
UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended March 31, 2011

OR

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 000-28025

Global Energy Inc.

(Exact name of registrant as specified in its charter)

Nevada
(State or Other Jurisdiction of
Incorporation or Organization)

86 -0951473
(IRS Employer
Identification No.)

16 Menachem Begin Street, Gama Building, 5th floor,
Ramat Gan, Israel
(Address of Principal Executive Offices)

52681
(Zip Code)

±972-077-202-5444
(Registrant's Telephone Number, Including Area Code)

(Former Name, Former Address and Former Fiscal year, 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 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. (Check one):

Large accelerated filer Accelerated filer
Non-accelerated filer Smaller reporting company
(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act):

Yes No

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 No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest

practicable date:

On May 2, 2011, 314,420,239 shares of the registrant's common stock were outstanding.

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GLOBAL ENERGY INC.
(The "Company")
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PART I. FINANCIAL INFORMATION

Item 1 . Financial Statements

GLOBAL ENERGY INC.
(A development stage company)

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF MARCH 31, 2011

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GLOBAL ENERGY INC.
(A development stage company)

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF MARCH 31, 2011
IN U.S. DOLLARS

UNAUDITED

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GLOBAL ENERGY INC.
(A development stage company)
CONDENSED CONSOLIDATED BALANCE SHEETS
(U.S. dollars in thousands)

	March 31	December
	2011	31,
	<u>Unaudited</u>	<u>2010</u>
		<u>Audited</u>
A s s e t s		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 702	\$ 128
Advance to related party	3,722	3,722
Prepaid expenses	35	43
T o t a l current assets	<u>4,459</u>	<u>3,893</u>
ADVANCE TO MINORITY INTEREST SHAREHOLDER	18	18
PROPERTY, PLANT AND EQUIPMENT , net of accumulated depreciation	931	931
T o t a l assets	<u>\$ 5,408</u>	<u>\$ 4,842</u>
Liabilities net of capital deficiency		
CURRENT LIABILITIES:		
Accounts payables	\$ -	\$ -
Accrued expenses	854	764
Advances from third party	3,725	3,725
Short term loan from related parties	18	18
Debentures convertible into shares	4,863	4,875
T o t a l current liabilities	<u>9,460</u>	<u>9,383</u>
ACCRUED SEVERENCE AND VACATION	56	55
MINORITY INTEREST	18	18
T o t a l liabilities	<u>9,534</u>	<u>9,455</u>
CAPITAL DEFICIENCY:		
Share capital -		
Common shares of \$0.001 par value each:		
Authorized: 750,000,000 shares at March 31, 2011 and December 31, 2010		
Issued and outstanding: 314,420,239 shares and 235,665,471 shares at March 31, 2011 and December 31, 2010, respectively	314	236
Additional paid-in capital	5,233	4,496
Warrants	1,215	1,215
Accumulated deficit during development stage	(10,815)	(10,487)
Accumulated deficit before development stage	(73)	(73)
T o t a l capital deficiency	<u>(4,126)</u>	<u>(4,613)</u>
T o t a l liabilities net of capital deficiency	<u>\$ 5,408</u>	<u>\$ 4,842</u>

The accompanying notes are an integral part of the consolidated financial statements.

GLOBAL ENERGY INC.
(A development stage company)
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(U.S. dollars in thousands, except share and per share data)

	Three months ended March 31		Cumulative from July 7, 2005 through March 31, 2011
	2011	2010	2011
	(Unaudited)		(Unaudited)
OPERATING EXPENSES -			
General and administrative expenses *	\$ (240)	\$ (227)	\$ (7,921)
LOSS FROM OPERATIONS	<u>(240)</u>	<u>(227)</u>	<u>(7,921)</u>
Interest expenses	(88)	(159)	(2,288)
Loss from operations of discounted component	-	-	(1,200)
Gain on sale of subsidiary	-	-	484
Gain on extinguishment of debts	-	-	110
NET LOSS (PROFIT) FOR THE PERIOD	<u>\$ (328)</u>	<u>\$ (386)</u>	<u>\$ (10,815)</u>
BASIC AND DILUTED NET LOSS (INCOME) PER SHARE	<u>\$ (0.001)</u>	<u>\$ (0.003)</u>	
WEIGHTED AVERAGE NUMBER OF SHARES USED IN COMPUTING BASIC AND DILUTED NET LOSS PER SHARE	<u>256,509,128</u>	<u>131,937,262</u>	

* In the three month period ended March 31, 2011 and 2010 – includes \$28 thousands and \$360 thousand respectively of share-based compensation expenses.

The accompanying notes are an integral part of the consolidated financial statements.

GLOBAL ENERGY INC.
(A development stage company)
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CAPITAL DEFICIENCY)
(U.S. dollars in thousands, except share and per share data)

	Share capital		Additional paid-in Capital	warrants	Deficit accumulated during the development stage	Deficit accumulated before the development stage	Total capital deficiency
	Number	capital					
BALANCE AS OF JULY 7, 2005	4,650,000	\$ 5	\$ 105			\$ (73)	\$ 37
CHANGES DURING THE PERIOD FROM JULY 7, 2005 THROUGH DECEMBER 31, 2010 (audited):							
Issuance of shares - net of issuance expenses	158,449,662	158	1,677	\$ 843			2,678
Issuance of warrants				246			246
Issuance of in exchange for extinguishment of debt	27,141,505	27	408	126			561
Issuance of shares - in relation with conversion of debentures	12,086,804	13	157				170
Share based compensation for services	33,337,500	33	1,014				1,047
Net loss for the period					\$ (10,487) *		(10,487)
Issuance of options for services			1,135				1,135
BALANCE AT DECEMBER 31, 2010 (audited)	235,665,471	\$ 236	\$ 4,496	\$ 1,215	\$ (10,487)	\$ (73)	\$ (4,613)
CHANGES DURING THE PERIOD OF THREE MONTHS ENDED MARCH 31, 2010 (unaudited) :							
Issuance of shares- net of issuance expenses	68,754,768	68	619				687
Issuance of shares - in relation with conversion of debentures	10,000,000	10	90				100
Net loss for the period					(328)		(328)
Issuance of options for services			28				28
BALANCE AT MARCH 31, 2010 (Unaudited)	314,420,239	\$ 314	\$ 5,233	\$ 1,215	\$ (10,815)	\$ (73)	\$ (4,126)

* After giving retroactive effect to the adoption of Staff Position No. APB 14-1, "Accounting for Convertible Debt Instruments That May Be Settled in Cash upon Conversion (Including Partial Cash Settlement)", as further described in note 5. This retroactive effect was not audited.

The accompanying notes are an integral part of the consolidated financial statements.

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GLOBAL ENERGY INC.
(A development stage company)
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(U.S. dollars in thousands)

	Three months ended March 31		Cumulative from July 7, 2005 through March 31, 2011
	2011	2010	2011
	(Unaudited)		(Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit (Net loss) for the period	\$ (328)	\$ (386)	\$ (10,815)
Adjustments required to reconcile net loss to net cash used in operating activities:			
Depreciation	-	1	66
Gain from sale of subsidiary	-	-	(484)
Share based compensation expenses	28	360	2,168
Expenses in respect of the convertibles debentures	88	129	2,005
Increase in accrued interest on short term loan from related parties	-	1	20
Increase in accrued interest on short term loans	-	13	46
Debt extinguishment	-	-	(110)
Increase (decrease) in accrued severance and vacation	1	41	56
Increase (decrease) in other accounts receivable and advance from supplier	8	-	(3,809)
Increase (decrease) in accounts payables	-	(49)	141
Increase (decrease) in other accounts payable accrued expenses and advances from third party	90	(249)	4,671
Net cash used in operating activities	<u>(113)</u>	<u>(139)</u>	<u>(6,045)</u>
CASH FLOWS FROM INVESTING ACTIVITIES :			
Lease deposits	-	-	(18)
Proceeds from sale of subsidiary	-	-	693
Payment for purchasing of fixed assets	-	-	(1,379)
Net cash used in investing activities	<u>-</u>	<u>-</u>	<u>(704)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Issuance of shares - net of issuance expenses	687	130	3,336
Loan received from shareholders and related parties	-	-	528
Loans received	-	-	316
Debentures repaid	-	(30)	(70)
Proceeds from debt issuance	-	-	46
Loans repaid	-	-	(493)
Proceeds from issuance of convertible debentures and warrants net of issuance expenses	-	-	3,720
Net cash provided by financing activities	<u>687</u>	<u>100</u>	<u>7,383</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	574	(39)	634
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<u>128</u>	<u>100</u>	<u>68</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>\$ 702</u>	<u>\$ 61</u>	<u>\$ 702</u>
NON-CASH TRANSACTION:			
Conversion of debentures into shares	<u>\$ 100</u>	<u>\$ 10</u>	
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION			
Cash paid during the period for interest	<u>\$ -</u>	<u>\$ 30</u>	
Cash paid during the period for income taxes	<u>\$ -</u>	<u>\$ -</u>	

* After giving retroactive effect to the adoption of Staff Position No. APB 14-1, as further described in note 7.

The accompanying notes are an integral part of the consolidated financial statement

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GLOBAL ENERGY INC.
(A development stage company)
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

NOTE 1 - BASIS OF PRESENTATION:

The accompanying unaudited condensed consolidated financial statements have been prepared on the same basis, as the annual consolidated financial statements and, in the opinion of management, reflect all adjustments, which include only normal recurring adjustments, necessary to present fairly the financial position and results of operations of Global Energy Inc. ("the Company"). These consolidated financial statements and notes thereto are unaudited and should be read in conjunction with the Company's audited financial statements included in its Annual Report on Form 10-K for the year ended December 31, 2010, as filed with the Securities and Exchange Commission. The results of operations for the three months ended March 31, 2011 are not necessarily indicative of results that could be expected for the entire fiscal year.

NOTE 2 - GENERAL

- a. The Company was incorporated under the laws of the State of Nevada on February 16, 1999.

The Company has been considered a development stage enterprise since July 7, 2005, as defined by the ASC Topic 915. The accompanying financial statements have disclosed cumulative amounts in the statements of operations and cash flows since the July 7, 2005 inception of becoming a development stage company until March 31, 2011.

- b. During May 2007, the Company established two subsidiaries in Israel: Global Fuel Israel Ltd. ("Fuel"), a fully owned subsidiary, and Global N.R.G. Pacific Ltd. ("Pacific"), of which the Company owns a 50.1% interest. In October, 2007, Pacific established a subsidiary in Ethiopia named Global Energy Ethiopia PLC ("Global Ethiopia"). Pacific and its consolidated company act as the agricultural arm of the Company's activities in the Bio-Diesel field.

On October 8, 2008 the Company entered into an agreement with a related party, Yanai Man Projects Ltd. ("YMP"), with respect to the shares held by YMP in Pacific. The sole shareholder of YMP is also the CEO of Pacific. Pursuant to the agreement, the parties agreed that the Company would have the right at any time to purchase from YMP 44.9% of the share capital, for consideration of \$150 thousand. The Company exercised this right of purchase on October 8, 2008 and therefore as of March 31, 2009 the Company held 95% of Pacific's share capital. On March 3, 2009 this agreement with YMP was amended and it was agreed that the 95% of the shares of Pacific will remain the Company's but the sum of \$150 thousand will not be paid. According to this amendment the \$150 thousand was not presented in these financial statements as a liability.

On March 18, 2009, Global Ethiopia was sold in consideration of \$700 thousand. Immediately after the sale, Pacific's CEO resigned and YMP agreed to sell the remaining 5% of the share capital of Pacific to the Company in consideration for NIS 50 (\$12).

GLOBAL ENERGY INC.
(A development stage company)
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

NOTE 2 – GENERAL (Continued)

On May 2, 2007, the Company entered into an agreement with AlphaKat GmbH (“AlphaKat”) in order to cooperate in commercialization of AlphaKat's technology of producing mineral diesel oil from municipal waste using machines that converts hydrocarbon waste into diesel oil invented for that purpose by AlphaKat ("KDV machines"). As of March 31, 2011 the Company paid AlphaKat an amount of \$931 thousand on account of a KDV500 plant that has yet to be ordered. This amount is presented in the financial statements as an advance on account of acquisition of machinery as part of property plant and equipment. The total amount that the Company will have to pay for the KDV500 plant will be at least Euro 2.5 million (approximately \$3.4 million). The final amount depends on the final configuration of the KDV500 and additional features that will be ordered.

On July 10, 2007, the Company entered into an agreement with AlphaKat to incorporate and operate a company, named AlphaKat - Global Energy GmbH (“AGEI”). Each party holds 50% of the share of AGEI. AGEI is to provide worldwide marketing and sales services of KDV machines in consideration of 10% sale commission.

The Company is responsible to finance AGEI if such financing is required; AlphaKat has the right to object to any sale of KDV machines.

The Company has consolidated AGEI.

On February 6, 2008, AlphaKat and its President, Dr. Koch and AGEI, entered into agreements, which were amended on July 8, 2008, with Covanta Energy Corporation, a wholly owned subsidiary of Covanta Holding Corporation (“Covanta”), owner and operator of waste-to-energy and power generation projects. Under the terms of these agreements, Covanta has the exclusive right to purchase, use and make improvements to the KDV technology in the United States for household waste feedstock, and non-exclusive rights to use the KDV process in China, UK and the Republic of Ireland.

If Covanta's tests on its first unit are positive and it wishes to proceed further with its deployment of the KDV process it must begin by ordering five additional KDV500 units within twelve months of the commissioning date of the first KDV500 unit. Over a ten-year period, which begins on the commissioning date of its first unit, Covanta must order a total of 600 KDV 500 units or the equivalent in terms of production capacity.

Covanta also granted the Company the right to fund and own up to 35% of each of Covanta's KDV based projects. In addition, Covanta has agreed to pay the Company an amount equal to 10% of the gross revenue of each of Covanta's KDV-based projects, regardless of whether the Company invests in these projects or not.

On July 8, 2008, Covanta purchased a KDV500 unit through AGEI. Until September 30, 2010 Covanta had paid \$3,725 thousand on account of the purchased KDV 500 unit, according to the payment schedule. This amount was advanced by AGEI to AlphaKat and is presented in these financial statements as a liability to Covanta ("Advance from third party") and as an asset ("Advance to related party").

GLOBAL ENERGY INC.
(A development stage company)
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

NOTE 2 – GENERAL (Continued)

American Renewable Diesel ("American") is a special purpose company owned and managed by Trianon Partners. On February 6, 2008, AGEI and American executed an agreement granting to American the right to sell and use the KDV technology for all types of feedstocks, except for household waste in five states in the U.S.: Texas, California, New York, New Jersey and Florida. Similar to the business arrangement with Covanta, the Company has the right to fund and own up to 51% of each of American's KDV-based projects.

As of March 31, 2011, no such KDV-based projects were initiated

On November 11, 2008, the Company entered into a joint venture agreement with S.C. Supercom S.A. ("Supercom"), a Romanian company engaged in the business of collecting (and landfilling) municipal solid waste in and around the City of Bucharest, and S.C. Target Group S.R.L. ("Target" a Romanian company. The Company and Supercom agreed to incorporate a legal entity in Romania under the name Super Energy S.A. ("Super Energy"), to engage in converting municipal solid waste into synthetic diesel fuel in Romania using the KDV technology.

The initial share capital of Super Energy S.A. is to be 51% held by us and 49% held by Supercom, with each contributing 5% of their shares to Target Group upon incorporation of Super Energy S.A. so that the share capital of Super Energy S.A. would be held in the following manner: our company 46%, Supercom - 44%, and Target Group 10%. Initially, the board of directors of Super Energy S.A. will be comprised of four board members, with each of Supercom and the Company entitled to appoint two.

All projects undertaken under this agreement are to be financed by Supercom providing 100% of the required equity via a special purpose vehicle, and Super Energy S.A. reimbursing Supercom for investments made on its behalf.

As of March 31, 2011 and as of the date of the approval of these financial statements, no such KDV based projects were initiated.

On March 9, 2008, the Company entered into a Memorandum of Understanding ("MOU") with Shaanxi ShenMu SanJian Coal Chemical Co. Ltd. ("Shaanxi"), a company located in the People's Republic of China, to initiate the KDV project in that region. Completion of the transaction based on this MOU is subject to due diligence, further negotiation and testing.

GLOBAL ENERGY INC.

(A development stage company)

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

NOTE 3 - INTERIM FINANCIAL STATEMENTS

The accompanying unaudited interim consolidated financial statements as of March 31, 2011 and for the three months then ended, have been prepared in accordance with accounting principles generally accepted in the United States relating to the preparation of financial statements for interim periods. Accordingly, they do not include all the information and footnotes required for annual financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three months ended March 31, 2011 are not necessarily indicative of the results that may be expected for the year ending December 31, 2011.

The December 31, 2010 Condensed Balance Sheet data was derived from audited financial statements, but do not include all disclosures required by accounting principles generally accepted in the United States of America. These financial statements should be read in conjunction with the financial statements and notes thereto contained in the Company's Annual Report on Form 10-K for the year ended December 31, 2010.

NOTE 4 - GOING CONCERN

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As of March 31, 2011, the Company had approximately \$702 thousand in cash and cash equivalents, approximately \$5,001 thousand in negative working capital, a stockholders' deficit of approximately \$4,126 thousand and an accumulated deficit during development stage of approximately \$10,815 thousand. Management anticipates that the Company will continue to generate significant losses from operations for the foreseeable future, and that their business will require substantial additional investment that has not yet been secured. Management is continuing in the process of fundraising in the private equity markets as the Company will need to finance future activities and general and administrative expenses. These conditions raise substantial doubt about the Company's ability to continue as a going concern.

These financial statements do not include any adjustments that may be necessary should the Company be unable to continue as a going concern. The Company's continuation as a going concern is dependent on its ability to obtain additional financing as may be required and ultimately to attain profitability.

GLOBAL ENERGY INC.
(A development stage company)
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

NOTE 5 – FAIR VALUE OF FINANCIAL INSTRUMENTS

FASB ASC 820 defines fair value, establishes a framework for measuring fair value under generally accepted accounting principles and enhances disclosures about fair value measurements. Fair value is defined under FASB ASC 820 as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value under FASB ASC 820-10-55 must maximize the use of observable inputs and minimize the use of unobservable inputs. In accordance with ASC 820, the carrying value of cash, cash equivalents and account payable approximates fair value due to the short-term maturity of these instruments. The standard also describes a fair value hierarchy based on three levels of inputs, of which the first two are considered observable and the last unobservable, that may be used to measure fair value which are the following:

Level 1-Inputs are unadjusted quoted prices in active markets for identical assets or liabilities available at the measurement date.

Level 2-Inputs are unadjusted quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, inputs other than quoted prices that are observable, and inputs derived from or corroborated by observable market data.

Level 3-Inputs are unobservable inputs which reflect the reporting entity's own assumptions on what assumptions the market participants would use in pricing the asset or liability based on the best available information.

The following table represents the fair value hierarchy for those financial assets and liabilities measured at fair value on a recurring basis as of March 31, 2011 and December 31, 2010 (in thousands):

	December 31, 2010			
	Level 1	Level 2	Level 3	Total
Convertible debentures	-	-	4,875	4,875
Accrued expenses	-	-	764	764
Short term loans	-	-	18	18
Total liabilities	-	-	<u>5,657</u>	<u>5,657</u>
	March 31, 2011			
	Level 1	Level 2	Level 3	Total
Convertible debentures	-	-	4,863	4,863
Accrued expenses	-	-	854	854
Short term loans	-	-	18	18
Total liabilities	-	-	<u>5,735</u>	<u>5,735</u>

NOTE 6 - NEWLY ISSUED ACCOUNTING PRONOUNCEMENTS:

No new accounting standards have been adopted since the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2010 was filed.

GLOBAL ENERGY INC.
(A development stage company)
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

NOTE 7 – COMMON SHARES AND STOCK OPTIONS:

In 2007, the Company established the 2007 share option plan, which provides for the issuance of up to 8,500,000 of the Company's common shares.

In March 2009, the Company increased the total number of shares reserved for issuance under the share option plan to 12,150,000 shares.

In April 2010, effective January 31, 2010, the Company increased the total number of shares reserved for issuance under the share option plan to 27,000,000 shares.

Options to Directors and Employees:

As of March 31, 2011, there were \$86 thousand of total unrecognized compensation expenses related to unvested share based compensation arrangement granted under the plan.

Common shares:

On September 10, 2009, the Company entered into a Securities Purchase Agreement (the "Agreement") with Yuval Ganot, an accredited investor and Noam Elimelech Ltd. (the "Investor"). Subject to the terms of the Agreement, on the closing date (the "Closing Date") and on the 15th day of each calendar month subsequent to the Closing Date, for a period of sixteen months (each such day, a "Subsequent Closing"), the Investor shall purchase a total aggregate amount of up to 150,000,000 but not less than 100,000,000 of the Registrant's shares of Common Stock (the "Shares") in exchange for an aggregate purchase price of up to \$1,500,000. The effective purchase price is \$0.01 per share. The proceeds from the Agreement shall be used for general working capital. Pursuant to the terms of the Agreement, the Investor may, at his sole and absolute discretion, elect not to purchase all or a part of the portion of the shares scheduled to be purchased on the final Subsequent Closing (50,000,000 Shares). The agreement with the Investor was amended on March 15, 2010,. 150,000,000 shares have been placed in escrow pending receipt of the investment. During the years ended December 31, 2010 and 2009 the investor invested \$659,815 and \$152,637, respectively which entitled the investor to 65,981,532 and 15,263,700 shares, respectively, from the shares held in escrow.

During the three month ended March 31, 2011 the investor invested an additional \$187,548 which entitled the investor with additional 18,754,768 shares and which completed the minimal 100,000,000 shares the investor was obligated to purchase.

In addition, On March 30, 2011, Noam Elimelech Ltd. completed the final Subsequent Closing under the December 23, 2009 Amendment to its Securities Purchase Agreement with the Company by purchasing an additional 50,000,000 Shares for total consideration of \$500,000.

On January 10, 2011, \$100,000 of the principal amount of debentures were converted into 10,000,000 shares of our common stock of the Company (at a conversion price of \$0.01 per share).

GLOBAL ENERGY INC.
(A development stage company)
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

NOTE 8 - CONVERTIBLE DEBENTURES AND WARRANTS

In July 2007, the Company entered into an agreement to issue in four different installments, as set in the agreement, \$4 million aggregate principal amount of convertible debentures ("Debentures") in a private placement. The last installment was received after a registration statement for the underlying shares was declared effective by the Securities and Exchange Commission ("SEC"). The Debentures bear interest at 10% per annum, the payments of the principals and interest were due to commence on July 31, 2008 and continue on each successive month thereafter until October 2010. The Debentures are convertible, at the option of the investor at any time, into shares of the Company's common Shares at a conversion price which is defined as the lower of an applicable conversion price of \$2.2 per share or 95% of the lowest volume weighted average price during the 15 prior trading days. The Company has the right to redeem a portion or all amounts outstanding prior to maturity date, provided that (1) the closing bid price is less than the conversion price,(2) the underlying shares registration statement is effective and (3) no event of default has occurred.

If any event of default occurred, the full unpaid principal amount of these Debentures, together with interest shall become at the investor's election, immediately due and payable in cash. In conjunction with this financing, the Company issued to the private investor 300,000 warrants to purchase 300,000 common shares of the Company, exercisable for five years at an exercise price of \$2.35 and 300,000 warrants to purchase 300,000 common shares of the Company, exercisable for five years at an exercise price of \$2.50. The conversion of the Debentures and the exercise of the warrants are subject to further adjustments and conditions as further set out in the Debentures Agreement.

On March 20, 2008, the Company signed an amendment to the Debentures Agreement. The Company agreed to amend certain sections of the agreement dated July 2007 as follows:

- The private investor agreed to purchase the fourth installment of \$1 million in two equal installments, the first installment was on the date of the amendment and the last \$0.5 million was due after a registration statement for the underlying shares is declared effective by the SEC. On May 13, 2008, the registration statement was declared effective and the investor purchased the last installment;
- The applicable conversion price was reduced from \$2.20 to \$1.25 for all debentures outstanding;
- The exercise prices of the warrants were reduced from \$2.50 and \$2.35 to \$1.25.

On July 15, 2008, while the Company was seeking to raise additional financing by selling units of common stocks and warrants ("offering"), the Company entered into amended agreement with the Investor. The agreement amends the agreement dated July 6, 2007 between the Company and the Investor. The amendment allows the Company to immediately defer certain principal and interest payments due under the Debentures Agreement in consideration of:

- The Company issued the Investor 200,000 restricted shares of its common stock (the restriction is on their trade-ability for the first 180 days after registration);
- The applicable conversion price was reduced from \$1.25 to the price of shares that were to be issued in the offering, for all Debentures outstanding (since the offering ultimately did not take place, the applicable conversion price was not reduced);

GLOBAL ENERGY INC.
(A development stage company)
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

NOTE 8 - CONVERTIBLE DEBENTURES AND WARRANTS (continued):

- The exercise price of the warrants was reduced from \$1.25 to the same exercise price of warrants that were to be issued in the offering. The amount of warrants was also adjusted (increased) according to the proportion between the exercise price before the offering and the exercise price afterwards (since the offering ultimately did not take place, the exercise price and number of warrants was not changed).

On September 22, 2008, while the Company was seeking to raise additional financing by selling units of common stocks and warrants ("offering"), the Company entered into a third amendment with the Investor in order to defer certain principal and interest payments. The amendment became effective September 30, 2008. The Amendment allows the Company the following:

- The applicable conversion price was further reduced to the price of shares that were to be issued in the offering, for all Debentures outstanding (since the shares were eventually sold in the offering at the price of \$0.1 per share, the new applicable conversion price is \$0.1);
- The exercise price of the warrants was further reduced to the same exercise price of warrants that were to be issued in the offering. The amount of warrants were also adjusted (increased) according to the proportion between the exercise price before the offering and the exercise price after (since the shares were eventually sold in the offering at the price of \$0.1 per share, the new exercise price is \$0.1 and the warrants increased from 600,000 to 7,500,000);
- The Company issued the Investor 1,000,000 restricted shares of its common stock (the restriction is on their tradeability for the first 180 days after registration);
- The interest rate on the Debentures was increased from 10% to 12% as of that date;
- The Company paid an amount of \$180 thousand as interest directly from the proceeds of the offering (see Note 12a) to the debenture investors;
- The repayment schedule of the Debentures was revised and commenced in November 2008.

In addition, it was also agreed in the third amendment that the Company has to comply with an approve budget. Any violation of this covenant shall be deemed an event of default, and the full unpaid principal amount of this Debenture, together with interest shall become at the Investor's election, immediately due and payable in cash.

In 2008 the Company analyzed the difference between the value of the Debentures using the original terms compared to the value of the Debentures using the new terms under EITF Issue No. 96-19, "Debtor's Accounting for a Modification or Exchange of Debt Instruments", and found this difference is greater than 10%, therefore it was determined to account this transaction as debt extinguishment. Accordingly the Company recorded a gain from extinguishment of \$867 thousand.

If any event of default occurred, the full unpaid principal amount of these Debentures, together with interest shall become at the Investor's election, immediately due and payable in cash. The conversion option included within each of the Company's Debentures does not meet all the conditions related to equity classification and therefore should be bifurcated from the debt host contract. In addition the put option and call option are considered as embedded derivatives that require bifurcation, therefore these instruments are evaluated each reporting period and the difference in fair value is recorded as financial income or expense.

GLOBAL ENERGY INC.
(A development stage company)
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

NOTE 8 - CONVERTIBLE DEBENTURES AND WARRANTS (continued):

On December 5, 2008, \$25 thousand of the principal amount of Debentures were converted into 314,070 shares of the Company (at a conversion price of \$0.0796 per share).

On January 5, 2009, \$35 thousand of the Principal amount of Debenture were converted into 1,228,070 shares of the Company (a conversion price of \$0.0285 per share).

On March 5, 2009, \$10 thousand of the Principal amount of Debenture were converted into 1,052,632 shares of the Company (a conversion price of \$0.0095 per share).

On July 6, 2009, \$10 thousand of the Principal amount of Debenture were converted into 884,956 shares of the Company (a conversion price of \$0.0113 per share).

The notes are secured by a pledge on all of the Company's assets.

On September 6, 2009, an additional \$10,000 of the principal amount of these debentures was converted into 675,676 shares of the Common stock of our company (a conversion price of \$0.0148 per share).

On August 7, 2009 the Company and YA Global Investment L.P. (YA) entered into an agreement whereby subject to our satisfaction of certain condition, YA has consented to our completion of a capital raise of at least \$650,000 on or before September 3, 2009. In connection with this consent, the following agreements will become effective upon completion of the capital raise:

- a. All outstanding debentures with YA will be consolidated into a single debenture.
- b. The Company will make initial payment of \$50,000 to YA, of which \$20,000 has already been paid.
- c. Interest and principal payments to YA under the current Debentures will be deferred for one year.
- d. The Company will have the option to redeem up to \$3 million of the debenture at 115% of the amount being redeemed with 5 days prior notice.
- e. After the first year, the monthly payment will be \$225,000.
- f. Conversion price of the debentures and the exercise price of the warrants will be reduced to be equal to the price of stock issued in the capital raise.
- g. There will be a partial lockup for one year limiting the number of shares of the Company's common stock that YA can sell at prices less than 5 cents in any particular month.

The notes are secured by a pledge on all of the Company's assets.

GLOBAL ENERGY INC.
(A development stage company)
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

NOTE 8 - CONVERTIBLE DEBENTURES AND WARRANTS (continued):

Effective January 1, 2009, the Company adopted FASB Staff Position No. APB 14-1, "Accounting for Convertible Debt Instruments That May Be Settled in Cash upon Conversion (Including Partial Cash Settlement)" codified in FASB ASC 470-20. The standard requires issuers to account separately for the liability and equity components of convertible debt instruments that may be settled in cash (including partial cash settlement), in a manner that reflects the issuer's nonconvertible debt (unsecured debt) borrowing rate when interest cost is recognized. The standard requires bifurcation of a component of the debt, classification of that component in equity and accretion of the resulting discount on the debt to be recognized as part of interest expense in the consolidated statement of operations. The standard requires retroactive application to the terms of instruments as they existed for all periods presented. The retroactive application of this standard to the Company's convertible debentures and warrants resulted in an increase in the opening balance in 2009 of accumulated deficit during the development stage of \$252 thousand and resulted in an increase of \$252 thousand in the financial expenses for the year ended December 31, 2008.

On March 8, 2010, we entered into a letter agreement (the "Amendment") with YA Global with respect to outstanding secured convertible debentures, which are in the aggregate amount of \$4,675,116, and warrants to purchase 7,500,000 shares of our company's common stock ("Warrants"), updating and superseding the previously existing agreement between us and YA Global (the "Original Agreement").

The Original Agreement allowed us to defer certain principal and interest payments due under the debenture on condition that we raise at least \$650,000 in private offerings and other conditions are satisfied.

We entered into an investment transaction ("Transaction") with Mr. Yuval Ganot and Noam Elimelech Ltd., an Israeli private company fully owned by Mr. Ganot, for an aggregate offering amount of up to \$1,500,000 over the course of sixteen months. YA Global has agreed to consent to the Transaction on the terms and conditions set forth in the Amendment.

In connection with YA Global's consent to the Transaction, the Amendment has been further amended to provided, among others, for the following:

Covenants by Global Energy:

- Global Energy provided a cash flow projection budget in a form acceptable to YA Global, demonstrating that the Global Energy will have sufficient cash flows to fund its operations for a period of at least 12 months.
- Global Energy made a cash payment under the existing debentures of \$30,000.

Issuance of Amended Debenture and Warrant Amendments:

- Debentures. Global Energy issued to YA Global two Secured Convertible Debentures (the "Amended and Restated Debentures") in exchange for the existing debentures. The total principal amount of the Amended and Restated Debentures together is equal to the total amounts outstanding under the existing debentures.

GLOBAL ENERGY INC.
(A development stage company)
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

NOTE 8 - CONVERTIBLE DEBENTURES AND WARRANTS (continued):

- Debenture II is in a principal amount of \$1.5 million, bears interest at 8% per annum (6% if the "first financing milestone" is reached, and 4% if the "second financing milestone" is reached) and has a maturity date of 36 months from issuance. No payments are due until maturity. This debenture is convertible into common stock at \$.01 per share, and 190,000,000 shares have initially been reserved for this debenture. Global Energy cannot redeem this debenture prior to maturity without YA Global's consent.
- Debenture I is in a principal amount of \$3.17 million, bears interest at 8% per annum and has a maturity date of 36 months from issuance, with an extension to 48 months if a "second financing milestone" is reached. No payments are due for first 18 months (24 months if the "first financing milestone" is reached, and 36 months if the "second financing milestone" is reached), with \$150,000 per month thereafter. Payments can be made in cash or stock at a 5% discount to market price, provided shares can be resold. This debenture is convertible into common stock at \$.05 per share, and 80,000,000 shares have initially been reserved for this debenture. Global Energy can redeem this debenture at anytime with a 15% redemption premium.
- Debenture II is in a principal amount of \$1.5 million, bears interest at 8% per annum (6% if the "first financing milestone" is reached, and 4% if the "second financing milestone" is reached) and has a maturity date of 36 months from issuance. No payments are due until maturity. This debenture is convertible into common stock at \$.01 per share, and 190,000,000 shares have initially been reserved for this debenture. Global Energy cannot redeem this debenture prior to maturity without YA Global's consent.
- Warrants. The exercise price of the Warrants was reduced to \$0.01 per share and the number of shares underlying the Warrants remains unchanged.
- YA Global's Lock up. Beginning on date of Agreement and ending on the earlier of (i) February 1, 2012 or (ii) upon an event of default, on any particular Trading Day, except for any sales by the YA Global at a price of seven and one half cents (\$0.075) or more, YA Global may not sell such number of shares of Common Stock that would exceed 20% of the volume traded during such Trading Day, unless waived by Global Energy.
- "First Financing Milestone" means the raising of at least \$1.5 million in gross proceeds from (i) the Transaction or (ii) any financing transaction resulting in cash proceeds to Global Energy (provided that (a) such transaction does not violate any provisions of the YA Global financing documents or (b) YA Global consents to such transaction) (an " Approved Transaction "), and " Second Financing Milestone " means the raising of at least \$2 million in gross proceeds from (i) the Transaction or (ii) any other Approved Offering on or before March 1, 2012.

During the nine month ended September 30, 2010 the Company paid \$30,000 on account of the August 7, 2009 agreement as detailed above.

On January 7, 2010, \$10 thousand of the Principal amount of Debenture were converted into 1,000,000 shares of the Company (a conversion price of \$0.01 per share).

On April 4, 2010, \$4 thousand of the Principal amount of Debenture were converted into 400,000 shares of the Company (a conversion price of \$0.01 per share).

GLOBAL ENERGY INC.
(A development stage company)
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

NOTE 8 - CONVERTIBLE DEBENTURES AND WARRANTS (continued):

On May 4, 2010, \$65 thousand of the Principal amount of Debenture were converted into 6,531,400 shares of the Company (a conversion price of \$0.01 per share).

On December 30, 2010, YA Global transferred to U-Trend Ltd., an Israeli company, a majority of the Debentures and Warrants as follows: (i) debentures in the amount (principal and interest) of US \$3,200,000, and retained debentures in the amount (principal and interest) of US \$1,624,395, and (ii) warrants to purchase an aggregate of 4,974,718 shares of the Company, and retained warrants to purchase an aggregate of 2,525,282 shares of the Company.

On January 10, 2011 U-Trend converted \$100 thousand of the Principal amount of Debenture into 10,000,000 shares of the Company (a conversion price of \$0.01 per share).

As of March 31, 2011, we were not in material breach of any of our obligations under this amending and restating agreement

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

This quarterly report contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 that involve risks and uncertainties, many of which are beyond our control. Our actual results could differ materially and adversely from those anticipated in such forward-looking statements as a result of certain factors, including those set forth below, elsewhere in this report, and in "Risk Factors" in Item 1A of our Annual Report on Form 10-K filed with the Securities and Exchange Commission (the "Commission") on March 31, 2011.

Important factors that may cause actual results to differ from projections include our lack of operating history;

- our dependence on additional financing;
- our inability to establish production facilities for our KDV products and to generate revenues from sales of our bio-fuel and diesel;
- our inability to commercialize and develop the technology we have licensed;
- the possibility that our technology does not work as well as expected
- governmental regulation and oversight, including whether or not we are able to obtain the governmental approvals necessary to allow our bio-fuel to be marketed as "bio-diesel," a fuel additive, or, alternatively, to be marketed as a new class of bio-fuel or diesel;
- market acceptance of our bio-fuel or diesel;
- an increase in competition in the bio-fuel and alternative fuel market;
- unexpected costs and operating deficits, and lower than expected revenues;
- adverse results of any legal proceedings;
- changes in economic conditions, adverse exchange rates and financial markets;
- unanticipated problems and delays in engineering and construction;
- potential environmental liabilities, weather, mechanical failures, safety concerns, labor problems and financing problems;
- the risk that we will not be able to execute our business plan, such as entering into agreements with strategic partners, leasing land, obtaining loans, etc.;
- our inability to retain key employees;
- changes in energy prices and the high cost of alternative fuels; and
- other specific risks referenced in this quarterly report.

All statements, other than statements of historical facts, included in this quarterly report or otherwise provided by us regarding our strategy, future operations, financial position, estimated revenue or losses, projected costs, prospects and plans and objectives of management are forward-looking statements. When used in this report, the words "will," "may," "believe," "anticipate," "intend," "estimate," "expect," "project," "plan" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words. All forward-looking statements speak only as of their respective dates. We do not undertake any obligation to update any forward-looking statements or other information contained in this report. You should not place undue reliance on these forward-looking statements. Although we believe that our plans, intentions and expectations reflected in or suggested by the forward-looking statements in this report are reasonable, these plans, intentions or expectations may not be achieved.

In this report, unless otherwise specified, all dollar amounts are expressed in United States dollars. All references to "common shares" refer to the common shares in our capital stock.

As used in this quarterly report, the terms "we", "us", "our", "the company" and "Global" mean Global Energy Inc., and our subsidiaries, unless otherwise indicated.

Overview

Global Energy Inc. is a development stage company that intends to build and co-own, with strategic partners, industrial scale facilities that will utilize a proprietary technology (called KDV or KDV process) to produce synthetic diesel fuel from different types of hydrocarbon-based waste. With each project, our strategy is to form partnerships under long term contracts with local companies that have the ability to supply large, consistent quantities of appropriate waste feedstock and have the necessary operational and technical expertise to operate such diesel producing facilities.

Since June 2007, we have observed efforts in the United States and the European Community to develop facilities for the production of renewable, alternative fuels - primarily biofuels based on corn and other feedstocks. Interest world-wide has recently focused on second and third generation of cellulosic ethanol, which is biofuel produced from wood, grasses, and the non-edible parts of plants, as well as different technologies utilizing gasification of biomass to liquid. Today, the production of both ethanol and biodiesel has been constrained by price increases for their respective primary feedstocks, corn and rapeseed (Canola). Recent interest in the U.S. market has focused on Renewable Drop-In

Fuel ("RDIF"), an area well-suited to KDV technology.

Against this background, the emerging alternative fuels industry has placed a high priority on developing and deploying new technologies capable of utilizing abundant waste streams instead of corn and other feedstocks for the production of alternative fuels. While we have noted that much attention has been focused on high profile waste streams such as municipal solid waste (“MSW”) and biomass waste derived from agriculture and forestry, we believe that there are many other high volume industrial waste streams available to be converted into alternative fuels. We have also determined that unlike traditional biofuels based on corn and other food-based feedstocks, which must be purchased in order to be converted into ethanol or biofuel, the utilization of waste streams as feedstocks to produce alternative fuels also offers the potential of earning additional revenues from garbage tipping fees and through the recycling of waste.

With the above factors in mind, we developed our business plan to take advantage of these potential dual revenue streams through the utilization patented KDV technology. The KDV process has been developed during the past thirty years by a German scientist, Dr. Christian Koch. The KDV process, which Dr. Koch describes as a catalytic depolymerization, utilizes hydrocarbon-based feedstocks such as biomass, wood and paper as well as plastic, rubber and waste oils, to produce high quality synthetic diesel fuel, similar to diesel fuel publicly available at refueling stations today.

Our offices are located at 16 Menachem Begin Street, Gama Building, 5th floor, Ramat Gan, 52681, Israel. We maintain a website located at www.global-nrg.biz. The contents of our website are not part of this report.

Recent Developments

Final Closing under Investment Agreement with Noam Elimelech Ltd.

On March 30, 2011, Noam Elimelech Ltd., an Israeli private company owned by Mr. Yuval Ganot, completed the final closing under a Securities Purchase Agreement with the Registrant, dated September 10, 2009 and amended on December 23, 2009, by purchasing an additional 50,000,000 shares of common stock of the Registrant for a total consideration of \$500,000. Following such purchase Noam Elimelech Ltd. held an aggregate amount of 150,000,000 shares of the Company.

Critical Accounting Policies

A. Going concern considerations

As of March 31, 2011, we had negative working capital of \$5,001,000 and an accumulated capital shareholders’ deficiency of approximately \$4,126,000. Our ability to continue to operate as a going concern is dependent on our ability to generate sufficient cash flows to meet our obligations on a timely basis, to obtain additional financing and to ultimately attain profitability. We have no revenues and have incurred losses and an accumulated deficit resulting from our activity as a development stage company and have a negative cash flow from operating activities. In the event we are unable to successfully raise capital and generate revenues, it is unlikely that we will have sufficient cash flows and liquidity to finance our business operations as currently contemplated.

There can be no assurance that additional funds will be available on terms acceptable to us, or at all. These conditions raise substantial doubt about our ability to continue to operate as a going concern. The financial statements contained in this report do not include any adjustments to reflect the possible future effect on the recoverability and classification of assets or the amounts and classification of liabilities that may result from the outcome of this uncertainty.

B. Accounting for convertible debt instruments that may be settled in cash upon conversion

Effective January 1, 2009, the Company adopted FASB Staff Position No. APB 14-1, “Accounting for Convertible Debt Instruments That May Be Settled in Cash upon Conversion (Including Partial Cash Settlement)”. The FSP was issued in May 2008, and requires issuers to account separately for the liability and equity components of convertible debt instruments that may be settled in cash (including partial cash settlement), in a manner that reflects the issuer’s nonconvertible debt (unsecured debt) borrowing rate when interest cost is recognized. The FSP requires bifurcation of a component of the debt, classification of that component in equity and accretion of the resulting discount on the debt to be recognized as part of interest expense in the consolidated statement of operations. The FSP requires retroactive application to the terms of instruments as they existed for all periods presented.

Results of Operations – For the Three Month Period Ended March 31, 2011

We initiated our activities during the last six months of 2007, focusing our effort on building an infrastructure that would support our future activities in the alternative energy field. We did not generate any revenues in the three month period ended March 31, 2011 and incurred a loss of \$328,000 during that period.

Liquidity and Capital Resources

As of March 31, 2011, our cash and cash equivalents were \$702,000 compared to \$128,000 as of December 31, 2010, and we had a negative working capital of \$5,001,000. We are expecting to continue to expend cash in our activities through payments of salaries, our business development activities, payments for services and other costs. We also plan to continue to finance our operations through a combination of private placements, stock issuances, debt issuances, mutual development agreements with possible milestone license payments and research and development programs. We cannot assure, however, that we will be successful in obtaining the adequate level of financing required for the long-term development and commercialization of our planned products.

Off-Balance Sheet Arrangements

We do not currently have off-balance sheet arrangements.

Plan of Operation

For the 12 months ending March 31, 2012, we estimate expending a total of approximately \$600,000 for our proposed business activities. This amount includes the funds required to finance our marketing activities, pay salaries of the employees, office and maintenance costs, among others, in order to execute our plan of operations. The following table provides our current estimate of the breakdown of costs for the upcoming year of operations.

<i>Estimated Funding Required During the Next 12 Months</i>	
G&A Salaries	\$ 240,000
Other Operations	\$ 360,000
Total	\$ 600,000

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Not applicable.

Item 4. Controls and Procedures

Our management, including our chief executive officer and chief financial officer, has evaluated the effectiveness of our disclosure controls and procedures as of March 31, 2011. Based on such review, our chief executive officer and chief financial officer have determined that, in light of their conclusion that our internal control over our financial reporting was not effective as of December 31, 2010 (and in light of management's conclusion that there was no change in our internal control over financial reporting that occurred during the first nine months of this year that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting), as of March 31, 2011, we did not have in place effective controls and procedures designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Securities Exchange Act of 1934, as amended, is accumulated and communicated to our management, including our principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure, and is recorded, processed, summarized and reported, within the time periods specified in the Commission's rules and forms.

No change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) occurred during the fiscal quarter ended March 31, 2011 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Part II — OTHER INFORMATION

Item 1. Legal Proceedings

In August 2010, a former employee of the Company filed a lawsuit against the Company claiming that salary, expenses, and debts aggregating \$55,000 are owed to him. While it is not feasible to predict or determine the outcome of this claim, such amount was accrued in the financial statements.

Item 1A. Risk Factors

Not applicable.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

During the first quarter, Noam Elimelech Ltd., an Israeli private company wholly owned by Mr. Yuval Ganot, invested an additional \$187,548 to purchase 18,754,768 shares of common stock, which completed the minimal 100,000,000 shares Noam Elimelech Ltd. was obligated to purchase in connection with a Securities Purchase Agreement, dated September 10, 2009 and amended on December 23, 2009, with Noam Elimelech Ltd. In addition, we issued an additional 50,000,000 shares of common stock to Noam Elimelech Ltd. for a total additional consideration of \$500,000.

These shares were issued pursuant to the exemption from registration under the United States Securities Act of 1933, as amended, provided for by Section 4(2) and/or by Rule 506 of Regulation D promulgated under the Securities Act of 1933.

In addition, on January 10, 2011 U-Trend, Ltd. converted \$100,000 of the principal amount of debenture into 10,000,000 shares of common stock (at a conversion price of \$0.01 per share).

Item 3. Defaults Upon Senior Securities

None.

Item 4. [Removed and Reserved]

Item 5. Other Information

None.

Item 6. Exhibits

The exhibits listed in the Exhibit Index immediately preceding the exhibits are filed as part of this Quarterly Report on Form 10-Q.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

**GLOBAL ENERGY INC.
(Registrant)**

By: /s/ Asi Shalgi

Asi Shalgi
President and Chief
Executive Officer

By: /s/ Shlomo Zakai

Shlomo Zakai
Treasurer and Chief
Financial Officer

Date: May 15, 2011

EXHIBIT INDEX

Exhibit Number	Exhibit
(3)	Articles of Incorporation and Bylaws
3.1	Articles of Incorporation, as amended (incorporated by reference to Exhibit 3 to the Registrant's quarterly report on Form 10-QSB/A Amendment No. 1 for the quarter ended March 31, 2003, filed with the Commission on April 14, 2004, file number 000-28025).
3.2	Bylaws (incorporated by reference to Exhibit 3.(II) to the Registrant's Form 10-SB as filed with the Commission on November 10, 1999, file number 000-28025).
3.3	Certificate of Amendment to Articles of Incorporation filed with the Secretary of State of the State of Nevada on March 22, 2007 (incorporated by reference to Exhibit 99.1 to the Registrant's current report on Form 8-K filed with the Commission on March 26, 2007).
(31)	Section 302 Certification
31.1*	Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 by Chief Executive Officer.
31.2*	Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 by Chief Financial Officer.
(32)	Section 906 Certification
32.1*	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, by Chief Executive Officer and Chief Financial Officer.

* Filed herein

EXHIBIT 31.1**CERTIFICATION**

I, Asi Shalgi, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Global Energy, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: May 15, 2011

By: /s/ Asi Shalgi
Asi Shalgi
President & Chief
Executive Officer
(Principal Executive
Officer)

EXHIBIT 31.2**CERTIFICATION**

I, Shlomo Zakai, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Global Energy, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: May 15, 2011

By: /s/ Shlomo Zakai
Shlomo Zakai
Treasurer and Chief
Financial Officer
(Principal Financial
Officer)

EXHIBIT 32.1**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the quarterly report of Global Energy, Inc. (the "Company") on Form 10-Q for the period ended March 31, 2011, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) the Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Dated: May 15, 2011

By: /s/ Asi Shalgi

Asi Shalgi
President & Chief
Executive Officer
(Principal Executive
Officer)

By: /s/ Shlomo Zakai

Shlomo Zakai
Treasurer and Chief
Financial Officer
(Principal Financial
Officer)
