Global Clean Energy Holdings, Inc.
Form 10-Q
May 13, 2008

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 AND EXCHANGE ACT OF 1934

FOR THE QUARTERLY PERIOD ENDED March 31, 2008

OR

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

COMMISSION FILE NUMBER: 0-12627

GLOBAL CLEAN ENERGY HOLDINGS, INC.
(Exact name of registrant as specified in its charter)

Utah	**87-0407858**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

6033 W. Century Blvd, Suite 1090,
Los Angeles, California 90045
(Address of principal executive offices)

(310) 670-7911
Issuer's telephone number:

MEDICAL DISCOVERIES, INC.

(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 is a large accelerated filer, a non-accelerated filer, or a smaller reporting company.

Large accelerated filer o | Accelerated filer o

Non-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 May 8, 2008, the issuer had 226,603,560 shares of common stock outstanding, which includes 9,135,037 shares of common stock currently held in escrow.

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

GLOBAL CLEAN ENERGY HOLDINGS, INC.
For the quarter ended March 31, 2008
FORM 10-Q

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PART I

ITEM 1. FINANCIAL STATEMENTS.

GLOBAL CLEAN ENERGY HOLDINGS, INC. AND SUBSIDIARIES
FORMERLY KNOWN AS MEDICAL DISCOVERIES, INC.
(A Development Stage Company)
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

		March 31, 2008		December 31, 2007
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	$	260,465	$	805,338
Subscription receivable		-		75,000
Prepaid expenses		41,363		51,073
Total Current Assets		301,828		931,411
Plantation development costs and equipment, net		552,954		309,341
TOTAL ASSETS	$	854,782	$	1,240,752
LIABILITIES AND STOCKHOLDERS' DEFICIT				
CURRENT LIABILITIES				
Accounts payable	$	1,343,143	$	1,243,877
Accrued payroll and payroll taxes		949,587		950,971
Accrued interest payable		315,011		300,651
Secured promissory note		200,000		250,000
Notes payable to shareholders		56,000		56,000
Convertible notes payable		193,200		193,200
Financial instrument		-		2,166,514
Current liabilities associated with assets held for sale		3,361,551		3,113,970
Total Current Liabilities		6,418,492		8,275,183
STOCKHOLDERS' DEFICIT				
Preferred stock - no par value; 50,000,000 shares authorized				
Series A, convertible; 28,928 shares issued and outstanding (aggregate liquidation preference of $2,892,800)		514,612		514,612
Series B, convertible; 13,000 shares issued or subscribed (aggregate liquidation preference of $1,300,000)		1,290,735		1,290,735
Common stock, no par value; 500,000,000 shares authorized; 174,838,967				

shares issued and outstanding		16,526,570		16,526,570
Additional paid-in capital		3,713,352		1,472,598
Deficit accumulated prior to the development stage		(1,399,577)		(1,399,577)
Deficit accumulated during the development stage		(26,209,402)		(25,439,369)
Total Stockholders' Deficit		(5,563,710)		(7,034,431)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	$	854,782	$	1,240,752

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

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GLOBAL CLEAN ENERGY HOLDINGS, INC. AND SUBSIDIARIES
FORMERLY KNOWN AS MEDICAL DISCLOVERIES, INC.
(A Development Stage Company)
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	For the Three Months Ended March 31, 2008	For the Three Months Ended March 31, 2007	From Inception of the Development Stage on November 20, 1991 through March 31, 2008
Operating Expenses			
General and administrative	$ 511,025	$ 251,327	$ 8,411,583
Research and development	-	-	986,584
Loss from Operations	(511,025)	(251,327)	(9,398,167)
Other Income (Expenses)			
Unrealized gain on financial instrument	5,469	194,019	4,722,632
Interest income	3,863	148	66,468
Interest expense	(15,030)	(7,740)	(1,252,579)
Interest expense from amortization of discount on secured promissory note	-	-	(250,000)
Gain on debt restructuring	-	-	2,524,787
Other income	-	-	906,485
Total Other Income (Expenses)	(5,698)	186,427	6,717,793
Loss from Continuing Operations	(516,723)	(64,900)	(2,680,374)
Loss from Discontinued Operations	(253,310)	(109,163)	(22,836,829)
Net Loss	(770,033)	(174,063)	(25,517,203)
Preferred stock dividend from beneficial conversion feature	-	-	(692,199)
Net Loss Applicable to Common Shareholders	$ (770,033)	$ (174,063)	$ (26,209,402)
Basic and Diluted Loss per Common Share:			
Loss from Continuing Operations	$ (0.003)	$ (0.000)	
Loss from Discontinued Operations	$ (0.001)	$ (0.001)	

Net loss	$ (0.004)	$ (0.001)
Basic and Diluted Weighted-Average Common Shares Outstanding	174,838,967	118,357,704

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

GLOBAL CLEAN ENERGY HOLDINGS, INC. AND SUBSIDIARIES
FORMERLY KNOWN AS MEDICAL DISCOVERIES, INC.
(A Development Stage Company)
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	For the Three Months Ended March 31, 2008	For the Three Months Ended March 31, 2007	From Inception of the Development Stage on November 20, 1991 through March 31, 2008
Cash Flows From Operating Activities			
Net loss	$ (770,033)	$ (174,063)	$ (25,517,203)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities			
Foreign currency transaction loss	253,310	34,058	610,701
Gain on debt restructuring	-	-	(2,524,787)
Share-based compensation for services, expenses, litigation, and research and development	79,709	292,000	12,422,450
Commitment for research and development obligation	-	-	2,378,445
Depreciation	56	4,457	137,722
Reduction of escrow receivable from research and development	-	-	272,700
Unrealized gain on financial instrument	(5,469)	(194,019)	(4,722,632)
Interest expense from amortization of discount on secured promissory note	-	-	250,000
Reduction of legal costs	-	-	(130,000)
Write-off of subscriptions receivable	-	-	112,500
Impairment loss on assets	-	-	9,709
Gain on disposal of assets, net of losses	-	-	(228,445)
Write-off of receivable	-	-	562,240
Note payable issued for litigation	-	-	385,000
Changes in operating assets and liabilities			
Accounts receivable	-	-	(7,529)
Prepaid expenses	9,710	-	(41,363)
Accounts payable and accrued expenses	106,513	127,294	4,324,525
Net Cash Provided by (Used in) Operating Activities	(326,204)	89,727	(11,705,967)
Cash Flows From Investing Activities			
Plantation development costs	(243,669)	-	(552,446)
Proceeds from disposal of assets	-	-	310,000
Increase in deposits	-	-	(51,100)
Purchase of property and equipment	-	-	(221,334)

Issuance of note receivable	-	-	(313,170)
Payments received on note receivable	-	-	130,000
Net Cash Used in Investing Activities	(243,669)	-	(698,050)
Cash Flows From Financing Activities			
Proceeds from common stock, preferred stock, and warrants for cash	75,000	-	11,324,580
Contributed equity	-	-	131,374
Proceeds from notes payable and related warrants	-	-	1,686,613
Payments on notes payable	(50,000)	-	(951,287)
Proceeds from convertible notes payable	-	-	571,702
Payments on convertible notes payable	-	-	(98,500)
Net Cash Provided by Financing Activities	25,000	-	12,664,482
Net Increase (Decrease) in Cash and Cash Equivalents	(544,873)	89,727	260,465
Cash and Cash Equivalents at Beginning of Period	805,338	47,658	-
Cash and Cash Equivalents at End of Period	260,465	137,385	260,465
Supplemental Disclosures of Cash Flow Information:			
Cash paid for interest	$ 670	$ -	
Noncash Investing and Financing Activities:			
Reclassification of financial instrument to permanent equity	$ 2,161,045	$ -	

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

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GLOBAL CLEAN ENERGY HOLDINGS, INC. AND SUBSIDIARIES
FORMERLY KNOWN AS MEDICAL DISCOVERIES, INC.
(A Development Stage Company)
Notes to Unaudited Condensed Consolidated Financial Statements

Note 1 - History and Basis of Presentation

History

Medical Discoveries, Inc. was incorporated under the laws of the State of Utah on November 20, 1991. Effective as of August 6, 1992, the Company merged with and into WPI Pharmaceutical, Inc., a Utah corporation ("WPI"), pursuant to which WPI was the surviving corporation. Pursuant to the MDI-WPI merger, the name of the surviving corporation was changed to Medical Discoveries, Inc. ("MDI"). MDI's initial purpose was the research and development of an anti-infection drug know as MDI-P.

On March 22, 2005, MDI formed MDI Oncology, Inc., a Delaware corporation, as a wholly-owned subsidiary to acquire and operate the assets and business associated with the Savetherapeutics transaction. With this transaction, MDI acquired the SaveCream technology and carried on the research and development of this drug candidate. MDI made the decision in 2007 to discontinue further development of these two drug candidates and sell these technologies.

On September 7, 2007, MDI entered into a share exchange agreement pursuant to which it acquired all of the outstanding ownership interests in Global Clean Energy Holdings, LLC, an entity that had certain trade secrets, know-how, business plans, term sheets, business relationships, and other information relating to the start-up of a business related to the cultivation and production of seed oil from the seed of the Jatropha plant. With this transaction, MDI commenced the research and development of a business whose purpose will be providing feedstock oil intended for the production of bio-diesel.

On January 29, 2008, a meeting of shareholders was held and, among other things, the name Medical Discoveries, Inc. was changed to Global Clean Energy Holdings, Inc. (the "Company").

Unaudited Interim 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 financial statements should be read in conjunction with the financial statements and notes thereto included in the Company's annual report on Form 10-KSB for the year ended December 31, 2007, as filed with the Securities and Exchange Commission. The results of operations for the three months ended March 31, 2008, may not be indicative of the results that may be expected for the year ending December 31, 2008.

GLOBAL CLEAN ENERGY HOLDINGS, INC. AND SUBSIDIARIES
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Loss per Common Share

Loss per share amounts are computed by dividing loss applicable to common shareholders by the weighted-average number of common shares outstanding during each period. Diluted loss per share amounts are computed assuming the issuance of common stock for potentially dilutive common stock equivalents. All outstanding stock options, warrants, convertible notes, convertible preferred stock, and common stock held in escrow are currently antidilutive and have been excluded from the calculations of diluted loss per share at March 31, 2008 and 2007, as follows:

	March 31, 2008	2007
Convertible notes	128,671	128,671
Convertible preferred stock - Series A	57,856,000	141,106,493
Convertible preferred stock - Series B	11,818,181	-
Warrants	29,688,934	38,973,861
Compensation-based stock options and warrants	49,383,000	29,883,000
Common stock held in escrow	22,837,593	-
	171,712,379	210,092,025

Recently Issued Accounting Standards

In September 2006, the Financial Accounting Standards Board (FASB) issued SFAS No. 157, *Fair Value Measurements* (SFAS 157). SFAS 157 defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles, and expands disclosures about fair value measurements. This statement is effective for the Company’s fiscal year beginning January 1, 2008 for financial assets and liabilities and January 1, 2009 for non-financial assets and liabilities. The adoption of SFAS 157 for financial assets and liabilities on January 1, 2008 did not have a material impact on the Company’s consolidated financial statements. The Company is currently evaluating the impact of SFAS 157 for non-financial assets and liabilities, if any, on the reporting of its financial position and results of operations.

In February 2007, the FASB issued SFAS No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities* - including an amendment of FASB Statement No. 115 (SFAS 159). SFAS 159 allows measurement at fair value of eligible financial assets and liabilities that are not otherwise measured at fair value. If the fair value option for an eligible item is elected, unrealized gains and losses for that item shall be reported in current earnings at each subsequent reporting date. SFAS 159 also establishes presentation and disclosure requirements designed to draw comparison between the different measurement attributes the Company elects for similar types of assets and liabilities. The Company adopted SFAS 159 effective January 1, 2008, but did not elect to fair value any of the eligible assets or liabilities. Therefore, the adoption of SFAS 159 did not have any impact on its financial position or results of operations.

In December 2007, the FASB issued SFAS No. 141 (revised 2007), *Business Combinations* (SFAS 141(R)), which replaces SFAS 141, *Business Combinations*. SFAS 141(R) retains the underlying concepts of SFAS 141 in that all business combinations are still required to be accounted for at fair value under the acquisition method of accounting, but SFAS 141(R) changed the method of applying the acquisition method in a number of significant aspects. Acquisition costs will generally be expensed as incurred; noncontrolling interests will be valued at fair value at the acquisition date; in-process research and development will be recorded at fair value as an indefinite-lived intangible asset at the acquisition date; restructuring costs associated with a business combination will generally be expensed subsequent to the acquisition date; and changes in deferred tax asset valuation allowances and income tax uncertainties after the acquisition date generally will affect income tax expense. SFAS 141(R) is effective on a prospective basis for all business combinations for which the acquisition date is on or after the beginning of the first annual period subsequent to December 15, 2008, with the exception of the accounting for valuation allowances on deferred taxes and acquired tax contingencies. SFAS 141(R) amends SFAS 109 such that adjustments made to valuation allowances on deferred taxes and acquired tax contingencies associated with acquisitions that closed prior to the effective date of SFAS 141(R) would also apply the provisions of SFAS 141(R). Early adoption is not permitted. The Company is currently evaluating the effects, if any, that SFAS 141(R) may have on our financial statements. The Company does not expect that it will have any immediate effect on our financial statements, however, the revised standard will govern the accounting for any future business combinations that the Company may enter into.

GLOBAL CLEAN ENERGY HOLDINGS, INC. AND SUBSIDIARIES
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In December 2007, the FASB issued SFAS No. 160, *Noncontrolling Interests in Consolidated Financial Statements—an amendment of ARB No. 51* (SFAS 160). This statement is effective for fiscal years, and interim periods within those fiscal years, beginning on or after December 15, 2008, with earlier adoption prohibited. This statement requires the recognition of a noncontrolling interest (minority interest) as equity in the consolidated financial statements and separate from the parent's equity. The amount of net income attributable to the noncontrolling interest will be included in consolidated net income on the face of the income statement. It also amends certain of ARB No. 51's consolidation procedures for consistency with the requirements of SFAS 141(R). This statement also includes expanded disclosure requirements regarding the interests of the parent and its noncontrolling interest. The Company is currently evaluating this new statement and anticipate that the statement will not have a significant impact on the reporting of its results of operations.

In March 2008, the FASB issued SFAS No. 161, *Disclosures about Derivative Instruments and Hedging Activities, an amendment of FASB Statement No. 133* (SFAS 161). SFAS 161 requires enhanced disclosures about an entity's derivative and hedging activities. Entities will be required to provide enhanced disclosures about: (a) how and why an entity uses derivative instruments; (b) how derivative instruments and related hedge items are accounted for under SFAS No. 133 and its related interpretations; and (c) how derivative instruments and related hedge items affect an entity's financial position, financial performance and cash flows. The provisions of SFAS 161 are effective January 1, 2009. The Company is currently evaluating the impact of SFAS 161 on its financial statements.

Note 2 - Going Concern Considerations

The accompanying unaudited consolidated financial statements have been prepared assuming that the Company will continue as a going concern. The Company incurred a net loss applicable to common shareholders of $770,033 and $4,414,884 during the three-month period ended March 31, 2008 and the year ended December 31, 2007, respectively, and has incurred losses applicable to common shareholders since inception of the development stage of $26,209,402. The Company also used cash in operating activities of $326,204 and $709,278 during the three-month period ended March 31, 2008 and the year ended December 31, 2007, respectively. At March 31, 2008, the Company has negative working capital of $6,116,664 and a stockholders' deficit of $5,563,710. Those factors raise substantial doubt about the Company's ability to continue as a going concern.

GLOBAL CLEAN ENERGY HOLDINGS, INC. AND SUBSIDIARIES
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The Company discontinued its former bio-pharmaceutical business during the quarter ended March 31, 2007. Management plans to meet its cash needs through various means including selling intellectual assets, securing financing, and developing a new business model. The Company has entered into an agreement to sell certain intellectual assets for an aggregate of €4,007,534 (approximately $6,332,000 using March 31, 2008 exchange rates), which consideration is payable in cash and by the assumption of certain of the Company's outstanding liabilities. In order to fund its operations pending the closing of the asset sale, the Company sold Series B preferred stock during the quarter ended December 31, 2007 in the amount of $1,300,000 and issued a secured promissory note under which the Company borrowed $350,000. The Company is developing a new business operation to participate in the rapidly growing bio-diesel industry. The Company expects to be successful in this new venture, but 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 - Global Clean Energy Holdings, LLC

Having agreed to discontinue its bio-pharmaceutical operations and dispose of the related assets, the Company considered entering into a number of other businesses that would enable it to be able to provide the shareholders with future value. The Company's Board of Directors decided to develop a business to produce and sell seed oils, including seed oils harvested from the planting and cultivation of the *Jatropha curcas* plant, for the purpose of providing feedstock oil intended for the generation of methyl ester, otherwise known as bio-diesel (the "Jatropha Business"). The Company's Board concluded that there was a significant opportunity to participate in the rapidly growing biofuels industry, which previously was mainly driven by high priced, edible oil-based feedstock. In order to commence its new Jatropha Business, effective September 1, 2007, the Company (i) hired Richard Palmer, an energy consultant, and a member of Global Clean Energy Holdings LLC ("Global") to act as its new President, Chief Operating Officer and future Chief Executive Officer, (ii) engaged Mobius Risk Group, LLC, a Texas company engaged in providing energy risk advisory services, to provide it with consulting services related to the development of the Jatropha Business, (iii) acquired 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 from Global, and (iv) engaged Corporativo LODEMO S.A DE CV to initiate the Jatropha Business in Mexico.

Share Exchange Agreement

The Company entered into a share exchange agreement (the Global Agreement) pursuant to which the Company acquired all of the outstanding ownership interests in Global Clean Energy Holdings, LLC, a Delaware limited liability company (Global), on September 7, 2007 from Mobius Risk Group, LLC (Mobius) and from Richard Palmer (Mr. Palmer). Mr. Palmer owns a 13.33% equity interest in Mobius and, as described further in this Note, became the Company's new President and Chief Operating Officer in September 2007 and its Chief Executive Officer in December 2007. Mobius and Mr. Palmer are considered related parties to the Company. Global is an entity that has certain trade secrets, know-how, business plans, term sheets, business relationships, and other information relating to the start-up of a business related to the cultivation and production of seed oil from the seed of the Jatropha plant, for the purpose of providing feedstock oil intended for the production of bio-diesel.

GLOBAL CLEAN ENERGY HOLDINGS, INC. AND SUBSIDIARIES
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(A Development Stage Company)
Notes to Unaudited Condensed Consolidated Financial Statements

Palmer Employment Agreement

Effective September 1, 2007, the Company entered into an employment agreement with Richard Palmer pursuant to which the Company hired Mr. Palmer to serve as its President and Chief Operating Officer. Mr. Palmer was also appointed to serve as a director on the Company's Board of Directors to serve until the next election of directors by the Company's shareholders. Upon the resignation of the former Chief Executive Officer on December 21, 2007, Mr. Palmer also became the Company's Chief Executive Officer. The Company hired Mr. Palmer to take advantage of his experience and expertise in the feedstock/bio-diesel industry, and in particular, in the Jatropha bio-diesel and feedstock business. The term of employment commenced September 1, 2007 and ends on September 30, 2010, unless terminated in accordance with the provisions of the agreement.

Mobius Consulting Agreement

Concurrent with the execution of the Global Agreement, the Company entered into a consulting agreement with Mobius pursuant to which Mobius has agreed to provide consulting services to the Company in connection with the Company's new Jatropha bio-diesel feedstock business. The Company engaged Mobius as a consultant to obtain Mobius' experience and expertise in the feedstock/bio-diesel market to assist the Company and Mr. Palmer in developing this new line of operations for the Company. Mobius has agreed to provide the following services to the Company: (i) manage and supervise a contemplated research and development program contracted by the Company and conducted by the University of Texas Pan American regarding the location, characterization, and optimal economic propagation of the Jatropha plant; and (ii) assist with the management and supervision of the planning, construction, and start-up of plant nurseries and seed production plantations in Mexico, the Caribbean or Central America.

The term of the agreement is twelve (12) months, or until the scope of work under the agreement has been completed. Mobius will supervise the hiring of certain staff to serve in management and operations roles of the Company, or hire such persons to provide similar services as independent contractors. Mobius' compensation for the services provided under the agreement is a monthly retainer of $45,000. The Company will also reimburse Mobius for reasonable business expenses incurred in connection with the services provided. The agreement contains customary confidentiality provisions with respect to any confidential information disclosed to Mobius or which Mobius receives while providing services under the agreement. Under this agreement, the Company has paid Mobius or accrued $135,000 during the three months ended March 31, 2008, of which $13,500 was expensed as compensation to Mobius and $121,500 was capitalized as plantation development costs pursuant to AICPA Statement of Position 85-3, *Accounting by Agricultural Producers and Agricultural Cooperatives*.

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). The Company has decided to initiate its Jatropha Business in Mexico, and has already identified parcels of land in Mexico to plant and cultivate Jatropha. In order to obtain all of the logistical and other services needed to operate a large-scale farming and transportation business in Mexico, the Company entered into the service agreement with the LODEMO Group, a privately held Mexican company with substantial land holdings, significant experience in diesel distribution and sales, liquids transportation, logistics, land development and agriculture.

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

Under the supervision of the Company's management and Mobius, the LODEMO Group will be responsible for the establishment, development, and day-to-day operations of the Jatropha Business in Mexico, including the extraction of the oil from the Jatropha seeds, the delivery of the Jatropha oil to buyers, the purchase or lease of land in Mexico, the establishment and operation of one or more Jatropha nurseries, the clearing, planting and cultivation of the Jatropha fields, the harvesting of the Jatropha seeds, the operation of the Company's oil extraction facilities, and the logistics associated with the foregoing. Although the LODEMO Group will be responsible for identifying and acquiring the farmland, ownership of the farmland or any lease thereto will be held directly by the Company or by a Mexican subsidiary of the Company. The LODEMO Group will be responsible for hiring and managing all necessary employees. All direct and budgeted costs of the Jatropha Business in Mexico will be borne by the Company.

The LODEMO Group will provide the foregoing and other necessary services for a fee primarily based on the number of hectares of Jatropha under cultivation. The Company has agreed to pay the LODEMO Group a fixed fee per year of $60 per hectare of land planted and maintained with minimum payments based on 10,000 hectares of developed land, to follow a planned planting schedule. The Agreement has a 20-year term but may be terminated earlier by the Company under certain circumstances. The LODEMO Group will also potentially receive incentive compensation for controlling costs below the annual budget established by the parties, production incentives for increased yield and a sales commission for biomass sales. Under this agreement, the Company has paid the LODEMO Group or accrued $91,529 during the three months ended March 31, 2008, all of which was capitalized as plantation development costs pursuant to AICPA Statement of Position 85-3, *Accounting by Agricultural Producers and Agricultural Cooperatives*.

Note 4 - Plantation Development Costs and Equipment

Plantation development costs and equipment as of March 31, 2008 and December 31, 2007 are as follows:

	March 31, 2008	December 31, 2007
Plantation development costs	$ 552,447	$ 308,777
Office equipment	1,127	1,127
Total cost	553,574	309,904
Less accumulated depreciation	(620)	(563)
Plantation development costs and equipment, net	$ 552,954	$ 309,341

Plantation development costs are not currently being depreciated. Upon completion of the plantation development, those costs will be depreciated over the shorter of the useful life of the related asset or over the term of the lease. The plantation development costs are located in Mexico.

GLOBAL CLEAN ENERGY HOLDINGS, INC. AND SUBSIDIARIES
FORMERLY KNOWN AS MEDICAL DISCOVERIES, INC.
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Notes to Unaudited Condensed Consolidated Financial Statements

Note 5 - Accrued Payroll and Payroll Taxes

Accrued payroll and payroll taxes principally relate to unpaid compensation for officers and directors that are no longer affiliated with the Company. Accrued payroll taxes will become due upon payment of the related accrued compensation. Accrued payroll and payroll taxes are composed of the following:

		March 31, 2008		December 31, 2007
Former Chief Executive Officer, resigned 2007, including $500,000 under the Release and Settlement Agreement	$	570,949	$	583,333
Other former Officers and Directors		311,200		311,200
Accrued payroll taxes on accrued compensation to former officers and directors		38,510		38,510
Accrued payroll, vacation, and related payroll taxes for current officers		28,928		17,928
Accrued payroll and payroll taxes	$	949,587	$	950,971

On August 31, 2007, the Company entered into a Release and Settlement Agreement with Judy Robinett, the Company's then-current Chief Executive Officer. Under the agreement, Ms. Robinett agreed to, among other things, assist the Company in the sale of its legacy assets and complete the preparation and filing of the delinquent reports to the Securities and Exchange Commission. Under the agreement, Ms. Robinett agreed to (i) forgive her potential right to receive $1,851,805 in accrued and unpaid compensation, un-accrued and pro-rata bonuses, and severance pay and (ii) the cancellation of stock options to purchase 14,000,000 shares of common stock at an exercise price of $0.02 per share. In consideration for her services, the forgiveness of the foregoing cash payments, the cancellation of the stock options, and settlement of other issues, the Company agreed to, among other things, to pay Ms. Robinett $500,000 upon the receipt of the cash payment under the agreement to sell the SaveCream Assets. Pursuant to this agreement, Ms. Robinett resigned on December 21, 2007.

Note 6 - Secured Promissory Note

In order to fund ongoing operations pending closing of the sale of the SaveCream Assets, the Company entered into a loan agreement with, and issued a promissory note in favor of, Mercator Momentum Fund III, L.P. (Mercator). Mercator, along with two other affiliates, owns all of the issued and outstanding shares of the Company's Series A Convertible Preferred Stock, and is considered a related party to the Company. Pursuant to the loan agreement, Mercator made available to the Company a secured term credit facility in principal amount of $1,000,000. The promissory note initially was due and payable on December 14, 2007. As of December 13, 2007, the Company owed Mercator $250,000 under the loan. Mercator agreed to extend the maturity date of the $250,000 to February 21, 2008. In March, 2008, the loan was paid down to $200,000 and the maturity date was extended to June 21, 2008. The foregoing loan is secured by a lien on all of the assets of the Company. Under the loan agreement, interest is payable on the loan at a rate of 12% per annum, payable monthly.

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Note 7 - Financial Instrument

The conversion feature of the Series A Convertible Preferred Stock has more of the attributes of an equity instrument than of a liability instrument, and thus was not considered a derivative. However, at the time of issuance, the Company was unable to guarantee that there would be enough shares of authorized common stock to settle other "freestanding instruments." Accordingly, all of the warrants attached to the convertible preferred stock were measured at their fair value and recorded as a liability in the financial statements characterized as a "Financial Instrument". For these same reasons, all other warrants and options outstanding on March 11, 2005 or issued during the remainder of 2005 and through 2007 (except for stock options issued to employees) were measured at their fair value and recorded as additional liability in the financial statements. As of December 31, 2007, the fair value of this liability was recorded at $2,166,514.

For the period from December 31, 2007 through January 29, 2008, the fair value of this liability decreased by $5,469 resulting in a balance of $2,161,045. On January 29, 2008, the shareholders of the Company approved an increase in the number of authorized shares of common stock from 250 million to 500 million. Consequently, as the result of this amendment to the Company's Articles of Incorporation, the Company is now able to settle all 'freestanding instruments". Accordingly, the Company reclassified the liability, characterized in the accompanying financial statements as "Financial Instrument", in the amount of $2,161,045, to permanent equity in January 2008.

Note 8 - Stock Options and Warrants

The Company has two incentive stock option plans wherein 24,000,000 shares of the Company's common stock are reserved for issuance thereunder. As more fully described in Note 9, the Company issued stock options during the three months ended March 31, 2008 to acquire 4,500,000 million shares of the Company's common stock. During the three months ended March 31, 2007, the Company issued compensation-based warrants to purchase 10,000,000 shares of common stock. The warrants have an exercise price of $0.03 per share, contain a cashless exercise provision, and expire ten years from date of issue. No income tax benefit has been recognized for share-based compensation arrangements and no compensation cost has been capitalized in the balance sheet.

A summary of the status of options and compensation-based warrants at March 31, 2008, and changes during the three 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 January 1, 2008	44,883,000	$ 0.03	7.6 years	$ 790,000
Granted	4,500,000	0.05		
Expired	-	-		
Outstanding at March 31, 2008	49,383,000	$ 0.03	7.3 years	$ 995,000

Exercisable at March 31, 2008	32,883,000	$	0.03	8.4 years	$ 815,000

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At March 31, 2008, 80,000 of the options outstanding have no stated contractual life. The fair value of each stock option grant and compensation-based warrant is estimated on the date of grant or issuance using the Black-Scholes option pricing model. The weighted-average fair value of stock options granted during the three months ended March 31, 2008 was $0.042. The weighted-average assumptions used for options granted during the three months ended March 31, 2008 were risk-free interest rate of 2.4%, volatility of 127%, expected life of 5.2 years, and dividend yield of zero. The weighted- average fair value of compensation-based warrants issued during the three months ended March 31, 2007 was $0.029. The weighted-average assumptions used for compensation-based warrants issued during the three months ended March 31, 2007 were risk-free interest rate of 4.8%, volatility of 134%, expected life of ten years, and dividend yield of zero. The assumptions employed in the Black-Scholes option pricing model include the following. 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.

Share-based compensation from all sources recorded during the three months ended March 31, 2008 and March 31, 2007 was $79,709 and $292,000, respectively. Share-based compensation has been included in the accompanying Consolidated Statements of Operations as follows:

Period Reported	General and Administrative Expense	Loss from Discontinued Operations	Total
Three Months ended March 31, 2008	$ 79,709	$ -	$ 79,709
Three Months ended March 31, 2007	175,200	116,800	292,000

As of March 31, 2008, there is approximately $574,000 of unrecognized compensation cost related to stock-based payments that will be recognized over a weighted average period of approximately 2.0 years.

Stock Warrants

A summary of the status of the warrants granted at March 31, 2008, and changes during the three months then ended is presented in the following table:

	Shares Under Warrant	Weighted Average Exercise Price
Outstanding at January 1, 2008	31,033,379	$ 0.02
Issued	-	-
Expired	(1,344,445)	0.18
Outstanding at March 31, 2008	29,688,934	$ 0.02

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Note 9 - Employment Agreement

On March 20, 2008, the Company entered into an employment agreement with Bruce K. Nelson pursuant to which the Company hired Mr. Nelson to serve as its Executive Vice-President and Chief Financial Officer effective April 1, 2008. The initial term of employment commenced March 20, 2008 and continues through March 20, 2010. Thereafter, the term of employment shall automatically renew for successive one-year periods unless otherwise terminated in accordance with the employment agreement.

Mr. Nelson’s compensation package includes a base salary of $175,000, subject to annual increases based on the Consumer Price Index for the immediately preceding 12-month period, and a bonus payment based on Mr. Nelson’s satisfaction of certain performance criteria established by the compensation committee of the Company’s Board of Directors. The bonus amount in any fiscal year will not exceed 100% of Mr. Nelson’s base salary. Mr. Nelson is eligible to participate in the Company’s employee stock option plan and other benefit plans.

The Company granted Mr. Nelson an option (the Initial Option) to acquire up to 2,000,000 shares of the Company’s common stock at an exercise price of $0.05. The Initial Option shall vest in tranches of 500,000 shares after 90 days, nine months, fifteen months, and two years of the employment term. The Initial Option expires after 10 years. The Company also granted Mr. Nelson an option (the Performance Option) to acquire up to 2,500,000 shares of the Company’s common stock at an exercise price of $0.05, subject to the Company’s achievement of certain market capitalization goals. The Performance Option expires after five years.

The Company may terminate Mr. Nelson’s employment on the first anniversary of the employment term, provided that the Company pays Mr. Nelson three (3) months salary if such termination is without “cause”. If Mr. Nelson’s employment is terminated by the Company without “cause” or by Mr. Nelson for “good reason” prior to the first anniversary of the employment term, Mr. Nelson will be entitled to receive severance payments including (i) an amount equal to his unpaid salary through the first anniversary of the employment term, (ii) 50% of the target bonus in effect on the date of termination, and (iii) 50% of the Performance Option shall vest. If Mr. Nelson’s employment is terminated by the Company without “cause” or by Mr. Nelson for “good reason” after the first anniversary of the employment term, Mr. Nelson will be entitled to receive severance payments including (i) an amount equal to his unpaid salary through the end of the second year of the employment agreement, and (ii) 100% of Initial Option shall vest, to the extent not already vested.

Note 10 - Discontinued Operations

During the three months ended March 31, 2007, the Board of Directors determined that it could no longer fund the development of its drug candidates and could not obtain additional funding for these drug candidates. The Board evaluated the value of its developmental stage drug candidates. In March 2007, the Board determined that the best course of action was to discontinue further development of these drug candidates and sell these technologies.

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Eucodis Agreement

On March 8, 2007, the Company entered into a binding letter of intent with Eucodis Pharmaceuticals Forschungs und Entwicklungs GmbH, an Austrian company (Eucodis), regarding their intent to proceed with the evaluation, negotiation, and execution of a sale and purchase agreement related to certain assets of the Company. On July 6, 2007, the Company entered into a sale and purchase agreement (the Asset Sale Agreement) with Eucodis, pursuant to which Eucodis agreed to acquire certain assets of the Company in consideration for a cash payment and the assumption by Eucodis of certain indebtedness of the Company. The sale to Eucodis was scheduled to close at the end of January 2008 after the Company’s shareholders approved the sale. On January 29, 2008, the shareholders of the Company approved the transaction. Shortly before the scheduled closing, Eucodis informed the Company that it was unable to complete the transaction as agreed because it had insufficient funds and needed to obtain additional financing. On February 29, 2008, Eucodis informed the Company that it was completing an agreement for financing and still desired to complete the transaction for the purchase of the assets. At that time, the Company and Eucodis entered into a letter agreement to sell the assets on substantially the same terms as under the Asset Sale Agreement. As of April 30, 2008, the term for the extension of the sale of the asset to Eucodis expired. The Company and Eucodis are currently negotiating an additional extension of the term for the closing. Other terms would remain unchanged. Such additional extensions may include immediate compensation for the Company, and that compensation would be credited toward the sale proceeds received at closing. Eucodis has reported that they have executed agreements with their investor group and that the proceeds from that investment in Eucodus will be used to consummate the purchase of the specified assets of the Company.

The assets to be acquired by Eucodis pursuant to the Asset Sale Agreement, as modified by the letter agreement, include all of the Company’s right, title and interest in all patents, patent applications, United States and foreign regulatory files and data, pre-clinical study data and anecdotal clinical trial data concerning SaveCream. In addition, at the closing of the sale, the Company will also assign to Eucodis all of its right, title and interest in a co-development agreement with Eucodis, dated as of July 29, 2006, related to the co-development and licensing of SaveCream (including the intellectual property rights acquired in connection with that development) and their rights under certain other contracts relating to SaveCream.

The purchase price to be paid by Eucodis pursuant to the letter agreement for acquiring these assets is €4,007,534 (approximately $6,332,000 using March 31, 2008 exchange rates), is comprised of (i) a cash payment of €1,871,337 (approximately $2,957,000 under exchange rates in effect as of March 31, 2008) less $200,000 received in March 2007 under the binding letter of intent, and (ii) Eucodis’ assumption of an aggregate of €2,136,197 (approximately $3,375,000 under exchange rates in effect as of March 31, 2008), constituting specific indebtedness currently owed and other commitments to certain creditors of the Company. In addition, at the closing of the sale, Eucodis is to assume (i) all financial and other obligations of the Company under certain contracts to be assigned to Eucodis, and (ii) certain other costs incurred by the Company since February 28, 2007 in connection with preserving the acquired assets for the benefit of Eucodis until closing of the sale.

Accounting for Discontinued Operations

Pursuant to accounting rules for discontinued operations, the Company has classified all revenue and expense related to the operations of its bio-pharmaceutical business as discontinued operations. For all periods prior to March 2007, the Company has reclassified all revenue and operating expenses to discontinued operations, except for estimated general corporate overhead, because all of its operations related to the discontinued technologies. For the three months ended March 31, 2008, the "Loss from Discontinued Operations" consists solely of the foreign currency transaction loss related to Current Liabilities Associated with Assets Held for Sale that are denominated in euros. The assets being sold to Eucodis have no carrying value in the accompanying balance sheet, while the liabilities being assumed in the planned sale to Eucodis have been segregated in the accompanying balance sheets and are characterized as Current Liabilities Associated with Assets Held for Sale. The Company has not recorded any gain or loss at March 31, 2008 associated with the planned sale of the SaveCream assets. The following table presents the main classes of assets and liabilities associated with the discontinued business.

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	March 31, 2008	December 31, 2007
Assets:	$ -	$ -
Liabilities:		
Current liabilities:		
Accounts payable	$ 440,401	$ 412,415
Research and development obligation	2,921,150	2,701,555
	$ 3,361,551	$ 3,113,970

Note 11 - Subsequent Events

Stock Exchange Agreement

Effective April 18, 2008, the Company entered into an exchange agreement (the Exchange Agreement) with Mercator Momentum Fund, L.P., Mercator Momentum Fund III, L.P., and Monarch Pointe Fund, Ltd. (collectively, the MAG Funds), comprising all of the holders of the Company’s Series A Convertible Preferred Stock (the Series A Stock). Pursuant to the Exchange Agreement, the MAG Funds agreed to exchange 28,927 shares of the Series A Stock, constituting all of the issued and outstanding shares of the Series A Stock, for an aggregate of 28,927,000 shares of the Company’s common stock. The exchange ratio was determined by dividing the $100 purchase price of the preferred shares by $0.10 per share of common stock.

Prior to the Exchange Agreement, the Series A Stock had been convertible at a price equal to 75% of the “Market Price”, as defined in the Certificate of Designations of Preferences and Rights of the Series A Stock. The conversion price could not exceed $0.1967 and had a conversion price floor of $0.05. On April 18, 2008, the closing price of the Company’s common stock was $0.10 and the “Market Price” would have been $0.045 per share. In connection with the Exchange Agreement, the Company agreed to waive the limitation that the MAG Funds could not own more that 9.99% of the Company’s outstanding common stock as a concession for the MAG Funds agreeing to a conversion price that was more favorable to the Company.

GCE Mexico I, LLC

Effective April 23, 2008, the Company entered into a limited liability company agreement (“LLC Agreement”) for GCE Mexico I, LLC, a Delaware limited liability company (“GCE LLC”), with six unaffiliated investors (collectively, the Investors). GCE LLC was organized primarily to acquire approximately 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.

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Under the LLC Agreement, the Company owns 50% of the issued and outstanding membership units of GCE LLC. The remaining 50% in common membership units were issued to the Investors. In addition, an aggregate of 1,000 preferred membership units were issued to two investors who have agreed to invest approximately $4.2 million in GCE LLC, in installments and as required, and will be entitled to a preferential 12% per annum cumulative compounded return on their investment. The $4.2 million in proceeds will be used to acquire the Jatropha Farm and fund the development and operations of the Jatropha Farm. The Company is not required to make capital contributions to GCE LLC.

On April 29, 2008, GCE LLC was funded and the acquisition of the land for the Jatropha Farm was completed. Operating and development funds of $957,271, net of certain transaction costs, were also received by GCE LLC and are currently being utilized toward the development of the Jatropha Farm.

With the acquisition of the land for the Jatropha Farm, the operational milestones were met under the share exchange agreement pursuant to which the Company acquired all of the outstanding ownership interests in Global Clean Energy Holdings, LLC. Consequently, 13,702,556 shares of common stock being held in escrow will be released to the former owners of Global Clean Energy Holdings, LLC.

Secured Promissory Note

The Company is currently in discussions with Mercator Momentum Fund III, L.P. (“Mercator”) to lend the Company an additional $300,000 under the $1 million secured credit facility that it entered into with Mercator on September 7, 2007. Prior to this additional loan, as described in Note 6, the outstanding balance under this facility was $200,000. It is anticipated that interest will be payable on the new loan at a rate of 8% per annum; the $200,000 loan and the new $300,000 loan will mature and both the principal and all accrued interest will become payable on the earlier of August 12, 2008 or the sale of the SaveCream assets to Eucodis or another third party buyer. The loans are secured by a first priority lien on all of the Company’s assets.

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 biofuels market, any projections of 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 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 "we," "us," "our," "our company," and "Company" refer to Glol Clean Energy Holdings, Inc., a Utah corporation, and, unless the context indicates otherwise, also includes the following subsidiaries: (i) MDI Oncology, Inc., a Delaware corporation, (ii) Global Clean Energy Holdings LLC, a Delaware limited liability company, and (iii) GCE Mexico I, LLC, a Delaware limited liability company. During the period covered by this Quarterly Report on Form 10-Q, we changed our name to Global Clean Energy Holdings, Inc.

Overview

Prior to 2007, Global Clean Energy Holdings, Inc. was a developmental-stage bio-pharmaceutical company, known as Medical Discoveries, Inc., that was engaged in the research, validation and development of two drugs. As more fully described in this report, during 2007 our Board of Directors determined that we could no longer fund the development of our two drug candidates and could not obtain additional funding for these drug candidates. Accordingly, the Board decided to sell our two drug candidates and to develop a new business in the rapidly expanding business of renewable alternative energy sources. As a result, our future business plan, and our current principal business activities include the planting, cultivation, harvesting and processing of inedible plant feedstock to generate seed oils and biomass for use in the biofuels industry, including the production of bio-diesel.

Organizational History.

This company was incorporated under the laws of the State of Utah on November 20, 1991. Effective as of August 6, 1992, this company merged with and into WPI Pharmaceutical, Inc., a Utah corporation. Pursuant to merger, the name of this company was changed to Medical Discoveries, Inc. WPI was incorporated under the laws of the State of Utah on February 22, 1984 under the name Westport Pharmaceutical, Inc. On January 29, 2008, our shareholders approved the change of our corporate name, and on that date we amended our name to “Global Clean Energy Holdings, Inc.” to reflect our new focus on the bio-diesel alternative energy market.

On March 22, 2005, we formed MDI Oncology, Inc., a Delaware corporation, as a wholly owned subsidiary to acquire certain breast cancer intellectual property assets from the liquidation estate of Savetherapeutics, A.G.

Transition to new Business

Until 2007, we were a developmental-stage bio-pharmaceutical company engaged in the research, validation, and development of two drugs we referred to as MDI-P and SaveCream. Both of these drugs were under development, and had not been approved by the U.S. Food and Drug Administration (FDA). The total cost to develop these two drugs, and to receive the approval from the FDA, would have cost many millions of dollars and taken many more years.

Early in 2007, our Board of Directors determined that we could no longer fund the development of our two drug candidates and that we could not obtain additional funding for these drug candidates. Our Board also evaluated the value of the SaveCream drug candidate that was being co-developed with Eucodis Pharmaceuticals Forschungs - und Entwicklungs GmbH, an Austrian company now known as Eucodis Pharmaceuticals GmbH (“Eucodis”), and the return we could expect for our shareholders, and determined that the highest value for this drug candidate could be realized through a sale of that drug candidate to Eucodis. Accordingly, our Board sought to maximize the return from these assets through their sale.

On July 6, 2007, we entered into an agreement with Eucodis to sell SaveCream, and on January 29, 2008, our shareholders approved the sale of the SaveCream asset to Eucodis. However, our agreement to sell the SaveCream assets to Eucodis has expired and it is unclear if and when we will be able to sell our SaveCream assets to Eucodis or any other potential third party purchaser.

Having decided to dispose of the foregoing assets, our Board decided to develop a business in the alternative energy market as a producer of biofuels. Accordingly, our new goal is to produce and sell seed oils, including seeds oils harvested from the planting and cultivation of *Jatropha curcas* plant, for the purpose of providing feedstock oil used for the generation of methyl ester, otherwise known as bio-diesel (the “Jatropha Business”). In connection with commencing our new Jatropha Business, effective September 7, 2007, we (i) hired Richard Palmer, an energy consultant, and a member of Global Clean Energy Holdings LLC (“Global LLC”) to act as the our new President, Chief Operating Officer and future Chief Executive Officer, (ii) engaged Mobius Risk Group, LLC, a Texas company engaged in providing energy risk advisory services, to provide us with consulting services related to the development of the Jatropha Business, and (iii) acquired 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 from Global LLC.

Recent Developments.

LLC Agreement

Effective April 23, 2008, we entered into a limited liability company agreement (“LLC Agreement”) for GCE Mexico I, LLC, a Delaware limited liability company (“GCE LLC”), with six other unaffiliated investors (collectively, “Investors”). GCE LLC was organized primarily to acquire approximately 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 the LLC Agreement, we own 50% of the issued and outstanding membership units of GCE LLC. The remaining 50% in common membership units were issued to the Investors. In addition, an aggregate of 1,000 preferred membership units were issued to two Investors (“Preferred Members”) who have agreed to invest approximately $4.2 million in GCE LLC, in installments and as required, and will be entitled to a preferential 12% per annum cumulative compounded return on their investment. The $4.2 million in proceeds will be used to acquire the Jatropha Farm and fund the development and operations of the Jatropha Farm. We are not required to make capital contributions to GCE LLC.

On April 29, 2008, GCE LLC was funded and the acquisition of the land for the Jatropha Farm was completed. Operating and development funds of $957,271, net of certain transaction costs, were also received by GCE LLC and are currently being utilized toward the development of the Jatropha Farm.

Exchange of Series A Convertible Preferred Stock

Effective April 18, 2008, Mercator Momentum Fund, L.P., Mercator Momentum Fund III, L.P., and Monarch Pointe Fund, Ltd., the holders of our issued and outstanding Series A Convertible Preferred Stock (“Series A Stock”), exchanged all currently issued and outstanding 28,927 shares of Series A Stock for an aggregate of 28,927,000 shares of our common stock. The exchange ratio was determined by dividing the $100 purchase price of the shares (the “Series A Purchase Price” as defined in Certificate of Designations of Preferences and Rights for the Series A Stock) by $0.10. Following the exchange of all of the issued and outstanding shares of Series A Stock for 28,927,000 shares of our common stock, there is currently an aggregate of 226,603,560 shares of our common stock issued and outstanding, including shares held in escrow.

Secured Promissory Note

We are currently in discussions with the Mercator Momentum Fund III, L.P. (“Mercator”) to lend us an additional $300,000 under the $1 million secured credit facility that we entered into with Mercator on September 7, 2007. We currently have outstanding $200,000 under this facility. Interest will be payable on the new loan will be at a rate of 8% per annum. We anticipate that the terms will be that the $200,000 loan and the new $300,000 loan will mature and both the principal and all accrued interest will become payable on the earlier of August 12, 2008 or the sale of our SaveCream assets to Eucodis or another third party buyer. The loans are secured by a first priority lien on all of our assets.

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. We are a development stage company as defined by the Financial Accounting Standards Board's ("FASB") Statement of Financial Accounting Standards ("SFAS") No. 7, "Accounting and Reporting by Development Stage Enterprises." Accordingly, all losses accumulated since inception have been considered as part of our development stage activities. Certain other critical accounting policies, including the assumptions and judgments underlying them, are disclosed in the Note A to the Consolidated Financial Statements included in our annual report on Form 10-KSB filed for the fiscal year ended December 31, 2007. However, we do not believe that there are any alternative methods of accounting for our operations that would have a material affect on our financial statements.

Results of Operations

As discussed previously, we are attempting to sell our prior bio-pharmaceutical operations. Pursuant to accounting rules for discontinued operations, we have classified all revenue and expense in the accompanying financial statements related to the operations of our bio-pharmaceutical business as “discontinued operations.” Since all of our operations prior to March 2007 related to the bio-pharmaceutical business, all of our revenue and expense, with the exception of estimated general corporate overhead, has been reclassified into “Loss from Discontinued Operations” in the accompanying Condensed Consolidated Statements of Operations for all periods presented.

Revenues and Gross Profit. We are a development stage company, and have not had significant revenues from our operations or reached the level of our planned operations. We have discontinued our prior bio-pharmaceutical operations during March 2007. In September 2007, we commenced operations in our new Jatropha business, but we are still are in the pre-development agricultural stage of our operations and, therefore, do not anticipate generating significant revenues from the sale of bio-fuel products until 2009. We are, however, attempting to generate cash in 2008 from the forward sale of carbon credits and possibly from future oil delivery contracts. As a development stage company, we have no recognized revenue in the three months ended March 31, 2008.

Operating Expenses . Our general and administrative expenses related to continuing operations for the three months ended March 31, 2008 were $511,025 compared to $251,327 for the three months ended March 31, 2007, and includes share-based compensation of $79,709 and $175,200 for the two periods. For the three months ended March 31, 2008, general and administrative expenses principally include expenses such as compensation paid to officers and employees, share-based compensation, insurance, director fees, accounting costs, legal costs, consulting expenses, payments for third-party services, and travel expenses incurred in connection with our Jatropha operations. For the three months ended March 31, 2007, general and administrative expenses principally included expenses such as director fees, accounting costs, certain legal costs, certain consulting expenses, and an allocation of our employees’ compensation as general corporate overhead. Other general and administrative expenses more directly related to the operation and disposal of our bio-pharmaceutical business were included in Loss from Discontinued Operations.

We have not recorded any research and development cost in association with our new Jatropha business. Plantation development costs are being accumulated in the balance sheet during the development period and will be accounted for in accordance with Statement of Position 85-3, *Accounting by Agricultural Producers and Agricultural Cooperatives*. Plantation development costs are not currently being depreciated. Upon completion of the plantation development, those costs will be depreciated over the shorter of the useful life of the related asset or over the term of the lease.

Other Income/ Expense. During the three months ended March 31, 2007, we recorded $194,019 as unrealized gain on financial instrument. This non-cash gain is the result of the periodic revaluation of certain warrants classified as a liability in the financial statements because we were unable to guarantee that there would be enough shares of authorized common stock to settle “freestanding instruments.” Accordingly, all of the warrants attached to the convertible preferred stock resulting from the issuance of the Series A Convertible Preferred Stock entered into in October 2004 and March 2005, as well as other warrants and options outstanding on March 11, 2005 or issued during the remainder of 2005 and through 2007 (except for stock options issued to employees) were measured at their fair value and recorded as additional liability in the financial statements characterized as a “Financial Instrument.” For the period from December 31, 2007 through January 29, 2008, the fair value of this liability decreased by $5,469. On January 29, 2008, the shareholders of the Company approved an increase in the number of authorized shares of common stock from 250 million to 500 million. Consequently, we are now able to settle all ‘freestanding instruments” and reclassified the liability, characterized in the accompanying financial statements as “Financial Instrument”, in the amount of $2,161,045, as permanent equity in January 2008.

Interest income increased from $148 for the three months ended March 31, 2007 to $3,863 for the three months ended March 31, 2008 because of our increased cash balances as a result of the issuance of preferred stock and a note payable during the fourth quarter of 2007.

Interest expense increased from $7,740 for the three months ended March 31, 2007 to $15,030 for the three months ended March 31, 2008 because of new borrowings under secured promissory note during the fourth quarter of 2007.

Loss from Discontinued Operations. Our Loss from Discontinued Operations was $253,310 for the three months ended March 31, 2008 compared to $109,163 for the corresponding period of 2007. For the three months ended March 31, 2008, the Loss from Discontinued Operations consists solely of the foreign currency transaction loss related to changes in the exchange rate on certain liabilities included in "Current Liabilities Associated with Assets held for Sale". For the three months ended March 31, 2007, the Loss from Discontinued Operations includes revenue of $200,000 reduced by expenses related to the operation and disposal of our bio-pharmaceutical business.

Liquidity And Capital Resources

As of March 31, 2008, we had $260,465 in cash and had a working capital deficit of $6,116,664. Since our inception, we have financed our operations primarily through private sales of equity and debt financing.

Our ability to fund our liquidity and working capital needs will be dependent upon certain pending and potential transactions. The principal pending transaction is the sale of certain of our legacy pharmaceutical assets. In July 2007, we executed an Asset Sale Agreement with Eucodis pursuant to which we agreed to sell our SaveCream asset for an aggregate of €4,007,534 (or approximately U.S. $6,332,000 based on the currency conversion rate in effect as of March 31, 2008). Earlier this year, entered into a letter agreement with Eucodis pursuant to which we agreed that the price for the assets (€4,007,534) would remain the same, but that the amount indebtedness that Eucodis is required to assume will be reduced by €332,875, and the amount to be paid at closing would be increased by this €332,875. The closing of the sale to Eucodis was scheduled to occur in April 2008. The closing did not occur, and the letter agreement with Eucodis has expired. Although we are still in discussions with Eucodis, and we have taken steps to market and sell the SaveCream assets to other potential buyers, no assurance can be given that this sale will be completed in the near future as we had until recently expected.

In order to fund ongoing operations, in September 2007 we entered into the Loan Agreement with Mercator Momentum Fund III, L.P. ("Mercator"). Pursuant to the loan agreement, Mercator made available to us a secured term credit facility in principal amount of up to $1,000,000. Interest is payable on the Loan at a rate of 12% per annum, payable monthly. As of May 8, 2008, the remaining outstanding principal balance of amounts we borrowed under the loan agreement is $200,000. We are currently in discussions with Mercator to advance an additional $300,000 to us under this loan agreement and agreed to lower the interest rate under the loan agreement to 8% and to extend the maturity date of the loans thereunder to August 12, 2008. The loan is secured by a first priority lien on all of our assets.

In November 2007, we issued 13,000 shares of our newly created Series B Convertible Preferred Stock to two accredited investors for an aggregate of $1,300,000.

We are currently funding our operations from the Mercator loans and from the proceeds of the sale of the Series B Convertible Preferred Stock. However, we do not have sufficient cash to continue our current operations past August 2008 and our business plan calls for significant infusion of additional capital to establish our Jatropha plantations in Mexico and other locations. Because of our negative working capital position, we currently do not have the funds necessary to acquire and cultivate those plantations, nor will the projected proceeds from the Eucodis sale be sufficient for those purposes. Accordingly, we will have to obtain significant additional capital through the sale of additional 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. The closing and funding of the GCE LLC , as previously discussed, is the first in an anticipated series of such transactions. While we have commenced negotiations with third parties to obtain additional funding from strategic partnerships and for the sale of carbon credits, no assurance can be given that we will have sufficient capital available to continue to operate our business in 2008 or that we will be able to effect our new business plan in the Jatropha Business. If we are not able to raise additional funds in the near term, we will have to reduce our operations, revise our business plan, and either temporarily or permanently cease operations.

On April 29, 2008, GCE LLC, our newly formed subsidiary, was funded and the acquisition of the land for the Jatropha Farm completed. Operating and development funds of $957,271 (net of transaction costs) were also received by GCE LLC and are being utilized toward development of the Jatropha Farm.

We have no off-balance sheet arrangements as defined in Item 303(a)(4) of Regulation S-K.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Not applicable.

ITEM 4T. CONTROLS AND PROCEDURES.

Evaluation Of Disclosure Controls.

Our management evaluated the effectiveness of our "disclosure controls and procedures" (as defined in the Securities Exchange Act of 1934 (Exchange Act) Rules 13a-15(e) or 15d-15(e)) as of the end of the period covered by this quarterly report, as required by paragraph (b) of Exchange Act Rules 13a-15 or 15d-15.

Based on that evaluation, we have concluded that as of the end of the period covered by this quarterly report, our disclosure controls and procedures are effective at a reasonable assurance level in ensuring that information required to be disclosed by us in our reports is recorded, processed, summarized and reported within the required time periods. The foregoing conclusion is based, in part, on the fact that we are a small public company in the development stage of our new Jatropha Business, with no current revenues and only three employees. In addition, to date, we have outsourced all of our accounting and bookkeeping functions to a third-party accounting firm.

Management's Report On Internal Control Over Financial Reporting.

Our management is responsible for establishing and maintaining adequate internal control over our financial reporting. Internal control over financial reporting is a process to provide reasonable assurance regarding the reliability of our financial reporting for external purposes in accordance with generally accepted accounting principles. Internal control over financial reporting includes policies and procedures that: (i) pertain to maintaining records that, in reasonable detail, accurately and fairly reflect our transactions; (ii) provide reasonable assurance that transactions are recorded as necessary for preparation of our financial statements and that receipts and expenditures of company assets are made in accordance with management authorization; and (iii) provide reasonable assurance that unauthorized acquisition, use or disposition of company assets that could have a material effect on our financial statements would be prevented or detected on a timely basis. Because of its inherent limitations, internal control over financial reporting is not intended to provide absolute assurance that a misstatement of our financial statements would be prevented or detected.

As of the end of the period covered by this quarterly report, we have concluded that our internal controls over financial reporting are effective at a reasonable assurance level in ensuring that information required to be disclosed by us in our reports is recorded, processed, summarized and reported within the required time periods. The evaluation of our internal controls over financial reporting was based on the framework in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Limitations on the Effectiveness of Internal Controls. Our management does not expect that our internal control over financial reporting will necessarily prevent all fraud and material error. Our internal controls over financial reporting are designed to provide reasonable assurance of achieving our objectives. We have concluded that our internal controls over financial reporting are effective at that reasonable assurance level. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within our company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the internal control. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, control may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate.

Changes in Internal Controls. There was no change in the Company’s internal control over financial reporting during the three months ended March 31, 2008 that has materially affected, or is reasonably likely to materially affect, its internal control over financial reporting.

PART II

ITEM 1. LEGAL PROCEEDINGS.

There have been no material developments with respect to any of the legal proceedings described in our previously filed Annual Report on Form 10-KSB.

ITEM 1.A RISK FACTORS

Risks Relating to Our Business

We have no direct operating history in the feedstock and bio-diesel industries, which makes it difficult to evaluate our financial position and our business plan.

Until early in 2007, we were a development stage bio-pharmaceutical company engaged in developing two potential drug candidates. Since our inception through December 31, 2007, we generated only $1,157,000 of revenues and accumulated net losses of over $26 million. During 2007, we terminated our operations as a bio-pharmaceutical company and have commenced developing a new business in the biofuels industry. However, since we have only recently commenced our operations as a biofuels company and have not yet generated any revenues from our new operations, we have no operating history in that line of business on which a decision to invest in our company can be based. The future of our company currently is dependent upon our ability to implement our new business plan in the Jatropha Business. While we believe that our business plan, if implemented as drafted, will make our company successful, we have no operating history against which we can test our plans and assumptions, and therefore cannot evaluate the likelihood of success.

The Jatropha Business that we are commencing is a new and highly risky business that has not been conducted on a similar scale in North America.

Our business plan calls for a large scale planting and harvesting of Jatropha plants, primarily outside of the United States, and for the subsequent production and sale of Jatropha oil (and other Jatropha byproducts) for use as a biofuel primarily in the United States. We are commencing a new business and will be subject to all of the risks normally associated with new businesses, including risks related to the large scale production of plants that have not heretofore been grown in large scale plantations, logistical issues related to the oil and biomass produced at such new plantations, market acceptance, uncertain pricing of our products, developing governmental regulations, and the lack of an established market for our products.

Since we currently have a limited amount of cash available, and are not generating any revenues from either our legacy bio-pharmaceutical business or our new Jatropha Business, we are dependent upon the potential sale of carbon credit purchase contracts, potential future delivery of Jatropha oil purchase contracts, on any proceeds that we may receive from the sale of out legacy bio-pharmaceutical assets, and on our ability to raise additional funds to continue our operations and existence.

We currently only have a limited amount of cash available, which cash is not sufficient to fund our anticipated future operating needs beyond August 2008. However, management believes that several pending contractual events will provide additional cash infusion to the company by May 31, 2008. Neither our legacy bio-pharmaceutical business, nor our new Jatropha Business currently generate any revenues from which we can pay our administrative and operating expenses. However, some of our direct expenses related to the development of the Jatropha Farm are now being reimbursed by GCE Mexico I, LLC, a Delaware limited liability company ("GCE LLC") and a 50% owned subsidiary that we operate. We also are currently contemplating a carbon credit sales transaction and may receive funds from the sale of our SaveCream rights. Until recently, we had agreed to sell our SaveCream assets to Eucodis. Our agreement with Eucodis recently expired, and we have not renewed that agreement while we pursue alternative purchasers. Nevertheless, Eucodis has informed us that it still intends to make an offer to purchase the SaveCream assets and that such sale could occur in May or June 2008. No assurance can be given that the pending contract or funding events and/or the SaveCream sale to Eucodis or another third party will occur, or that it will occur during the time period we anticipate.

We will continue to incur administrative and general operating expenses without revenues until we begin selling Jatropha oil, or until we complete the sales of carbon credit purchase contracts. Based on our current monthly operating expenses and our projected future operating expenses, even if the SaveCream sale closes in the near future, we will need to obtain significant additional funding during 2008 for our planned Mexico Jatropha plantations and our ongoing operating expenses. Such additional funds could be obtained from the sale of equity, from forward purchase payments for our products, joint venture arrangements, carbon credit sales, or debt financing. While we are currently engaged in discussions regarding various of these financial arrangements, there can be no assurance that we will be able to complete any of these future arrangements or that we will be able to obtain the capital we require. In addition, we cannot be sure that any financing that we may obtain will be on terms that are commercially favorable for us. In the event that we do not obtain additional funding in the near future, we may not be able to maintain our current operations and will not be able to implement our business plan.

In addition, our Jatropha Business will require that we acquire and cultivate a large amount of land and otherwise incur significant initial start-up expenses related to establishing the Jatropha plantations required for our proposed business. Other than our first GCE LLC joint venture, we currently do not have the capital that is necessary to acquire additional land or to otherwise fund the large up-front expenses, nor have any additional entities agreed to provide us with such funds. Accordingly, the success of our new Jatropha Business is contingent on, among other things, our ability to raise the necessary capital to fund our planned Jatropha Business expenditures. Historically, we have raised capital through the issuance of debt and equity securities. However, given the risks associated with a new, untested biofuels business, the risks associated with our common stock (as discussed below), and our status as a small, relatively unknown public company, we cannot guarantee that we will be able to raise capital, or if we are able to raise capital, that such capital will be in the amounts needed. Our failure to raise capital, when needed and in sufficient amounts and under acceptable terms, will severely impact our ability to develop our Jatropha Business.

Our agreement to sell our SaveCream assets to Eucodis has expired, and any possible near-term sale of those assets is uncertain and is dependent upon events beyond our control.

We previously had entered into an agreement with Eucodis pursuant to which we agreed to sell our legacy SaveCream drug candidate assets to Eucodis. Eucodis has informed us that it wants to complete the purchase of the SaveCream assets as soon as possible and that it has an agreement in place for the funding needed to complete that sale. However, the financing that Eucodis is obtaining has not yet been received, and our agreement with Eucodis has expired. Although Eucodis has told us that it still desires to purchase the SaveCream assets no assurance can be given that Eucodis will be able to obtain that financing. We have taken preliminary steps to find an alternative buyer for these assets, but any such sale is expected to take a longer period of time and it is uncertain if a buyer will ever be found. While we believe that our SaveCream assets have substantial value and will be attractive to other pharmaceutical companies, we neither know the exact amount that potential buyers would pay for those assets nor when we would be able to sell/license those assets. Accordingly, if Eucodis does not purchase the SaveCream assets, our ability to monetize our remaining legacy pharmaceutical assets is uncertain.

Our business could be significantly impacted by changes in government regulations over energy policy.

Our planned operations and the properties we intend to cultivate are subject to a wide variety of federal, provincial and municipal laws and regulations, including those governing the use of land, type of development, use of water, use of chemicals for fertilizer, pesticides, export or import of various materials including plants, oil, use of biomass, handling of materials, labor laws, storage handling of materials, shipping, and the health and safety of employees. As such, the nature of our operations exposes us to the risk of claims with respect to such matters and there can be no assurance that material costs or liabilities will not be incurred in connection with such claims. In addition, these governmental regulations, both in the U.S. and in the foreign countries in which we may conduct our business, may restrict and hinder our operations and may significantly raise our cost of operations. Any breach by our company of such legislation may also result in the suspension or revocation of necessary licenses, permits or authorizations, civil liability and the imposition of fines and penalties, which would adversely affect our ability to operate and our financial condition.

Further, there is no assurance that the laws, regulations, policies or current administrative practices of any government body, organization or regulatory agency in the United States or any other jurisdiction, will not be changed, applied or interpreted in a manner which will fundamentally alter the ability of our company to carry on our business. The actions, policies or regulations, or changes thereto, of any government body or regulatory agency, or other special interest groups, may have a detrimental effect on our company. Any or all of these situations may have a negative impact on our operations.

Our future growth is dependent upon strategic relationships within the feedstock and bio-diesel industries. If we are unable to develop and maintain such relationships, our future business prospects could be significantly limited.

Our future growth will generally be dependent on relationships with third parties, including alliances with feedstock oil and bio-diesel processors and distributors. In addition, we will likely rely on third parties to oversee the operations and cultivation of the Jatropha plants in our non-U.S. properties. Accordingly, our success will be significantly dependent upon our ability to establish successful strategic alliances with third parties and on the performance of these third parties. These third parties may not regard their relationship with us as important to their own business and operations, and there is no assurance that they will commit the time and resources to our joint projects as is necessary, or that they will not in the future reassess their commitment to our business. Furthermore, these third parties may not perform their obligations as agreed. In the event that a strategic relationship is discontinued for any reason, our business, results of operations and financial condition may be materially adversely affected.

We will depend on key service providers for assistance and expertise in beginning operations and any failure or loss of these relationships could delay our operations, increase our expenses and hinder our success.

Because of our limited financial and personnel resources, and because our Jatropha plantations are expected to be established primarily outside of the United States, we will have to establish and maintain relationships with several key service providers for land acquisition, the development and cultivation of Jatropha plantations, labor management, the transportation of Jatropha oil and biomass, and other services. We have already established such a relationship with the Lodemo Group in Mexico concerning the cultivation and management of our Jatropha nurseries and plantations in Mexico and the transportation of our products. Accordingly, our ability to develop our Jatropha Business in Mexico, and our success in Mexico, will to a large extent be dependent upon the efforts and services of the Lodemo Group. While the Lodemo Group has significant experience in diesel distribution and sales, liquids transportation, logistics, land development and agriculture, no assurance can be given that our joint operations with the Lodemo Group will be successful or that we will be able to achieve our goals in Mexico.

A significant decline in the price of oil could have an adverse impact in our profitability.

Our success is dependent in part to the current high price of crude oil and on the high price of seed oils that are currently used to manufacture bio-diesel. A significant decline in the price of either crude oil or the alternative seed oils will have a direct negative impact on our financial performance projections.

There are risks associated with conducting our business operations in foreign countries, including political and social unrest.

Our proposed agricultural operations will be primarily located in foreign countries, beginning in Mexico. Accordingly, we are subject to risks not typically associated with ownership of U.S. companies and therefore should be considered more speculative than investments in the U.S.

Mexico is a developing country that has experienced a range of political, social and economic difficulties over the last decade. Our operations could be affected in varying degrees by political instability, social unrest and changes in government regulation relating to foreign investment, the biofuels industry, and the import and export of goods and services. Operations may also be affected in varying degrees by possible terrorism, military conflict, crime, fluctuations in currency rates and high inflation.

In addition, Mexico has a nationalized oil company, and there can be no assurance that the government of Mexico will continue to allow our business and our assets to compete in any way with their interests. Our operations could be adversely affected by political, social and economic unrest in Mexico and the other foreign countries we plan for commence agricultural operations.

The cost of developing and operating our agricultural projects significantly exceeds our current financial budget.

Our preliminary budget contemplates the cultivation of 20,000-hectares of Jatropa in Mexico. According to our business plan, this will be the first of several other large plantations used in our feedstock/biofuel operations. In addition, we will have to construct a plant nursery and research facility as well as a seed oil extraction facility. We currently do not have the funds necessary to fund our planned operations. Unless we are able to obtain the necessary funds on economically viable terms, our Jatropha Business will not succeed, and we will not be able to meet our business goals. In addition, even if we obtain the initial funds necessary to establish our plantation and facilities, the costs to develop and implement our proposed plantation and support facilities, and our other operational costs could significantly increase beyond our expectations due to economic factors, design modifications, implementation or construction delays or cost overruns. In such an event, our profitability and ultimately the financial condition of our company will be adversely affected.

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We plan to grow rapidly and our inability to keep up with such growth may adversely affect our profitability.

We plan to grow rapidly and significantly expand our operations. This growth will place a significant strain on our management team and other company resources. We will not be able to implement our business strategy in a rapidly evolving market without effective planning and management processes. We have a short operating history and have not implemented sophisticated managerial, operational and financial systems and controls. We are required to manage multiple relationships with various strategic partners, including suppliers, distributors, and other third parties. To manage the expected growth of our operations and personnel, we will have to significantly supplement our existing managerial, financial and operational staff, systems, procedures and controls. If we are unable to supplement and complete, in a timely manner, the improvements to our systems, procedures and controls necessary to support our future operations, our operations will not function effectively. In addition, our management may be unable to hire, train, retain, motivate and manage required personnel, or successfully identify, manage and exploit existing and potential market opportunities. As a result, our business and financial condition may be adversely affected.

Our business will not be diversified because we will be primarily concentrated in one industry. As a consequence, we may not be able to adapt to changing market conditions or endure any decline in the bio-diesel industry.

We expect our business to consist primarily of sales of feedstock oil harvested from the Jatropha plant, and bio-diesel production and sales. We do not have any other lines of business or other sources of revenue to rely upon if we are unable to produce and sell feedstock oil and bio-diesel, or if the markets for such products decline. Our lack of diversification means that we may not be able to adapt to changing market conditions or to withstand any significant decline in the bio-diesel industry.

Reductions in the price of bio-diesel, and decreases in the price of petroleum-based fuels could affect the price of our feedstock, resulting in reductions in our actual revenues.

Historically, bio-diesel prices have been highly correlated to the Ultra Low Sulfur ("ULS") diesel prices. Increased volatility in the crude oil market has an effect on the stability and long-term predictability of ULS diesel, and hence the biofuels prices in the domestic and international markets. Crude oil prices are impacted by wars and other political factors, economic uncertainties, exchange rates and natural disasters. A reduction in petroleum-based fuel prices may have an adverse effect on bio-diesel prices and could apply downward pressure on feedstock, affecting revenues and profits in the feedstock industry, which could adversely affect our financial condition.

There are several agreements and relationships that remain to be negotiated, executed and implemented which will have a critical impact on our operations, expenses and profitability.

We have several agreements, documents and relationships that remain to be negotiated, executed and implemented before we can develop fully commence our new operations, including agreements relating to the construction of our proposed seed processing plant and other support facilities for our Jatropha plantation in Mexico. In some cases, the parties with whom we would need to establish a relationship have yet to be identified. Our expectations regarding the likely terms of these agreements and relationships could vary greatly from the terms of any agreement or relationship that may eventually be executed or established. If we are unable to enter into these agreements or relationships on satisfactory terms, or if revisions or amendments to existing terms become necessary, the construction of our proposed seed processing plant and the commencement of our related operations could be delayed, our expenses could be increased and our profitability could be adversely affected and the value of your investment could decline.

Delays due to, among others, weather, labor or material shortages, permitting or zoning delays, or opposition from local groups, may hinder our ability to commence operations in a timely manner.

Our development schedule assumes the commencement of planting in the first half of 2008, with oil production anticipated 18 months thereafter. We could incur delays in the implementation of that plan or the construction of support facilities due to permitting or zoning delays, opposition from local groups, adverse weather conditions, labor or material shortages, or other causes. In addition, changes in political administrations at the federal, state or local level that result in policy changes towards the large scale cultivation of Jatropha or towards biofuels in general could result in delays in our timetable for development and commencement of operations. Any such delays could adversely affect our ability to commence operations and generate revenue.

We may be unable to locate suitable properties and obtain the development rights needed to build and expand our business.

Our business plan focuses on identifying and developing agricultural properties (plantations, nurseries, etc.) for the production of biofuels feedstock. The availability of land for this activity is key to our projected revenue and profitability. Our ability to acquire appropriate land in the future is uncertain and we may be required to delay planting, which may create unanticipated costs and delays. In the event that we are not successful in identifying and obtaining rights on suitable land for our agricultural and processing facilities, our future prospects for profitability will likely be affected, and our financial condition and resulting operations may be adversely affected.

Technological advances in feedstock oil production methods in the bio-diesel industry could adversely affect our ability to compete and the value of your investment.

Technological advances could significantly decrease the cost of producing feedstock oil and biofuels. There is significant research and capital being invested in identifying more efficient processes, and lowering the cost of producing feedstock oil and biofuels. We expect that technological advances in feedstock oil/biofuel production methods will continue to occur. If improved technologies become available to our competitors, they may be able to produce feedstock oil, and ultimately biofuels, at a lower cost than us. If we are unable to adopt or incorporate technological advances into our operations, our ability to compete effectively in the feedstock/biofuels market may be adversely affected, which in turn will affect our profitability.

The development of alternative fuels and energy sources may reduce the demand for biofuels, resulting in a reduction in our profitability.

Alternative fuels, including a variety of energy alternatives to biofuels, are continually under development. Technological advances in fuel-engines and exhaust system design and performance could also reduce the use of biofuels, which would reduce the demand for bio-diesel. Further advances in power generation technologies, based on cleaner hydrocarbon based fuels, fuel cells and hydrogen are actively being researched and developed. If these technological advances and alternatives prove to be economically feasible, environmentally superior and accepted in the marketplace, the market for biofuels could be significantly diminished or replaced, which would adversely affect our financial condition.

Our ability to hire and retain key personnel and experienced consultants will be an important factor in the success of our business and a failure to hire and retain key personnel may result in our inability to manage and implement our business plan.

We are highly dependent upon our management, and to a lesser extent on the consulting services provided to us by Mobius Risk Group, LLC, a company we have retained to provide us with consulting services related to the development of our Jatropha Business. The loss of the services of one or more of these individuals or of Mobius may impair management's ability to operate our company. We have not purchased key man insurance on any of our officers, which insurance would provide us with insurance proceeds in the event of their death. Without key man insurance, we may not have the financial resources to develop or maintain our business until we could replace such individuals or to replace any business lost by the death of such individuals. We may not be able to attract and retain the necessary qualified personnel. If we are unable to retain or to hire qualified personnel as required, we may not be able to adequately manage and implement our business.

Our operating costs could be higher than we expect, and this could reduce our future profitability.

In addition to general economic conditions, market fluctuations and international risks, significant increases in operating, development and implementation costs could adversely affect our company due to numerous factors, many of which are beyond our control. These increases could arise for several reasons, such as:

- Increased cost for land acquisition;
- Increased unit costs of labor for nursery, field preparation and planting;
- Increased costs for construction of facilities;
- Increased transportation costs for required nursery and field workers;
- Increased costs of supplies and sub-contacted labor for preparing of land for planting;
- Increase costs for irrigation, soil conditioning, soil maintenance; or
- Increased time for planting and plant care and custody.

Upon completion of our field developments, our operations will also subject us to ongoing compliance with applicable governmental regulations, including those governing land use, water use, pollution control, worker safety and health and welfare and other matters. We may have difficulty complying with these regulations and our compliance costs could increase significantly. Increases in operating costs would have a negative impact on our operating income, and could result in substantially decreased earnings or a loss from our operations, adversely affecting our financial condition.

Fluctuations in the Mexican peso to U.S. dollar exchange rate may adversely affect our reported operating results.

The Mexican peso is the primary operating currency for our initial business operations while our financial results are reported in U.S. dollars. Because our costs will be primarily denominated in pesos, a decline in the value of the dollar to the peso could negatively affect our actual operating costs in U.S. dollars, and our reported results of operations. We do not currently engage in any currency hedging transactions intended to reduce the effect of fluctuations in foreign currency exchange rates on our results of operations. We cannot guarantee that we will enter into any such currency hedging transactions in the future or, if we do, that these transactions will successfully protect us against currency fluctuations.

Risk of abandoned operations or decommissioning costs are unknown and may be substantial.

We may be responsible for costs associated with abandoning land development and product processing facilities, which we intend to use for production of biofuels feedstock. We expect to have long term commitments on land and facilities and short to medium commitments for labor and other services. Abandonment of these developments and contracts and the associated decommissioning costs could be substantial and may have an effect on future profitability.

Our future profitability is dependent upon many natural factors outside of our control. If these factors do not produce favorable results our future business profitability could be significantly affected.

Our future profitability is mainly dependent on the production output from our agricultural operations. There are many factors that can effect growth and fruit production of the Jatropha plant including weather, nutrients, pests and other natural enemies of the plant. Many of these are outside of our direct control and could be devastating to our operations.

Risks Relating to Our Common Stock

Our stock is thinly traded, so you may be unable to sell your shares at or near the quoted bid prices if you need to sell a significant number of your shares.

The shares of our common stock are thinly traded on the OTC Bulletin Board, meaning that the number of persons interested in purchasing our common shares at or near bid prices at any given time may be relatively small or non-existent. This situation is attributable to a number of factors, including the fact that we are a small company which is relatively unknown to stock analysts, stock brokers, institutional investors and others in the investment community that generate or influence sales volume, and that even if we came to the attention of such persons, they tend to be risk-averse and would be reluctant to follow an unproven, early stage company such as ours or purchase or recommend the purchase of our shares until such time as we became more seasoned and viable. As a consequence, there may be periods of several days or more when trading activity in our shares is minimal or non-existent, as compared to a seasoned issuer which has a large and steady volume of trading activity that will generally support continuous sales without an adverse effect on share price. We cannot give you any assurance that a broader or more active public trading market for our common shares will develop or be sustained, or that current trading levels will be sustained. Due to these conditions, we can give you no assurance that you will be able to sell your shares at or near bid prices or at all if you need money or otherwise desire to liquidate your shares.

Our existing directors, officers and key employees hold a substantial amount of our common stock and may be able to prevent other shareholders from influencing significant corporate decisions.

As of March 31, 2008, our directors and executive officers, beneficially owned approximately 35% of our outstanding common stock. These shareholders, if they act together, may be able to direct the outcome of matters requiring approval of the shareholders, including the election of our directors and other corporate actions such as:

- our merger with or into another company;
- a sale of substantially all of our assets; and
- amendments to our articles of incorporation.

The decisions of these shareholders may conflict with our interests or those of our other shareholders.

The market price of our stock may be adversely affected by market volatility.

The market price of our common stock is likely to be volatile and could fluctuate widely in response to many factors, including:

- fluctuation in the world price of crude oil;
- market changes in the biofuels industry;
- government regulations affecting renewable energy businesses and users;
- actual or anticipated variations in our operating results;
- our success in meeting our business goals and the general development of our proposed operations;
- general economic, political and market conditions in the U.S. and the foreign countries in which we plan to operate; and
- the occurrence of any of the risks described in this Annual Report.

Obtaining additional capital though the sale of common stock will result in dilution of shareholder interests.

We plan to raise additional funds in the future by issuing additional shares of common stock or other securities, which may include securities such as convertible debentures, warrants or preferred stock that are convertible into common stock. Any such sale of common stock or other securities will lead to further dilution of the equity ownership of existing holders of our common stock. Additionally, the existing options, warrants and conversion rights may hinder future equity offerings, and the exercise of those options, warrants and conversion rights may have an adverse effect on the value of our stock. If any such options, warrants or conversion rights are exercised at a price below the then current market price of our shares, then the market price of our stock could decrease upon the sale of such additional securities. Further, if any such options, warrants or conversion rights are exercised at a price below the price at which any particular shareholder purchased shares, then that particular shareholder will experience dilution in his or her investment.

We are unlikely to pay dividends on our common stock in the foreseeable future.

We have never declared or paid dividends on our stock. We currently intend to retain all available funds and any future earnings for use in the operation and expansion of our business. We do not anticipate paying any cash dividends in the foreseeable future, and it is unlikely that investors will derive any current income from ownership of our stock. This means that your potential for economic gain from ownership of our stock depends on appreciation of our stock price and will only be realized by a sale of the stock at a price higher than your purchase price.

Trading of our stock may be restricted by the Securities and Exchange Commission's penny stock regulations, which may limit a shareholder's ability to buy and sell our stock.

The Securities and Exchange Commission has adopted regulations which generally define “penny stock” to be any equity security that has a market price less than $5.00 per share or an exercise price of less than $5.00 per share, subject to certain exceptions. Our securities are covered by the penny stock rules, which impose additional sales practice requirements on broker-dealers who sell to persons other than established customers and “accredited investors.” The term “accredited investor” refers generally to institutions with assets in excess of $5,000,000 or individuals with a net worth in excess of $1,000,000 or annual income exceeding $200,000 or $300,000 jointly with their spouse. The penny stock rules require a broker-dealer, prior to a transaction in a penny stock not otherwise exempt from the rules, to deliver a standardized risk disclosure document in a form prepared by the Securities and Exchange Commission, which provides information about penny stocks and the nature and level of risks in the penny stock market. The broker-dealer also must provide the customer with current bid and offer quotations for the penny stock, the compensation of the broker-dealer and its salesperson in the transaction and monthly account statements showing the market value of each penny stock held in the customer's account. The bid and offer quotations, and the broker-dealer and salesperson compensation information, must be given to the customer orally or in writing prior to effecting the transaction and must be given to the customer in writing before or with the customer's confirmation. In addition, the penny stock rules require that prior to a transaction in a penny stock not otherwise exempt from these rules, the broker-dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written agreement to the transaction. These disclosure requirements may have the effect of reducing the level of trading activity in the secondary market for the stock that is subject to these penny stock rules. Consequently, these penny stock rules may affect the ability of broker-dealers to trade our securities. We believe that the penny stock rules discourage investor interest in and limit the marketability of our common stock.

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

Effective April 18, 2008, we entered into an exchange agreement (“Exchange Agreement”) with Mercator Momentum Fund, L.P., Mercator Momentum Fund III, L.P., and Monarch Pointe Fund, Ltd. (collectively, “MAG Funds”), the holders of our issued and outstanding Series A Convertible Preferred Stock (“Series A Stock”). Pursuant to the Exchange Agreement, the MAG Funds exchanged 28,927 shares of Series A Stock, constituting all of the issued and outstanding shares of Series A Stock, for an aggregate of 28,927,000 shares of our common stock. The exchange ratio was determined by dividing the $100 purchase price of the shares (the “Series A Purchase Price” as defined in Certificate of Designations of Preferences and Rights for the Series A Stock) by $0.10.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

On January 29, 2008, we held a special meeting of our stockholders to vote on the following matters:

(1) To approve the sale of all of our rights in and to "SaveCream", a developmental-stage topical aromatase inhibitor cream, to Eucodis Pharmaceuticals Forschungs und Entwicklungs GmbH. Votes cast were as follows:

For	106,019,635
Against	1,453,285
Abstain	84,940

(2) To approve an amendment of our Amended and Restated Articles of Incorporation to increase the authorized number of shares of our common stock from 250,000,000 to 500,000,000 shares. . Votes cast were as follows:

For	103,584,505
Against	3,878,055
Abstain	95,300

(3) To approve an amendment of our Amended and Restated Articles of Incorporation to change our company's name to "Global Clean Energy Holdings, Inc." Votes cast were as follows:

For	139,581,396
Against	318,935
Abstain	1,462,415

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

10.5	Definitive Master Agreement dated as of July 29, 2006, by and between MDI Oncology, Inc. and Eucodis Forschungs und Entwicklungs GmbH*
10.16	Employment Agreement dated March 20, 2008, between Global Clean Energy Holdings, Inc. and Bruce K. Nelson (incorporated by reference from Current Report on Form 8-K filed April 8, 2008)
10.17	Exchange Agreement, effective April 18, 2008, by and between Global Clean Energy Holdings, Inc., on the one hand, and Mercator Momentum Fund, L.P., Mercator Momentum Fund III, L.P., and Monarch Pointe Fund, Ltd., on the other hand (incorporated by reference from Current Report on Form 8-K filed April 24, 2008)
31.1	Rule 13a-14(a) Certification, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 *
31.2	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*
32.2	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002*

* Filed herewith

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.

GLOBAL CLEAN ENERGY HOLDINGS, INC.

Date: May 13, 2008

By: /s/ BRUCE K. NELSON
Bruce K. Nelson
Chief Financial Officer