



10701 Corporate Dr., Suite 150
Stafford, TX 77477
Phone: 281-240-1787 Fax: 281-240-1828

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Dear Shareholders,

After a decade of research and development, 2012 was the year EnerTeck truly became operational and poised for profitability. 2013 is the year when everything comes to fruition for the company.

We're getting our first big purchase orders from the customers that will define our future. The world runs on diesel and some of the largest marine, rail, trucking, mining and other industrial companies, as well as militaries, public transit authorities and governments, are all moving in EnerTeck's direction.

We've proven our value proposition, and have convinced our prospects and customers of the dramatic cost savings they can achieve with our injection technology and catalytic combustion accelerator product, EnerBurn®.

The world's large diesel users must reduce their consumption, costs and emissions, and the cost of diesel today is approaching \$4.00/gallon with no relief in sight. Our customers and prospects are also under intense pressure to reduce particulate emissions. In 2012 EnerTeck put our new PEx® (Particulate Extraction) product to the test. We have proven this emissions control technology can reduce particulates by as much as 70 percent, and are expecting CARB (California Air Resources Board) approval in mid-2013.

We are currently evaluating what we believe will be a winning combination with our EnerBurn and PEx technology, and will soon be able to show how large diesel-driven operations can avoid tremendous retrofitting and rebuild costs by achieving emission reduction levels that can help current Tier 1 or lower-rated large diesel engines to comply with the upcoming Tier 4 emissions requirements.

EnerTeck enters 2013 with evaluations and commitments in place representing millions in potential revenue, and, in addition to our own accounts, have several distributors in place covering global markets: G2 Fuel Technologies, EnerGreen Technologies and Energy Innovation Works (EIW). EnerTeck ends 2012 positioned to drive high-margin profits to the bottom line through the following distribution and sales highlights:

G2 Fuel Technologies

G2 is one of the largest minority-owned U.S. defense contractors. G2's goal is to sell EnerBurn, injection equipment and emissions control systems to the government and related customers, and has qualified EnerBurn into a government-approved catalog for fuel efficiency and emissions control products. In addition, G2 has completed an evaluation for a midwestern city and we expect them to begin treating its entire municipal fleet with EnerBurn. G2 is in negotiations to enter new evaluation projects including one with the U.S. Marine Corps testing the product with large diesel-powered generators at three different bases, and with a ferry transport company that will be observed by almost a dozen other maritime transport companies in the Pacific Northwest.

EnerGreen Technologies Ltd. (Australia)

EnerGreen has a wide network of industrial sector contacts in Australia, Southern Asia, Europe, Brazil, Peru and Paraguay. This distributor has completed an evaluation with one of the largest towboat companies in the world, which will be rolling out the EnerBurn product with their entire Australian fleet. Sixteen major Australian ports will be outfitted with EnerTeck's injection equipment this month.

Further evaluations are now expanding within this customer's parent company, representing hundreds more vessels. We are working on the testing protocols, injection equipment design and installation, and operational support for an account that, if successful, will far exceed all total projected revenues for the company.

EnerGreen will also be running an EnerBurn evaluation for the one of the world's largest marine and dredging companies, the Jan de Nul Group, on one of their dredging vessels. This company operates more than 50 work vessels, and has indicated a willingness to treat their entire fleet upon successful evaluation.

Energy Information Works

EIW is an energy management company delivering cost-savings and revenue tools to large energy consumers. Based in New York City, the company was formed by veterans of the commercial energy management industry, and will be introducing a proven product, **BoileR_x**, into a new application in the commercial and industrial boiler/heating oil market. For one of the largest distributors of biodiesel-based heating oil in the northeast, EIW will conduct a boiler evaluation utilizing the EnerBurn catalyst in the company's bioheat fuel product to prove the fuel-saving benefits that EnerBurn can provide in reducing the operating temperature of these boilers.

EnerTeck Business

- America's largest inland towboat company, with over 115 vessels, was EnerTeck's first customer. This company has agreed to retrofit their fueling barges and begin treating their largest tugs with new injection equipment.

- One of the largest heavy construction companies in the western United States is using EnerBurn on a variety of equipment after running an evaluation on a Caterpillar generator that showed a 12-percent improvement in fuel economy.
- EnerTeck is treating four open ocean Blue Water tugboats for one of the largest tow and tugboat companies in the northeastern U.S. With more than 110 vessels, we expect this company to move toward treating all their large vessels by year-end.
- Emissions standards and job controls are being imposed on all oil service companies involved in fracking natural gas and on big shale projects. A major oil field services company has evaluated EnerBurn to reduce operational fuel expenses and to comply with tightening state and local emission reduction requirements. In 2013, we expect to outfit hundreds of their pumper and fracking engines with the EnerBurn system.
- A 25-ship container fleet that is struggling financially and looking for ways to conserve costs has agreed to do an evaluation of EnerBurn. We are currently in discussions on test protocols.

EnerTeck is set for success, and 2013 will be the year to drive these opportunities across the finish line. Concurrently, we continue to build our sales force, distribution channels, and project pipeline, leveraging some of the strongest network connections in the business.

Though the sales cycle remains lengthy and complex, today's leading-edge operators "get it," especially as we work more with sophisticated chemical and mechanical engineers – the early adopters driving the purchasing decisions in leading markets such as the marine, mining, oil field services and fracking industries. Our investor group is executing one last capitalization to conclude our evaluations and build the cash and inventory reserves we need to turn our pipeline into positive cash flow this year.

We thank our shareholders and staff for their patience and dedication, and most importantly, for their investments in the long haul to profitability, which are now about to pay off.

Sincerely,

Gary Aman
President
EnerTeck Chemical Corporation