UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-K

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

For the fiscal year ended **DECEMBER 31, 2010**

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

Commission file number **0-31981**

ENERTECK CORPORATION

(Exact Name of Registrant as Specified in Its Charter)

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

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

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

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

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

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes [X] No [ ]

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).
Yes [ ] No [ ]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not 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-K or any amendment to this Form 10-K. [ ]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definition of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer[ ]		Accelerated filer	[ ]
Non-accelerated filer [ ]		Smaller reporting company	[X]

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

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant (12,565,197) as of June 30, 2010, the last business day of the registrant's most recently completed second fiscal quarter, was approximately $6,785,000. The number of shares outstanding of the Common Stock ($.001 par value) of the registrant as of the close of business on March 15, 2011 was 22,197,851.

Documents Incorporated by Reference: None

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. 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 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 and renews automatically for successive one year terms 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 $396,000 in 2007 and $282,000 in 2008. During 2009, however, Custom represented 0.0% of the Company's sales. Custom has again ordered in early 2010, and we still believe will be a significant part of our business. However, we are hopeful that as other customer testing in completed in other industries, Custom's impact on our business will lessen. Nevertheless, at the present time, the business generated by Custom materially impacts our operating results.

Sales revenues for 2009 were considerably less than earlier anticipated primarily due to certain unforeseen events first occurring during 2007 and were still being addressed for much of 2008, 2009 and extending into 2010: (i) an equipment malfunction on the Mississippi River that apparently started early in 2007, which went undetected by the vendor for an extended period of time, causing a severe reduction of fuel dosage of its fleet, (ii) a delay of over a year 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 (iii) a delay of more than two years by major vendors in the completion of final development, testing and availability of on-truck dosing units required for use by most trucks operating in the trucking industry, until late 2009. Original versions of this equipment proved faulty, leading to significant additional testing and modification requirements. As a result, the Company located a second firm to supply another design which can also handle the function for the trucking industry. With our assistance, most of these problems have been addressed and have been either corrected or are close to being corrected. In addition, during 2009 the significant downturn in the economy adversely affected our customers in most industries, which continued throughout 2010 and precluded them in many cases from moving forward with testing and installation of injection equipment for the utilization of our products. We now believe that if not for the occurrence of these events, we may have been able to achieve significant sales in 2010. It is expected that sales should show significant increases throughout 2011, despite the problems with the economy.

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.

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. The first payment of $500,000 was made in advance in May 2007. An additional $500,000 due July 13, 2008 was also made in advance of the due date, on July 3, 2008. Due to litigation commenced between the Company and the Seller, the Company requested the court to grant it leave to pay the remaining installments under the EnerBurn Acquisition Agreement into the registry of the court pending adjudication of such matter. The court granted the request and the Company paid the third annual installment of $500,000 plus accrued interest into the registry on July 13, 2009. On March 31, 2010, the parties to the lawsuit entered into a settlement agreement pursuant to which, among other things, the remaining installments due under the EnerBurn Acquisition Agreement were paid by the Company on July 22, 2010, along with an additional sum of $75,000.

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.

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.

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 has been undertaken for the past three years 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 was appointed as our non-exclusive manufacturer, blender and packager of our EnerBurn product for a term of three years which ended in 2009. We have subsequently moved our principal manufacturing operation to Magna Blend of Waxahachie, Texas, with a second company, J. T. Enterprises of Tyler, Texas as our backup manufacturing facility. We have agreed to supply certain tanks and related equipment and raw materials to be used by J. T. Enterprise to manufacture, blend and package the EnerBurn product, and both Magna Blend and J. T. Enterprises have agreed to provide their 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 each its fees pursuant to an agreed upon fee schedule.

In the first quarter of 2011, we have formed a LLC joint venture with Indian Nation Technologies, LLC for the testing and manufacture of an innovative new type of environmental equipment for the remediation of diesel engine emissions for diesel engines in the marine industry. Indian Nation has filed a patent for this equipment and we will hold the exclusive marketing rights for this technology for the various applications within the marine diesel industry. Testing is set to commence during the first and second quarters of 2011 and it is anticipated that this new technology will open vast new marketing opportunities for us in the coming years.

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 four 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.

Item 1A. 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

THE CONTINUING GLOBAL ECONOMIC DOWNTURN AND UNCERTAINTIES MAY HAVE A MATERIAL ADVERSE IMPACT ON OUR BUSINESS AND FINANCIAL CONDITION THAT WE CURRENTLY CANNOT PREDICT**.** The global economy remains in a prolonged economic downturn which has caused disruptions and extreme volatility in global financial markets, increased rates of default and bankruptcy, and declining consumer and business confidence. As a result of these conditions and uncertainties, our suppliers and customers might experience deterioration of their businesses, cash flow shortages and difficulty obtaining financing which could result in interruptions or delays in our suppliers' or customers' performance of any contracts, reductions and delays in customer purchases, delays in or the inability of customers to obtain financing to purchase our products, and bankruptcy of customers. While we cannot predict the duration or severity of the global economic downturn, it could materially affect our business and financial condition.

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, 2010 and 2009, we generated revenues of $231,000 and $404,000, respectively, and incurred net losses of $2,763,000 and $2,054,000, 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.

WE FACED CERTAIN RISKS AND CHALLENGES AS A COMPANY WITH A LIMITED OPERATING HISTORY. We acquired EnerTeck Sub on January 9, 2003 which company was only formed in November 2000 and, therefore, has a limited operating history. As a result, we are subject to all the risks and challenges associated with the operation of a enterprise with a limited operating history, 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. In addition, we cannot rely upon historical results in order to anticipate and timely adapt to increases or decreases in sales, revenues or expenses. We cannot assure you that we will be successful in overcoming these and other risks and challenges that we face as an enterprise with a limited operating history.

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 affect 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.

OUR OPERATING RESULTS ARE STILL MATERIALLY IMPACTED BY ONE CUSTOMER. In the past, we had one customer, Custom Fuel Services Inc. (“Custom”), which represented the majority of the Company’s revenues. During 2010, Custom represented 28.5% of the Company’s sales as compared to 0.0% of the

Company’s sales revenues for the year ended December 31, 2009. We believe Custom suffered from the weakened economy although it is currently testing the Company’s principal product line on additional segments of its business. Custom ordered in early 2010, and we still believe will be a significant part of our business. However, we are hopeful that as other customer testing in completed in other industries, Custom’s impact on our business will lessen. Nevertheless, at the present time, the business generated by Custom materially impacts our operating results.

WE ARE RELIANT UPON THIRD-PARTY MANUFACTURERS FOR OUR PRODUCTS; ANY PROBLEMS THEY ENCOUNTER WILL DETRIMENTALLY IMPACT OUR BUSINESS. The manufacturing of our EnerBurn products has been undertaken for the past three years 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 was appointed as our non-exclusive manufacturer, blender and packager of our EnerBurn product for a term of three years which term expired in 2009. We have subsequently moved our principal manufacturing operation to Magna Blend of Waxahachie, Texas, with a second company, J. T. Enterprises of Tyler, Texas as our backup manufacturing facility. We have agreed to supply certain tanks and related equipment and raw materials to be used by J. T. Enterprise to manufacture, blend and package the EnerBurn product, and both Magna Blend and J. T. Enterprises have agreed to provide their manufacturing, blending and packaging services on a commercially reasonably prompt basis according to the specifications received from and required by us. No assurance can be made, however, that such manufacturers will be reliable in meeting delivery schedules. In addition, such manufacturers may experience their own financial difficulties or provide products of inadequate quality. Furthermore, in the event we need to secure other manufacturers, there can be no assurance that we will be able to secure such arrangements on terms acceptable to the Company. 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.

WE ARE DEPENDENT ON KEY PERSONNEL INCLUDING OUR EXECUTIVE OFFICERS. Due to the specialized nature of our business, our success depends in part upon attracting and retaining the services of qualified managerial and technical personnel. The market for such persons remains competitive and the relative small size of the Company may make it more difficult for us to recruit and retain qualified persons. In addition, and since we are a small company, a loss of one or more of our current officers could severely and negatively impact our operations.

MAINTAINING AND IMPROVING OUR FINANCIAL CONTROLS MAY STRAIN OUR RESOURCES AND DIVERT MANAGEMENT’S ATTENTION. We are subject to the requirements of the Securities Exchange Act of 1934, including the requirements of the Sarbanes-Oxley Act of 2002. The requirements of these rules and regulations have increased, and we expect will continue to increase, our legal and financial compliance costs, make some activities more difficult, time-consuming or costly and may also place undue strain on our personnel, systems and resources. The Sarbanes-Oxley Act requires, among other things, that we maintain effective disclosure controls and procedures and internal control over financial reporting. This can be difficult to do. As a result of this and similar activities, management’s attention may be diverted from other business concerns, which could have a material adverse effect on our business, financial condition and results of operations.

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, 2010, we had 21,982,616 shares of common stock outstanding. Up to an additional 940,047.5 shares are issuable upon the exercise of the warrants currently outstanding and up to 328,400 shares are issuable upon exercise of options currently outstanding. The exercise of all of these warrants and options will substantially dilute 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 trades over-the-counter, 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 trades over-the-counter. 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.

THE OVER-THE-COUNTER MARKET IS VULNERABLE TO MARKET FRAUD. Securities which trade over-the-counter are frequent targets of fraud or market manipulation, both because of their generally low prices and because reporting requirements for such securities are less stringent than those of the stock exchanges or NASDAQ.

INCREASED DEALER COMPENSATION COULD ADVERSELY AFFECT STOCK PRICE. Over-the-counter market 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 1B. Unresolved Staff Comments.

We are a smaller reporting company as defined by Rule 12b-2 of the Securities Exchange Act of 1934 and are not required to provide the information under this item.

Item 2. Properties.

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 August 31, 2014. We have an option to renew for an additional two years at that time. Rent expense for the years ended December 31, 2010 and December 31, 2009 totaled approximately $46,815 and $50,398, respectively. Management believes that the current facility is adequate for the foreseeable future.

Item 3. Legal Proceedings.

The Company is not currently 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.

Econalytic Systems, Inc. ("Econalytic") filed suit in late April 2009 against the Company in the District Court, Boulder County, Colorado in which Econalytic is seeking a declaratory judgment which would permit it to sell certain technology which Econalytic claims it retained and is permitted to sell under the EnerBurn Acquisition Agreement. In July 2009, the Company filed an answer and counterclaims against Econalytic in such action claiming breach of contract and misappropriation of trade secrets and seeking a declaratory judgment specifically interpreting and clarifying the Company's rights under the EnerBurn Acquisition Agreement. On August 14, 2009, the Company removed the state court lawsuit pending in District Court in Boulder, Colorado to the United States District Court in Denver, Colorado. In addition, the Company filed a motion requesting the court grant the Company leave to pay the remaining installments under the EnerBurn Acquisition Agreement into the registry of the court pending adjudication of such matter; which leave was granted. Such lawsuit settled by the parties during 2010 pursuant to which, among other things, the remaining installments due under the EnerBurn Acquisition Agreement were paid by the Company, along with an additional sum of $75,000, and the parties agreed that the purchase by the Company of the liquid diesel motor vehicle fuel additives known as EC5805A and EC5931A products under the EnerBurn Acquisition Agreement had no restrictions on the Company's subsequent use of these additives and formulas, and that the transaction in EnerBurn Acquisition Agreement was the purchase of all of Econalytic right, title and interest in EC5805A and EC5931A.

Item 4. [Removed and Reserved.]

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Market Information

The Company's common stock currently trades over-the-counter under the symbol "ETCK". Until February 23, 2011, the Company's common stock was listed on the OTC Bulletin Board but has since been listed on the OTCQB, officially part of the OTC Market Group's OTC Link quotation system. The OTCQB is a relatively new market started in April 2010 for OTC traded companies that are current in their reporting obligations to the SEC. The following table sets forth the range of high and low sales prices per share of the common stock for each of the calendar quarters identified below. These quotations represent inter-dealer prices, without retail mark-up, markdown or commission, and may not represent actual transactions.

Year ended December 31, 2009:	**High**	**Low**
Jan. 1, 2009 to March 31, 2009	$0.60	$0.30
April l, 2009 to June 30, 2009	$0.93	$0.36
July 1, 2009 to Sept. 30, 2009	$0.85	$0.22

Oct. 1, 2009 to Dec. 31, 2009	$0.67	$0.21
Year ended December 31, 2010:	**High**	**Low**
Jan. 1, 2010 to March 31, 2010	$0.70	$0.21
April l, 2010 to June 30, 2010	$0.70	$0.25
July 1, 2010 to Sept. 30, 2010	$0.79	$0.05
Oct. 1, 2010 to Dec. 31, 2010	$1.00	$0.29

Holders

As of December 31, 2010, there were approximately 918 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

We sold the following equity securities during the fiscal years ended December 31, 2009 and 2010 that were not registered under the Securities Act of 1933, as amended:

During the second quarter of 2009, we issued 1,600,000 shares of our common stock at $0.50 per share to five investors for total gross proceeds of $800,000 in a private placement offering to accredited investors only. During the third quarter of 2009, we issued an additional 700,000 shares of our common stock to three other investors in this offering for additional proceeds of $350,000 which had been advanced towards this offering during the second quarter of 2009. An additional $30,000 has been advanced towards this offering from another investor during the second quarter of 2009. 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. The 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 there under.

In May 2009, we issued 250,000 shares of common stock to Wakabayashi Fund, LLC ("Wakabayashi") for consulting services to be rendered pursuant to a consulting agreement entered into in May 2009 between the Company and Wakabayashi. The securities were issued in reliance upon the exemption from registration pursuant to Section 4(2) of the Securities Act of 1933, as amended.

During the second quarter of 2010, we issued 344,828 shares of our common stock to an unrelated third party in connection with the conversion of a $50,000 loan made to the Company in February 2010. The 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 there under.

Recent Stock Option Grants

Pursuant to the employment agreement entered into with Gary B. Aman during the first quarter of 2009, the Company granted Mr. Aman an option to purchase 200,000 shares of Common Stock of the Company at an exercise price of $1.00 per share which option shall be 25% vested as of the date of grant (March 27, 2009), shall become 100% vested on January 1, 2010 and shall expire March 27, 2014.

During the third quarter of 2009, options to acquire 64,200 shares were issued under our 2003 Option Plan to five employees which options are immediately exercisable. These options have an exercise price of $0.55 per share and expire in five years from their issue date.

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	328,400[(1)]	$0.87	671,600[(1)]
Equity compensation plans not approved by security holders	940,047.5[(2)]	$1.66	N/A
Total	1,268,447.5	$1.46	671,600

(1) Represents shares underlying the 2003 Employee Stock Option Plan.

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

Item 6. Selected Financial Data.

We are a smaller reporting company as defined by Rule 12b-2 of the Securities Exchange Act of 1934 and are not required to provide the information under this item.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

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. 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 (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").

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 $231,000 for the year ended December 31, 2010, compared to revenues of $404,000 for the year ended December 31, 2009, with $0 returned products in 2010 compared 0 in 2009, a decrease in revenues of $173,000 or 42.8%. The primary source of revenue for the years ended December 31, 2010 and 2009 is from the sale of EnerBurn to the railroad, heavy construction and maritime industries. The price levels of product sold in 2010 was relatively comparable to pricing in 2009. This decrease in revenues can be traced primarily to a lack of new customers. As testing is either underway or completed with several potential new customers and in new areas with existing customers, more sales should occur. It is expected that sales should show significant increases throughout 2011.

On July 28, 2005, EnerTeck Sub had entered into an Exclusive Reseller and Market Development Agreement (the "Custom Agreement") with 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 and renews automatically for successive one year terms 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 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 an equipment problems and delay in the completion of a principal Marine fueling facility for EnerBurn on the Mississippi River. We believe that each of these problems has been addressed and have been corrected and are in the process of being corrected. We cannot guarantee that meaningful revenues will be derived in the future from the Custom Agreement. During 2010, Custom represented 27.3% of the Company's sales as compared to 0% of the Company's sales revenues for the year ended December 31, 2009. We believe Custom has suffered from the weakened economy although it is currently testing the Company's principal product line on additional segments of its business. Custom again ordered in early 2010, and we still believe will be a significant part of our business in the future. However, we are hopeful that as other customer testing in completed in other industries, Custom's impact on our business will lessen. Nevertheless, at the present time, the business generated by Custom materially impacts our operating results.

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 international markets for these 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 continue for the demonstration and testing with a major American railroad company. 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 and the results of the one time sales return discussed above, was $191,000 or 82.7% of sales for the year ended December 31, 2010, compared to $336,000 or 83.1% of sales for the year ended December 31, 2009. In terms of absolute dollars, gross profit decreased $145,000 primarily due to the decreased sales achieved in 2010 compared to 2009. The gross profit percentage decreased 0.4% for the 2010 calendar year compared to the 2009 calendar year due primarily to the additional cost in our manufacturing facility. As our overall volume increases, we feel confident that there will be an improvement in the gross profit percentage as our manufacturing proficiency continues to improve for our core products.

Cost of good sold was $41,000 for the 2010 calendar year which represented 17.3% of revenues compared to $69,000 for the 2009 calendar year which represented 16.9% of revenues. The increase in cost of goods sold as a percentage of revenues primarily reflect a slight increase 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 for operations decreased to $1,988,000 for the year ended December 31, 2010 from $2,358,000 for the year ended December 31, 2009, a decrease of $949,000, primarily due to decreases in non-cash compensation and professional fees. Costs and expenses in all periods primarily consisted of payroll, professional fees, rent expense, depreciation expense, amortization expense and other general and administrative expenses. While there has been a substantial increase in costs and expenses for 2010 and 2009 over prior years, it is felt that these increases will lead to a considerable increase in earnings potential in 2011 and future years.

Net Loss

Total net loss for the year ended December 31, 2010, was $2,763,000 as compared to a total net loss of $2,054,000 for the year ended December 31, 2009. This amounts to a increase in net loss for the year ended December 31, 2010 of $709,000 as compared with the year ended December 31, 2009. Such increase was primarily due to impairment of the intellectual property.

Net income in the future will be dependent upon our ability to successfully complete testing in our projected new markets and new product lines 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, has represented a majority of our sale revenues to date, although during 2010, Custom represented 27.3% of the Company's sales. As stated above, Custom ordered in early 2010, and we still believe will be a significant part of our business. In addition, with Custom's assistance, negotiations have been 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 have been corrected and are in the process of being tested. It is expected that sales should continue to show significant increases in 2011. It is also anticipated that other new customers coming on board during 2011 will lessen the impact of a loss of Custom, should that happen.

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. Effective January 1, 2009, the marketing effort for the Company has changed with the addition of a new executive officer (who has been and remains a director) and a new focus on marketing strategy. 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, 2010, we had negative working capital of $870,000 and stockholders' deficit of $1,651,000 compared to negative working capital of $713,000 and stockholders' equity of $964,000 on December 31, 2009. The majority of the decrease in equity stems directly from the write down in the current value on our principal asset, caused by poor sales in past periods. On December 31, 2010, the Company had $124,000 in cash, total assets of $809,000 and total liabilities of $2,460,000 compared to $52,000 in cash, total assets of $2,212,000 and total liabilities of $1,248,000.

The decrease in working capital for the year ended December 31, 2010 compared to the prior year was primarily due to lower than anticipated sales revenues combined with an increase in expenses resulting principally from greater marketing efforts being made in 2010 compared to prior years.

Net cash used in operating activities was $616,000 for the year ended December 31, 2010 compared to net cash used in operating activities of $980,000 for the year ended December 31, 2009. Such changes from period to period were primarily the result of a net loss of $2,763,000 for the year ended December 31, 2010 partially offset by non-cash charges for the impairment of the intellectual property of $1,447,000 compared to a net loss of $2,054,000 for the year ended December 31, 2009 partially offset by non-cash charges for depreciation and amortization of $623,000 and common stock and options issued for services of $362,000, as well as changes from year to year periods in accounts receivable, inventory, prepaid expenses, accounts payable, accrued interest payable and other accrued liabilities.

Cash used by investing activities was $300 for the year ended December 31, 2010 which was primarily the result of purchasing capital assets of $800, and repayment of employee advances of $500. Cash used in investing activities was $4,300 for the year ended December 31, 2009 which was primarily the result of proceeds from the sale of assets of $7,100, capital expenditures of $10,900, offset by employee advances of $400.

Cash provided by financing activities was $688,000 for the year ended December 31, 2010 from the proceeds of loans and advances made to the Company of $1,188,000, offset by payment on the note payable due on the intellectual property of $500,000. This compares to $930,000 in cash provided by financing activities for the year ended December 31, 2009 from proceeds from sale of common stock of $1,150,000, related party note payable and advances of $280,000, offset by payment on the note payable due on the intellectual property of $500,000.

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 advance in May 2007. An additional $500,000 due July 13, 2008 was also made in advance of the due date, on July 3, 2008. Due to litigation commenced between the Company and the Seller, the Company requested the court to grant it leave to pay the remaining installments under the EnerBurn Acquisition Agreement into the registry of the court pending adjudication of such matter. The court granted the request and the Company paid the third annual installment of $500,000 plus accrued interest into the registry on July 13, 2009. On March 31, 2010, the parties to the lawsuit entered into a settlement agreement pursuant to which, among other things, the remaining installments due under the EnerBurn Acquisition Agreement were paid by the Company on July 22, 2010, along with an additional sum of $75,000.

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. As described above, cash provided by financing activities was $688,000 for the year ended December 31, 2010 from the proceeds of loans and advances made to the Company of $1,188,000, offset by payment on the note payable due on the intellectual property of $500,000. For the year ended December 31, 2009, cash provided by financing activities was $930,000 from proceeds from sale of common stock of $1,150,000, related party note payable and advances of $280,000, offset by payment on the note payable due on the intellectual property of $500,000.

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 will require additional investment to satisfy our contemplated cash requirements for the next 12 months. No assurance can be made that we will be able to obtain such investment on terms acceptable to us or at all. We anticipate that our costs and expenses over the next 12 months will be approximately $3.0 million. 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 acknowledges that sales revenues have been considerably less than earlier anticipated. This was primarily due to a combination of circumstances which have been corrected or are in the process of being corrected and therefore should not reoccur in the future and the general state of the economy. Management expects that sales should show increases in 2011. No assurances can be made that we will be able to obtain required financial on terms acceptable to us or at all. Our contemplated cash requirements beyond 2011 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. Included in inventory are three large Hammonds EnerBurn doser systems amounting to $57,000, which has been returned to Hammonds during the first quarter of 2011 in exchange for more useful equipment. Also included in inventory is a Pex unit amounting to $39,000. The Company's remaining inventory was split on approximately a 95/5 basis between raw materials and finished goods at December 31, 2010.

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. There was no allowance for doubtful accounts considered necessary at December 31, 2010 and 2009, respectively.

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

The Company follows the provisions of FASB ASC 350, *Goodwill and Other Intangible Assets*. FASB ASC 350 addresses financial accounting and reporting for acquired goodwill and other intangible assets. Specifically, FASB ASC 350 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 tests 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.

Intellectual property and other intangibles are recorded at cost. Prior to 2009, the Company determined that its intellectual property had an indefinite life because it believed there was no legal, regulatory, contractual, competitive, economic or other factor to limit its useful life, and therefore would not be amortized. For other intangibles, amortization would be computed on the straight-line method over the identifiable lives of the assets.

Management made the decision during 2009 to change the characterization of its intellectual property to a finite-lived asset and to amortize the remaining balance of its intangible asset~~s~~ to the nominal value of $150,000 by the end of 2012, due to its determination that this now represents the scheduled end of its exclusive registration during that year.

As a result of a review by management of its intangible asset and policies related thereto as of December 31, 2010, it was determined that a further impairment was required to be recorded. This impairment serves to reduce its intellectual property to an amount which management believes represents its fair value. This value would be considered a level 3 measurement under FASB ASC 820, *Fair Value Measurements and Disclosures*, since it is based on significant unobservable inputs. The Company will re-assess the value of this asset in future periods and make adjustments as considered necessary, rather than record additional amortization.

Revenue Recognition

The Company follows the provisions of FASB ASC 605, *Revenue Recognition,* and recognizes revenues when evidence of a completed transaction and customer acceptance exists, and when title passes, if applicable.

Revenues from sales of product and equipment 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.

The current and deferred tax provisions in the financial statements include consideration of uncertain tax positions in accordance with FASB ASC 740, *Income Taxes*. Management believes there are no significant uncertain tax positions, so no adjustments have been reported from adoption of FASB ASC 740. The Company files income tax returns in the U.S. federal jurisdiction, and various state jurisdictions.

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 2009 and 2008, 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 FASB ASC 718, *Stock Compensation.*

Recently Issued Accounting Pronouncements

In October 2009, the Financial Accounting Standards Board (FASB) issued an Accounting Standards Update (ASU) 2009-15, "*Accounting for Own-Share Lending Arrangements in Contemplation of Convertible Debt Issuance or Other Financing*." This ASU requires that at the date of issuance of the shares in a share-lending arrangement entered into in contemplation of a convertible debt offering or other financing, the shares issued shall be measured at fair value and be recognized as an issuance cost, with an offset to additional paid-in capital. Further, loaned shares are excluded from basic and diluted earnings per share unless default of the share-lending arrangement occurs, at which time the loaned shares would be included in the basic and diluted earnings-per-share calculation. ASU 2009-15 became effective on January 1, 2010 and did not have an impact on the Company's consolidated financial statements.

In December 2009, the FASB issued ASU 2009-16, *"Accounting for Transfers of Financial Assets."* This ASU amends prior accounting guidance to enhance reporting about transfers of financial assets, including securitizations, and where companies have continuing exposure to the risks related to transferred financial assets. The new guidance eliminates the concept of a "qualifying special-purpose entity" and changes the requirements for derecognizing financial assets. The new authoritative accounting guidance also requires additional disclosures about all continuing involvements with transferred financial assets including information about gains and losses resulting from transfers during the period. ASU 2009-16 became effective on January 1, 2010 and did not have an impact on the Company's consolidated financial statements.

In December 2009, the FASB issued ASU No. 2009-17*, " Improvements to Financial Reporting by Enterprises Involved with Variable Interest Entities."* This ASU amends prior guidance to change how a company determines when an entity that is insufficiently capitalized or is not controlled through voting (or similar rights) should be consolidated. The determination of whether a company is required to consolidate an entity is based on, among other things, an entity's purpose and design and a company's ability to direct the activities of the entity that most significantly impact the entity's economic performance. ASU 2009-17 requires additional disclosures about the reporting entity's involvement with variable-interest entities and any significant changes in risk exposure due to that involvement as well as its effect on the entity's financial statements. ASU 2009-17 became effective on January 1, 2010 and did not have an impact on the Company's consolidated financial statements.

In January 2010, the FASB issued ASU 2010-06*, "Fair Value Measurements and Disclosures (Topic 820) – Improving Disclosures About Fair Value Measurements."* This ASU requires expanded disclosures related to fair value measurements including (i) the amounts of significant transfers of assets or liabilities between Levels 1 and 2 of the fair value hierarchy and the reasons for the transfers, (ii) the reasons for transfers of assets or liabilities in or out of Level 3 of the fair value hierarchy, with significant transfers disclosed separately, (iii) the policy for determining when transfers between levels of the fair value hierarchy are recognized and (iv) for recurring fair value measurements of assets and liabilities in Level 3 of the fair value hierarchy, a gross presentation of information about purchases, sales, issuances and settlements. ASU 2010-06 further clarifies that (i) fair value measurement disclosures should be provided for each class of assets and liabilities (rather than major category), which would generally be a subset of assets or liabilities within a line item in the statement of financial position and (ii) companies should provide disclosures about the valuation techniques and inputs used to measure fair value for both recurring and nonrecurring fair value measurements for each class of assets and liabilities included in Levels 2 and 3 of the fair value hierarchy. ASU 2010-06 became effective on January 1, 2010 with the exception of the requirement to provide Level 3 activity of purchases, sales, issuances and settlements on a gross basis, which will become effective on January 1, 2011. Early adoption is permitted. The adoption of ASU 2010-06 as of January 1, 2010 did not have an impact on the Company's consolidated financial statements. The adoption of the portion of ASU 2010-06 that becomes effective on January 1, 2011 is not expected to have an impact on the Company's consolidated financial statements.

In April 2010, the FASB issued ASU 2010-17, "*Revenue Recognition - Milestone Method*" (Topic 605). This ASU codifies the consensus reached in EITF Issue No. 08-9, "Milestone Method of Revenue Recognition." The amendments to the Codification provide guidance on defining a milestone and determining when it may be appropriate to apply the milestone method of revenue recognition for research or development transactions. Consideration that is contingent on achievement of a milestone in its entirety may be recognized as revenue in the period in which the milestone is achieved only if the milestone is judged to meet certain criteria to be considered substantive. Milestones should be considered substantive in their entirety and may not be bifurcated. An arrangement may contain both substantive and non-substantive milestones, and each milestone should be evaluated individually to determine if it is substantive.

ASU 2010-17 is effective on a prospective basis for milestones achieved in fiscal years, and interim periods within those years, beginning on or after June 15, 2010. Early adoption is permitted. If a vendor elects early adoption and the period of adoption is not the beginning of the entity's fiscal year, the entity should apply 2010-17 retrospectively from the beginning of the year of adoption. Vendors may also elect to adopt the amendments in this ASU retrospectively for all prior periods. The Company does not expect the provisions of ASU 2010-17 to have an effect on its consolidated financial statements.

In August 2010, the FASB issued ASU 2010-21, "*Accounting for Technical Amendments to Various SEC Rules and Schedules: Amendments to SEC Paragraphs Pursuant to Release No. 33-9026: Technical Amendments to Rules, Forms, Schedules and Codification of Financial Reporting Policies*." The Company does not expect the provisions of ASU 2010-21 to have an effect on its consolidated financial statements.

Management does not believe that any other recently issued, but not yet effective accounting pronouncements, if adopted, would have a material effect on the accompanying consolidated financial statements.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

We are a smaller reporting company as defined by Rule 12b-2 of the Securities Exchange Act of 1934 and are not required to provide the information under this item.

Item 8. Financial Statements and Supplementary Data.

See the Financial Statements annexed to this report.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

None.

Item 9A. 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, 2010, 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 fourth fiscal quarter 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, 2010.

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 9B. Other Information.

Not applicable.

PART III

Item 10. Directors, Executive Officers, Promoters, Control Persons and Corporate Governance.

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	68	Chairman of the Board, Chief Executive Officer and Director	January 2003
Gary B. Aman	63	President and Director	March 2005
Jack D. Cowles	50	Director	March 2005
Thomas F. Donino	49	Director	December 2005
Richard B. Dicks	63	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 and President since March 2009. 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 retired from Nalco effective October 31, 2008. 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.

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 407(d)(5) of Regulation S-K, 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, 2010, all Section 16(a) filing requirements applicable to its officers, directors and greater than 10% beneficial owners were complied with.

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 11. 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, 2010 and December 31, 2009, of those persons who were, (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, Chairman of the Board and Chief Executive Officer	2010 2009	$250,000 $139,402	$0 $0	$0 $0	$0 $13,744 (1)	$0 0	$0 0	$0 $3,348 (2)	$250,000 $156,494
Gary B. Aman, President (3)	2010 2009	$200,000 $200,000	$0 $0	$0 $0	$0 $101,875(1)	$0 $0	$0 $0	$0 $0	$200,000 $301,875

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(1) Represents the dollar amount recognized for financial statement reporting purposes with respect to the fiscal year in accordance with ASC 718.

(2) Mr. Reese was reimbursed $3,348 in 2009 for health insurance costs.

(3) Mr. Aman became President of the Company as of January 1, 2009.

Equity Awards

The following table provides certain information concerning equity awards held by the named executive officers as of December 31, 2010.

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END

	Option Awards				Stock Awards	
Name	**No. of Securities Underlying Unexercised Options (#) Exercisable**	**Number of Securities Underlying Unexercised Options (#) Unexercisable**	**Option Exercise Price ($)**	**Option Expiration Date**	**Number of Shares or Units of Stock That Have Not Vested (#)**	**Equity Incentive Plan Awards: Number of Unearned Shares, Units Or Other Rights That Have Not Vested(#)**
Dwaine Reese	25,000 25,000	-0- -0-	$0.55 $0.80	7/21/2014 1/15/2013	-0- -0-	-0- -0-
Gary Aman	150,000	-0-	$1.00	3/27/2014	-0-	-0-

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. During the first quarter of 2008, options to acquire 64,200 shares at an exercise price of $0.80 per share were issued under the 2003 Option Plan to five employees, and during the third quarter of 2009, options to acquire 64,000 shares at an exercise price of $0.55 per share were issued under the 2003 Option Plan to five employees. All of such options are immediately exercisable as of the issue date and expire five years thereafter.

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. In 2005, 2,000,000 shares were awarded under the 2005 Stock Plan, 500,000 of which were returned to the Company in December 2005, and 50,000 shares were awarded in 2006. Since then, no additional awards have been granted 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, 2010, we do have outstanding warrants to purchase up to 940,047.5 shares of our common stock. In addition, we do have outstanding convertible notes which are convertible into shares of our common stock under certain conditions.

Employment Agreements - Executive Officers and Certain Significant Employees

On March 27, 2009, the Company entered into an employment agreement with Gary B. Aman, effective as of January 1, 2009, pursuant to which Mr. Aman agreed to be employed by the Company as President for a period of two years expiring December 31, 2010. During the period of employment, Mr. Aman shall receive an annual base salary equal to $200,000, subject to review each year for possible increases, provided, however, that Mr. Aman has agreed to accrual of said salary until the earlier of (i) such time that the Company's financial condition improves so that payment of said salary does not cause undue financial burden to the Company which shall be determined by the Board of Directors at its sole discretion, or (ii) January 1, 2010. Mr. Aman shall also be entitled to participate in any long term and annual incentive plans and arrangements presently existing or as may be adopted from time to time and other employee benefits plans and programs on the same basis generally as other employees of the Company.

Pursuant to the employment agreement, the Company also agreed to grant Mr. Aman an option to purchase 200,000 shares of Common Stock of the Company at an exercise price of $1.00 per share which option shall be 25% vested as of the date of grant (March 27, 2009), shall become 100% vested on January 1, 2010 and shall expire March 27, 2014.

As of December 31, 2010, none of our other officers and key employees are bound by employment agreements.

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.

The following table provides certain summary information concerning the compensation paid to the Company's non-employee directors during fiscal 2010 for their services as such. All compensation paid to Mr. Reese and Mr. Aman is set forth in the Summary Compensation table above.

Director Compensation

Name	Fees Earned or Paid in Cash ($)	Stock Awards (S)	Option Awards ($)	All Other Compensation ($)	Total ($)
Jack D. Cowles	$0	-0-	$0	-0-	$0
Thomas F. Donino	$0	-0-	$0	-0-	$0

Indebtedness of Management

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

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

The following table sets forth, as of March 15, 2011, 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 total 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	3,615,000(1)	16.2%
BATL Bioenergy LLC	2,960,000(2)	13.0%
Thomas F. Donino	5,751,889(3)	25.0%
Gary B. Aman	870,000(4)	3.9%
Jack D. Cowles	398,550(5)	1.8%
Richard B. Dicks	28,400(6)	*
All Executive Officers and Directors as a Group (5 persons)	10,663,839	45.9%

* Less than 1%.

(1) Consists of 3,565,000 shares held by Mr. Reese and 50,000 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 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 2,113,404 shares held by Mr. Donino, 2,450,000 shares held by BATL, 435,700 shares held by BATL Management LP ("BATL Management"), 510,000 shares underlying warrants held by BATL and 242,785 shares underlying warrants held by Mr. Donino. Does not include shares which may be acquired upon conversion of convertible promissory notes held by Mr. Donino and BATL. See Item 13 "Certain Relationships and Related Transactions, and Director Independence" below. 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) Consists of 670,000 shares held by Mr. Aman and 200,000 shares underlying an option granted to him. The address for Mr. Aman is 10701 Corporate Drive, Suite 150, Stafford, Texas.

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

(6) Consists of 28,400 shares underlying an option granted to him. The address for Mr. Dicks is 10701 Corporate Drive, Suite 150, Stafford, Texas.

Item 13. Certain Relationships and Related Transactions, and Director Independence.

On July 7, 2009, the Company entered into a $100,000 unsecured promissory note with Gary B. Aman, its President and a director, due on demand. Interest is payable at 12% per annum.

On December 11, 2009, the Company entered into a $50,000 note with Thomas F. Donino, a director. Interest is 5% per annum. The principal balance of the note is due on the earlier of December 11, 2012, or upon completion by the Company of equity financing in excess of $1.0 million in gross proceeds. Interest on the loan is payable on the maturity date at the rate of 5% per annum.

On June 1, 2010, the Company entered into a $300,000 and $50,000 convertible promissory notes with Mr. Donino which shall be due and payable on June 1, 2013 and accrue interest at 8.0% per annum payable at maturity and which may be converted at any time into shares of common stock.

On June 20, 2010, the Company entered into a $200,000 convertible promissory note with Mr. Donino which shall be due and payable on June 20, 2013 and accrue interest at 8.0% per annum payable at maturity and which may be converted at any time into shares of common stock.

On July 20, 2010, the Company entered into $300,000 of convertible promissory notes with BATL Bioenergy LLC, which shall be due and payable on July 20, 2013 and accrue interest at 8.0% per annum payable at maturity and which may be converted at any time into shares of common stock. Mr. Donino is the President and managing member of BATL Bioenergy LLC.

On December 10, 2010, the Company entered into $75,000 and $75,000 of convertible promissory notes with Mr. Donino and BATL respectively which shall be due and payable on December 10, 2013 and accrue interest at 8.0% per annum payable at maturity and which may be converted at any time into shares of common stock.

During 2009 and 2010 such Mr. Donino advanced the Company $100,000 and $50,000 respectively. Such advances are due on demand and bear interest at 5% per annum.

Other than the foregoing, since January 1, 2009, 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, and Mr. Aman is the Company's President. Messrs. Cowles and Donino are independent directors. We have determined their independence using the general independence criteria set forth in the Nasdaq Marketplace Rules.

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, 2010 and December 31, 2009:

Fee Category	2010 Fees	2009 Fees
Audit Fees	$34,500	$38,682
Audit Related Fees	$0	$0
Tax Fees	$0	$0
All Other Fees	$0	$0
Total Fees	$34,500	$38,682

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.

PART IV

Item 15. Exhibits and Financial Statement Schedules.

The following documents are filed as part of this report:

(1) Financial Statements

Financial Statements are annexed to this report.

(2) Financial Statement Schedules

No financial statement schedules are included because such schedules are not applicable, are not required, or because required information is included in the financial statements or notes thereto.

(3) 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	Office Lease dated February 1, 2001	Exhibit 10.23 (2)
10.2	Office Lease Amendment dated March 31, 2003	Exhibit 10.24 (2)
10.3	Second Amendment to Lease Agreement	Exhibit 10.4 (7)
10.4	Third Amendment to Lease Agreement	Exhibit 10.5 (7)
10.5	Fourth Amendment to Lease Agreement	Exhibit 10.5 (11)
10.6	Securities Purchase Agreement dated December 8, 2005 between the Company and BATL Bioenergy LLC	Exhibit 10.2 (6)
10.7	Asset Purchase Agreement dated as of July 13, 2006	Exhibit 2.1 (8)
10.8	Exclusive Reseller and Market Development Alliance With Custom Fuel Services, Inc.	Exhibit 10.10 (9)
10.9	Employment Agreement with Gary B. Aman dated March 27, 2009	Exhibit 99.1 (10)

21.1	Subsidiaries of the Registrant	Exhibit 21.1 (7)
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)	*

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* 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 Annual Report on Form 10-KSB for the year ended December 31, 2006, and incorporated by reference herein.

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

(9) Filed as an exhibit to Amendment No. 3 to the Company's Registration Statement on Form SB-2 filed as Form S-1/A on March 25, 2008, File No. 333-133651, and incorporated by reference herein.

(10) Files as an exhibit to the Company's Current Report on Form 8-K filed on April 2, 2009, and incorporated by reference herein.

(11) Filed as an exhibit to the Company's Annual Report on Form 10-K for the year ended December 31, 2010, and incorporated by reference herein.

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: /s/ Dwaine Reese
Dwaine Reese,
Chief Executive Officer

Dated: March 30, 2011

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
/s/ Dwaine Reese Dwaine Reese	Chief Executive Officer, Chairman of the Board and Director (Principal Executive Officer)	03/30/2010
/s/ Richard B. Dicks Richard B. Dicks	Chief Financial Officer (Principal Financial Officer)	03/30/2010
/s/ Gary B. Aman Gary B. Aman	President and Director	03/30/2010
/s/ Jack D. Cowles Jack D. Cowles	Director	03/30/2010
/s/ Thomas F. Donino Thomas F. Donino	Director	03/30/2010