Global Clean Energy Holdings, Inc.
Form 10-Q
November 10, 2015

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, 2015

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

2790 Skypark Drive, Suite 105
Torrance, California 90505
(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 Filer	o	Smaller reporting company	x

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 10, 2015, 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, 2015 (Unaudited)	December 31, 2014
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 158,893	$ 238,485
Accounts receivable	46,512	213,962
Inventory	35,205	35,201
Other current assets	46,465	37,580
Total Current Assets	287,075	525,228
PROPERTY AND EQUIPMENT, NET	5,852,280	13,834,255
INTANGIBLE ASSETS, NET	3,543,804	3,727,724
OTHER NONCURRENT ASSETS	5,320	5,744
TOTAL ASSETS	$ 9,688,479	$ 18,092,951
LIABILITIES AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	$ 3,330,003	$ 3,651,606
Accrued payroll and payroll taxes	1,309,056	1,249,815
Notes payable - current portion	1,337,089	1,337,089
Convertible notes payable, net of debt discount	637,000	697,000
Derivative Liability	53,000	-
Total Current Liabilities	6,666,148	6,935,510
LONG-TERM LIABILITIES		
Accrued interest payable	5,066,216	4,166,607
Accrued return on noncontrolling interest	12,140,304	10,101,080
Mortgage notes payable	5,110,189	5,110,189
Total Long Term Liabilities	22,316,709	19,377,876
STOCKHOLDERS' DEFICIT		
Preferred stock - $0.001 par value; 50,000,000 shares authorized		

Series B, convertible; 13,000 shares issued and outstanding(aggregate liquidation preference of $1,300,000)	13	13
Common stock, $0.001 par value; 500,000,000 shares authorized; 339,187,545 issued and outstanding	339,188	339,187
Additional paid-in capital	25,813,298	25,657,177
Accumulated deficit	(29,916,712)	(28,946,103)
Accumulated other comprehensive loss	(121,829)	(66,586)
Total Global Clean Energy Holdings, Inc. Stockholders' Deficit	(3,886,042)	(3,016,312)
Noncontrolling interests	(15,408,336)	(5,204,123)
Total Stockholders' Deficit	(19,294,378)	(8,220,435)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	$ 9,688,479	$ 18,092,951

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, 2015	For the three months Ended September 30, 2014	For the nine months Ended September 30, 2015	For the nine months Ended September 30, 2014
Revenue	$ 92,040	$ 495,796	$ 492,107	$ 741,500
Subsidy Income	-	284	153	1,246
Total Revenue	92,040	496,080	492,260	742,746
Operating Expenses				
General and administrative	397,064	535,031	1,444,187	1,610,697
Loss on disposal of Fixed Assets	75,670	23,597	75,670	23,597
Write down of long lived assets	6,671,892	-	6,671,892	-
Plantation operating costs	27,021	21,580	85,431	83,804
Total Operating Expenses	7,171,647	580,208	8,277,180	1,718,098
Loss from Operations	(7,079,607)	(84,128)	(7,784,920)	(975,352)
Other Income (Expenses)				
Other income	7	290	7	298
Interest expense	(302,701)	(293,236)	(918,661)	(895,220)
Gain on settlement of liabilities	-	-	270,323	-
Change in fair value of derivative	9,000	-	27,000	-
Foreign currency transaction gain (loss)	21	119	1,791	204
Other Expenses, Net	(293,673)	(292,827)	(619,540)	(894,718)
Net Loss	(7,373,280)	(376,955)	(8,404,460)	(1,870,070)
Less Net Loss Attributable to the Noncontrolling Interest	(6,745,046)	(387,627)	(7,433,851)	(1,205,007)

Net Loss Attributable to Global Clean Energy Holdings, Inc.	$ (628,234)	$ 10,672	$ (970,609)	$ (665,063)
Basic and diluted Loss per Common Share:				
Net Loss per Common Share	(0.002)	(0.001)	(0.003)	(0.001)
Basic and diluted Weighted-Average Common Shares Outstanding	339,187,545	339,187,545	339,187,545	339,187,545

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, 2015		For the nine months ended September 30, 2014	
Operating Activities				
Net loss	$	(8,404,460)	$	(1,870,070)
Adjustments to reconcile net loss to net cash used in operating activities:				
Foreign currency transaction gain		(1,791)		(204)
Gain on settlement of liabilities		(270,323)		-
Share-based compensation		156,121		44,287
Write down of long lived assets		6,671,892		-
Loss on disposal of fixed assets		75,670		23,597
Depreciation and amortization		261,072		556,913
Amortization of debt discount		60,000		-
Change in fair value of derivative		(27,000)		-
Changes in operating assets and liabilities:				
Accounts receivable		190,579		(91,327)
Inventory		(1,228)		2,756
Other current assets		(46,442)		(39,112)
Accounts payable and accrued expenses		805,158		735,188
Other noncurrent assets		(404)		81
Net Cash Used in Operating Activities		(531,156)		(637,891)
Investing Activities				
Plantation development costs		(224,161)		(330,795)
Proceeds from sale of property and equipment		283,704		(3,412)
Net Cash Provided by (Used in) Investing Activities		59,543		(334,207)
Financing Activities				
Proceeds from issuance of preferred membership in GCE Mexico I, LLC		429,743		952,435
Proceeds from notes payable		-		130,000
Payments on capital leases and notes payable		-		(1,175)
Net Cash Provided by Financing Activities		429,743		1,081,260
Effect of exchange rate changes on cash		(37,722)		(12,241)
Net change in Cash and Cash Equivalents		(79,592)		(96,921)
Cash and Cash Equivalents at Beginning of Period		238,485		216,531
Cash and Cash Equivalents at End of Period	$	158,893	$	313,452
Supplemental Disclosures of Cash Flow Information:				
Cash paid for interest	$	18,550	$	-

Cash paid for income tax	$	5,388	$	1,029
Noncash Investing and Financing activities:				
Accrual of return on noncontrolling interest	$	2,039,224	$	1,977,862
Write Down of debt and release of Fixed Assets		-		190,500
Estimated fair value of derivative liability		79,000		-

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
(unadited)

	For the three months Ended September 30,		For the nine months Ended September 30,	
	2015	2014	2015	2014
Net Loss	$ (7,373,280)	$ (376,955)	$ (8,404,460)	$ (1,870,070)
Other comprehensive income (loss)- foreign currency translation adjustment	(1,212,557)	48,062	(1,216,123)	93,947
Comprehensive Loss	(8,585,837)	(328,893)	(9,620,583)	(1,776,123)
Add net loss attributable to the noncontrolling interest	6,745,046	387,627	7,433,851	1,205,007
Add other comprehensive loss (income) attributable to noncontrolling interest	1,160,880	(116,599)	1,160,880	(124,117)
Comprehensive Loss Attributable to Global Clean Energy Holdings, Inc.	$ (679,911)	$ (57,865)	$ (1,025,852)	$ (695,233)

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

This summary of significant accounting policies is presented to assists the reader in understanding and evaluating the Company's financial statements. The financial statements and notes are the representations of the Company's management, which is responsible for their integrity and objectivity. The accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the 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 I, LLC a Delaware limited liability company ("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.

Under ASC 810-10 the Primary Beneficiary is the party that has both of the following:

1. The power to make decisions regarding the activities that most significantly impact the success of the VIE, and

2. The obligation to absorb losses or rights to receive benefits of the entity that could potentially be significant to the VIE.

When multiple parties make decisions over different activities of the entity, only the party with power to direct the activities that most significantly impacts the entity's economic performance will have satisfied the first condition. Global Clean Energy Holdings, Inc. has the power to direct the most significant activities of GCE Mexico and its subsidiaries, as these rights were specifically granted to Global Clean Energy Holdings, Inc. under the GCE Mexico's Operating Agreement (the "LLC Agreement").

Global Clean Energy Holdings, Inc. satisfies the second condition because as owner of a 50.5% profits interest, Global Clean Energy Holdings, Inc. is expected to receive the benefits or the largest amounts of profits allocated by GCE Mexico. GCEH ownes 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. The partners' right to receive a preferred return on their investment does not qualify as a "right to receive residual returns" of GCE Mexico.

The guidance also states that “in a multi-tiered legal-entity structure, a reporting entity should generally begin its evaluation at the lowest-level entity. Each entity within the structure should then be evaluated on a consolidated basis. The attributes and variable interests of the underlying consolidated entities become those of the parent company upon consolidation”.

GCE Mexico holds, directly, 99% of the voting interest in the subsidiaries pursuant to the Agency Agreement. GCEH’s rights as Manager of GCE Mexico and as the sole Director of the subsidiaries enables GCEH to conclude that these powers, together with the 50% membership interest in GCE Mexico, gives Global Clean Energy Holdings, Inc. a controlling financial interest and therefore is the primary beneficiary.

GCE MEXICO I, LLC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

	September 30, 2015 (Unaudited)	December 31, 2014
ASSETS		
CURRENT ASSETS (1)	148,541	86,979
PROPERTY AND EQUIPMENT, NET	5,703,335	13,377,936
OTHER NONCURRENT ASSETS	2,694	3,118
TOTAL ASSETS	$5,854,570	$13,468,033
LIABILITIES AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES	373,744	281,369
LONG-TERM LIABILITIES	21,984,456	19,124,134
TOTAL LIABILITIES	$22,358,200	$19,405,503

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

(1) Includes cash of $105,790 and $86,979 at September 30, 2015 and December 31, 2014, respectively, which is included in the Company’s consolidated financial statements, but is used only for the operations of GCE Mexico.

Unaudited Interim Condensed Consolidated Financial Statements

The accompanying (a) condensed consolidated Balance Sheet at December 31, 2014 has been derived from audited statements and (b) unaudited condensed consolidated financial statements as of September 30, 2015 and 2014 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 financial statements should be read in conjunction with the financial statements and notes thereto included in the Company’s annual report on Form 10-K for the year ended December 31, 2014, as filed with the Securities and Exchange Commission. The results of operations for the nine months ended September 30, 2015, may not be indicative of the results that may be expected for the year ending December 31, 2015.

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.

Inventory

The Company uses the FIFO valuation method for its inventories, which consist almost entirely of finished goods. The Company records no inventories above their acquisition costs. There were no losses related to the valuation of inventory during the nine months ended September 30, 2015.

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.

The following instruments are currently antidilutive and have been excluded from the calculations of diluted income or loss per share at September 30, 2015 and 2014, as follows:

	September 30,	
	2015	2014
Convertible notes and accrued interest	24,700,000	23,500,000
Convertible preferred stock - Series B	11,818,181	11,818,181
Warrants	3,083,332	3,083,332
Compensation-based stock options and warrants	92,470,222	72,645,311
	132,071,735	111,046,824

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 and Camelina biofuel revenue - The Company’s long-term primary source of revenue currently is expected to be crude Jatropha oil and Camelina 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 nine months ended September 30, 2015, the Company had no material Jatropha or Camelina biofuel 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 each advisory contract.

Agricultural subsidies revenue - the Company receives agricultural subsidies from the Mexican government to supplement the farm development and planting of new trees. Due to the uncertainty of these payments, the revenue is recognized when the payments are received. We recognize these funds as revenue due to these payments being disbursed to supplement the Company's income and not as direct payments for any specified farming expense. For the nine months ended September 30, 2015, the Company had no material subsidies revenue.

Fair Value of Financial Instruments

The carrying amounts reported in the consolidated balance sheets for accounts receivable and payable approximate fair value because of the immediate or short-term maturity of these financial instruments. The carrying amounts reported for the various notes payable and the mortgage notes payable approximate fair value because the underlying instruments are at interest rates which approximate current market rates. See Note 8 for additional information regarding assets measured at fair value on a nonrecurring basis and Note 9 for measurements on a recurring basis.

Derivative Liabilities

The Company evaluates debt instruments, stock options, stock warrants or other contracts to determine if those contracts or embedded components of those contracts qualify as derivatives to be separately accounted for under the relevant sections of ASC Topic 815-40, Derivative Instruments and Hedging: Contracts in Entity's Own Equity . The result of this accounting treatment could be that the fair value of a financial instrument is classified as a derivative instrument and is marked-to-market at each balance sheet date and recorded as a liability. In the event that the fair value is recorded as a liability, the change in fair value is recorded in the statement of operations as other income or other expense. Upon conversion or exercise of a derivative instrument, the instrument is marked to fair value at the conversion date and then that fair value is reclassified to equity. Financial instruments that are initially classified as equity that become subject to reclassification under ASC Topic 815-40 are reclassified to a liability account at the fair value of the instrument on the reclassification date.

The Company has issued notes with embedded conversion features. Certain of the embedded conversion features contain price protection or anti-dilution features that result in these instruments being treated as derivatives. Accordingly, the Company has estimated the fair value of these embedded conversion features to settle outstanding contracts using Black-Scholes. The Company uses level 3 of the fair value hierarchy to measure the fair value of the derivative liabilities.

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Significant estimates used in preparing these financial statements include a) those assumed in determining the valuation of common stock, warrants, derivative liabilities and stock options, b) estimated useful lives of plantation equipment and plantation development costs, and c) undiscounted future cash flows for purpose of evaluating possible impairment of long-term assets. It is at least reasonably possible that the significant estimates used will change within the next year.

Foreign Currency

During both 2014 and 2015, the Company had operations located in the United States, Mexico, and Dominican Republic. For these foreign operations, the functional currency is the local country's currency. Consequently, revenues and expenses of operations outside the United States of America are translated into U.S. dollars using weighted average exchange rates, while assets and liabilities of operations outside the United States of America are translated into U.S. dollars using exchange rates at the balance sheet date. The effects of foreign currency translation adjustments are included in equity (deficit) as a component of accumulated other comprehensive loss in the accompanying condensed consolidated financial statements. Foreign currency transaction adjustments are included in other income (expense) in the Company's results of operations.

The Company has not entered into derivative instruments to offset the impact of foreign currency fluctuations.

Stock Based Compensation

The Company recognizes compensation expense for stock-based awards expected to vest on a straight-line basis over the requisite service period of the award based on their grant date fair value. The Company estimates the fair value of stock options using a Black-Scholes option pricing model which requires management to make estimates for certain assumptions regarding risk-free interest rate, expected life of options, expected volatility of stock and expected dividend yield of stock.

Comprehensive Income

In June 2011, the FASB issued authoritative guidance requiring entities to report components of other comprehensive income in either a single continuous statement or in two separate, but consecutive statements of net income and other comprehensive income. The company has included a condensed consolidated statement of comprehensive income for the three and nine months ended September 30, 2015 and 2014.

New Accounting Guidelines

The Company has reviewed all the recent accounting pronouncements issued to date of the issuance of these consolidated financial statements, and does not believe any of these pronouncements will have a material impact on the Company’s consolidated financial statements.

Note 2 – Going Concern Considerations

The accompanying 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 net losses applicable to its common shareholders of $970,609 and $665,063 for the nine months ended September 30, 2015, and 2014, respectively, and has an accumulated deficit applicable to its common shareholders of approximately $30,000,000 at September 30, 2015. The Company also used cash in operating activities of approximately $531,000 and $638,000 during the nine months ended September 30, 2015 and 2014, respectively. At September 30, 2015, the Company has negative working capital of approximately $6,400,000. These factors raise substantial doubt about the Company’s ability to continue as a going concern.

The Company commenced its business related to the cultivation and production of oil from the seed of the Jatropha plant in September 2007 and Camelina in March 2013. 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 approximately $22,560,000 in capital contributions from the preferred membership interest in GCE Mexico I, LLC (“GCE Mexico”) and has issued mortgages in the total amount of $5,110,189 for the acquisition of land. The Company is developing the business operation to participate in the growing bio-diesel industry. While the Company expects to be successful in its ventures, 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 – Property and Equipment

Property and equipment are as follows:

	September 30, 2015	December 31, 2014
Land	$3,453,409	$3,994,647
Plantation development costs	2,000,861	9,638,425
Plantation equipment	891,637	1,366,258
Office equipment	98,047	103,770
Total cost	6,443,954	15,103,100
Less accumulated depreciation	(591,674)	(1,268,845)
Property and equipment, net	$5,852,280	$13,834,255

Depreciation expense was approximately $133,000 and $151,000 for the nine months ended September 30, 2015 and 2014 respectively.

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.

During the quarter ended September 30, 2015, the Company entered into negotiations with a third party related to the potential sale of its farming operations in Mexico. Based on these negotiations, the Company has determined that the recoverability of certain of its capitalized costs were impaired. Accordingly, the Company recorded an impairment charge of approximately $6,700,000 based on the expected proceeds from the transaction. In connection with such transactions, the Company expects that it will also be able to eliminate all of the debt attributed to the Joint Venture Entity of approximately $12,000,000 (balances as of September 30, 2015) based on discussions with its joint venture partner.

Note 4 – Intangible Assets

In March 2013, the Company purchased certain intangible assets related to the commercial production of Camelina. 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. The Intangible Assets as of the year ended September 30, 2015 is shown in the following table:

	September 30, 2015	December 31, 2014
Intangible Assets	4,168,841	$4,168,841
Less accumulated amortization	(625,037)	(441,117)
Intangible Assets, net	$3,543,804	$3,727,724

Amortization expense was approximately $184,000 for both the nine months ended September 30, 2015 and 2014.

Note 5 – Debt

Notes Payable to Shareholders

Included in notes payable on the accompanying condensed consolidated balance sheet, the Company has notes payable to certain shareholders in the aggregate amount of $26,000 at September 30, 2015 and 2014. The notes originated in 1999, bear interest at 12%, are unsecured, and are currently in default. Accrued interest on the notes totaled $58,081 and $54,970, respectively at September 30, 2015 and 2014, respectively.

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 (the “Convertible 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 have been extended until September 15, 2016. Interest accrues on the convertible notes at a rate of 5.97% per annum, and is payable quarterly in cash, in arrears, on each year 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 holders of the Convertible Notes.

In January 2014, the Company entered into a securities purchase agreement with certain third party investors pursuant to which the Company issued senior unsecured contingently convertible promissory notes (the “Convertible Notes 2”) an aggregate principal amount of $130,000 and warrants to acquire an aggregate of 1,083,332 shares of the Company’s common stock. Interest accrues on the Convertible Notes 2 at a rate of 8% per annum, and is payable quarterly in cash, in arrears, on each year anniversary of the issuance of the convertible notes. 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 Sustainable Oils common stock at a conversion price equal to $1.448, subject to adjustment based on Sustainable Oils receiving alternative consideration from another investor. The conversion price may be adjusted in connection with stock splits, stock dividends and similar events affecting the Sustainable Oils’s capital stock. The relative fair value of the warrants was considered insignificant.

Based on the down round feature in the conversion terms, such embedded conversion feature resulted in a derivative liability and a corresponding debt discount in the amount of $80,000 to be recorded (See Note 9). The Company is amortizing the debt discount over the life of the corresponding convertible promissory notes through December 31, 2015. The amortization of the debt discount for these derivative instruments was $59,500 for nine months ended September 30, 2015.

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. for certain Camelina assets. The purchase occurred concurrently with the acquisition of Sustainable Oils, Inc.. 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. In December 2014, the Company amended the note by (i) making the note due and payable on demand, and (ii) by returning to the holder the certain Camelina assets to Targeted Growth, Inc. at the book value of $190,500, that previously constituted as collateral for the repayment of the note.

Note 6 - Equity (Deficit)

The preferred members have made capital contributions of approximately $430,000 and $952,000 during the nine months ended September 30, 2015 and 2014, respectively. The LLC Agreement calls for additional contributions from the investor, as requested by management and as required by the operation in 2015 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 $2,039,224, and $1,977,862 during the nine months ended September 30, 2015 and 2014, respectively, and totals $12,140,304 at September 30, 2015.

Note 7 – Stock Options and Warrants

Stock Options and Compensation-Based Warrants

The Company has an incentive stock option plan wherein 40,000,000 shares of the Company's common stock are reserved for issuance thereunder.

A summary of the status of options and compensation-based warrants at September 30, 2014, 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, 2014	64,945,311		0.01	3.3 years	$	-
Granted	32,624,911		0.01			
Exercised	-					
Forfeited	(4,000,000)		0.02			-
Expired	(1,100,000)		0.02			-
Outstanding at September 30, 2015	92,470,222		0.015	3.2 years	$	68,959
Vested and Exercisable at September 30, 2015	61,127,970	$	0.02	2.6 years	$	-

The fair value of 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 32,624,911 shares of common stock were issued in the nine months ended September 30, 2015 and 3,700,000 in the nine months ended September 30, 2014. The weighted average fair value of stock options issued during the nine months ended September 30, 2015 and 2014 as \$0.018 and \$.011, respectively. The weighted-average assumptions used for the stock options granted and compensation-based warrants issued during the nine months ended September 30, 2015 and 2014 were risk-free interest rate of 1.18% and 1.75%, volatility of 114% and 175%, expected life of 5 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 aggregate intrinsic values is based on a September 30, 2015 closing price of \$0.007 per share.

Share-based compensation from all sources recorded during the nine months ended September 30, 2015 and 2014 was approximately \$156,000 and \$44,000, respectively, and is reported as general and administrative expense in the accompanying condensed consolidated statements of operations. As of September 30, 2015, there is approximately \$139,000 of unrecognized compensation cost related to stock-based payments that will be recognized over a weighted average period of approximately 2.15 years.

Stock Warrants

A summary of the status of the warrants outstanding at September 30, 2015, and changes during the nine months 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, 2014	3,083,332	0.0117	6.31 years	$ -
Issued	-			
Exercised	-			
Expired	-			
Outstanding and exercisable at September 30, 2015	3,083,332	0.0117	5.34 years	$ -

Note 8 – Impairment of assets and fair value measurements

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. To measure fair value, a hierarchy has been established by generally accepted accounting principles which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs. This hierarchy uses three levels of inputs to measure the fair value of assets and liabilities as follows:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Observable inputs other than Level 1 including quoted prices for similar assets or liabilities, quoted prices in less active markets, or other observable inputs that can be corroborated by observable market data.

Level 3 – Unobservable inputs supported by little or no market activity for financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

Fair value is used on a nonrecurring basis to measure certain assets when applying lower of cost or fair value accounting or when adjusting carrying values. Fair value is also used when evaluating impairment on certain assets, including deferred growing costs and property and equipment.

The Company has recognized approximately $6,700,000 and $0 in impairment charges for the nine months ended September 30, 2015 and 2014, respectively. (See note 3)

Note 9 – Derivative Liabilities

The Company applies the accounting standard that provides guidance for determining whether an equity-linked financial instrument, or embedded feature, is indexed to an entity’s own stock. The standard applies to any freestanding financial instrument or embedded features that have the characteristics of a derivative, and to any freestanding financial instruments that are potentially settled in an entity’s own common stock.

The Company has estimated the fair value of these embedded conversion features to settle outstanding contracts using Black-Scholes using the following assumptions:

- Expected volatility is based primarily on historical volatility of the Company. Historical volatility was computed using weekly pricing observations for recent periods. The Company believes this method produces an estimate that is representative of our expectations of future volatility over the expected term of these warrants and embedded conversion features. The Company currently have no reason to believe that future volatility over the expected remaining life of these embedded conversion features is likely to differ materially from historical volatility.
- The expected life is based on the remaining term of the warrants and embedded conversion features.
- The risk-free interest rate is based on U.S. Treasury securities consistent with the remaining term of the embedded conversion features.

During the nine months ended September 30, 2015, the Company issued an aggregate of $130,000 in principal of convertible notes payable at an interest rate of 8% (See Note 6). Such convertible notes contained embedded conversion features in the Company's own stock and have resulted in an initial derivative liability value and a debt discount of $79,000 being recorded by the Company.

During the nine months ended September 30, 2015, the Company recorded other income of $27,000, related to the change in fair value of the embedded conversion features which is included in change in fair value of derivative liabilities in the accompanying condensed consolidated statements of operations.

The following table presents the embedded conversion features which have no observable market data and are derived using Black-Scholes measured at fair value on a recurring basis, using Level 3 inputs, as of September 30, 2015:

Annual dividend yield	0	%
Expected live (years	1 - 0.75	
Risk-free interest rate	0.21% - 0.23	%
Expected volatility	113	%

The level 3 carrying value as of September 30, 2015:

Embedded Conversion Features	$53,000

The following table presents the changes in fair value of our warrants and embedded conversion features measured at fair value on a recurring basis for the nine months ended September 30, 2015:

Balance as of January 1,	$-	
Issuance of warrants and embedded conversion features	80,000	
Change in fair value	(27,000	)
Balance as of September 30,	$53,000	

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 n 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.

Introductory Comment

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our unaudited condensed consolidated financial statements and the related notes thereto contained in Part I, Item 1 of this Quarterly Report. The information contained in this Quarterly Report on Form 10-Q is not a complete description of our business or the risks associated with an investment in our common stock. We urge you to carefully review and consider the various disclosures made by us in this Quarterly Report and in our other reports filed with the U.S. Securities and Exchange Commission (the "SEC"), including our Annual Report on Form 10-K for the fiscal year ended December 31, 2014, which discuss our business in greater detail.

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, 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 wholly owned subsidiary, Sustainable Oils, Inc., a Delaware Corporation, 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 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, multinational, agri-energy business focused on the development of low carbon, non-food based feedstocks. Over the past 7+ years, we have built an in-house team of development and operations professionals to support our energy farms and provide advisory and operator services to third parties . We currently have a portfolio of intellectual property and extensive experience and capabilities in eco-friendly biofuel feedstock management, cultivation, production and distribution, both domestically and internationally. Recently, to better control the process and maintain quality, we have expanded our expertise and reach further up the supply chain to include oil seed extraction processing and crude plant oil refining.

Since 2007, our vision and business focus has been on the commercialization of ultra-low carbon, non-food based oilseed plants that produce high quality oil and biomass. Our strategy reduces the use of high carbon, petroleum based feedstocks for fuels and other commercial and industrial products and replaces them with sustainable, carbon-reducing alternatives. The agricultural development process and its risks are the same ones that have faced commercial agriculture for generations. However, with advances in modern science, we have access to tools that drastically accelerate the development process and provide a predictable path to crop improvement.

We began deploying our business strategy by developing farms with perennial oilseed trees. Research has demonstrated that oilseed-bearing trees when sustainably farmed will produce the lowest carbon footprint virgin plant oils, as well as high-grade biomass that can be turned into other renewable products. We have since expanded this view to include ultra-low input, short growing cycle annual crops which have the ability to be inter- and rotationally-cropped with other plants without adversely impacting food production or altering existing land use patterns. We have integrated this strategy and are developing separate projects which are singularly focused on one crop and others that integrate both crops (perennials and annuals) together.

Sustainable Oils, LLC, (now Sustainable Oils, Inc.) is a Delaware formed company which has extensive experience in plant science research, varietal development (breeding), farming and processing of Camelina as an energy crop. Since the acquisition we have finalized additional regulatory pathways and expanded our Intellectual Property portfolio with additional plant and process patents related to Camelina production.

As a company we will continue to focus on these two plants because we feel they are complementary to one another and have the potential to produce oil seed crops economically. Both of these crops are dryland farmed, 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 cyclical 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 specification 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. 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 livestock feed ingredient 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 including renewable chemicals and high value livestock feed. 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. To date, we have owned 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 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 its industrial operations.

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

- Provide development and operational expertise for oil seed processing (extraction) facilities and co-product refining and conversion processes to convert the crude products into higher value marketable products.

The development of agricultural-based energy projects which produce plant oil and related biomass may also produce carbon credits and/or renewable fuel 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 and processing facilities, where practical, to be qualified to generate and be able to monetize federal and state emissions credits. The Renewable Fuel Standard (RFS) is a domestic federal program that requires transportation fuel sold in the U.S. to contain a minimum volume of renewable fuels. Camelina is fully compliant with RFS and can generate emissions reduction credits called RINs (renewable identification numbers), whichare marketable and actively traded. In California, the Air Resources Board (CARB) has implemented a Low Carbon Fuel Standard (LCFS), which requires obligated parties to reduce the carbon intensity of their fuels to a prescribed amount. CARB issued Sustainable Oils a unique pathway that applies only to its patented seed varieties. The very low carbon intensity of Camelina-based fuels allows obligated parties to meet certain emissions reduction targets with less fuel than would be required using conventional feedstocks. Like RINs, LCFS emissions reduction credits have an existing market and are actively traded.

Organizational History

This company was originally 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 2790 Skypark Drive, Suite 105, Torrance, CA 90505, 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, 2014 or into this quarterly report on Form 10-Q.

Current Significant Activities

The Company is focused on the expansion and growth of both its Jatropha and Camelina businesses. The Company believes that it can improve its net financial position by divesting some of its older, higher cost and higher indebted assets, while retaining all of its Jatropha related intellectual property (IP). Our Mexican JV entity, GCE Mexico I, LLC (“GCE Mexico”), has been approached by a Mexican agricultural company to acquire GCE Mexico’s three (3) Jatropha farms in the Yucatan. 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 working capital needs of GCE Mexico have been funded by the holder of the preferred membership units of GCE Mexico, which accrue at annual 12% preferred return. We are currently in active negotiations for the sale of the three farms to this potential buyer, although no agreement has yet been entered into. The discussions with the potential buyer of the three farms are focused on a structured transaction that would include a cash purchase of the three farms, the repayment of the mortgages on the farms. This would result in the elimination of accrued interest and materially all of the accrued preferred membership return. If the sale of the three farms is completed as currently contemplated, all cash proceeds from the sale would be distributed to the holder of the GCE Mexico preferred membership units. Accordingly, while a significant portion of our liabilities would be extinguished, we would not receive any of the sales proceeds. If most or all of the liabilities are extinguished, the result of the currently contemplated sale would be a significant improvement to the Company’s balance sheet, positioning us for growth and expansion. No assurance can be given that the contemplated sale of the farms will be consummated or, if consummated, will occur on the terms under discussion.

The sale of the three farms would allow the Company to significantly reduce its liabilities and position the Company for future growth. We believe that a stronger balance sheet would provide us with the ability to attract lower cost capital and strategic partners for future ventures. Most importantly, the Jatropha related intellectual property that we have developed over the past seven years at the three farms and elsewhere will be retained by us and will not be affected by the sale of the farms. We believe that our Jatropha related intellectual properties represent a valuable asset that we can leverage in other Jatropha ventures.

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, 2014.

Results of Operations

Revenues. During the three and nine months ended September 30, 2015 we recognized revenue of $92,040 and $492,107 and $496,080 and $742,746 in the same periods in 2014. The revenues that we generated in 2015 and 2014 were derived from energy farm management, development and advisory services, and biomass production. Revenues in the 2015 periods decreased due to a decrease in advisory services that we provided.

Our goal is to continue to expand and increase the amount of advisory, development and management services in order to generate revenues to fund our corporate working capital needs, and to generate Camelina-related revenues from our wholly owned subsidiary, Sustainable Oils, Inc. Once our Camelina operations are properly funded, we expect these operations 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, we plan to substantially increase the revenues derived from the operations of our owned and/or managed Jatropha farms, and to rapidly ramp up our Camelina operations, and to continue to generate revenue from management, development, and advisory services. However, no assuance can be given that we will be able to properly fund our Camelina operations or enter into future advisory agreements as our current agreements expire.

General and Administrative Expenses. During the three and nine months ended September 30, 2015 our general and administrative expenses were $397,064 and $1,444,187 as compared to $535,031 and $1,610,697 in the same period in 2014. This reduction from last year’s periods was).due to a reduction in advisory services we provided and to our cost-cutting efforts. 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).

Plantation (Farm) Operating Costs. The majority of the costs associated with maintaining the three GCE Mexico farms are capitalized under plantation (farm) development costs as shown in Note 3 in the footnotes to the financials. For the three and nine months ended September 30, 2015, we recorded Plantation Operating Costs from the operations of the farms of $27,021 and $85,431 and in 2014 we recorded $21,580 and $83,804 for the same periods. As the operations on the Mexican farm has remained consistent, there is no significant change in the total costs incurred.

Write Down of Long Lived Assets. During the nine months ended September 30, 2015 we wrote down certain long term assets by $6,671,892 in the accumulated plantation development costs. This write down is the result of the company receiving an unsolicited offer to acquire our three Jatropha farms, in Mexico, owned by our Joint Venture entity, GCE Mexico I, LLC, at an amount that is less than the value of the Plantation Development Cost plus the value of the land. Therefore, the fair market value of the land plus improvements is determined to be less than the cost to date. When the transaction is approved, this loss from impairment of the company's assets is expected to be offset by a significant reduction in debt for the JV Entity. It is anticipated that when the sale of the Mexico farms is finalized, it will include the elimination of accrued interest and accumulated return on noncontrolling interests from the from JV Entities liabilities, and therefore from the Company's consolidated financial statements.

The Company regularly evaluates its property and equipment and other long-lived assets for impairment based on its classification as a) held for sale or b) to be held and used. Several criteria must be met before an asset is classified as held for sale, including that management with the appropriate authority commits to a plan to sell the asset at a reasonable price in relation to its fair value and is actively seeking a buyer. For assets held for sale, the Company recognizes the asset at the lower of carrying value or fair market value less costs to sell, as estimated based on comparable asset sales, offers received, or a discounted cash flow model. For assets to be held and used, the Company reviews for impairment whenever indicators of impairment exist.

Other Income/Expense. Interest expense for the three and nine months ended September 30, 2015 increased slightly from the same periods in 2014 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 $628,234 and $970,609 for the three and nine months ended September 30, 2015 and net income of $10,672 and net loss of $665,063 in 2014, respectively. The increase in the net loss in 2015 is due to the gain recognized from the settlement of liabilities, in 2014, of approximately $270,000. Our ability to generate net income in the future will depend on the amount of advisory, development and management services that we render at the corporate level, the amount of revenues generated from our Jatropha farms, and on the amount of revenues we generate from our Camelina operations. While we still own the three farms in Mexico, we will continue to incure farm operating expenses related to those Jatropha operations, and we will continue to accrue interest expense on the mortgages that encumber the GCE Mexico farms. Although we anticipate that we will generate revenues, over the long term, from our Jatropha and Camelina operations, we are unable to forecast if, or when such revenues will be realized, and if such revenues will exceed our operating expenses.

Liquidity and Capital Resources

As of September 30, 2015, we had $159,000 in cash or cash equivalents and had a working capital deficit of $6,376,000, as compared with $313,000 in cash and a working capital deficit of $6,396,000 as of December 31, 2014.

The amount of cash or cash equivalent balances held at September 30, 2015 represents cash held in our corporate accounts and our GCE Mexico joint venture accounts. Of these amounts, approximately $53,000 was available and allocated for our general corporate purposes, with the remaining balance to be used in the operations of the Tizimin, Mexico farms owned by the GCE Mexico joint venture. As a result, the GCE Mexico 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, 2015 totaled $28,979,356. Because of the foregoing working capital deficit and the total indebtedness being so material we are looking at alternative funding strategies and ways to improve our financial position to attract new capital and additional strategic partners, as is discussed below. We incurred losses of approximately $628,000 and $970,000 for the three and nine months ended September 30, 2015 and income of $10,672 and a loss of $665,063 in 2014 respectively, and had an accumulated deficit applicable to common shareholders of $29,916,712 at September 30, 2015.

To date, our general and administrative expenses, including the professional costs of being a public company, have been funded from (i) revenues that we have generated from Jatropha related advisory services, (ii) payments received from our GCE Mexico subsidiary, and (iii) funds received from the sale of our securities. The amount of fees we generate from advisory services fluctuates significantly, and our ability to continue to generate revenue from these services will depend on our ability to enter into new advisory agreements when the current agreements expire. No assurance can be given that we will be able to enter into new agreements to replace certain advisory agreements. Because we have reduced the amount of services that we provide to our GCE Mexico subsidiary, that subsidiary no longer makes payments to us. Because the foregoing two sources of revenue have decreased, we expect that we will have to raise capital in the near future, or find other sources of capital in the near future, in order to continue to fund our corporate general and administrative expenses. Unless we are able to obtain additional funding in the future, from the sale of our securities, from strategic partners, or otherwise, we will have to further reduce our operations which will have a material negative impact on the value of our company and the price of our stock.

Our business plan contemplates that we will (i) continue to develop our Jatropha business and operations, which includes expanding our existing farms in the Dominican Republic, and (ii) diversify our biofuel energy crop revenues from new revenues generated by our new Camelina operations, as follows:

Farming Operations. Jatropha is a novel crop, and because many of the trees are still very young, we consider our Jatropha operations to be in the development stage, despite having planted significant amounts of land over the past 7 years. For several years we have been working diligently on selecting and breeding improved varieties (accessions) which have a natural architecture that does not require early pruning (which helps to protect the trees from disease infiltrations), have improved early yields and possesses a natural resistance to diseases known to attack Jatropha. This has produced a number of varieties (accessions) that are meeting and/or exceeding our multi-year yield projections. Utilizing clonal materials from our highest performing, regionally adapted "mother" trees we have developed a Certified Seed Nursery (CGN) to clonally propagate these new varieties. The seeds from the nursery will be the genetic basis for future planting and any other farms. However, we are currently holding discussions with a potential buyer of our GCE Mexico farms. If the currently contemplated sale is consummated, these operations will terminate, and the operating losses resulting from these operations will end. Our goal is to use the knowledge and intellectual properties derived from developing and operating these farms in other Jatropha farms.

Under the original agreement with our GCE Mexico investors, all net cash generated from the MX 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 $34,000,000 as of September 30, 2015. As a result, the Mexico farms were not expected to produce short-term cash for the Company or improve our liquidity, nor will the operations of the Mexico farms generate funds that the Company can use for its business expansion plan, for working capital purposes, or for the acquisition of additional Jatropha or other biofuel feedstock farms. In order to increase our farm ownership and operations, we will have to obtain additional capital through the sale of equity and/or debt securities, the forward sale of products produced from our Jatropha or Camelina farming operations or from other financing activities, such as debt financing, strategic partnerships and/or joint ventures. We continue to look for alternative funding strategies and ways to improve our financial position such as the sale of our Mexico farm assets, to attract new capital and additional strategic partners.

We are in negotiations in divesting our three GCE Mexico owned Jatropha Farms, in Mexico . If the sale is completed as currently contemplated, the structured sale is expected to eliminate the accrued interest and the accumulated return on noncontrolling interests owned by the outside investor, thereby significantly reducing the Company's liabilities Since the amount of proceeds to be received from the sale of the GCE Mexico farms, if the sale is completed, will not be enough for the Company receive any part of the cash payment for its 50% interest in GCE Mexico, the sale of the farms will not improve the Company's liquidity or cash position.

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 three years before we acquired that entity, but also incurred a loss of approximately $5.8 million during that same period. The Camelina operations will require a significant amount of additional cash to scale up its operations and to reach profitable operations. We will operate the Camelina business that we acquired through a subsidiary Sustainable Oils Inc.which we capitalized 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 are attempting to raise specifically for the Camelina subsidiary. While we continue to have discussions with a number of potential sources for the additional funding, we have not entered into any binding arrangements any new funding. No assurance can be given that we will obtain any 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. In September 2014, we renegotiated the terms of the note and agreed to return certain tangible assets that constituted the collateral under the promissory note to the holder of the promissory note in exchange for a reduction of the amount of accrued interest owed under the promissory note and an extension of the maturity date. Since December 31, 2014, the foregoing promissory note is now an unsecured promissory note that is payable on demand. However, the amount payable under the promissory note is limited to amounts generated from the Camelina business that we acquired.

Other Potential Source of Liquidity.

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.

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.

Not applicable.

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 10, 2015	GLOBAL CLEAN ENERGY HOLDINGS, INC.
	By: /s/ RICHARD PALMER Chief Executive Officer
	By: /s/ DONNA REILLY Chief Financial Officer