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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

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

For the quarterly period ended June 30, 2012

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

For the Transition period from _____ to _____ .

ENERGY & TECHNOLOGY, CORP.
(Exact name of registrant as specified in Charter)

DELAWARE	333-143215	26-0198662
(State or other jurisdiction of incorporation or organization)	(Commission File No.)	(IRS Employee Identification No.)

Petroleum Towers, Suite 530
3639 Ambassador Caffery Blvd Lafayette, LA 70505
P.O. Box 52523
Lafayette, LA 70505
(Address of Principal Executive Offices)

337- 984-2000
(Issuer Telephone number)

334- 988-1777
Issuer Fax Number

www.engt.com
www.energyntechnology.com

Securities registered under Section 12(b) of the Exchange Act:	None.
Securities registered under Section 12(g) of the Exchange Act	Common Stock, par value $0.001 per share
	(Title of Class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
Yes o No x

Indicate by check mark if the registrant is not required to file reports pursuant to Section 14 or Section 15(d) of the Act.
Yes o No x

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company filer. See definition of "accelerated filer" and "large accelerated filer" in Rule 12b-2 of the Exchange Act (Check one):
Large Accelerated Filer o Accelerated Filer o Non-Accelerated Filer o 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 o No x

According to the Company's only transfer agent of record, Olde Monmouth Stock Transfer Agent's latest records, the number of shares outstanding of each of the Company's classes of common equity, as of September 23, 2011, is 169,052,400 shares of common stock. The company has issued no stock since that date.

ENERGY & TECHNOLOGY, CORP.

FORM 10-Q

June 30, 2012

INDEX

PART I—FINANCIAL INFORMATION

Item 1.	Financial Statements
Item 2.	Management's Discussion and Analysis of Financial Condition
Item 3	Quantitative and Qualitative Disclosures About Market Risk
Item 4T.	Control and Procedures

PART II—OTHER INFORMATION

Item 1	Legal Proceedings
Item 1A	Risk Factors
Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds
Item 3.	Defaults Upon Senior Securities
Item 4.	Submission of Matters to a Vote of Security Holders
Item 5.	Other Information
Item 6.	Exhibits and Reports on Form 8-K

SIGNATURE

INTRODUCTORY NOTE

This Quarterly Report on Form 10-Q contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 about Energy & Technology, Corp. (the “Company”) and our subsidiaries, Technical Industries, Inc. (TII), Energy Pipe, LLC (EP), (a variable interest entity), and Energy Technology Manufacturing & Threading, LLC (ETMT), (a variable interest entity), that are subject to risks and uncertainties. Forward-looking statements include information concerning future financial performance, business strategy, projected plans and objectives. Statements preceded by, followed by or that otherwise include the words “anticipates,” “believes,” “estimates,” “expects,” “intends,” “plans,” “may increase,” “may fluctuate” and similar expressions of future or conditional verbs such as “will,” “should,” “would,” and “could” are generally forward-looking in nature and not historical facts. Actual results may differ materially from those projected, implied, anticipated or expected in the forward-looking statements. Readers of this quarterly report should not rely solely on the forward-looking statements and should consider all uncertainties and risks throughout this report. The statements are representative only as of the date they are made. The Company, TII, and Energy Pipe, LLC (sometimes referred to herein on a consolidated basis as the Company, we, us, or similar phrasing) undertakes no obligation to update any forward-looking statement.

These forward-looking statements, implicitly and explicitly, include the assumptions underlying the statements and other information with respect to the Company's beliefs, plans, objectives, goals, expectations, anticipations, estimates, financial condition, results of operations, future performance and business, including management's expectations and estimates with respect to revenues, expenses, return on equity, return on assets, efficiency ratio, asset quality and other financial data and capital and performance ratios.

Although the Company believes that the expectations reflected in the forward-looking statements are reasonable, these statements involve risks and uncertainties that are subject to change based on various important factors, some of which are beyond the control of the Company. The following factors, among others, could cause the Company's results or financial performance to differ materially from its goals, plans, objectives, intentions, expectations and other forward-looking statements:

- general economic and industry conditions;
- our capital requirements and dependence on the sale of our equity securities;
- the liquidity of the Company’s common stock will be affected by the lack of a trading market;
- industry competition;
- shortages in availability of qualified personnel;
- legal and financial implications of unexpected catastrophic events;
- regulatory or legislative changes effecting the industries we serve; and
- reliance on, and the ability to attract, key personnel.

For a discussion of these and other risks and uncertainties that could cause actual results to differ from those contained in the forward-looking statements, see “Risk Factors” in the Company’s S-1 Report filed with the SEC, which is available on the SEC’s website at www.sec.gov. All forward-looking statements are qualified in their entirety by this cautionary statement, and the Company undertakes no obligation to revise or update this Quarterly Report on Form 10-Q to reflect events or circumstances after the date hereof. New factors emerge from time to time, and it is not possible for us to predict which factors, if any, will arise. In addition, the Company cannot assess the impact of each factor on the Company’s business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

PART I. Financial Information

ITEM 1. Financial Statements

ENERGY & TECHNOLOGY, CORP.
Consolidated Balance Sheets

	June-30 2012 (Unaudited)	December 31, 2011 (Audited)
Assets		
Current Assets		
Cash and Cash Equivalents	$ 2,781,167	$ 943,894
Accounts Receivable		
Trade, Net	546,484	900,825
Other	16,324	15,574
Inventory	2,935,637	2,941,152
Prepaid Expenses	20,999	50,996
Deferred Tax Asset	567,360	813,164
Total Current Assets	6,867,971	5,665,605
Property and Equipment, Net		
Held for Operations, Net	4,526,675	4,941,071
Held for Investment	1,095,583	-
Total Property and Equipment	5,622,258	4,941,071
Other Assets		
Patent, net	436,584	450,977
Deposits	4,988	4,988
Other Assets	12,955	6,898
Total Other Assets	454,527	462,863
Total Assets	$ 12,944,756	$ 11,069,539

See notes to consolidated financial statements

ENERGY & TECHNOLOGY, CORP.
Consolidated Balance Sheets (Continued)

	June-30 2012 (Unaudited)	December 31, 2011 (Audited)
Liabilities and Stockholders' Equity		
Current Liabilities		
Current Maturities of Notes Payable	$ 187,687	$ 226,020
Accounts Payable	2,075,169	370,399
Accrued Payroll and Payroll Liabilities	71,873	61,418
Accrued Rent	1,712,500	1,637,500
Income Taxes Payable	21,973	28,496
Total Current Liabilities	4,069,202	2,323,833
Long-Term Liabilities		
Notes Payable	324,321	417,764
Deferred Taxes Payable	799,431	912,231
Due to Affiliates	2,390,080	2,324,977
Total Long-Term Liabilities	3,513,832	3,654,972
Stockholders' Equity		
Preferred Stock - $.001 Par Value; 10,000,000 Shares Authorized, None Issued	-	-
Common Stock - $.001 Par Value; 250,000,000 Shares Authorized, 169,052,400 Shares Issued and Outstanding at June 30, 2012 and December 31, 2011, with 80,947,600 Shares unissued at June 30, 2012 and December 31, 2011	169,052	169,052
Discount on Common Stock	(115,100)	(115,100)
Paid-In Capital	4,229,195	4,229,195
Retained Earnings	1,078,575	807,587
Total Stockholders' Equity	5,361,722	5,090,734
Total Liabilities and Stockholders' Equity	$ 12,944,756	$ 11,069,539

See notes to consolidated financial statements

ENERGY & TECHNOLOGY, CORP.
Consolidated Statements of Operations
(Unaudited)

	Three Months Ended June 30, 2012	Three Months Ended June 30, 2011	Six Months Ended June 30, 2012	Six Months Ended June 30, 2011
Revenues	$ 1,830,981	$ 411,923	$ 5,269,659	$ 592,655
Cost of Revenues				
Labor and Related Costs	133,607	93,949	273,701	239,246
Subcontract Labor	216,445	106,929	473,294	242,710
Depreciation	171,646	170,234	343,292	339,490
Repairs and Maintenance	13,797	159,518	164,424	173,768
Materials and Supplies	701,244	58,402	2,456,001	80,599
Other Costs	34,724	22,149	53,779	38,209
Insurance	30,845	26,145	55,226	44,171
Total Cost of Revenues	1,302,308	637,326	3,819,717	1,158,193
Gross Profit	528,673	(225,403)	1,449,942	(565,538)
Operating Expenses				
Salaries and Wages	109,659	115,413	243,125	230,861
Professional Services	87,134	128,030	185,886	188,020
Rent	60,991	66,598	120,607	132,184
Depreciation	41,190	41,461	82,330	82,413
Travel, Lodging and Meals	33,625	30,642	47,653	46,452
Office Supplies and Expenses	17,423	13,243	34,122	27,959
Utilities	18,999	10,700	52,698	21,605
Communications	11,782	13,542	24,581	23,116
Repairs and Maintenance	32,543	10,459	32,543	16,411
Property Taxes	-	-	57,906	50,236
Patent Amortization	7,196	7,197	14,393	14,393
Other	47,219	74,502	82,865	58,187
Total Operating Expenses	467,761	511,787	978,709	891,837
Income (Loss) from Operations	60,912	(737,190)	471,233	(1,457,375)
Other Income (Expense)				
Other Expense	-	(9,692)	0	(9,088)
Investment Income	6,906	(80)	11,222	266
Interest Expense	(38,926)	(39,373)	(78,463)	(79,231)
Total Other Income (Expense)	(32,020)	(49,145)	(67,241)	(88,053)
Income (Loss) Before Provision for Income Taxe	28,892	(786,335)	403,992	(1,545,428)
Provision for Income Taxes	7,052	(588,356)	133,004	(588,356)
Net Income (Loss)	$ 21,840	$ (197,979)	$ 270,988	$ (957,072)
Earnings (Loss) per Share - Basic	$ 0.0001	$ (0.001)	$ 0.002	$ (0.006)
Earnings (Loss) per Share - Diluted	$ 0.0001	$ (0.001)	$ 0.002	$ (0.006)

See notes to consolidated financial statements

ENERGY & TECHNOLOGY CORP.
Consolidated Statements of Changes in Stockholders' Equity

	Common Stock										
	Shares		Amount		Discount on Capital Stock		Additional Paid-In Capital		Retained Earnings		Total Stockholders' Equity
Balance at January 1, 2011	168,795,500	$	168,796	$	(115,100)	$	4,237,741	$	1,053,090	$	5,344,527
Bonus shares issued	168,400		168		-		17,736		-		17,904
Net Loss	-		-		-		-		(957,072)		(957,072)
Balance at June 30, 2011	168,963,900	$	168,964	$	(115,100)	$	4,255,477	$	96,018	$	4,405,359
Balance at January 1, 2012	169,052,400	$	169,052	$	(115,100)	$	4,229,195	$	807,587	$	5,090,734
Net (Loss)	-		-		-		-		270,988		270,988
Balance at June 30, 2012	169,052,400	$	169,052	$	(115,100)	$	4,229,195	$	1,078,575	$	5,361,722

See notes to consolidated financial statements

ENERGY & TECHNOLOGY, CORP.
Consolidated Statements of Cash Flows
For the Six Months Ended June 30, 2012 and 2011

	2012	2011
Cash Flows from Operating Activities		
Net Income (Loss)	$ 270,988	$ (957,072)
Adjustments to Reconcile Net Income to Net Cash Provided by (Used in) Operating Activities		
Depreciation	425,622	421,903
Amortization of Patent Costs	14,393	14,393
Gain on Sale of Property and Equipment	-	-
Deferred Income Taxes	133,004	(588,356)
Issuance of Stock	-	17,904
Changes in Assets and Liabilities		
Trade Receivables	354,341	323,258
Other Receivables	(750)	(5,986)
Inventory	5,515	46,186
Prepaid Expenses	29,997	31,341
Accounts Payable	1,704,770	6,223
Accrued Payroll and Payroll Liabilities	10,455	(25,228)
Income Taxes Payable	(6,523)	(15,593)
Accrued Rent	75,000	75,000
Net Cash Provided by (Used in) Operating Activities	3,016,812	(656,027)
Cash Flows from Investing Activities		
Increase in Other Assets	(6,057)	(14,262)
Purchase of Property and Equipment	(1,106,809)	(85,867)
Net Cash Used in Investing Activities	(1,112,866)	(100,129)
Cash Flows from Financing Activities		
Borrowings from Affiliates	65,103	462,228
Principal Repayments on Notes Payable	(131,776)	(102,896)
Net Cash (Used in) Provided by Financing Activities	(66,673)	359,332
Net Increase (Decrease) in Cash and Cash Equivalents	1,837,273	(396,824)
Cash and Cash Equivalents, Beginning of Year	943,894	453,658
Cash and Cash Equivalents, End of Year	$ 2,781,167	$ 56,834
Paid During the Period for Interest	$ 28,505	$ 21,335
Cash Paid During the Period for Income Taxes	$ 6,523	$ 20,634

See notes to consolidated financial statements

ENERGY & TECHNOLOGY, CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS.

Note 1. Organization

Technical Industries & Energy, Corp. (the Company) (TIE) was formed November 29, 2006 under the laws of the State of Delaware in order to acquire and to take over the assets and business of Technical Industries, Inc. (TII). On that date, the Company issued 125,000,000 shares of common stock to American Interest, LLC, in exchange for founder services rendered. The fair value of these services was considered immaterial, and no amounts were recognized in the financial statements. At the time the shares were issued to American Interest, LLC, TIE had no assets, operations, or cash flows. As such, the stock had no value at the time TIE was established. The par value was arbitrarily established in order to comply with the State of Delaware laws. In order to reflect the par value of the shares issued, the Company recognized a discount on capital stock as a contra-equity account within the equity section of the consolidated balance sheets. On January 3, 2007, the Company entered into a Stock Exchange Agreement and Share Exchange (the Agreement) whereby the sole shareholder of TII exchanged all of the outstanding shares of the TII to the Company in exchange for 50,000,000 shares of Company stock. Accordingly, TII became a wholly-owned subsidiary of the Company. The assets acquired and liabilities assumed were recorded at the carrying value to TII since TII and the Company were under common control prior to the acquisition.

TII specializes in the non-destructive testing of vessels, oilfield equipment and mainly pipe, including ultrasonic testing, utilizing the latest technologies. These technologies enable TII to (i) provide detailed information to customers regarding each pipe tested, and (ii) reach energy reserves present technology cannot reach without extra cost to the oil and gas companies. Because of the intense scrutiny applied to each section of pipe, TII is able to generate data which allows the pipe to be used in the most extreme conditions, and has been proven especially useful in deep water drilling operations in the Gulf of Mexico.

On August 29, 2008, the Company effected a name change from Technical Industries & Energy Corp. to Energy & Technology, Corp. to better reflect the nature of the Company's business.

Note 2. Summary of Significant Accounting Policies

Basis of Presentation and Consolidation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, Technical Industries, Inc., the accounts of Energy Pipe, LLC (a variable interest entity), and the accounts of Energy Technology Manufacturing & Threading, LLC (a variable interest entity). All significant intercompany balances and transactions have been eliminated.

The consolidated financial statements reflect all adjustments that are, in the opinion of management, necessary for a fair presentation of financial information for the interim periods presented. These adjustments are of a normal recurring nature and include appropriate estimated provisions.

Basis of Accounting

Assets, liabilities, revenues and expenses are recognized on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect amounts reported in the financial statements. Accordingly, actual results could differ from those estimates due to information that becomes available subsequent to the issuance of the financial statements or for other reasons.

Revenue Recognition

Revenue for inspection services is recognized upon completion of the services rendered. Revenue for the sales of pipe is recognized when: a) pipe is delivered and the customer takes ownership and assumes the risks of loss, b) collection of the relevant receivable is probable, c) persuasive evidence of an arrangement exists, and d) the sales price is fixed or determinable.

Trade Receivables

Trade accounts receivable are carried at their estimated collectible amounts. Trade credit is generally extended on a short-term basis; thus receivables do not bear interest, although a finance charge may be applied to amounts past due. Trade accounts receivable are periodically evaluated for collectibility based on past credit history with customers and their current financial condition. Provisions for uncollectible amounts are determined based on management's estimate of collectability. Provisions for uncollectible amounts were $14,640 and $792,260 for the quarters ending June 30, 2012 and 2011, respectively.

ENERGY & TECHNOLOGY, CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS.

Note 2. Summary of Significant Accounting Policies (Continued)

Inventory
Inventory is stated at the lower of cost determined by the specific identification method or market. At June 30, 2012 and at December 31, 2011, inventory consisted of pipe available for sale.

Property and Equipment
Property and equipment are stated at cost. Expenditures for property and equipment and items that substantially increase the useful lives of existing assets are capitalized at cost and depreciated. Routine expenditures for repairs and maintenance are expensed as incurred. The cost and related accumulated depreciation of property and equipment disposed of are eliminated from the accounts, and any resulting gain or loss is recognized.

Depreciation is provided utilizing the straight-line method over the estimated useful lives of the assets capitalized.

Based on management's intentions, investment property, which is held for the purposes of earning rental income and capital appreciation, is distinguished from property owned and occupied by the Company. The Company is not currently depreciating the property held as investment, nor has any rental income been earned.

Valuation of Long-Lived Assets
In the event facts and circumstances indicate that carrying amounts of long-lived assets may be impaired, the Company evaluates the recoverability of its long-lived assets using the estimated future undiscounted cash flows associated with the asset compared to the asset's carrying amount to determine if a write-down is required, pursuant to the provisions of Financial Accounting Standards Board (FASB) ASC 360-10-35. Any impairment loss is measured as the difference between the carrying amount and the fair value of the impaired asset.

Credit Risk
Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of temporary cash investments and trade receivables. For the six months ended June 30, 2012, three customers made up approximately 57% of the Company's revenues, and four customers made up approximately 89% of the Company's receivable balance at June 30, 2012. For the six months ended June 30, 2011, three customers made up approximately 47% of the Company's revenues, and two customers made up approximately 66% of the Company's receivable balance at June 30, 2011.

The Company maintains cash balances at several financial institutions, and periodically maintains cash in bank accounts in excess of insured limits. The Company has not experienced any losses and does not believe that significant credit risk exists as a result of this practice.

Advertising

The Company charges the costs of advertising to expense as incurred. Advertising expense of $10,010 was recorded for the six months ended June 30, 2012. For the six months ended June 30, 2011 advertising expense was $5,282. Advertising is recorded as part of Other Operating Expenses

Cash and Cash Equivalents
For purposes of the consolidated statement of cash flows, the Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Income Taxes
The Company recognizes income taxes in accordance with FASB ASC 740, "Income Taxes" (formerly Statement of Financial Accounting Standards (SFAS) No. 109, *Accounting for Income Taxes*). ASC 740 uses the asset and liability method of accounting for income taxes. Under the asset and liability method, deferred income taxes are recognized for the tax consequences of "temporary differences" by applying enacted statutory tax rates applicable to future years to the difference between financial statement carrying amounts and the tax basis of existing assets and liabilities. Deferred taxes are also recognized for operating losses and tax credits that are available to offset future income taxes.

When tax returns are filed, it is highly certain that some positions taken would be sustained upon examination by the taxing authorities, while others are subject to uncertainty about the merits of the position taken or the amount of the position that would be ultimately sustained. The benefit of a tax position is recognized in the financial statements in the period during which, based on all available evidence, management believes it is more likely than not that the position will be sustained upon examination, including

the resolution of appeals or litigation processes, if any.

ENERGY & TECHNOLOGY, CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS.

Note 2. Summary of Significant Accounting Policies (Continued)

Tax positions taken are not offset or aggregated with other positions. Tax positions that meet the more-likely-than-not recognition threshold are measured as the largest amount of tax benefit that is more than 50% likely of being realized upon settlement with the applicable taxing authority. The portion of the benefits associated with tax positions taken that exceeds the amount measured as described above would be reflected as a liability for unrecognized tax benefits in the consolidated balance sheet along with any associated interest and penalties that would be payable to the taxing authorities upon examination. Interest and penalties associated with unrecognized tax benefits would be classified as additional
income taxes in the statement of operations.

Recent Accounting Pronouncements

In June 2009, the FASB changed the accounting guidance for the consolidation of variable interest entities. The current quantitative-based risks and rewards calculation for determining which enterprise is the primary beneficiary of the variable interest entity will be replaced with an approach focused on identifying which enterprise has the power to direct the activities of a variable interest entity and the obligation to absorb losses of the entity or the right to receive benefits from the entity. The new guidance became effective for the Company on January 1, 2010 with no impact on its financial statements.

In June 2009, the FASB changed the accounting guidance for transfers of financial assets. The new guidance increases the information that a reporting entity provides in its financial reports about a transfer of financial assets; the effects of a transfer on its statement of financial condition, financial performance and cash flows; and a continuing interest in transferred financial assets. In addition, the guidance amends various concepts associated with the accounting for transfers and servicing of financial assets and extinguishments of liabilities including removing the concept of qualified special purpose entities. This new guidance was adopted by the Company on January 1, 2010 with no impact on its financial statements.

In January 2010, the FASB issued ASU 2010-06, "*Fair Value Measurements and Disclosures" (Topic 820)* that requires new disclosures related to fair value measurements and clarifies existing disclosure requirements about the level of disaggregation, inputs and valuation techniques. Specifically, reporting entities now must disclose separately the amounts of significant transfers in and out of Level 1 and Level 2 fair value measurements and describe the reasons for the transfers. In addition, in the reconciliation for Level 3 fair value measurements, a reporting entity needs to use judgment in determining the appropriate classes of assets and liabilities for disclosure of fair value measurement, considering the level of disaggregated information required by other applicable U.S. GAAP guidance and should also provide disclosures about the valuation techniques and inputs used to measure fair value for each class of assets and liabilities. The guidance was effective for financial statements issued for periods ending after December 15, 2009, except for disclosures about purchases, sales, issuances and settlements in reconciliation for Level 3 fair value measurements, which will be effective for fiscal years beginning after December 15, 2010. The adoption of this guidance affects only the disclosure requirements and had no impact on the Company's consolidated statements of operations and condition.

In December 2010, the FASB issued authoritative guidance that modified Step 1 of the goodwill impairment test for reporting units with zero or negative carrying amounts. For those reporting units, an entity is required to perform Step 2 of the goodwill impairment test if it is more likely than not that a goodwill impairment exists. In determining whether it is more likely than not that a goodwill impairment exists, an entity should consider whether there are any adverse qualitative factors indicating that an impairment may exist such as if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying amount. This new authoritative guidance became effective on January 1, 2011 with no impact on the Company's financial statements.

In April 2011, the FASB issued ASU 2011-02, which amends the guidance for evaluating whether the restructuring of a receivable by a creditor is a troubled debt restructuring (TDR). In evaluating whether a restructuring constitutes a TDR both for purposes of recording an impairment loss and for disclosure purposes, a creditor must separately conclude that both of the following exist: (*a*) the restructuring constitutes a concession; and (*b*) the debtor is experiencing financial difficulties. For public companies, the new guidance is effective for interim and annual periods beginning on or after June 15, 2011, and applies retrospectively to restructurings occurring on or after the beginning of the annual period of adoption. However, an entity should apply prospectively changes in the method used to calculate impairment. At the same time a public entity adopts ASU 2011-02, it is required to disclose the activity based information that was previously deferred by ASU No. 2011-01. The Company adopted the provisions of this ASU in preparing the consolidated financial statements as of and for the interim period ended September 30, 2011. The adoption of this ASU did not have a material impact on Company's consolidated financial statements.

ENERGY & TECHNOLOGY, CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS.

Recent Accounting Pronouncements (Continued)

In May 2011, the FASB issued ASU 2011-04, "*Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs"*. The ASU contains guidance on the application of the highest and best use and valuation premise concepts, the measurement of fair values of instruments classified in shareholders' equity, the measurement of fair values of financial instruments that are managed within a portfolio, and the application of premiums and discounts in a fair value measurement. It also requires additional disclosures about fair value measurements, including information about the unobservable inputs used in fair value measurements within Level 3 of the fair value hierarchy, the sensitivity of recurring fair value measurements within Level 3 to changes in unobservable inputs and the interrelationships between those inputs, and the categorization by level of the fair value hierarchy for items that are not measured at fair value but for which the fair value is required to be disclosed. These amendments are to be applied prospectively for interim and annual periods beginning after December 15, 2011. The adoption of this guidance is not expected to have a significant effect on the Company's consolidated financial statements.

In June 2011, the FASB issued ASU 2011-05, *"Presentation of Comprehensive Income"*. The ASU increases the prominence of other comprehensive income in financial statements by requiring comprehensive income to be reported in either a single statement or in two consecutive statements which report both net income and other comprehensive income. It eliminates the option to report other comprehensive income and its components in the statement of changes in equity. The ASU is effective for periods beginning after December 15, 2011 and requires retrospective application. The ASU does not change the components of other comprehensive income, the timing of items reclassified to net income, or the net income basis for income per share calculations. As this ASU is disclosure related only, the adoption of this ASU will not impact consolidated reported financial position or results of operations.

In September 2011, the FASB amended guidance pertaining to goodwill impairment testing. The amendments permit an entity to first assess qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount as a basis for determining whether it is necessary to perform the two-step goodwill impairment test. An entity is not required to calculate the fair value of a reporting unit unless the entity determines that it is more likely than not that its fair value is less than its carrying amount. The guidance is effective January 1, 2012 with no significant impact expected on the Company's financial statements.

In December 2011, the FASB issued guidance which relates to deconsolidation events. Under this amendment, when a parent (reporting entity) ceases to have a controlling financial interest in a subsidiary that is in substance real estate as a result of the default on the subsidiary's nonrecourse debt, the reporting entity should apply the guidance in Subtopic 360-20, *Property, Plant and Equipment - Real Estate Sales,* to determine whether it should derecognize the in substance real estate. This guidance is effective for the fiscal year ending December 31, 2013 and is not expected to have a significant impact on the Company's financial statements.

In December 2011, The FASB issued authoritative guidance to provide enhanced disclosures in the financial statements about offsetting and netting arrangements. The new guidance requires entities to disclose both gross information and net information about both instruments and transactions eligible for offset in the statement of financial position and instruments and transactions subject to an agreement similar to a master netting agreement. This guidance was issued to facilitate comparison between financial statements prepared on a U.S. GAAP and IFRS reporting. The new guidance will be effective January 1, 2013 and is not expected to have a significant impact on the Company's financial statements.

Note 3. Patent

On September 4, 2007, the Company's chief executive officer was awarded a patent from the United States Patent and Trademark Office pertaining to his development of specialized testing procedures for drilling pipe utilized by oil-exploration companies.

The Company's costs associated with its development of these testing procedures and application for patent have been capitalized and recognized as an asset in the Company's balance sheet, and is being amortized over 20 years.

Note 4. Commitments

The Company leases office premises, operating facilities, and equipment under several operating leases expiring in various years through 2030. The Company also leases land for operating purposes on a month to month basis.

ENERGY & TECHNOLOGY, CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS.

Note 5. Major Customers

For the six months ended June 30, 2012, the Company had three customers which generated revenues in excess of 10% of the Company's total revenues. Revenues for these three customers were approximately 57% of total revenues, and the total balance due from these three customers at June 30, 2012 was $393,617.

Note 6. Related Party Transactions

Included in due to affiliates is $1,625,725 and $1,563,197 at June 30, 2012 and December 31, 2011, respectively, in acquisition debts paid by affiliates upon the acquisition of the Company in 1999. The affiliates maintain a lien on the Company's accounts receivable and equipment to secure this loan. The amounts due to the affiliates have no set terms of repayment and bear interest at 8.00%. Interest expense associated with this obligation totaled $20,843 and $19,299 for the six month periods ended June 30, 2012 and 2011, respectively.

Note 7. Earnings per Share

The weighted average common shares outstanding amounted to 169,052,400 for the three months ended and the six months ended June 30, 2012, and 168,809,500 and 168,963,900 for the three months ended and six months ended June 30, 2011, respectively.

Note 8. Fair Value Disclosures

The following methods and assumptions were used by the Company in estimating fair values for financial instruments:

Cash and cash equivalents: The carrying amount reported in the balance sheet approximates fair value.

Notes Payable: The fair value of notes payable approximates the carrying amount reported in the balance sheet.

Due to Affiliates: The carrying amount approximates fair values.

While these estimates of fair value are based on management's judgment of appropriate factors, there is no assurance that if the Company had disposed of such items at June 30, 2012 or December 31, 2011, the estimated fair values would have been achieved. Market values may differ depending on various circumstances not taken into consideration in this methodology. The estimated fair values at June 30, 2012 and December 31, 2011, should not necessarily be considered to apply at subsequent dates.

In addition, other assets and liabilities that are not defined as financial instruments are not included in the following disclosures, such as property and equipment. The estimated fair values of the Company's financial instruments are as follows:

	June 30, 2012		December 31, 2011	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets:				
Cash and cash equivalents	$ 2,781,167	$ 2,781,167	943,894	943,894
Financial liabilities:				
Notes Payable	$ 512,008	$ 512,008	$ 643,784	$ 643,784
Due to Affiliates	2,387,505	2,387,505	2,324,977	2,324,977
	$ 2,899,513	$ 2,899,513	$ 2,968,761	$ 2,968,761

Note 9. Subsequent Events

In accordance with the subsequent events topic of the FASB ASC, Topic No. 855, "*Subsequent Events*", the Company evaluates events and transactions that occur after the balance sheet date for potential recognition in the financial statements. The effect of all subsequent events that provide additional evidence of conditions that existed at the balance sheet date are recognized in the financial statements as of June 30, 2012. In preparing these financial statements, the Company evaluated the events and transactions through the date these financial statements

were issued.

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

General

Headquartered in Lafayette, Louisiana, with production facilities in Houston, Texas and Abbeville, Louisiana, Energy & Technology, Corp. provides non-destructive testing (NDT) services, OCTG and oilfield pipe sales, service and storage, and rig and equipment sales. Originally founded on May 11, 1971 as an inspection company, Energy & Technology, Corp. currently serves customers throughout the oil patch of Louisiana and Texas as well as in Canada, Mexico, and in the Gulf of Mexico. The Company's customer base of over 130 accounts consists of major oil companies, steel mills, material suppliers, drilling companies, tool rental companies, and natural gas storage operators. Due to the nature of its technology, the Company maintains competitive advantages in offshore deep water and other onshore critical projects.

Technical Industries, Inc., a wholly owned subsidiary of Energy & Technology, Corp., manufactures its own proprietary NDT equipment. The Company's patented ultrasonic systems have some of the largest OD and pipe length capabilities in the industry and the deepest penetration capability offered for wall thickness measurement. The Company holds patents on certain exclusive inspection technology that allows oil and gas companies to use their current drill strings and other equipment to reach depths that were previously unreachable. This technology can make wells safer, increase the success rate for critical wells, and greatly reduce the chances of a failure. As the industry moves to ever deeper reserves and makes advances in horizontal drilling, oil and gas wells are becoming more and more expensive and difficult to drill, making this technology more of a necessity.

In the oilfield pipe sales and storage segment, Energy & Technology, Corp utilizes a state-of-the-art web based inventory management system that allows each client to view and track projects during processing, to locate inventory throughout the plant, and access reports, bill of ladings, tally sheets, logs and other required information.

Energy Technology Manufacturing & Threading, LLC's new facility has been completed and is fully operational. This facility is capable of threading, bucking, and repair of drill pipe, casing, and tubing up to 11 7/8" diameter. The plant is equipped with a Computer Controlled lathe accurate to within the most critical of tolerances, and has the capability to manufacture, thread, repair, and manufacture pup joints and marker joints to any length the customer requires, as well as to machine any threads for which specs can be furnished. Technicians have between 10 and 34 years of experience in the manufacturing and threading industry. This new facility brings ENGT one step closer to its goal of supplying all tubular services under one roof.

Key Ongoing Operational Processes:

Update ISO Certification

Energy & Technology, Corp. recognizes that quality is every bit as important as price and prompt service. This is even truer of the Company's typical client, who often contracts for services that other companies are not able to provide. In response to our clients' requirements, the Company has obtained the latest ISO:9001 certification by Moody's, recognized in the industry as representing the highest quality control available. As the Company's business lines are very synergistic, management feels that it can leverage this dominant position to increase share in the markets in which it competes, and likely more in the critical service arena.

Foreign Trade Zone Status

Energy & Technology, Corp. has selected the well known auditing and financial consulting firm KPMG to assist the Company in meeting the requirements to establish a Foreign Trade Zone at its Houston, Texas facility. KPMG has started the initial feasibility analysis with the formal application to follow. The establishment of a Foreign Trade Zone is expected to produce a substantial increase in the Company's ability to sell to overseas markets, and make the Company a far more attractive distribution partner for foreign manufacturers. Management feels that market share could be taken through a successful designation as an FTZ subzone.

Increased Sales and Marketing Effort

Energy & Technology, Corp. has grown over the historical period without an aggressive marketing and sales effort. New business was generated from referrals, technical sessions given to oil and gas and industry related companies, the Company website, and through the use of a marketing company on a limited basis. Recently, several new deep water well permits were issued in the Gulf of Mexico. As a result, ENGT has experienced significant new interest from major oil and gas companies - including site visits and evaluations - for its VisonArray™ deep water and critical well technologies, and ENGT Manufacturing facilities. Currently, there are several employees whose duties are focused on sales, and one marketing and promotional activity director. Management believes revenue can be greatly increased by expanding the Company's sales force. ENGT has replaced Richard Best, formerly of Halliburton, with Rachel Shen to execute marketing from our Houston location. Ms. Shen holds an MBA from the University of Texas.

Diversification

Energy & Technology, Corp. has diligently worked to diversify its business model by adding sales, service, and storage of OCTG and all types of oilfield pipe, as well as equipment leasing and sales. The Company's new threading and repair facility, located on our Houston campus, became operational in July 2010 and on September 30, 2011 received numerous ISO and API certifications. Additional growth will come domestically, but management feels that overseas expansion is critical to the ultimate success of the business plan.

Critical Accounting Policies

The Company has identified the following accounting policies to be the critical accounting policies of the Company:

Revenue Recognition. Revenue for inspection services is recognized upon completion of the services rendered. Revenue for the sales of pipe is recognized when pipe is delivered and the customer takes ownership and assumes the risks of loss, collection of the relevant receivable is probable, persuasive evidence of an arrangement exists, and the sales price is fixed or determinable.

Inventory. Inventory is stated at the lower of cost determined by the specific identification method or market. At June 30, 2012, inventory consisted of pipe available for sale.

Property and Equipment. Property and equipment are stated at cost. Expenditures for property and equipment and items that substantially increase the useful lives of existing assets are capitalized at cost and depreciated. Routine expenditures for repairs and maintenance are expensed as incurred. The cost and related accumulated depreciation of property and equipment disposed of are eliminated from the accounts, and any resulting gain or loss is recognized. Depreciation is provided utilizing the straight-line method over the estimated useful lives of the assets capitalized.

Valuation of Long-Lived Assets. In the event facts and circumstances indicate that carrying amounts of long-lived assets may be impaired, the Company evaluates the recoverability of its long-lived assets using the estimated future undiscounted cash flows associated with the asset compared to the asset's carrying amount to determine if a write-down is required, pursuant to the provisions of SFAS Financial Accounting Standards Board (FASB) ASC 360-10-35. Any impairment loss is measured as the difference between the carrying amount and the fair value of the impaired asset.

Discussion of Changes in Financial Condition from December 31, 2011 to June 30, 2012

At June 30, 2012, total assets amounted to $12,944,756 compared to $11,069,539 at December 31, 2011, an increase of $1,875,217, or 16.9%. The increase is primarily due to an increase in cash of $1,837,273, a purchase of investment assets of $1,095,583, partially offset by a decrease in accounts receivable of $354,341, a decrease of property and equipment of $414,396, and a decrease in deferred tax assets of $254,804.

Our liabilities at June 30, 2012, totaled $7,583,034 compared to $5,978,805 at December 31, 2011, an increase of $1,604,229, or 26.5%. The increase is primarily due to an increase in accounts payable of $1,647,627, an increase in accrued rent of $75,000, and an increase in loans from affiliates of $122,246, partially offset by a decrease in deferred taxes payable of $112,800.and a decrease in notes payable of $131,776.

Total stockholder's equity increased from $5,090,734 at December 31, 2011, to $5,361,722 at June 30, 2011. This increase was due to our net income for the six months ended June 30, 2012.

Cash and Cash Equivalents

Cash and Cash Equivalents totaled $2,781,167 at June 30, 2012, an increase of $1,837,273 from the balance of $943,894 at December 31, 2011. The increase in cash and cash equivalents was primarily due to the net operating income and cash provided by operating activities, in the amount of $3,019,387 for the six months ended June 30, 2012.

Inventory

Inventory consists primarily of pipe held for sale to our customers. We began purchasing pipe for sale to customers in December, 2007. This was an opportunity for us to expand our services to our customers. It is anticipated that the Company will continue its efforts to expand its sales of pipe, even though the market has contracted substantially due to the current economy. During the six months ending June 30, 2012, the Company had sales of approximately $2,866,515 of pipe, but most of this pipe was special order pipe that was purchased for specific sales.

Property and Equipment

The increase in property and equipment is primarily due to purchase of investment property for $1,095,583, partially offset by depreciation for the six months ended June 30, 2012 of $425,622.

Deferred Tax Asset/Income Taxes Payable

Due to the Company's income for the six months ended June 30, 2012, our deferred tax asset has decreased by $245,804. We have decreased our deferred income taxes by $112,800 due to the change in book and tax depreciation differences.

Accounts Payable

Accounts payable at June 30, 2012 totaled $1,958,307 compared to $370,399 at December 31, 2011, an increase of $1,587,908. The increase is primarily due to amounts owed to a pipe vendor for purchases on credit.

Discussion of Results of Operations for the Three Months Ended June 30, 2012 compared to the Three Months Ended June 30, 2011

Revenues

Our revenue for the three months ended June 30, 2012, was $1,830,981 compared to $411,923, for the three months ended June 30, 2011, an increase of $1,419,058, or 344.5%. This rise is attributable to increased inspection revenues due to higher demand for proprietary deepwater technology and to increased oilfield pipe sales and manufacturing.

The following table presents the composition of revenue for the three months ended June 30, 2012 and 2011:

	2012		2011		Variance
Revenue:	**Dollars**	**Percentage**	**Dollars**	**Percentage**	**Dollars**
Inspection Fees	$ 509,385	27.8%	$ 113,658	27.6%	$ 395,727
Storage Fees	305,906	16.7%	179,074	43.5%	126,832
Pipe and Other Equipment Sales	919,320	50.2%	60,176	14.6%	859,144
Other Income	96,370	5.3%	59,015	14.3%	37,355
Total Revenue	$ 1,830,981	100.0%	$ 411,923	100.0%	$ 1,419,058

Cost of Revenue and Gross Profit

Our cost of revenue for the three months ended June 30, 2012, was $1,302,308 or 71.1% of revenues, compared to $637,326, or 154.7% of revenues, for the three months ended June 30, 2011. The overall increase in our cost of revenue is primarily due to our increased sales. The decrease in cost of revenue as a percentage of revenues was due to the fixed costs which are included in operations.

The following table presents the composition of cost of revenue for the three months ended June 30, 2012 and 2011:

Cost of Revenue:	2012 Dollars	2012 Percentage	2011 Dollars	2011 Percentage	Variance Dollars
Depreciation	$ 171,646	13.2%	$ 170,234	26.7%	$ 1,412
Repairs and Maintenance	13,797	16.6%	159,518	25.0%	(145,721)
Subcontract Labor	216,445	10.3%	106,929	16.8%	109,516
Labor and Related Costs	133,607	(7.3)%	93,949	14.7%	39,658
Materials and Supplies	701,244	62.2%	58,402	9.2%	642,842
Insurance	30,845	2.7%	26,145	4.1%	12,575
Other Costs	34,724	2.3%	22,149	3.5%	4,700
Total Cost of Revenues	$ 1,302,308	100.0%	$ 637,326	100.0%	$ 664,982

Due to limitations with the pool of qualified individuals, we utilized the services of subcontractors to assist us in providing timely and quality service to our customers. We will continue our efforts to attract employ and retain qualified individuals to serve the needs of our customers.

Operating Expenses

For the three months ended June 30, 2012, our operating expenses totaled $467,761 as compared to $511,787 in 2011, representing a decrease of $44,026, or 8.6%. The largest components of our operating expense for 2011 consists of salaries and wages, professional services, rent, depreciation, and travel expenses. Salaries and wages for general and administrative personnel was $109,659 for the three months ended June 30, 2012, compared to $115,413 for the three months ended June 30, 2011, a decrease of $5,754, or 5.0%. The decrease was the result of managements' decision to reduce overhead expenses and eliminate their losses.

Professional services expense decreased from $128,030 for the three months ended June 30, 2011, to $87,134 for the three months ended June 30, 2012, a decrease of $40,896, or 31.9%. The decrease is primarily a result of the timing of expenses we incurred in the first and second quarters of 2012.

Rent expense totaled $60,991 for the three months ended June 30, 2012, as compared to $66,598 for the three months ended June 30, 2011, a decrease of $5,607, or 8.4%. Rent expense for both the three months ended June 30, 2012, and for the three months ended June 30, 2011, pertains primarily to our rental of office space for our headquarters in Lafayette as well as our rental of land and facilities for operating purposes.

Travel, Lodging and Meals totaled $33,625 for the three months ended June 30, 2012, as compared to $30,642 for the three months ending June 30, 2011, an increase of $2,983 or 9.7%.

Other operating expenses - which includes Taxes and Licenses, Training, Transportation, Fuel, Donations, Dues and Subscriptions, Bank Service Charges, Shipping, 401K Expense, and Advertising - decreased from $74,502 at June 30, 2011 to $47,219 for the three months ended June 30, 2012, a decrease of $27,283, or 36.6%.

Other Income and Expense

Other income and expense consists of investment income, interest expense, and gains and losses from the sale and disposal of assets. Other expense, net, totaled $32,020 for the three months ended June 30, 2012, compared to $49,145, for the three months ended June 30, 2011, a decrease of $17,125 or 34.8%. Investment income, which consists of interest, dividends, realized gains and losses, and unrealized gains and losses, amounted to a gain of $6,906 for the three months ended June 30, 2012, compared to a loss of $80 for the three months ended June 30, 2011.

Interest expense totaled $38,926 for the three months ended June 30, 2012, as compared to $39,373 for the three months ended June 30, 2011, an increase of $447, or 1.1%. Interest expense pertains primarily to amounts due to affiliates as well as to our notes payable with third parties.

Provision for income taxes

For the three months ended June 30, 2012, we reported an income tax expense of $7,052 compared to income tax benefit of $588,356 for the three months ended June 30, 2011, a decrease of $595,408, or 101.2%, which is the result of a loss in the second quarter of 2011, compared to a gain for the quarter ended June 30, 2012.

Discussion of Results of Operations for the Six months Ended June 30, 2012 compared to the Six months Ended June 30, 2011

Revenues

Our revenue for the six months ended June 30, 2012, was $5,269,659 compared to $592,655 for the six months ended June 30, 2011, an increase of $4,677,004, or 789.2%. During late 2009, we placed in service additional inspection equipment to enable us to meet the overall increased demand we expected for pipe inspection services. In addition to our inspection services, we provide hauling and storage of tubular goods at our Houston facility for customers and suppliers.

The following table presents the composition of revenue for the six months ended June 30, 2012 and 2011:

	2012		2011		Variance
Revenue:	**Dollars**	**Percentage**	**Dollars**	**Percentage**	**Dollars**
Inspection Fees	$ 1,611,715	30.6%	$ 229,960	38.8%	$ 1,381,755
Storage Fees	392,994	7.5%	189,740	32.0%	203,254
Pipe and Other Equipment Sales	2,866,515	54.4%	105,322	17.8%	2,761,193
Other Income	398,435	7.5%	67,633	11.4%	330,802
Total Revenue	$ 5,269,659	100.0%	$ 592,655	100.0%	$ 4,677,004

Cost of Revenue and Gross Profit

Our cost of revenue for the six months ended June 30, 2012, was $3,819,717, or 72.5 % of revenues, compared to $1,158,193, or 195.4% of revenues, for the six months ended June 30, 2011. The overall increase in our cost of revenue is due to our increase in inspection services and pipe sales as a result of the current economy. The increase in cost of revenue as a percentage of revenues was due to the fixed costs reported in cost of revenues. Materials and supplies increased $2,484,511 due to the increased sales of pipe. Subcontract labor costs increased by $230,584, or 95.0%. Labor and related costs increased by $34,455, or 14.4%. These increases are primarily attributable to the overall increase in volume of inspection services. The increase in depreciation expense for the six months ended June 30, 2012 compared to the six months ended June 30, 2011 is primarily due to equipment purchases. Maintenance expense decreased by $118,453 during this period as the Company was able to charge back most of their pipe repairs during the quarter.

The following table presents the composition of cost of revenue for the six months ended June 30, 2012 and 2011:

	2012		2011		Variance
Cost of Revenue:	**Dollars**	**Percentage**	**Dollars**	**Percentage**	**Dollars**
Depreciation	$ 343,292	9.0%	$ 339,490	24.0%	$ 3,802
Subcontract Labor	473,294	12.4%	242,710	26.9%	230,584
Labor and Related Costs	273,701	7.2%	239,246	35.0%	34,455
Repairs and Maintenance	55,315	1.4%	173,768	1.9%	(118,453)
Materials and Supplies	2,565,110	67.2%	80,599	2.3%	2,484,511
Insurance	55,226	1.4%	44,171	5.0%	11,055
Other	53,779	1.4%	38,209	4.9%	15,570
Total Cost of Revenue	$ 3,819,717	100.0%	$ 1,158,193	100.0%	$ 2,661,524

Due to limitations with the pool of qualified individuals, we utilized the services of subcontractors to assist us in providing timely and quality service to our customers. We will continue our efforts to attract, employ, and retain qualified individuals to serve the needs of our customers.

Operating Expenses

For the six months ended June 30, 2012, our operating expenses totaled $978,709, as compared to $891,837 at June 30, 2011, representing an increase of $86,872, or 9.7%. The largest component of our operating expenses for 2012 consists of salaries and wages. Salaries and wages for general and administrative personnel was $243,125 for the six months ended June 30, 2012, compared to $230,861 for the six months ended June 30, 2011, an increase of $12,264, or 5.3%. This increase is the result of the increase in commissions and selling expense on pipe sold.

Rent expense totaled $120,607 for the six months ended June 30, 2012, as compared to $132,184 for the six months ended June 30, 2011. Rent expense pertains primarily to our rental of office space for our headquarters in Lafayette as well as our rental of land and facilities for operating purposes.

Utilities expense increased from $21,605 for the six months ended June 30, 2011 to $52,698 for the six months ended June 30, 2012, an increase of $31,093 or 143.9%. The increase is attributable to the new facilities opened and to the increase in inspection services rendered during the current year.

Professional services expense decreased from $188,020 for the six months ended June 30, 2011, to $185,886 for the six months ended June 30, 2012, a decrease of $2,134, or 1.1%. The decrease is primarily a result of management's desire to decrease expenses.

Other Income and Expense

Other income and expense consists of investment income, gains or losses on sale of assets, and interest expense, respectively. Investment income, which consists of interest, dividends, realized gains and losses, and unrealized gains and losses, amounted to $11,222 for the six months ended June 30, 2012, compared to $266 for the six months ended June 30, 2011. The increase is due primarily to income from temporary cash invested during the period.

Interest expense totaled $78,463 for the six months ended June 30, 2012, as compared to $79,231 for the six months ended June 30, 2011, a decrease of $768, or 1.0%. Interest expense pertains primarily to amounts due to affiliates as well as to our notes payable with third parties, and the decrease relates to the principal payments on those debts and obligations.

Provision for income taxes

For the six months ended June 30, 2012, we reported an income tax expense of $133,004 compared to income tax benefit of $588,356 for the six months ended June 30, 2011, an increase of $721,360 or 122.6%, which is the result of the increased revenue and pre-tax net income for the period.

Comparative financial information for the six months ended June 30:

	June 30, 2012	June 30, 2011	June 30, 2010	June 30, 2009	June 30, 2008
Revenues	$ 5,269,659	$ 592,655	$ 1,604,066	$ 4,683,663	$ 5,183,276
Cost of Revenues	3,819,717	1,158,193	1,194,782	2,215,132	2,557,047
Gross Profit (Loss)	1,449,942	(565,538)	409,284	2,468,531	2,626,229
Operating Expenses					
General & Administrative Expenses	896,379	809,424	1,173,429	996,806	637,902
Depreciation	82,330	82,413	61,558	89,222	34,375
Total Operating Expenses	978,709	891,837	1,234,987	1,086,028	672,277
Income (Loss) from Operations	471,223	(1,457,375)	(825,703)	1,382,503	1,953,952
Other Income (Expense)	(67,241)	(88,053)	434,241	(46,459)	(36,789)
Income (Loss) Before Income Taxes	403,992	(1,545,428)	(391,462)	1,336,044	1,917,163
Provision for Income Taxes	133,004	(588,356)	(140,588)	492,534	731,659
Net Income (Loss)	$ 270,988	$ (957,072)	$ (250,874)	$ 843,510	$ 1,185,504

Capital Resources and Liquidity

As of June 30, 2012 we had $2,781,167 in cash and cash equivalents. Our cash outflows have consisted primarily of expenses associated with our operations. These outflows have been offset by the timely inflows of cash from our customers for sales that have been made. We have been able to utilize our relationships with affiliated entities to stabilize our liquidity needs.

We believe we can satisfy our cash requirements for the next twelve months only with our current cash and additional loans. However, completion of our plan of operation is subject to attaining adequate revenue. We cannot assure investors that adequate revenues will be generated. In the absence of our projected revenues, we may be unable to proceed with our plan of operations. Even without adequate revenues within the next twelve months, we still anticipate being able to continue with our present activities, but we will require financing to potentially achieve our growth goals.

In the event we are not successful in reaching our initial revenue targets, additional funds may be required, and we may not be able to proceed with our business plan for the development and marketing of our core services. Should this occur, we would likely seek additional financing to support the continued operation of our business.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

The Company is subject to certain market risks, including changes in interest rates and currency exchange rates. The Company does not undertake any specific actions to limit those exposures.

Item 4T. Controls and Procedures

a) *Evaluation of Disclosure Controls.* Our management evaluated the effectiveness of our disclosure controls and procedures as of the end of our second fiscal quarter 2012 pursuant to Rule 13a-15(b) of the Securities and Exchange Act. Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in the reports that we file under the Exchange Act is accumulated and communicated to our management, as appropriate to allow timely decisions regarding required disclosure. Based on the evaluation, management concluded that our disclosure controls and procedures were effective as of June 30, 2012.

It should be noted that any system of controls, however well designed and operated, can provide only reasonable, and not absolute, assurance that the objectives of the system are met. In addition, the design of any control system is based in part upon certain assumptions about the likelihood of future events. Because of these and other inherent limitations of control systems, there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions.

(b) *Changes in internal control over financial reporting.* There have been no changes in our internal control over financial reporting that occurred during the last fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting. Our management team will continue to evaluate our internal control over financial reporting in 2012 as we implement our Sarbanes Oxley Act testing.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings.

We are currently involved in a dispute with North American Interpipe. Aspen Insurance, our general liability insurance carrier is defending the lawsuit. Aspen Insurance has filed a motion in Texas in order to deny coverage. Our corporate attorneys are in the process of transferring the matter to a local venue. There is no action, suit, proceeding, inquiry or investigation before or by any court, public board, government agency, self-regulatory organization or body pending or, to the knowledge of the executive officers of our Company or any of our subsidiaries, threatened against or affecting our Company, our common stock, any of our subsidiaries or of our companies or our subsidiaries' officers or directors in their capacities as such, except as stated above, which an adverse decision could have a material adverse effect.

Item 1A. Risk Factors.

None.

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

None.

Item 3. Defaults Upon Senior Securities.

None

Item 4. Submission of Matters to a Vote of Security Holders.

None.

Item 5. Other Information.

None

Item 6. Exhibits and Reports of Form 8-K.

(a) Exhibits

31.1 Certifications pursuant to Section 302 of Sarbanes Oxley Act of 2002

32.1 Certifications pursuant to Section 906 of Sarbanes Oxley Act of 2002

(b) Reports of Form 8-K

None.

Item 7. Up-dates and Clarifications to prior non-financial information

The Company currently carries 5 million U. S. Dollars ($5,000,000) in aggregate insurance.

SIGNATURES

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

ENERGY & TECHNOLOGY, CORP.

Date: August 14, 2012

By: */s/ George M. Sfeir*
George M. Sfeir
President, Chief Executive Officer,
and Director

Date: August 14, 2012

By: */s/ Amer Salhi*
Amer Salhi
Chief Financial Officer