SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-KSB

[X] ANNUAL REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended **DECEMBER 31, 2007**

[ ] TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number **0-31981**

ENERTECK CORPORATION
(Name of Small Business Issuer in Its Charter)

Delaware (State or other jurisdiction of incorporation or organization)	**47-0929885** (I.R.S. Employer Identification Number)
10701 Corporate Drive, Suite 150 **Stafford, Texas** (Address of principal executive offices)	**77477** (Zip Code)

Issuer's telephone number, including area code: **(281) 240-1787**

Securities registered under Section 12(b) of the Exchange Act: **None**

Securities registered under Section 12(g) of the Exchange Act: **Common Stock ($.001 par value)**

Check whether the Issuer is not required to file reports pursuant to Section 13 or 15(d) of the Exchange Act. [ ]

Check whether the Issuer: (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes [X] No [ ]

Check if there is no disclosure of delinquent filers in response to Item 405 of Regulation S-B not contained in this form, and no disclosure will be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-KSB or any amendment to this Form 10-KSB. [ ]

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

Yes [ ] No [X]

State Issuer's revenues for its most recent fiscal year: $396,141

As of March 6, 2008, the aggregate market value of the voting and non-voting common equity held by non-affiliates of the Issuer (8,552,726 shares) was approximately $8,400,000. The number of shares outstanding of the Common Stock ($.001 par value) of the Issuer as of the close of business on March 6, 2008 was 17,761,359.

Documents Incorporated by Reference: None

Transitional Small Business Disclosure Format: Yes [ ] No [X]

ENERTECK CORPORATION

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Forward-Looking Statements

When used in this document, the words "may," "will," "expect," "anticipate," "continue," "estimate," "intend," "plans", and similar expressions are intended to identify forward-looking statements regarding events, conditions and financial trends which may affect our future plans of operations, business strategy, operating results and financial position. Forward looking statements in this prospectus include without limitation statements relating to trends affecting our financial condition or results of operations, our business and growth strategies and our financing plans.

Such statements are not guarantees of future performance and are subject to risks and uncertainties and actual results may differ materially from those included within the forward-looking statements as a result of various factors. Such factors include, among other things, general economic conditions; cyclical factors affecting our industry; lack of growth in our industry; our ability to comply with government regulations; a failure to manage our business effectively; our ability to sell products at profitable yet competitive prices; and other risks and factors set forth from time to time in our filings with the Securities and Exchange Commission (the "SEC").

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date made. We undertake no obligation to publicly release the result of any revision of these forward-looking statements to reflect events or circumstances after the date they are made or to reflect the occurrence of unanticipated events.

PART I

Item 1. Description of Business.

Introduction

Enerteck Corporation (the "Company" or "EnerTeck Parent") was originally incorporated, under the name of Gold Bond Mining Company, under the laws of the State of Washington on July 30, 1935. Gold Bond Mining Company, was initially formed for the purpose of acquiring, exploring, and developing precious metal mines and, if warranted, the mining of precious metals. Our name was subsequently changed to Gold Bond Resources, Inc. in July 2000. On January 9, 2003, we acquired EnerTeck Chemical Corp. ("EnerTeck Sub") as our wholly owned operating subsidiary. For a number of years prior to our acquisition of EnerTeck Sub, we were an inactive, public "shell" corporation seeking to merge with or acquire an active, private company. As a result of the acquisition, we are now acting as a holding company, with EnerTeck Sub as our only operating business. Subsequent to this transaction, on November 24, 2003, we changed our domicile from the State of Washington to the State of Delaware, changed our name from Gold Bond Resources, Inc. to EnerTeck Corporation and affected a one from 10 reverse common stock split. Unless the context otherwise requires, the terms "we," "us" or "our" refer to EnerTeck Corporation and its consolidated subsidiary.

EnerTeck Sub, our wholly owned operating subsidiary, was incorporated in the State of Texas on November 29, 2000. It was formed for the purpose of commercializing a diesel fuel specific combustion catalyst known as EnerBurn®, as well as other combustion enhancement and emission reduction technologies. Nalco/Exxon Energy Chemicals, L.P. ("Nalco/Exxon L.P."), a joint venture between Nalco Chemical Corporation and Exxon Corporation commercially introduced EnerBurn in 1998. When Nalco/Exxon L.P. went through an ownership change in 2000, our founder, Dwaine Reese, formed EnerTeck Sub. It acquired the EnerBurn trademark and related assets and took over the Nalco/Exxon L.P. relationship with the EnerBurn formulator and blender, and its then supplier, Ruby Cat Technology, LLC ("Ruby Cat"). The decision to form EnerTeck Sub and acquire the EnerBurn business was motivated by Mr. Reese's belief that:

- EnerBurn was clearly beginning to gain market acceptance;
- the gross margins associated with EnerBurn sales would support the business model, since existing customers would likely continue to buy the product due to the significant impact on diesel fuel savings and reduced emissions;
- EnerBurn had been professionally tested extensively in field applications as well as in the laboratory, clearly demonstrating its effectiveness in increasing fuel economy and reducing emissions and engine wear;
- use of the product in diesel applications has a profound impact on a cleaner environment.

Business of the Company and Current Operations

We, through our wholly owned subsidiary, specialize in the sales and marketing, and since August 2006, in the manufacturing of a fuel borne catalytic engine treatment for diesel engines known as EnerBurn®. We utilize a sales process that includes detailed proprietary customer fleet monitoring protocols in on-road applications that quantify data and assists in managing certain internal combustion diesel engine operating results while utilizing EnerBurn. Test data prepared by Southwest Research Institute and actual customer usage has indicated that the use of EnerBurn in diesel engines improves fuel economy, lowers smoke, and decreases engine wear and the dangerous emissions of both Nitrogen Oxide (NOx) and microscopic airborne solid matter (particulates). Our principal target markets are presently the railroad, trucking, heavy construction and maritime shipping industries. We also expect that revenues will be derived in the future from the mining and offshore drilling industries. Each of these industries share certain common financial characteristics, i.e. (i) diesel fuel represents a disproportionate share of operating costs; and (ii) relatively small operating margins are prevalent. Considering these factors, management believes that the use of EnerBurn and the corresponding derived savings in diesel fuel costs can positively effect the operating margins of its customers while contributing to a cleaner environment.

We own the EnerBurn trademark and, since July 2006, the EnerBurn formulas and technology. Prior to July 13, 2006, we obtained EnerBurn products and services from Ruby Cat and its affiliates pursuant to arrangement made with Ruby Cat. Pursuant to a memorandum of understanding with Ruby Cat which expired on December 31, 2003, the Company was granted the exclusive, global marketing rights from Ruby Cat and an option to purchase the EnerBurn technology and associated assets by December 31, 2003 for $6.6 million which was not exercised. Following expiration of the memorandum of understanding, Ruby Cat and its affiliates continued to supply EnerBurn products to the Company but not pursuant to a formal written contract. On July 13, 2006, we completed the acquisition of the EnerBurn formulas, technology and associated assets pursuant to an Asset Purchase Agreement executed as of the same date between the Company and the owner of Ruby Cat (see "Our Purchase of the EnerBurn Technology" below). Since we were primarily a sales and marketing organization prior our acquisition of the EnerBurn formulas and technology, we have not spent any funds on research and development activities through 2007. We expect this to change however in the future.

Since inception and through 2005, we engaged in limited marketing of the EnerBurn technology and generated minimal sales, principally to the trucking and maritime industries. Total revenue from sales for 2004 amounted to $179,000 and for 2005 amounted to $48,000, much of which came during the fourth quarter of 2005. Due to a lack of working capital, and a nearly complete turnover in upper management and sales staff dating back into 2004, senior management changed its method of marketing the operation during 2005. The majority of the marketing effort for 2005 was directed at targeting and gaining a foothold in one of our major target areas, the inland marine diesel market. Management focused virtually all of our resources at pinpointing and convincing one major customer within this market, Custom Fuel Services Inc. ("Custom") to go full fleet with our diesel fuel additive product lines. A substantial portion of 2005 was spent testing our primary product, EnerBurn, on one large inland marine vessel belonging to this major potential customer.

As a result thereof, on July 28, 2005, EnerTeck Sub entered into an Exclusive Reseller and Market Development Agreement (the "Custom Agreement") with Custom. Under the Custom Agreement, EnerTeck Sub has appointed Custom, which provides dockside and midstream fueling from nine service locations in Louisiana, Kentucky, Illinois, West Virginia, Missouri and Iowa, as its exclusive reseller of EnerBurn and the related technology on the Western Rivers of the United States, meaning the Mississippi River, its tributaries, South Pass, and Southwest Pass, excluding the Intra Coastal Waterway. The Agreement has an initial term of three years but can be terminated upon 60 days prior written notice by either party. Custom is not required to purchase a minimum volume of EnerBurn during the term of the Custom Agreement. Subsequent to the signing of the Custom Agreement, Custom obtained the regulatory approvals and installed the blending equipment necessary to facilitate its distribution of EnerBurn. In February 2006, we delivered our first shipment of EnerBurn to Custom by delivering 4,840 gallons. During the first quarter and most of the second quarter on 2006, Custom concentrated on completing the required infrastructural work to allow Custom to begin servicing the Ingram and other fleets. This work was completed late in the second quarter of 2006 and treatment of the Ingram fleet was commenced. Late in the second quarter of 2006, Custom placed a second order of 4,840 gallons and began treatment on the Mississippi River.

Primarily as a result of our relationship with Custom, we had product sales of $641,000 in 2006 and $396,000 in 2007, with a $105,000 additional order made but not yet shipped at year end December 31, 2007. At present this one customer represents a majority of our sale revenues. With Custom's assistance, however, negotiations are currently underway with several over large customers in the same industry to expand this market.

The loss of Custom as a customer would adversely affect our business and we cannot provide any assurances that we could adequately replace the loss of this customer.

Sales revenues for 2007 were considerably less than earlier anticipated primarily due to three unforeseen events occurring during 2007: (1) an equipment malfunction on the Mississippi River that apparently occurred early in the Spring of 2007, which went undetected by the vendor for a period of time, causing a severe reduction of fuel dosage during the year, (2) a delay of nearly seven months in the completion of one of the principal Marine fueling facilities for EnerBurn on the Mississippi River from the original date projected until February, 2008 which also delayed the shipment and required the reclassification of a material sale from 2007 to 2008, and (3) a delay of nearly a year by a major vendor in the completion of final development, testing and availability of the on-truck dosing unit required for use by most trucks operating in the trucking industry, until early 2008. We believe that if not for the occurrence of these three events, we may have been able to achieve sufficient sales to have likely made it a profitable 2007. With our assistance, each of these problems has been addressed and is either corrected or close to being corrected. It is expected that sales should show significant increases throughout 2008.

The Industry

General Discussion of Diesel Fuel and Diesel Fuel Additives

As crude oil is heated, various components evaporate at increasingly higher temperatures. First to evaporate is butane, the lighter-than-air gas used in cigarette lighters, for instance. The last components of crude oil to evaporate, and the heaviest, include the road tars used to make asphalt paving. In between are gasoline, jet fuel, heating oil, lubricating oil, bunker fuel (used in ships), and of course diesel fuel. The fuel used in diesel engine applications such as trucks and locomotives is a mixture of different types of molecules of hydrogen and carbon and include aromatics and paraffin. Diesel fuel cannot burn in liquid form. It must vaporize into its gaseous state. This is accomplished by injecting the fuel through spray nozzles at high pressure. The smaller the nozzles utilized and the higher the pressure, the finer the fuel spray and vaporization. When more fuel vaporizes, combustion is more complete, so less soot will form inside the cylinders and on the injector nozzles. Soot is the residue of carbon, partially burned and unburned fuel.

Sulfur is also found naturally in crude oil. Sulfur is a slippery substance and it helps lubricate fuel pumps and injectors. It also forms sulfuric acid when it burns and is a catalyst for the formation of particulate matter (one of the exhaust emissions being regulated). In an effort to reduce emissions, the sulfur content of diesel fuel is being reduced through the refinery process; however, the result is a loss of lubricity.

Diesel fuel has other properties that affect its performance and impact on the environment as well. The main problems associated with diesel fuel include:

- Difficulty getting it to start burning o Difficulty getting it to burn completely o Tendency to wax and gel
- With introduction of low sulfur fuel, reduced lubrication
- Soot clogging injector nozzles
- Particulate emissions
- Water in the fuel
- Bacterial growth

Diesel fuel additives have been developed to address the variety of problems associated with diesel fuel performance.

Diesel Fuel and the Environment

Diesel fuel is the most cost effective fuel/engine technology available for heavy-duty industrial and vehicle service. However, environmentally it needs dramatic improvement. Governments worldwide are legislating specifications regarding the fuel itself and diesel engine design.

Today’s advanced diesel engines are far cleaner than the smoke-belching diesels of recent decades. Unfortunately, even smokeless diesel engines are not clean enough to meet current stricter air pollution regulations.

While diesel engines are the only existing cost-effective technology making significant inroads in reducing “global warming” emissions from motor vehicles, it is not sufficient to satisfy regulators and legislators. Diesel engines will soon be required to adhere to stringent regulatory/legislative guidelines that meet near “zero” tailpipe emissions, especially on smog-forming nitrogen oxides (NOx), particulate matter (PM) and "toxins"; the organic compounds of diesel exhaust.

Diesel engines can become ultra-clean. Meeting the environmental challenges will require extensive research on clean-diesel technology. Research in this area is currently being sponsored by government agencies, major engine companies, truck manufacturers, automobile makers, catalyst producers and, for fuels, oil refining companies and their technology suppliers.

The search for ultra-clean diesel is far from over. Discoveries and breakthroughs will continue to prevail. Large Fortune 500 companies, as well as small, emerging technology companies are investing hundreds of millions of dollars in research and development worldwide on these and other clean-diesel technologies.

Today, there is no economic alternative to diesel engines for most industrial applications. This is true for ocean vessels, tug boats, commercial/recreational vessels, locomotive, trucking, bus transport, construction, mining, agriculture, logging, distributed power generation, and, in many parts of the world, personal transportation. In short, diesel fuel does the world's heavy work.

Products and Services

The Diesel Fuel Additive Product Line
EnerBurn Combustion Catalyst for Diesel Fuel

EnerBurn is a liquid, chemical formulation, presently sold in bulk quantities to fleet and vessel operators, under three product codes differentiated by market application and product concentration, as indicated below:

Product	Application
EnerBurn EC5805A	U.S. On-Road Market
EnerBurn EC5931A	U.S. Off-Road Market
EnerBurn EC5805C	International Market

Although added to diesel fuel and generally referred to as a diesel fuel additive within the industry, EnerBurn functions as an engine treatment application by removing carbon deposits from the combustion surfaces of the engine and greatly reducing further carbon deposit buildup. It also provides for an increased rate of combustion. By adding EnerBurn to diesel fuel in accordance with proprietary methodology, it forms a non-hazardous catalytic surface in the diesel engine combustion chamber and on the surface of the piston heads. This surface is visible in the form of a monomolecular film that develops after initiation of treatment and remains active for a period of time after cessation of treatment.

The buildup of carbon within the combustion chamber of a diesel engine can generate greater exhaust opacity and increased engine wear. These carbon deposits can cause piston rings to stick and reduce compression resulting in decreased engine efficiency with extended use.

The unique chemical formulation of EnerBurn, when applied in accordance with proprietary methodology, has been shown to produce benefits in fuel economy, NOx formation, smoke, brake horsepower and engine wear (See "Product Testing", below).

EnerBurn Volumetric Proportioning Injector Equipment (VPI)

Volumetric proportioning injection equipment is used to deliver proper dosage ratios of EnerBurn to the diesel fuel, and are typically offered to our customers in support of an EnerBurn sale. Three equipment vendors supply additive injection equipment to us that is either installed at a bulk fueling depot or onboard the vehicle or vessel.

Product Testing

Southwest Research Institute

The Southwest Research Institute ("SWRI") of San Antonio, Texas has extensively tested the EnerBurn technology. This institute is an independent, nonprofit, applied engineering and physical sciences research and development organization with 11 technical divisions using multidisciplinary approaches to problem solving. The Institute occupies 1,200 acres and provides nearly two million square feet of laboratories, test facilities, workshops, and offices for more the 2,700 employees who perform contract work for industry and government clients.

The extensive testing of EnerBurn conducted by SWRI confirmed product claims of lower highway smoke, reduced NOx emissions, a significant reduction in engine wear and an increase in horsepower. Actual customer usage data has also confirmed the claim that EnerBurn usage reduces fuel consumption.

EnerBurn Proof of Performance Demonstrations

An integral part of our sales process is to conduct proof of performance demonstrations for potential customers wherein we accumulate historical fleet data that documents the effects of the use of EnerBurn (i.e. advantages in terms of increased fuel economy, a decrease in engine wear and reductions in toxic emissions) on that customer's specific vehicles or vessels. In connection with these proofs of performance demonstrations, we provide fleet monitoring services and forecasts of fuel consumption for purposes of the prospective customer's own analysis.

The results below are indicative of typical customer experiences using EnerBurn. In many instances, customers have directly informed us about their satisfaction with EnerBurn and the fuel savings that its use has provided them. In all cases, our own comparison of the customer provided historical fuel usage data with the EnerBurn usage (which we have monitored) data has proven to us and the customer that the use of EnerBurn has reduced their fuel consumption. In addition to fuel consumption reduction, the decrease in emissions resulting from EnerBurn use is measured with a device called the UEI Intelligent Solutions Meter. Similarly, the percentage reduction in opacity (smoke generated by diesel engines) is measured by the Wager 6500 Meter (manufactured by Robert H. Wager Co., Inc.).

- An EnerBurn proof of performance demonstration of a long haul truck fleet began in August of 1998. The number of trucks treated with EnerBurn exceeded 3,000-Century Class Freightliners, most of that were equipped with Caterpillar or similar type engines. This company's measurable fuel savings averaged 10.4% over a 3 plus year period while using EnerBurn, resulting in annual fuel savings in excess of $6.5 million. In addition, the company's maintenance department observed significant reductions in metal loss in crankcase wear-parts, although they did not attempt to quantify the value of this phenomenon.
- A fleet of 24 three-year-old 1400 horsepower Morrison Knudson MK1500 locomotives with Caterpillar 3512 diesel engines were used for a 12-month proof of performance demonstration of the effectiveness of EnerBurn. This demonstration started on July 1, 1999 and clearly documented a 10.8% reduction in fuel consumption and a 9.5% reduction in Brake Specific Fuel Consumption ("BSFC"). The demonstration also reflected a significant reduction in engine wear, confirmed by a 56% reduction in copper content of the lube oil.
- Three maritime vessels were selected from a large fleet, based on size and typical routes for accessibility of regular fueling at this company's bulk fueling barge. A proof of performance protocol was developed under the guidance and supervision of this company's management. The base line demonstration commenced on July 11, 2001 and the final demonstration was performed on February 28, 2002. One of the three demonstration vessels represented an untreated placebo; two were treated with EnerBurn. The two treated vessels exhibited a measured reduction in fuel consumption of 7% and 9.9%, while the untreated placebo experienced nearly a 10% increase in fuel consumption. Additionally five vessels with different diesel engines were selected for proof of performance under the same protocols yielding results in excess of 10% in fuel savings, significant reductions in opacity, from 33%-86%, reductions of NOx emissions between 11% and 20%.

Overview of Worldwide Diesel Fuel Consumption

The U.S. Department of Energy, Energy Information Administration ("EIA") estimates that worldwide annual consumption of diesel fuel approximates 210 billion U.S. gallons. A breakdown of this estimate is summarized as follows:

	Annual consumption of Diesel Fuel - Billion USG/Year
United States	60
Europe	60
Pacific Rim	50

Rest of the World	40
Total Gallons Consumption	210

Domestic Diesel Fuel Consumption

Based on further EIA published data, the following table* depicts domestic distillate fuel oil consumption by energy use for 2001.

Energy Use	*2001 (Thousand Gallons)*
U.S. Total	58,971,486
Residential	6,263,440
Commercial	3,505,057
Industrial	2,323,797
Oil Company	820,321
Farm	3,427,343
Electric Power	1,510,273
Railroad	2,951,831
Vessel Bunkering	2,093,252
On-Highway Diesel	33,215,320
Military	346,060
Off-Highway Diesel	2,514,791

* Sources: Energy Information Administration's Form EIA-821, "Annual Fuel Oil and Kerosene Sales Report," for 1997-2001 and "Petroleum Supply Annual," Volume 1, 1997-2001. Totals may not equal sum of components due to independent rounding.

Our Target Markets

Our primary domestic target markets presently include the trucking, rail, heavy construction and maritime shipping industries. We also expect that revenues will be derived in the future from the mining and offshore drilling industries. Combined, management believes these industries consume billions of gallons of diesel fuel. Furthermore, each of these industries typically experiences relatively small operating margins. Because of these financial factors, management believes that the ability to reduce fuel consumption, even by a small amount, could have a dramatic effect on its customers' competitive viability.

Sales and Marketing Strategy

The fuel additive industry has historically been mired by a myriad of technically dubious products and potential customers are usually wary of promotional claims by product manufacturers or "snake oil" peddlers as they are sometimes labeled.

Prospective customers in all targeted market sectors and geographic locations are primarily concerned about the potential business risks associated with the adoption of any new fuel or engine treatment. Thus, the first resistant barrier to adoption of a fleet proof of performance demonstration is dispelling fear about impact on engine warranties and any potential business risk associated with a fleet shutdown caused by our product. The potential EnerBurn fuel and maintenance savings are strong motivators but are secondary to risk avoidance. The SWRI fitness for use testing and customer testimonials are paramount in assisting us in addressing these fears.

Potential customers have a strong predisposition to accept only demonstrable proof-of-benefit in their own fleet as justification for any new expenditure. After risk avoidance, the ability to demonstrate and prove results is the primary obstacle for market adoption of the EnerBurn product.

Our sales process begins with a proof of performance demonstration that is a thorough analysis of the potential customer, including fleet type, size, and opportunity. (See "Business - Product Testing - EnerBurn Proof of Performance Demonstrations", above). This is followed with sales presentations at both the executive level and maintenance level. Executive level sales presentations emphasize return on investment ("ROI"), while maintenance level sales presentations emphasize our technology and why it does not impact engine warranties and any potential business risk associated with a fleet shutdown.

Convincing a potential customer to undertake a proof of performance demonstration is a difficult task because there is a significant expense to be borne by the potential customer. Specifically, the potential customer must pay for both the EnerBurn that is used during the demonstration as well as purchase the additive injection equipment that is also needed. The cost will vary according to the potential customer and the industry in which it is in. For a proof of performance demonstration on a typical fleet of 100 diesel engine trucks, the cost of the EnerBurn would be approximately $30,000, while the average cost of the equipment used would be approximately $20,000 to $50,000. The personnel costs related to providing fleet monitoring services and forecasts of fuel consumption for the potential customer's analysis are borne either by the Company, its supplier or the sales agent. For a demonstration involving a fleet of 100 hundred trucks, typically 50 to 100 man-hours are involved. The current sales cycle from inception to full customer implementation is typically six to 12-months from initial customer contact. This includes the two to six months it usually takes for the benefits of EnerBurn to begin to take effect in the subject engines during the proof of performance demonstration period.

The BATL Agreement and Our Purchase of the EnerBurn Technology

As mentioned above, prior to July 2006, we obtained EnerBurn products and services from Ruby Cat and its affiliates pursuant to arrangement made with Ruby Cat. Pursuant to a memorandum of understanding with Ruby Cat which expired on December 31, 2003, the Company was granted the exclusive, global marketing rights from Ruby Cat and an option to purchase the EnerBurn technology and associated assets by December 31, 2003 for $6.6 million which was not exercised. Following expiration of the memorandum of understanding, Ruby Cat and its affiliates continued to supply EnerBurn products to the Company but not pursuant to a formal written contract.

On December 8, 2005, we entered into a Securities Purchase Agreement (the "BATL Agreement") with BATL Bioenergy LLC ("BATL"), then an unrelated third party, pursuant to which we agreed to issue and sell to BATL, for the aggregate purchase price of $3,000,000 (the "BATL Purchase Price"), (i) 2,450,000 shares (the "BATL Shares") of the common stock of the Company, and (ii) a warrant (the "BATL Warrant") expiring in five years to purchase an additional 1,000,000 shares of common stock at an exercise price of $2.00 per share. In accordance with the terms of the BATL Agreement, BATL shall be entitled to nominate one director to the Board of Directors of the Company. On December 9, 2005 (the "BATL Closing Date"), the transactions contemplated by the BATL Agreement were completed with the Purchase Price being paid and the BATL Shares and BATL Warrant being issued. In addition, on the BATL Closing Date, Thomas Donino, President of BATL, was appointed by the Board of Directors of the Company to serve on the Board. The BATL Agreement provides that for so long as BATL shall beneficially own in excess of 10% of the outstanding shares of the common stock of the Company, BATL shall be entitled to nominate one director to the Board of Directors of the Company.

In accordance with the terms on the BATL Agreement, we agreed that the proceeds of the Purchase Price shall be used as follows: (i) $1,000,000 to complete the purchase of Ruby Cat Technology, LLC (the "Ruby Cat Transaction"); (ii) no more than $340,000 to repay certain outstanding debt of the Company and its subsidiary; and (iii) the balance for working capital purposes. We have granted BATL an irrevocable, unconditional right, exercisable on one occasion only for a period of 90 days following the earlier to occur of (i) the termination of any definitive agreement or letter of intent in respect of the Ruby Cat Transaction, and (ii) if the Ruby Cat Transaction shall not yet have been consummated, 90 days following the BATL Closing Date, to sell to the Company up to 816,667 shares of common stock at a per share purchase price of $1.2245 per share.

In connection with the BATL Agreement, the Company and BATL entered into a Registration Rights Agreement dated as of December 8, 2005 (the "Registration Rights Agreement"), whereby we have agreed to prepare and file with the Commission not later than the 60th day (the "Filing Date") after the BATL Closing Date a Registration Statement covering the resale of all of the BATL Shares and the shares of common stock underlying the BATL Warrant. We have agreed to use our best efforts to cause the Registration Statement to be declared effective as promptly as possible after the filing thereof, but in any event prior to the 240^{th} day after the Filing Date (such day referred to as the "Effective Date"); provided that, if the Registration Statement is not filed by the Filing Date or declared effective by the Effective Date (each a "Penalty Event") then we shall issue a five-year warrant ("Penalty Warrant") to BATL to acquire another 49,000 shares of common stock, at an exercise price equal to the exercise price of the BATL Warrant, per each 30-day period following the Penalty Event that the Registration Statement has not been filed and/or that the Effective Date has not occurred. In April 2006, we entered into a letter agreement with BATL amending and clarifying certain provisions of the Registration Rights Agreement. Pursuant to the April 2006 letter agreement, it was agreed (i) that the number of Penalty Warrants issuable for all periods prior to April 30, 2006 in respect of delays in filing the Registration Statement shall be 30,000, and (ii) 28,500 of such warrants shall be issued to Thomas F. Donino and 1,500 of such warrants shall be issued to Jay Goldstein. In October 2007, we entered into another letter agreement with BATL pursuant to which it was agreed that in the event the Effective Date occurs during the period from and including April 30, 2006 through April 30, 2008 (the "Fixed Period"), the number of shares of Common Stock underlying any Penalty Warrant issuable due to the fact that the Registration Statement was not declared effective by the Effective Date shall be 510,000 (the "Fixed Penalty Warrant"), regardless of at which point during the Fixed Period the Effective Date occurs. In October 2007, the Fixed Penalty Warrant was delivered to BATL. The October 2007 letter agreement further provides that if the Effective Date shall have not occurred on or prior to April 30, 2008, then we shall once again be obligated to issue a Penalty Warrant to BATL per 30-day period following the Fixed Period that the Effective Date has not occurred, in accordance with the terms of the Registration Rights Agreement. As of the date of this report, we do not believe that it is probable that we will be required to issue any additional Penalty Warrants to BATL under this arrangement. However, no assurance can be given that such will be the case.

On July 13, 2006, we completed the acquisition of the EnerBurn formulas, technology and associated assets pursuant to an Asset Purchase Agreement executed as of the same date (the "EnerBurn Acquisition Agreement") between the Company and the owner of Ruby Cat (the "Seller"). Pursuant thereto, the Company acquired from the Seller all of its rights with respect to the liquid diesel motor vehicle fuel additives known as EC5805A and EC5931A products (the "Products") as well as its rights to certain intellectual property and technology associated with the Products (collectively, the "Purchased Assets"). The purchase price for the Purchased Assets was $3.0 million, payable as follows: (i) $1.0 million paid on July 13, 2006 in cash, and (ii) the remaining $2.0 million evidenced by a promissory note (the "Note") bearing interest each month at a rate of 4.0% per annum, compounded monthly, and which is to be paid in four annual payments of $500,000 plus accumulated interest to that date on each anniversary of the closing until the entire purchase price is paid in full. In order to secure the debt represented by the Note, the Company executed and delivered to the Seller a Security Agreement in which the Company granted the Seller a first priority lien on the Purchased Assets. In May 2007, the initial payment of $500,000 plus interest was made in advance of the due date to take advantage of a significant saving in interest.

The EnerBurn Acquisition Agreement provides that for five years after closing the Seller will not, within the United States or anywhere abroad, be engaged in the business of researching, developing, manufacturing, marketing or selling products intended to improve the fuel efficiency of heavy duty diesel engines.

In addition, so long as any amounts payable to the Seller under the Note remain unpaid, the Company shall provide observation rights to one representative designated by the Seller to attend meeting of the Company's Board of Directors. Such observer shall have the right to observe and participate in such meetings but shall not have the right to vote.

Contemporaneously with the closing, the Company granted the Seller a non-exclusive, fully paid, perpetual, non-revocable, royalty-free, assignable license, to manufacture, market and sell a certain product known as "Thermoboost II", which has the same chemical formulation as one of the Products and which is used exclusively in home heating oil. During the fourth quarter of 2007, we negotiated a manufacturing agreement with the Seller and have begun production of its Thermoboost II product line at our ICP manufacturing facility at Cut and Shoot, Texas. We will wholesale this product exclusively to the Seller for its resale and distribution in the home heating oil market.

Manufacturing

The acquisition of the EnerBurn formulas, technology and associated assets has provided us the ability to transform our business from a sales organization to a fully integrated manufacturer and distributor of EnerBurn. The manufacturing of our EnerBurn product is now undertaken pursuant to a Manufacturing and Supply Agreement entered into on August 18, 2006 with Independent Contract Packaging, Inc., a Texas corporation located in Cut and Shoot, Texas ("ICP"). Pursuant to the agreement, ICP has been appointed as our non-exclusive manufacturer, blender and packager of our EnerBurn product for a term of three years. As provided in the agreement, we have agreed to purchase and supply certain tanks and related equipment and raw materials to be used by ICP to manufacture, blend and package the EnerBurn product, and ICP has agreed to provide its manufacturing, blending and packaging services on a commercially reasonably prompt basis according to the specifications received from and required by us. For such services, we have agreed to pay ICP its fees pursuant to an agreed upon fee schedule.

Competition

The market for products and services that increase diesel fuel economy, reduce emissions and engine wear is rapidly evolving and intensely competitive and management expects it to increase due to the implementation of stricter environmental standards. Competition can come from other fuel additives, fuel and engine treatment products and from producers of engines that have been modified or adapted to achieve these results. In addition, the we believe that new technologies, including additives, will further increase competition.

Our primary current competitors include Lubrizol Corporation, Chevron Oronite Company (a subsidiary of Chevron Corporation), Octel Corp., Clean Diesel Technologies, Inc. and Ethyl Corporation.

Many of our competitors have been in business longer than it has, have significantly greater financial, technical, and other resources, or greater name recognition. Our competitors may be able to respond more quickly to new or emerging technologies and changes in customer requirements. Competition could negatively impact our business. Competitive pressures could cause us to lose market share or to reduce the price of its products, either of which could harm its business, financial condition and operating results.

Management believes that the principal competitive factors in the Company's market include the:

- effectiveness of the product;
- cost;
- proprietary technology;
- ease of use; and
- Quality of customer service and support.

Government Regulation - Fuel Additive Registration

We need to comply with registration requirements for each geographic jurisdiction in which it sells EnerBurn. On January 21, 2001, the US Environmental Protection Agency, pursuant to the Environmental Protection Act (the "Act") (40 CFR 79.23) issued permit number EC 5805A in connection with the use of EnerBurn. This registration allows EnerBurn to be used anywhere in the United States for highway use in all over-the-road diesel applications. Additionally, on March 30, 2004, we received a second EPA permit, permit number EC 5931A in connection with the use of EnerBurn. This registration allows EC 5931A to be used anywhere in the United States for use in all diesel applications. Under these registrations, we have pass through rights from the formulator, blender and supplier to sell EnerBurn in on-road applications. However, there are provisions in the Act under which the EPA could require further testing. The EPA has not exercised these provisions yet for any additive. Internationally, we intend to seek registration in other countries as we develops market opportunities.

Our business is impacted by air quality regulations and other regulations governing vehicle emissions as well as emissions from stationary engines. If such regulations were abandoned or determined to be invalid, its prospects may be adversely affected. As an example, if crude oil and resulting diesel prices were to reach or approach historical lows, the emphasis for fuel efficiency would be diminished, potentially impacting sales velocity of the products, consequently adversely affecting our performance. Typically, there are registration and regulation requirements for fuel additives in each country in which they are sold. In the United States, fuel and fuel additives are registered and regulated pursuant to Section 211 of the Clean Air Act. 40 CFR Part 79 and 80 specifically relates to the registration of fuels and fuel additives

In accordance with the Clean Air Act regulations at 40 CFR 79, manufacturers (including importers) of gasoline, diesel fuel and additives for gasoline or diesel fuel, are required to have their products registered by the EPA prior to their introduction into commerce. Registration involves providing a chemical description of the fuel or additive, and certain technical, marketing, and health-effects information. The health-effects research is divided into three tiers of requirements for specific categories of fuels and additives. Tier 1 requires a health-effects literature search and emissions characterization. Tier 2 requires short-term inhalation exposures of laboratory animals to emissions and screened for adverse health effects, unless comparable data are already available. Alternative Tier 2 testing can be required in lieu of standard Tier 2 if EPA concludes that such testing would be more appropriate. Certain small businesses are exempt from some or all the Tier 1 and Tier 2 requirements. Tier 3 provides for follow-up research, if necessary.

Employees

We currently employ five individuals on a full-time basis, and we also engage independent sales representatives. None of our employees are covered by a collective bargaining agreement. We believe that relations with our employees are good.

Uncertainties and Risk Factors

In addition to other information and financial data set forth elsewhere in this report, the following risk factors should be considered carefully in evaluating the Company.

Business and Financial Risks

WE HAVE A HISTORY OF LOSSES WHICH MAY CONTINUE AND WHICH MAY NEGATIVELY IMPACT OUR ABILITY TO ACHIEVE OUR BUSINESS OBJECTIVES AND OUR FINANCIAL RESULTS. For the years ended December 31, 2007 and 2006, we generated revenues of $396,000 and $641,000, respectively, and incurred net losses of $1,004,000 and $639,000, respectively. Continued failure to increase our revenues significantly will harm our business. Even if we do achieve profitability, we may not be able to sustain or increase profitability on a quarterly or annual basis in the future. If our revenues grow more slowly than we anticipate, our gross margins fail to maintain its current improvement, or our operating expenses exceed our expectations, our operating results will suffer. If we are unable to sell our products at acceptable prices relative to our costs, or if we fail to develop and introduce on a timely basis new products from which we can derive additional revenues, our financial results will suffer.

OUR CHANCES FOR SUCCESS ARE REDUCED BECAUSE WE ARE AN EARLY STAGE COMPANY WITH REGARD TO OUR NEW BUSINESS OPERATION. In recent years we were inactive and had not generated revenues until we acquired EnerTeck Sub on January 9, 2003. Furthermore, EnerTeck Sub was only formed in November 2000 and has a limited operating history. Accordingly, we are subject to all the risks and challenges associated with the operation of a new enterprise, including inexperience, lack of a track record, difficulty in entering the targeted market place, competition from more established businesses with greater financial resources and experience, an inability to attract and retain qualified personnel (including, most importantly, sales and marketing personnel) and a need for additional capital to finance our marketing efforts and intended growth. We cannot assure you that we will be successful in overcoming these and other risks and challenges that we face as a new business enterprise.

THE ENERBURN TECHNOLOGY HAS NOT GAINED MARKET ACCEPTANCE, NOR DO WE KNOW WHETHER A MARKET WILL DEVELOP FOR IT IN THE FORESEEABLE FUTURE TO GENERATE ANY MEANINGFUL REVENUES. The EnerBurn technology has received only limited market acceptance. This technology is a relatively new product to the market place and we have not generated any significant sales. Although ever growing concerns and regulation regarding the environment and pollution has increased interest in environmentally friendly products generally, the engine treatment and fuel additive market remains an evolving market. The EnerBurn technology competes with more established companies such as Lubrizol Corporation, Chevron Oronite Company (a subsidiary of Chevron Corporation), Octel Corp., Clean Diesel Technologies, Inc. and Ethyl Corporation, as well as other companies whose products or services alter, modify or adapt diesel engines to increase their fuel efficiency and reduce pollutants. Acceptance of EnerBurn as an alternative to such traditional products and/or services depends upon a number of factors including:

- favorable pricing visa vie projected savings from increased fuel efficiency
- the ability to establish the reliability of EnerBurn products relative to available fleet data
- public perception of the product

For these reasons, we are uncertain whether our technology will gain acceptance in any commercial markets or that demand will be sufficient to create a market large enough to produce any meaningful revenue or earnings. Our future success depends upon customers' demand for our products in sufficient amounts.

OUR TECHNOLOGY MAY BE ADVERSELY AFFECTED BY FUTURE TECHNOLOGICAL CHANGES AND ENVIRONMENTAL REGULATORY REQUIREMENTS. Although diesel engines are now being manufactured that have reduced dangerous emissions, this has not satisfied governmental regulators and legislators. We believe that diesel engines themselves may soon be required to adhere to stringent guidelines that produce nearly zero tailpipe emissions. Research in this area is currently being sponsored by governmental agencies, major engine companies, truck manufacturers, automobile makers, catalyst producers, oil refining companies and their technology suppliers. If such research is successful, it could eventually reduce the need for diesel fuel additives such as EnerBurn as they relate to pollution control.

SINCE WE MARKET A RANGE OF PRODUCTS WITHIN ONLY ONE PRODUCT LINE, WE ARE ENTIRELY DEPENDENT UPON THE ACCEPTANCE OF ENERBURN IN THE MARKET PLACE FOR OUR

SUCCESS. Our business operations are not diversified. If we do not generate sufficient sales of the EnerBurn product, we will not be successful, and unlikely to be able to continue in business. We cannot assure you that we will be able to develop other product lines to hedge against our dependency on EnerBurn, or if our EnerBurn sales will be sufficient for us to generate revenue or be profitable.

OUR SALES PROCESS IS COSTLY AND TIME CONSUMING WHICH DECREASES OUR ABILITY TO EFFECT SALES. In order to effect EnerBurn sales, we must prove to a potential customer that the use of our product is specifically beneficial to and cost effective for that potential customer. We accomplish this by conducting proof of performance demonstrations. Our supplier, our sales agent and/or we bear the cost to provide the personnel to do the monitoring and analyzing of compiled data. However, the potential customer must bear the cost of the EnerBurn and equipment used during the trial period. We cannot assure you that we will be able to convince potential customers to undertake this expense and affect a significant number of sales. Furthermore, we cannot assure you that the results of a specific proof of performance demonstration will prove that the use of EnerBurn will be beneficial to that specific potential customer, or if beneficial, that the potential customer will purchase EnerBurn. If, after conducting the proof of performance demonstration, the potential customer does not purchase our product, we will have wasted the time and the cost of providing personnel to the proof of performance demonstration.

WE FACE INTENSE COMPETITION AND MAY NOT HAVE THE FINANCIAL AND HUMAN RESOURCES NECESSARY TO KEEP UP WITH RAPID TECHNOLOGICAL CHANGES WHICH MAY RESULT IN OUR TECHNOLOGY BECOMING OBSOLETE. The diesel fuel additive business and related anti-pollutant businesses are subject to rapid technological change, especially due to environmental protection regulations, and subject to intense competition. We compete with both established companies and a significant number of startup enterprises. We face competition from producers and/or distributors of other diesel fuel additives (such as Lubrizol Corporation, Chevron Oronite Company, Octel Corp., Clean Diesel Technologies, Inc. and Ethyl Corporation), from producers of alternative mechanical technologies (such as Algae-X International, Dieselcraft, Emission Controls Corp. and JAMS Turbo, Inc.) and from alternative fuels (such as bio-diesel fuel and liquefied natural gas) all targeting the same markets and claiming increased fuel economy, and/or a decrease in toxic emissions and/or a reduction in engine wear. Most of our competitors have substantially greater financial and marketing resources than we do and may independently develop superior technologies which may result in our technology becoming less competitive or obsolete. We may not be able to keep pace with this change. If we cannot keep up with these advances in a timely manner, we will be unable to compete in our chosen markets.

THE COMPANY NEEDS TO MAINTAIN ENERBURN'S EPA REGISTRATIONS. In accordance with the regulations promulgated under the US Clean Air Act, manufacturers (including importers) of gasoline, diesel fuel and additives for gasoline or diesel fuel, are required to have their products registered with the EPA prior to their introduction into the market place. Currently, EnerBurn products have two such registrations (EPA # 5805A and 5931A). However, unforeseen future changes to the registration requirements may be made, and these products, or either one of them, may not be able to qualify for registration under such new requirements. The loss of the EPA registrations or restrictions on the current registrations could have an adverse affect on our business and plan of operation.

Ruby Cat registered these products with the US Environmental Protection Agency which registrations we acquired in connection with the EnerBurn Acquisition Agreement. EnerBurn is registered in the United States only, and we are considering its registration in other countries. Further testing could be needed in these or other countries. We cannot assure you that EnerBurn will pass any future testing that may be required. The failure of EnerBurn to obtain registration in countries or areas where we would like to market it, could have a materially adverse effect on our business and plan of operation.

FAILURE TO PROPERLY MANAGE OUR POTENTIAL GROWTH POTENTIAL WOULD BE DETRIMENTAL TO HOLDERS OF OUR SECURITIES. Since we have limited operating history, any significant growth will place considerable strain on our financial resources and increase demands on our management and on our operational and administrative systems, controls and other resources. There can be no assurance that our existing personnel, systems, procedures or controls will be adequate to support our operations in the future or that we will be able to successfully implement appropriate measures consistent with our growth strategy. As part of this growth, we may have to implement new operational and financial systems, procedures and controls to expand, train and manage our employees and maintain close coordination among our technical, accounting, finance, marketing, sales and editorial staff. We cannot guarantee that we will be able to do so, or that if we are able to do so, we will be able to effectively integrate them into our existing staff and systems. We may fail to adequately manage our anticipated future growth. We will also need to continue to attract, retain and integrate personnel in all aspects of our operations. Failure to manage our growth effectively could hurt our business.

LOSS OF OUR LARGEST CUSTOMER COULD RESULT IN SUBSTANTIAL DECREASE IN REVENUES. Primarily as a result of our relationship with Custom Fuel Services Inc. ("Custom"), we recognized product sales in 2006 of $641,000 and $396,000 in 2007. At present this one customer represents a majority of our sale revenues. With Custom's assistance, negotiations are currently underway with several over large customers in the same industry to expand this market. However, there is no assurance that we will be able to expand this market. The loss of Custom as a customer would adversely affect our business and we cannot provide any assurances that we could adequately replace the loss of this customer.

RELIANCE UPON THIRD-PARTY MANUFACTURER FOR OUR PRODUCTS. The manufacturing of our EnerBurn products are undertaken pursuant to a Manufacturing and Supply Agreement entered into on August 18, 2006 with Independent Contract Packaging, Inc., a Texas corporation located in Cut and Shoot, Texas ("ICP"). Pursuant to the agreement, ICP has been appointed as our non-exclusive manufacturer, blender and packager of our EnerBurn product for a term of three years. ICP is presently our sole manufacturer. Although we believe we can secure other manufacturers, we expect that the deterioration or cessation of our relationship with ICP would have a material adverse effect, at least temporarily, until new relationships are satisfactorily in place. In addition, any manufacturers that we rely upon may possibly become unreliable in meeting delivery schedules, experience their own financial difficulties or provide products of inadequate quality. Any problems with our third-party manufacturers can be expected to have a material adverse effect on our financial condition, business, results of operations and continued growth prospects.

THE PAYMENTS DUE TO THE SELLER OF THE ENERBURN TECHNOLOGY WILL DRAW SIGNIFICANTLY ON FUTURE CASH RESERVES. On July 13, 2006, we completed the acquisition of the EnerBurn formulas, technology and associated assets pursuant to an Asset Purchase Agreement executed as of the same date (the "EnerBurn Acquisition Agreement") between the Company and the owner of Ruby Cat (the "Seller"). Pursuant thereto, the Company acquired from the Seller all of its rights with respect to the liquid diesel motor vehicle fuel additives known as EC5805A and EC5931A products (the "Products") as well as its rights to certain intellectual property and technology associated with the Products (collectively, the "Purchased Assets"). The purchase price for the Purchased Assets was $3.0 million, payable as follows: (i) $1.0 million paid on July 13, 2006 in cash, and (ii) the remaining $2.0 million evidenced by a promissory note (the "Note") bearing interest each month at a rate of 4.0% per annum, compounded monthly, and which shall be paid in four annual payments of $500,000 plus accumulated interest to that date on each anniversary of the closing until the entire purchase price is paid in full. In order to secure the debt represented by the Note, the Company executed and delivered to the Seller a Security Agreement in which the Company granted the Seller a first priority lien on the Purchased Assets. The foregoing payments will draw significantly on future cash reserves. In addition, if we are unable to make such payment obligations, the Seller could foreclose on its lien on the Purchase Assets or take other action, all of which would likely have a material adverse effect on our business. The first payment of $500,000 plus related interest was paid to the Seller on May 10, 2007, two months in advance of the due date to take advantage of the savings in interest expense.

WE DEPEND ON OUR EXECUTIVE OFFICERS AND NEED ADDITIONAL MARKETING AND TECHNICAL PERSONNEL TO SUCCESSFULLY MARKET OUR PRODUCT. WE CAN NOT ASSURE YOU THAT WE WILL BE ABLE TO RETAIN OR ATTRACT SUCH PERSONS. Since we are a small company, a loss of one or both of our current officers would severely and negatively impact our operations. To implement our business plan, we will need additional marketing and technical personnel to successfully market our product. The market for such persons remains competitive and our limited financial resources may make it more difficult for us to recruit and retain qualified persons.

Risks Related To Our Common Stock

WE HAVE ISSUED A SUBSTANTIAL NUMBER OF WARRANTS TO PURCHASE OUR COMMON STOCK WHICH WILL RESULT IN SUBSTANTIAL DILUTION TO THE OWNERSHIP INTERESTS OF OUR EXISTING SHAREHOLDERS. As of December 31, 2007, we had 17,761,359 shares of common stock outstanding. Up to an additional 4,936,650 shares are issuable upon the exercise of the warrants currently outstanding. The exercise of all of these warrants substantially dilutes the ownership interests of our existing shareholders.

WE DO NOT INTEND TO PAY DIVIDENDS IN THE FORESEEABLE FUTURE. We have never declared or paid a dividend on our common stock. We intend to retain earnings, if any, for use in the operation and expansion of our business and, therefore, do not anticipate paying any dividends in the foreseeable future.

THE TRADING PRICE OF OUR COMMON STOCK MAY BE VOLATILE. The trading price of our shares has, from time to time, fluctuated widely and in the future may be subject to similar fluctuations. The trading price may be affected by a number of factors including the risk factors set forth in this report as well as our operating results, financial condition, announcements of innovations or new products by us or our competitors, general conditions in the market place, and other events or factors. Although we believe that approximately 19 registered broker dealers currently make a market in our common stock, we cannot assure you that any of these firms will continue to serve as market makers or have the financial capability to stabilize or support our common stock. A reduction in the number of market makers or the financial capability of any of these market makers could also result in a decrease in the trading volume of and price of our shares. In recent years, broad stock market indices, in general, and the securities of technology companies, in particular, have experienced substantial price fluctuations. Such broad market fluctuations may adversely affect the future trading price of our common stock.

OUR STOCK PRICE MAY EXPERIENCE VOLATILITY. The market price of the common stock, which currently is listed in the OTC Bulletin Board, has, in the past, fluctuated over time and may in the future be volatile. The Company believes that there are a small number of market makers that make a market in the Company's common stock. The actions of any of these market makers could substantially impact the volatility of the Company's common stock.

POTENTIAL FUTURE SALES PURSUANT TO RULE 144. Many of the shares of Common Stock presently held by management and others are "restricted securities" as that term is defined in Rule 144, promulgated under the Securities Act. Under Rule 144, a person (or persons whose shares are aggregated) who has satisfied a certain holding period, may, under certain circumstances sell such shares or a portion of such shares. Effective as of February 15, 2008, the holding period for the resale of restricted securities of reporting companies was shortened from one year to six months. Additionally, the SEC substantially simplified Rule 144 compliance for non-affiliates by allowing non-affiliates of reporting companies to freely resell restricted securities after satisfying a six-month holding period (subject only to the Rule 144(c) public information requirement until the securities have been held for one year) and by allowing non-affiliates of non-reporting companies to freely resell restricted securities after satisfying a 12-month holding period. Such holding periods have already been satisfied in many instances. Therefore, actual sales or the prospect of sales of such shares under Rule 144 in the future may depress the prices of the Company's securities.

OUR COMMON STOCK IS A PENNY STOCK. Our Common Stock is classified as a penny Stock, which is traded on the OTCBB. As a result, an investor may find it more difficult to dispose of or obtain accurate quotations as to the price of the shares of the Common Stock. In addition, the "penny stock" rules adopted by the Securities and Exchange Commission subject the sale of the shares of the Common Stock to certain regulations which impose sales practice requirements on broker-dealers. For example, broker-dealers selling such securities must, prior to effecting the transaction, provide their customers with a document that discloses the risks of investing in such securities. Furthermore, if the person purchasing the securities is someone other than an accredited investor or an established customer of the broker-dealer, the broker-dealer must also approve the potential customer's account by obtaining information concerning the customer's financial situation, investment experience and investment objectives. The broker-dealer must also make a determination whether the transaction is suitable for the customer and whether the customer has sufficient knowledge and experience in financial matters to be reasonably expected to be capable of evaluating the risk of transactions in such securities. Accordingly, the Commission's rules may result in the limitation of the number of potential purchasers of the shares of the Common Stock. In addition, the additional burdens imposed upon broker-dealers by such requirements may discourage broker-dealers from effecting transactions in the Common Stock, which could severely limit the market of the Company's Common Stock.

LIMITATIONS OF THE OTCBB CAN HINDER COMPLETION OF TRADES. Trades and quotations on the OTCBB involve a manual process that may delay order processing. Price fluctuations during a delay can result in the failure of a limit order to execute or cause execution of a market order at a price significantly different from the price prevailing when an order was entered. Consequently, one may be unable to trade in the Company's Common Stock at optimum prices.

THE OTCBB IS VULNERABLE TO MARKET FRAUD. OTCBB securities are frequent targets of fraud or market manipulation, both because of their generally low prices and because OTCBB reporting requirements are less stringent than those of the stock exchanges or NASDAQ.

INCREASED DEALER COMPENSATION COULD ADVERSELY AFFECT STOCK PRICE. OTCBB dealers' spreads (the difference between the bid and ask prices) may be large, causing higher purchase prices and less sale proceeds for investors.

Except as required by the Federal Securities Law, the Company does not undertake any obligation to release publicly any revisions to any forward-looking statements to reflect events or circumstances after the date of this Form 10-KSB or for any other reason.

Item 2. Description of Property.

We do not own any real estate. We lease approximately 2,722 square feet of space for our executive offices at 10701 Corporate Drive, Suite No. 150, Stafford, Texas. Such lease, which commenced on February 1, 2001, had an original term of three years and has been extended to April 30, 2010. Rent expense for the years ended December 31, 2007 and December 31, 2006 totaled approximately $43,553 and $43,140, respectively. Management believes that the current facility is adequate for the foreseeable future.

Item 3. Legal Proceedings.

The Company is not a party to any pending material legal proceeding nor is it aware of any proceeding contemplated by any individual, company, entity or governmental authority involving the Company.

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

No matter was submitted during the fourth quarter of the fiscal year covered by this report to a vote of security holders.

PART II

Item 5. Market for Common Equity, Related Stockholder Matters and Small Business Issuer Purchases of Equity Securities.

Market Information

The Company’s common stock currently trades on the OTC Bulletin Board under the symbol “ETCK”. The following table sets forth the range of high and low bid prices per share of the common stock for each of the calendar quarters identified below as reported by the OTC Bulletin Board. These quotations represent inter-dealer prices, without retail mark-up, markdown or commission, and may not represent actual transactions.

Period	**Bid Prices**	
Year ended December 31, 2006:	**High**	**Low**
Jan. 1, 2006 to March 31, 2006	$2.39	$1.65
April l, 2006 to June 30, 2006	$2.11	$1.40
July 1, 2006 to Sept. 30, 2006	$1.90	$1.10
Oct. 1, 2006 to Dec. 31, 2006	$1.25	$0.53
Year ended December 31, 2007:	**High**	**Low**
Jan. 1, 2007 to March 31, 2007	$0.95	$0.55
April l, 2007 to June 30, 2007	$1.50	$0.70
July 1, 2007 to Sept. 30, 2007	$1.35	$0.75
Oct. 1, 2007 to Dec. 31, 2007	$1.40	$0.75

Holders

As of March 6, 2008 there were approximately 916 stockholders of record of the Company’s Common Stock. This does not reflect persons or entities that hold their stock in nominee or “street name”.

Dividends

The Company has not paid any cash dividends to date, and it has no intention of paying any cash dividends on its common stock in the foreseeable future. The declaration and payment of dividends is subject to the discretion of its Board of Directors and to certain limitations imposed under the Delaware Corporation law. The timing, amount and form of dividends, if any, will depend on, among other things, results of operations, financial condition, cash requirements and other factors deemed relevant by the Board of Directors.

Recent Sales of Unregistered Securities

On January 9, 2003, the Company, then an inactive public corporation, issued 5,000,000 shares of common stock in exchange for 100% of the outstanding common stock of EnerTeck Chemical Corp., whereby it became a wholly-owned subsidiary of the Company.

On January 9, 2003, the Company issued 500,000 shares of its common stock to Parrish Brian & Co., Inc. for business, financial and marketing consulting services previously rendered to the Company's subsidiary before its acquisition.

On April 30, 2003 and May 28, 2003, the Company sold a total of 3,150,000 shares of its common stock at $.50 per share (1,000,000 shares to 22 investors and 2,150,000 shares to eight investors, respectively) for total gross proceeds of $1,575,000 in two separate private placement offerings to accredited investors only. These securities were sold both directly by the Company with regard to some sales and through a NASD registered broker-dealer (“Selling Agent”) with regard to others. The offerings were conducted without engaging in any advertising or general solicitation of any kind and without payment of underwriting discounts or commissions to any person except commissions to the Selling Agent on sales effected by it.

In addition, in 2003, the Company granted warrants to purchase up to 4,025,650 shares of common stock at varying exercise prices ranging from $.01 to $1.20 per share. During 2003, the Company issued 1,000,000 shares of common stock upon the exercise of warrants granted in 2003 at an aggregate exercise price of $10,000.

In 2004, the Company granted warrants to purchase up to 705,000 shares of common stock at varying exercise prices ranging from $.01 to $1.20 per share. During 2004, the Company issued 224,000 shares of common stock upon the exercise of warrants at an aggregate exercise price of $224,800. Also, during 2004, the Company issued an additional 135,484 shares of common stock to Maxim Partners, LLC which exercised its rights under a cashless exercise provision to the warrant agreement whereby it exercised 200,000 warrants and received 135,484 common shares by forfeiting 64,516 warrants. The Company received no cash proceeds from this exercise.

In 2005, the Company received loans for working capital of an aggregate of $40,000 from three individuals. As an added inducement to the lenders and as additional consideration for making the loans, the Company issued an aggregate of 400,000 shares of common stock to such individuals.

In June 2005, the Company granted 200,000 shares of common stock to each of Gary B. Aman and Jack D. Cowles, each a director of the Company, for their services as Board members.

During the quarter ended September 30, 2005, the Company issued 250,000 shares of its common stock to certain accredited investors for aggregate proceeds of $250,000.

In November 2005, the Company issued 250,000 shares of common stock to Maxim Partners LLC in full settlement of $130,000 of fees owed to Maxim Group LLC for investment banking services previously rendered.

In December 2005, the Board of Directors of the Company authorized the return and immediate reissuance of an aggregate of 2,750,000 shares of common stock to the four founding shareholders. In March 2004, such shareholders had delivered 3,000,000 shares (the “Returned Shares”) to the Company for cancellation as part of a corporate reorganization and restructuring.

In December 2005, the Company sold to BATL Bioenergy LLC (“BATL”) 2,450,000 shares of the common stock and a warrant to purchase an additional 1,000,000 shares of common stock at an exercise price of $2.00 per share for the aggregate purchase price of $3,000,000.

In addition to the warrants granted to BATL, the Company also granted warrants to purchase up to an aggregate of 600,000 shares of common stock at exercise prices ranging from $1.00 to $2.00 per share. During 2005, the Company issued 25,000 shares of common stock upon with the exercise of warrants at an aggregate exercise price of $25,000.

During the first quarter of 2006, the Company issued 10,000 shares of common stock upon the exercise of warrants previously granted at an aggregate exercise price of $12,000. During the second quarter of 2006, the Company granted warrants to purchase up to an aggregate of 30,000 shares of common stock at an exercise price of $2.00 per share. In December 2006, the Board of Directors of the Company authorized the return and immediate reissuance of an aggregate of 250,000 shares of common stock to two of the four founding shareholders, representing the balance of the Returned Shares which had not then yet been reissued.

Between May 1, 2007 and May 16, 2007, the Company sold a total of 1,000,000 shares of common stock at $0.75 per share to seven investors for total gross proceeds of $750,000 in a private placement offering to accredited investors only. These securities were sold directly by the Company, without engaging in any advertising or general solicitation of any kind and without payment of underwriting discounts or commissions to any person. In October 2007, the Company granted warrants to BATL to purchase up to an aggregate of 510,000 shares of common stock at an exercise price of $2.00 per share and expire in 5 years. These warrants were valued using the Black-Scholes Model and the fair value of $374,667 was charged to operating expense during 2007.

All of the foregoing securities were issued in reliance upon the exemption from registration pursuant to Section 4(2) of the Securities Act of 1933, as amended, and/or Rule 506 thereunder.

Equity Compensation Plan Information

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	-0-	-0-	1,000,000[(1)]
Equity compensation plans not approved by security holders	4,936,650[(2)]	$1.41	N/A
Total	4,936,650	$1.41	-0-

(1) Represents shares underlying the 2003 Employee Stock Option Plan. As of December 31, 2007, no options have been issued pursuant to the Plan. The exercise prices will be determined at the time of issuance.

(2) Represents shares underlying the individual grant of warrants.

Item 6. Management's Discussion and Analysis or Plan of Operation.

The following discussion should be read in conjunction with the audited consolidated financial statements and the notes thereto appearing elsewhere in this report and is qualified in its entirety by the foregoing.

Executive Overview

EnerTeck Corporation (the "Company" or "EnerTeck Parent") was incorporated in the State of Washington on July 30, 1935 under the name of Gold Bond Mining Company for the purpose of acquiring, exploring, and developing and, if warranted, the mining of precious metals. We subsequently changed our name to Gold Bond Resources, Inc. in July 2000. We acquired EnerTeck Chemical Corp. ("EnerTeck Sub") as a wholly owned subsidiary on January 9, 2003. For a number of years prior to our acquisition of EnerTeck Sub, we were an inactive, public "shell" corporation seeking to merge with or acquire an active, private company. As a result of this acquisition, we are now acting as a holding company, with EnerTeck Sub as our only operating business. Subsequent to this transaction, on November 24, 2003 we changed our domicile from the State of Washington to the State of Delaware, changed our name from Gold Bond Resources, Inc. to EnerTeck Corporation and affected a one for 10 reverse common stock split.

EnerTeck Sub, our wholly owned operating subsidiary, was incorporated in the State of Texas on November 29, 2000. It was formed for the purpose of commercializing a diesel fuel specific combustion catalyst known as EnerBurn (TM), as well as other combustion enhancement and emission reduction technologies. Nalco/Exxon Energy Chemicals, L.P. ("Nalco/Exxon L.P."), a joint venture between Nalco Chemical Corporation and Exxon Corporation commercially introduced EnerBurn in 1998. When Nalco/Exxon L.P. went through an ownership change in 2000, our founder, Dwaine Reese, formed EnerTeck Sub. It acquired the EnerBurn trademark and related assets and took over the Nalco/Exxon L.P. relationship with the EnerBurn formulator and blender, and its supplier, Ruby Cat Technology, LLC ("Ruby Cat"). The decision to form EnerTeck Sub and acquire the EnerBurn business was motivated by Mr. Reese's belief that:

- EnerBurn was clearly beginning to gain market acceptance;
- the gross margins associated with EnerBurn sales would support the business model, since existing customers would likely continue to buy the product due to the significant impact on diesel fuel savings and reduced emissions;
- EnerBurn had been professionally tested extensively in field applications as well as in the laboratory,

clearly demonstrating its effectiveness in increasing fuel economy and reducing emissions and engine wear;

- The use of the product in diesel applications has a profound impact on a cleaner environment.

We utilize a sales process that includes detailed proprietary customer fleet monitoring protocols in on-road applications that quantify data and assists in managing certain internal combustion diesel engine operating results while utilizing EnerBurn. Test data prepared by Southwest Research Institute and actual customer usage has indicated that the use of EnerBurn in diesel engines improves fuel economy, lowers smoke, and decreases engine wear and the dangerous emissions of both Nitrogen Oxide (NOx) and microscopic airborne solid matter (particulates). Our principal target markets presently include the trucking, heavy construction and maritime shipping industries. We also expect that revenues will be derived in the future from the railroad, mining and offshore drilling industries. Each of these industries shares certain common financial characteristics, i.e. (i) diesel fuel represents a disproportionate share of operating costs; and (ii) relatively small operating margins are prevalent. Considering these factors, management believes that the use of EnerBurn and the corresponding derived savings in diesel fuel costs can positively effect the operating margins of its customers while contributing to a cleaner environment.

Results of Operations

Revenues

We recognized revenues of $396,000 for the year ended December 31, 2007 compared to revenues of $641,000 for the year ended December 31, 2006, a decrease of $245,000 or 38.0%. The primary source of revenue for the years ended December 31, 2007 and 2006 is from the sale of EnerBurn to the railroad, heavy construction and maritime industries. During 2007, we sold 4,840 fewer gallons of EnerBurn than sold in 2006. The price levels of product sold in 2007 was relatively comparable to pricing in 2006. This decrease in revenues can be traced primarily to (i) a customer owned equipment malfunction on the Mississippi River that went undetected for several months, (ii) a seven month delay in the completion of one of the principal Marine fueling facilities for EnerBurn from the original date projected, which also delayed the shipment and required the reclassification of a major sale from 2007 into 2008, and (iii) a delay of nearly a year in the final development, testing and availability of the on-truck dosing unit required for use by most trucks operating in the trucking industry, until early 2008. We believe that if not for the occurrence of these three events, we may have been able to achieve sufficient sales to have likely made it a profitable 2007. With our assistance, each of these problems has been addressed and is either corrected or close to being corrected, and therefore should not reoccur in the future. It is expected that sales should show significant increases throughout 2008.

On July 28, 2005, EnerTeck Sub entered into an Exclusive Reseller and Market Development Agreement (the “Custom Agreement”) with Custom Fuel Services, Inc. (“Custom”), a subsidiary of Ingram Barge. Under the Custom Agreement, EnerTeck Sub has appointed Custom, which provides dockside and midstream fueling from nine service locations in Louisiana, Kentucky, Illinois, West Virginia, Missouri and Iowa, as its exclusive reseller of EnerBurn and the related technology on the Western Rivers of the United States, meaning the Mississippi River, its tributaries, South Pass, and Southwest Pass, excluding the Intra Coastal Waterway. The Agreement has an initial term of three years but can be terminated upon 60 days prior written notice by either party. Custom is not required to purchase a minimum volume of EnerBurn during the term of the Custom Agreement. Therefore, we cannot guarantee that any meaningful revenues will be derived from the Custom Agreement. Subsequent to the signing of the Custom Agreement, Custom obtained the regulatory approvals and installed the blending equipment necessary to facilitate its distribution of EnerBurn. In February 2006, we delivered our first shipment of EnerBurn to Custom by delivering 4,840 gallons. During most of 2006, Custom concentrated on completing the required infrastructural work to allow Custom to begin servicing the Ingram and other fleets. This work was completed late in the second quarter of 2006 and treatment of the Ingram fleet was commenced. Late in the second quarter, Custom placed a second order of 4,840 gallons. However, Custom was unable to take delivery until late in the fourth quarter of 2006. Sales to Custom, currently the Company’s largest customer have been slower than initially anticipated principally due to the equipment malfunction and delay in the completion of a principal Marine fueling facility as described above. Each of these problems has been addressed and is either corrected or close to being corrected.

We expect future revenue trends to initially come from the trucking, rail, heavy construction and maritime industries, and subsequently expect revenues to also be derived from the mining and offshore drilling industries. We expect this to occur as sales increase and the sales and marketing strategies are implemented into the targeted markets and we create an understanding and awareness of our technology through proof of performance demonstrations with potential customers.

Our future growth is significantly dependent upon our ability to generate sales from heavy construction companies such as those currently coming on line, trucking companies with fleets of 500 trucks or more, and barge and tugboat companies with large maritime fleets, and railroad, mining and offshore drilling and genset applications. Our main priorities relating to revenue are: (1) increase market awareness of EnerBurn product through its strategic marketing plan, (2) growth in the number of customers and vehicles or vessels per customer, (3) accelerating the current sales cycle, and (4) providing extensive customer service and support.

In early September 2006, we made our initial sale to a member of the heavy construction industry working in the South Central Texas area. After successful testing this initial customer has led to introductions and initial testing with a large concrete company in West Texas, one of the largest highway contracts in the state of Texas and most recently one to largest highway and heavy construction contractor in the United States. We feel as this market matures it can become a major source of business for the Company.

Also, negotiations have been completed to begin demonstration and testing with a major American railroad company in April 2008. This follows several years of successful usage of EnerBurn, our principal product for several years with a small railroad company, working principally in the Houston area. Successful completion of this test, which is projected to take several months, should lead to the Company's entry into a significantly larger market.

Gross Profit

Gross profit, defined as revenues less cost of goods sold, was $322,000 or 81.3% of sales for the year ended December 31, 2007, compared to $401,000 or 62.6% of sales for the year ended December 31, 2006. In terms of absolute dollars, gross profit decreased $79,000 primarily due to the reduced sales achieved in 2007 compared to 2006. The gross profit percentage increased 18.7% for the 2007 calendar year compared to the 2006 calendar year due primarily to the fact that we are now the manufacturer of our core products, instead of a purchaser and relabeler. As our overall volume increases, we feel confident that this improvement in the gross profit percentage should continue as our manufacturing proficiency improves for our core products.

Cost of good sold was $74,000 for the 2007 calendar year which represented 18.7% of revenues compared to $241,000 for the 2006 calendar year which represented 37.6% of revenues. The decrease in cost of goods sold as a percentage of revenues primarily reflects the decrease in overall product cost from our initiation of manufacturing of our products. We have owned the EnerBurn technology and associated assets since its purchase in July 2006. Although our actual manufacturing function is performed for us by an unrelated third party under contract to us, we should continue to realize better gross margins through the manufacturing of our product lines, compared to those we achieved in the past when we purchased all of our products from an outside vendor.

Cost and Expenses

Costs and expenses decreased to $928,000 for the year ended December 31, 2007 from 1,068,000 for the year ended December 31, 2006, a decrease of $140,000. Costs and expenses in all periods primarily consisted of payroll, professional fees, rent expense, depreciation expense and other general and administrative expenses. While there has been some decrease, costs and expenses for 2007 are reasonably consistent with those of the prior year overall.

Net Loss

Our net operating loss amounted to $605,000 for the year ended December 31, 2007 as compared to $667,000 for the year ended December 31, 2006, a decrease in net operating loss of $62,000, despite a decrease in sales revenues of $245,000 from the prior year. As stated earlier, our gross profit percentage increased 18.7% in 2007 compared to 2006. We believe that such increase should better position the Company for profitability as sales volumes increase.

Total net loss for the year ended December 31, 2007, was $1,004,000 as compared to a total net loss of $639,000 for the year ended December 31, 2006. This amounts to an increase in net loss for the year ended December 31, 2007 of $365,000 as compared with the year ended December 31, 2006. Such increase was primarily due to a $310,000 increase in a non-cash expense for stock-based delay awards in 2007 compared to the prior year. In 2007, we were required to issue stock warrants to BATL in compliance with our December 2005 agreement, as amended. We do not expect that this should reoccur in the future. An additional $66,000 of the net loss in 2007 consisted of interest expenses paid or payable on the remaining principal of the Note for the purchase of the technology, which will decrease each year until the Note is paid in full. We also had interest income of $24,000 in 2007 compared to $75,000 in 2006, primarily due to a greater amount of cash on hand during 2006 compared to 2007 which was not needed for day-to-day operations and could therefore be deposited in interest earning accounts. We also had other income of $18,000 in 2007 compared to $58,000 in 2006. Such other income primarily consisted of certain non-repeating entries such as previously accrued expenses which were determined not to be a liability and other entries which we deemed not to be material. We do not expect that such will reoccur in the future.

Net income in the future will be dependent upon our ability to successfully complete testing in our projected new markets and to increase revenues faster than we increase our selling, general and administrative expenses, research and development expense and other expenses. Our improved gross margin resulting from our manufacturing of our products should help us in our ability to hopefully become profitable in the future.

Operations Outlook

Beginning in 2005, management began a period of reassessing the Company's direction. Due to a lack of working capital, and a nearly complete turnover in upper management and sales staff dating back into 2004, senior management changed its method of marketing the operation during 2005. The majority of the marketing effort for 2005 was directed at targeting and gaining a foothold in one of our major target areas, the inland marine diesel market. Management focused virtually all resources at pinpointing and convincing one major customer within this market, Custom, to go full fleet with our diesel fuel additive product lines. A substantial portion of 2005 was spent testing our primary product, EnerBurn, on one large inland marine vessel belonging to this major potential customer. This resulted in the signing of the Custom Agreement and delivery of the first shipment of Enerburn to Custom as discussed above. This initial purchase order plus the second order received in the second quarter of 2006, amount in size to more revenue and a higher margin than all the orders combined for 2005, 2004 and 2003. In addition to our efforts in the marine sales, the sales effort resulted in initial sales to customers in the heavy construction industry market beginning in the third quarter of 2006 in which we have used the same strategies that had successfully started with the marine market. To date, we have signed on three new customers with testing to begin with another major heavy equipment contractor in the very near future.

At present, one customer, Custom, represents a majority of our sale revenues. With Custom's assistance, however, negotiations are currently underway with several other large customers in the same industry to expand this market. The loss of Custom as a customer would adversely affect our business and we cannot provide any assurances that we could adequately replace the loss of this customer. Sales revenues to Custom and its clients have been less to date than had originally been projected. This has been due primarily to the equipment malfunction and delay in the completion of a principal Marine fueling facility as described above. With our assistance, each of these problems has been addressed and is either corrected or close to being corrected. It is expected that sales should show significant increases throughout 2008. It is also anticipated that other new customers coming on board during 2007 and 2008 will lessen the impact of a loss of Custom, should that happen. In this regard, in June 2007, we entered into an Exclusive Reseller and Market Development Agreement with Tanner Fuel Services, LLC appointing Tanner the exclusive reseller of EnerBurn on the Inter Coastal Waterway from Houma, Louisiana to the Port of Houston, Texas.

A major change in the way EnerTeck does business commenced in the third quarter of 2006 with the completion of the purchase of the EnerBurn technology and the commencement of manufacturing operation. This gave us permanent, exclusive rights to the EnerBurn formulas and protocols and allows for a much better gross margin than in the past. The purchase of the EnerBurn technology and associated assets had been completed on July 13, 2006 and both the formulation equipment and raw materials were in place to manufacture both our on and off road product lines. The opening of the on road market to our products offers great potential to the Company in coming years. Our marketing efforts from that point broadened from principally marine applications to a wide range of new industries. It remains to be seen how, when or if this effort will become successful, however the potential for success is much broader with our increased ability to service these markets.

Liquidity and Capital Resources

On December 31, 2007, we had negative working capital of $31,000 and stockholders' equity of $2,088,000 compared to a working capital of $301,000 and stockholders' equity of $1,968,000 on December 31, 2006. On December 31, 2007, the Company had $319,000 in cash, total assets of $3,660,000 and total liabilities of $1,572,000 compared to $429,000 in cash, total assets of $4,072,000 and total liabilities of $2,105,000 on December 31, 2006.

The decrease in cash and working capital for the year ended December 31, 2007 compared to the prior year was primarily due to lower than anticipated sales revenues. As stated above, the principal cause for these lower revenues can be traced to technical difficulties suffered by principal customer and the delay in availability of the on-road truck dosing equipment, both of which were unanticipated and beyond our control. We have assisted in the correction of both of these issues during the later part of 2007 and feel both are now under control.

Cash used in operating activities was $382,000 for the year ended December 31, 2007, which was primarily the result of a loss of $1,004,000 partially offset by non-cash charges for depreciation of $46,000 and warrants issued of $375,000. Cash used in operating activities was $985,000 for the year ended December 31, 2006, which was primarily the result of a loss of $639,000 partially offset by non-cash charges for depreciation of $48,000 and common stock and warrants issued for services of $157,000.

Cash provided by investing activities was $22,000 for the year ended December 31, 2007 which was primarily the result of employee advances and capital expenditures. Cash used by investing activities was $1,119,000 for the year ended December 31, 2006 which was primarily the result of the acquisition of the intellectual property. The $3,000,000 purchase of the Intellectual Property related to the manufacture of EnerBurn was paid for by an initial down payment of $1,000,000 and the issuance of a note payable for $2,000,000, $500,000 of which was paid during 2007.

On July 13, 2006, we completed the acquisition of the EnerBurn formulas, technology and associated assets pursuant to an Asset Purchase Agreement executed as of the same date (the “EnerBurn Acquisition Agreement”) between the Company and the owner of Ruby Cat (the “Seller”). Pursuant thereto, the Company acquired from the Seller all of its rights with respect to the liquid diesel motor vehicle fuel additives known as EC5805A and EC5931A products (the “Products”) as well as its rights to certain intellectual property and technology associated with the Products (collectively, the “Purchased Assets”). The purchase price for the Purchased Assets was $3.0 million, payable as follows: (i) $1.0 million paid on July 13, 2006 in cash, and (ii) the remaining $2.0 million evidenced by a promissory note (the “Note”) bearing interest each month at a rate of 4.0% per annum, compounded monthly, and which shall be paid in four annual payments of $500,000 plus accumulated interest to that date on each anniversary of the closing until the entire purchase price is paid in full. In order to secure the debt represented by the Note, the Company executed and delivered to the Seller a Security Agreement in which the Company granted the Seller a first priority lien on the Purchased Assets. The foregoing payments will draw significantly on future cash reserves. This acquisition, however, allows us to manufacture our own on and off road versions of the EnerBurn product line and will allow for significant savings in the cost requirements of product sales from manufacturing. The first payment of $500,000 was made in July 2007. An additional $500,000 will become payable during 2008.

In the past, we have been able to finance our operations primarily from capital which has been raised. To date, sales have not been adequate to finance our operations without investment capital. In addition to the $750,000 financing affected in 2007, during the quarter ended September 30, 2005, we issued 250,000 shares of our common stock to certain accredited investors for aggregate proceeds of $250,000. In addition, in December 2005, we sold to BATL Bioenergy LLC 2,450,000 shares of the common stock and a warrant to purchase an additional 1,000,000 shares of common stock at an exercise price of $2.00 per share for the aggregate purchase price of $3,000,000. Also, in 2005, we received loans for working capital of an aggregate of $115,000 from various parties. All loans were repaid in December 2005.

Cash provided by financing activities was $250,000 for the year ended December 31, 2007 primarily from the sale of a private placement of common stock in the amount of $750,000 used primarily to fund the scheduled 2007 $500,000 payment due on the purchase of the intellectual property. This is compared to $12,000 obtained from financing activities during the year ended December 31, 2006 from the exercise of warrants.

Other than the Note Payable for the purchase of the intellectual property, we currently have no material commitments for capital requirements. We anticipate, based on currently proposed plans and assumptions relating to our operations, that in addition to our current cash and cash equivalents together with projected cash flows from operations and projected revenues, we may require additional investment to satisfy our contemplated cash requirements for the next 12 months. We anticipate that our costs and expenses over the next 12 months will be approximately $1.1 million which includes the amount we will have to pay in 2008 on the Note. Our continuation as a going concern is contingent upon our ability to obtain additional financing and to generate revenues and cash flow to meet our obligations on a timely basis. As mentioned above, management believes that sales revenues for 2007 were considerably less than earlier anticipated primarily due to circumstances which have been corrected or are in the process of being corrected and therefore should not reoccur in the future. Management expects that sales should show significant increases in 2008.

Currently there are 4,936,650 warrants outstanding with a total exercised value of $6,955,480. Of these, there are 2,426,650 stock warrants with an exercised value of $2,731,480 which will expire during 2008. If a substantial number of these warrants are exercised on or before the expiration date, this will provide sufficient capital for the next 12 months. In addition, we have been able to generate working capital in the past through private placements and believe that these avenues will remain available to us if additional financing is necessary. No assurances can be made that the warrants will be exercised or that we will be able to obtain such other investment on terms acceptable to us or at all. Our contemplated cash requirements beyond 2008 will depend primarily upon level of sales of our products, inventory levels, product development, sales and marketing expenditures and capital expenditures.

Inflation has not significantly impacted the Company’s operations.

Off-Balance Sheet Arrangements

We do not have any off balance sheet arrangements that are reasonably likely to have a current or future effect on our financial condition, revenues, and results of operations, liquidity or capital expenditures.

Significant Accounting Policies

Business and Basis of Presentation

EnerTeck Corporation, formerly Gold Bond Resources, Inc. was incorporated under the laws of the State of Washington on July 30, 1935. On January 9, 2003, the Company acquired EnerTeck Chemical Corp. ("EnerTeck Sub") as its wholly owned operating subsidiary. As a result of the acquisition, the Company is now acting as a holding company, with EnerTeck Sub as its only operating business. Subsequent to this transaction, on November 24, 2003, the Company changed its domicile from the State of Washington to the State of Delaware, changed its name from Gold Bond Resources, Inc. to EnerTeck Corporation.

EnerTeck Sub, the Company’s wholly owned operating subsidiary is a Houston-based corporation. It was incorporated in the State of Texas on November 29, 2000 and was formed for the purpose of commercializing a diesel fuel specific combustion catalyst known as EnerBurn (TM), as well as other combustion enhancement and emission reduction technologies for diesel fuel. EnerTeck’s primary product is EnerBurn, and is registered for highway use in all USA diesel applications. The products are used primarily in on-road vehicles, locomotives and diesel marine engines throughout the United States and select foreign markets.

Principles of Consolidation

The consolidated financial statements include the accounts of EnerTeck Corporation and its wholly-owned subsidiary, EnerTeck Chemical Corp. All significant inter-company accounts and transactions are eliminated in consolidation.

Cash and Cash Equivalents

The Company considers all highly liquid investments purchased with an original maturity of three (3) months or less to be cash and cash equivalents.

Inventory

Inventory consists of market ready EnerBurn plus raw materials required to manufacture the products. Inventory is valued at the lower of cost or market, using the average cost method. Also included in inventory are three large Hammonds EnerBurn doser systems amounting to $57,000, which will be transferred to marine or railroad customers during 2008. The Company’s remaining inventory was split on approximately a 60/40 basis between raw materials and finished goods at December 31, 2007.

Accounts Receivable

Accounts receivable represent uncollateralized obligations due from customers of the Company and are recorded at net realizable value. This value includes an appropriate allowance for estimated uncollectible accounts to reflect any loss anticipated on the accounts receivable balances and charged to the provision for doubtful accounts. The Company calculates this allowance based on historical write-offs, level of past due accounts and relationships with and economic status of the customers. As of December 31, 2007 and 2006, there were no uncollectible accounts and no allowance has been provided.

Property and Equipment

Property and equipment are stated at cost, net of accumulated depreciation. Depreciation is provided for on the straight-line or accelerated method over the estimated useful lives of the assets. The average lives range from five (5) to ten (10) years. Maintenance and repairs that neither materially add to the value of the property nor appreciably prolong its life are charged to expense as incurred. Betterments or renewals are capitalized when incurred.

Intangible Assets

Intellectual property and other intangibles are recorded at cost. The Company has determined that its intellectual property has an indefinite life because there is no legal, regulatory, contractual, competitive, economic or other factor to limits its useful life, and therefore will not be amortized. For other intangibles, amortization would be computed on the straight-line method over the identifiable lives of the assets. The Company has adopted the provisions of Statement of Financial Accounting Standards (SFAS) No. 142, *Goodwill and Other Intangible Assets*, effective for periods beginning January 1, 2002, and thereafter. SFAS 142 addresses financial accounting and reporting for acquired goodwill and other intangible assets and supersedes APB Opinion No. 17, *Intangible Assets*. Specifically, the statement addresses how intangible assets that are acquired should be accounted for in financial statements upon their acquisition, as well as how goodwill and other intangible assets should be accounted for after they have been initially recognized in the financial statements. The statement requires the Company to evaluate its intellectual property each reporting period to determine whether events and circumstances continue to support an indefinite life. In addition, the Company will test its intellectual property for impairment on an annual basis, or more frequently if events or changes in circumstances indicate that the asset might be impaired. The statement requires intangible assets with finite lives to be reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable and that a loss shall be recognized if the carrying amount of an intangible exceeds its fair value. The Company tested its intangible assets for impairment as of December 31, 2007. It was determined at that time that no impairment existed based primarily on projected sales and the resulting discounted projected cash flow analyses.

Revenue Recognition

The Company follows the provisions of SEC Staff Accounting Bulletin (SAB) No. 104, *"Revenue Recognition"* which was issued in December 2003, and recognizes revenues when evidence of a completed transaction and customer acceptance exists, and when title passes, if applicable. SAB No. 104 codified, revised and rescinded certain sections of Staff Accounting Bulletin (SAB) No. 101, *"Revenue Recognition in Financial Statements"*, in order to make this interpretive guidance consistent with current authoritative accounting guidance and SEC rules and regulations.

Revenues from sales are recognized at the point when a customer order has been shipped and invoiced.

Income Taxes

The Company will compute income taxes using the asset and liability method. Under the asset and liability method, deferred income tax assets and liabilities are determined based on the differences between the financial reporting and tax bases of assets and liabilities and are measured using the currently enacted tax rates and laws. A valuation allowance is provided for the amount of deferred tax assets that, based on evidence from prior years, may not be realized over the next calendar year or for some years thereafter.

Income (Loss) Per Common Share

The basic net income (loss) per common share is computed by dividing the net income (loss) applicable to common stockholders by the weighted average number of common shares outstanding.

Diluted net income (loss) per common share is computed by dividing the net income applicable to common stockholders, adjusted on an "as if converted" basis, by the weighted average number of common shares outstanding plus potential dilutive securities. For 2007 and 2006, potential dilutive securities had an anti-dilutive effect and were not included in the calculation of diluted net loss per common share.

Management Estimates and Assumptions

The accompanying financial statements are prepared in conformity with accounting principles generally accepted in the United States of America which require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Financial Instruments

The Company's financial instruments recorded on the balance sheet include cash and cash equivalents, accounts receivable, accounts payable and note payable. The carrying amounts approximate fair value because of the short-term nature of these items.

Stock Options and Warrants

Effective January 1, 2006, the Company began recording compensation expense associated with stock options and other forms of equity compensation in accordance with Statement of Financial Accounting Standards No. 123R, *Share-Based Payment,* as interpreted by SEC Staff Accounting Bulletin No. 107. Prior to January 1, 2006, EnerTeck had accounted for stock options according to the provisions of Accounting Principles Board Opinion No. 25, *Accounting for Stock Issued to Employees,* and related interpretations, and therefore no related compensation expense was recorded for awards granted with no intrinsic value. The Company adopted the modified prospective transition method provided for under SFAS No. 123R, and, consequently, has not retroactively adjusted results from prior periods. Under this transition method, compensation cost associated with stock options recognized in the first quarter of fiscal 2006 includes the quarterly amortization related to the remaining unvested portion of all stock option awards granted prior to January 1, 2006, based on the grant date fair value estimated in accordance with the original provisions of SFAS No. 123. There was no unvested portion of stock options or warrants as of January 1, 2006.

Recently Issued Accounting Pronouncements

In May 2003, the Financial Accounting Standards Board issued SFAS No. 150, *Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity*. SFAS No. 150 established standards for how a company classifies and measures certain financial instruments with characteristics of both liabilities and equity. The statement requires that a company classify a financial instrument that is within its scope as a liability (or an asset in some circumstances) if certain criteria are met. Freestanding financial instruments that obligate the issuer to redeem the holder's shares, or are indexed to such an obligation, and are settled in cash or settled with shares meeting certain conditions would be treated as liabilities. Many of those instruments were previously classified as equity.

In June 2005, the FASB issued FSP FAS 150-5, Issuers Accounting under FASB Statement No. 150 for Freestanding Warrants and Other Similar Instruments on Shares that are Redeemable ("FAS 150-5"). FAS 150-5 clarifies that freestanding warrants and similar instruments on shares that are redeemable should be accounted for as liabilities under FAS 150 regardless of the timing of the redemption feature or price, even though the underlying shares may be classified as equity. FAS 150-5 is effective for the first reporting period beginning after June 30, 2005. Although the Company had outstanding warrants as of December 31, 2006, the shares issued upon exercise of the warrants are not redeemable; consequently, management does not expect the adoption of FAS 150-5 to have a material impact on the Company's financial position, results of operations or cash flows.

In May 2005, the FASB issued FAS No. 154, *Accounting Changes and Error Corrections—A replacement of APB Opinion No. 20 and FASB Statement No. 3* ("FAS 154"). FAS 154 replaces APB Opinion No. 20, *Accounting Changes* ("APB 20"), and FAS No. 3, *Reporting Accounting Changes in Interim Financial Statements* ("FAS 3") and changes the requirements for the accounting for, and reporting of, a change in accounting principles. FAS 154 applies to all voluntary changes in accounting principles and changes required by an accounting pronouncement in the unusual instance that the pronouncement does not include specific transition provisions. Under previous guidance, changes in accounting principle were recognized as a cumulative effect in the net income of the period of the change. FAS 154 requires retrospective application of changes in accounting principle, limited to the direct effects of the change, to prior periods' financial statements, unless it is impracticable to determine either the period-specific effects or the cumulative effect of the change in accounting principle. Additionally, FAS 154 requires that a change in depreciation, amortization or depletion method for long-lived, non-financial assets be accounted for as a change in accounting estimate affected by a change in accounting principle and that correction of errors in previously issued financial statements should be termed a "restatement." The provisions in FAS 154 are effective for accounting changes and correction of errors made in fiscal years beginning after December 15, 2005.

In March 2006, the EITF reached a tentative consensus on Issue No. 06-03, *How Sales Taxes Collected from Customers and Remitted to Governmental Authorities Should Be Presented in the Income Statement (That Is, Gross Versus Net Presentation)* ("EITF 06-03"). EITF 06-03 addresses income statement classification and disclosure requirements of externally-imposed taxes on revenue-producing transactions. EITF 06-03 is effective for periods beginning after December 15, 2006. Management is currently evaluating the effect implementation of EITF 06-03 will have on the Company's financial position, results of operations and cash flows.

In September 2006, the Securities and Exchange Commission issued Staff Accounting Bulletin No. 108, Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements. SAB No. 108 was issued to address diversity in practice in quantifying financial statement misstatements. Current practice allows for the evaluation of materiality on the basis of either (1) the error quantified as the amount by which the current year income statement was misstated ("rollover method") or (2) the cumulative error quantified as the cumulative amount by which the current year balance sheet was misstated ("iron curtain method"). The guidance provided in SAB No. 108 requires both methods to be used in evaluating materiality ("dual approach"). SAB No. 108 permits companies to initially apply its provisions either by (1) restating prior financial statements as if the dual approach had always been used or (2) recording the cumulative effect of initially applying the "dual approach" as adjustments to the carrying values of assets and liabilities as of January 1, 2006 with an offsetting adjustment recorded to the opening balance of retained earnings.

During June 2006, The FASB has issued FIN 48 which prescribes rules for the financial statements accounting for uncertainty in income tax positions. FIN 48 requires all material tax positions to undergo a new two-step recognition and measurement process. All material tax positions in all jurisdictions in all tax years in which the statute of limitations remains open upon the initial date of adoption are required to be assessed. The criteria for asset recognition is that it is more likely than not that a tax position will be sustained upon examination based solely on its technical merits. If the recognition standard is not satisfied, then no tax benefit otherwise arising from the tax position can be recorded for financial statement purposes. If the recognition standard is satisfied, the amount of tax benefit recorded for financial statement purposes is the largest amount of tax benefit with a greater than 50% likelihood of being realized upon ultimate settlement with a taxing authority. FIN 48 became effective for the Company's fiscal 2007 year. The adoption of FIN 48 has not had a material impact on the Company's financial position, results of the operations, or cash flows.

In September 2006, the FASB issued SFAS No. 157; "Fair Value Measurements". This statement defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles (GAAP), and expands disclosures about fair value measurements. This statement applies under other accounting pronouncements that require or permit fair value measurements, the FASB having previously concluded in those accounting pronouncements that fair value is a relevant measurement attribute. Accordingly, this statement does not require any new fair value measurements. However, for some entities, the application of this Statement will change current practices. This Statement is effective for financial statements for fiscal years beginning after November 15, 2007. Earlier application is permitted provided that the reporting entity has not yet issued financial statements for that fiscal year. In November 2007, FASB agreed to a one-year deferral of the effective date for nonfinancial assets and liabilities that are recognized or disclosed at fair value on a recurring basis. We are currently evaluating the provisions of FASB 157 to determine the future impact on the Company's consolidated financial statements.

In December 2006, the FASB issued FASB Staff Position EITF Issue No. 00-19-2, "Accounting for Registration Payment Arrangements," or FSP 00-19-2, which addresses an issuer's accounting for registration payment arrangements. FSP 00-19-2 specifies that the contingent obligation to make future payments or otherwise transfer consideration under a registration payment arrangement, whether issued as a separate agreement or included as a provision of a financial instrument or other agreement, should be separately recognized and measured in accordance with SFAS No. 5, "Accounting for Contingencies." FSP EITF 00-19-2 also requires additional disclosure regarding the nature of any registration payment arrangements, alternative settlement methods, the maximum potential amount of consideration and the current carrying amount of the liability, if any. FSP 00-19-2 was issued in December 2006 and was effective immediately for registration payment arrangements and the financial instruments subject to those arrangements that were entered into or modified subsequent to the issuance of FSP 00-19-2. For registration payment arrangements and financial instruments subject to those arrangements entered into prior to the issuance of FSP 00-19-2, it is effective for financial statements issued for fiscal years beginning after December 15, 2006. We have adopted the provisions of FSP 00-19-2 effective January 1, 2007 and have determined that the adoption had no material impact on our consolidated financial statements.

On February 15, 2007, the FASB issued Statement of Financial Accounting Standards No. 159,*"The Fair Value Option for Financial Assets and Financial Liabilities — Including an Amendment of FASB Statement No. 115"* ("SFAS 159"). This standard permits an entity to measure financial instruments and certain other items at estimated fair value. Most of the provisions of SFAS No. 159 are elective; however, the amendment to FASB No. 115,*"Accounting for Certain Investments in Debt and Equity Securities,"* applies to all entities that own trading and available-for-sale securities. The fair value option created by SFAS 159 permits an entity to measure eligible items at fair value as of specified election dates. The fair value option (a) may generally be applied instrument by instrument, (b) is irrevocable unless a new election date occurs, and (c) must be applied to the entire instrument and not to only a portion of the instrument. SFAS 159 is effective as of the beginning of the first fiscal year that begins after November 15, 2007. Early adoption is permitted as of the beginning of the previous fiscal year provided that the entity (i) makes that choice in the first 120 days of that year, (ii) has not yet issued financial statements for any interim period of such year, and (iii) elects to apply the provisions of FASB 157. Management is currently evaluating the impact of SFAS 159, if any, on the Company's financial statements. The adoption of SFAS No. 159 is not expected to have a material effect on its financial position, results of operations or cash flows.

In December 2007, the FASB issued SFAS No. 160, "Noncontrolling Interests in Consolidated Financial Statements, an amendment of Accounting Research Bulletin No 51" (SFAS 160). SFAS 160 establishes accounting and reporting standards for ownership interests in subsidiaries held by parties other than the parent, changes in a parent's ownership of a noncontrolling interest, calculation and disclosure of the consolidated net income attributable to the parent and the noncontrolling interest, changes in a parent's ownership interest while the parent retains its controlling financial interest and fair value measurement of any retained noncontrolling equity investment. SFAS 160 is effective for financial statements issued for fiscal years beginning after December 15, 2008, and interim periods within those fiscal years. Early adoption is prohibited. The adoption of SFAS No. 160 is not expected to have a material effect on its financial position, results of operations or cash flows.

In December 2007, the FASB issued SFAS 141R, *Business Combinations* ("SFAS 141R"), which replaces FASB SFAS 141, *Business Combinations.* This Statement retains the fundamental requirements in SFAS 141 that the acquisition method of accounting be used for all business combinations and for an acquirer to be identified for each business combination. SFAS 141R defines the acquirer as the entity that obtains control of one or more businesses in the business combination and establishes the acquisition date as the date that the acquirer achieves control. SFAS 141R will require an entity to record separately from the business combination the direct costs, where previously these costs were included in the total allocated cost of the acquisition. SFAS 141R will require an entity to recognize the assets acquired, liabilities assumed, and any non-controlling interest in the acquired at the acquisition date, at their fair values as of that date. This compares to the cost allocation method previously required by SFAS No. 141. SFAS 141R will require an entity to recognize as an asset or liability at fair value for certain contingencies, either contractual or non-contractual, if certain criteria are met. Finally, SFAS 141R will require an entity to recognize contingent consideration at the date of acquisition, based on the fair value at that date. This Statement will be effective for business combinations completed on or after the first annual reporting period beginning on or after December 15, 2008. Early adoption of this standard is not permitted and the standards are to be applied prospectively only. Upon adoption of this standard, there would be no impact to the Company's results of operations and financial condition for acquisitions previously completed. The adoption of SFAS No. 141R is not expected to have a material effect on its financial position, results of operations or cash flows.

The Company does not expect the adoption of any recently issued accounting pronouncements to have a significant impact on The Company's results of operations, financial position or cash flow.

Item 7. Financial Statements.

See the Financial Statements annexed to this report.

Item 8. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

None.

Item 8A(T). Controls and Procedures.

Under the supervision and with the participation of our management, including the Chief Executive Officer and Chief Financial Officer, we have evaluated the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) and Rule 15d-15(e) of the Exchange Act) as of the end of the period covered by this report. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that, as of December 31, 2007, these disclosure controls and procedures were effective to ensure that all information required to be disclosed by us in the reports that we file or submit under the Exchange Act is: (i) recorded, processed, summarized and reported, within the time periods specified in the Commission's rule and forms; and (ii) accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

There have been no material changes in internal control over financial reporting that occurred during the fiscal year covered by this report that have materially affected, or are reasonably likely to materially affect the Company's internal control over financial reporting.

Management's Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed by, or under the supervision of, the Chief Executive Officer and Chief Financial Officer and effected by our Board of Directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

Our evaluation of internal control over financial reporting includes using the COSO framework, an integrated framework for the evaluation of internal controls issued by the Committee of Sponsoring Organizations of the Treadway Commission, to identify the risks and control objectives related to the evaluation of our control environment.

Based on our evaluation under the frameworks described above, our management has concluded that our internal control over financial reporting was effective as of December 31, 2007.

This annual report does not include an attestation report of the Company's registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation requirements by the company's registered public accounting firm pursuant to temporary rules of the Securities and Exchange Commission that permit the company to provide only management's report in this annual report.

Item 8B. Other Information.

Not applicable.

PART III

Item 9. Directors, Executive Officers, Promoters, Control Persons and Corporate Governance; Compliance with Section 16(a) of the Exchange Act.

Set forth below are our present directors and executive officers. Note that there are no other persons who have been nominated or chosen to become directors nor are there any other persons who have been chosen to become executive officers. There are no arrangements or understandings between any of the directors, officers and other persons pursuant to which such person was selected as a director or an officer. Directors are elected to serve until the next annual meeting of stockholders and until their successors have been elected and have qualified. Officers serve at the discretion of the Board of Directors.

Name	**Age**	**Present Position and Offices**	**Has Served as Director Since**
Dwaine Reese	65	Chairman of the Board, Chief Executive Officer and Director	January 2003
Gary B. Aman	60	Director	March 2005
Jack D. Cowles	47	Director	March 2005
Thomas F. Donino	46	Director	December 2005
Stan Crow	59	President	-
Richard B. Dicks	60	Chief Financial Officer	-

Set forth below are brief accounts of the business experience during the past five years of each director and executive officer of the Company and each significant employee of the Company.

DWAINE REESE has been the Chairman of the Board and the Company's Chief Executive Officer of EnerTeck Sub since 2000 and of EnerTeck Parent since 2003. From approximately 1975 to 2000, Mr. Reese held various executive, management, sales and marketing positions in the refining and specialty chemical business with Nalco Chemical Corporation and later Nalco/Exxon Energy Chemicals, LP. In 2000, he founded EnerTeck Chemical Corp., and has been its President and Chief Executive Officer since that time. Mr. Reese has been and will continue to devote his full-time to the Company's business. Mr. Reese has B.S. degree in Biology and Chemistry from Lamar University and a M.S. degree in Chemistry from Highland New Mexico University.

GARY B. AMAN has been a director of the Company since March 2005. He has been employed with Nalco Company since 1994, most recently serving as General Manager of ADOMITE Subsurface Chemicals, a Nalco division, since 1999. ADOMITE is recognized as a technology leader in energy exploration additives including drilling fluids, cementing, fracturing and well stimulation additives. Mr. Aman received a Bachelor of Science degree in Mathematics from the University of South Dakota in 1970.

JACK D. COWLES has been a director of the Company since March 2005. He has been a Managing Director of JDC Consulting, a management consulting firm, since 1997. JDC, headquartered in New York City, provides a broad range of senior level management consulting services including strategy, business process improvement and implementation, change management, financial management, due diligence and merger integration. Mr. Cowles received a Bachelor of Arts, Economics degree; Phi Beta Kappa, from the University of Michigan in 1983 and a Masters of Business Administration degree for the University of Pennsylvania, Wharton School of Business in 1994.

THOMAS F. DONINO has been a director of the Company since December 2005. Since August 1997, he has been a partner at First New York Securities (FNY) in New York, New York. FNY is an investment management company with assets over $250 million dollars. Mr. Donino is also the General Partner of BATL Management LP, a family Limited Partnership, and President of BATL Bioenergy LLC.

STAN CROW has been President of the Company since September 2005. Since 1986, Mr. Crow has been President and Chief Executive Officer of Stanmar Manufacturing Inc. ("Stanmar") located in Livingston, Texas, a company founded by Mr. Crow, which is engaged in the manufacturing and sales of chemical injection equipment for the refining industry as well as the transportation industry. Mr. Crow has also owned and operated several other companies in his career.

RICHARD B. DICKS has been Chief Financial Officer of the Company since December 2005. Mr. Dicks is a certified public accountant and since January 1985 has had his own accounting practice focusing on tax, financial, cash management and MAS services. In addition, from July 1993 to December 2001, Mr. Dicks was President and Chief Executive Officer of Combustion Process Manufacturing Corporation, located in Houston, Texas. Mr. Dicks received a Bachelor's Degree from Oklahoma State University in 1969.

None of the directors and officers is related to any other director or officer of the Company.

To the knowledge of the Company, none of the officers or directors has been personally involved in any bankruptcy or insolvency proceedings. To the knowledge of the Company, none of the directors or officers have been convicted in any criminal proceedings (excluding traffic violations and other minor offenses) or are the subject of a criminal proceeding which is presently pending, nor have such persons been the subject of any order, judgment, or decree of any court of competent jurisdiction, permanently or temporarily enjoining them from acting as an investment advisor, underwriter, broker or dealer in securities, or as an affiliated person, director or insurance company, or from engaging in or continuing in any conduct or practice in connection with any such activity or in connection with the purchase or sale of any security, nor were any of such persons the subject of a federal or state authority barring or suspending, for more than 60 days, the right of such person to be engaged in any such activity, which order has not been reversed or suspended.

Audit Committee Financial Expert

We do not have an audit committee financial expert, as such term is defined in Item 401(e) of Regulation S-B, serving on our audit committee because we have no audit committee and are not required to have an audit committee because we are not a listed security.

Compliance with Section 16(a) of the Exchange Act

Section 16(a) of the Securities Exchange Act of 1934 requires the Company's directors and executive officers, and persons who own more than ten percent of the Company's Common Stock, to file with the Securities and Exchange Commission initial reports of ownership and reports of changes of ownership of Common Stock of the Company. Officers, directors and greater than ten percent stockholders are required by SEC regulation to furnish the Company with copies of all Section 16(a) forms they file.

Based solely on the Company's review of such forms received by it, or written representations from certain of such persons, the Company believes that, with respect to the year ended December 31, 2007, all Section 16(a) filing requirements applicable to its officers, directors and greater than 10% beneficial owners were complied with except Dwaine Reese filed one report late relating to a total of one transaction, and Thomas F. Donino filed three reports late relating to a total of three transactions.

Code of Ethics

The Board of Directors has adopted a Code of Ethics applicable to its principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions, which is designed to promote honest and ethical conduct; full, fair, accurate, timely and understandable disclosure; and compliance with applicable laws, rules and regulations. A copy of the Code of Ethics will be provided to any person without charge upon written request to the Company at its executive offices, 10701 Corporate Drive, Suite 150, Stafford, Texas 77477.

Item 10. Executive Compensation.

The following summary compensation tables set forth information concerning the annual and long-term compensation for services in all capacities to the Company for the years ended December 31, 2007 and December 31, 2006, of those persons who were, at December 31, 2007 (i) the chief executive officer and (ii) the other most highly compensated executive officers of the Company, whose annual base salary and bonus compensation was in excess of $100,000 (the named executive officers):

Summary Compensation Table

Name and Principal Position	Year	**Salary ($)**	**Bonus ($)**	**Stock Awards ($)**	**Option Awards ($)**	**Non-Equity Incentive Plan Compensation ($)**	**Nonqualified Deferred Compensation Earnings ($)**	**All Other Compensation ($)**	**Total**
Dwaine Reese,	2007	$178,500	$0	$0	$0	$0	$0	$7,807 (2)	$186,307
Chairman of the Board and Chief Executive Officer	2006	$269,520(1)	0	0	0	0	0	$7,531(2)	$277,051

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(1) Includes $104,500 of accrued salary for 2004 which was paid to Mr. Reese in 2006.

(2) Mr. Reese was reimbursed $7,807 and $7,531 in 2007 and 2006, respectively, for health insurance costs.

2003 Stock Option Plan

In September 2003, our shareholders approved an employee stock option plan (the “2003 Option Plan”) authorizing the issuance of options to purchase up to 1,000,000 shares of our common stock. This plan is intended to give us greater ability to attract, retain, and motivate officers, key employees, directors and consultants; and is intended to provide us with the ability to provide incentives more directly linked to the success of our business and increases in shareholder value. As of December 31, 2007, no options have been issued under the 2003 Option Plan. On January 15, 2008, options to acquire 64,200 shares were issued under the 2003 Option Plan to five employees which options are immediately exercisable. These options have an exercise price of $0.80 per share and expire in five years from their issue date.

2005 Stock Compensation Plan

In June 2005, the Board of Directors adopted the 2005 Stock Compensation Plan (the “2005 Stock Plan”) authorizing the issuance of up to 2,500,000 shares of common stock. Pursuant to the 2005 Stock Plan, employees, directors, officers or individuals who are consultants or advisors of the Company or any subsidiary may be awarded shares under the 2005 Stock Plan. The 2005 Stock Plan is intended to offer those employees, directors, officers, or consultants or advisors of the Company or any subsidiary who assist in the development and success of the business of the Company or any subsidiary, the opportunity to participate in a compensation plan designed to reward them for their services and to encourage them to continue to provide services to the Company or any subsidiary. To date, 2,050,000 shares have been awarded under the 2005 Stock Plan, of which 1,000,000 were granted to Parrish B. Ketchmark. At the time of the grant, Mr. Ketchmark was an officer and director of the Company but has since resigned. In December 2005, Mr. Ketchmark agreed to return 500,000 shares granted to him under the 2005 Stock Plan. No other officers or directors of the Company have been granted shares under the 2005 Stock Plan.

Other Options, Warrants or Rights

We have no other outstanding options or rights to purchase any of our securities. However, as of December 31, 2007, we do have outstanding warrants to purchase up to 4,936,650 shares of our common stock.

Employment Agreements - Executive Officers and Certain Significant Employees

None of our officers and key employees are presently bound by employment agreements. However, in connection with the Securities Purchase Agreement entered into with BATL in December 2005 and as a further inducement to BATL for making an investment in the Company, Dwaine Reese had agreed not to unilaterally resign as our Chief Executive Officer for a period of two years from December 7, 2005. This period has now elapsed.

We do not have any termination or change in control arrangements with any of our named executive officers.

Compensation of Directors

At the present time, directors receive no cash compensation for serving on the Board of Directors, other than reimbursement of reasonable expenses incurred in attending meetings. In June 2005, we issued 200,000 shares of common stock to each of Gary B. Aman and Jack D. Cowles, each a director of the Company, for their services as Board members.

Indebtedness of Management

No member of management was indebted to the Company during its last fiscal year.

Item 11. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

The following table sets forth, as of March 6, 2008, certain information with regard to the record and beneficial ownership of the Company's Common Stock by (i) each stockholder owning of record or beneficially 5% or more of the Company's Common Stock, (ii) each director of the Company, (iii) the Company's Chief Executive Officer and other executive officers, if any, of the Company whose annual base salary and bonus compensation was in excess of $100,000 (the "named executive officers"), and (iv) all executive officers and directors of the Company as a group:

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
Dwaine Reese	3,590,000(1)	20.2%
BATL Bioenergy LLC	3,960,000(2)	20.5%
Thomas F. Donino	5,558,083(3)	28.8%
Gary B. Aman	660,000(4)	3.7%
Jack D. Cowles	398,550(5)	2.2%
Stan Crow	700,500(6)	3.9%
Richard B. Dicks	114,200(7)	*
All Executive Officers and Directors as a Group (6 persons)	11,021,133	56.6%

* Less than 1%.

(1) Consists of 3,565,000 shares held by Mr. Reese and 25,000 shares underlying an option granted to him. The address for Mr. Reese is 10701 Corporate Drive, Suite 150, Stafford, Texas.

(2) Consists of 2,450,000 shares held by BATL Bioenergy LLC ("BATL") and 1,510,000 shares underlying warrants held by BATL. This information is based solely upon information reported in filings made to the SEC on behalf of BATL. The address for BATL is 7 Lakeside Drive, Rye, New York.

(3) Consists of 1,184,883 shares held by Mr. Donino, 2,450,000 shares held by BATL, 384,700 shares held by BATL Management LP ("BATL Management"), 1,510,000 shares underlying warrants held by BATL and 28,500 shares underlying warrants held by Mr. Donino. As the president and managing member of BATL and the sole officer, director and shareholder of BATL Management's general partner, Mr. Donino may be deemed to be the beneficial owner of shares owned by BATL and BATL Management. BATL Management is a family limited partnership whose members are certain relatives and trusts for the benefit of certain relatives of Mr. Donino. This information is based solely upon information reported in filings made to the SEC on behalf of Thomas Donino, BATL and BATL Management. The address for Mr. Donino is 7 Lakeside Drive, Rye, New York.

(4) The address for Mr. Aman is 6119 Apple Valley Lane, Houston, Texas.

(5) The address for Mr. Cowles is 30 Lansdowne Drive, Larchmont, New York.

(6) Consists of 565,500 shares held by Mr. Crow and 135,000 shares underlying warrants held by him. The address for Mr. Crow 1410 Andover Street, Livingston, Texas.

(7) Consists of 100,000 shares underlying warrants held by Mr. Dicks and 14,200 shares underlying an option granted to him. The address for Mr. Dicks is 10701 Corporate Drive, Suite 150, Stafford, Texas.

Item 12. Certain Relationships and Related Transactions, and Director Independence.

Since January 1, 2007, there has not been, nor is there currently proposed, any transaction or series of similar transactions to which we were or will be a party: (i) in which the amount involved exceeds the lesser of $120,000 or one percent of the average of our total assets at year-end for the last three completed fiscal years; and (ii) in which any director, executive officer, shareholder who beneficially owns 5% or more of our common stock or any member of their immediate family had or will have a direct or indirect material interest.

Director Independence

Our board of directors currently consists of four members. They are Dwaine Reese, Gary B. Aman, Jack D. Cowles and Thomas F. Donino. Mr. Reese is the Company's Chairman of the Board and Chief Executive Officer. Messrs. Aman, Cowles and Donino are independent directors. We have determined their independence using the definition of independence set forth in NASD Rule 4200.

Item 13. Exhibits.

		Incorporated by Reference to
2.1	Share Exchange Agreement	Exhibit 2.1 (1)
2.2	Plan of Merger	Exhibit 2.2 (2)
2.3	Article of Merger (Delaware)	Exhibit 2.3 (2)
2.4	Articles of Merger (Washington)	Exhibit 2.4 (2)
3.1	Articles of Incorporation (July 8, 2003 filing date)	Exhibit 3.1 (2)
3.2	Bylaws	Exhibit 3.2 (2)
4.1	Specimen of Common Stock Certificate	Exhibit 4.1 (2)
4.2	Registrant's 2003 Stock Option Plan	Exhibit 4.1 (3)
4.3	Registrant's 2005 Stock Compensation Plan	Exhibit 99.1 (4)
4.4	Form of Common Stock Purchase Warrant granted to various persons at various times from August 2003 to date	Exhibit 4.4 (5)
4.5	Registration Rights Agreement dated December 8, 2005 between the Company and BATL Bioenergy LLC	Exhibit 4.1 (6)
4.6	Warrant to purchase 1,000,000 shares issued to BATL Bioenergy LLC	Exhibit 4.2 (6)
10.1	Memorandum of Understanding by and between the Registrant's Subsidiary and RubyCat Technology dated February 1, 2003	Exhibit 10.22 (2)
10.2	Office Lease dated February 1, 2001	Exhibit 10.23 (2)
10.3	Office Lease Amendment dated March 31, 2003	Exhibit 10.24 (2)
10.4	Second Amendment to Lease Agreement	*
10.5	Third Amendment to Lease Agreement	*
10.6	Redemption Agreement dated December 6, 2005 between the Company and Parrish B. Ketchmark and Parrish Brian Partners, Inc.	Exhibit 10.1 (6)
10.7	Securities Purchase Agreement dated December 8, 2005 between the Company and BATL Bioenergy LLC	Exhibit 10.2 (6)
10.8	Asset Purchase Agreement dated as of July 13, 2006	Exhibit 2.1 (7)
10.9	Manufacturing and Supply Agreement dated August 18, 2006	*
21.1	Subsidiaries of the Registrant	*
23.1	Consent of Philip Vogel & Co. PC	*
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (Rules 13a-14 and 15d-14 of the Exchange Act)	*
31.2	Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (Rules 13a-14 and	

	15d-14 of the Exchange Act)	*
32.1	Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350)	*

* Filed herewith.

(1) Filed as an exhibit to the Company's Current Report on Form 8-K filed on January 23, 2003, and incorporated by reference herein.

(2) Filed as an exhibit to the Company's Registration Statement on Form SB-2, File No. 333-108872, and incorporated by reference herein.

(3) Filed as an exhibit to the Company's Schedule 14A filed on August 12, 2003, and incorporated by reference herein.

(4) Filed as an exhibit to the Company's Registration Statement on Form S-8, File No. 333-1258814, and incorporated by reference herein.

(5) Filed as an exhibit to the Company's Annual Report on Form 10-KSB for the year ended December 31, 2005, and incorporated by reference herein.

(6) Filed as an exhibit to the Company's Current Report on Form 8-K filed on December 12, 2005, and incorporated by reference herein.

(7) Filed as an exhibit to the Company's Current Report on Form 8-K filed on July 19, 2006, and incorporated by reference herein.

Item 14. Principal Accountant Fees and Services.

The following is a summary of the fees billed to us by the principal accountants to the Company for professional services rendered for the fiscal years ended December 31, 2007 and December 31, 2006:

Fee Category	2007 Fees	2006 Fees
Audit Fees	$38,816	$30,710
Audit Related Fees	$0	$0
Tax Fees	$0	$0
All Other Fees	$0	$0
Total Fees	$38,816	$30,710

Audit Fees. Consists of fees billed for professional services rendered for the audit of our financial statements and review of interim consolidated financial statements included in quarterly reports and services that are normally provided by the principal accountants in connection with statutory and regulatory filings or engagements.

Audit Related Fees. Consists of fees billed for assurance and related services that are reasonably related to the performance of the audit or review of our consolidated financial statements and are not reported under "Audit Fees".

Tax Fees. Consists of fees billed for professional services for tax compliance, tax advice and tax planning. These services include preparation of federal and state income tax returns.

All Other Fees. Consists of fees for product and services other than the services reported above.

Pre-Approval Policies and Procedures

Prior to engaging its accountants to perform a particular service, the Company's Board of Directors obtains an estimate for the service to be performed. All of the services described above were approved by the Board of Directors in accordance with its procedures.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ENERTECK CORPORATION
(Registrant)

By: ______________________________
Dwaine Reese,
Chief Executive Officer

Dated: ______________________________

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant, and in the capacities and on the dates indicated:

Signature	**Title**	**Date**
__________________________ Dwaine Reese	Chief Executive Officer, Chairman of the Board and Director (Principal Executive Officer)	__________
__________________________ Richard B. Dicks	Chief Financial Officer (Principal Financial Officer)	__________
__________________________ Gary B. Aman	Director	__________
__________________________ Jack D. Cowles	Director	__________
__________________________ Thomas F. Donino	Director	__________