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

FORM 10-Q

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

For the quarterly period ended September 30, 2014

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



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

DELAWARE
(State or other jurisdiction of
incorporation or organization)

333-143215
(Commission File No.)

26-0198662
(IRS Employee Identification No.)

Petroleum Towers, Suite 530
3639 Ambassador Caffery Blvd
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 the Securities Act.
Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.
Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding twelve months (or such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a small 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	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>

(Do not check if a smaller reporting company)

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

According to the Company's only transfer agent of record, Olde Monmoth Stock Transfer Agent's latest records, the number of shares outstanding of each of the Company's classes of common equity, as of September 30, 2014, is 169,165,841 shares of common stock. The company has issued no stock since that date.

ENERGY & TECHNOLOGY, CORP.

FORM 10-Q

September 30, 2014

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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, Technical Industries, Inc. (TII), Energy Pipe, LLC (EP), and Energy Technology Manufacturing & Threading, LLC (ETMT), (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

As of September 30, 2014 and December 31, 2013

	September 30, 2014	December 31, 2013
	(Unaudited)	(Audited)
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 1,242,126	\$ 1,875,187
Accounts Receivable		
Trade, Net	643,404	1,029,761
Other	3,703	73,800
Inventory	2,021,464	2,309,048
Prepaid Expenses	44,731	37,173
Deferred Tax Asset	1,156,059	962,436
Total Current Assets	5,111,487	6,287,405
Property and Equipment, Net		
Held for Operations, Net	3,341,367	3,650,236
Held for Investment	-	-
Total Property & Equipment	3,341,367	3,650,236
Other Assets		
Patent, net	392,398	409,539
Deposits	4,988	4,988
Other Assets	-	4,393
Total Other Assets	397,386	418,920
Total Assets	\$ 8,850,240	\$ 10,356,561

See notes to consolidated financial statements

ENERGY & TECHNOLOGY, CORP.
Consolidated Balance Sheets
As of September 30, 2014 and December 31, 2013

	September 30, 2014 (Unaudited)	December 31, 2013 (Audited)
Liabilities and Stockholders' Equity		
Current Liabilities		
Current Maturities of Notes Payable	\$ 69,155	\$ 364,046
Accounts Payable	2,397,882	2,109,713
Accrued Payroll and Payroll Liabilities	34,415	54,357
Accrued Rent	2,050,000	1,937,500
Income Taxes Payable	25,287	149,936
Total Current Liabilities	<u>4,576,739</u>	<u>4,615,552</u>
Long-Term Liabilities		
Notes Payable	-	8,066
Deferred Taxes Payable	438,495	604,271
Due to Affiliates	131,947	691,935
Total Long-Term Liabilities	<u>570,442</u>	<u>1,304,272</u>
Total Liabilities	5,147,181	5,919,824
Stockholders' Equity		
Preferred Stock - \$.001 Par Value; 10,000,000 Shares Authorized, None Issued	-	-
Common Stock - \$.001 Par Value; 250,000,000 Shares Authorized, 169,165,841 and 169,186,117 Shares Issued and Outstanding at September 30, 2014 and December 31, 2013, With 80,834,159 and 80,813,883 Shares unissued at September 30, 2014 and December 31, 2013	169,186	169,186
Discount on Common Stock	(115,100)	(115,100)
Treasury Stock	(120,845)	(120,845)
Paid-In Capital	4,297,022	4,297,022
Retained Earnings	(527,204)	206,474
Total Stockholders' Equity	<u>3,703,059</u>	<u>4,436,737</u>
Total Liabilities and Stockholders' Equity	<u>\$ 8,850,240</u>	<u>\$ 10,356,561</u>

See notes to consolidated financial statements

ENERGY & TECHNOLOGY, CORP.
Consolidated Statements of Operations (Unaudited)
For the Three Months Ended September 30, 2014 and September 30, 2013
For the Nine Months Ended September 30, 2014 and September 30, 2013

	<u>Three Months Ended</u>		<u>Nine Months Ended</u>	
	<u>September 30,</u> <u>2014</u>	<u>September 30,</u> <u>2013</u>	<u>September 30,</u> <u>2014</u>	<u>September 30,</u> <u>2013</u>
Revenues	\$ 1,325,884	\$ 1,415,130	\$ 3,246,217	\$ 3,695,118
Cost of Revenues				
Materials and Supplies	429,812	223,538	774,299	1,040,756
Subcontract Labor	151,599	236,888	531,438	605,929
Depreciation	199,345	202,733	582,889	608,640
Employees and Related Costs	109,309	154,952	341,675	388,604
Repairs and Maintenance	58,043	26,424	89,790	52,519
Insurance	45,867	71,102	137,728	170,948
Other Costs	154,583	47,308	569,740	110,827
Patent Amortization	7,196	-	21,589	0
	<u>1,155,754</u>	<u>962,945</u>	<u>3,049,148</u>	<u>2,978,223</u>
Total Cost of Revenues				
	<u>1,155,754</u>	<u>962,945</u>	<u>3,049,148</u>	<u>2,978,223</u>
Gross Profit	<u>170,130</u>	<u>452,185</u>	<u>197,069</u>	<u>716,895</u>
Operating Expenses				
Administrative Salaries and Wages	111,768	136,230	341,358	381,802
Other	55,964	33,873	212,728	116,322
Professional Services	32,768	40,667	179,259	318,375
Rent	8,400	63,773	25,920	162,501
Depreciation	29,147	33,387	88,735	112,706
Travel, Lodging and Meals	11,931	21,821	70,623	79,896
Utilities	17,182	14,456	53,646	41,248
Office Supplies and Expenses	16,167	12,270	69,357	50,327
Repairs and Maintenance	27,146	40,098	71,979	65,144
Communications	7,672	12,038	23,626	33,409
Patent Amortization	-	7,196	-	21,589
Bad Debts	-	-	116,723	-
	<u>318,145</u>	<u>415,809</u>	<u>1,253,954</u>	<u>1,383,319</u>
Total Operating Expenses				
	<u>318,145</u>	<u>415,809</u>	<u>1,253,954</u>	<u>1,383,319</u>
(Loss) Income from Operations	<u>(148,015)</u>	<u>36,376</u>	<u>(1,056,885)</u>	<u>(666,424)</u>
Other Income (Expense)				
Gain (Loss) on Sale of Assets	-	70,000	(214)	70,000
Investment Income (Expense)	53	(14,045)	13,816	(115)
Interest Expense	(15,482)	(43,732)	(49,794)	(124,333)
	<u>(15,429)</u>	<u>12,223</u>	<u>(36,192)</u>	<u>(54,448)</u>
Total Other Income (Expense)				
	<u>(15,429)</u>	<u>12,223</u>	<u>(36,192)</u>	<u>(54,448)</u>
(Loss) Income Before Provision for Income Taxes	<u>(163,444)</u>	<u>48,599</u>	<u>(1,093,077)</u>	<u>(720,872)</u>
Benefit for Income Taxes	<u>(56,666)</u>	<u>(5,498)</u>	<u>(359,399)</u>	<u>(264,014)</u>
(Loss) Income	<u>\$ (106,778)</u>	<u>\$ 54,097</u>	<u>\$ (733,678)</u>	<u>\$ (456,858)</u>
Loss per Share - Basic	<u>\$ NM</u>	<u>\$ NM</u>	<u>\$ NM</u>	<u>\$ NM</u>
Loss per Share - Diluted	<u>\$ NM</u>	<u>\$ NM</u>	<u>\$ NM</u>	<u>\$ NM</u>

See notes to consolidated financial statements

ENERGY & TECHNOLOGY CORP.
Consolidated Statements of Changes in Stockholders' Equity
For the Years Ended December 31, 2013 and the Nine Months Ended September 30, 2014

	<u>Common Stock</u>		<u>Discount on Capital Stock</u>	<u>Additional Paid-In Capital</u>	<u>Treasury Stock</u>	<u>Retained Earnings</u>	<u>Total Stockholders' Equity</u>
	<u>Shares</u>	<u>Amount</u>					
Balance at January 1, 2013	169,144,950	\$ 169,145	\$ (115,100)	\$ 4,288,830	\$ -	\$ 453,611	\$ 4,796,486
Share buyback	-	-	-	-	(120,845)	-	\$ (120,845)
Bonus shares issued	41,167	41	-	8,192	-	-	\$ 8,233
Net (Loss)	-	-	-	-	-	(247,137)	\$ (247,137)
Balance at December 31, 2013	<u>169,186,117</u>	<u>\$ 169,186</u>	<u>\$ (115,100)</u>	<u>\$ 4,297,022</u>	<u>\$ (120,845)</u>	<u>\$ 206,474</u>	<u>\$ 4,436,737</u>
Balance at January 1, 2014	169,186,117	\$ 169,186	\$ (115,100)	\$ 4,297,022	\$ (120,845)	\$ 206,474	\$ 4,436,737
Share buyback	(20,276)	-	-	-	-	-	\$ -
Bonus shares issued	-	-	-	-	-	-	\$ -
Net (Loss)	-	-	-	-	-	(733,678)	\$ (733,678)
Balance at September 30, 2014	<u>169,165,841</u>	<u>\$ 169,186</u>	<u>\$ (115,100)</u>	<u>\$ 4,297,022</u>	<u>\$ (120,845)</u>	<u>\$ (527,204)</u>	<u>\$ 3,703,059</u>

See notes to consolidated financial statements

ENERGY & TECHNOLOGY, CORP.
Consolidated Statements of Cash Flows
For the Nine Months Ended September 30, 2014 and 2013

	Nine Months Ended	
	September 30, 2014	September 30, 2013
Cash Flows from Operating Activities		
Net Loss	\$ (733,678)	\$ (456,858)
Adjustments to Reconcile Net Income to Net Cash Provided by		
Operating Activities		
Bad Debts	(116,723)	
Depreciation	671,623	722,251
Amortization of Patent Costs	21,590	21,589
Gain on Sale of Asset	214	(70,000)
Deferred Income Taxes	(359,399)	(309,661)
Changes in Assets and Liabilities		
Trade Receivables	503,080	(322,517)
Other Receivables	(2,903)	(2,500)
Inventory	287,584	569,037
Prepaid Expenses	(7,558)	54,853
Accounts Payable	288,169	(129,448)
Accrued Payroll and Payroll Liabilities	(19,942)	(10,659)
Income Taxes Payable	(124,649)	(6,840)
Accrued Rent	112,500	112,500
Net Cash Provided by Operating Activities	<u>519,908</u>	<u>171,747</u>
Cash Flows from Investing Activities		
Other Assets	4,393	(3,797)
Patent Cost	(4,449)	
Purchase of Property and Equipment	(362,968)	(85,263)
Other Receivables	73,000	
Proceeds from Sale of Assets		70,000
Net Cash Provided by (Used in) Investing Activities	<u>(290,024)</u>	<u>(19,060)</u>
Cash Flows from Financing Activities		
Purchase of Treasury Stock		(112,612)
Borrowings (Principal Repayments) to Affiliates	(559,988)	4,639
Borrowings (Principal Repayments) on Notes Payable	(302,957)	(396,396)
Net Cash Provided by (Used in) Financing Activities	<u>(862,945)</u>	<u>(504,369)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(633,061)	(351,682)
Cash and Cash Equivalents, Beginning of Year	<u>1,875,187</u>	<u>2,879,195</u>
Cash and Cash Equivalents, End of Year	<u>\$ 1,242,126</u>	<u>\$ 2,527,513</u>
Supplemental Disclosure of Cash Flow Information		
Cash Paid During the Period for Interest	<u>\$ 7,513</u>	<u>\$ 9,967</u>
Cash Paid During the Period for Income Taxes	<u>\$ -</u>	<u>\$ 45,647</u>

See notes to consolidated financial statements

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

Note 1. Organization

Energy and Technology, Corp. (the Company) 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, the Company had no assets, operations, or cash flows. As such, the stock had no value at the time the Company 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 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, 2009, 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 the Generally Accepted Account Principles (GAAP) 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 and manufacturing and threading 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.

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 collectability based on past credit.

Allowance for Doubtful Accounts

The company calculates the allowance based on the history with customers and their current financial condition. Provisions of uncollectible amounts are determined based on management's estimate of collectability. Allowance for doubtful accounts was \$3,274 and \$9,035 at September 30, 2014 and at December 31, 2013, respectively.

Inventory

Inventory is stated at the lower of cost determined by the specific identification method or market. At September 30, 2014 and at December 31, 2013, 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 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.

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

Note 2. Summary of Significant Accounting Policies (Continued)

Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of temporary cash investments and trade receivables. Concentration of credit risk with respect to trade receivables is limited due to the Company's large number of customers. At September 30, 2014, the balance due from three customers represented 75% of receivables, and sales to two customers represented 62% of revenues for the nine months ended September 30, 2014. The credit rating of these customers is "A" according to Dunn & Bradstreet credit rating system.

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 was \$31,437 and \$13,753, for the nine months ended September 30, 2014 and 2013, respectively.

Cash Flows

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.

Emerging Growth Company Critical Accounting Policy Disclosure

The Company qualifies as an "emerging growth company" under the 2012 JOBS Act. Section 107 of the JOBS Act provides that an emerging growth company can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act for complying with new or revised accounting standards. As an emerging growth company, the Company can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. The Company may elect to take advantage of the benefits of this extended transition period in the future.

Recent Accounting Pronouncements

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 did not 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 was effective January 1, 2013 and did not have a significant impact on the Company's financial statements.

On January 1, 2012, the Company adopted guidance issued by the FASB on accounting and disclosure requirements related to fair value measurements. The guidance limits the highest-and-best-use measure to nonfinancial assets, permits certain financial assets and liabilities with offsetting positions in market or counterparty credit risks to be measured at a net basis, and provided guidance on the applicability of premiums and discounts. Additionally, the guidance expands the disclosures on Level 3 inputs by requiring quantitative disclosure of the unobservable inputs and assumptions, as well as description of the valuation process and the sensitivity of the fair value to changes in unobservable inputs. Adoption of the new guidance did not have a material impact on our financial statements.

In July 2013, FASB issued authoritative guidance on Derivatives and Hedging, providing guidance on the risks that are permitted to be hedged in a fair value or cash flow hedge. Among those risks for financial assets and financial liabilities is the risk of changes in a hedged item's fair value or a hedged transaction's cash flows attributable to changes in the designated benchmark interest rate. The guidance was issued as a direct result of the financial crisis in 2008 as the exposure to and the demand for hedging the Fed Fund rate has increased significantly. The new guidance was effective July 17, 2013, and did not have a significant impact on the Company's financial statements.

In July 2013, guidance was issued on Topic 740, Income Taxes. The guidance states that an unrecognized tax benefit, or a portion of an unrecognized tax benefit, should be presented in the financial statements as a reduction to a deferred tax asset for a net operating loss carry-forward, a similar tax loss, or a tax credit carry-forward with some exceptions. The assessment of whether a deferred tax asset is available is based on the unrecognized tax benefit and deferred tax asset that exist at the reporting date and should be made presuming disallowance of the tax position at the reporting date. The new guidance will be for fiscal years, and interim periods within those years, beginning after December 15, 2013. This guidance did not have a significant impact on the Company's financial statements.

ENERGY & TECHNOLOGY, CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 2. Summary of Significant Accounting Policies (Continued)

Comprehensive Income

The Company had no components of comprehensive income. Therefore, net income (loss) equals comprehensive income (loss) for the periods presented.

Note 3. Patent

On September 4, 2007, the Company was awarded a patent from the United States Patent and Trademark Office pertaining to the development of specialized testing procedures for tubing, casing, line pipe, and expandable liners utilized by oil-exploration

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. Amortization expense for the nine months, ended September 30, 2014 and 2013, respectively, was \$21,589 and \$21,589, respectively

Note 4. Property and Equipment

Property and equipment consists of the following at September 30, 2014 and December 31, 2013, respectively:

	2014	2013
Buildings and Improvements	\$ 3,042,385	\$ 3,042,385
Equipment	5,815,268	5,626,649
Autos and Trucks	255,894	255,894
Office Furniture	32,657	32,657
Construction in Progress	172,539	
	<u>9,318,743</u>	<u>8,957,585</u>
Less: Accumulated Depreciation	(5,977,376)	(5,307,349)
Total	<u>\$ 3,341,367</u>	<u>\$ 3,650,236</u>

Depreciation expense amounted to \$671,623 and \$721,346 for the nine months ended September 30, 2014 and 2013, respectively.

During 2013, Property and Equipment held for investment was transferred for a reduction of Notes Payable, specifically Due to Affiliates, in the amount of \$1,095,583.

On May 14, 2014, Energy Technology Manufacturing & Threading, LLC purchased the assets of Total Pipe Services, Inc. and embarked on relocating the assets to the Abbeville facility. Assets were purchased and construction was begun to better serve our customers.

Note 5. Related Party Transactions

Included in due to affiliates at September 30, 2014 and December 31, 2013, is \$131,947 and \$1,755,783 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 \$41,516 and \$101,295 for the nine months ended September 30, 2014 and 2013, respectively.

Note 6. Notes Payable

Notes payable at September 30, 2014 and December 31, 2013 consist of the following:

	2014	2013
Secured fixed term note of \$213,226 due October 2014; fixed interest rate of 5.98%	\$ -	\$ 27,241
Secured fixed term note of \$340,990 due December 2014; fixed interest rate of 5.93%		66,554
Secured fixed term note of \$260,000 due May 2015; fixed interest rate of 5.4%	14,316	63,525
Secured fixed term note of \$60,303 due November 2015; fixed interest rate of 2.9%	7,789	18,312
Secured fixed term note of \$23,968 due February 2016; fixed interest rate of 6.0%	5,228	9,397
Secured fixed term note of \$449,000 due October 2014; fixed interest rate of 0.0%	18,708	187,083
Secured fixed term note of \$112,928 due November 2014; fixed interest rate of 6.99%	23,113	-
	<u>\$ 69,155</u>	<u>\$ 372,112</u>
Less: Current Portion	69,155	364,046
Long-Term Portion	<u>\$ -</u>	<u>\$ 8,066</u>

Following are maturities of long-term debt at December 31, 2013:

Fiscal Year Ending December 31,	Amount
2014	\$ 364,046
2015	8,066
Total	<u>\$ 372,112</u>

Note 7. Equity

The Company is authorized to issue 250,000,000 shares of common stock at a par value of \$.001 per share. The number of shares issued and outstanding are 169,165,841 and 169,186,117 as of September 30, 2014 and December 31, 2013, respectively.

The Company is authorized to issue 10,000,000 shares of preferred stock. As of September 30, 2014 and December 31, 2013, there were no shares issued and outstanding. In 2013, the company issued a total of 41,167 shares of common stock valued at an average of \$0.199 a share to employees as compensation. In 2013, the company purchased 20,276 shares of common stock now in Treasury.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 8. Earnings per Share

Earnings (loss) per share are calculated in accordance with ASC 260 "Earnings per Share". The weighted average number of common shares outstanding during each period is used to compute basic earnings (loss) per share. Diluted earnings per share are computed using the weighted average number of shares and potentially dilutive common shares outstanding. Dilutive potential common shares are additional common shares assumed to be exercised. Potentially dilutive common shares consist of stock options and are excluded from the diluted earnings per share computation in periods where the Company has incurred a net loss, as their effect would be considered anti-dilutive.

There were no potentially dilutive common stock equivalents as of September 30, 2014, therefore basic earnings per share equals diluted earnings per share for the six months ended September 30, 2014. As the Company incurred a net loss during the six months ended September 30, 2014, the basic and diluted loss per common share is the same amount, as any common stock equivalents would be considered anti-dilutive.

As the Company incurred a net loss during the year ended December 31, 2013, the basic and diluted loss per common share is the same amount, as any common stock equivalents would be considered anti-dilutive.

The weighted average common shares outstanding were 169,165,841 and 169,186,117 for the nine months ended September 30, 2014 and the year ended December 31, 2013, respectively.

Note 9. Commitments

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

Note 10. Litigation and Contingent Liabilities

The Company is currently involved in litigation with a supplier regarding a contract agreement for the Company to serve as a distributor for the suppliers products. The Company has recorded a liability of \$2,306,970 for net proceeds due the supplier from sales of its product. In the ordinary course of our business, we are, from time to time, subject to various legal proceedings, including matters involving employees, customers, and suppliers. We may enter into discussions regarding settlement of claims or lawsuits, and may enter into settlement agreements, if we believe settlement is in the best interest of our stockholders. We do not believe that any existing legal proceedings or settlements, individually or in the aggregate, will have a material effect on our financial condition, results of operations, or liquidity.

Note 11. Major Customers

For the nine months ended September 30, 2014, the Company had two customers which generated revenues in excess of 10% of the Company's total revenues. Revenues for these three customers were approximately 62% of total revenues, and total balance due from these two customers at September 30, 2014 was \$400,534.

Note 12. Estimated Fair Value of Financial Instruments

The following disclosure is made in accordance with the requirements of FASB ASC 825, *Financial Instruments*. Financial instruments are defined as cash and contractual rights and obligations that require settlement, directly or indirectly, in cash. In cases where quoted market prices are not available, fair values have been estimated using the present value of future cash flows or other valuation techniques.

The result of these techniques are highly sensitive to the assumptions used, such as those concerning appropriate discount rates and estimates of future cash flows, which require considerable judgment. Accordingly, estimates presented herein are not necessarily indicative of the amounts the Company could realize in a current settlement of the underlying financial instruments. ASC 825 excludes certain financial instruments and all non-financial instruments from its disclosure requirements. These disclosures should not be interpreted as representing an aggregate measure of the underlying value of the Company.

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, 2014 or December 31, 2013, 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, 2014 and December 31, 2013, should not necessarily be considered to apply at subsequent dates.

	September 30,		December 31,	
	2014		2013	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Cash	\$ 1,242,126	\$ 1,242,126	\$ 1,875,187	\$ 1,875,187
Financial Liabilities				
Notes Payable	\$ 69,155	\$ 69,155	\$ 372,112	\$ 372,112
Due to Affiliates	131,947	131,947	691,935	691,935
	\$ 1,443,228	\$ 1,443,228	\$ 2,939,234	\$ 2,939,234

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 of due to affiliates approximates fair values.

Note 13. 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 effects 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, 2014. 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 Houston, Texas facility has been completed and is fully operational. This facility is capable of manufacturing, threading, bucking, and repairing drill pipe, casing, and tubing up to 11 7/8" diameter and 13 3/8" diameter. The plant is equipped with a computer pneumatic controlled lathe which is accurate 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 Energy & Technology, Corp. one step closer to its goal of supplying all tubular services under one roof. Energy & Technology Corp. recently acquired the assets of Total Pipe Services, Inc. and was able to add a fully operational Louisiana Division of Energy Technology Manufacturing & Threading, LLC to Technical Industries, Inc., facility is located in Abbeville, Louisiana and has the same capabilities of the Houston facility, which further details are provided above.

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. The Company added additional employees to focus on increasing sales. The Company also added a marketing and promotional activity director. Management believes revenue can be increased by expanding the Company's sales force and promoting the services.

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 and manufacturing an threading services are 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, 2014, 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, 2013 to September 30, 2014

At September 30, 2014, total assets amounted to \$8,850,240 compared to \$10,356,561 at December 31, 2013, a decrease of \$1,506,321, or 14.54%. The decrease is primarily due to a decrease in cash of \$633,061, a decrease in accounts receivable of \$386,357, a decrease in inventory of \$287,584, a decrease in other receivables of \$70,097, and a decrease of property and equipment held for operations of \$308,869, partially offset by an increase in deferred tax asset of \$193,623, and an increase in prepaid expenses of \$7,558.

Our liabilities at September 30, 2014, totaled \$5,147,181 compared to \$5,919,824 at December 31, 2013, a decrease of \$772,643, or 13.05%. The decrease is primarily due to a decrease in due to affiliates of \$559,988, a decrease in notes payable of \$302,957, a decrease in income tax payable of \$124,649, and a decrease in deferred taxes payable of \$165,776, partially offset by an increase in accrued rent of \$112,500 and an increase of Accounts Payable of \$288,169.

Total stockholder's equity decreased from \$4,436,737 at December 31, 2013, to \$3,703,059 at September 30, 2014. This decrease was due to our net loss for the nine months ended September 30, 2014.

Cash and Cash Equivalents

Cash and Cash Equivalents totaled \$1,242,126 September 30, 2014, a decrease of \$633,061 from the balance of \$1,875,187 at December 31, 2013. The decrease in cash and cash equivalents was primarily due to amounts used to reduce debt, partially offset by the cash generated from operating activities for the nine months ended September 30, 2014.

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.

Property and Equipment

The decrease in property and equipment, totaling \$308,869, is primarily due to depreciation for the nine months ended September 30, 2014 partially offset by fixed asset additions.

Deferred Tax Asset/Income Taxes Payable

Due to the Company's loss for the nine months ended September 30, 2014, our deferred tax asset has increased by \$193,623. We have decreased our deferred income taxes by \$165,776 due to the change in book and tax depreciation differences.

Accounts Payable

Accounts payable at September 30, 2014 totaled \$2,397,882 compared to \$2,109,713 at December 31, 2013, an increase of \$288,169. The increase is primarily due to the purchase of pipe.

Discussion of Results of Operations for the Three Months Ended September 30, 2014 compared to the Three Months Ended September 30, 2013

Revenues

Our revenue for the three months ended September 30, 2014, was \$1,325,884, compared to \$1,415,130, for the three months ended September 30, 2013, a decrease of \$89,246, or 6.31%. The decrease is attributable primarily to a decrease in inspection fees.

The following table presents the composition of revenue for the three months ended September 30, 2014 and 2013:

3 Months Ending September 30, 2014

Revenue:	2014		2013		Variance Dollars
	Dollars	Percentage	Dollars	Percentage	
Inspection	\$ 395,612	29.8%	\$ 620,042	43.8%	\$ (224,430)
Pipe and Equipment Sales	\$ 482,702	36.4%	\$ 230,480	16.3%	\$ 252,222
Storage	\$ 112,600	8.5%	\$ 229,311	16.2%	\$ (116,711)
Rebillable Income	\$ 57,673	4.3%	\$ 67,664	4.8%	\$ (9,991)
Manufacturing	\$ 277,297	20.9%	\$ 267,633	18.9%	\$ 9,664
Total Revenue	\$ 1,325,884	100.0%	\$ 1,415,130	100.0%	\$ (89,246)

Cost of Revenue and Gross Profit

Our cost of revenue for the three months ended September 30, 2014, was \$1,155,754, or 87.2% of revenues, compared to \$962,945, or 68.0% of revenues, for the three months ended September 30, 2013. The overall increase in our cost of revenue is primarily due to an increase in transportation cost which included in the other costs category and increase in the cost of pipe sold which is included in Materials and Supplies.

The following table presents the composition of cost of revenue for the three months ended September 30, 2014 and 2013:

3 Months Ending September 30, 2014

Cost of Revenue:	2014		2013		Variance Dollars
	Dollars	Percentage	Dollars	Percentage	
Employee and Related Costs	\$ 109,309	9.5%	\$ 154,952	16.1%	\$ (45,643)
Materials and Supplies	429,812	37.2%	223,538	23.2%	\$ 206,274
Subcontract Labor	151,599	13.1%	236,888	24.6%	\$ (85,289)
Depreciation and Amortization	206,541	17.9%	202,733	21.1%	\$ 3,808
Repairs and Maintenance	58,043	5.0%	26,424	2.7%	\$ 31,619
Insurance	45,867	4.0%	71,102	7.4%	\$ (25,235)
Other Costs	154,583	13.4%	47,308	4.9%	\$ 107,275
Total Cost of Revenues	\$ 1,155,754	100.0%	\$ 962,945	100.0%	\$ 192,809

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, 2014, our operating expenses totaled \$318,145 as compared to \$415,809 in 2013, representing a decrease of \$97,664, or 23.49%. The largest components of our operating expense for 2014 consist of salaries and wages, other operating expenses, and professional services. Salaries and wages for general and administrative personnel was \$111,768 for the three months ended September 30, 2014, compared to \$136,230 the three months ended September 30, 2013, a decrease of \$24,462, or 17.96%.

Professional services expense decreased from \$40,667 for the three months ended September 30, 2013, to \$32,768 for the three months ended September 30, 2014, a decrease of \$7,899, or 19.42%. The decrease is primarily a result of employing an accountant to handle the company's financials instead of using an accounting firm and a decrease in legal fees.

Other operating expenses increased from \$33,873 at September 30, 2013 to \$55,964 for the three months ended September 30, 2014, an increase of \$22,091 or 65.22%. Other operating expense consists primarily of taxes and licenses, training, advertising, dues and subscriptions.

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 \$15,429 for the three months ended September 30, 2014, compared to other income, net, of \$12,223, for the three months ended September 30, 2013, a decrease of \$27,652 or 226.23%. Investment income, which consists of interest, dividends, realized gains and losses, and unrealized gains and losses, amounted to income of \$53 for the three months ended September 30, 2014, compared to investment expense of \$14,045 for the three months ended September 30, 2013. For the three months ended September 30, 2013, the company sold an asset at a gain of \$70,000.

Interest expense totaled \$15,482 for the three months ended September 30, 2014, as compared to \$43,732 for the three months ended September 30, 2013, a decrease of \$28,250, or 64.60%. 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 September 30, 2014, we reported a deferred income tax benefit of \$56,666 compared to income tax benefit of \$5,498 for the three months ended September 30, 2013, an increase of \$51,168, or 930.67%. The change was due to the net loss for the three month period.

Discussion of Results of Operations for the Six Months Ended September 30, 2014 compared to the Six Months Ended September 30, 2013

Revenues

Our revenue for the nine months ended September 30, 2014, was \$3,246,217, compared to \$3,695,118, for the nine months ended September 30, 2013, a decrease of \$448,901, or 12.15%. The decrease is attributable primarily to a decrease in inspection fees.

The following table presents the composition of revenue for the nine months ended September 30, 2014 and 2013:

9 Months Ending September 30, 2014

Revenue:	2014		2013		Variance Dollars
	Dollars	Percentage	Dollars	Percentage	
Inspection	\$ 1,021,219	77.0%	\$ 1,374,774	97.1%	\$ (353,555)
Pipe and Equipment Sales	\$ 822,844	62.1%	\$ 1,045,485	73.9%	\$ (222,641)
Storage	\$ 326,900	24.7%	\$ 357,692	25.3%	\$ (30,792)
Rebillable Income	\$ 205,678	15.5%	\$ 264,480	18.7%	\$ (58,802)
Manufacturing	\$ 869,576	65.6%	\$ 652,687	46.1%	\$ 216,889
Total Revenue	\$ 3,246,217	100.0%	\$ 3,695,118	261.1%	\$ (448,901)

Cost of Revenue and Gross Profit

Our cost of revenue for the nine months ended September 30, 2014, was \$3,049,148, or 93.9% of revenues, compared to \$2,978,223, or 80.6% of revenues, for the nine months ended September 30, 2013. The overall increase in our cost of revenue is primarily due to an increase in transportation cost which included in the other costs category.

The following table presents the composition of cost of revenue for the six months ended September 30, 2014 and 2013:

9 Months Ending September 30, 2014

Cost of Revenue:	2014		2013		Variance Dollars
	Dollars	Percentage	Dollars	Percentage	
Employee and Related Costs	\$ 341,675	11.2%	\$ 388,604	13.0%	\$ (46,929)
Materials and Supplies	774,299	25.4%	1,040,756	34.9%	\$ (266,457)
Subcontract Labor	531,438	17.4%	605,929	20.3%	\$ (74,491)
Depreciation and Amortization	604,478	19.8%	608,640	20.4%	\$ (4,162)
Repairs and Maintenance	89,790	2.9%	52,519	1.8%	\$ 37,271
Insurance	137,728	4.5%	170,948	5.7%	\$ (33,220)
Other Costs	569,740	18.7%	110,827	3.7%	\$ 458,913
Total Cost of Revenues	\$ 3,049,148	100.0%	\$ 2,978,223	100.0%	\$ 70,925

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, 2014, our operating expenses totaled \$1,253,954 as compared to \$1,383,319 in 2013, representing a decrease of \$129,365, or 9.35%. The largest components of our operating expense for 2014 consist of salaries and wages, other operating costs, and professional services. Salaries and wages for general and administrative personnel was \$341,802 for the nine months ended September 30, 2014, compared to \$381,802 the nine months ended September 30, 2013, a decrease of \$40,444, or 10.59%.

Professional services expense decreased from \$318,375 for the nine months ended September 30, 2013, to \$179,259 for the nine months ended September 30, 2014, a decrease of \$139,116, or 43.70%. The decrease is primarily a result of employing an accountant to handle the company's financials instead of using an accounting firm and a decrease in legal fees.

Other operating expenses increased from \$116,322 at September 30, 2013 to \$212,728 for the nine months ended September 30, 2014, an increase of \$96,406 or 82.88%. Other operating expense consists primarily of taxes and licenses, training, advertising, dues and subscriptions.

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 \$36,192 for the nine months ended September 30, 2014, compared to other expenses, net, of \$54,448, for the nine months ended September 30, 2014, a decrease of \$18,256 or 33.53%. Interest Investment income, which consists of interest, dividends, realized gains and losses, and unrealized gains and losses, amounted to income of \$13,816 for the nine months ended September 30, 2014, compared to investment expense of \$115 for the nine months ended September 30, 2013.

Interest expense totaled \$49,794 for the nine months ended September 30, 2014, as compared to \$124,333 for the nine months ended September 30, 2013, a decrease of \$74,539, or 59.95%. 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 nine months ended September 30, 2014, we reported a deferred income tax benefit of \$359,399 compared to income tax benefit of \$264,014 for the nine months ended September 30, 2013, an increase of \$95,385, or 36.13%. The change was due to the net loss for the nine month period.

Comparative financial information for the nine months ended September 30:

	September 30, 2014	September 30, 2013	September 30, 2012	September 30, 2011	September 30, 2010
Revenues	\$ 3,246,217	\$ 3,695,118	\$ 6,717,626	\$ 1,624,817	\$ 2,084,957
Cost of Revenues	3,049,148	2,978,223	4,744,738	1,885,632	2,060,343
Gross Profit	197,069	716,895	1,972,888	(260,815)	24,614
Operating Expenses					
General & Administrative Expenses	1,165,219	1,266,997	1,265,098	1,189,374	1,612,229
Depreciation	88,735	116,322	123,520	123,755	115,505
Total Operating Expenses	1,253,954	1,383,319	1,388,618	1,313,129	1,727,734
Income (Loss) from Operations	(1,056,885)	(666,424)	584,270	(1,573,944)	(1,703,120)
Other Income (Expense)	(36,192)	(54,448)	(93,299)	408,790	400,573
Income (Loss) Before Income Taxes	(1,093,077)	(720,872)	490,971	(1,165,154)	(1,302,547)
Provision for Income Taxes	(359,399)	(264,014)	159,431	(493,754)	(430,478)
Net Income (Loss)	\$ (733,678)	\$ (456,858)	\$ 331,540	\$ (671,400)	\$ (872,069)

Capital Resources and Liquidity

As of September 30, 2014, we had \$1,242,126 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.

We do not hold any derivative instruments and do not engage in any hedging activities.

Item 4. 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 first fiscal quarter 2014 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, 2014.

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 2014 as we implement our Sarbanes Oxley Act testing.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

Shengli Oilfield Highland Petroleum Equipment Company, Ltd. ("Shengli China") filed this suit in the 157th District Court for Harris County, Texas. The claim was removed to the United States District Court for the Southern District of Texas. A motion to dismiss the claim or to transfer it to Louisiana was filed on behalf of ENGT. The court has denied the motion, and the matter remains pending in the United States District Court for the Southern District of Texas.

The suit arises out of a March 2, 2009 Distribution Agreement ("Contract") executed between Shengli China and ENGT. The Contract sued on designated ENGT as Shengli China's agent to receive, unload, store, maintain, market, and inspect Shengli's tubular products. ENGT was to be the exclusive agent for the sale and distribution of products in Louisiana, but was a non-exclusive agent in other states.

In the suit, Shengli China claims that it placed approximately 8,500 tons of oil country tubular goods ("OCTG") at Energy's storage yard in Houston, Texas in 2009. The suit goes on to claim that ENGT sold the pipe, and has kept the funds. As a result, Shengli China claims that ENGT has converted its property. The suit seeks damages for breach of contract, conversion and a declaratory judgment. The suit also seeks attorney's fees. Trial of this matter is set for December 1, 2014.

The claims are closely related to suits pending in an arbitration forum. There is currently pending an arbitration proceeding by and among Shengli China, Shengli Highland Petroleum Equipment USA, Inc. ("Shengli USA"), and Technical Industries, Inc. The arbitration seeks to resolve disputes between the parties arising out of several agreements, including a December 9, 2007 Distributorship Agreement.

In the arbitration, Shengli China and Shengli USA claimed that tubular products, and in particular the same tubular products that are the subject of Shengli China's suit against ENGT, were delivered to Technical Industries, Inc., and damages are sought as a result of Technical Industries, Inc. sale of those products. Since ENGT, an entity separate from Technical Industries, Inc., received the pipe, ENGT's legal counsel do not believe Shengli China has a viable claim against ENGT.

The information set forth herein is as of November 7, 2014 (unless otherwise noted), and does not contain any reference to occurrences or claims, whether asserted or unasserted, after that date. Except as otherwise noted, we disclaim any undertaking to advise you of changes which may be brought to our attention regarding the above matters.

This response is limited by and in accordance with the ABA Statement of Policies Regarding Lawyer's Responses to Auditor's Request for Information; without limiting the generality of the foregoing, the limitations set forth in such Statement on the scope and use of this response are specifically incorporated herein by reference, and any description herein of any loss contingencies is qualified in its entirety by limitations in the Statement and accompanying commentary which is an integral part of the Statement.

The above described matters are the only matters with respect to which the company has requested that we furnish information. We have not undertaken to make an independent assessment of what matters should be revealed, except to the extent that we have been asked to make such assessment by the company. The Company has recorded a liability of \$2,306,970 for net proceeds due the supplier from sales of its product in the event the court rules in favor of Shengli. However, ENGT's legal counsel do not believe Shengli China has a viable claim against ENGT.

In the ordinary course of our business, we are, from time to time, subject to various legal proceedings, including matters involving employees, customers, and suppliers. We may enter into discussions regarding settlement of claims or lawsuits, and may enter into settlement agreements, if we believe settlement is in the best interest of our stockholders. We do not believe that any existing legal proceedings or settlements, individually or in the aggregate, will have a material effect on our financial condition, results of operations, or liquidity.

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

None.

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.

Date: November 14, 2014

ENERGY & TECHNOLOGY, CORP.

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

**CERTIFICATION OF
CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002**

I, George M. Sfeir, certify that:

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

ENERGY & TECHNOLOGY CORP.

Date: November 14, 2014

By: /s/ George M. Sfeir

George M. Sfeir
President, Chief Executive Officer,
Chief Financial Officer, and Director

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350**

In connection with this Quarterly Report of Energy and Technology, Corp. (the "Company") on Form 10-Q for the period ending September 30, 2014, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, George M. Sfeir, Chief Executive Officer and Chief Financial Officer of the Company, certify to the best of my knowledge, pursuant to 18 U.S.C. Sec. 1350, as adopted pursuant to Sec. 906 of the Sarbanes-Oxley Act of 2002, that:

1. Such Quarterly Report on Form 10-Q for the period ending September 30, 2014, fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in such Quarterly Report on Form 10-Q for the period ending September 30, 2014, fairly presents, in all material respects, the financial condition and results of operations of Energy and Technology, Corp.

By: /s/George M. Sfeir,

George M. Sfeir

President, Chief Executive Officer, Chief Financial Officer, and Director

November 14, 2014