

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

In re: Entech, LLC

Case No. 03-11917 (KJC)
Reporting Period: June 20, 2003 - July 31, 2003

MONTHLY OPERATING REPORT

File with Court and submit copy to United States Trustee within 20 days after end of month

Submit copy of report to any official committee appointed in the case.

REQUIRED DOCUMENTS	Form No.	Document Attached	Explanation Attached
Schedule of Cash Receipts and Disbursements	MOR-1	X	
Bank Reconciliation (or copies of debtor's bank re	MOR-1 (CON'T)	X	
Copies of bank statements			
Cash disbursements journals			
Statement of Operations	MOR-2	X	
Balance Sheet	MOR-3	X	
Status of Postpetition Taxes	MOR-4	X	
Copies of IRS Form 6123 or payment receipt			
Copies of tax returns filed during reporting period			
Summary of Unpaid Postpetition Debts	MOR-4	X	
Listing of aged accounts payable			
Accounts Receivable Reconciliation and Aging	MOR-5	X	
Debtor Questionnaire	MOR-5	X	

I declare under penalty of perjury (28 U.S.C. Section 1746) that this report and the attached documents are true and correct to the best of my knowledge and belief.

Signature of Debtor

Date

Signature of Joint Debtor

Date

/s/ J. P. Pederson

August 27, 2003

Signature of Authorized Individual*

Date

J. P. Pederson

Vice Chairman and CFO

Printed Name of Authorized Individual

Title of Authorized Individual

*Authorized individual must be an officer, director or shareholder if debtor is a corporation; a partner if debtor is a partnership; a manager or member if debtor is a limited liability company.

In re: ENTECH, LLC

Debtor

Case No. 03-11917 (KJC)

Reporting Period: 06/19/03 thru 07/31/03

SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS

Amounts reported should be per the debtor's books, not the bank statement. The beginning cash should be the ending cash from the prior month or, if this is the first report, the amount should be the balance on the date the petition was filed. The amounts reported in the "CURRENT MONTH - ACTUAL" column must equal the sum of the four bank account columns. The amounts reported in the "PROJECTED" columns should be taken from the SMALL BUSINESS INITIAL REPORT (FORM IR-1). Attach copies of the bank statements and the cash disbursements journal. The total disbursements listed in the disbursements journal must equal the total disbursements reported on this page. A bank reconciliation must be attached for each account. [See MOR-1 (CONT)]

BANK ACCOUNTS				CURRENT MONTH		CUMULATIVE FILING TO DATE	
General				ACTUAL	PROJECTED	ACTUAL	PROJECTED
CASH BEGINNING OF MONTH	0.00			0.00		0.00	
RECEIPTS							
CASH SALES							
ACCOUNTS RECEIVABLE							
LOANS AND ADVANCES							
SALE OF ASSETS							
OTHER (ATTACH LIST)							
TRANSFERS (FROM DIP ACCTS)							
TRANSFER FROM GENERAL							
TOTAL RECEIPTS	0	0		0		0	
DISBURSEMENTS							
NET PAYROLL							
PAYROLL TAXES							
SALES, USE, & OTHER TAXES							
INVENTORY PURCHASES							
SECURED/ RENTAL/ LEASES							
INSURANCE							
ADMINISTRATIVE							
SELLING							
OTHER (ATTACH LIST)							
REC ITEMS SUB ACCOUNTS							
OWNER DRAW *							
TRANSFERS (TO DIP ACCTS)							
PROFESSIONAL FEES							
U.S. TRUSTEE QUARTERLY FEES							
COURT COSTS							
TOTAL DISBURSEMENTS	0	0		0		0	
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	0	0		0		0	
CASH - END OF MONTH	0.00	0.00		0.00		0.00	

* COMPENSATION TO SOLE PROPRIETORS FOR SERVICES RENDERED TO BANKRUPTCY ESTATE

THE FOLLOWING SECTION MUST BE COMPLETED

DISBURSEMENTS FOR CALCULATING U.S. TRUSTEE QUARTERLY FEES: (FROM CURRENT MONTH ACTUAL COLUMN)	
TOTAL DISBURSEMENTS	0
LESS: TRANSFERS TO DEBTOR IN POSSESSION ACCOUNTS	\$
PLUS: ESTATE DISBURSEMENTS MADE BY OUTSIDE SOURCES (i.e. from escrow accounts)	\$
TOTAL DISBURSEMENTS FOR CALCULATING U.S. TRUSTEE QUARTERLY FEES	0

FORM MOR-1
(9/99)

Case No. 03-11917 (KJC)
Reporting Period:06/20/03 thru 07/31/03

A bank reconciliation must be included for each bank account. The debtor's bank reconciliation may be substituted for this page.

[illegible]

In re: Entech, LLC

Case No. 03-11917 (KJC)
Reporting Period.: June 20, 2003 - July 31, 2003

STATEMENT OF OPERATIONS
(Income Statement)

The Statement of Operations is to be prepared on an accrual basis. The accrual basis of accounting recognizes revenue when it is realized and expenses when they are incurred, regardless of when cash is actually received or paid.

REVENUES	Month	Cumulative Filing to Date
Gross Revenues	\$	\$
Less: Returns and Allowances		
Net Revenue	0	0
COST OF GOODS SOLD		
Beginning Inventory		
Add: Purchases		
Add: Cost of Labor		
Add: Other Costs (attach schedule)		
Less: Ending Inventory		
Cost of Goods Sold		
Gross Profit		
OPERATING EXPENSES		
Advertising		
Auto and Truck Expense		
Bad Debts		
Contributions		
Employee Benefits Programs	50,739.01	50,739.01
Insider Compensation*		
Insurance		
Management Fees/Bonuses		
Office Expense		
Pension & Profit-Sharing Plans		
Repairs and Maintenance		
Rent and Lease Expense		
Salaries/Commissions/Fees		
Supplies		
Taxes - Payroll		
Taxes - Real Estate		
Taxes - Other		
Travel and Entertainment		
Utilities		
Other (attach schedule)		
Total Operating Expenses Before Depreciation	50,739.01	50,739.01
Depreciation/Depletion/Amortization		
Net Profit (Loss) Before Other Income & Expenses	-50,739.01	-50,739.01
OTHER INCOME AND EXPENSES		
Other Income (attach schedule)		
Interest Expense		
Other Expense (attach schedule)		
Net Profit (Loss) Before Reorganization Items	-50,739.01	-50,739.01
REORGANIZATION ITEMS		
Professional Fees		
U. S. Trustee Quarterly Fees (a)		
Interest Earned on Accumulated Cash from Chapter 11 (see continuation sheet)		
Gain (Loss) from Sale of Equipment		
Other Reorganization Expenses (attach schedule)		
Total Reorganization Expenses		
Income Taxes		
Net Profit (Loss)	-50,739.01	-50,739.01

*"Insider" is defined in 11 U.S.C. Section 101(31).

In re: Entech, LLC

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STATEMENT OF OPERATIONS - continuation sheet

BREAKDOWN OF "OTHER" CATEGORY	Month	Cumulative Filing to Date
Other Costs		
Other Operational Expenses		
Other Income		
Other Expenses		
Other Reorganization Expenses		

Reorganization Items - Interest Earned on Accumulated Cash from Chapter 11:

Interest earned on cash accumulated during the chapter 11 case, which would not have been earned but for the bankruptcy proceeding, should be reported as a reorganization item.

FORM MOR-2 (CON'T)
(9/99)

In re : Entech, LLC.

Debtor

Case No. 03-11917 (KJC)

Reporting Period: July 31, 2003

BALANCE SHEET

The Balance Sheet is to be completed on an accrual basis only. Pre-petition liabilities must be classified separately from postpetition obligations.

ASSETS	BOOK VALUE AT END CURRENT REPORTING MONTH	BOOK VALUE ON PETITION DATE
CURRENT ASSETS		
Unrestricted Cash and Equivalents (b)	0.00	0.00
Restricted Cash and Cash Equivalents (see continuation schedules)	0.00	0.00
Accounts Receivable (Net) (d)	6,612,692.54	6,612,692.54
Accounts Receivable - Intercompany	147,898,958.50	147,898,958.50
Notes Receivable	14,156.31	14,156.31
Inventories	0.00	0.00
Prepaid Expenses	0.00	0.00
Professional Retainers	0.00	0.00
Other Current Assets (attach schedule)	0.00	0.00
TOTAL CURRENT ASSETS	154,525,807.35	\$154,525,807.35
PROPERTY AND EQUIPMENT		
Real Property and Improvements	0.00	0.00
Machinery and Equipment	0.00	0.00
Furniture, Fixtures and Office Equipment	0.00	0.00
Leasehold Improvements	0.00	0.00
Vehicles	0.00	0.00
Less Accumulated Depreciation	0.00	0.00
TOTAL PROPERTY & EQUIPMENT	0.00	\$0.00
OTHER ASSETS		
Loans to Insiders*	0.00	0.00
Other Assets (Value of insurance policies)(e)	7,868,579.98	7,868,579.98
TOTAL OTHER ASSETS	7,868,579.98	\$7,868,579.98
TOTAL ASSETS	162,394,387.33	\$162,394,387.33

LIABILITIES AND OWNER EQUITY	BOOK VALUE AT CURRENT REPORTING MONTH	BOOK VALUE ON PETITION DATE
LIABILITIES NOT SUBJECT TO COMPROMISE (Postpetition)		
Accounts Payable	0.00	0.00
Accounts Payable - Intercompany	4,770.18	
Taxes Payable (refer to FORM MOR-4)	0.00	0.00
Wages Payable	0.00	0.00
Notes Payable	0.00	0.00
Rent / Leases - Building/Equipment	0.00	0.00
Secured Debt / Adequate Protection Payments	0.00	0.00
Professional Fees	0.00	0.00
Amounts Due to Insiders*	0.00	0.00
Other Postpetition Liabilities (attach schedule)	45,968.83	0.00
TOTAL POSTPETITION LIABILITIES	50,739.01	\$0.00
LIABILITIES SUBJECT TO COMPROMISE (Pre-Petition)		
Secured Debt	0.00	0.00
Priority Debt	0.00	0.00
Uncleared Checks (a)	12,501.44	12,501.44
Unsecured Debt - intercompany	12,521,229.10	12,521,229.10
Unsecured Debt - priority claims	1,958,952.25	1,958,952.25
Unsecured Debt - nonpriority - non qualified retirements	5,833,058.00	5,833,058.00
Unsecured Debt - nonpriority - income taxes payable	7,902,538.24	7,902,538.24
Unsecured Debt - nonpriority - divestiture expenses and other	11,632,443.54	11,632,443.54
TOTAL PRE-PETITION LIABILITIES	\$39,860,722.57	\$39,860,722.57
TOTAL LIABILITIES	\$39,911,461.58	\$39,860,722.57
OWNER EQUITY		
Capital Stock	500.00	500.00
Additional Paid-In Capital	130,081,009.26	130,081,009.26
Partners' Capital Account		0.00
Owner's Equity Account		0.00
Retained Earnings - Pre-Petition	-7,547,844.42	-7,547,844.42
Retained Earnings - Postpetition	-50,739.01	0.00
Adjustments to Owner Equity (attach schedule)		0.00
Postpetition Contributions (Distributions) (Draws) (attach schedule)		0.00
NET OWNER EQUITY	\$122,482,925.75	\$122,533,664.76
TOTAL LIABILITIES AND OWNERS' EQUITY	\$162,394,387.33	\$162,394,387.33

FORM MOR-3
(9/99)

**Insider* is defined in 11 U.S.C. Section 101(31).

- (a)- Outstanding checks not cleared at the date of filing. These amounts represent an unsecured claim.
- (b)- Initial cash balance as reported on the Bankruptcy schedules, as filed, was overstated by \$1,016.00.
- (c)- Initial cash value of insurance policies as reported on the Bankruptcy Schedules was understated by \$248,475.15.
- (d)- Initial amount reported on the Bankruptcy Schedules was \$10,612,692.54. A \$4,000,000 reserve was not reported on the Bankruptcy Schedules. The resulting net accounts receivable is \$6,612,692.54.
- (e) Entech's federal tax return is filed on a consolidated basis and as such there is no tax liability owed. However, these amounts are reported on the Debtor's books as if it filed its own federal tax return.

In re : Entech, LLC.
Debtor

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BALANCE SHEET - continuation sheet

ASSETS		BOOK VALUE AT ENDCURRENT REPORTING PERIOD	BOOK VALUE ON PETITION DATE
Other Current Assets			
Other Assets			
	Benefit Restoration	7,840,079.98	7,840,079.98
	Other investments	28,500.00	28,500.00
	Total	7,868,579.98	7,868,579.98
LIABILITIES AND OWNER EQUITY		BOOK VALUE AT ENDCURRENT REPORTING PERIOD	BOOK VALUE ON PETITION DATE
Other Postpetition Liabilities			
	Divestiture expenditure	-2,978.96	
	Benefit restoration payments	48,972.23	
	Post employment benefits	-24.44	
	Total	45,968.83	
Adjustments to Owner Equity			
Postpetition Contributions (Distributions) (Draws)			

Restricted Cash: cash that is restricted for a specific use and not available to fund operations. Typically, restricted cash is segregated into a separate account, such as an escrow account.

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STATUS OF POSTPETITION TAXES

The beginning tax liability should be the ending liability from the prior month or, if this is the first report, the amount should be zero.
Attach photocopies of IRS Form 6123 or payment receipt to verify payment or deposit of federal payroll taxes.
Attach photocopies of any tax returns filed during the reporting period.

	Beginning Tax Liability	Amount Withheld or Accrued	Amount Paid	Date Paid	Check #	Ending Tax Liability
Federal						
Withholding						
FICA-Employee						
FICA-Employer						
Unemployment						
Income						
Other:						
Total Federal Taxes	0	0	0	0	0	0
State and Local						
Withholding						
Sales						
Excise						
Unemployment						
Real Property						
Personal Property						
Other:						
Total State and Local	0	0	0	0	0	0
Total Taxes	0	0	0	0	0	0

SUMMARY OF UNPAID POSTPETITION DEBTS

Attach aged listing of accounts payable.

	Number of Days Past Due					Over	Total
	Current	0-30	31-60	61-90			
Accounts Payable							
Wages Payable							
Taxes Payable							
Rent/Leases-Building							
Rent/Leases-Equipment							
Secured Debt/Adequate Protection Payments							
Professional Fees							
Amounts Due to Insiders*							
Other:							
Other:							
Total Postpetition Debts	0	0	0	0	0	0	0

Explain how and when the Debtor intends to pay any past-due postpetition debts.

*"Insider" is defined in 11 U.S.C. Section 101(31).

FORM MOR-4
(9/99)

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