Global Clean Energy Holdings, Inc.
Form 10-Q
November 07, 2013

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q

(Mark One)
x QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2013

OR

o TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number 0-12627

Global Clean Energy Holdings, Inc.
Exact name of registrant as specified in its charter)

DELAWARE	87-0407858
State or other jurisdiction of incorporation	(IRS Employer Identification No.)

100 West Broadway, Suite 650
Long Beach, California 90802
(Address of principal executive offices)
(310) 641-4234

Former Name or Former Address, if Changed Since Last Report

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes x No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company.

Large accelerated filer	o	Non-accelerated filer	o
Accelerated	o	Smaller	x

Filer	reporting company

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date: As of November 4, 2013, the issuer had 339,187,545 shares of common stock issued and outstanding.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes o No x

PART I

ITEM 1. FINANCIAL STATEMENTS.

GLOBAL CLEAN ENERGY HOLDINGS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

	September 30, 2013 (unaudited)		December 31, 2012	
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	$	240,551	$	941,579
Accounts receivable		11,670		2,100
Inventory		34,423		1,564
Other current assets		173,965		298,586
Total Current Assets		460,609		1,243,829
PROPERTY AND EQUIPMENT, NET		15,410,631		14,559,002
INVESTMENT HELD FOR SALE		-		288,536
DEFERRED GROWING COST		3,340,869		3,378,990
INTANGIBLE ASSETS, NET		3,762,939		-
OTHER NONCURRENT ASSETS		8,796		11,372
TOTAL ASSETS	$	22,983,845	$	19,481,729
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)				
CURRENT LIABILITIES				
Accounts payable and accrued expenses	$	3,667,930	$	1,135,594
Accrued payroll and payroll taxes		1,241,697		1,018,894
Capital lease liability - current portion		4,345		42,829
Notes payable - current portion		75,000		60,800
Convertible notes payable		567,000		567,000
Total Current Liabilities		5,555,972		2,825,117
LONG-TERM LIABILITIES				
Accrued interest payable		2,821,346		2,121,787
Accrued return on noncontrolling interest		6,810,029		4,963,582
Notes payable - long term portion		1,301,000		40,200
Mortgage notes payable		5,110,189		5,110,189
Total Long Term Liabilities		16,042,564		12,235,758

STOCKHOLDERS' EQUITY (DEFICIT)		
Preferred stock - $0.001 par value; 50,000,000 shares authorized		
Series B, convertible; 13,000 shares issued (aggregate liquidation preference of $1,300,000)	13	13
Common stock, $0.001 par value; 500,000,000 shares authorized; 339,187,545 and 293,683,502 issued and outstanding	339,187	293,683
Additional paid-in capital	25,520,248	24,588,022
Accumulated deficit	(28,239,263)	(26,599,007)
Accumulated other comprehensive loss	(134,804)	(56,121)
Total Global Clean Energy Holdings, Inc. Stockholders' Deficit	(2,514,620)	(1,773,410)
Noncontrolling interests	3,899,929	6,194,264
Total equity	1,385,309	4,420,854
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 22,983,845	$ 19,481,729

The accompanying notes are an integral part of these condensed unaudited consolidated financial statements

GLOBAL CLEAN ENERGY HOLDINGS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	For the Three Months Ended September 30, 2013	For the Three Months Ended September 30, 2012	For the Nine Months Ended September 30, 2013	For the Nine Months Ended September 30, 2012
Revenue	$ 59,903	$ 78,644	$ 163,843	$ 288,080
Subsidy Income	0	39,431	50,515	505,017
Total Revenue	59,903	118,075	214,358	793,097
Operating Expenses				
General and administrative	442,781	418,663	1,683,944	1,671,040
Write down of impaired long lived assets	-	526,953	306,542	526,953
Plantation operating costs	97,853	182,322	715,686	533,566
Total Operating Expenses	540,634	1,127,938	2,706,172	2,731,559
Loss from Operations	(480,731)	(1,009,863)	(2,491,813)	(1,938,462)
Other Income (Expenses)				
Other income	57	25	80	82
Interest expense	(225,163)	(224,288)	(683,569)	(632,415)
Gain on settlement of liabilities	-	80,817	24,966	595,290
Loss on sale of investment held for sale	-	-	(178,896)	-
Foreign currency transaction gain (loss)	508	84	508	(960)
Net Other Income (Expenses)	(224,598)	(143,362)	(836,911)	(38,003)
Loss from Continuing Operations	(705,329)	(1,153,225)	(3,328,724)	(1,976,465)
Gain from Discontinued Operations	-	1,698	-	-
Net Loss	(705,329)	(1,151,527)	(3,328,724)	(1,976,465)
	(323,044)	(979,876)	(1,688,468)	(1,760,896)

Less Net Loss Attributable to the Noncontrolling Interest											
Net Loss Attributable to Global Clean Energy Holdings, Inc.	$	(382,285	)	$	(171,651	)	$	(1,640,256	)	$	(215,569	)
Amounts attributable to Global Clean Energy Holdings, Inc. common shareholders:												
Loss from Continuing Operations	$	(382,285	)	$	(173,349	)	$	(1,640,256	)	$	(215,569	)
Income from Discontinued Operations		-			1,698			-			-	
Net Loss	$	(382,285	)	$	(171,651	)	$	(1,640,256	)	$	(215,569	)
Basic Loss per Common Share:												
Loss from Continuing Operations	$	(0.0011	)	$	(0.0006	)	$	(0.0053	)	$	(0.0007	)
Loss from Discontinued Operations		-			-			-			-	
Net Loss per Common Share	$	(0.0011	)	$	(0.0006	)	$	(0.0053	)	$	(0.0007	)
Basic Weighted-Average Common Shares Outstanding		339,187,545			293,683,502			307,187,545			290,694,577	
Diluted Income (Loss) per Common Share:												
Income (Loss) from Continuing Operations	$	(0.0011	)	$	(0.0006	)	$	(0.0053	)	$	(0.0007	)
Loss from Discontinued Operations		-			-			-			-	
Net Income (Loss) per Common Share	$	(0.0011	)	$	(0.0006	)	$	(0.0053	)	$	(0.0007	)
Diluted Weighted-Average Common Shares Outstanding		339,187,545			293,304,571			307,187,545			290,694,577	

The accompanying notes are an integral part of these condensed unaudited consolidated financial statements

GLOBAL CLEAN ENERGY HOLDINGS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)

	For the Three Months Ended September 30, 2013	For the Three Months Ended September 30, 2012	For the Nine Months Ended September 30, 2013	For the Nine Months Ended September 30, 2012
Net Loss	$ (705,836)	$ (1,151,527)	$ (3,328,724)	$ (1,976,465)
Other comprehensive income (loss)- foreign currency translation adjustment	(410,235)	990,579	(148,135)	1,064,067
Comprehensive Loss	(1,116,071)	(160,948)	(3,476,859)	(912,398)
Add net loss attributable to the noncontrolling interest	323,044	979,876	1,688,468	1,760,896
Add other comprehensive loss (income) attributable to noncontrolling interest	290,193	(1,017,240)	69,452	(1,086,090)
Comprehensive Loss Attributable to Global Clean Energy Holdings, Inc.	$ (502,835)	$ (198,312)	$ (1,718,939)	$ (237,592)

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GLOBAL CLEAN ENERGY HOLDINGS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (DEFICIT)
(Unaudited)

For the Nine Months Ended September 30, 2012 and 2013

	Series B Shares	Series B Amount	Common stock Shares	Common stock Amount	Additional Paid in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Non-controlling Interests	Total
Balance at December 31, 2011	13,000	$13	285,062,812	$285,062	$24,260,628	$(26,662,294)	$(21,996)	$5,099,547	$2,960,960
Contributions from noncontrolling interests	-	-	-	-	-	-	-	4,420,360	4,420,360
Issuance of common stock for cash	-	-	8,620,690	8,621	241,379	-	-	-	250,000
Exercise of warrants	-	-			-	-	-	-	-
Exercise of options									
Issuance of common stock for services	-	-	-	-	-	-	-	-	-
Share-based compensation from issuance of options and compensation-based warrants	-	-	-	-	39,204	-	-	-	39,204
Accrual of preferential return for the noncontrolling interests	-	-	-	-	-	-	-	(1,487,084)	(1,487,084)
Foreign currency translation gain (loss)	-	-	-	-	-	-	(22,023)	1,086,090	1,064,067
Net loss for the nine months ended September 30, 2012	-	-	-	-	-	(215,569)	-	(1,760,896)	(1,976,465)
Balance for the nine months ended September 30, 2012	13,000	$13	$293,683,502	$293,683	$24,541,211	$(26,877,863)	$(44,019)	$7,358,017	$5,271,042
Balance at December 31, 2012	13,000	$13	293,683,502	$293,683	$24,588,022	$(26,599,007)	$(56,121)	$6,194,264	$4,420,854
	-	-	-	-	-	-	-	1,310,030	1,310,030

Contributions from noncontrolling interests									
Issuance of common stock	-	-	40,000,000	40,000	760,000	-	-	-	800,000
Exercise of options			1,477,089	1,477	13,294				14,771
Exercise of warrants	-	-	4,026,954	4,027	36,243	-	-	-	40,270
Issuance of common stock for services	-	-			-	-	-	-	-
Share-based compensation from									-
Share-based compensation from issuance of options and compensation-based warrants	-	-	-	-	122,689	-	-	-	122,689
Accrual of preferential return for the noncontrolling interests	-	-	-	-	-	-	-	(1,846,446)	(1,846,446)
Dissolution of TAL									-
Foreign currency translation loss	-	-	-	-	-	-	(78,683)	(69,452)	(148,135)
Net loss for the nine months ended September 30, 2013	-	-	-	-	-	(1,640,256)	-	(1,688,468)	(3,328,724)
Balance for the nine months ended September 30, 2013	13,000	$13	339,187,545	$339,187	$25,520,248	$(28,239,263)	$(134,804)	$3,899,929	$1,385,309

The accompanying notes are an integral part of these condensed unaudited consolidated financial statements

GLOBAL CLEAN ENERGY HOLDINGS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	For the nine months ended September 30, 2013		For the nine months ended September 30, 2012	
Operating Activities				
Net loss	$	(3,328,724)	$	(1,976,465)
Adjustments to reconcile net loss to net cash used in operating activities:				
Foreign currency transaction gain		-		960
Gain on settlement of liabilities		-		(595,290)
Share-based compensation		122,689		39,204
Write down of long lived assets		15,000		526,953
Write down of inventory		306,542		-
Loss on sale of investment held for sale		179,406		-
Depreciation and amortization		350,956		211,915
Changes in operating assets and liabilities:				
Accounts receivable		(10,000)		(2,925)
Inventory		90,721		109,808
Other current assets		119,222		(52,942)
Deferred growing costs		-		(1,257,539)
Accounts payable and accrued expenses		985,846		795,655
Deferred revenue		-		(89,197)
Other noncurrent assets		11,217		(11,849)
Net Cash Used in Operating Activities		(1,157,125)		(2,301,712)
Investing Activities				
Plantation development costs		(944,670)		(1,902,838)
Purchase of property and equipment		(3,106)		(256,455)
Disposal of property and equipment		-		(1,637)
Proceeds from sale of property and equipment		186,737		-
Net Cash Used in Investing Activities		(761,039)		(2,160,930)
Financing Activities				
Proceeds from issuance of common stock		-		250,000
Proceeds from exercise of warrants		55,041		-
Proceeds from issuance of preferred membership in GCE Mexico I, LLC		1,310,030		4,420,360
Payments on capital leases and notes payable		(43,698)		(36,723)
Net Cash Provided by Financing Activities		1,321,373		4,633,637
Effect of exchange rate changes on cash		(104,237)		21,645
Net change in Cash and Cash Equivalents		(701,028)		192,640
Cash and Cash Equivalents at Beginning of Period		941,579		676,780
Cash and Cash Equivalents at End of Period	$	240,551	$	869,420

Supplemental Disclosures of Cash Flow Information:				
Cash paid for interest	$	9,513	$	30,764
Noncash Investing and Financing activities:				
Accrual of return on noncontrolling interest	$	1,846,446	$	1,487,084
Acquisitions:				
Intangible assets and equipment acquired	$	4,077,765		-
Inventory acquired		430,141		-
Other current assets assumed		260		-
Other current liabilities assumed		(2,408,066)		-
Net assets acquired	$	2,100,100	$	-
Notes payable issued	$	(1,300,000)		-
Common stock issued	$	(800,000)		-

The accompanying notes are an integral part of these condensed unaudited consolidated financial statements

GLOBAL CLEAN ENERGY HOLDINGS, INC. AND SUBSIDIARIES
Notes to Unaudited Condensed Consolidated Financial Statements

Note 1 – History and Basis of Presentation

History

Global Clean Energy Holdings, Inc.(the "Company") is a U.S.-based, multi-national, energy agri-business focused on the development of non-food based bio-feedstocks.

The Company was originally incorporated under the laws of the State of Utah on November 20, 1991. On July 19, 2010, the reincorporation of the company from a Utah corporation to a Delaware corporation was completed, as approved by shareholders.

Principles of Consolidation

The condensed consolidated financial statements include the accounts of Global Clean Energy Holdings, Inc., its subsidiaries, and the variable interest entities of GCE Mexico, and its Mexican subsidiaries (Asideros, Asideros 2 and Asideros 3). All significant intercompany transactions have been eliminated in consolidation.

Generally accepted accounting principles require that if an entity is the primary beneficiary of a variable interest entity (VIE), the entity should consolidate the assets, liabilities and results of operations of the VIE in its consolidated financial statements. Global Clean Energy Holdings, Inc. considers itself to be the primary beneficiary of GCE Mexico, and it's Mexican subsidiaries, and accordingly, has consolidated these entities since their formation beginning in April 2008, with the equity interests of the unaffiliated investors in GCE Mexico presented as Noncontrolling Interests in the accompanying condensed consolidated financial statements.

In March 2013, the Company acquired 100% of all of the outstanding membership interests of Sustainable Oils, LLC, a Delaware limited liability company. Accordingly, the consolidated financial statements for periods after that acquistion include the assets, liabilities and results of operations of that entity.

Unaudited Interim Condensed Consolidated Financial Statements

The accompanying unaudited condensed consolidated financial statements have been prepared by the Company pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted pursuant to such rules and regulations. In the opinion of management, all adjustments and disclosures necessary for a fair presentation of these financial statements have been included and are of normal, recurring nature. These condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in the Company's annual report on Form 10-K for the year ended December 31, 2012, as filed with the Securities and Exchange Commission. The consolidated results of operations for the nine months ended September 30, 2013, may not be indicative of the results that may be expected for the year ending December 31, 2013.

Accounting for Agricultural Operations

All costs incurred until the actual planting of the Jatropha Curcas plant are capitalized as plantation development costs, and are included in "Property and Equipment" on the balance sheet. Plantation development costs are being accumulated in the balance sheet during the development period and are accounted for in accordance with accounting standards for Agricultural Producers and Agricultural Cooperatives. The direct costs associated with each farm and the production of the Jatropha revenue streams have been deferred and accumulated as a noncurrent asset, “Deferred Growing Costs”, on the balance sheet. These costs will be recognized as a Cost of Good Sold in the period the revenue is recognized. Other general costs without expected future benefits are expensed when incurred.

GLOBAL CLEAN ENERGY HOLDINGS, INC. AND SUBSIDIARIES
Notes to Unaudited Condensed Consolidated Financial Statements

Income/Loss per Common Share

Income/Loss per share amounts are computed by dividing income or loss applicable to the common shareholders of the Company by the weighted-average number of common shares outstanding during each period. Diluted income or loss per share amounts are computed assuming the issuance of common stock for potentially dilutive common stock equivalents. The number of dilutive warrants and options is computed using the treasury stock method, whereby the dilutive effect is reduced by the number of treasury shares the Company could purchase with the proceeds from exercises of warrants and options. As of September 30, 2013 and 2012, all convertible instruments were anti-dilutive.

The following instruments are currently antidilutive and have been excluded from the calculations of diluted income or loss per share at September 30, 2013 and 2012, as follows:

	September 30,	
	2013	2012
Convertible notes	18,900,000	18,900,000
Convertible preferred stock - Series B	11,818,181	11,818,181
Warrants	1,708,184	24,585,662
Compensation-based stock options and warrants	63,425,311	57,981,483
	95,851,676	113,285,326

Revenue Recognition

Revenue is recognized when all of the following criteria are met: persuasive evidence of an arrangement exists; delivery has occurred or services have been rendered; the seller's price to the buyer is fixed or determinable; collectability is reasonably assured; and title and the risks and rewards of ownership have transferred to the buyer. Value added taxes collected on revenue transactions are excluded from revenue and are included in accounts payable until remittance to the taxation authority.

Jatropha oil revenue - The Company's primary source of revenue will be crude Jatropha oil. Revenue will be recognized net of sales or value added taxes and upon transfer of significant risks and rewards of ownership to the buyer. Revenue is not recognized when there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods. For the three quarters ended September 30, 2013, the company had no significant Jatropha Oil Revenue.

Advisory services revenue - The Company provides development and management services to other companies regarding their bio-fuels and/or feedstock-Jatropha development operations, on a fee for services basis. The advisory services revenue is recognized upon completion of the work in accordance with the separate contract.

Agricultural subsidies income - the Company receives agricultural subsidies from the Mexican government. Due to the uncertainty of these payments, the income is recognized when the payments are received.

Comprehensive Loss

Comprehensive loss is defined to include all changes in equity except those resulting from investments by owners and distributions to owners. Among other disclosures, ASC 220, Comprehensive income (loss) requires that all items that are required to be recognized under current accounting standards as components of comprehensive income be reported in a financial statement that is displayed with the same prominence as other financial statements. For the years presented, the Company's comprehensive income (loss) includes net income (loss) and foreign currency translation adjustments and is presented in the consolidated statements of comprehensive loss.

GLOBAL CLEAN ENERGY HOLDINGS, INC. AND SUBSIDIARIES
Notes to Unaudited Condensed Consolidated Financial Statements

On January 1, 2012, we adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2011-05, an amendment to Accounting Standards Codification (ASC) 220, Comprehensive Income. ASU 2011-05 introduces a new statement, the Consolidated Statement of Comprehensive Income, which begins with net loss and adds or deducts other recognized changes in assets and liabilities that are not included in net earnings, but are reported directly to equity, under U.S. GAAP. For example, unrealized changes in currency translation adjustments are included in the measure of comprehensive loss but are excluded from net loss. The amendments became effective since the first quarter 2012 financial statements. The amendments affect only the display of those components of equity categorized as other comprehensive loss and do not change existing recognition and measurement requirements that determine net loss.

Foreign Currency Translation

In April 2008, the Company entered into a joint venture establishing a company in Mexico. The functional currency is the Mexican Peso. All transactions are translated into U.S. dollars for financial reporting purposes. Balance Sheet accounts are translated at the end-of-period rates while income and expenses are translated at the average of the beginning and end of period rates. The Mexico Peso Balance Sheet foreign currency exchange rate at September 30, 2013 was 13.14% and the income statement average beginning and ending rate was 12.90%. For the nine month period of September 30, 2013 and 2012, translation losses amounted to $148,135 and $1,064,067, respectively and are shown as a separate component of comprehensive income and stockholders' equity as accumulated other comprehensive income and noncontrolling interest.

Note 2 – Going Concern Considerations

The accompanying unaudited condensed consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As shown in the accompanying condensed consolidated financial statements, the Company incurred losses from continuing operations applicable to its common shareholders of $3,328,724 and $1,976,465 for the nine-months ended September 30, 2013, and September 30, 2012, respectively, has an accumulated deficit applicable to its common shareholders of $28,239,264 at September 30, 2013. The Company also used cash in operating activities of $1,157,125 and $2,301,712 during the nine-month period ended September 30, 2013 and September 30, 2012, respectively. At September 30, 2013, the Company has negative working capital of $5,095,365 and a stockholders' deficit attributable to its stockholders of $2,514,620. These factors raise substantial doubt about the Company's ability to continue as a going concern.

The Company commenced its new business related to the cultivation and production of oil from the seed of the Jatropha plant in September 2007. Management plans to meet its cash needs through various means including securing financing, entering into joint ventures, and developing the current business model. In order to fund its operations, the Company has to date received $20,870,733 in capital contributions from the preferred membership interest in GCE Mexico I, LLC ("GCE Mexico"), has issued mortgages in the total amount of $5,110,189 for the acquisition of land. The Company is developing the new business operation to participate in the rapidly growing bio-diesel industry. While the Company expects to be successful in this new venture, there is no assurance that its business plan will be economically viable. The ability of the Company to continue as a going concern is dependent on that plan's success. The financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

Note 3 – Jatropha Business Venture

The Company entered into the bio-fuels business in 2007 by acquiring certain trade secrets, know-how, business plans, term sheets, business relationships, and other information relating to the cultivation and production of seed oil from the Jatropha plant for the production of bio-diesel, and by entering into certain employment agreements and property management agreements. Subsequent to entering into these transactions, the Company identified certain real property in Mexico it believed to be suitable for cultivating the Jatropha plant. During 2008, GCE Mexico's subsidiary acquired the land in Mexico for the cultivation of the Jatropha plant. In July 2009, the Company acquired Technology Alternatives, Limited ("TAL"), a company formed under the laws of Belize that had developed a farm in Belize for cultivation of the Jatropha plant and provided technical advisory services for the propagation of the Jatropha plant. In March 2010, the Company formed Asideros 2, a Mexican corporation, which has acquired additional land in Mexico adjacent to the land acquired by Asideros 1. All of these transactions are described in further detail in the remainder of the notes.

GLOBAL CLEAN ENERGY HOLDINGS, INC. AND SUBSIDIARIES
Notes to Unaudited Condensed Consolidated Financial Statements

LODEMO Agreement

On October 15, 2007, the Company entered into a service agreement with Corporativo LODEMO S.A DE CV, a Mexican corporation (the LODEMO Group), to provide services related to the establishment, development, and day-to-day operations of the Company's Jatropha Business in Mexico. The Agreement had a 20-year term but could be terminated or modified earlier by the Company under certain circumstances. In June 2009, the scope of work previously performed by LODEMO was reduced and modified based upon certain labor functions being provided internally by the Company and by Asideros, the Company's Mexican subsidiary, on a go-forward basis. This agreement was cancelled in 2009. As of September 30, 2013 and as of December 31, 2012, the Company's financial statements reflect that it owes the LODEMO Group $251,500 for accrued, but unpaid, compensation and cost. The Company disputes the total of these charges and has been in discussions with LODEMO to resolve this liability.

GCE Mexico I, LLC and Subsidiaries

GCE Mexico was organized primarily to facilitate the acquisition of the initial 5,000 acres of farm land (the Jatropha Farm) in the State of Yucatan in Mexico to be used primarily for the (i) cultivation of Jatropha curcas, (ii) the marketing and sale of the resulting fruit, seeds, or pre-processed crude Jatropha oil, whether as biodiesel, feedstock, biomass or otherwise, and (iii) the sale of carbon value, green fuel value, or renewable energy credit value (and other similar environmental attributes) derived from activities at the Jatropha Farm.

Under GCE Mexico's operating agreement, as amended (the "LLC Agreement"), the Company owns 50% of the issued and outstanding common membership units of GCE Mexico. The remaining 50% of the common membership units was initially issued to five investors. The Company and the other owners of the common membership interest were not required to make capital contributions to GCE Mexico.

In addition, two investors agreed to invest in GCE Mexico through the purchase of preferred membership units and through the funding of the purchase of land in Mexico. An aggregate of 1,000 preferred membership units were issued to these two investors who each agreed to make capital contributions to GCE Mexico in installments and as required, fund the development and operations of the Jatropha Farm. In November 2012, one of the two investors transferred 100% of the interest to the other investor. The preferred members have made capital contributions of $1,310,030 and $4,420,360 during the nine months ended September 30, 2013 and September 30, 2012, respectively, and total contributions of $20,870,733 have been received by GCE Mexico from these investors since the execution of the LLC Agreement. The LLC Agreement calls for additional contributions from the investors, as requested by management and as required by the operation in 2013 and the following years. The holder of the preferred membership interest is entitled to earn a preferential 12% per annum cumulative compounded return on the cumulative balance of the preferred membership interest. The preferential return increased by $1,846,446, and $1,487,084 during the nine months ended September 30, 2013 and September 30, 2012, respectively, and totals $6,810,029 since the execution of the LLC Agreement.

GLOBAL CLEAN ENERGY HOLDINGS, INC. AND SUBSIDIARIES
Notes to Unaudited Condensed Consolidated Financial Statements

The net income or loss of the three Mexican subsidiaries that own the Mexico farms is allocated to the shareholders based on their respective equity ownership; 99% of the equity of each subsidiary is owned by GCE Mexico and 1% is owned by the Company. GCE Mexico has no operations separate from its investments in the Mexican subsidiaries. According to the LLC Agreement of GCE Mexico, the net loss of GCE Mexico is allocated to its members according to their respective investment balances. Accordingly, since the common membership interest did not make a capital contribution, all of the losses have been allocated to the preferred membership interest. The noncontrolling interest presented in the accompanying consolidated balance sheets includes the carrying value of the preferred membership interests and of the common membership interests owned by the Investors, and excludes any common membership interest in GCE Mexico held by the Company.

Technology Alternatives, Limited

On July 9, 2009, the Company purchased 100% of the stock of Technology Alternatives, Limited ("TAL"), a company formed under the laws of Belize in Central America. TAL owned approximately 400 acres of land that was used as a Jatropha farm. The land was sold in May 2013.

The Company owed the former shareholders of TAL $526,462 Belize dollars, including capitalized interest of $10,322 Belize Dollars (US $280,170 based on exchange rates in effect on the funding date of May 17, 2013). The holders agreed to accept $195,747 USD as payment in full for the promissory notes when the land was sold on May 17, 2013 at a discounted sales price of $395,000 USD. The unpaid principal balance of $84,422 of the notes, plus accrued interest of $28,078, was forgiven by the shareholders and written off by the Company. The related gain on forgiveness is included in Loss on Sale of Investment Held for Sale on the statement of operations.

Note 4 – Property and Equipment

Property and equipment are as follows:

	September 30, 2013	December 31, 2012
Land	$4,488,103	$4,539,314
Plantation development costs	10,202,721	9,229,638
Plantation equipment	1,694,564	1,546,971
Office equipment	109,005	108,598
Total cost	16,494,393	15,424,521
Less accumulated depreciation	(1,083,762)	(865,518)
Property and equipment, net	$15,410,631	$14,559,002

Commencing in June 2008, Asideros I purchased certain equipment for purposes of rapidly clearing the land, preparing the land for planting, and actually planting the Jatropha trees. The Company has capitalized farming equipment and costs related to the development of land for farm use in accordance with generally accepted accounting principles for accounting by agricultural producers and agricultural cooperatives. Plantation equipment is depreciated using the straight-line method over estimated useful lives of 5 to 15 years. Depreciation expense has been capitalized as part of plantation development costs through the date that the plantation becomes commercially productive. The initial plantations were deemed to be commercially productive on October 1, 2009, at which date the Company commenced the depreciation of plantation development costs over estimated useful lives of 10 to 35 years, depending on the nature of the development. Developments and other improvements with indefinite lives are capitalized and not depreciated. Other developments that have a limited life and intermediate-life plants that have growth and production cycles of more than one year are being depreciated over their useful lives once they are placed in service. The land, plantation development costs, and plantation equipment are located in Mexico.

Note 5 – Intangible Assets

In March 2013, the Company purchased certain intangible assets as part of the acquisition of Sustainable Oils, LLC. See further discussion on acquisition in Note 10. The intangible assets include three patents and the related intellectual property associated with these patents. These intangible assets acquired have an expected useful life of 17 years and are carried at cost less any accumulated amortization and any impairment losses.

Amortization is calculated using the straight-line method to allocate the cost of the intangible assets over their estimated useful lives of 17 years. Any future costs associated with the maintenance of these patents with indefinite lives will be capitalized and not amortized.

Note 6 – Debt

Notes Payable to Shareholders

Included in notes payable on the accompanying consolidated balance sheet, the Company has notes payable to certain shareholders in the aggregate amount of $26,000 at September 30, 2013 and December 31, 2012. The notes originated in 1999, bear interest at 12%, are unsecured, and are currently in default. Accrued interest on the notes totaled $51,858 at September 30, 2013 and December 31, 2012, respectively.

As more fully disclosed in Note 3 the Company had issued promissory notes to the former shareholders of TAL in the aggregate amount of $526,462 Belize dollars, (US $268,630 based on exchange rates in effect at December 31, 2012), including capitalized interest of $10,322 Belize Dollars. The notes were secured by a mortgage on the land and related improvements, all of which were sold on May 17, 2013 at a discounted price of $395,000. The holders agreed to accept $195,747 as payment in full for these mortgage notes when the land was sold on May 17, 2013. The balance of $84,422 in notes payable was forgiven by the holders and written off.

Convertible Notes Payable

In March 2010, the Company entered into a securities purchase agreement with the preferred members of GCE Mexico pursuant to which the Company issued senior unsecured convertible promissory notes in the original aggregate principal amount of $567,000 and warrants to acquire an aggregate of 1,890,000 shares of the Company's common stock. The Convertible Notes mature on the earlier of (i) March 16, 2012, or (ii) upon written demand of payment by the note holders following the Company's default thereunder. The maturity date of the Convertible Notes may be extended by written notice made by the note holders at any time prior to March 16, 2012. The notes, plus any related accrued interest, were due on September 30, 2013. The holders of these notes have not yet declared a formal default and have not taken any action to foreclose. The holders of the loans have previously voluntarily agreed to extend the maturity date of these loans. Interest accrues on the convertible notes at a rate of 5.97% per annum, and is payable quarterly in cash, in arrears, on each nine-month anniversary of the issuance of the convertible notes. The Company may at its option, in lieu of paying interest in cash, pay interest by delivering a number of unregistered shares of its common stock equal to the quotient obtained by dividing the amount of such interest by the arithmetic average of the volume weighted average price for each of the five consecutive trading days immediately preceding the interest payment date. At any time following the first anniversary of the issuance of the Convertible Notes, at the option of the note holders, the outstanding balance thereof (including unpaid interest) may be converted into shares of the Company's common stock at a conversion price equal to $0.03. The conversion price may be adjusted in connection with stock splits, stock dividends and similar events affecting the Company's capital stock. The convertible notes rank senior to all other indebtedness of the Company, and thereafter will remain senior or pari passu with all accounts payable and other similar liabilities incurred by the Company in the ordinary course of business. The Company may not prepay the convertible notes without the prior consent of the Investors.

GLOBAL CLEAN ENERGY HOLDINGS, INC. AND SUBSIDIARIES
Notes to Unaudited Condensed Consolidated Financial Statements

Mortgage Notes Payable

The investors holding the preferred membership units of GCE Mexico also directly funded the purchase by Asideros I of approximately 5,000 acres of land in the State of Yucatan in Mexico by the payment of $2,051,282, The land was acquired in the name of Asideros I, and Asideros I issued a mortgage in the amount of $2,051,282 in favor of the two original investors. These two investors also directly funded the purchase by Asideros 2 of approximately 4,500 acres, and a second parcel by Asideros 2 of approximately 600 acres of land adjacent to the land owned by Asideros by the total payment of $963,382. The land was acquired in the name of Asideros 2 and Asideros 2 issued mortgages in the amount of $963,382 in favor of these two investors. These mortgages bear interest at the rate of 12% per annum, payable quarterly. The parties have agreed to accrue the interest until such time as the Board determines that there is sufficient cash flow to pay all accrued interest. The initial mortgage, including any unpaid interest, is due in April 2018. The second mortgage, including any unpaid interest, is due in February 2020.

In October 2011, the two original investors also directly funded the purchase by Asideros 3 of approximately 5,600 acres for a total $2,095,525. The land was acquired in the name of Asideros 3 and Asideros 3 issued mortgages in the amount of $2,095,525 in favor of these two investors. These mortgages bear interest at the rate of 12% per annum, payable quarterly. The Board has directed that this interest shall continue to accrue until such time as the Board determines that there is sufficient cash flow to pay all accrued interest. The initial mortgage, including any unpaid interest, is due in October 2021.

In November 2012, one of the two holders of the preferred membership interests acquired all of the ownership interests of the other member. Accordingly, all of the foregoing obligations are now owed to the sole holder of GCE Mexico's preferred membership interests.

Promissory Notes Payable

In March 2013, the Company issued a secured promissory note in the principal amount of $1,300,000 to Targeted Growth, Inc. as part of the acquisition of Sustainable Oils, LLC. The note bears an interest rate of ten percent (10.0%) per annum, and is payable upon the earlier of the following: (a) to the extent of 35.1% of, and on the third business day after, the receipt by the Company of any Qualified Funding; or (b) September 13, 2014 (the "Maturity Date"). The term "Qualified Funding" means all equity funding in excess of the $800,000, in the aggregate, received by the Company, its subsidiary or an affiliate after the date hereof for its Camelina business.

Settlement of Liabilities

The Company has settled certain liabilities previously carried on the consolidated balance sheet, which settlements resulted in gains from the extinguishment of liabilities. There was a$24,966 gain on settlement of liabilities for the nine months ended September 30, 2013, and a gain of $595,290 for the nine months ended September 30, 2012. The gain in 2012 was primarily from the settlement or expiration of historic liabilities primarily incurred by prior management in connection with the discontinued pharmaceutical operations. In addition, the Company wrote off certain liabilities that had been extinguished with the passage of time for collection under applicable statutues of limitation laws.

GLOBAL CLEAN ENERGY HOLDINGS, INC. AND SUBSIDIARIES
Notes to Unaudited Condensed Consolidated Financial Statements

Note 7 - Common Stock

In March 2013, the Company issued 40,000,000 shares, at $.02 per share as partial considertion of the business purchase that included certain assets, patents, and other intellectual property and rights related to the development of Camelina sativa as a biofuels feedstock that it acquired.

Note 8 – Stock Options and Warrants

Stock Options and Compensation-Based Warrants

The Company has an incentive stock option plan wherein 20,000,000 shares of the Company's common stock are reserved for issuance thereunder.

Additionally, Richard Palmer, the President of the Company has been granted stock options to purchase 12,000,000 shares of the Company's common stock, subject to the Company's achievement of certain market capitalization goals.

No income tax benefit has been recognized for share-based compensation arrangements. The Company has recognized plantation development costs totaling $124,565 related to a liability that was satisfied by the issuance of warrants in 2008. Otherwise, no share-based compensation cost has been capitalized in theconsolidated balance sheet.

A summary of the status of options and compensation-based warrants at September 30, 2013, and changes during the nine months then ended is presented in the following table:

	Shares Under Option		Weighted Average Exercise Price	Weighted Average Remaining Contractual Life		Aggregate Intrinsic Value
Outstanding at December 31, 2012	68,608,483	$	0.02	4.3 years	$	-
Granted	6,850,000		0.01			
Exercised	(1,477,089)		0.01			
Forfeited	(5,630,000)		0.01			
Expired	(4,926,083)		0.03			
Outstanding at September 30, 2013	63,425,311		0.02	5.4 years	$	246,724
Exercisable at September 30, 2013	41,814,900	$	0.03	3.0 years		116,224

The fair value of other stock option grants and compensation-based warrants is estimated on the date of grant or issuance using the Black-Scholes option pricing model. Options to purchase 6,850,000 shares of common stock were issued in the nine-month period ended September 30, 2013 and none in the nine-month period ended 2012. The weighted average fair value of stock options issued during the nine months ended September 30, 2013 as $0.15. The weighted-average assumptions used for the stock options granted and compensation-based warrants issued during the nine months ended September 30, 2013 were risk-free interest rate of 1.13%, volatility of 181%, expected life of 5.0

years, and dividend yield of zero. The expected life of stock options represents the period of time that the stock options granted are expected to be outstanding prior to exercise. The expected volatility is based on the historical price volatility of the Company's common stock. The risk-free interest rate represents the U.S. Treasury constant maturities rate for the expected life of the related stock options. The dividend yield represents anticipated cash dividends to be paid over the expected life of the stock options. The intrinsic values are based on a September 30, 2013 closing price of $0.02 per share.

GLOBAL CLEAN ENERGY HOLDINGS, INC. AND SUBSIDIARIES
Notes to Unaudited Condensed Consolidated Financial Statements

Share-based compensation from all sources recorded during the nine months ended September 30, 2013 and 2012 was $122,689 and $39,204, respectively, and is reported as general and administrative expense in the accompanying condensed consolidated statements of operations. As of September 30, 2013, there is approximately $55,765 of unrecognized compensation cost related to stock-based payments that will be recognized over a weighted average period of approximately .34 years.

Stock Warrants

A summary of the status of the warrants outstanding at September 30, 2013, and changes during the nine months then ended is presented in the following table:

	Shares Under Warrant	Weighted Average Exercise Price	Weighted Weighted Average Remaining Contractual life		Aggregate Intrinsic Value
Outstanding at December 31, 2012	24,585,662	0.01	.75 years	$	-
Issued	-	-			
Exercised	(4,026,954)	0.01		$	(40,270)
Expired	(18,850,524)	0.01		$	(188,505)
Outstanding at September 30, 2013	1,708,184	0.01	.25 years	$	85,409

Note 9 - Discontinued Operations

Pursuant to accounting rules for discontinued operations, the Company has classified all gain, revenue and expense related to the operations, assets, and liabilities of its bio-pharmaceutical business as discontinued operations. For the nine-month periods ended September 30, 2013 and 2012, Income from Discontinued Operations consists of the foreign currency transaction gains related to current liabilities associated with the discontinued operations that are denominated in Euros.

Note 10 - Acquisition of Camelina Assets and Sustainable Oils

On March 13, 2013, the Company completed a business purchase that included certain assets, patents, and other intellectual property and rights related to the development of Camelina sativa as a biofuels feedstock (the “Camelina Assets”) from Targeted Growth, Inc., a Washington based crop biotechnology company focused on developing products with enhanced yield and improved quality for the agriculture and energy industries. Also on March 13, 2013, we purchased all of the membership interests of Sustainable Oils, LLC, (SusOils) a Delaware limited liability company, from Targeted Growth, Inc. and the other, minority owner of that limited liability company. SusOils is a company that, since 2007, has been engaged in the development, production and commercialization of Camelina-based biofuels and FDA approved animal feed. Substantially all of the Camelina Assets were previously owned by SusOils and used in SusOils’ operations.

GLOBAL CLEAN ENERGY HOLDINGS, INC. AND SUBSIDIARIES
Notes to Unaudited Condensed Consolidated Financial Statements

The Camelina Assets include: three issued U.S. patents on Camelina Sativa varieties; a substantial portfolio of other intellectual property assets, all of the Seller's intellectual property related to the research, development, breeding and/or genetic development of Camelina; germplasm; licenses, consents, permits, variances, certifications and approvals granted by any governmental agencies relating to Camelina operations; machines, equipment, tractors and vehicles used in Camelina operations; the name "Sustainable Oils" and the Sustainable Oils logo; and certain trade secrets, know-how, and technical data.

We currently intend to operate our Camelina business through a new subsidiary. We intend to capitalize that new subsidiary with the Sustainable Oils intellectual properties and operating assets that we recently purchased. In order to fund the operations and expansion of the Camelina operations, we intend to raise additional capital through the sale of debt or equity in the newly formed Camelina subsidiary. Sustainable Oils' operations have been headquartered in Bozeman, Montana. We intend to continue to conduct our Camelina operations in Montana. Accordingly, in March 2013, we entered into a sublease with Targeted Oils, Inc., to sublease a portion of Targeted Growth's research facilities and administrative offices in Bozeman, Montana.

We paid for the Camelina Assets by issuing to Targeted Growth, Inc. (i) a secured promissory note in the principal amount of $1,300,000 (the "Promissory Note" – see note 6 for more details) and (ii) an aggregate of 40,000,000 shares of our common stock. Of the 40,000,000 shares, 4,000,000 shares will be held by an escrow agent for 15 months following the closing for the purpose of providing a partial security to support the indemnity provisions of the purchase agreement. The 40,000,000 shares were valued at the market price on March 14, 2013.

The fair value of the consideration transferred to Targeted Growth, Inc. is in the following table:

Investment in Sustainable Oils	
Notes Payable to Targeted Growth	$1,300,000
Cash (paid out)	100
Common stock issued	40,000
Additional paid in capital	760,000
	$2,100,100

The purchase price for the Sustainable Oils, LLC membership interests was $100. Sustainable Oils' assets include 295,000 pounds of "certified" Camelina seeds that we intend to sell to farmers this year and/or next year for the production of Camelina feedstock. The liabilities of Sustainable Oils include an approximately $2.3 million liability to UOP LLC, which is secured by a lien on the three patents we acquired as part of the Camelina Assets. The foregoing debt owed to UOP LLC will remain a direct obligation of SusOils and not of this company.

The amounts recognized as of the acquisition date for each major class of assets acquired and liabilities assumed are as follows:

GLOBAL CLEAN ENERGY HOLDINGS, INC. AND SUBSIDIARIES
Notes to Unaudited Condensed Consolidated Financial Statements

	Fair Values at Acquisition Date
Prepaids and other assets	$260
Inventory	430,141
Intangible Assets	3,887,265
Equipment	190,500
Accounts Payable to UOP	(2,286,727)
Commitment for field testing	(79,000)
Other accounts payable and accrued liabilities	(42,339)
Total net assets of Sustainable Oils	$2,100,100

The value of the acquired identifiable intangible assets of $3,887,265 has been recorded as of the acquisition date of March 13, 2013.

The amounts of Sustainable Oils, LLC 's revenue and earnings included in the Company's consolidated income statement for the nine months ended September 30, 2013, and the pro forma revenue and earnings of the combined entity had the acquisition date been January 1, 2013 and January 1, 2012, are as follows:

	Revenue	Net Losses
Actual March 13, 2013 - September 30, 2013	$31,065	$(626,437)
2013 Supplemental pro forma from January 1 - September 30, 2013	$214,358	$(1,640,256)
2012 Supplemental pro forma from January 1 - September 30, 2012	3,639,019	$(68,700)

The cost incurred related to the acquisition of Sustainable Oils, LLC includes approximately $21,500 in legal and $6,000 in valuation fees.

The foregoing pro forma data is subject to various assumptions and estimates, and is presented for informational purposes only. This pro forma data does not purport to represent or be indicative of the consolidated operating results that would have been reported had the transaction been completed as described herein, and the data should not be taken as indicative of future consolidated operating results.

Note 11 – Subsequent Event

On November 4, 2013, the Company entered into a Technical Services agreement in which the company will perform a financial analysis on the economic viability of an expanded Dominican Republic Energy farm. The contracted price for the analysis is $104,600, including estimated expenses.

ITEM 2. MANAGEMENTS' DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

This Report, including any documents which may be incorporated by reference into this Report, contains "Forward-Looking Statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements other than statements of historical fact are "Forward-Looking Statements" for purposes of these provisions, including our plans to cultivate, produce and market non-food based feedstock for applications in the bio-fuels market, any projections of the date and amount of our Jatropha or Camelina harvests, forecasts regarding our revenues or other financial items, any statements of the plans and objectives of management for future operations, any statements concerning proposed new products or services, any statements regarding future economic conditions or performance, and any statements of assumptions underlying any of the foregoing. All Forward-Looking Statements included in this document are made as of the date hereof and are based on information available to us as of such date. We assume no obligation to update any Forward-Looking Statement. In some cases, Forward-Looking Statements can be identified by the use of terminology such as "may," "will," "expects," "plans," "anticipates," "intends," "believes," "estimates," "potential," or "continue," or the ne thereof or other comparable terminology. Although we believe that the expectations reflected in the Forward-Looking Statements contained herein are reasonable, there can be no assurance that such expectations or any of the Forward-Looking Statements will prove to be correct, and actual results could differ materially from those projected or assumed in the Forward-Looking Statements. Future financial condition and results of operations, as well as any Forward-Looking Statements are subject to inherent risks and uncertainties, including any other factors referred to in our press releases and reports filed with the Securities and Exchange Commission. All subsequent Forward-Looking Statements attributable to the company or persons acting on its behalf are expressly qualified in their entirety by these cautionary statements. Additional factors that may have a direct bearing on our operating results are described under "Risk Factors" and elsewhere in this report.

Introductory Comment

Throughout this Quarterly Report on Form 10-Q, the terms "GCEH," "we," "us," "our," and "our company" refer to Global Clean Energy Holdings, Inc., a Delaware corporation (which used to be a Utah corporation until July 19, 2011), formerly known as Medical Discoveries, Inc., and, unless the context indicates otherwise, also includes all of this company's U.S. and foreign wholly-owned subsidiaries through which this company conducts certain of its operations. To the extent applicable, depending on the context of the disclosure, the terms "we," "us," "our," and "our company" may also include GCE Mexico I, LLC, a Delaware limited liability company that we manage, and in which we own 50% of the common membership interests, and our new wholly owned subsidiary, Sustainable Oils, LLC, a Delaware limited liability company, as well as our other subsidiaries.

Global Clean Energy Holdings, Inc. is not related to, or affiliated in any manner with "Global Clean Energy, Inc.", an unaffiliated public company. Readers are cautioned to confirm the entity that they are evaluating or in which they are making an investment before completing any such investment.

Overview

Global Clean Energy Holdings, Inc. is a U.S.-based, multi-national, energy agri-business focused on the development of non-food based bio-feedstocks. We have full service in-house development and operations capabilities, which we provide support to our own energy farms and to third parties. With international experience and capabilities in eco-friendly biofuel feedstock management, cultivation, production and distribution, we believe that we are well suited to scale our existing business.

Since 2007, our business focus has been on the commercialization of non-food based oilseed plants and biomass. We began with the development of farms growing Jatropha curcas ("Jatropha") - a non-edible plant indigenous to many tropical and sub-tropical regions of the world, including Mexico, the Caribbean and Central America. On March 13, 2013, we acquired Sustainable Oils, LLC, a Delaware limited liability company that has extensive experience in the development and farming of Camelina as an energy crop. In that acquisition, we also acquired certain intellectual property, including issued patents, related to Camelina production. As a result of the acquisition, our biofuels operations have expanded into the development of Camelina sativa ("Camelina") – an annual plant from the brassica family traditionally grown in northerly regions of the United States, Europe and Asia. We have focused on these two plants primarily because we feel they are complementary to one another, have the potential to produce oil seed crops economically, they generally require less water and fertilizer than many conventional crops, and can be grown on land that is normally unsuitable for food production or is fallow or idle due to crop rotation. Both Jatropha and Camelina oil are high-quality plant oils used as direct substitutes for fossil fuels and as feedstock for the production of high quality biofuels and other bio-based products. Both crops have been tested and proven to be highly desirable feedstocks capable of being converted into ASTM approved fuels. The term "biofuels" refers to a range of biological based fuels including bio-kerosene (a.k.a bio-jet fuel) biodiesel, renewable diesel, green diesel, synthetic diesel and biomass, all of which have environmental benefits that are the major driving force for their adoption. Using biofuels instead of fossil fuels reduces net emissions of carbon dioxide and other green-house gases, which are associated with global climate change. Both Jatropha and Camelina oil can also be used as a chemical feedstock to replace fossil and non-food based products that use edible oils in their manufacturing or production process. The residual material derived from the oil extraction process is called press-cake or meal, which in the case of Jatropha is a high-quality biomass that has been proven and tested as a replacement for a number of fossil-based feedstocks, fossil fuels and other high value products such as renewable charcoal, fertilizers, and animal feed. Camelina meal is high in Omega3 and has already been approved by the FDA as a livestock (animal) feed or enhancement in the United States.

Our business plan and current principal business activities include the planting, cultivation, harvesting and processing of these oil seed plants to generate plant based oils and biomass for use as replacements for fossil fuels and other high value products. Our strategy is to leverage our agriculture and energy knowledge, experience and capabilities through the following means:

- Own and operate biofuel energy farms for our own account.

- Own, operate and manage farms in a joint venture (JV) with either strategic partners or financial investors. We currently own three Jatropha farms in Mexico under such joint ownership arrangements:

- Contract with third party farmers (such as wheat and barley farmers) for the farming of significant acreage of Camelina sativa on their idle land which is in rotation with their other crops in the United States and many parts of Europe.

- Produce and sell certified Camelina seed (which seed is based upon our patented, high-yielding elite varieties) to farmers in the United States and internationally.

- Provide energy farm development and management services to third party owners of biofuel energy farms and to non-energy farmers looking to utilize energy crops in rotation or inter-cropped with their existing crops. Provide advisory services to farmers wishing to certify their farms under international sustainability or carbon certification standards, specifically the Roundtable on Sustainable Biomaterials (RSB) and Gold Standard Verified Emission Reductions (GS-VERs). We are currently managing a Jatropha farm in the Caribbean under a contract with a third party who wishes to significantly expand to provide large volumes of plant based oil and biomass to fuel their industrial process.

- Provide turnkey franchise operations for individuals and/or companies that wish to establish purpose specific energy farms in suitable geographical areas.

The development of agricultural-based energy projects, like plant oil and related biomass, may produce carbon credits through the sequestration (storing) of carbon and the displacement of fossil-based fuels. Accordingly, in addition to generating revenues from the sale of non-food based plant oils and biomass, we are seeking to certify our farms, where practical, to generate and monetize carbon credits. See, “Business-Carbon Credits,” below.

Organizational History

This company was incorporated under the laws of the State of Utah on November 20, 1991. On July 19, 2010, we changed the state of our incorporation from Utah to Delaware. Our principal executive offices are located at 100 W. Broadway, Suite 650, Long Beach, Los Angeles County, California 90802, and our current telephone number at that address is (310) 641-GCEH (4234). We maintain a website at: www.gceholdings.com. Our annual reports, quarterly reports, current reports on Form 8-K and amendments to such reports filed or furnished pursuant to section 13(a) or 15(d) of the Securities and Exchange Act of 1934, as amended (the “Exchange Act”), and other information related to this company are available on our website as soon as we electronically file those documents with, or otherwise furnish them to, the Securities and Exchange Commission. Our Sustainable Oils subsidiary also maintains a website at www.susoils.com. Our Internet websites and the information contained therein, or connected thereto, are not and are not intended to be incorporated into the Annual Report on Form 10-K at December 31, 2012 or into this quarterly report on Form 10-Q.

Critical Accounting Policies

The preparation of financial statements in conformity with accounting principles generally accepted in the United States require management to make estimates and assumptions that affect the reported assets, liabilities, sales and expenses in the accompanying financial statements. Critical accounting policies are those that require the most subjective and complex judgments, often employing the use of estimates about the effect of matters that are inherently uncertain.

Agricultural Producer. All costs incurred including the actual planting of Jatropha are capitalized as plantation development costs, and are included in “Property and Equipment” on the balance sheet. Plantation development costs are being accumulated in the balance sheet during the development period and will be accounted for in accordance with accounting standards for Agricultural Producers and Agricultural Cooperatives. The direct costs associated with each farm and the production of the Jatropha revenue streams have been deferred and accumulated as a noncurrent asset and are included in “Deferred Growing Costs” on the balance sheet. Other general costs without expected future benefits are expensed when incurred.

Certain other critical accounting policies, including the assumptions and judgments underlying them, are disclosed in Note 1 to the Consolidated Financial Statements included in the Annual Report on Form 10-K for the fiscal year ended December 31, 2012.

Results of Operations

Revenues. During the three and nine months ended September 30, 2013 we recognized revenue of $59,903 and $214,358, respectively, as compared with $118,075 and $793,097 for the same periods in 2012. The revenues that we generated in 2013 and 2012 were derived from Camelina product sales and Jatropha related advisory services we rendered to third parties. Most of our 2012 revenues represented (i) agricultural subsidies received from Mexican governmental agencies (ii) fees for Jatropha related advisory services we rendered to third parties, and (iii) sales of Jatropha oil and Jatropha seeds and other products (waste wood, Jatropha seed husks, etc.). Revenues during the nine-month period ended September 30, 2013 decreased by $578,739 from the comparable 2012 fiscal period because we only received $50,515 in agricultural subsidies from the Mexican government in the current fiscal period, compared to $505,017 of such subsidies in the same period last year. Additionally, advisory revenue decreased by $149,167 from the same period in 2012. Revenues received from agricultural subsidies and from the sale of Jatropha products are paid to our GCE Mexico I, LLC subsidiary and are used in its operations in Mexico. Revenues we generate from Jatropha advisory services and from Camelina operations are used for this company’s operations.

In the short term, our goal is to increase the amount of advisory and management services that we render to third parties in order to generate revenues to fund our corporate working capital needs, and to generate Camelina-related revenues from the Camelina business that we acquired in March 2013. Our Camelina operations are expected to generate revenues from the sale of Camelina seeds, the sale of Camelina oil, and the sale of the Camelina biomass for use as feed for livestock. In the longer term, our goal is to substantially increase the revenues derived from the operations of our Jatropha farms, to rapidly ramp up our Camelina operations by increasing the amount of Camelina acreage under plantation in North America, and to continue to generate fees from advisory services that we render to third parties. We anticipate that revenues for the remainder of 2013 will increase due to Camelina oil and seed sales we expect to realize from our newly acquired Camelina business and the sale of renewable charcoal from the restart and scale-up of our biomass processing project in Mexico.

General and Administrative Expenses. Our general and administrative expenses related to the three and nine months ended September 30, 2013 were substantially unchanged from last year’s periods ($442,781 and $1,683,944, respectively, compared to $418,663 and $1,671,040 in 2012). General and administrative expenses principally consist of officer compensation, outside services (such as legal, accounting, and consulting expenses), share-based compensation, and other general expenses (such as insurance, occupancy costs and travel). General and administrative expenses are, however, expected to increase as a result of our acquisition of the Camelina assets/business in March 2013. In connection with operating the new Camelina operations, we have increased the number of employees on our payroll, and have committed to sublease a facility in Bozeman, Montana.

Write Down of Impaired Long Term Assets. During the three and nine-month periods ended September 30, 2012 we wrote down our long term assets by $526,953. Inventory was also written down earlier this year in the amount of

$306,542, although no write down was incurred in the three-month period ending September 30, 2013.

Plantation (Farm) Operating Costs. For the three and nine months ended September 30, 2013 we recorded Plantation Operating Costs from the operations of the farms of $97,853 and $715,686 as compared with $182,322 and $533,566 for the same periods in 2012. The decrease in the third quarter of 2013 was mostly due to a work force reduction at our Mexico farms as we scaled back planting of new Jatropha trees at those Mexico farms. However, Plantation Operating Costs for the nine-month period of 2013 increased as compared to the related period in the prior year because of a one-time charge of $547,000 for employee severance costs. This one-time severance cost was partially offset by the reduction in overall farming costs mentioned above. We anticipate these costs will increase as we scale up our biomass operations in Mexico.

Other Income/Expense. Interest expense for the three and nine months ended September 30, 2013 increased slightly from the same periods in 2012 due to larger outstanding principal balances.

Net loss attributable to the non-controlling interest. Our Mexico farm operations are owned through GCE Mexico I, LLC, a Delaware limited liability company ("GCE Mexico"). We own 50% of the common membership interests of GCE Mexico and one investor currently owns the other 50% of the common membership interests. The proceeds from the sale of the preferred membership units, and from subsequent capital contributions, have been used to fund the operations of Asideros Globales Corporativo 1 ("Asideros 1") and Asideros Globales Corporativo 2 ("Asideros 2"), each of which have acquired land in Mexico that, collectively, constitute our first two Jatropha farms. Asideros Globales Corporativo 3 ("Asideros 3") acquired our third farm in October 2011, but had no impact on the results of our operations. GCEH directly owns 1% of Asideros 1, Asideros 2 and Asideros 3, and the balance is owned by GCE Mexico. Accordingly, we own 50.5% of Asideros 1, Asideros 2 and Asideros 3 either directly or through our common membership interest in GCE Mexico. As such, our consolidated financial statements include the accounts of the Asideros farm entities. Under GCE Mexico's LLC Agreement, the net loss allocated from these entities to GCE Mexico is then further allocated to the members of GCE Mexico according to the investment balances. Accordingly, since the common membership interest did not make a capital contribution, all of the losses allocated to GCE Mexico have been further allocated to the preferred membership interest. The net loss attributable to the non-controlling interest in the accompanying Consolidated Statement of Operations represents the allocation of the net loss of GCE Mexico to the preferred membership interests.

Net income/loss attributable to Global Clean Energy Holdings, Inc. The Company recorded net losses of $382,285 and $1,640,256 for the three and nine months ended September 30, 2013, respectively, as compared to net losses of $171,651 and $215,569 for the comparable three-and nine month periods in 2012. Our ability to generate net income in the future will depend upon the amount of advisory and management services that we render at the corporate level, the amount of revenues generated from our Jatropha farms in Mexico, and on the amount of revenues we generate from our new Camelina operations. In addition to incurring farm operating expenses in Mexico for our Jatropha operations, we will continue to accrue interest expense on the mortgages that encumber the Tizimin, Mexico, farms. Although we anticipate that we will generate new revenues from our Camelina operations and that revenues from our Jatropha farm operations will increase, we are unable to forecast if, or when such revenues will exceed our operating expenses.

Liquidity and Capital Resources

As of September 30, 2013, we had $240,551 in cash or cash equivalents and had a working capital deficit of $5,095,365, as compared with $941,579 in cash and a working capital deficit of $1,581,288 as of December 31, 2012. The increase in the working capital deficit is significantly due to a $2,532,338 increases in our accounts payable and accrued expenses due to the liabilities assumed when we acquired the business and assets of Sustainable Oils, LLC and a material reduction in cash and cash equivalents of $701,028 as cash held in the joint venture on December 31, 2012 was used in the Mexico operations mostly during the first quarter of 2013.

The amount of cash or cash equivalent balances held at September 30, 2013 represents cash held in our corporate accounts and our joint venture accounts. Of these amounts, only $10,983 may be used for our general corporate purposes, with the remaining balance anticipated to be used in the operations of the Tizimin, Mexico farms owned by the GCE Mexico I, LLC joint venture. As a result, the GCE Mexico I, LLC funds will not be available to us for our corporate working capital or other purposes, and are not available to us to reduce our indebtedness. In order to fund our short-term working capital needs, we will have to obtain additional funding from the sale of assets, the sale of additional securities, additional borrowings, or from an increase in operating revenues. Outstanding indebtedness at September 30, 2013 totaled $21,598,538. The existence of the foregoing working capital deficit and total current and long term liabilities may negatively impact our ability to obtain future equity or debt financing and the terms on which such additional financing, if available, can be obtained. We incurred losses from continuing operations of $705,329 and $3,328,724 for the three and nine months ended September 30, 2013, and have an accumulated deficit applicable to its common shareholders of $28,239,264 at September 30, 2013. .

To date, we have funded our corporate overhead and other public company costs and expenses primarily from (i) the sale of debt and equity securities, (ii) monthly payments we receive from our GCE Mexico I, LLC joint venture, and (iii) fees we receive for providing Jatropha related advisory services to third parties. During the period ended September 30, 2013, we received overhead reimbursements of $174,914 from GCE Mexico I, LLC. We anticipate that our overhead reimbursements for the balance of the current fiscal year will continue at no less than the foregoing rate. In November, we signed a contract for new advisory services totaling $104,600 which will assist in the funding of our working capital in the near term. We anticipate that that we will continue to receive advisory service fees in the near term, although the amount of such fees will depend on our ability to enter into new service agreements. The amount of cash on hand and the anticipated cash receipts from GCE Mexico and the advisory service clients will not be sufficient to fund our working capital needs for the next twelve months. Furthermore, we do not have sufficient financial resources to fund our business plan (which includes the expansion of our Camelina operations in the U.S., the purchase of additional biofuel farms and other capital outlays). Accordingly, unless we enter into additional advisory service agreements or otherwise receive cash proceeds, we will have to obtain additional funding in the near future from the sale of our securities to fund our cash needs. No assurance can be given that we will be able to raise additional capital or that such additional capital will be on terms favorable to the company and its shareholders.

Our business plan contemplates that we will (i) continue to develop our Jatropha business and operations (including possibly developing and cultivating our third Jatropha farm in Mexico), and (ii) diversify our biofuel energy crop revenues from new revenues generated by our new Camelina operations, as follows:

Jatropha Operations. To date, revenues from our Jatropha farms located in Mexico have not been significant and have not met our expectations for various reasons, including weather and soil conditions and cultivation techniques. We are currently addressing these issues and we anticipate that revenues from the Jatropha farms we currently own through our GCE Mexico I, LLC joint venture in Mexico will increase during the next anticipated harvest commencing at the end of 2013 and become more significant thereafter. The operational expenses of the Jatropha farms in Mexico are substantial and exceed the amount of revenues that the farms are expected to generate from operations this year. Our Partner in GCE Mexico has approved the 2013 operating budget and has committed to funding the cash requirements for the 2013 operating expenses of GCE Mexico. Based on these assurances, we anticipate that we will have sufficient funds to operate our Mexico farms in 2013. In addition, we anticipate that the Mexico government will, in the near future, issue a permit to our Mexico joint venture so that the Mexico joint venture can re-commence the manufacture and sale of charcoal. Sales of charcoal are expected to partially offset or operating expenses in Mexico. No assurance can, however, be given that the costs of operating the Mexico farms will not exceed our budget, that we will be able make charcoal sales, or that our GCE Mexico investor will, in fact, fund the budgeted amounts.

Even if operations of the three Jatropha farms owned through GCE Mexico improve during the next year as expected and, therefore, that the joint venture will generate revenues, we do not project that any cash distributions will be made to Global Clean Energy Holdings, Inc. for several years. Under our agreements with our GCE Mexico investors, all net cash generated from the Jatropha operations that are conducted through GCE Mexico must first be used to fund the operations of those farms, and any excess must thereafter be used to repay the capital contributed by our joint venture investors (plus their preferred return). The total amount of capital and the preferred return that must be paid to our joint venture investors before funds are distributed to us currently is in excess of $27,680,762 as of September 30, 2013. As a result, the improving operations of the Mexico farms will not produce short-term cash or improve our liquidity, nor will the improving operations of the Mexico farms generate funds that we can use for our business plan, for working capital purposes, or for the acquisition of additional Jatropha or other biofuel feedstock farms. Because of our negative working capital position, we currently do not have the funds necessary to acquire and cultivate additional Jatropha farms for our own account. Accordingly, in order to increase our farm ownership and operations, we will have to obtain significant additional capital through the sale of equity and/or debt securities, the forward sale of Jatropha oil and carbon offset credits, and from other financing activities, such as strategic partnerships and joint ventures.

Camelina Operations. In March 2013, we acquired the business and assets of Sustainable Oils, LLC, a company that has been engaged in developing Camelina products since 2007. Sustainable Oils has generated over $20 million in revenues during the past three years, but has incurred a loss of approximately $5.8 million during that time. The new Camelina operations will require a significant amount of additional cash to scale up its operations and to reach profitable operations. Our goal is to operate the Camelina business that we acquired through a subsidiary, and to capitalize that subsidiary with the Sustainable Oils intellectual properties and operating assets that we recently purchased. Furthermore, our goal is to fund the operations and expansion of the Camelina operations with new debt or equity that we intend to raise specifically for the Camelina subsidiary. While we have been in discussions with a number of sources for the additional funding, we have not entered into any binding arrangements for the desired amount of new funding. No assurance can be given that we will obtain the additional capital necessary to operate and grow our new Camelina operations. In the event that we do not obtain the necessary amount of financing to properly operate and scale up our new Camelina operations, those operations are expected to continue to operate at a loss.

As partial consideration for the Camelina assets that we purchased in March 2013, we issued a $1,300,000 promissory note. The promissory note bears simple interest at the rate of ten percent (10.0%) per annum, and is payable upon the earlier of the following: (a) to the extent of 35.1% of, and on the third business day after a Qualified (equity) Funding; or (b) September 13, 2014. The term "Qualified Funding" means all equity funding in excess of the $800,000, in the aggregate, received by us for our Camelina business. Our obligations under the promissory note are secured by a first priority lien on certain tangible assets included in the purchase of the Camelina assets. The promissory note is a full recourse obligation. If the holder of the promissory note has to pursue the collection of amounts due under the promissory note, the holder may not seize or take any action to collect any amounts due and owing against any of the Company's assets (including its cash) related to a line of business other than the business of developing intellectual property and managing farming activities for the development of Camelina sativa used for biofuels feedstock.

Other Potential Source of Liquidity.

We are entitled to receive royalty payments from the legacy pharmaceutical assets we sold in 2009 to Curadis GmbH. In February 2012, Curadis GmbH informed us that it has licensed certain of the technologies that we sold to it, and, as a result that we will be receiving a royalty of 4.5% of all net sales of products sold using the licensed technology. Certain of the intellectual property that we sold to Curadis will revert to us if royalties from those assets do not exceed 300,000 euros by December 31, 2014. In 2012 we received $24,921 from Curadis under this new licensing arrangement. Only $903 of royalty payments has been received in 2013.

We presently do not have any available credit, bank financing or other external sources of liquidity. In the absence of additional outside funding (including proceeds from the sale of our securities, or entering into other joint venture relationships), we do not have the ability to expand our business or acquire additional Jatropha or other biofuel feedstock farms. If we issue additional equity or debt securities to fund our future capital needs, stockholders may experience additional dilution or the new equity securities may have rights, preferences or privileges senior to those of existing holders of our common stock. Should we not be able to increase the amount of revenues we receive from our advisory services and/or raise additional debt or equity funding, we will have to materially scale back our current and proposed operations or take other actions to preserve our on-going operations.

Inflation and changing prices have had no effect on our continuing operations over our two most recent fiscal years.

We have no off-balance sheet arrangements as defined in Item 303(a) of Regulation S-K.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Not applicable.

ITEM 4. CONTROLS AND PROCEDURES.

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in the reports that we file with, or submit to, the Securities and Exchange Commission (the “SEC”) under the Securities Exchange Act of 1934 (the “Exchange Act”) is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and that such information is accumulated and communicated to our management, including our chief executive and financial officers, as appropriate, to allow timely decisions regarding required disclosure. As required by SEC Rule 13a-15(b), we carried out an evaluation, under the supervision and with the participation of our management, including our chief executive and financial officers, of the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this report. Based on that evaluation, our chief executive and financial officers concluded that our disclosure controls and procedures were effective as of the end of the period covered by this report.

Based upon our evaluation, we also concluded that there was no change in our internal control over financial reporting during our most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II

ITEM 1. LEGAL PROCEEDINGS.

From time to time, the Company may become a party to other legal actions and complaints arising in the ordinary course of business, although it is not currently involved in any such legal proceedings.

ITEM 1A. RISK FACTORS.

Information regarding risk factors appears under “Risk Factors” included in Item 1A, Part I, and under Item 7, Management’s Discussion and Analysis of Financial Condition and Results of Operations, of our Annual Report on Form 10-K for the year ended December 31, 2012. Except as set forth below, there have been no material changes from the risk factors previously disclosed in the above-mentioned periodic report.

Agricultural Risks – General. Once the trees at our Mexico farms fully mature and produce Jatropha seeds in the manner that we anticipate, the agricultural operations at our Mexico farms are expected to generate the largest portion of our future revenues. However, agriculture operations are subject to a wide variety of risks, and no assurance can be given that the Jatropha trees will develop in the manner we expect or that they will produce the fruit/seeds in the quantities that we anticipate. Agricultural risks that could affect our Jatropha farms include delays in blooming of the plants, changes in product pricing due to variations in supply and demand, weather, disease, input costs and product yield.

The Company's Agricultural Assets Are Concentrated and the Effects of Adverse Weather Conditions Can Be Magnified. The Company's agricultural operations are concentrated in the center of the Yucatan peninsula, near Tizimin, Mexico. All of these areas are subject to occasional periods of drought, excess rain, short term flooding, and possible hurricanes. Jatropha trees require water in different quantities at different times during the growth cycle. Accordingly, too little water over an extended period can adversely impact production. While the Company attempts to mitigate controllable weather risks through water management and variety selection, its ability to do so is limited. The Company's operations in Mexico are also subject to the risk of hurricanes. Hurricanes have the potential to destroy crops and impact Jatropha production through the loss of fruit and destruction of trees either as a result of high winds or through the spread of windblown disease. Because our agricultural properties are located in relative close proximity to each other, the impact of adverse weather conditions may be magnified in the Company's results of operations.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

Not applicable.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

Not applicable

ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable

ITEM 5. OTHER INFORMATION

Not applicable.

ITEM 6. EXHIBITS

31.1	Rule 13a-14(a) Certification, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Link base
101.DEF	XBRL Taxonomy Extension Definition Link base Document
101.LAB	XBRL Taxonomy Extension Label Link base Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

SIGNATURES

In accordance with Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: November 4, 2013 GLOBAL CLEAN ENERGY HOLDINGS, INC.

By: /s/ RICHARD PALMER
Chief Executive Officer and Acting Chief Financial Officer