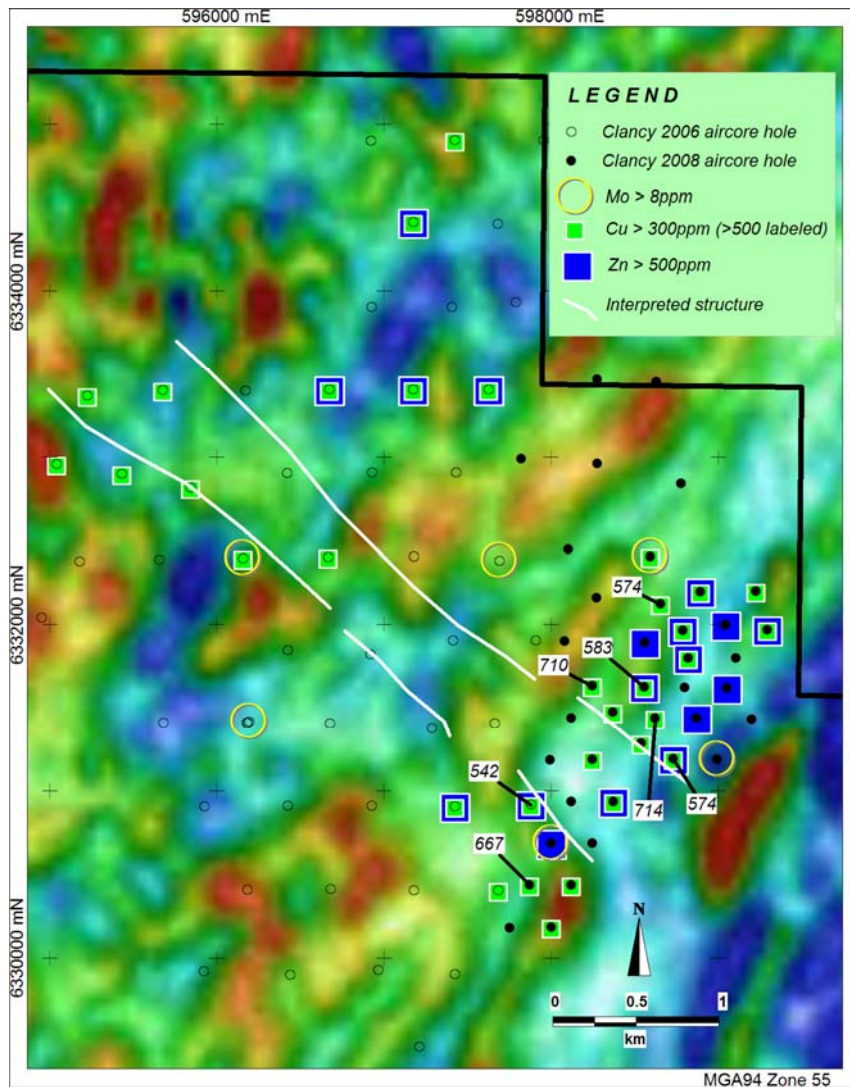
Goobang EL6537
(Clancy 100%)

Goobang is located approximately 20km south of the Northparkes copper-gold mine. Outcrop is minimal with surface geology dominated by Quaternary and Tertiary clay, alluvium and gravel up to 75m thick. Clancy carried out aircore drilling in 2006, which defined two zones of elevated copper anomalism, one in the northwest around a fractionated monzonite, and another southeast of the drilled grid. Further aircore drilling was carried out during February 2008 (39 holes for 2367m) to further test the southeast anomaly.



Geology of Goobang EL6537 showing the location of the Clancy aircore holes from 2007 and 2008 and basement copper anomalies.

This drilling has revealed a package of volcanoclastic sandstone, limestone and andesitic lava with two zones of elevated copper and zinc that transgresses stratigraphy. The rocks are variably overprinted by K-feldspar, phyllic and propylitic alteration assemblages and significant pyrite was found coincident with the copper anomalism. The two zones of copper and zinc anomalism are open to the southeast with peak copper values of 714ppm and 667ppm. They are separated by a northwest-trending structural corridor that extends to the previously identified copper anomalism northwest of the tenement. Further drilling is planned to further test the anomalies later in 2008. Location, sample interval, assay data and analytical methods for the anomalous Goobang aircore holes have been previously released to the market.



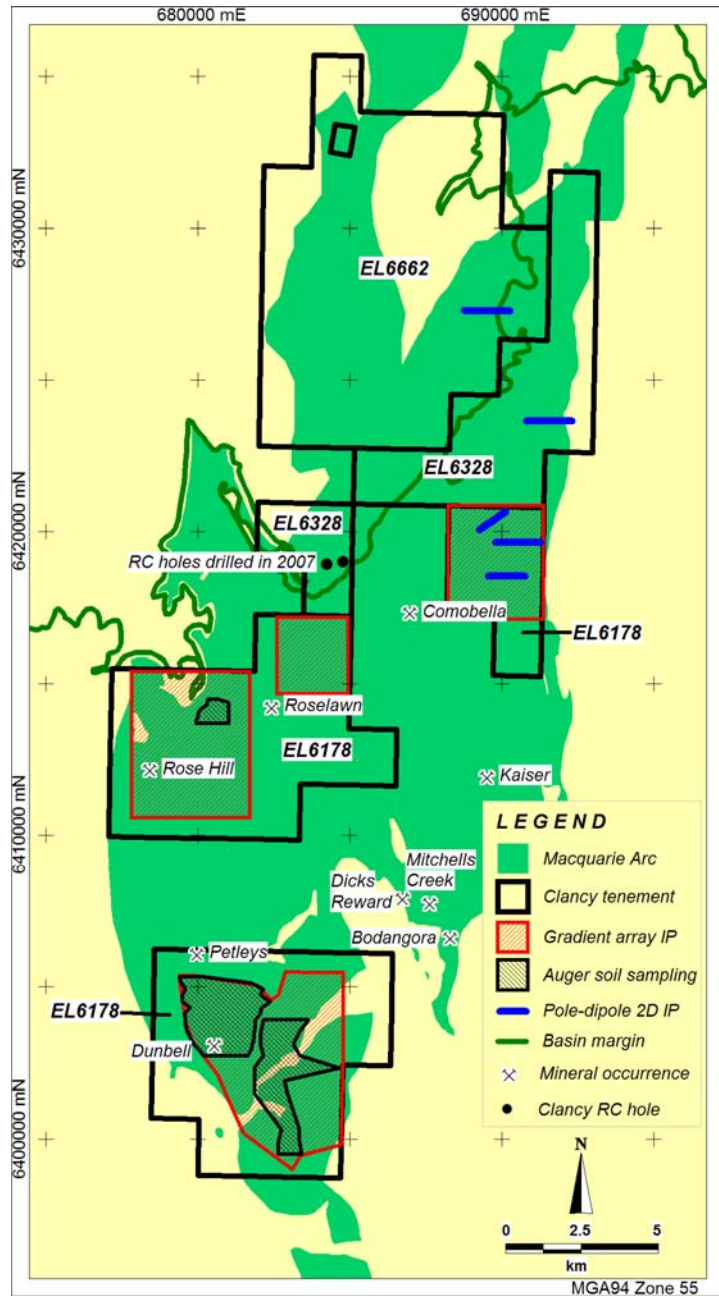
Summary of Clancy drilling in Goobang EL6537 showing the maximum basement copper, zinc and molybdenum results. Copper results >500ppm are labelled. The image is 1VD RTP magnetics.

Wellington North: EL6178, EL6328 and EL6662
(Gold Fields earning 80%)

The three licenses at Wellington North are contiguous and cover approximately 40km of strike length of the Molong Volcanic Belt immediately north of Wellington. Potassic altered andesite and epiclastic rocks, and hornblende-quartz monzodiorite of Ordovician age have been identified within a large basement magnetic complex. Minor copper and anomalous gold mineralisation, is associated with this complex and previous exploration did not define the lateral or depth extents to this system.

An extensive program of gradient array IP and 2D IP surveys were completed at Wellington North. Gradient array IP and 2D pole-dipole IP surveys were undertaken over several target areas. A total of 25 line km's of 2D pole-dipole IP surveys and 61km² of gradient array IP surveys have been completed to date. Follow-up offset 2D pole-dipole surveys are in progress over gradient IP anomalies. The IP data are currently being processed, but the results to date indicate that several significant basement chargeable IP anomalies have been defined. Full details will be reported in the next quarter. Basement RC and diamond drilling of IP chargeable anomalies will commence in May 2008.

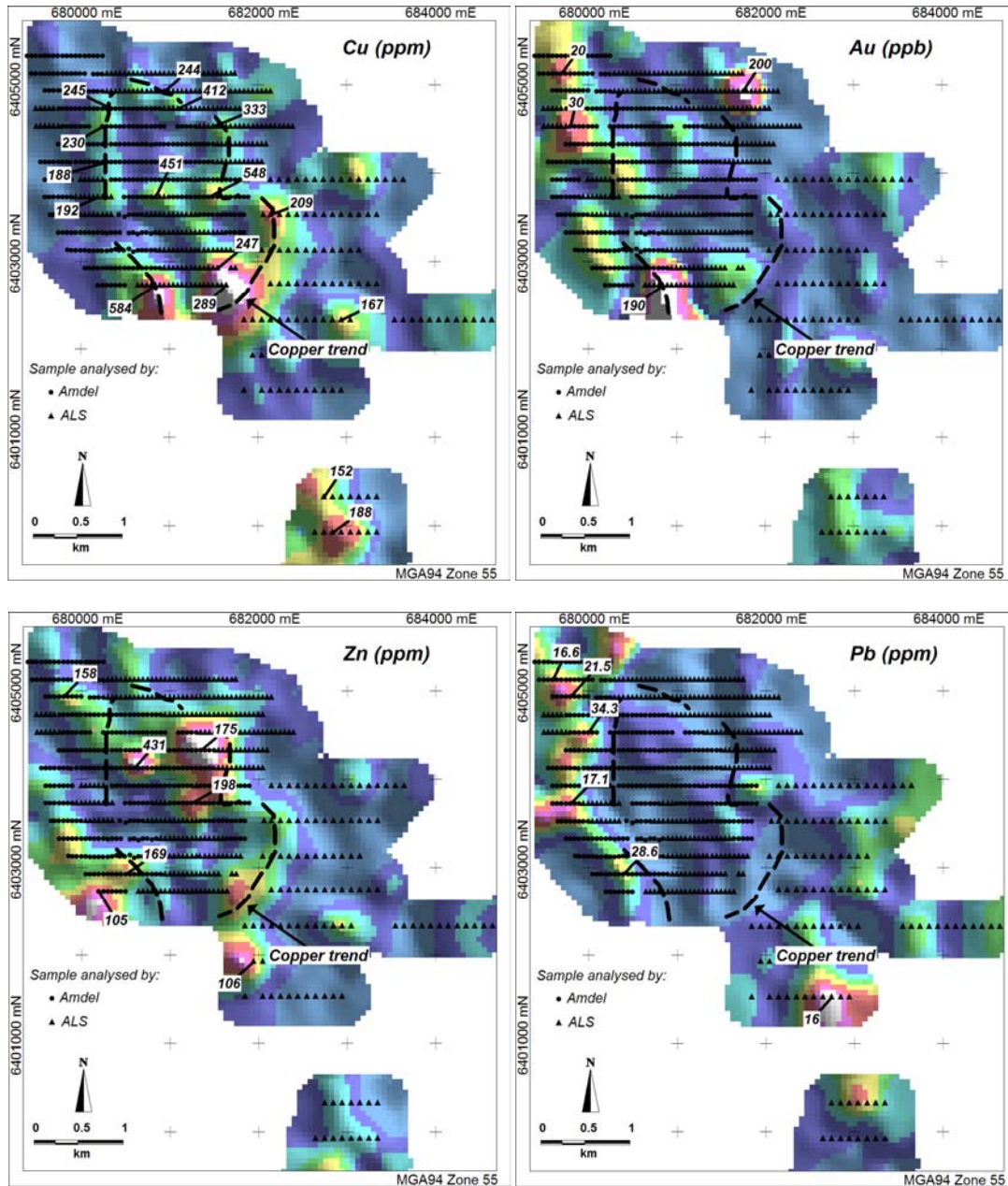
An assessment of auger soil sample results at Rose Hill North and Dunbell collected during the September 2007 quarter was undertaken. Clancy commenced the auger soil sampling program in 2006, which was infilled and extended during 2007. The 2006 samples were analysed by Amdel in Perth and the 2007 samples were analysed by ALS in Orange. The discussion of results presented here incorporates both the 2006 and 2007 programs.



Wellington North project showing the gradient array and pole-dipole IP surveys and auger soil sampling completed in 2007 and 2008.

At Dunbell a 3 x 2km north-northwest-trending ring-like ovoid trend of elevated copper with maxima of 548 and 584ppm has been defined, which is open to the south. It is flanked to the west by elevated gold (maxima 190ppb) and there is also a single point 200ppb gold result to the northeast of the copper trend. Isolated spot highs up to 431ppm zinc were returned, with the higher zinc values clustering in the central north section of the copper trend. The lead results are relatively subdued with the highest results flanking the copper trend to the west. This area was covered by a gradient array IP survey, which is currently being processed. Further work at Dunbell will be dependent on the outcome

of the IP survey. The Rose Hill North results were subdued, however a northwest-trending zone of elevated copper with a maximum of 347ppm was defined, which is open to the northwest. This area has also been covered with a gradient array IP survey.



Auger soil results for copper (Cu ppm), gold (Au ppb), zinc (Zn ppm) and lead (Pb ppm) for Dunbell. An ovoid trend is evident for copper which is shown as dashed line. Elevated values are labeled.

Cundumbul: EL6661 and EL6912
(Clancy 100%)

IP gradient array surveys are currently in progress at Cundumbul, the results for which will be presented in the next quarter.

Currumburrama: EL6784

(Clancy 100%)

The planned aircore drilling for the first quarter 2008 was postponed due to heavy rainfall in the district and has now been rescheduled to the December 2008 quarter.

Illabunda EL6535

(Clancy 100%)

One aircore/diamond hole was completed to a depth of 250m without reaching Ordovician basement (153m aircore precollar, 97m NQ diamond core tail). The hole consisted of transported sand and clay to 153m followed by massive Jurassic sandstone to bottom of hole. The strategy was to validate the depth to Ordovician basement with the first hole and follow this up with one or two more holes depending on how the rocks and alteration looked. The modelled depth to Ordovician basement was <250m. As there were no signs of Ordovician basement at 250m, the hole was terminated. The depth to basement modelling will be reviewed before any further work is undertaken.

Corporate Activity

During the quarter Clancy conducted a roadshow in Sydney and presented at an AMEC investor briefing in Sydney and the RIU Explorers Conference in Fremantle. Clancy will be presenting at an AMEC investor briefing in Brisbane in May and at a resources conference on the Gold Coast in June. Clancy will also have a booth at the AMEC National Mining Congress in Perth from 22 to 24 May.

Taylor Collison published a comprehensive note on Clancy during the quarter recommending Clancy as a speculative buy and this note can be accessed via the Clancy website.

Clancy has recently published its 2007 Annual Report which is available in hard copy by contacting the Company or electronically via the website. The Annual General Meeting will be held on 30 May 2008.

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Footnote:

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.