10-Q 1 f10q0911_energytech.htm QUARTERLY REPORT

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 September 30, 2011

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 70503
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 November 10, 2011, is 169,052,400 shares of common stock.

ENERGY & TECHNOLOGY, CORP.

FORM 10-Q

September 30, 2011

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PART I—FINANCIAL INFORMATION

PART II—OTHER INFORMATION

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 subsidiary, Technical Industries, Inc. (TII), Energy Pipe, LLC (a variable interest entity), and Energy Technology Manufacturing and Threading LLC (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, Energy Pipe, LLC, and Energy Technology Manufacturing and Threading 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

	September 30, 2011 (Unaudited)	December 31, 2010 (Audited)
Assets		
Current Assets		
Cash and Cash Equivalents	$ 1,185,673	$ 453,658
Accounts Receivable		
Trade, Net	352,690	444,023
Other	17,324	17,638
Inventory	3,163,326	3,494,163
Prepaid Expenses	60,495	48,891
Deferred Tax Asset	876,163	462,259
Total Current Assets	5,655,671	4,920,632
Property and Equipment, Net	5,152,733	5,691,289
Other Assets		
Patent, net	458,174	479,763
Deferred IPO Expenses	-	72,520
Deposits	4,988	4,988
Other Assets	53,654	101,828
Total Other Assets	516,816	659,099
Total Assets	$ 11,325,220	$ 11,271,020

See notes to consolidated financial statements

ENERGY & TECHNOLOGY, CORP.
Consolidated Balance Sheets

	September-30 2011 (Unaudited)	December 31, 2010 (Audited)
Liabilities and Stockholders' Equity		
Current Liabilities		
Current Maturities of Notes Payable	$ 250,929	$ 234,567
Accounts Payable	518,728	153,157
Accrued Payroll and Payroll Liabilities	20,836	56,725
Accrued Rent	1,600,000	1,487,500
Customer Deposits	551,075	551,075
Income Taxes Payable	1,388	19,022
Total Current Liabilities	2,942,956	2,502,046
Long-Term Liabilities		
Notes Payable	466,174	593,979
Deferred Taxes Payable	874,620	954,470
Due to Affiliates	2,398,048	1,875,998
Total Long-Term Liabilities	3,738,842	3,424,447
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 and 168,795,500 shares Issued and Outstanding at September 30, 2011 and December 31, 2010, respectively, with 80,947,600 Shares and 81,204,500 Shares unissued at September 30, 2011 and December 31, 2010, respectively	170,865	168,796
Discount on Common Stock	(115,100)	(115,100)
Paid-In Capital	4,205,967	4,237,741
Retained Earnings	381,690	1,053,090
Total Stockholders' Equity	4,643,422	5,344,527
Total Liabilities and Stockholders' Equity	$ 11,325,220	$ 11,271,020

See notes to consolidated financial statements

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	**2010**	**2011**	**2010**
Revenues	$ 1,168,540	$ 480,891	$ 1,624,817	$ 2,084,957
Cost of Revenues				
Labor and Related Costs	116,579	162,643	355,825	457,515
Subcontract Labor	123,715	154,335	366,425	484,931
Depreciation	146,037	241,364	485,527	672,251
Repairs and Maintenance	26,662	10,178	64,052	33,534
Materials and Supplies	366,162	208,940	446,761	237,363
Other Costs	52,414	18,933	90,623	80,010
Insurance	32,248	34,144	76,419	94,739
Total Cost of Revenues	863,817	830,537	1,885,632	2,060,343
Gross Profit	304,723	(349,646)	(260,815)	24,614
Operating Expenses				
Salaries and Wages	75,690	204,701	306,551	761,946
Professional Services	139,057	108,146	327,077	304,569
Rent	59,615	65,619	191,799	198,115
Depreciation	41,342	35,715	123,755	115,505
Travel, Lodging and Meals	13,095	25,178	59,547	62,249
Office Supplies and Expenses	15,949	21,744	43,908	51,542
Utilities	18,344	17,687	39,949	39,211
Communications	13,740	13,502	36,856	36,349
Repairs and Maintenance	4,713	4,431	21,124	17,151
Patent Amortization	7,196	7,196	21,589	21,589
Other	32,551	23,852	140,974	119,508
Total Operating Expenses	421,292	527,771	1,313,129	1,727,734
Income (Loss) from Operations	(116,569)	(877,417)	(1,573,944)	(1,703,120)
Other Income (Expense)				
Other Income	604,364	-	595,276	475,323
Gain (Loss) on Sale of Assets	-	2,161	-	25,837
Investment Income (Loss)	(66,704)	2,129	(66,438)	10,341
Interest Expense	(40,817)	(37,958)	(120,048)	(110,928)
Total Other Income (Expense)	496,843	(33,668)	408,790	400,573
Income (Loss) Before Provision for Income Taxe	380,274	(911,085)	(1,165,154)	(1,302,547)
Provision for Income Taxes	94,602	(289,890)	(493,754)	(430,478)
Net Income (Loss)	$ 285,672	$ (621,195)	$ (671,400)	$ (872,069)
Earnings (Loss) per Share - Basic	NM	NM	NM	NM
Earnings (Loss) per Share - Diluted	NM	NM	NM	NM

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 January1,2010	53,580,000	$	53,580	$	-	$	4,112,112	$	2,575,635	$	6,741,327
Bonus shares issued	109,500		110		-		123,955		-		124,065
Shares Reissued to MajorityShareholders	115,100,000		115,100		(115,100)		-		-		-
Net Loss	-		-		-		-		(872,069)		(872,069)
Balance at September 30,2010	168,789,500	$	168,790	$	(115,100)	$	4,236,067	$	1,703,566	$	5,993,323
Balance at January1,2011	168,795,500	$	168,796	$	(115,100)	$	4,237,741	$	1,053,090	$	5,344,527
Bonus shares issued	206,900		2,069		-		40,746		-		42,815
Recognition of Stock Issuance Costs	-		-		-		(72,520)		-		(72,520)
Net (Loss)	-		-		-		-		(671,400)		(671,400)
Balance at September 30,2011	169,002,400	$	170,865	$	(115,100)	$	4,205,967	$	381,690	$	4,643,422

See notes to consolidated financial statements

ENERGY & TECHNOLOGY, CORP.
Consolidated Statements of Cash Flows
For the Nine Months Ended September 30, 2011 and 2010

	2011	2010
Cash Flows from Operating Activities		
Net Loss	$ (671,400)	$ (872,069)
Adjustments to Reconcile Net Loss to Net Cash Provided by Operating Activities		
Depreciation	609,282	734,500
Amortization of Patent Costs	21,589	21,589
Gain on Sale of Property and Equipment	-	(2,161)
Deferred Income Taxes	(493,754)	(499,662)
Issuance of Stock	(29,705)	124,065
Changes in Assets and Liabilities		
Trade Receivables	91,333	742,055
Other Receivables	314	5,233
Inventory	330,837	2,031,272
Prepaid Expenses	(11,604)	(12,872)
Accounts Payable	365,571	(3,211,414)
Accrued Payroll and Payroll Liabilities	(35,889)	39,150
Income Taxes Payable	(17,634)	22,862
Accrued Rent	112,500	112,500
Net Cash Provided by (Used in) Operating Activities	271,440	(764,952)
Cash Flows from Investing Activities		
Decrease in Other Assets	48,174	(522)
Proceeds From Sale of Property and Equipment	-	262,431
Purchase of Property and Equipment	(70,726)	(395,272)
Net Cash Provided by (Used in) Investing Activities	(22,552)	(133,363)
Cash Flows from Financing Activities		
Borrowings from Affiliates	522,050	39,049
Borrowings (Principal Repayments) on Notes Payable	(38,923)	142,096
Net Cash Provided by (Used in) Financing Activities	483,127	181,145
Net Increase (Decrease) in Cash and Cash Equivalents	732,015	(717,170)
Cash and Cash Equivalents, Beginning of Year	453,658	1,657,330
Cash and Cash Equivalents, End of Year	$ 1,185,673	$ 940,160
Cash Paid During the Period for Interest	$ 21,335	$ 30,517
Cash Paid During the Period for Income Taxes	$ 20,634	$ 46,322

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) a Louisiana Corporation established on May 12, 1971. 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 pipe, tools and equipment, 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 Energy Technology Manufacturing and 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 collectibility.

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 September 30, 2011 and at December 31, 2010, inventory consisted of tubing, casing, and drill 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 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 nine months ended September 30, 2011, three customers made up approximately 33% of the Company's revenues, and three customers made up approximately 76% of the Company's receivable balance at September 30, 2011. For the nine months ended September 30, 2010, three customers made up approximately 36% of the Company's revenues, and approximately 78% of the Company's receivable balance at September 30, 2010.

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.

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.

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.

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

Note 2. Summary of Significant Accounting Policies (Continued)

Recent Accounting Pronouncements
In June 2009, the FASB issued Accounting Standards Update (ASU) No. 2009-01 (formerly FAS No. 168), *The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles.* The Accounting Standards Codification (ASC) is the single source of authoritative non governmental U.S. generally accepted accounting principles (GAAP). Rules and interpretive releases of the Securities and Exchange Commission (SEC) under authority of federal securities laws are also sources of authoritative GAAP for SEC registrants. The Codification does not change current GAAP, but is intended to simplify user access to all authoritative GAAP by providing all the authoritative literature related to a particular topic in one place. All existing accounting standard documents are superseded and all other accounting literature not included in the Codification is considered non-authoritative. The Codification is effective for financial statements issued for interim and annual periods ending after September 15, 2009. The adoption of this ASU did not have a material impact on the results of operations or financial position of the Company as it only required changes to GAAP references in our financial statements

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 authoritative guidance expanding disclosures related to fair value measurements including (i) the amounts of significant transfers of assets or liabilities between Levels 1 and 2 of the fair value hierarchy and the reasons for the transfers, (ii) the reasons for transfers of assets or liabilities in or out of Level 3 of the fair value hierarchy, with significant transfers disclosed separately, (iii) the policy for determining when transfers between levels of the fair value hierarchy are recognized and (iv) for recurring fair value measurements of assets and liabilities in Level 3 of the fair value hierarchy, a gross presentation of information about purchases, sales, issuances and settlements. The new guidance further clarifies that (i) fair value measurement disclosures should be provided for each class of assets and liabilities (rather than major category), which would generally be a subset of assets or liabilities within a line item in the statement of financial position and (ii) disclosures should be provided about the valuation techniques and inputs used to measure fair value for both recurring and nonrecurring fair value measurements for each class of assets and liabilities included in Levels 2 and 3 of the fair value hierarchy. The disclosures related to the gross presentation of purchases, sales, issuances and settlements of assets and liabilities included in Level 3 of the fair value hierarchy became effective for the Company on January 1, 2011 with no impact on its financial statements. The remaining disclosure requirements and clarifications made by the new guidance became effective January 1, 2010 with no impact on its financial statements.

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 January 2011, the FASB issued authoritative guidance that deferred the effective date of disclosure requirements for public entities about troubled debt restructurings to be concurrent with the effective date of the guidance for determining what constitutes a troubled debt restructuring, which is concurrently being addressed by the FASB. The guidance is anticipated to be effective for interim and annual reporting periods ending after June 15, 2011.

ENERGY & TECHNOLOGY, CORP.
NOTES TO CONSOLIDATED 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.

Note 5. Major Customers

For the nine months ended September 30, 2011, 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 33% of total revenues, and the total balance due from these three customers at September 30, 2011 was $425,644.

Note 6. Related Party Transactions

Included in due to affiliates is $1,534,249 and $1,447,405 at September 30, 2011 and December 31, 2010, 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 $86,844 and $80,411for the nine month periods ended September 30, 2011 and 2010, respectively.

Note 7. Earnings per Share

The weighted average common shares outstanding amounted to 168,958,150 and 168,898,950 for the three months ended and the nine months ended September 30, 2011, and 66,193,359 and 57,866,758 for the three months ended and the nine months ended September 30, 2010, 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 September 30, 2011 or December 31, 2010, 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 September 30, 2011 and December 31, 2010, should not necessarily be considered to apply at subsequent dates.

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

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:

	September 30, 2011		December 31, 2010	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets:				
Cash and cash equivalents	$ 1,185,673	$ 1,185,673	$ 453,658	$ 453,658
Financial liabilities:				
Notes Payable	$ 717,103	$ 717,103	$ 828,546	$ 828,546
Due to Affiliates	2,398,048	2,398,048	1,875,998	1,875,998
	$ 3,115,151	$ 3,115,151	$ 2,704,544	$ 2,704,544

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 September 30, 2011. 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 stores the pipe wall thickness and outside diameter measurement readings and displays a 3D image of the pipe in order to simulate the burst, collapse, and tensile strength of each pipe. This 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 know 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. 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. In this quarter, ENGT has added Richard Best, formerly of Halliburton, to the ENGT sales team.

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 and equipment leasing and sales. The Company's new manufacturing, threading and repair facility, located on our Houston campus, became operational during the end of the second quarter of 2010 and on September 30, 2011 received numerous ISO and API certifications. Additional growth will come domestically, and through acquisition and intercompany growth, but management feels that overseas expansion is necessary.

Critical Accounting Policies

Management 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 September 30, 2011, inventory consisted of tubing, casing, and drill 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, 2010 to September 30, 2011

At September 30, 2011, total assets amounted to $11,325,220 compared to $11,271,020 at December 31, 2010, an increase of $54,200 or .01%. The increase is primarily due to an increase in cash of $732,015, an increase in prepaid expenses of $11,604 and an increase in deferred tax assets of $413,904, partially offset by a decrease in accounts receivable of $91,647, a decrease in inventory of $330,837, a decrease in other assets of $142,283, and a decrease of property and equipment of $538,556.

Our liabilities at September 30, 2011, totaled $6,681,798 compared to $5,926,493 at December 31, 2010, an increase of $755,305, or 12.7%. The increase is primarily due to an increase in accounts payable of $365,571, an increase in due to affiliates of $522,050, an increase in accrued rent of $112,500, partially offset by a decrease in deferred taxes of $79,850, a decrease in notes payable of $111,443, a decrease in accrued payroll and payroll liabilities of $35,889, and a decrease income tax payable of $17,634.

Total stockholder's equity decreased from $5,344,527 at December 31, 2010, to $4,643,442 at September 30, 2011. This decrease was due our net loss for the nine months ended September 30, 2011, partially offset by the issuance of 88,500 shares of common stock. On September 21, 2010, the company re-issued 115,100,000 shares of common stock to the majority shareholders. These shares were issued when the Company was first organized and were subsequently cancelled in 2009.

Cash and Cash Equivalents

Cash and Cash Equivalents totaled $1,185,673 at September 30, 2011, an increase of $732,015 from the balance of $453,658 at December 31, 2010. The increase in cash and cash equivalents was primarily due to borrowings from affiliates in the amount of $522,050, and our cash provided by operating activities in the amount of $271,440, partially offset by our reduction of debt during the three months ended September 30, 2011.

Inventory

We began purchasing pipe for sale to customers in December, 2007. This was an opportunity for us to expand our services to our customers. During the nine months ended September 30, 2011, we were able to return pipe inventory to one of our pipe suppliers. The Company recognized a reduction of inventory, as well as the corresponding payable, of $1,866,777. 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.

Property and Equipment

The decrease in property and equipment is primarily due to the depreciation for the nine months ended September 30, 2011 of $609,282.

Deferred Tax Asset/Income Taxes Payable

Due to the Company's loss for the nine months ended September 30, 2011, our deferred tax asset has increased by $413,914. We have decreased our deferred income taxes by $79,850 due to the change in book and tax depreciation differences.

Accounts Payable

Accounts payable at September 30, 2011 totaled $518,728 compared to $153,157 at December 31, 2010, an increase of $365,571. We have increased our accounts payable due to the sale of pipe owned by a pipe supplier by offsetting accounts receivables that were previously reserved and recording the remaining liability in the amount of $375,455.

Discussion of Results of Operations for the Three Months Ended September 30, 2011 compared to the Three Months Ended September 30, 2010

Revenues

Our revenue for the three months ended September 30, 2011, was $1,168,540 compared to $480,891, for the three months ended September 30, 2010, an increase of $687,649 or 143.0%. The increase is attributable primarily to increased inspection fees attributable to the removal of the moratorium on drilling due the Gulf of Mexico oil spill.

The following table presents the composition of revenue for the three months ended September 30, 2011 and 2010:

Revenue:	**2011 Dollars**	**Percentage**	**2010 Dollars**	**Percentage**	**Variance Dollars**
Inspection Fees	$ 418,175	35.8%	$ 219,706	45.7%	$ 198,469
Storage Fees	$ 226,260	19.4%	$ 127,143	26.4%	$ 99,117
Pipe Sales	$ 181,554	15.5%	$ 99,640	20.7%	$ 81,914
Commissions	$ 173,866	14.9%	$ 0	.0%	$ 173,866
Other Income	$ 168,685	14.4%	$ 34,402	7.2%	$ 134,283
Total Revenue	$ 1,168,540	100.0%	$ 480,891	100.0%	$ 687,649

Cost of Revenue and Gross Profit

Our cost of revenue for the three months ended September 30, 2011, was $863,817, or 73.9% of revenues, compared to $830,537, or 172.7% of revenues, for the three months ended September 30, 2010. The overall increase in our cost of revenue is primarily due to the cost of pipe sold in the amount of $284,651 included in materials and supplies expense, less depreciation expenses which decreased due to the sale of equipment in late 2010. The increase in cost of revenue as a percentage of revenues was due to the fixed costs which are included in operations. Additionally, management has instituted very strong cost cutting measures designed to return the company to profitability.

The following table presents the composition of cost of revenue for the three months ended September 30, 2011 and 2010:

Cost of Revenue:	**2011 Dollars**	**Percentage**	**2010 Dollars**	**Percentage**	**Variance Dollars**
Labor and Related Costs	$ 116,579	13.5%	$ 162,643	19.5%	$ 46,064
Materials and Supplies	366,162	42.4%	208,940	25.2%	(157,222)
Subcontract Labor	123,715	14.3%	154,335	18.6%	30,620
Maintenance	26,662	3.1%	10,178	1.2%	(16,484)
Insurance	32,248	3.7%	34,144	4.1%	1,896
Depreciation and Amortization	146,037	16.9%	241,364	29.1%	95,327
Other	52,414	6.1%	18,933	2.3%	(33,481)
Total Cost of Revenue	$ 863,817	100.0%	$ 830,537	100.0%	$ (33,280)

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 September 30, 2011, our operating expenses totaled $421,292 as compared to $527,771 in 2010, representing a decrease of $106,479 or 20.2%. The largest components of our operating expense for 2011 consists of salaries and wages, professional services, rent, and depreciation expenses. Salaries and wages for general and administrative personnel was $75,690 for the three months ended September 30, 2011, compared to $204,701 for the three months ended September 30, 2010, a decrease of $129,011, or 63.0%.

Rent expense totaled $59,615 for the three months ended September 30, 2011, as compared to $65,619 for the three months ended September 30, 2010, a decrease of $6,004, or 9.1%. Rent expense for both the three months ended September 30, 2011, and for the three months ended September 30, 2010, 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.

Professional services expense increased from $108,146 for the three months ended September 30, 2010, to $139,057 for the three months ended September 30, 2011, an increase of $30,911, or 28.6%. The increase is primarily a result of expenses we incurred throughout the three months ended September 30, 2011 for legal fees associated with settlement of pipe related issues.

Other operating expenses, which includes travel, lodging, meals, depreciation, office supplies, utilities, communications, maintenance, and repairs, decreased from $149,305 for the three months ended September 30, 2010, to $146,930 for the three months ended September 30, 2011, a decrease of $2,375, or 1.6%, and consists primarily of reductions in office supplies and expense, and utilities.

Other Income and Expense

Other income and expense consists of recovery of bad debt, investment income, interest expense, and gains and losses from the sale and disposal of assets. Other income in the amount of $604,364 consists primarily of the collection of bad debt that was previously determined as unrecoverable in the amount of $595,276. Investment income, which consists of interest, dividends, realized gains and losses, and unrealized gains and losses, amounted to a loss of $66,704 for the three months ended September 30, 2011, compared to income of $2,129 for the three months ended September 30, 2010, which was primarily the result of a write off of an investment in a joint venture in the amount of $68,375.

Interest expense totaled $40,817 for the three months ended September 30, 2011, as compared to $37,958 for the three months ended September 30, 2010, an increase of $2,859, or 7.5%. Interest expense pertains primarily to amounts due to affiliates as well as to our notes payable with third parties, and the increase relates to new financing during the fourth quarter 2009 and the second quarter of 2010 which was obtained to finance expansion and threading equipment for the Houston, Texas facility.

Provision for income taxes

For the three months ended September 30, 2011, we reported an income tax expense of $94,602 compared to an income tax benefit of $289,890 for the three months ended September 30, 2010, an increase of $384,492, or 132.7%, which is the result of income for the quarter, compared to the loss from the previous year.

Discussion of Results of Operations for the Nine months Ended September 30, 2011 compared to the Nine months Ended September 30, 2010

Revenues

Our revenue for the nine months ended September 30, 2011, was $1,624,817 compared to $2,084,957 for the nine months ended September 30, 2010, a decrease of $460,140, or 22.1%. 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 June, 2010, we opened our threading facility in our Houston yard. In addition to our inspection services, we provide hauling and storage of tubular goods at our Houston facility for customers and suppliers. Due to general economic conditions and to the oil spill in the Gulf of Mexico, the demand for our services decreased substantially during 2010 and 2011.

The following table presents the composition of revenue for the nine months ended September 30, 2011 and 2010:

Revenue:	2011 Dollars	Percentage	2010 Dollars	Percentage	Variance Dollars
Inspection Fees	$ 648,135	39.9%	$ 1,073,897	51.5%	$ (425,762)
Storage Fees	$ 416,000	25.6%	$ 626,988	30.1%	$ (210,988)
Pipe Sales	$ 150,498	9.3%	$ 99,640	4.8%	$ 50,858
Commissions	$ 173,866	10.7%	$ 0	0.0%	$ 173,866
Other Income	$ 236,318	14.5%	$ 284,432	13.6%	$ (48,114))
Total Revenue	$ 1,624,817	100.0%	$ 2,084,957	100.0%	$ (460,140)

Cost of Revenue and Gross Profit

Our cost of revenue for the nine months ended September 30, 2011, was $1,885,632, or 116.1% of revenues, compared to $2,060,343, or 98.8% of revenues, for the nine months ended September 30, 2010. The overall decrease in our cost of revenue is due to our decreased inspection services because 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. Labor and related costs decreased by $101,690, or 22.3%. Subcontract labor costs decreased by $118,506, or 24.5%. These decreases are primarily attributable to management’s aggressive cost cutting measures.

The following table presents the composition of cost of revenue for the nine months ended September 30, 2011 and 2010:

Cost of Revenue:	2011 Dollars	Percentage	2010 Dollars	Percentage	Variance Dollars
Labor and Related Costs	$ 355,825	18.9%	$ 457,515	22.2%	$ 101,690
Depreciation and Amortization	485,527	25.7%	672,251	32.7%	186,724
Subcontract Labor	366,425	19.4%	484,931	23.5%	118,506
Materials and Supplies	446,761	23.7%	237,363	11.5%	(209,398)
Insurance	76,419	4.1%	94,739	4.6%	18,320
Maintenance	64,052	3.4%	33,534	1.6%	(30,518)
Other	90,623	4.8%	80,010	3.9%	(10,613)
Total Cost of Revenue	$ 1,885,632	100.0%	$ 2,060,343	100.0%	$ 174,711

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 nine months ended September 30, 2011, our operating expenses totaled $1,313,129 as compared to $1,727,734 in 2010, representing a decrease of $414,605, or 24.0%. Salaries and wages for general and administrative personnel was $306,551 for the nine months ended September 30, 2011, compared to $761,946 for the nine months ended September 30, 2010, a decrease of $455,395, or 59.8%. The decrease was the result of the company’s management instituting drastic cost cutting measures in 2011, partially offset by the issuance of 206,900 shares of common stock valued at $42,815 as bonuses.

Professional services expense increased from $304,569 for the nine months ended September 30, 2010, to $327,077 for the nine months ended September 30, 2011, an increase of $22,508 or 7.4%. The increase is primarily a result of expenses we incurred throughout the nine months ended September 30, 2011 for consulting services pertaining to training and certification classes for our employees and consulting services for our compliance with ISO standards, increased legal fees associated with actions initiated by certain vendors.

Rent expense totaled $191,799 for the nine months ended September 30, 2011, as compared to $198,115 for the nine months ended September 30, 2010, a decrease of $6,316, or 3.2%. Rent expense for both the nine months ended September 30, 2011, and for the nine months ended September 30, 2010, 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. The decrease is attributable to reduced equipment rentals related to the reduced business during the nine months ended September 30, 2011.

Other Income and Expense

Other income and expense consists of a recovery of accounts receivables previously written off, investment income, gains or losses on sale of assets, and interest expense. Investment income, which consists of interest, dividends, realized gains and losses, and unrealized gains and losses, amounted to a loss of $66,438 for the nine months ended September 30, 2011, compared to income of $10,341 for the nine months ended September 30, 2010. The decrease is due primarily to the unrealized losses on stocks caused by a decrease in market value.

Interest expense totaled $120,048 for the nine months ended September 30, 2011, as compared to $110,928 for the nine months ended September 30, 2010, an increase of $9,120, or 8.2%. Interest expense pertains primarily to amounts due to affiliates as well as to our notes payable with third parties, and the increase relates to the financing of new equipment, less the principal payments on those debts and obligations.

During the first quarter of 2010, the Company entered into a settlement with North American Interpipe, Inc. whereby they paid $1 in exchange for forgiveness of all accounts payable balances in the amount of $1,298,074. In addition, the Company forgave accounts receivable balances totaling $919,751 offset by an allowance for doubtful accounts of $97,000. The net effect of the settlement in addition to reducing accounts payable and accounts receivable resulted in the recognition of $475,323 in other income.

Provision for income taxes

For the nine months ended September 30, 2011, we reported an income tax benefit of $493,754 compared to income tax benefit of $430,478 for the nine months ended September 30, 2010, an increase of $63,276, or 14.7%, which is the result of the pre-tax net loss for those periods.

Comparative financial information for the nine months ended September 30:

	September 30, 2011	September 30, 2010	September 30, 2009	September 30, 2008	September 30, 2007
Revenues-Nine Months Ended September 30	$ 1,624,817	$ 2,084,957	$ 6,188,436	$ 7,861,390	$ 2,559,522
Cost of Revenues	1,885,632	2,060,343	2,981,794	4,917,179	1,143,257
Gross Profit	(260,815)	24,614	3,206,642	2,944,211	1,416,265
Operating Expenses					
General & Administrative Expenses	1,189,374	1,612,229	1,480,022	956,570	511,501
Depreciation	123,755	115,505	131,606	57,482	54,663
Total Operating Expenses	1,313,129	1,727,734	1,611,628	1,014,052	566,164
Income (Loss) from Operations	(1,573,944)	(1,703,120)	1,595,014	1,930,159	850,101
Other Income (Expense)	408,790	400,573	(66,409)	(65,013)	(71,116)
Income (Loss) Before Income Taxes	(1,165,154)	(1,302,547)	1,528,605	1,865,146	778,985
Provision for Income Taxes	(493,754)	(430,478)	562,665	724,710	390,595
Net Income (Loss)	$ (671,400)	$ (872,069)	$ 965,940	$ 1,140,436	$ 388,390

Capital Resources and Liquidity

As of September 30, 2011 we had $1,185,673 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 regarding sales that have been made. Additionally, 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 with our current cash and expected revenues. 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 may 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 third fiscal quarter 2011 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 September 30, 2011.

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 2011.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings.

We were recently served with a motion filed by a major Chinese supplier requesting the court for a Temporary Restraining Order against the Company regarding a contractual dispute; however, the court found that no wrong doing was committed by the Company in order to award the Temporary Restraining Order. The court ruled in favor of the Company and denied the supplier it's motion. 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).

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: November 15, 2011	By: */s/ George M. Sfeir* George M. Sfeir President, Chief Executive Officer, and Director
Date: November 15, 2011	By: */s/ Amer Salhi* Amer Salhi Chief Financial Officer