Clean Coal Technologies Inc.
Form 10-Q
May 14, 2012

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended: March 31, 2012

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

For the transition period from ____________________ to ____________________.

Commission file number: 000-50053

CLEAN COAL TECHNOLOGIES, INC.
(Exact name of small business issuer as specified in its charter)

NEVADA	26-1079442
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

295 Madison Avenue (12th Floor), New York, NY	10017
(Address of principal executive offices)	(Zip Code)

(646) 710-3549
(Issuer's telephone number)

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), Yes x and (2) has been subject to such filing requirements for the past 90 days. No x

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes x No ¨

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer ¨ Accelerated filer ¨ Non-accelerated filer ¨ Smaller reporting company x

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

The number of shares outstanding of Registrant’s Common Stock as of May 14, 2012: 599,294,000

Table of Contents

TABLE OF CONTENTS

PART I - FINANCIAL INFORMATION		Page
ITEM 1.	FINANCIAL STATEMENTS	3
ITEM 2.	MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS	12
ITEM 3.	QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK	18
ITEM 4.	CONTROLS AND PROCEDURES	18
PART II - OTHER INFORMATION		
ITEM 1.	LEGAL PROCEEDINGS	19
ITEM 1A.	RISK FACTORS	19
ITEM 2.	UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS	23
ITEM 3.	DEFAULTS UPON SENIOR SECURITIES	23
ITEM 5.	OTHER INFORMATION	23
ITEM 6.	EXHIBITS	23
SIGNATURES		24

Table of Contents

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

The accompanying unaudited financial statements have been prepared in accordance with the instructions to Form 10-Q pursuant to the rules and regulations of the Securities and Exchange Commission and, therefore, do not include all information and footnotes necessary for a complete presentation of our financial position, results of operations, cash flows, and stockholders' equity in conformity with generally accepted accounting principles. In the opinion of management, all adjustments considered necessary for a fair presentation of the results of operations and financial position have been included and all such adjustments are of a normal recurring nature.

Clean Coal Technologies Inc

(A Development Stage Company)
Balance Sheets
(Unaudited)

	March 31, 2012	December 31, 2011
ASSETS		
Current Assets		
Cash	$129,641	$8,342
Prepaid expenses	11,755	16,405
Deferred financing costs	108,908	-
Total Current Assets	250,304	24,747
Property, plant and equipment, net of accumulated depreciation of $739 and $688, respectively	280	331
Total Assets	$250,584	$25,078
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current Liabilities		
Accounts payable	$391,409	$427,850
Accounts payable to related parties	648,046	613,961
Accrued liabilities	672,960	703,172
Short-term convertible debt	2,372,399	50,000
Short-term debt, net of unamortized discounts of $0 and $54,919, respectively	225,000	367,384
Convertible debt owed to related parties	380,000	380,000
Debt owed to related parties	-	522,732
Derivative liabilities	593,640	-
Total Current Liabilities	5,283,454	3,065,099
Stockholders’ Deficit:		
Common stock, $0.00001 par value; 600,000,000 shares authorized,600,000,000 and 593,784,000 shares issued and outstanding, respectively	6,000	5,938
Additional paid-in capital	196,494,456	196,554,117
Deficit accumulated during the development stage	(201,533,326)	(199,600,076)
Total Stockholders' Deficit	(5,032,870)	(3,040,021)
Total Liabilities and Stockholders' Deficit	$250,584	$25,078

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

Table of Contents

Clean Coal Technologies, Inc.
(A Development Stage Enterprise)
Statements of Expenses
(Unaudited)

	Three Months Ended March 31, 2012	Three Months Ended March 31, 2011	October 20, 1997 (Inception) Through March 31, 2012
Operating Expenses:			
General and administrative	$780,986	$112,050	$4,496,870
Research and development	-	-	374,912
Consulting services	529,194	602,564	174,810,659
Loss from Operations	(1,310,180)	(714,614)	(179,682,441)
Other Income (Expenses):			
Interest expense	(373,342)	(18,807)	(1,042,913)
Other expenses	-	-	(18,985)
Other income	-	-	7,540
Loss on extinguishment of debt	-	-	(146,607)
Gain (loss) on change in derivative liability	(249,728)	-	7,348,753
Total Other Income (Expense)	(623,070)	(18,807)	6,147,788
Net Loss	$(1,933,250)	$(733,421)	$(173,534,653)
Net loss per share - basic and diluted	$(0.00)	$(0.00)	
Weighted average shares outstanding - basic and diluted	598,882,901	538,830,651	

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

Table of Contents

Clean Coal Technologies Inc
(A Development Stage Company)
Statement of Stockholders' Deficit
(Unaudited)

	Common Stock		Additional Paid-In	Deficit Accumulated During the Development	Stockholders'
	Shares	Amount	Capital	Stage	Deficit
Balances at December 31, 2011	593,784,000	$5,938	$196,554,117	$(199,600,076)	$(3,040,021)
Common stock issued for services	3,056,000	30	14,482	-	14,512
Common stock issued with debt	3,160,000	32	81,889	-	81,921
Derivative liabilities	-	-	(156,032)	-	(156,032)
Net loss	-	-	-	(1,933,250)	(1,933,250)
Balances at March 31, 2012	600,000,000	$6,000	$196,494,456	$(201,533,326)	$(5,032,870)

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

Table of Contents

Clean Coal Technologies Inc
(A Development Stage Enterprise)
Statements of Cash Flows
(Unaudited)

	Three Months Ended March 31, 2012	Three Months Ended March 31, 2011	October 20, 1997 (Inception) Through March 31, 2012
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net loss	$(1,933,250)	$(733,421)	$(173,534,653)
Adjustment to reconcile net loss to net cash used in operating activities:			
Depreciation expense	51	51	6,059
Amortization of debt discounts	324,720	-	338,032
Amortization of deferred financing costs	11,092	-	11,092
Shares issued for settlement of lawsuit	-	-	2,500
Shares issued for services	14,512	424,992	154,087,280
Warrant and option expense	-	1,980	16,490,517
Loss on extinguishment of debt	-	-	146,607
Loss on shares issued for debt	-	-	35,287
Beneficial conversion feature on converted debt	-	-	50,000
Interest expense paid in shares	-	-	233,332
Interest converted to debt	-	-	117,392
Gain on write-off of accounts payable	-	-	(87,404)
Write-off of asset	-	-	16,015
(Gain) loss on derivative liabilities	249,728	-	(7,348,753)
Changes in operating assets and liabilities:			
Prepaid expenses and other current assets	4,650	-	(22,770)
Accounts payable	(36,441)	85,787	507,146
Accounts payable - related party	34,085	124,832	3,809,264
Accrued expenses	(150,212)	11,154	556,297
Net Cash Used in Operating Activities	(1,481,065)	(84,625)	(4,586,760)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of fixed assets	-	-	(6,339)
Investment in joint venture	-	-	(5,000)
Net Cash Used in Investing Activities	-	-	(11,339)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Advances from related parties	-	86,736	696,000
Proceeds from the sale of common stock	-	-	80,000
Borrowings on debt	458,000	2,300	930,800
Borrowings on convertible debt	2,347,399	-	2,397,399
Payments on debt	(655,303)	-	(705,303)
Payments on convertible debt	(25,000)	-	(25,000)

Borrowings on related party debt	-	-	1,499,576
Borrowings on related party convertible debt	-	-	380,000
Payments on related party debt	(522,732)	-	(525,732)
Net Cash Provided by Financing Activities	1,602,364	89,036	4,727,740
NET CHANGE IN CASH AND CASH EQUIVALENTS	121,299	4,411	129,641
CASH AND CASH EQUIVALENTS - beginning of period	8,342	5,446	-
CASH AND CASH EQUIVALENTS - end of period	$129,641	$9,857	$129,641

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

Table of Contents

Clean Coal Technologies Inc
(A Development Stage Enterprise)
Statements of Cash Flows
(Unaudited) (continued)

	Three Months Ended March 31, 2012	Three Months Ended March 31, 2011	October 20, 1997 (Inception) Through March 31, 2012
SUPPLEMENTAL DISCLOSURES:			
Cash paid for interest	$116,454	$2,463	$120,488
Cash paid for income taxes	-	-	-
NON-CASH INVESTING AND FINANCING ACTIVITIES:			
Derivative liabilities recorded in additional paid-in capital	$156,032	$-	$156,032
Derivative liabilities recorded as debt discounts	187,880	-	187,880
Common stock issued with debt	81,921	-	150,152
Deferred financing costs accrued	120,000	-	120,000
Forgiveness of related party debt and accrued interest	-	-	69,553
Derivative liability removed due to warrants exercised	-	-	36,890,709
Cumulative effect of change in accounting principle	-	-	44,489,190
Preferred stock issued for related party debt	-	-	380,837
Preferred stock converted to common stock	-	-	481
Accrued interest converted to debt	-	-	-
Accrued interest converted to related party debt	-	-	-
Payables converted to debt	-	-	28,333
Related party payables and advances converted to debt	-	-	3,196,664
Common stock issued for debt, liabilities and accrued interest	-	-	135,332
Common stock issued for related party debt, liabilities and accrued interest	-	-	4,394,899

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

Table of Contents

Clean Coal Technologies, Inc.
(A Development Stage Company)
Notes to Financial Statements
(Unaudited)

NOTE 1: BASIS OF PRESENTATION

The accompanying unaudited interim financial statements of Clean Coal Technologies, Inc. ("Clean Coal") have been prepared in accordance with accounting principles generally accepted in the United States of America and the rules of the Securities and Exchange Commission, and should be read in conjunction with the audited financial statements and notes thereto contained in Clean Coal's Annual Report on Form 10-K filed with the SEC. In the opinion of management, the accompanying unaudited interim financial statements reflect all adjustments, consisting of normal recurring adjustments, necessary to present fairly the financial position and the results of operations for the interim period presented herein. The results of operations for interim periods are not necessarily indicative of the results to be expected for the full year or for any future period. Notes to the financial statements which would substantially duplicate the disclosure contained in the audited financial statements for fiscal 2011 as reported in the Form 10K have been omitted.

FAIR VALUE MEASUREMENTS

FASB ASC 820 defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. The provisions of ASC 820 were effective January 1, 2008.

As defined in ASC 820, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). Clean Coal utilizes market data or assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable. Clean Coal classifies fair value balances based on the observability of those inputs. ASC 820 establishes a fair value hierarchy that prioritizes the inputs used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurement).

The three levels of the fair value hierarchy defined by ASC 820 are as follows:

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis. Level 1 primarily consists of financial instruments such as exchange-traded derivatives, marketable securities and listed equities.

Level 2 – Pricing inputs are other than quoted prices in active markets included in level 1, which are either directly or indirectly observable as of the reported date. Level 2 includes those financial instruments that are valued using models or other valuation methodologies. These models are primarily industry-standard models that consider various assumptions, including quoted forward prices for commodities, time value, volatility factors, and current market and contractual prices for the underlying instruments, as well as other relevant economic measures. Substantially all of these assumptions are observable in the marketplace throughout the full term of the instrument, can be derived from observable data or are supported by observable levels at which transactions are executed in the marketplace. Instruments in this category generally include non-exchange-traded derivatives such as commodity swaps, interest rate swaps, options and collars.

Level 3 – Pricing inputs include significant inputs that are generally less observable from objective sources. These inputs may be used with internally developed methodologies that result in management's best estimate of fair value.

Clean Coal values its derivative liabilities using the closing stock price of Clean Coal's common stock. Accordingly, Clean Coal's derivative liabilities are classified as level 1 as of March 31, 2012. There were no instruments subject to ASC 820 as of December 31, 2011.

8

Table of Contents

The following table provides a summary of the fair value of Clean Coal's derivative liabilities as of March 31, 2012:

	Fair value measurements on a recurring basis March 31, 2012		
	Level 1	Level 2	Level 3
Liabilities			
Derivative liabilities	$ 593,640	$ -	$ -

NOTE 2: GOING CONCERN

The accompanying financial statements have been prepared on a going concern basis of accounting which contemplates continuity of operations, realization of assets, liabilities, and commitments in the normal course of business. The accompanying financial statements do not reflect any adjustments that might result if the Clean Coal is unable to continue as a going concern. Clean Coal has an accumulated deficit and a working capital deficit as of March 31, 2012 with no significant revenues anticipated for the near term. Management believes Clean Coal will need to raise capital in order to operate over the next 12 months. As shown in the accompanying financial statements, Clean Coal has also incurred significant losses since inception. Clean Coal's continuation as a going concern is dependent upon its ability to generate sufficient cash flow to meet its obligations on a timely basis and ultimately to attain profitability. Clean Coal has limited capital with which to pursue its business plan. There can be no assurance that Clean Coal's future operations will be significant and profitable, or that Clean Coal will have sufficient resources to meet its objectives. These conditions raise substantial doubt as to Clean Coal's ability to continue as a going concern. Management may pursue either debt or equity financing or a combination of both, in order to raise sufficient capital to meet Clean Coal's financial requirements over the next twelve months and to fund its business plan. There is no assurance that management will be successful in raising additional funds.

NOTE 3: RELATED PARTY TRANSACTIONS

Debt from related parties

A summary of the debt from related parties outstanding as of March 31, 2012 and December 31, 2011 is as follows:

DATE OF NOTE	TO WHOM	MATURITY DATE	INTEREST RATE	March 31, 2012	December 31, 2011
June 30, 2008	Equimune Research Corp	June 30, 2010	10%	$ -	$ 252,641
September 30, 2009	Enviro Fuels Mfg Inc	Demand	0%	-	98,091
September 30, 2009	Enviro Fuels Mfg Inc	Demand	0%	-	500
October 31, 2009	Enviro Fuels Mfg Inc	Demand	0%	-	3,000
November 30, 2009	Enviro Fuels Mfg Inc	Demand	0%	-	500
March 8, 2010	Enviro Fuels Mfg Inc	September 8, 2010	10%	-	25,000
July 1, 2011	Out of The Chute LLC	June 30, 2012	8%	380,000	380,000
July 22, 2011	Robin Eves	October 31, 2011	12.5%	-	143,000
				$ 380,000	$ 902,732

Table of Contents

All of the related party notes listed above are unsecured. The $380,000 note became convertible into common stock at $0.018 on January 1, 2012. Clean Coal evaluated the note for a beneficial conversion feature under ASC 470-20 on the date of the note and determined that none existed. The note holder agreed to extend the maturity date of the note for an additional six months or until shareholder approval of an increase to the authorized stock of the Company, whichever occurs first. The note is not convertible during this extension period.

Accounts payable from related parties

At March 31, 2012 and December 31, 2011, unpaid services provided by related parties totaled $648,046 and $613,961.

NOTE 4: SHORT-TERM DEBT

As of March 31, 2012 and December 31, 2011, the aggregate unpaid principal of outstanding notes payable (including convertible debt) was $2,597,399 and $417,384, respectively. The notes are unsecured, bear interest between 0% and 15% per annum and mature between on demand and December 31, 2012.

$25,000 of the outstanding notes at March 31, 2012 becomes convertible into common stock in August 2012 at $0.014 per share. Clean Coal evaluated the note for a beneficial conversion feature under ASC 470-20 on the date of the note and determined that none existed.

During the three months ended March 31, 2012, Clean Coal borrowed an aggregate of $458,000 under multiple notes. The notes are unsecured, bear interest at 10% per annum, beginning between March 1, 2012 and April 1, 2012, and mature March 31, 2012. In connection with the notes, Clean Coal agreed to issue the lenders an aggregate of 7,200,000 common shares. 3,160,000 shares were issued. The other 4,040,000 common shares were in excess of Clean Coal's authorized stock and were accounted for as a derivative liability (see Note 5). The relative fair value of the 3,160,000 shares was determined to be $81,921 and was recorded as loan discounts. The fair value of the 4,040,000 common shares was determined to be $205,160 of which $187,880 was recorded as loan discounts and $17,280 was expensed as a loss on derivative liabilities. The discounts are being amortized over the life of the loans using the effective interest rate method and were fully amortized during the three months ended March 31, 2012.

On March 20, 2012, the Company borrowed $2,000,000 under a promissory note. The note is unsecured, bears no interest and matures July 17, 2012. The note becomes convertible into 6.7% of the fully diluted outstanding common stock of the Company upon shareholder approval of an increase to the authorized stock of the Company. Clean Coal incurred financing costs of $120,000 associated with this note which is being amortized over the life of the note. During the three months ended March 31, 2012, amortization expense of $11,092 was recorded on these deferred financing costs.

On March 30, 2012, the Company borrowed $347,399 under a promissory note. The note is unsecured, bears interest at 10% per annum beginning June 30, 2012 and matures December 31, 2012. The note becomes convertible into common stock on September 30, 2012 at $0.08 per share if the note is not repaid prior to maturity. Clean Coal evaluated the note for a beneficial conversion feature under ASC 470-20 on the date of the note and determined that a beneficial conversion feature exists. The intrinsic value of the beneficial conversion feature was determined to be $21,712 and it will be recognized upon the note becoming convertible.

NOTE 5: DERIVATIVE LIABILITIES

During the three months ended March 31, 2012, the Company committed to issue more common shares than its authorized amount through the issuance of common stock with debt and through the vesting of a stock option bonus to

the Company's Chief Executive Officer. If the shares had been issued, the Company would have exceeded its authorized common stock on January 31, 2012 all issuances after this date were accounted for as derivative liabilities. The shares in excess of the authorized common stock were determined in chronological order based upon the date the obligation to issue the shares took place.

Table of Contents

On January 31, 2012, the 4,000,000 common shares vested under a stock bonus granted to the Company's Chief Executive Officer. 1,056,000 of these shares were reported as issued and the remaining 2,944,000 were accounted for as a derivative liability as they were in excess of the authorized shares. The fair value of these 2,944,000 common shares was determined to be $156,032 as of January 31, 2012 and $250,240 as of March 31, 2012 using the closing price of Clean Coal's common stock.

Between February 1, 2012 and March 31, 2012, the Company reported as issued an aggregate of 4,040,000 common shares with debt in excess of the authorized shares. The fair value of the 4,040,000 common shares was determined to be $205,160 on the date of the loans using the closing price of Clean Coal's common stock of which $187,880 was recorded as loan discounts and $17,280 was expensed as a loss on derivative liabilities. On March 31, 2012, the fair value of the 4,040,000 common shares was determined to be $343,400 using the closing price of Clean Coal's common stock.

The aggregate loss on the change in the fair value of derivative liabilities was $249,728 for the three months ended March 31, 2012.

NOTE 6: EQUITY TRANSACTIONS

Common Stock

During the three months ended March 31, 2012, the Company issued 3,056,000 common shares for services valued at $14,512 and issued 3,160,000 common shares with debt valued at $81,921. See Note 5 regarding additional shares reported as issued in excess of the authorized common stock of the Company.

On February 27, 2012, the Company authorized bonuses to officers and employees totaling $802,000 cash plus the issuance of 25.6 million shares of common stock, with the issuances subject to shareholder approval of an increase in the Company's authorized capital.

Table of Contents

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

FORWARD-LOOKING STATEMENTS AND FACTORS THAT MAY AFFECT FUTURE RESULTS

This Quarterly Report on Form 10-Q contains forward-looking statements that involve risks and uncertainties, as well as assumptions that, if they do not materialize or prove correct, could cause our results to differ materially from those expressed or implied by such forward-looking statements. All statements other than statements of historical fact are statements that could be deemed forward-looking statements, including, but not limited to, statements concerning: our plans, strategies and objectives for future operations; new products or developments; future economic conditions, performance or outlook; the outcome of contingencies; expected cash flows or capital expenditures; our beliefs or expectations; activities, events or developments that we intend, expect, project, believe or anticipate will or may occur in the future; and assumptions underlying any of the foregoing. Forward-looking statements may be identified by their use of forward-looking terminology, such as “believes,” “expects,” “may,” “should,” “would,” “will,” “intends,” “plans,” “esti “anticipates,” “projects” and similar words or expressions. You should not place undue reliance on these forward-looking statements, which reflect our management’s opinions only as of the date of the filing of this Quarterly Report on Form 10-Q and are not guarantees of future performance or actual results

Overview

Clean Coal Technologies, Inc. (“We,” “Company” or “Clean Coal”) owns a patented technology that we believe will provide cleaner energy at low cost through the use of the world’s most abundant fossil fuel, coal. Our technology is designed to utilize controlled heat to extract and capture pollutants and moisture from low-rank coal, transforming it into a cleaner-burning, more energy-efficient fuel prior to combustion. Our proprietary coal cleaning process is designed to ensure that the carbon in coal maintains its structural integrity during the heating process while the volatile matter (polluting material) within the coal turns into a gaseous state and is removed from the coal. We have trade-marked the name “PRISTINE™” as a means of differentiating our processed product from the negative connotations generally associated with coal, and its traditional use. PRISTINE™ is applicable for a variety of applications, including coal-fired power stations, chemical byproduct extraction, and as a source fuel for coal-to-gas and coal-to-liquid technologies.

In September 2011, we filed a provisional application for a patent on a new technology known as Pristine M. The new technology is a moisture substitution technology that, owing to the superior quality of the product and attractive economics, is expected to be highly successful in the moisture removal business globally. The attractiveness of the Prisytine-M technology has culminated in our success attracting strategic partnerships, including with the Archean Group and Jindal Steel & Power, discussed below.

Current or Pending Projects.

We have dedicated maximum effort to develop a global commercial platform around a series of strategic partnerships. At this filing date, Jindal Steel and Power, Ltd. (“Jindal”) and the Company have signed a 25-year Technology License Agreement (“TLA”). Under the TLA, the Company will receive an on-going royalty fee of one dollar ($1.00) per metric ton on all coal processed from Jindal majority-owned mines in the ASEAN region, up to four million tons or four million dollars ($4,000,000) per annum with a waiver of additional royalty fees on further processed coal up to a total of eight million tons per year. If coal processing increases above eight million tons per year, the royalty will be reinstated and the parties have agreed to review the rate.

In addition to the royalty fee, Jindal will pay the Company a one-time license fee of seven-hundred and fifty thousand dollars ($750,000). The license fee will be paid in two installments as follows: a) three-hundred and seventy-five thousand dollars ($375,000) upon signing of a pilot plant construction contract and b) three-hundred and seventy-five

thousand dollars ($375,000) upon the successful testing of Jindal's Indonesian coal at the pilot plant. Construction of the pilot plant in Oklahoma will commence immediately upon execution of the construction contract which is expected to be signed during April. Plant construction is scheduled to be completed within 16 to 24 weeks and the testing of the Jindal coal is expected to take place before the end of 2012.

Table of Contents

For our ASEAN region joint venture initiative, we have instead agreed to binding terms for a joint venture with the Archean Group ("AGPL") to develop deploy and market our Pristine M technology throughout the ASEAN region (including Indonesia, the Philippines, Cambodia, Vietnam, Malaysia, Brunei, Thailand, Laos and Myanmar). The joint venture company ("JV") will be 55% AGPL and 45% Clean Coal. For its 55% holding, AGPL has committed to contribute US $4,000,000 to the JV. Of this, US $2,000,000 will be used to fund the construction of a 1:10-scale pilot plant in Oklahoma. The remaining US $2,000,000 represents a one-time license fee to be paid to Clean Coal upon successful commissioning of the pilot plant.

Construction of the pilot plant in Oklahoma will commence immediately upon execution of an EPC contract and a down payment to SAIC Energy Environment & Infrastructure ("SAIC") by the JV. It is expected that the EPC contract will be formalized this in May and construction of the plant will begin immediately after the contract is signed. Under the binding terms of the agreement, AGPL will pay a US $1.00 (one dollar) per ton ongoing royalty fee for all coal processed from AGPL majority-owned mines, with a waiver for the first two million tons of coal produced.

For our 45% interest in the joint venture, we will contribute a 25-year exclusive license to develop, market and deploy Pristine M Technology, covering the ASEAN countries including Indonesia, the Philippines, Cambodia, Vietnam, Malaysia, Brunei, Thailand, Laos and Myanmar. We have also committed to cover pilot plant construction costs, if any, above US $2,000,000.

At this time, CCTI and AGPL have established a company (the JV company) in Singapore that will trade under the name Good Coal PTE. The shareholders', or operating agreement, agreement has been fully negotiated and undergone legal review by both parties. It is expected to be signed during May, along with the Technology License Agreement that will govern the company's use and marketing of the CCTI Technologies. The latter has also been fully negotiated and subjected to legal review.

As part of the agreement, AGPL has made an investment of two million US Dollars ($2,000,000) in Clean Coal. For this investment, we have has issued AGPL a convertible debenture which will represent, upon conversion and subject to the availability of authorized capital and the terms of the debenture, 6.7 % of the outstanding shares of the Company as of the effective date of the binding terms agreement. AGPL will also nominate a board member to be appointed to our board of directors. We have also agreed to issue an option to AGPL to purchase an additional equity stake, to increase AGPL's equity stake up to a total of 20% of the Company's outstanding stock, at a discount to the market price at the date of exercise of the option. Both the conversion of the debenture and the exercise of the option are conditioned on Clean Coal having available authorized capital to issue the requisite shares. In order to do so, we intend to schedule a shareholders' meeting and seek to obtain shareholder approval as soon as possible.

China. Pending resolution of legalities surrounding the change in ownership of the Interests of the Chinese partner in the Inner Mongolia joint venture company in which we held a 25% stake, we expect to transition the Company's involvement from full joint venture partner to merely a Licensor. The project has all permits fully approved and is expected to break ground in 2012.

Huamin Senior Fund Holding Group. The current Exclusive Technology License Agreement was cancelled on October 12, 2011 at a meeting in New York with the Huamin Group with the understanding that it would be replaced with a new Non Exclusive Technology License Agreement within the next 90 days. A t the end of January, no Agreement had been reached with Huamin. Huamin has yet to present a viable project to us.

The China market holds huge potential for our technology and we will, at this stage, only consider individual Technology Licensing Agreements for specific projects. The Huamin Group has not yet presented a project to CCTI.

Outside of the project in Inner Mongolia, and any potential projects with Huamin, we will be focused on business opportunities in other countries.

Philippines. We continue to advance in our discussions with a large Philippine group that has indicated its desire to move forward once the Company has successfully commissioned a 1/10-scale pilot plant, scheduled for September or October 2012.

Consultant Activities.

MMB has been in direct contact with two world-class coal mining groups in Indonesia and has been a major contributor in assisting us to finalize the agreements with AGPL and Jindal discussed above. In India, MMB has been in preliminary discussions for the potential deployment of the technology in two coal operating divisions of a large power company. MMB continues to look for commercial opportunities in India, China, Indonesia and Mongolia.

Table of Contents

MBA, Inc., a Tennessee-based consulting group has contracted with SAIC Energy, Environment & Infrastructure, LLC (SEE&I) to assist in arranging engineering, procurement, construction and maintenance services with a large Tennessee utility. Other initiatives currently underway in Texas include MBA's discussions with several South West utility companies that have expressed interest in deploying our technology, and looking to expand their relationship with us. With the building of the pilot plant at a coal fired utility in Oklahoma it is anticipated that MBA's negotiations will produce successful results in 2012.

Factors Affecting Results of Operations

Our operating expenses include the following:

· Consulting expenses, which consist primarily of amounts paid for technology development and design and engineering services;
· General and administrative expenses, which consist primarily of salaries, commissions and related benefits paid to our employees, as well as office and travel expenses;
· Research and development expenses, which consist primarily of equipment and materials used in the development and testing of our technology; and
· Legal and professional expenses, which consist primarily of amounts paid for patent protections, audit, disclosure, and reporting services.

Results of Operations

The following information should be read in conjunction with the financial statements and notes appearing elsewhere in this Report. We are a development stage company and have had no revenues from inception to date.

For the Three Months Ended March 31, 2012 and March 31, 2011

Revenues

We have generated no revenues for the three months ended March 31, 2012 and the same period in 2011 and do not anticipate initial license revenues until approximately the second or third quarter of 2012, and do not expect to receive any significant royalty fees for approximately 24 months thereafter.

Operating Expenses

Our operating expenses for the three months ended March 31, 2012 totaled $1,310,180 compared to $714,614 for the same periods in the prior year. The primary component of the operating expenses in both periods was for shares issued for services, officers' salaries and consulting fees. The significant increase in operating expenses for the 2012 fiscal period is due mainly to an increase in officers' salaries.

We recorded stock-based compensation to our CEO and President of $14,237 for the three months ended March 31, 2012, compared to $144,667 for the same period in the prior year. In addition, during the three months ended March 31, 2012, we issued 2,000,000 shares to our Advisor to the Board of Directors, Ignacio Ponce de Leon, under a stock bonus that vested during the three months ended March 31, 2012. $276 was expensed under this bonus during the three months ended March 31, 2012.

Table of Contents

Other than the expense recorded for stock compensation during three months ended March 31, 2012, operating expenses consisted of $780,986 in general and administrative expenses and $514,681 of legal and consulting fees. In the same period in 2011, our operating expenses included $112,050 in general and administrative expenses.

All Board of Directors' cash fees have been accrued as of this date. Our CEO and President, Robin Eves, our Chief Operations Officer and Ignacio Ponce de Leon are not compensated for their participation on our Board.

Effective August 12, 2010, we entered into a fifteen-month strategic financial and consulting agreement with MMB Global Advisors, an energy-related consulting firm with expertise in various emerging markets. Under the terms of the agreement, MMB will be awarded 12,000,000 restricted shares at time of contract signing, with the balance of 15,000,000 being payable over the term of the contract (1 million shares per month), or following a significant contribution to the Company, as determined at the discretion of the Board of Directors. With resources in India, China, Hong Kong, and the USA, MMB is assisting us in analyzing various corporate restructuring alternatives, and analyzing potential financial transactions according to the terms and conditions of our agreement. In this regard, MMB has undertaken certain activities on our behalf, including the following:

a) Leveraging experience and relationships in the financial community and energy industries for our benefit;
b) suggesting and analyzing various corporate restructuring alternatives;
c) analyzing cost/benefit analysis of various strategic partnerships;
d) analyzing our strategic business model for optimum commercialization of our technology;
e) counseling us as to strategy and tactics for effecting a potential business combination or business transaction;
f) advising us as to the most advantageous structure and form of such a possible business combination or business transaction, including the form of any agreements related thereto;
g) assisting us in obtaining appropriate information and in preparing due diligence presentations related to potential business combinations or business transactions;
h) assisting us in securing a carbon credit certification, if applicable;
i) introducing us to strategic partners, clients, government entities, certifying agencies, distributors, and licensees, as may be appropriate;
j) assisting us in creating financial models and joint venture structures; and
k) assisting us in negotiations related to a potential business combination or business transaction, as may be appropriate.

Effective June 1, 2010, we agreed with MMB to amend the Advisory Agreement with MMB to reflect a reduction of four million shares. This Amendment reduced the total number of 27,000,000 shares originally contemplated by this Agreement (27,000,000), to 23,000,000 shares. The residual balance of the 2,000,000 unvested shares outstanding at June 1, 2010 was equally apportioned over the remaining months of the Agreement as earned.

Effective September 1, 2010, we appointed Ignacio Ponce de Leon as our Exclusive Representative for Latin America, in addition to his prior appointment as Senior Economic Advisor to our Board of Directors, which was effective August 25, 2010. During 2011, Mr. Ponce de Leon received a one-time compensation fee of 2,000,000 restricted shares for each of these appointments for a total of 4,000,000 shares.

Employees

As of March 31, 2012, we had two full-time executives, and one full-time administrative employee. President and CEO Robin Eves, and Chief Operations Officer, Ignacio Ponce de Leon have written employment agreements. Effective August, 2010, the Board of Directors appointed Dr. Mitch Shapiro to serve as the Company's Secretary for

which he will receive no additional compensation, other than that paid as a Director. Our administrative employee is at-will. Messrs. Eves and Ponce de Leon received no compensation for their participation on the Board of Directors. We have an oral consulting agreement with C.J. Douglas, a shareholder who provides services that support our administrative and accounting functions on a month-to-month basis, at $20,000 per month.

The terms of the agreements described above were negotiated by and between the individuals and our Board of Directors based on the qualifications and requirements of each individual and the needs of the company; however, the negotiations may not be deemed to have been at arm’s length.

Table of Contents

Net Income/Loss

For the three months ended March 31, 2012 we experienced net losses of $1,933,250 and $733,421 for the same period for the prior year. For the three months ended March 31, 2012 we incurred losses from operations of $1,310,180 and 714,614 for the three months ended March 31, 2011. We incurred interest expense of $373,342 for the three months ended March 31, 2012, and $18,807 for the three months ended March 31, 2011.

We anticipate losses from operations will increase during the next twelve months due to anticipated increased payroll expenses as we add necessary staff and increases in legal and accounting expenses associated with maintaining a reporting company. We expect that we will continue to have net losses from operations for several years until revenues from operating facilities become sufficient to offset operating expenses, unless we are successful in the sale of licenses for our technology.

Liquidity and Capital Resources

We have generated no revenues since inception, nor have we generated any funding through any form of private or public offering. We have obtained cash for operating expenses solely through advances and/or loans from affiliates and stockholders, and a single stock sale totaling $80,000.

Net Cash Used in Operating Activities. Our primary sources of operating cash during the three months ended March 31, 2012, was borrowings on debt. Our primary uses of funds in operations were payments made to our consultants and employees, as well as travel and office expenses.

Net cash used in operating activities was $1,481,065 for the three months ended March 31, 2012 compared to net cash used of $84,625 for the same period in 2011. Non-cash items in 2012 included shares issued for services valued at $14,512, amortization of loan discounts of $324,720, amortization of deferred financing costs of $11,092, loss on derivative liabilities of $249,728 and depreciation expense of $51. During the three months ended March 31, 2012, we experienced a decrease in prepaid expenses of $4,650, a decrease in accounts payable of $36,441, an increase in related party payables of $34,085 and a decrease in accrued liabilities of $150,212. Net cash used in operating activities from inception through March 31, 2012 totaled $4,586,760.

Net Cash Used In Investing Activities. We did not engage in investing activities for the three months ended March 31, 2012, or 2011. From inception through March 31, 2012, net cash used in investing activities totaled $11,339 for the purchase of fixed assets and investment in joint venture.

Net Cash Provided by Financing Activities. Net cash provided by financing activities during the three months ended March 31, 2012 totaled $1,602,364 consisting of borrowings on debt and convertible debt of $2,805,399, offset by payments on debt and convertible debt of $680,303 and payments on related party debt of $522,732. Financing activities for the three months ended March 31, 2011 consisted of borrowings on debt of $2,300 and advances from related parties of $86,736. From inception through March 31, 2012, net cash provided by financing activities totaled $4,727,740 due to loans and advances from related and third parties and cash received for the sale of common stock.

Cash Position and Outstanding Indebtedness

Our total indebtedness at March 31, 2012 was $5,283,454, which consists entirely of current liabilities. Current liabilities consist primarily of accounts payable, accounts payable to related parties, short-term debt and convertible debt, convertible debt owed to related parties, accrued liabilities and derivative liabilities. At March 31, 2012, we had current assets of $129,641 in cash, $108,908 of deferred financing costs and $11,755 in prepaid expenses. Our working capital deficit at March 31, 2012 was $5,033,150. We had property, plant and equipment (net of accumulated

depreciation) of $280 at March 31, 2012.

Table of Contents

Contractual Obligations and Commitments

The following table summarizes our contractual cash obligations and other commercial commitments at March 31, 2012.

	Payments due by period				
	Total	Less than 1 year	1 to 3 years	3 to 5 years	After 5 years
Facility lease (1)	$ 5,883	$ 5,883	$ -	$ -	$ -
Total contractual cash obligations	$ 5,883	$ 5,883	$ -	$ -	$ -

(1) Our New York lease expired December 31, 2011, and was extended for a six month period at a 10% increase in the rent.

SAIC Energy Environment & Infrastructure (SEE&I), our engineering consultant has tentatively estimated construction costs for each one million short ton coal complete cleaning facility of approximately $250 million (excluding land costs) or costs for a similar size Pristine-M-only facility of approximately $45-50 million (excluding land costs). Under the terms of our consulting agreement with SEE&I, we are obligated to pay to SEE&I a fee representing five percent of all gross revenues received by us from the sale of our technology, the operation of franchised plants utilizing the technology, or revenue received on any other basis that is related to the technology. This fee will remain in effect for a period of 15 years, commencing from the date that we receive our initial revenue stream from operations. All intellectual property rights associated with new art developed by SEE&I remain our property, however SEE&I would have a “right to use” the intellectual property provided they are deployed in non-competitive projects.

For its ASEAN region joint venture initiative, the Company has negotiated an Operating Agreement that governs the operations of a joint venture company already established in Singapore that will trade under the name Good Coal PTE with a mission to develop deploy and market their Pristine M technology throughout the ASEAN region (including Indonesia, the Philippines, Cambodia, Vietnam, Malaysia, Brunei, Thailand, Laos and Myanmar). The joint venture company (“JV”) will be 55% AGPL and 45% Clean Coal. For its 55% holding, AGPL has committed to contribute US $4,000,000 to the JV. Of this, US $2,000,000 will be used to fund the construction of a 1:10-scale pilot plant in Oklahoma. The remaining US $2,000,000 represents a one-time license fee to be paid to Clean Coal upon successful commissioning of the pilot plant.

Construction of the pilot plant in Oklahoma will commence immediately upon execution of an EPC contract and a down payment to SAIC Energy Environment & Infrastructure (“SAIC”) by the JV. It is expected that the EPC contract will be formalized in May and construction of the plant will begin in June. Under the binding terms of the agreement, AGPL will pay a US $1.00 (one dollar) per ton ongoing royalty fee for all coal processed from AGPL majority-owned mines, with a waiver for the first two million tons of coal produced.

For its 45% interest in the joint venture, the Company will contribute a 25-year exclusive license to develop, market and deploy Pristine M Technology, covering the ASEAN countries including Indonesia, the Philippines, Cambodia, Vietnam, Malaysia, Brunei, Thailand, Laos and Myanmar. Clean Coal has also committed to cover pilot plant construction costs, if any, above US $2,000,000.

As part of the agreement, AGPL has made an investment of two million US Dollars ($2,000,000) in Clean Coal. For this investment, the Company has issued AGPL a convertible debenture that will represent, upon conversion and subject to the availability of authorized capital and the terms of the debenture, 6.7 % of the outstanding shares of the Company as of the effective date of the binding terms agreement. AGPL will also nominate a board member to be

appointed to the Company's board of directors. The Company has also agreed to issue an option to AGPL to purchase an additional equity stake, to increase AGPL's equity stake up to a total of 19.99% of the Company's outstanding stock, at a discount to the market price at the date of exercise of the option. Both the conversion of the debenture and the exercise of the option are conditioned on Clean Coal having available authorized capital to issue the requisite shares. In order to do so, the Company intends to hold a shareholders' meeting and seek to obtain shareholder approval as soon as possible. We are also actively pursuing technology license and royalty agreements in order to begin construction of other facilities without incurring the capital costs associated with the construction of future plants.

Table of Contents

In March 2012, the Company entered into a Representative Agreement with Cross Border Associates from Singapore, represented by their managing Director Mr. Ravi Gopalan for the specific purpose of concluding the Archean transaction. Cross Border Associates had introduced Archean to the Company in January and when it became clear that a transaction would transpire we signed the agreed Representative Agreement. The Agreement provides for Cross Border associates to receive a 6% fee on the first USD 6,000,000 received by the Company / SAIC. We have a right to elect to pay in cash or stock.

In March of 2012 CCTI agreed to pay Mr. SK Grover, our representative in India a monthly retainer of $6,000 commencing in April 2012. His agreement was amended accordingly.

Based on our current operational costs and including the capital requirements for our project deployments, we estimate we will need a total of approximately $3,500,000 to fund the Company for the balance of fiscal year 2012 and an additional $5,000,000 to continue for the following fiscal year (2013) or until an initial commercial is up and running. At this filing date, we do not have commitments for funding but intend to seek sufficient debt or equity funding to meet both our capital contribution deadlines and funding sufficient for our operations. We are also actively pursuing technology license and royalty agreements in order to begin construction of other facilities without incurring the capital costs associated with the construction of future plants.

Off-Balance Sheet Arrangements

We have not and do not have any relationships with unconsolidated entities or financial partnerships, such as entities often referred to as structured finance or special purpose entities, which would have been established for the purpose of establishing off-balance sheet arrangements or other contractually narrow or limited purposes. Therefore, we do not believe we are exposed to any financing, liquidity, market or credit risk that could arise if we had engaged in such relationships.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to changes in prevailing market interest rates affecting the return on our investments but do not consider this interest rate market risk exposure to be material to our financial condition or results of operations. We invest primarily in United States Treasury instruments with short-term (less than one year) maturities. The carrying amount of these investments approximates fair value due to the short-term maturities. Under our current policies, we do not use derivative financial instruments, derivative commodity instruments or other financial instruments to manage our exposure to changes in interest rates or commodity prices.

ITEM 4. CONTROLS AND PROCEDURES

As of March 31, 2012, we carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer (the same person), of the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Exchange Act Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended. Based on this evaluation, management concluded that our financial disclosure controls and procedures were not effective due to our limited internal resources and lack of ability to have multiple levels of transaction review. We presently have only one officer and one employee. Inasmuch as there is no segregation of duties within the Company, there is no management oversight, no control documentation being produced, and no one to review control documentation if it was being produced.

There were no changes in disclosure controls and procedures that occurred during the period covered by this report that have materially affected, or are reasonably likely to materially effect, our disclosure controls and procedures. We

do not expect to implement any changes to our disclosure controls and procedures until there is a significant change in our operations or capital resources.

Table of Contents

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Clean Coal Technologies, Inc., and our former Senior Managing Director, Douglas Hague, in addition to shareholder Larry Hunt and consultant CJ Douglas, were named as co-defendants in a lawsuit filed by a shareholder in the 15th Judicial Circuit Court in and for West Palm Beach County, Florida, Case No. 50 2010CA 028706XXXX MB on or about November 24, 2010. Plaintiff has not made a specific demand for damages; however, plaintiff has made a general demand for damages in order to meet the Court's jurisdictional limits, which is a standard disclosure. We vigorously defended this action that the Company and its attorneys regard as absolutely frivolous, baseless and without merit. On January 24, 2011 attorneys for the plaintiff agreed to the entry of an order dismissing their lawsuit, without prejudice, allowing them twenty days to file an Amended Complaint. Attorneys for the plaintiff filed an Amended Complaint on February 22, 2011 under the same case number. We will continue to vigorously defend the action and we do not believe that the action will be materially adverse to the company. Our attorneys have put the plaintiff’s counsel on notice of our intent to seek sanctions against both the plaintiff, and the plaintiff’s counsel pursuant to Florida Statute Sec.57.105. Further, we have moved to dismiss the action on the basis that the Plaintiff has procedurally, factually, and legally failed to state a cause of action up which relief can be granted. In the event that this case should be advanced, we believe that we have meritorious defenses to all claims; however, an adverse decision would materially and adversely impact us.

ITEM 1A. RISK FACTORS

We have no operating revenues yet and we have made no provision for any contingency, unexpected expenses or increases in costs that may arise.

We are a development stage company and have no revenues from operations, neither has the Company generated any funding through any form of private or public offering to use for operating expenses or research and development. Since inception, we have been able to cover our operating losses from debt and equity financing. These sources of funds may not be available to cover future operating losses. If we are not able to obtain adequate sources of funds to operate our business we may not be able to continue as a going concern.

Our business strategy and plans could be adversely affected in the event we need additional financing and are unable to obtain such funding when needed. It is possible that our available funds may not be sufficient to meet our operating expenses, development plans, and capital expenditures for the next twelve months. Insufficient funds may prevent us from implementing our business strategy or may require us to delay, scale back or eliminate certain opportunities for the commercialization of our technology. If we cannot obtain necessary funding, then we may be forced to cease operations.

We may experience delays in resolving unexpected technical issues arising in completing development of new technology that will increase development costs and postpone anticipated sales and revenues.

As we develop, refine and implement our technology, we may have to solve technical, manufacturing and/or equipment-related issues. Some of these issues are ones that we cannot anticipate because the technology we are developing is new. If we must revise existing manufacturing processes or order specialized equipment to address a particular issue, we may not meet our projected timetable for bringing commercial operations on line. Such delays may interfere with our projected operating schedules, delay our receipt of licensing and royalty revenues from operations and decrease royalties from operations.

The market in which we are attempting to sell our technology is highly competitive.

The market for our technology is highly competitive on a global basis, with a number of competitors having significantly greater resources and more established market penetration than us. Because of greater resources and more widely accepted brand names, many of our competitors may be able to adapt more quickly to changes in the markets we have targeted or devote greater resources to the development and sale of new technology products. Our ability to compete is dependent on our emerging technology that may take some time to develop market acceptance. To improve our competitive position, we may need to make significant ongoing investments in service and support, marketing, sales, research and development and intellectual property protection. We may not have sufficient resources to continue to make such investments or to secure a competitive position within the market we target.

Table of Contents

Our business depends on the protection of our patents and other intellectual property and may suffer if we are unable to adequately protect such intellectual property.

Our success and ability to compete are substantially dependent upon our intellectual property. We rely on patent laws, trade secret protection and confidentiality or license agreements with our employees, consultants, strategic partners and others to protect our intellectual property rights. However, the steps we take to protect our intellectual property rights may be inadequate. There are events that are outside of our control that pose a threat to our intellectual property rights as well as to our products and services. For example, effective intellectual property protection may not be available in every country in which we license our technology. Also, the efforts we have taken to protect our proprietary rights may not be sufficient or effective. Any impairment of our intellectual property rights could harm our business and our ability to compete. Also, protecting our intellectual property rights is costly and time consuming. Any increase in the unauthorized use of our intellectual property could make it more expensive to do business and harm our operating results. In addition, other parties may independently develop similar or competing technologies designed around any patents that may be issued to us.

We have been granted one U.S. patent and have several U.S. patent applications pending relating to certain aspects of our technology and we may seek additional patents on future innovations. Our ability to license our technology is substantially dependent on the validity and enforcement of these patents and patents pending. We cannot assure you that our patents will not be invalidated, circumvented or challenged, that patents will be issued for our patents pending, that the rights granted under the patents will provide us competitive advantages or that our current and future patent applications will be granted.

Third parties may invalidate our patents.

Third parties may seek to challenge, invalidate, circumvent or render unenforceable any patents or proprietary rights owned by or licensed to us based on, among other things:

- subsequently discovered prior art;
- lack of entitlement to the priority of an earlier, related application; or
- failure to comply with the written description, best mode, enablement or other applicable requirements.

United States patent law requires that a patent must disclose the “best mode” of creating and using the invention covered by a patent. If the inventor of a patent knows of a better way, or “best mode,” to create the invention and fails to disclose it, that failure could result in the loss of patent rights. Our decision to protect certain elements of our proprietary technologies as trade secrets and to not disclose such technologies in patent applications, may serve as a basis for third parties to challenge and ultimately invalidate certain of our related patents based on a failure to disclose the best mode of creating and using the invention claimed in the applicable patent. If a third party is successful in challenging the validity of our patents, our inability to enforce our intellectual property rights could seriously harm our business.

We may be liable for infringing the intellectual property rights of others.

Our technology may be the subject of claims of intellectual property infringement in the future. Our technology may not be able to withstand any third-party claims or rights against their use. Any intellectual property claims, with or without merit, could be time-consuming, expensive to litigate or settle, could divert resources and attention and could require us to obtain a license to use the intellectual property of third parties. We may be unable to obtain licenses from these third parties on favorable terms, if at all. Even if a license is available, we may have to pay substantial royalties to obtain it. If we cannot defend such claims or obtain necessary licenses on reasonable terms, we may be precluded

from offering most or all of technology and our business and results of operations will be adversely affected.

Our ability to execute our business plan would be harmed if we are unable to retain or attract key personnel.

Our technology is being marketed by a small number of the members of our management. Our technology is being developed and refined by a small number of technical consultants. Our future success depends, to a significant extent, upon our ability to retain and attract the services of these and other key personnel. The loss of the services of one or more members of our management team or our technical consultants could hinder our ability to effectively manage our business and implement our growth strategies. Finding suitable replacements could be difficult, and competition for such personnel of similar experience is intense. We do not carry key person insurance for our officers.

Overseas development of our business is subject to international risks, which could adversely affect our ability to license profitable overseas plants.

We believe a significant portion of the growth opportunity for our business lies outside the United States. Doing business in foreign countries may expose us to many risks that are not present domestically. We lack significant experience in dealing with such risks, including political, military, privatization, technology piracy, currency exchange and repatriation risks, and higher credit risks associated with customers. In addition, it may be more difficult for us to enforce legal obligations in foreign countries, and we may be at a disadvantage in any legal proceeding within the local jurisdiction. Local laws may also limit our ability to hold a majority interest in the projects that we develop. The Company has yet to establish any representation offices outside the United States.

We do not know if coal processed using our technology is commercially viable.

We do not yet know whether coal processed using our technology can be produced and sold on a commercial basis in a cost effective manner after taking into account the cost of the feedstock, processing costs, license and royalty fees and the costs of transportation. Because we have not experienced any full scale commercial operations, we have not yet developed a guaranteed efficient cost structure. We are currently using the estimates for anticipated pricing and costs, as well as the qualities of the coal processed in the laboratory setting to make such estimates. We may experience technical problems that could make the processed coal more expensive than anticipated. Failure to address both known and unforeseen technical challenges may materially and adversely affect our business, results of operations and financial condition.

We have experienced large net losses, have little liquidity and need to obtain funds for operations or we may not be able to continue.

We have incurred net losses of $173,534,653 since inception. The net losses to date include large non-cash expenses recorded for share-based compensation for consultants and officer compensation. However, in addition to the non-cash expenses, we had other operating expenses, all funded through loans from existing shareholders. In order to meet our current operating budget and anticipated contractual obligations, we estimate that we will need an additional $1,310,005 for the balance of 2012, and $4,500,890 for 2013, based on our current contractual obligations. At March 31, 2012, we had total liabilities of $5,283,454 and cash of only $129,641. If we cannot obtain adequate financing from new funding sources, we will be unable to continue operations or meet our contractual obligations.

Our use of equity as an alternative to cash compensation may cause excessive dilution for our current shareholders.

Due to shortage of operating funds and low liquidity, we have issued shares and warrants as compensation for services, including board and officer compensation as well as compensation for outside consultants and other services. This form of compensation has enabled us to obtain services that would not otherwise have been available to us but it has resulted in dilution to our shareholders. Unless we are able to obtain adequate financing in the immediate future, we may be forced to continue to obtain services through the issuance of shares and warrants, resulting in additional dilution to shareholders and potentially adversely affecting any return on investment. The issuance of shares for services has consumed the majority of our previously un-issued shares, and may require us to ask our shareholders to approve an increase of our authorized shares in the near future.

Any negative results from the continuing evaluation of our technology or processed coal produced at future facility sites could have a material adverse effect on the marketability of our technology and future prospects.

We are continuing to evaluate the attributes of coal processed using our technology on a laboratory scale. We do not know if these evaluations will result in positive findings concerning the moisture content, heat value, emission-levels,

burn qualities or other aspects of our processed coal. Furthermore, even if current evaluations indicate that our processed coal performs to design specifications, we do not know if later tests or larger scale processing will confirm these current results or that the processed coal will be readily accepted by the market. The process of introducing our technology into the market may be further delayed if these test results are negative or if potential licensees conduct their own tests of the processed coal to determine whether it meets their individual requirements and the results are not acceptable. We have conducted numerous tests of our technology using a variety of feed stocks in our laboratories. The ability to use feed stocks from other locations in the United States or overseas will depend on the results of future tests on different types of coal. If these tests limit the range of viable low-grade coal feed stocks for use in our process, site locations for future plants may be limited and the commercial appeal of the process may be less than anticipated. If this continuing process of evaluation and market introduction results in negative findings concerning our process, it could have a material adverse effect on the marketability of our technology and on our financial condition, results of operations and future prospects.

Table of Contents

Due to the uncertain commercial acceptance of coal processed using our technology we may not be able to realize significant licensing revenues.

While we believe that a commercial market is developing both domestically and internationally for cleaner coal products such as coal processed using our technology, we may face the following risks due to the developing market for cleaner coal technology:

- limited pricing information;
- changes in the price differential between low- and high-BTU coal;
- unknown costs and methods of transportation to bring processed coal to market;
- alternative fuel supplies available at a lower price;
- the cost and availability of emissions-reducing equipment or competing technologies; failure of governments to implement and enforce new environmental standards; and
- a decline in energy prices which could make processed coal less price competitive.

If we are unable to develop markets for our processed coal, our ability to generate revenues and profits will be negatively impacted.

If we are unable to successfully construct and commercialize production plants, our ability to generate profits from our technology will be impaired.

Our future success depends on our ability to secure partners to locate, develop and construct future commercial production plants and operate them at a profit. A number of different variables, risks and uncertainties affect such commercialization including:

- the complex, lengthy and costly regulatory permit and approval process;
- local opposition to development of projects, which can increase cost and delay timelines;
- increases in construction costs such as for contractors, workers and raw materials; - transportation costs and availability of transportation;
- the inability to acquire adequate amounts of low rank feedstock coal at forecasted prices to meet projected goals;
- availability of suitable consumers of chemical by-product produced by our process;
- engineering, operational and technical difficulties; and - possible price fluctuations of low-Btu coal which could impact profitability.

If we are unable to successfully address these risks, our results from operations, financial condition and cash flows may be adversely affected.

Future changes in the law may adversely affect our ability to sell our products and services.

A significant factor in expanding the potential U.S. market for coal processed using our technology is the numerous federal, state and local environmental regulations, which provide various air emission requirements for power generating facilities and industrial coal users. We believe that the use of clean-burning fuel technologies such as ours will help utility companies comply with the air emission regulations and limitations. However, we are unable to predict future regulatory changes and their impact on the demand for our technology. While more stringent laws and regulations, including mercury emission standards, limits on sulfur dioxide emissions and nitrogen oxide emissions, may increase demand for our technology, such regulations may result in reduced coal use and increased reliance on alternative fuel sources. Similarly, amendments to the numerous federal and state environmental regulations that relax emission limitations would have a material adverse effect on our prospects.

22

Table of Contents

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

There were no sales of unregistered securities for the three months ended March 31, 2012.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 5. OTHER INFORMATION

The Company has announced that it will hold a shareholders' meeting on Tuesday, June 26, 2012 at Doubletree by Hilton Metropolitan New York, 569 Lexington Ave, New York, NY 10022, on Tuesday, June 26, at 10:00 am, Eastern Time, to:

1. Elect three directors to serve until the 2013 Annual Meeting of Stockholders;

2. Ratify the selection of MaloneBailey, LLP as the Company's independent auditor for the Company's fiscal year ending December 31, 2012;

3. Approve an increase of the Company's authorized common stock from 600,000,000 shares to 975,000,000 shares; and

4. Transact such other business as may properly come before the Annual Meeting or any adjournment thereof.

The foregoing matters are described in more detail in the Company's Definitive Proxy Statement filed May 4, 2012.

ITEM 6. EXHIBITS

EXHIBIT NO.	DESCRIPTION
31	CERTIFICATION OF PRINCIPAL EXECUTIVE AND FINANCIAL OFFICER PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002.
32	CERTIFICATION OF PRINCIPAL EXECUTIVE AND FINANCIAL OFFICER PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002.
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

Table of Contents

SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

	Clean Coal Technologies	
Date: May 14, 2012	By:	/s/ Robin Eves Robin Eves President, CEO, and Acting Chief Financial Officer

24

Table of Contents