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ABLE ENERGY INC  
Form 10-K/A  
April 12, 2007

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

FORM 10-K/A

(AMENDMENT NO. 1)

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE  
SECURITIES EXCHANGE ACT OF 1934

FOR THE FISCAL YEAR ENDED JUNE 30, 2005

OR

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

For the transition period from to

COMMISSION FILE NUMBER: 001-15035

ABLE ENERGY, INC.  
-----

(Exact name of registrant as specified in its charter)

Delaware  
-----

(State or other jurisdiction of  
incorporation or organization)

198 Green Pond Road  
Rockaway, NJ  
-----

(Address of principal executive offices)

22-3520840  
-----

(I.R.S. employer  
identification No.)

07866  
-----

(Zip code)

Registrant's telephone number, including area code: (973) 625-1012

SECURITIES REGISTERED PURSUANT TO SECTION 12(B) OF THE ACT: NONE

SECURITIES REGISTERED PURSUANT TO SECTION 12(G) OF THE ACT:

COMMON STOCK, PAR VALUE \$.001 PER SHARE  
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(Title of class)

Indicate by check mark whether 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 registrant was required to file such reports), and (2) has been subject to such filing requirements for

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the past 90 days. Yes[X] 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 [ ]

The aggregate market value of the common stock held by non-affiliates of the registrant was approximately \$2,788,660 on December 31, 2004, based on the last reported sales price of the registrant's common stock on the NASDAQ Small Cap Market on such date. All executive officers, directors and 10% or more beneficial owners of the registrant's common stock have been deemed, solely for the purpose of the foregoing calculation, "affiliates" of the registrant.

As of September 24, 2005, there were 2,514,463 shares of the registrant's common stock, \$.001 par value, issued and outstanding.

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

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

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ABLE ENERGY, INC.

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EXPLANATORY NOTE

Able Energy, Inc. ("the Company") is filing this Amendment No. 1 to its Annual Report on Form 10-K for the year ended June 30, 2005 (the "Report"), which was previously filed on September 28, 2005, solely to amend the Part II information. In addition to the restatement of the basic financial statements, as discussed in detail at footnote 2 of the Notes to the Consolidated Financial Statements, the Company has updated certain disclosures in the financial statement footnotes and management's discussion and analysis. This Report should be read in conjunction with the Company's Annual Report on Form 10-K for the year ended June 30, 2006, which is being filed concurrently with this Report.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES.

(a) Market Price and Dividend Information

The Company's Common Stock is traded on the Nasdaq SmallCap Market under the symbol "ABLE". The following table sets forth the high and low bid prices of the Common Stock on a quarterly basis, as reported by Nasdaq:

FISCAL YEAR ENDED JUNE 30, 2005	HIGH	LOW
First Quarter	\$ 2.62	\$ 1.60
Second Quarter	6.03	2.14
Third Quarter	15.30	2.51
Fourth Quarter	22.94	7.90
FISCAL YEAR ENDED JUNE 30, 2004	HIGH	LOW
First Quarter	\$ 3.85	\$ 2.75
Second Quarter	4.17	2.55
Third Quarter	3.37	2.30
Fourth Quarter	2.62	1.60

(b) As of September 23, 2005, the Company's common stock was held beneficially by approximately 2,594 persons.

(c) Dividends

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We have never paid a cash dividend on our common stock. It is the current policy of our Board of Directors to retain any earnings to finance the operations and expansion of our business. The payment of dividends in the future will depend upon our earnings, financial condition and capital needs and on other factors deemed pertinent by the Board of Directors.

(d) Recent Sales of Unregistered Securities

None.

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### ITEM 6. SELECTED FINANCIAL DATA.

The following selected financial data should be read in conjunction with the Consolidated Financial Statements, including the related notes, and "Item 7 - Management's Discussion and Analysis of Financial Condition and Results of Operation".

	2005 ---- (RESTATED) -----	2004 ---- (RESTATED) -----	FOR THE YEAR ENDED JUNE 30, 2003 ---- (RESTATED) -----	
<b>RESULTS OF OPERATIONS DATA -</b>				
<b>CONTINUING OPERATIONS</b>				
-----				
Sales	\$ 61,947,349	\$ 42,847,123	\$ 43,365,028	\$ 24,000,000
Gross Profit	5,914,764	5,579,654	6,459,633	4,000,000
Operating Income (Loss)	(1,212,432)	(2,049,001)	241,951	(1,000,000)
Net Income (Loss) from Continuing Operations	(2,180,091)	(2,777,358)	(33,190)	(2,000,000)
Net Income (Loss) from Continuing Operations per Share - Basic	(1.04)	(1.38)	(0.02)	(0.00)
Depreciation and Amortization	1,225,196	1,194,958	1,112,098	1,000,000
Interest Expense	449,776	576,578	435,992	500,000
Weighted Average Number of Shares Outstanding - Basic	2,094,629	2,013,250	2,012,708	2,000,000
 <b>BALANCE SHEET DATA</b>				
-----				
Cash	\$ 1,754,318	\$ 1,309,848	\$ 400,033	\$ 300,000
Current Assets	6,057,809	5,531,423	5,504,366	3,000,000
Current Liabilities	6,715,631	5,500,095	5,652,767	5,000,000
Total Assets	12,371,937	12,229,537	12,531,652	10,000,000
Long-Term Liabilities	4,041,578	3,633,516	3,616,460	1,000,000
Total Stockholders' Equity	1,614,728	3,095,926	3,262,425	3,000,000

Notes

1. The results of operations data for the years ended June 30,

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2003, June 30, 2002 and June 30, 2001 have been adjusted to reflect the discontinued operations of Able Propane, LLC (see financial statement Note 19).

2. Due to the Company changing its fiscal year during 2001, the results of operations for the year ended June 30, 2001 in the above table are for the period January 1, 2001 to June 30, 2001.

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### ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION.

The following discussion should be read in conjunction with our Consolidated Financial Statements, and Notes thereto, contained elsewhere in this report.

#### OVERVIEW

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Able Energy Inc. ("Able") was incorporated in Delaware in 1997. Able Oil, a wholly owned subsidiary of Able, was established in 1989 and sells both residential and commercial heating oil and complete HVAC service to its heating oil customers. Able Energy NY, a wholly owned subsidiary of Able, sells residential and commercial heating oil, propane diesel fuel, and kerosene to customers around the Warrensburg NY area. Able Melbourne, a wholly owned subsidiary of Able, was established in 1996 and sells various grades of diesel fuel around Cape Canaveral FL. PriceEnergy Inc., a majority owned subsidiary of Able, was established in 1999 and has developed an internet platform that has extended the Company's ability to sell and deliver liquid fuels and related energy products.

Management's Discussion and Analysis of Financial Condition and Results of Operation contains forward-looking statements, which are based upon current expectations and involve a number of risks and uncertainties. In order for us to utilize the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, investors are hereby cautioned that these statements may be affected by the important factors, among others, set forth below, and consequently, actual operations and results may differ materially from those expressed in these forward-looking statements. The important factors include:

- o Commodity Supply
- o Commodity Pricing
- o Customers Converting to Natural Gas
- o Alternative Energy Sources
- o Winter Temperature Variations (Degree Days)
- o Customers Moving Out of The Area
- o Legislative Changes
- o The Availability (Or Lack of) Acquisition Candidates
- o The Success of Our Risk Management Activities
- o The Effects of Competition
- o Changes in Environmental Law
- o General Economic, Market, or Business Conditions

We undertake no obligation to update or revise any such forward-looking statements.

#### BUSINESS STRATEGY

Our business plan calls for maximization of sales throughout our existing

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heating oil market areas by means of aggressive market penetration to recapture lost business as well as to attract new customers who have moved into our market area during the past two years. In addition, our external strategy is to acquire related heating oil businesses, which strengthen and expand our current service area along with moving into planned new areas. In this way, we can realize new residential and commercial business and take advantage of expected population growth in new market regions.

We also are in the process of becoming more vertically integrated through acquisition. In addition to acquiring businesses in the core #2 heating oil portion of our business, we are also developing relationships with potential acquisitions in the area of diesel fuel distribution, truck stop facilities, convenience store/gasoline fueling stations, and crude oil refineries.

### CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Our significant accounting policies are described in Note 1 of the consolidated financial statements included in this Annual Report on Form 10-K/A for the fiscal year ended June 30, 2005. The consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America, which

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requires 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

We consider the following policies to be the most critical in understanding the judgments involved in preparing the financial statements and the uncertainties that could impact our results of operations, financial condition and cash flows.

### REVENUE RECOGNITION

Sales of fuel and heating equipment are recognized at the time of delivery to the customer, and sales of equipment are recognized at the time of installation. Revenue from repairs and maintenance service is recognized upon completion of the service. Payments received from customers for heating equipment service contracts are deferred and amortized into income over the term of the respective service contracts, on a straight-line basis, which generally do not exceed one year.

### DEPRECIATION, AMORTIZATION AND IMPAIRMENT OF LONG-LIVED ASSETS

We calculate our depreciation and amortization by using the straight-line method based on estimated useful lives and salvage values of our assets. When assets are put into service, we make estimates with respect to useful lives that we believe are reasonable. However, subsequent events could cause us to change our estimates, thus impacting the future calculation of depreciation and amortization. Any gain or loss from the sale or other disposition of assets is reflected in the year of such sale or other disposal.

Additionally, we assess our long-lived assets for possible impairment whenever events or changes in circumstances indicate that the carrying value of the assets may not be recoverable. Such indicators include changes in our business plans, a change in the extent or manner in which a long-lived asset is being used or in its physical condition, or a current expectation that, more likely than not, a long-lived asset will be sold or otherwise disposed of significantly before the end of its previously estimated useful life. If the carrying value of

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an asset exceeds the future undiscounted cash flows expected from the asset, an impairment charge would be recorded for the excess of the carrying value of the asset over its fair value. Determination as to whether and how much an asset is impaired would necessarily involve numerous management estimates. Any impairment reviews and calculations would be based on assumptions that are consistent with our business plans and long-term investment decisions.

### ALLOWANCE FOR DOUBTFUL ACCOUNTS

We routinely review our receivable balances to identify past due amounts and analyze the reasons such amounts have not been collected. In many instances, such uncollected amounts involve billing delays and discrepancies or disputes as to the appropriate price or volumes of oil delivered, received or exchanged. We also attempt to monitor changes in the creditworthiness of our customers as a result of developments related to each customer, the industry as a whole and the general economy. Based on these analyses, we have established an allowance for doubtful accounts and consider the reserve adequate, however, there is no assurance that actual amounts will not vary significantly from estimated amounts.

### REVENUE AND EXPENSE ACCRUALS

We routinely make accruals for both revenues and expenses due to the timing of compiling billing information, receiving third party information and reconciling our records with those of third parties. We reflect estimates for these items based on our internal records and information from third parties. We believe our estimates for these items are reasonable, but there is no assurance that actual amounts will not vary significantly from estimated amounts.

### INCOME TAXES

As part of the process of preparing consolidated financial statements, the Company is required to estimate income taxes in each of the jurisdictions in which it operates. Significant judgment is required in determining the income tax expense provision. The Company recognizes deferred tax assets and liabilities based on differences between the financial reporting and tax bases of assets and liabilities using the enacted tax rates and laws that are expected to be in effect when the differences are expected to be recovered. The Company assesses the likelihood of our deferred tax assets being recovered from future taxable income. The Company then provides a valuation allowance for deferred tax assets for which the Company does not consider realization of such assets to be more likely than not. The

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Company considers future taxable income and ongoing prudent and feasible tax planning strategies in assessing the valuation allowance. Any decrease in the valuation allowance could have a material impact on net income in the period in which such determination is made.

### RECENT ACCOUNTING PRONOUNCEMENTS

Refer to Note 1 in the accompanying consolidated financial statements.

### RESULTS OF OPERATIONS

The following expense items negatively affected net loss for the year ended June 30, 2005:

- o One time non-recurring expenses for deferred loss due to the 2003 Newton Accident \$318,000

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o Accelerated amortization and prepayment penalty for early payoff of UPS loan	\$206,000
o Stock based compensation	\$117,000
o Directors' fees	\$183,000
o Professional fees for legal & related expenses due to the 2003 Newton Accident & supplemental government filings.	\$311,000
	-----
TOTAL	\$1,135,000
	=====

### FISCAL 2005 COMPARED TO FISCAL 2004

Revenue for fiscal 2005 increased approximately \$19.1 million or 44.6% over fiscal 2004. This increase can be attributed primarily to the pass-through of fuel oil costs to customers offset by somewhat lower gallons sales during the period as a result of a slight decline in heating degree days from last season and the initial impact of marketing changes in the way the Company sells to its discount customers. The Company did not have the use of its facility in Newton, New Jersey, due to the March 2003 accident.

Gross profit margins for fiscal 2005 decreased to 9.5% from 13.0% for fiscal 2004. The decrease in margin was the result of the dramatically rising product costs during the period. Retail pricing was adjusted as necessary to cover most of the increases while continuing to maintain the Company's competitive position in the marketplace. Gross profit margin was also affected by a strong increase in sales of our PriceEnergy subsidiary in Able's present market area.

Selling, general and administrative expenses for fiscal 2005 decreased by approximately \$532,000 or 8.3 % compared to fiscal 2004. The Company attributes this decrease primarily to a reduction in advertising and marketing of approximately \$315,000 related to more effective advertising campaigns and a reduction in bad debt expense of approximately \$151,000 related to increased collection efforts during the period.

Depreciation and amortization expense remained relatively flat for fiscal 2005 as compared to fiscal 2004.

Other income (expenses) increased to a net expense of \$964,000 in fiscal 2005 from \$689,000 in fiscal 2004. The increase is primarily related to a write-off of costs related to insurance claims of approximately \$318,000 and directors fees of \$183,000. These costs were offset by an increase in interest income of approximately \$65,000 and reduction in interest expense of approximately \$127,000 related to debt pay-offs and refinancing.

Operating loss for fiscal 2005 was \$1.2 million compared to \$2.0 million for fiscal 2004. The net improvement in our operating loss for the year was directly related to the volatile market pricing and a decrease in selling, general and administrative expenses.

Our effective tax rate for fiscal 2005 is negligible. The difference in the Company's effective tax rate from the federal statutory rate is primarily due to a 100% valuation allowance provided for all deferred tax assets. Current period income tax expense of \$3,488 represents minimum state tax liabilities.

Net loss for fiscal 2005 was \$2.1 million compared to \$0.2 million for fiscal 2004. During fiscal 2004 the Company



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recognized an after-tax gain on sale of the operating assets of Able Propane in the amount of \$2.6 million, which reduced its net loss from continuing operations of \$2.8 million. Excluding discontinued operations, the net loss from continuing operations for fiscal 2004 to fiscal 2005 decreased by approximately \$561,000. This decrease in the net loss is primarily due to gross profit increase and selling, general and administrative expense decreases offset by increases in other expenses.

### FISCAL 2004 COMPARED TO FISCAL 2003

The Company reported revenues of \$42,847,123 for fiscal 2004, which was a small decrease of \$517,905 from the prior year's revenues of \$43,365,028 for the same period. This decrease can be attributed primarily to somewhat lower gallons sales during the period as a result of a decline in heating degree days from the previous season and the initial impact of marketing changes in the way the Company sells to its discount customers. The Company did not have the use of its facility in Newton, New Jersey, due to the explosion in March 2003, which negatively affected service levels to some of the customers in the Sussex County, New Jersey, delivery area.

Gross profit margin, as a percentage of revenues, for fiscal 2004, decreased by 1.87% from \$6,459,633 in fiscal 2003 to \$5,579,654 in fiscal 2004. The decrease in margin was the result of the dramatically rising product costs during the months of October, November and December. Retail pricing was adjusted appropriately to cover most of the increases while continuing to maintain the Company's competitive position in the marketplace.

Selling, General, and Administrative expenses, as a percent of sales, increased by 3.24% from 11.76% in the year ended June 30, 2003 to 15.00% during the year ending June 30, 2004. The Company attributes this increase to higher insurance rates due to an unsettled insurance market, payroll costs, advertising and outside consulting and legal fees.

Operating loss for fiscal 2004 was \$(2,049,001) as compared to the Company's income of \$241,951 for fiscal 2003. This operating loss for the year was directly related to the volatile market pricing and increased costs related to the explosion and fire in Newton, New Jersey on March 14, 2003, and increased operating costs (such as insurance).

Net loss from continuing operations for fiscal 2004 was \$(2,777,358) as compared to a loss of \$(33,190) in fiscal 2003. The fiscal 2004 loss was directly related to an increase in operating costs, warmer temperature for the season, and a lower gross margin.

### OPERATIONAL EFFICIENCIES

Volume in gallons is the true gauge by which increases or decreases can be measured on a year-to-year basis as the volatility in the cost of the commodity can present an inexact picture of real growth. Total gallons for fiscal 2005 compared to fiscal 2004 were down by 2.9%. This is primarily the result of slightly lower heating degree-days in the 2004/05 season versus the 2003/04 season. Heating degree-days are the industry measurement used to relate each day's temperatures during the heating season to the demand for fuel used for heat. Other reasons for the year-to-year gallons decline were the fact that the March 2003 explosion, which affected our Newton fuel depot, has left this facility still in an "out of service" condition. We are currently working diligently to get this location back in service, or acquire a substitute (acquisition) facility, before the beginning of the upcoming heating season. The ability to use this, or some other location in the area, will greatly improve our service level to the Sussex County delivery area. We are also enhancing our

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communications to our `will call' customers by offering Able Oil Express. We believe that by focusing our efforts on each specific segment of customer, we can build overall gallons sales. Gallons increases could also be realized through the successful completion of several acquisitions that are anticipated for completion in future periods. These acquisitions, if completed, could significantly add to our Company's overall sales volume as measured in gallons as well as dollars of revenue.

The Company believes that it will continue to increase the utilization of existing personnel and equipment, thus continuing to reduce expenses as a percent of sales, and increasing profitability, within its current business configuration. The redefining of the Company's organizational chart and associated position descriptions (by assigning duties to best suit the organization's growth) will further enhance this increased utilization. Moreover, the Company has completed the process of implementing a new Versyss (now ADDS North) operating system to further streamline operations and information processing.

The Company understands the importance of controlling expenses at every level and as such, has enlisted the

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support of an outside consultant to assist in the integration of a new comprehensive operating budget that will interface with the new ADDS North computer operating system. The Company believes that these changes will enable management, through enhanced reporting capabilities, to quickly respond to changing trends in sales and expenses. The combination of the new operating system and the detailed budget program and reporting now provides all levels of management with real time results not previously available.

The Company's margin strategy will be strengthened as it plans to shift some of the sales volume to other area dealers within the PriceEnergy subsidiary to handle highly discounted non-service related home heating oil sales. This change will permit Able Oil Co. to focus and grow its higher margin automatic delivery customer base using its moniker of "Full Service at Discount Prices", while the PriceEnergy entity will cater to those customers looking for the lowest possible retail price either on-line or over the phone. The Company believes that this further segmentation of its customer base will be successful in increasing overall profitability while enhancing customer appeal. The Company has identified several discreet customer segments that prefer varying levels of service from the Company. By better aligning the Company's product offerings to match the desires of these customer segments, the Company believes that it will be able to capture a larger market share.

The Company implemented a service billing methodology known as "Flat Rate Pricing," an approach similar to that used in the automobile repair industry. This system provides the Company's sales and service personnel a "package approach" to selling service, and provides the customer with an easy to understand invoice. This policy is consistent with the Company's customer segmentation strategy, permitting different retail prices for different customer segments, based upon their choice of service level desired. This system will interface with the Company's automated dispatch communications program that was introduced last year. Since the flat rate pricing has now been fully rolled out, the Company's service segment is now operating as a profit center instead of a support vehicle to the fuel delivery side of the business.

WARRENSBURG, NEW YORK OPERATIONAL ENHANCEMENTS

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The Company is in the process of completing operational changes to its Warrensburg, New York business, which will permit the consolidation of all daily operations on to one modern facility located in the newly developed Warrensburg Industrial Park. The Company's previous operations on its Lake George property have been moved to the new site and the Lake George location has been sold. The proceeds from the sale of this location have provided funding for the new operations at the industrial park. When completed this fall, the new fuel depot and sales office will house the local sales and administrative support personnel as well as operations and fuel storage for #2 heating oil, kerosene, propane gas, and diesel fuel. A new modular office and tank farm has been completed on the new property and the Company has terminated its leased office space on Mail Street in Warrensburg. By having all operations combined in the new location we will have the ability to grow the business more effectively as well as handle a greater volume of all products.

### RECENTLY IMPLEMENTED TECHNOLOGICAL PROCEDURES

The Company has introduced additional customer service technology to its Rockaway call and administrative center during the past year. Management has completed improvements to its existing telephone hardware and in-house call management. The Company's call center environment now provides the ability to respond to changing call patterns, both higher and lower, without the expense of clerical over-staffing to meet unrealized needs. New software gives customers the option of placing an order via a voice activated technology. This enables customers who simply wish to refill their fuel tank, the opportunity to quickly place an order 24 hours a day without the help of a live customer service representative. This system has been a contributing factor in our reduction of clerical SG&A expense for the past fiscal year.

The Company is now beginning full implementation of the recently announced automated dispatch technology, which provides management with the ability to communicate with service technicians instantaneously. This system is also now performing billing functions at the customer's location as well as documenting payment data instantaneously. Additionally, management is now aware of the status of every on-duty worker and is able to obtain real time reporting for stand-by, en route, and service work time. This system has enabled the Company to maximize scheduling opportunities and eliminate service technician down time.

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### PRICEENERGY OPERATING SUBSIDIARY

The Company's operating subsidiary, PriceEnergy, with its modern order-processing platform, has been in full operation for over four years now. This revolutionary proprietary technology is fully automated and allows for the removal of the inefficiencies associated with traditional heating oil companies in this industry. PriceEnergy has generated over 7.1 million gallons in business this year, which were delivered by the growing PriceEnergy dealer network. This is an increase of over 61% vs. the prior year. In December of 2002, PriceEnergy began sales of home heating oil in the initial BJ's Wholesale Club. Gallons sold through this venue have been steadily increasing. The Company is excited about these types of opportunities with "Channel Partners" such as BJ's and is looking to expand the Channel Partner concept. The Company is currently in the process of upgrading the PriceEnergy operating platform to enable it to handle even greater volumes of business as well as provide new services to its customers including an on-line or "I-Catalog" selling energy related items for home and business.

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### EXPLOSION AND FIRE

On March 14, 2003, Able Energy experienced an explosion and fire at its Newton, New Jersey facility which resulted in the destruction of an office building on the site, as well as damage to 18 Company vehicles and neighboring properties. While there were no serious injuries, the Newton facility has been in an out of service condition since the incident.

The Company is currently not processing deliveries from the Newton, New Jersey, facility as the Newton Board of Adjustment originally denied the Company's application to repair and rebuild the facility on the grounds that the zoning laws covering the Newton, New Jersey, property had been changed following the accident. The Company appealed the Board's decision in August of 2004, and was granted immediate permission to make some building repairs and restore power to the underground cathodic protection system. The Company has effectuated these repairs and will continue to move the legal process forward in order to regain use of the facility. It is anticipated that the Company will have use of either its Newton facility or an alternative location in the area soon. This would enable the Company to realize savings in delivery mileage and driver time as a result of being able to handle this area's business needs locally.

### LIQUIDITY AND CAPITAL RESOURCES

To date, our principal sources of working capital have been the proceeds from public and private placements of securities and notes payable. Since our inception, sales of securities, including the proceeds from the exercise of outstanding options and warrants, have generated approximately \$6.5 million, less applicable expenses.

We had a working capital deficit of approximately \$(660,000) at June 30, 2005 compared to working capital of approximately \$30,000 at June 30, 2004 and ratios of current assets to current liabilities of 0.9:1 as of June 30, 2005 and 1.1 as of June 30, 2004. The working capital decrease of approximately \$690,000 was primarily due to a net loss of approximately \$2.2 million and capital expenditures of approximately \$1.2 million. This decrease was partially offset by proceeds from the sale of common stock through the exercise of outstanding options and warrants of approximately \$0.5 million, net proceeds from note payable, long term debt and lines of credit of approximately \$0.9 million, depreciation and amortization included in net loss of approximately \$1.2 million and non-cash compensation included in net loss of approximately \$0.2 million.

In May 2005 we entered into a \$1,750,000 line of credit agreement with Entrepreneurs Growth Capital, LLC. The line is collateralized by accounts receivable and inventories. Outstanding balances under the loan bear interest at an annual rate equal to the Citibank's Prime rate plus 4%. As of June 30, 2005 approximately \$1 million was outstanding and \$750,000 was available under this credit line.

On July 12, 2005, the Company consummated a financing with a group of lenders. Pursuant to the terms of the Securities Purchase Agreement, the Company sold variable rate convertible debentures in the amount of \$2.5 million. The debentures shall be repaid within two years from the date of issuance with interest payable at a rate per annum equal to Libor, plus 4%, which on July 12, 2005 was 3.57% plus 4%, or 7.57%. The interest is payable quarterly on the first of January, April, July, and October. The debentures may be converted at the option of the purchasers into shares of the Company's Common Stock at a conversion price of \$6.50 per share. The amount of shares to be issued at such conversion will be 384,618. In addition, the purchasers shall have the right to receive

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five-year warrants to purchase 192,308 shares of Common Stock at \$7.15 per share. The market value of the Company's Common Stock on July 12, 2005 was \$17.90 per share. The debenture conversion price of \$6.50 is 36.31% of the market value. Closing expenses related to this transaction totaled \$315,000, including a \$250,000 broker fee and \$65,000 in various legal expenses.

On July 27, 2005, the Company made a loan of \$1,730,000 to All American Plazas, Inc. which is the largest shareholder of the Company. The funds were disbursed from the financing proceeds of \$2.5 million described above. Under the note, the loan bears interest at 3.50% per annum and is secured by the 1,000,000 shares of Able Energy, Inc. Common Stock owned by All American Plazas, Inc.

We anticipate that funds generated from operations, together with cash and investments, and availability under our credit line will be sufficient to fund our current level of growth and our existing commitments at least through fiscal 2006. However, to the extent the expansion of our operations requires significant additional resources, we may be required to seek additional financing. No assurance can be given that such financing would be available on terms that would be acceptable to us.

### CONTRACTUAL OBLIGATIONS

The following schedule summarizes our contractual obligations as of June 30, 2005 in the periods indicated.

Contractual Obligations	Payments Due by Period			
	Total	Less than 1 year	1-3 years	3-5 years
Long-Term Debt	\$4,339,187	\$1,086,849	\$ 244,263	\$ 151,110
Capital Lease Obligations	976,398	266,831	669,344	40,223
Operating Leases	98,830	98,830	-	-
Unconditional Purchase Obligations	2,284,909	2,284,909	-	-
Total Contractual Obligations	\$7,699,324	\$3,737,419	\$ 913,607	\$ 191,333

Excluded from the table above is estimated interest payments on long term debt and capital lease obligations of approximately \$378,035, \$765,819, \$367,974 and \$2,031,618 for the periods less than 1 year, 1-3 years, 3-5 years, and more than 5 years, respectively.

### ADDITIONAL FACTORS THAT MAY AFFECT FUTURE RESULTS

#### SEASONALITY

The Company's operations are subject to seasonal fluctuations, with a majority of the Company's business occurring in the late fall and winter months. Approximately 70% of the Company's revenues are earned and received from October through March; most of such revenues are derived from the sale of home heating

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products, primarily #2 home heating fuel oil. However, the seasonality of the Company's business is offset, in part, by an increase in revenues from the sale of HVAC products and services, diesel and gasoline fuels during the spring and summer months due to the increased use of automobiles and construction apparatus.

From May through September, Able Oil can experience considerable reduction of retail heating oil sales. Similarly, Able Energy's New York propane operations can experience up to an 80% decrease in heating related propane sales during the months of April to September, which is offset somewhat by increased sales of propane gas used for pool heating, heating of domestic hot water in homes and fuel for outdoor cooking equipment.

Over 90% of Able Melbourne's revenues are derived from the sale of diesel fuel for construction vehicles, and commercial and recreational sea-going vessels during Florida's fishing season, which begins in April and ends in November. Only a small percentage of Able Melbourne's revenues are derived from the sale of home heating fuel. Most of these sales occur from December through March, Florida's cooler months.

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FUTURE OPERATING RESULTS. Future operating results, which reflect management's current expectations may be impacted by a number of factors that could cause actual results to differ materially from those stated herein. These factors include worldwide economic and political conditions, terrorist activities, industry specific factors, and governmental agencies.

FLUCTUATIONS IN OUR QUARTERLY OPERATING RESULTS MAY CAUSE VOLATILITY IN THE PRICE OF OUR COMMON STOCK. Given the nature of the markets in which we participate, we cannot reliably predict future revenue and profitability. As demand for our services has increased in recent periods, our quarterly revenue and operating results have become highly dependent on the timing of contracts signed and programs implemented during the year, which are difficult to forecast.

### ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

The Company does not issue or invest in financial instruments or derivatives for trading or speculative purposes. All of the operations of the Company are conducted in the United States, and, as such, are not subject to material foreign currency exchange rate risk. At June 30, 2005, the Company had approximately \$4.3 million of outstanding long-term debt. Although the Company's assets included approximately \$1.7 million in cash and cash equivalents market rate risk associated with changing interest rates in the United States is not material. See also Note 4 of the Notes to Consolidated Financial Statements.

### ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

Attached.

### ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

None.

### ITEM 9A. CONTROLS AND PROCEDURES.

The Company maintains disclosure controls and procedures that are designed to

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help ensure that information required to be disclosed in the Company's reports under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to management, to allow timely decisions regarding required disclosure.

In preparing the Company's disclosure controls and procedures, management cannot reasonably expect that all errors and all fraud will be discovered prior to the period in which the Exchange Act or other applicable law requires disclosure. Any system of controls, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control systems are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Extraordinary costs and expenses may have an impact on disclosure controls and procedures because of potential allocation of Company resources to address such extraordinary items. Because of the inherent limitations in a cost-effective control system, no evaluation of internal control over financial reporting can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, within our Company have been detected.

The design of any system of controls is based in part on certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Projections of any evaluation of controls effectiveness to future periods are subject to risks. Over time, controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with policies or procedures.

### LACK OF SEGREGATION OF DUTIES

The Company is aware that there is a lack of segregation of duties at the Company due to the small number of employees dealing with general administrative and financial matters. However, at this time management

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has decided that considering the abilities of the employees now involved and the control procedures in place, the risks associated with such lack of segregation are low and the potential benefits of adding employees to clearly segregate duties do not justify the substantial expenses associated with such increases. Management will periodically reevaluate this situation.

In connection with the preparation of this Annual Report on Form 10-K/A, the Company previously announced that it had made errors in applying accounting principles generally accepted in the United States of America to certain transaction types. On December 26, 2006, the Company announced, in consultation with the Audit Committee of the Company's Board of Directors, that the Company would restate its financial statements for the fiscal year ended June 30, 2005. The restatement corrected errors relating to (1) the amortization of a customer list; (2) the deferral of revenue recognition associated with certain twelve month service contracts; (3) the classification of certain property and equipment; (4) reconciliation of a sub-ledger discrepancy; (5) the accrual of audit fees; (6) the treatment of deferred tax assets and liabilities; and (7) the issuance and cancellation of common stock in regard to non-performance by a consultant under its consulting agreement with the Company. The nature of the errors being corrected is explained more completely in Note 2 in the Notes to Consolidated Financial Statements.

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Accordingly, the Company's management has amended its Management Report Of Internal Control Over Financial Reporting to identify such errors as evidence of a material weakness that existed at June 30, 2005, as outlined below.

### MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rule 13a-15(f) or 15d-15(f) promulgated under the Exchange Act as a process designed by, or under the supervision of, the Company's principal executive and principal financial officers and is effected by the Company's 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 and includes those policies and procedures that:

- o pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- o provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and, if necessary, directors of the Company;
- o and provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

An internal control material weakness is a significant deficiency, or aggregation of deficiencies, that does not reduce to a relatively low level the risk that material misstatements in financial statements will be prevented or detected on a timely basis by the Company. An internal control significant deficiency, or aggregation of deficiencies, is one that could result in a misstatement of the financial statements that is more than inconsequential.

As previously disclosed in the Company's Report on Form 8-K filed on December 26, 2006, management assessed the effectiveness of the Company's internal control over financial reporting as of June 30, 2005, and concluded the Company's internal control over financial reporting was not effective based upon the following material weaknesses:

- (1) Insufficient expertise to properly apply accounting principles generally accepted in the United States of America.
- (2) Inadequate segregation of duties, including insufficient supervision and review of accounting staff work.

### REMEDIATION STEPS TO ADDRESS MATERIAL WEAKNESSES

In an effort to remediate the identified material weaknesses, management



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has implemented since June 30, 2005, or is in the process of implementing, the following remediation steps to enhance internal control over financial reporting.

- o On August 15, 2005, the Company hired a full-time Chief Financial Officer with extensive experience in public company compliance and financial statement preparation. On June 15, 2006 as disclosed in the Company's Report on Form 8-K filed June 21, 2006, the Company's Chief Financial Officer, for personal reasons, left the Company. Christopher Westad, the Company's President, was appointed Acting Chief Financial Officer and an independent firm, which included professionals with previous public company Chief Financial Officer experience, was engaged to provide support services to the Acting Chief Financial Officer and management of the Company in connection with the filing of this Annual Report on Form 10-K/A. On September 28, 2006, as disclosed in the Company's Current Report on Form 8-K filed on September 29, 2006, Mr. Westad stepped down temporarily as acting Chief Financial Officer in connection with his service as acting Chief Executive Officer. The Board designated Jeffrey Feld, the Company's Controller, as the acting Chief Financial Officer. The Company intends to identify a full-time Chief Financial Officer with the adequate expertise in SEC rules and accounting principles generally accepted in the United States of America.
- o The Company intends to draft and adopt Disclosure Controls and Procedures Guidelines, which will be used in order to ensure that disclosable events are surfaced in a consistent and timely manner.

### CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

On June 15, 2006 as disclosed in the Company's Report on Form 8-K filed June 21, 2006, Steven Vella, the Company's Chief Financial Officer, left the Company for personal reasons. Christopher Westad, the Company's President, was appointed Acting Chief Financial Officer and an independent firm, which included professionals with previous public company Chief Financial Officer experience, was engaged to provide support services to the Acting Chief Financial Officer and management of the Company in connection with the filing of this Annual Report on Form 10-K/A. On September 28, 2006, as disclosed in the Company's Current Report on Form 8-K filed on September 29, 2006, Mr. Westad stepped down temporarily as acting Chief Financial Officer in connection with his service as acting Chief Executive Officer. The Board designated Jeffrey Feld, the Company's Controller, as the acting Chief Financial Officer. Except as set forth in this paragraph and except for the additional material weakness described above and changes in connection with the remediation subsequent to June 30, 2005 of the material weaknesses described above, there were no changes in the Company's internal control over financial reporting that occurred during the year ended June 30, 2005, or subsequently, that have materially affected, or are reasonably likely to materially affect, its internal control over financial reporting.

### ITEM 9B. OTHER INFORMATION

None.

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ABLE ENERGY, INC. AND SUBSIDIARIES

FOR THE YEARS ENDED  
JUNE 30, 2005, 2004 AND 2003

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To The Board of Directors  
Able Energy, Inc.  
Rockaway, New Jersey 07866

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM  
-----

We have audited the accompanying consolidated balance sheets of Able Energy, Inc. and Subsidiaries as of June 30, 2005 and 2004 and the related consolidated statements of operations, stockholders' equity, and cash flows for each of the three years in the period ended June 30, 2005. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the Standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Able Energy, Inc. and Subsidiaries as of June 30, 2005 and 2004, and the results of their operations and their cash flows for each of the three years in the period ended

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June 30, 2005, in conformity with accounting principles generally accepted in the United States of America.

Simontacchi & Company, LLP

Rockaway, New Jersey

September 14, 2004, except for the restatement discussed in Note 2 to the consolidated financial statements, as to which the date is April 4, 2007.

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### ABLE ENERGY, INC. AND SUBSIDIARIES CONSOLIDATED BALANCE SHEETS JUNE 30,

Assets:

Current Assets:

Cash		2
Accounts Receivable (Less Allowance for Doubtful		(RES
Accounts of \$238,049 (2005) and \$192,222 (2004)		-----
Inventory		
Notes Receivable - Current Portion		
Other Receivable - Non-Compete - Current Portion		
Miscellaneous Receivables		
Prepaid Expenses		
Deferred Costs - Insurance Claims		
Prepaid Expense - Income Taxes		
Other Receivable		
Total Current Assets		6,

Property and Equipment:

Land		
Buildings		1,
Trucks		3,
Fuel Tanks		
Machinery and Equipment		
Building Improvements		
Cylinders		
Office Furniture and Equipment		
Sub Total Property & Equipment		8,
Less: Accumulated Depreciation and Amortization		3,
Net Property and Equipment		4,

Other Assets:

Deposits		
Other Receivable - Non-Compete - Less Current Portion		
Notes Receivable - Less Current Portion		
Website Development Costs, Less Accumulated Amortization of		
\$ 2,127,601 (2005) and \$ 1,654,761 (2004)		
Customer List, Less Accumulated Amortization of \$353,156 for 2005, 311,104 for 2004		
Covenant Not to Compete, Less Accumulated Amortization of		
\$100,000 (2005) and \$96,667 (2004)		
Development Costs - Franchising		

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Deferred Closing Costs - Financing

Total Other Assets

-----  
2,  
-----

Total Assets

\$ 12,  
=====

SEE ACCOMPANYING NOTES TO CONSOLIDATED FINANCIAL STATEMENTS.

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ABLE ENERGY, INC. AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
JUNE 30,

Liabilities and Stockholders' Equity

	2005 (RESTATED)	(
	-----	-----
Current Liabilities:		
Accounts Payable	\$ 1,863,841	\$
Note Payable - Line of Credit	1,015,468	
Note Payable - Other	432,660	
Current Portion of Long-Term Debt	338,212	
Accrued Expenses	152,760	
Accrued Taxes	112,064	
Employee Income Tax Withheld	146,624	
Deferred Income	196,618	
Customer Pre-Purchase Payments	2,226,655	
Customer Credit Balances	230,729	
	-----	-----
Total Current Liabilities	6,715,631	
Deferred Income	79,679	
Long Term Debt: Less Current Portion	3,961,899	
	-----	-----
Total Liabilities	10,757,209	
	-----	-----
Stockholders' Equity:		
Preferred Stock:		
Authorized 10,000,000 Shares; Par Value \$.001 per Share;		
Issued and Outstanding Shares - None		
Common Stock:		
Authorized 10,000,000 Shares; Par Value \$.001 per Share; Issued		
and Outstanding Shares 2,314,463 (2005) and 2,013,250 (2004)	2,314	
Paid in Surplus	6,409,816	
Retained Earnings (Deficit)	(4,797,402)	
	-----	-----
Total Stockholders' Equity	1,614,728	
	-----	-----
Total Liabilities and Stockholders' Equity	\$ 12,371,937	\$
	=====	=====

SEE ACCOMPANYING NOTES TO CONSOLIDATED FINANCIAL STATEMENTS.

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ABLE ENERGY, INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF OPERATIONS  
FOR THE YEARS ENDED JUNE 30,

	2005 (RESTATED)	2004 (RESTATED)
	-----	-----
Net Sales	\$ 61,947,349	\$ 42,847,123
Cost of Sales	56,032,585	37,267,469
	-----	-----
Gross Profit	5,914,764	5,579,654
	-----	-----
Expenses:		
Selling, General and Administrative Expenses	5,902,000	6,433,697
Depreciation and Amortization Expense	1,225,196	1,194,958
	-----	-----
Total Operating Expenses	7,127,196	7,628,655
	-----	-----
Income (Loss) From Operations	(1,212,432)	(2,049,001)
	-----	-----
Other Income (Expenses):		
Interest and Other Income	214,742	149,803
Interest Expense	(449,776)	(576,578)
Directors' Fees	(183,197)	-
Loss on Sale of Assets	(19,249)	-
Gain on Insurance Recovery	-	-
Other Expense (Note 20)	(318,236)	-
Legal Fees Relating to Accident (Note 10)	(208,455)	(261,862)
	-----	-----
Total Other Income (Expense)	(964,171)	(688,637)
	-----	-----
Income from Continuing Operations Before Provision for Income Taxes	(2,176,603)	(2,737,638)
Provision for Income Taxes	3,488	39,720
	-----	-----
Net Income (Loss) From Continuing Operations	(2,180,091)	(2,777,358)
	-----	-----
Discontinued Operations:		
Income (Loss) from Discontinued Operations	-	(57,630)
Gain on Sale of Subsidiary Operating Assets	-	2,668,490
	-----	-----
Income (Loss) from Discontinued Operations	-	2,610,860
	-----	-----
Net Income (Loss)	\$ (2,180,091)	\$ (166,498)
	-----	-----
Basic Earnings (Loss) per Common Share		
Income (Loss) from Continuing Operations	\$ (1.04)	\$ (1.38)
	=====	=====

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Income (Loss) from Discontinued Operations	\$ -	\$ 1.30
	=====	=====
Diluted Earnings (Loss) per Common Share	\$ (1.04)	\$ (1.38)
	=====	=====
Income (Loss) from Continuing Operations	\$ -	\$ 1.30
	=====	=====
Income (Loss) from Discontinued Operations		
Weighted Average Number of Common Shares Outstanding - Basic	2,094,629	2,013,250
	=====	=====
Weighted Average Number of Common Shares Outstanding- Diluted	2,094,629	2,013,250
	=====	=====

SEE ACCOMPANYING NOTES TO CONSOLIDATED FINANCIAL STATEMENTS.

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ABLE ENERGY, INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY  
FOR THE YEARS ENDED JUNE 30,

	COMMON STOCK		ADDITIONAL PAID-IN SURPLUS	RETAINED EARNINGS
	SHARES	AMOUNT		
	(RESTATED)	(RESTATED)	(RESTATED)	(RESTATED)
	-----	-----	-----	-----
Balance - June 30, 2002	2,007,250	\$ 2,007	\$ 5,687,230	\$ (2,500)
Issuance of Common Stock for Payment of Directors'	6,000	6	23,994	
Net Income	-	-	-	1
Balance - June 30, 2003	2,013,250	2,013	5,711,224	(2,499)
Net Loss				(1)
Balance - June 30, 2004	2,013,250	2,013	5,711,224	(2,600)
Common Stock Issued in Connection with Option and warrant Exercises	291,213	291	478,392	
Options Granted to Employees - Below Market Price	-	-	117,000	
Restricted Stock Granted to Board Members	10,000	10	103,200	
Net Loss	-	-	-	(2,100)
Balance - June 30, 2005	2,341,463	\$ 2,314	\$ 6,409,816	\$ (4,700)
	=====	=====	=====	=====

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SEE ACCOMPANYING NOTES TO CONSOLIDATED FINANCIAL STATEMENTS.

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## ABLE ENERGY, INC. AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED JUNE 30,

	2005	2004
(Restated)	(RESTATED)	(RESTATED)
CASH FLOWS FROM OPERATING ACTIVITIES OF CONTINUING OPERATIONS		
Net Income (Loss)	\$(2,180,091)	\$ (166,498)
(Loss) Income from Discontinued Operations	-	(57,630)
Gain on Sale of Subsidiary	-	2,668,490
Income (Loss) - Continuing Operations	(2,180,091)	(2,777,358)
Adjustments to Reconcile Net Income (Loss) to Net Cash Used by Operating Activities:		
Depreciation and Amortization	1,225,196	1,194,958
Loss (Gain) on Disposal of Equipment	35,722	-
Stock Based Compensation - Directors	103,200	-
Stock Based Compensation - Employees	117,000	-
(Increase) Decrease in:		
Accounts Receivable	(385,716)	225,254
Inventory	(167,662)	230,097
Prepaid Expenses	(113,832)	77,002
Prepaid Income Taxes	2,063	-
Deposits	82,097	28,526
Deferred Income Tax - Asset	-	118,868
Deferred Costs - Insurance Claims	424,547	279,128
Increase (Decrease) in:		
Accounts Payable	160,836	282,094
Accrued Expenses	(84,912)	(484,246)
Employee Income Tax Withheld	146,624	-
Customer Advance Payments	730,749	559,226
Customer Credit Balance	(468,170)	282,255
Deferred Income Taxes	-	(70,310)
Escrow Deposits	-	(5,000)
Deferred Income	15,143	37,537
Net Cash Used by Operating Activities - Continuing Operations	(357,206)	(21,969)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property and Equipment	(1,139,969)	(1,216,540)
Web Site Development Costs	(59,795)	(56,219)
Increase in Deposits	-	-
Insurance Claim Receivable	-	349,526
Disposition of Equipment	4,876	73,860
Cash Received on Sale of Equipment and Inventory - Subsidiary	225,000	-

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Payment on Notes Receivable - Sale of Equipment	19,855	8,224
Cash Received on Sale of Property	229,814	-

SEE ACCOMPANYING NOTES TO CONSOLIDATED FINANCIAL STATEMENTS.

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ABLE ENERGY, INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)  
FOR THE YEARS ENDED JUNE 30,

	2005 AS RESTATED	2004 AS RESTATED
	-----	-----
Note Receivable - Montgomery	-	-
Receivable - Officer	75,833	(75,833)
Miscellaneous Receivables	103,826	(56,826)
	-----	-----
Net Cash Used by Investing Activities - Continuing Operations	(540,560)	(973,560)
	-----	-----
CASH FLOW FROM FINANCING ACTIVITIES		
	-----	-----
Note Payable - Bank	\$ (699,236)	\$ 700,000
(Decrease) Increase in Notes Payable - Bank	-	(1,270,000)
Note Payable - Other	432,660	(1,585,000)
Note Payable - Officer	-	(321,000)
Note Payable - Line of Credit	1,015,468	-
Decrease in Long-Term Debt	(3,236,437)	(3,377,000)
Increase in Long-Term Debt	3,610,874	5,117,000
Increase in Deferred Financing Cost on Notes Payable	(244,695)	-
	-----	-----
Sale of Common Stock	463,602	-
	-----	-----
Net Cash (Used) Provided By Financing Activities - Continuing Operations	1,342,236	(737,000)
	-----	-----
Discontinued Operations:		
Net Cash (Used) Provided by Discontinued Operations	-	1,055,000
Proceeds from Sale of Equipment and Inventory	-	3,000,000
	-----	-----
Cost of Sale	-	(1,412,000)
	-----	-----
Net Cash Provided by Discontinued Operations	-	2,642,000
	-----	-----
Net Increase in Cash	444,470	909,000
Cash - Beginning of Year	1,309,848	400,000
	-----	-----
Cash - End of Year	\$ 1,754,318	\$ 1,309,000
	=====	=====



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The Company had Interest Cash Expenditures of:	\$	432,849	\$	665
The Company had Tax Cash Expenditures of:	\$	17,249	\$	59

SEE ACCOMPANYING NOTES TO CONSOLIDATED FINANCIAL STATEMENTS.

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### ABLE ENERGY, INC. AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

#### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### NATURE OF OPERATIONS

Able Energy, Inc. ("Able") was incorporated in Delaware in 1997 and together with its operating subsidiaries ("Able Energy" or the "Company"), provides liquid fuel and services to residential and commercial customers.

Able Oil Company, incorporated in New Jersey in 1990, a wholly owned subsidiary of Able, sells heating oil and other liquid fuels and provides heating, ventilation and air conditioning services to residential and commercial customers in the New Jersey and Pennsylvania markets. Able Energy New York, Inc., incorporated in New York in 1989, a wholly owned subsidiary of Able, sells residential and commercial heating oil, propane, diesel fuel, and kerosene to customers located within the Warrensburg, New York area. Able Oil Melbourne, Inc., incorporated in Florida in 1995, a wholly owned subsidiary of Able, primarily sells diesel fuel to customers located within the vicinity of Cape Canaveral, Florida. Able Energy Terminal LLC, incorporated in New Jersey in 1999, a wholly owned subsidiary of Able, provides fuel storage and distribution services, primarily to Able Oil. PriceEnergy.com, Inc., a majority owned (67.9%) subsidiary of Able, was incorporated in Delaware in 1999 and, through an internet platform, facilitates the sale of fuel oil through a network of suppliers in New England and the mid-Atlantic states. PriceEnergy.com Franchising L.L.C., incorporated in New Jersey in 2001, a wholly owned subsidiary of Able, aims to extend the PriceEnergy.com brand by providing franchising services to owner-operators in new markets.

The Company's operations are subject to seasonal fluctuations with a majority of the Company's business occurring in the late fall and winter months. Approximately 70% of the Company's revenues are earned and received from October through March, and the overwhelming majority of such revenues are derived from the sale of home heating fuel. However, the seasonality of the Company's business is offset, in part, by the increase in revenues from the sale of diesel and gasoline fuels during the spring and summer months due to the increased use of automobiles and construction apparatus.

##### RESTATEMENT OF PREVIOUSLY ISSUED FINANCIAL STATEMENTS

Effective with this filing, the Company is correcting certain errors in its previously issued financial statements. Amounts stated herein as of June 30, 2005 and 2004 and for the fiscal years ended June 30, 2005, 2004 and 2003 represent the restated financial information rather than the financial information originally included in Form 10-K for the year ended June 30, 2005 which was filed on September 28, 2005 (See Note 2).

##### PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the accounts of Able Energy, Inc. and its subsidiaries. All material inter-company balances and transactions were eliminated in consolidation.

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### MAJORITY OWNERSHIP

The Company is the majority owner, owning 67.9% of the issued shares of a subsidiary, PriceEnergy.Com, Inc. in which their capital investment is \$25,000. The subsidiary has established an E-Commerce Operating System for the sale of products through a network of suppliers originally on the East Coast of the United States. The business became active in October 2000 (See Notes 8 and 13).

### MINORITY INTEREST

The minority interest in PriceEnergy.Com, Inc. is a deficit and, in accordance with Accounting Research Bulletin No. 51, subsidiary losses should not be charged against the minority interest to the extent of reducing it to a negative amount. As such, the losses have been charged against the Company, the majority owner.

### INVENTORIES

Inventories, consisting principally of heating oil, diesel fuel, kerosene, propane and heating equipment, related parts and supplies, and are valued at the lower of cost (first in, first out method) or market.

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### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### PROPERTY AND EQUIPMENT

Property and equipment are stated at cost less accumulated depreciation. Depreciation is provided by using the straight-line method based upon the estimated useful lives of the assets as follows:

Trucks, Machinery & Equipment and Furniture & Fixtures	5 years
Fuel Tanks	10 years
Cylinders - Propane	20 years
Building Improvements	20 years
Buildings	30-40 years

Depreciation expense for the years ended June 30, 2005, 2004 and 2003 amounted to \$697,780, \$769,742 and \$745,015, respectively. The cost and related accumulated depreciation of assets sold or otherwise disposed of during the period are removed from the accounts. Any gain or loss is reflected in the year of disposal.

At June 30, 2005 and 2004 the equipment under the capital leases had net book values of approximately \$ 768,248 and \$ 622,924, respectively.

Expenditures for maintenance and repairs are charged to expense as incurred, whereas expenditures for renewals and betterments are capitalized.

#### GOODWILL AND INTANGIBLE ASSETS

Intangibles include customer lists, a covenant not to compete, website development costs and development costs- franchising. The covenant not to compete and development costs - franchising are being amortized over 5 year periods. Amortization expense related to the covenant not to compete and development costs - franchising for the years ended June 30, 2005, 2004 and 2003 amounted to \$12,524, \$29,191 and \$29,191, respectively.

Costs of \$2,390,589 incurred in the developmental stage for computer hardware and software have been capitalized in accordance with Emerging Issues Task Force

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("EITF ") 00-2, "Accounting for Website Development Costs". The costs are being amortized on a straight-line basis over the estimated useful life, 5 years. Operations commenced in October 2000. Amortization for the years ended June 30, 2005, 2004 and 2003 amounted to \$472,840, \$461,823 and \$445,842, respectively.

Customer Lists totaling approximately \$611,000 related to various acquisitions are being amortized over a 10-15 year estimated lives. In addition, Statement of Financial Accounting Standards No.142 (SFAS 142) requires goodwill and other intangible assets to be periodically tested for impairment, and adjusted when impaired. As of June 30, 2005 and 2004, the Company has net unamortized customer lists of \$257,694 and \$299,746, respectively. Based upon an assessment of the customer lists, there has been no impairment, beyond the net unamortized balances (see Note 2).

### USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Although these estimates are based on management's knowledge of current events and actions it may undertake in the future, they may ultimately differ from actual results.

### INCOME TAXES

The subsidiaries are filing a consolidated tax return with Able Energy, Inc. Effective January 1, 1997, the Company has elected to provide for income taxes based on the provisions of Financial Accounting Standards Board ("FASB") Statement of Financial Accounting Standards ("SFAS") No. 109, "Accounting for Income Taxes", which requires recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements and tax returns in different years. Under this method, deferred income tax assets and liabilities are determined based on the difference between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse.

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### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### CONCENTRATIONS OF CREDIT RISK

The Company performs on-going credit evaluations of its customers' financial conditions and requires no collateral from its customers.

Financial instruments, which potentially subject the Company to concentrations of credit risk consist of checking and savings accounts with several financial institutions in excess of insured limits. The excess above insured limits is approximately \$1,300,000 at June 30, 2005. The Company does not anticipate non-performance by the financial institutions.

#### ADVERTISING EXPENSE

Advertising costs are expensed at the time the advertisement appears in various publications and other media. The expense was \$338,995, \$651,302 and \$416,712 for the years ended June 30, 2005, 2004 and 2003, respectively.

#### FAIR VALUE OF FINANCIAL INSTRUMENTS

Carrying amounts of certain of the Company's financial instruments, including cash and cash equivalents, accounts receivable, notes receivable, accounts payable accrued compensation, notes payable, and other accrued liabilities,

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approximate fair value because of their short maturities.

### REVENUE RECOGNITION

Sales of fuel and heating equipment are recognized at the time of delivery to the customer, and sales of equipment are recognized at the time of installation. Revenue from repairs and maintenance service is recognized upon completion of the service. Payments received from customers for heating equipment service contracts are deferred and amortized into income over the term of the respective service contracts, on a straight-line basis, which generally do not exceed one year.

### COMPUTATION OF NET INCOME (LOSS) PER SHARE

Basic net income (loss) per share is computed using the weighted-average number of common shares outstanding during the period. Diluted net income per share is computed using the weighted-average number of common and dilutive potential common shares outstanding during the period. Diluted net loss per share is computed using the weighted-average number of common shares and excludes dilutive potential common shares outstanding, as their effect is antidilutive. Dilutive potential common shares primarily consist of stock options and warrants. These options and warrants could be dilutive in the future. The numerator for the calculation of both basic and diluted earnings per share is the earnings or loss available for common stockholders.

### STOCK BASED COMPENSATION

The Company accounts for its stock options issued to employees and outside directors pursuant to Accounting Principles Board Opinion ("APB") No. 25, "Accounting for Stock Issued to Employees" and has adopted the disclosure requirements of SFAS No. 123, "Accounting for Stock-Based Compensation", and SFAS No. 148, "Accounting for Stock-Based Compensation - Transition and Disclosure - an Amendment of FASB Statement No. 123". The \$103,200 and \$24,000 value of stock granted to directors was charged as directors' fees, during the fiscal years ended June 30, 2005 and 2003, respectively. The \$117,000 grant date intrinsic value of options granted to employees was charged as compensation expense during the fiscal year ended June 30, 2005.

The following table illustrates the effect on net income and earnings per share if the Company had applied the fair value recognition provisions of SFAS No. 123 to stock-based employee compensation.

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### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### STOCK BASED COMPENSATION, CONTINUED

	FOR THE YEARS ENDED JUNE	
	2005	2004
	(RESTATED)	(RESTATED)
Net Income (Loss) From Continuing Operations, as reported	\$ (2,180,091)	\$ (2,777,358)
Deduct: Total stock-based employee compensation expense determined under fair value based method for all		

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awards, net of related tax effects	858,324	102,224
Pro forma net loss from continuing operations	\$ (3,038,415)	\$ (2,879,582)
Weighted average common shares outstanding - basic	2,094,629	2,013,250
Weighted average common shares outstanding - diluted	2,094,629	2,013,250
(Loss) earnings per share:		
Basic from continuing operations, as reported	\$ (1.04)	\$ (1.38)
Basic from continuing operations, pro forma	\$ (1.45)	\$ (1.43)
Diluted from continuing operations, as reported	\$ (1.04)	\$ (1.38)
Diluted from continuing operations, pro forma	\$ (1.45)	\$ (1.43)

Potentially dilutive options and warrants to purchase 238,000, 349,000 and 389,000 shares of the common stock were outstanding as of June 30, 2005, 2004 and 2003, respectively, but were not included in the computation of diluted loss per share because the effect of their inclusion would have been anti-dilutive.

The estimated weighted average fair values of the options at the date of grant using the Black-Scholes option-pricing model as promulgated by SFAS No. 123 and the related assumptions used to develop the estimates are as follows:

	FOR THE YEARS ENDED JUNE 30,		
	2005	2004	2003
Weighted average fair value of options granted during the year	\$4.82	\$2.04	\$1.99
Risk-free interest rate	4.0%	4.0%	4.0%
Expected volatility	185.9%	120.1%	113.7%
Dividend yield	-	-	-
Expected life	5 years	5 years	5 years

See Note 14 for further discussion of the Company's stock options.

The Company accounts for stock issued to non-employees in accordance with the provisions of SFAS 123 and the Emerging Issues Task Force ("EITF") Issue No. 96-18, "Accounting for Equity Instruments that are Issued to other than Employees for Acquiring, or in Conjunction with Selling Goods or Services." Under SFAS 123, the cost is measured at the fair value of the consideration received or the fair value of the equity instruments issued, whichever is more reliably measured. There were no grants to non-employees during the fiscal years ended June 30, 2005, 2004 and 2003.

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### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### IMPAIRMENT OF LONG-LIVED ASSETS

Long-lived assets to be held and used are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Measurement of an impairment loss for long-lived assets that management expects to hold and use is based on the fair value of the asset. Long-lived assets to be disposed of are reported at the lower of carrying amount or fair value less costs to sell.

#### RECENT ACCOUNTING PRONOUNCEMENTS

##### SHARE-BASED PAYMENT

In December 2004, the FASB issued SFAS No. 123(R), "Share-Based Payment," which is a revision of SFAS No. 123, "Accounting for Stock-Based Compensation". SFAS 123(R) requires that the compensation cost relating to share-based payment transactions be recognized in financial statements. The compensation cost will be measured based on the fair value of the equity or liability instruments issued. The Statement is effective as of the beginning of the first interim or annual period beginning after June 15, 2005. The Company will adopt SFAS No. 123(R) on July 1, 2005 using the modified prospective method. The Company has disclosed the pro forma impact of adopting SFAS No. 123(R) on net income and earnings per share for the year ended June 30, 2005, 2004 and 2003 in Note 1, which includes all share-based payment transactions to date. The Company does not yet know the impact that any future share-based payment transactions will have on our financial position or results of operations.

##### INVENTORY COSTS

In November 2004, the FASB issued SFAS No. 151, "Inventory Costs." SFAS 151 amends ARB No. 43, "Inventory Pricing", to clarify the accounting for certain costs as period expense. The Statement is effective for fiscal years beginning after June 15, 2005; however, early adoption of this Statement is permitted. There was no impact from the adoption of this statement.

### NOTE 2 RESTATEMENT OF PREVIOUSLY ISSUED FINANCIAL STATEMENTS

#### SUMMARY

On December 26, 2006, the Company filed a report on Form 8-K with the Securities and Exchange Commission disclosing that the Company would restate previously issued financial statements for the years ended June 30, 2005, 2004 and 2003. During the audit of Able Energy, Inc.'s June 30, 2006 financial statements by the Company's new independent registered public accounting firm, the Company, in consultation with the Audit Committee, determined that the previously issued financial statements contained certain errors with respect to the application of U.S generally accepted accounting principles("GAAP").

These restated financial statements and the related notes correct errors relating to (1) the amortization of customer lists; (2) the deferral of revenue recognition associated with certain twelve month service contracts; (3) the classification of certain property and equipment; (4) reconciliation of a sub-ledger discrepancy; (5) the accrual of audit fees; (6) the treatment of deferred tax assets and liabilities; and (7) the issuance and cancellation of common stock in regard to non-performance by a consultant under its consulting agreement with the Company.

#### CUSTOMER LIST AMORTIZATION

The Company was amortizing customer lists aggregating approximately \$611,000 (purchased in various asset acquisitions) over estimated useful lives of 10-15 years until July 2001, when the net book value was \$422,728. The Company has

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reassessed its position and has determined that the customer lists should have continued to be amortized, in accordance with SFAS No. 142, "Goodwill and Other Intangible Assets", which states that intangible assets must be amortized over their estimated useful life, unless that useful life is determined to be indefinite. Accordingly, the Company has recognized additional amortization expense of \$38,878 during the fiscal year ended June 30, 2002 and an additional \$42,052 during each of the fiscal years ended June 30, 2005, 2004 and 2003.

### SERVICE CONTRACT REVENUE DEFERRAL

In the ordinary course of business, the Company offers a twelve month service contract related to residential customers' heating equipment. The Company's policy, which is consistent with GAAP, is to defer the revenue associated with these contracts, recognizing the revenue over the life of the respective contracts. However, the Company's policy was not applied correctly. The Company has estimated and recorded the deferrals required at the various reporting dates, which has had the impact of reducing revenue by \$17,476, \$35,205, \$44,460 and \$99,478 for the fiscal years ended June 30, 2005, 2004, 2003 and 2002, respectively.

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### NOTE 2 RESTATEMENT OF PREVIOUSLY ISSUED FINANCIAL STATEMENTS (CONTINUED)

#### PROPERTY AND EQUIPMENT RECLASSIFICATION

Certain building structures were constructed and were inadvertently classified as Building Improvements. The correcting adjustments have no impact on net income. The cost basis that was reclassified from Building Improvements to Buildings was \$172,055 and \$124,332 during the fiscal years ended June 30, 2005 and 2004, respectively.

#### RECONCILIATION OF SUB-LEDGER DISCREPANCY

In July 2004, the Company implemented a new industry-specific back office system, which included an accounts receivable sub-ledger. At the time of the conversion, a discrepancy developed between the accounts receivable on the general ledger and the accounts receivable on the sub-ledger, which discrepancy was never reconciled. The Company has now determined that certain accounts receivable balances on the general ledger were unsubstantiated. Accordingly, the Company recorded a \$54,630 charge associated with the write-down of these balances during the fiscal year ended June 30, 2005, which was the year that the new back-office system was implemented.

#### AUDIT FEE ACCRUAL

As of June 30, 2005, the Company recorded an accrual for audit fees that it estimated would be incurred subsequent to that date, with respect to the audit of the Company's June 30, 2005 financial statements. The Company subsequently determined that the accrual for the audit services which had not yet been performed was not in accordance with GAAP. Accordingly, the Company reversed \$31,337 of Accrued Expenses as of June 30, 2005, with a corresponding reduction of Selling, General and Administrative Expenses.

#### TREATMENT OF DEFERRED TAX ASSETS AND LIABILITIES

Given the Company's recent operating results, the Company has subsequently determined that it is more likely than not that the net deferred tax assets will not be realized. Pursuant to FAS 109, a 100% valuation allowance has now been provided against the net deferred tax assets. Accordingly, the balance sheet no longer reflects \$109,867 and \$100,014 of deferred tax assets plus \$104,517 and \$91,176 of deferred tax liabilities, as of June 30, 2005 and 2004, respectively. In addition, the Company has reassessed the gross value of its deferred tax

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assets and has updated the related footnote disclosure, See Note 7.

### CANCELLATION OF COMMON STOCK DUE TO NON-PERFORMANCE BY A CONSULTANT

In March 2005, the Company issued common stock to a consultant pursuant to the terms of a consulting agreement. Subsequently, the Company determined that the consultant did not perform in accordance with the consulting agreement and the Company has filed suit demanding that the shares be returned. The Company's position is that the share issuance has been cancelled "ab initio", as if the shares were never issued. Accordingly, the impact of the share issuance during the fiscal year ended June 30, 2005 has been reversed, including \$58,442 of Prepaid Expenses, a \$143 reduction of Common Stock, a \$71,286 reduction of Paid in Surplus, and a \$12,987 reduction of Selling, General and Administrative Expenses. In addition, the outstanding common stock as of June 30, 2005 was reduced by 142,857 shares.

### IMPACT

Amounts reflected herein for the fiscal years ended June 30, 2005, 2004 and 2003 represent the restated financial information rather than the financial information included in the Form 10-K for the year ended June 30, 2005, which was filed with the SEC on September 28, 2005. The following summarizes the effect of the adjustments discussed above on the previously reported net loss and net loss per share:

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### NOTE 2 RESTATEMENT OF PREVIOUSLY ISSUED FINANCIAL STATEMENTS (CONTINUED)

	Years ended June 30,				
	2005		2004		
	Net income (loss)	income (loss) per share	Net income (loss)	income (loss) per share	Net income (loss)
As reported	\$(2,110,257)	\$ (0.99)	\$(2,700,102)	\$ (1.34)	\$ 53,32
Customer list amortization	(42,052)	(0.02)	(42,052)	(0.02)	(42,05
Service contract deferral	(17,476)	(0.01)	(35,204)	(0.02)	(44,46
Sub-ledger difference	(54,630)	(0.03)	-	-	
Audit fee accrual	31,337	0.01	-	-	
Stock cancellation	12,987	-	-	-	
As restated	\$(2,180,091)	\$ (1.04)	\$(2,777,358)	\$ (1.38)	\$ (33,19

The impact on the Consolidated Statements of Operations, Balance Sheets and Statements of Cash Flows, as a result of the adjustments discussed above, is illustrated on a condensed basis below.

Adjustments to the Statement of Operations



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STATEMENTS OF OPERATIONS:	Years ended June			
	2005		2004	
	Amounts previously reported	As restated	Amounts previously reported	As restate
Net Sales	\$ 61,964,825	\$ 61,947,349	\$ 42,882,327	\$ 42,84
Gross Profit	5,986,870	5,914,764	5,614,858	5,57
Income (Loss) From Operations	(1,142,598)	(1,212,432)	(1,971,745)	(2,04
Total Other Income (Expense)	(964,171)	(964,171)	(688,637)	(68
Net Income (Loss) From Continuing Ops	(2,110,257)	(2,180,091)	(2,700,102)	(2,77
Net Income (Loss)	\$ (2,110,257)	\$ (2,180,091)	\$ (89,242)	\$ (16
Basic and Diluted Earnings (Loss) per Share:				
Income (Loss) from Continuing Ops	\$ (0.99)	\$ (1.04)	\$ (1.34)	\$
Income (Loss) from Discontinued Ops	\$ -	\$ -	\$ 1.30	\$
Wtd Avg Common Shares - Basic	2,140,813	2,094,629	2,013,250	2,01
Wtd Avg Common Shares - Diluted	2,140,813	2,094,629	2,013,250	2,01

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NOTE 2 RESTATEMENT OF PREVIOUSLY ISSUED FINANCIAL STATEMENTS (CONTINUED)

Adjustments to the Balance Sheets

BALANCE SHEETS:	As of June 30,			
	2005	2005	2004	2004
	As previously reported	As restated	As previously reported	As restate
Total Current Assets	\$ 6,230,307	\$ 6,057,809	\$ 5,577,508	\$ 5,531,4
Total Assets	\$12,754,560	\$12,371,937	\$12,443,695	\$12,229,5
Total Current Liabilities	\$ 6,550,350	\$ 6,715,631	\$ 5,320,953	\$ 5,500,0
Total Liabilities	\$10,696,445	\$10,757,209	\$ 9,045,644	\$ 9,133,6
Total Stockholders' Equity	\$ 2,058,115	\$ 1,614,728	\$ 3,398,051	\$ 3,095,9
Total Liabilities and Stockholders' Equity	\$12,754,560	\$12,371,937	\$12,443,695	\$12,229,5

Adjustments to the Statements of Cash Flows

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	For the Years Ended J			
	2005	2005	2004	200
	As previously reported	As restated	As previously reported	As resta
STATEMENTS OF CASH FLOWS:				
Net Cash (Used in) Provided by Operating				
Activities of Continuing Operations	\$ (357,206)	\$ (357,206)	\$ (21,969)	\$ (21
Net Cash Used in Investing				
Activities of Continuing Operations	\$ (540,560)	\$ (540,560)	\$ (973,901)	\$ (973
Net Cash (Used in) Provided by Financing				
Activities of Continuing Operations	\$ 1,342,236	\$ 1,342,236	\$ (737,174)	\$ (737
Net Cash Provided by				
Discontinued Operations	\$ -	\$ -	\$ 2,642,859	\$ 2,642

NOTE 3 NOTES RECEIVABLE

A. The Company has a Receivable from Able Montgomery, Inc. and Andrew W. Schmidt related to the sale of Able Montgomery, Inc. to Schmidt, and a truck financed by Able Energy, Inc. No payments of principal or interest had been received for more than one year. A new note was drawn dated June 15, 2000 for \$170,000, including the prior balance, plus accrued interest. The Note bears interest at 9.5% per annum and payments commenced October 1, 2000. The payments will be monthly in varying amount each year with a final payment of \$55,981.07 due September 1, 2010. No payments were received in the year ended December 31, 2000. In February 2001, two (2) payments were received in the amount \$2,691.66, interest only. In September 2001, \$15,124.97 was received covering payments from December 2000 through October 2001, representing interest of \$14,804.13 and principal of \$320.84. Payments were received in November and December 2002, representing payments for December 2001 and January 2002, for a total of \$3,333.34; interest of \$2,678.88, and principal of \$654.46. No payments have been received in more than 30 months.

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NOTE 3 NOTES RECEIVABLE (CONTINUED)

The note is secured by a pledge and security agreement and stock purchase agreement (Stock of Able Montgomery, Inc.), dated December 31, 1998, and the assets of Andrew W. Schmidt with the note dated June 15, 2000. The income on the sale of the company in December 1998 and the accrued interest on the drawing of the new note are shown as deferred income in the amount of \$79,679 to be realized on collection of the notes.

The Company is in negotiations with Andrew Schmidt. Andrew Schmidt and the Company have reached an agreement whereby the liability will be paid by an additional \$.04 per gallon charge on oil purchased from the Company. The Company believes the value of the collateral will cover the amount due if foreclosure is required.

Maturities of the Note Receivable are as follows:

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For the Years Ending June 30,	Principal Amount
2006	\$ 44,118
2007	13,753
2008	15,118
2009	16,619
2010	18,268
Thereafter	60,825
Total	\$168,701

B. Able Oil Company has three (3) Notes Receivable for the sale of oil delivery trucks to independent drivers who also deliver oil for the Company. Two notes bear interest at the rate of 12% per annum and one Note at 9% annum. One note began December 1998, one began February 1999 and one began January 2004. The notes are payable eight (8) months per year September through April, the oil delivery season.

Maturities of these Notes Receivable are as follows:

For the Years Ending June 30,	Principal Amount
2006	\$ 13,708
2007	11,990
2008	6,147
2009	6,715
Total	\$ 38,560

NOTE 4 INVENTORIES

The components of the inventories are as follows:

Items	June 30, 2005	June 30, 2004
Heating Oil	\$ 335,245	\$ 232,364
Diesel Fuel	34,409	19,998
Kerosene	3,025	4,906
Propane	28,020	13,461
Parts, Supplies and Equipment	326,290	288,596
Total	\$ 726,987	\$ 559,325

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NOTE 5 NOTES PAYABLE BANK

A. On September 22, 2003, the Company closed a new loan facility with UPS Capital Business Credit. The facility is a \$4,300,000 term loan, payable over fifteen (15) years with interest at the prime rate, plus 1.75%, and a line of credit of \$700,000 with interest at prime plus 1.00%. The

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payments on the term loan, due the first of each month, include principal, interest of \$35,900.04, and real estate tax escrow of \$2,576.63, totaling \$38,476.67. Real estate tax escrow of \$7,745.03 was paid at closing. September 30, 2003 was the first payment and included nine (9) days of interest plus principal totaling \$20,382.02. Any payment received more than five (5) days after the due date is subject to a late charge of 5% of such payment. Upon the occurrence of an event of default, the loan shall bear interest at five percentage points (5%) above the rate otherwise in effect under the loan.

On March 3, 2004, the Company repaid \$1,100,000 of the term loan principal balance. The monthly payments of principal and interest were reduced to \$26,672, commencing with the payment due April 1, 2004, which was paid by the Company in March 2004. All other terms of the loan will remain the same.

1. The collateral will be as follows for the term loan:
  - A. A first mortgage on properties located at 344 Route 46, Rockaway, NJ and 38 Diller Avenue, Newton, NJ
  - B. A first security interest in equipment and fleet vehicles
  - C. A first security interest in the customer list

### TERMS AND COLLATERAL RELATED TO THE REVOLVING LINE OF CREDIT

Interest is payable monthly on the first day of each month, in arrears. This loan shall be paid down annually for a minimum of thirty (30) days at the borrower's discretion, but prior to renewal. The maturity is annually renewing from the closing date. This part of the loan is secured by a first priority lien on accounts receivable and inventory.

The Revolving Line of Credit will have availability up to 75% on accounts receivable less than 90 days outstanding, plus 50% on inventory. The outstanding balance at June 30, 2004 was \$700,000.

The loan facility is guaranteed by Able Energy, Inc.

The Agreement contains certain financial covenants as enumerated in the Agreement

The balance of the term loan at June 30, 2004 was	\$3,064,523
Included in current portion of long-term debt	144,422
	-----
Included in long-term debt - less current portion	\$2,920,101
	=====

The Term Loan and the Line of Credit were paid in full on May 13, 2005 with new financing secured by the Company (see Note 5 B and C)

- B. On May 13, 2005, the Company entered into a term loan with Northfield Savings Bank for \$3,250,000. Principal and interest shall be due and payable the first of each month, commencing on July 1, 2005, in the amount of \$21,439. The initial interest rate is 6.25% per annum on the unpaid principal balance for the first five (5) years, to be redetermined every fifth anniversary date (reset date) at 300 basis points over the five (5) year treasury rate, but not lower than the initial rate; at that time the monthly payment will be redetermined. At the maturity date of June 1, 2030, all amounts owed are due and payable. If payment is not received within ten (10) days after its due date, a late charge of 5% of such delinquent payment will be applied. Prepayments may be paid in whole or part, together with accrued interest on the prepaid amount.

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Security for the Note is a Mortgage and Security Agreement on real property in the Borough of Rockaway, County of Morris, New Jersey and an assignment of leases and rents, the property is at 344 Route 46. The property is owned by Able Energy Terminal, LLC, a wholly owned subsidiary. The Company granted to the bank a continuing security interest in all property of the borrower, now and hereafter in possession of the bank, as security for payment of this note and any other liabilities to the bank. The interest rate on default is 4% per annum above the interest rate then in effect.

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### NOTE 5 NOTES PAYABLE BANK (CONTINUED)

#### COVENANTS

The financial statements and Compliance Certificate, as per the Agreement, will be signed by the borrower's chief financial officer. As of June 30, 2005, the Company is in compliance with the Agreement covenants.

The Company paid the term loan due of \$3,019,298.52, which included a prepayment penalty of \$70,864 (included in interest expense on the statement of operations), to UPS Capital with proceeds from this loan and also closing costs and legal fees. The net amount to the Company was \$94,993.67.

- C. On May 13, 2005, the Company and subsidiaries entered into a loan and security agreement with Entrepreneur Growth Capital, LLC, as lender. The loan will be a Line-Of-Credit of \$1,750,000, secured by (1) accounts receivable, 60 days or less in age from invoice date with a maximum accounts receivable credit line of \$1,250,000 and (2) inventory, owned by borrower in storage tanks in Rockaway, New Jersey facility and goods held for sale or lease or to be furnished under a contract of service and all present and future raw materials, work in process and finished goods, with a maximum inventories credit line of \$500,000. Loans and advances are permitted up to 85% of the net amount of eligible accounts receivable and 30% of the net amount of eligible inventory, not to exceed the maximum Line-of-Credit amount of \$1,750,000. The balance due by June 30, 2005 is \$1,015,468.

#### INTEREST AND FEES

Interest payable on loans and advances, related to both accounts receivable and inventory advances are charged at Citibank's Prime rate, plus 4% per annum, but the rate shall never be more than 24% or maximum permitted by law. All interest and fees charged or chargeable to borrower shall be deemed as an additional advance.

Any advance interest shall be charged at 18% per annum, the default rate of interest shall be 24% per annum. The Company shall pay the lender an annual facility fee in an amount equal to two percent (2%) of the Line-of-Credit, \$35,000. The facility fee is payable upon execution of this agreement and upon each annual anniversary date of this agreement until such time this agreement has been terminated in accordance with its terms. Borrower shall pay lender a minimum interest charge in an amount equal to the difference between (a) \$11,000 per month, and (b)

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the actual amount of interest charged to the borrower on the obligation that month. Borrower shall pay lender a monthly collateral management fee equal to one quarter of one percent (0.25%) of the Line-of- Credit, or \$4,375.

### COLLATERAL

All of borrower's (a) accounts receivable, now existing and hereafter created (b) present and future deposit accounts (c) present and future books records, computer programs, etc. (d) presently owned or hereafter acquired inventory (e) present and future general intangibles, including customer lists, trademarks, etc. (f) rights, title and interest in any and all assets, personal property owned by third parties.

### EVENTS OF DEFAULT AS PER SECTION 8 OF THE AGREEMENT

This agreement shall continue in full force and effect for a term ending on the last business day of the month two (2) years from the date hereof ("the Renewal Date") and shall automatically renew from year-to-year thereafter until terminated pursuant to the terms here of. The lender may terminate this agreement on the Renewal Date or on the anniversary of the Renewal Date in any year by giving the borrower at least thirty (30) days prior written notice, by registered or certified mail, return receipt requested. Borrower may terminate upon the same dates by giving ninety (90) day notice to lender.

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### NOTE 6 NOTES PAYABLE

The Company has a mortgage note payable to Able Income Fund, LLC with an original balance of \$500,000. The note is dated February 22, 2005 and is due May 22, 2005. The note has an interest rate of 14% per annum and is payable with interest only at \$5,833.33 per month with the balance and any accrued interest due at May 22, 2005. The note is secured by a mortgage on property in Warrensburg Industrial Park, Warrensburg, New York, owned by Able Energy New York, Inc., a wholly owned subsidiary of the Company. The due date of the loan has been extended to August 22, 2005. All other terms and conditions remain unchanged. One of the owners of Able Income Fund, LLC is the prior Chief Executive Officer (CEO) of Able Energy, Inc. The balance due at June 30, 2005 is \$432,660.

Mortgage note payable dated, August 27, 1999, related to the purchase of B & B Fuels facility and equipment. The total Note is \$145,000. The Note is payable in the monthly amount of principal and interest of \$1,721.18 with and interest rate of 7.5% per annum. The initial payment was made on September 27, 1999, and continues monthly until August 27, 2009, which is the final payment. The Note is secured by a mortgage made by Able Energy New York, Inc. on property at 2 and 4 Green Terrace and 4 Horicon Avenue, Town of Warrensburg, Warren County, New York. The balance due on this Note at June 30, 2005 and June 30, 2004 was \$73,713 and \$88,242, respectively.

INTEREST RATE AT  
JUNE 30, 2005  
AND 2004

MATURITIES

OUTSTANDING  
DEBT AT  
6/30/2005

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Notes Payable Collateralized By Trucks and Vans	2.90 - 12.506%	10/20/05-8/10/06	\$ 20,920
Capitalized Leases Payable Collateralized by Trucks and Vans Purchased	4.075 - 9.498%	1/7/05-4/5/10	932,102
Notes Payable Collateralized by Office and Computer Equipment	4.699 - 16.196%	9/1/04-5/27/08	23,376
			\$ 976,398
			\$ 976,398

The above notes are all collateralized by the equipment and/or furniture purchased. The capitalized leases payable are lease/purchase agreements with a small purchase price at the end of the lease. The above notes are represented by Notes Payable to Payees.

Maturities on the Notes Payable subsequent to June 30, 2005 are as follows:

For the Years Ending June 30,	Principal Amount
2006	\$ 338,212
2007	334,759
2008	309,158
2009	263,909
2010	120,924
Thereafter	2,933,149
Total	\$4,300,111

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NOTE 7 INCOME TAXES

Effective January 1, 1997 the Company adopted Statement of Financial Accounting Standards No. 109, Accounting for Income Taxes.

The differences between the statutory Federal Income Tax and Income Taxes is accounted for as follows:

	2005	
	AMOUNT	PERCENT
Statutory Federal Income Tax	\$ 2,442	15.0%
State Income Tax	1,046	7.6
Income Taxes	\$ 3,488	22.6%
	\$ 3,488	22.6%





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NOTE 7 INCOME TAXES (CONTINUED)

Temporary differences between the tax bases of assets and liabilities and their financial reporting amounts that give rise to a significant portion of the deferred tax liability and deferred tax asset and their approximate tax effects are as follows at:

	JUNE 30,	
	2005	2004
Net operating loss carry forwards	\$ 2,702,847	\$ 1,216,470
Allowance for doubtful accounts	95,077	76,773
Deferred tax assets - gross	2,797,924	1,293,243
Depreciation and amortization	(505,317)	(600,000)
Deferred tax assets - net	2,292,607	693,243
Less: Valuation allowance	(2,292,607)	(693,243)
Total	\$ -	\$ -
Increase in valuation allowance	\$ 1,599,363	\$ 91,102

The Company has federal net operating loss ("NOL") carry forwards of approximately \$6,592,000 and \$2,862,000 as of June 30, 2005 and 2004, respectively. The federal net operating loss carryforwards expire between June 30, 2020 and 2025. Able Energy, Inc, Able Oil Company and PriceEnergy.Com, Inc. have aggregate New Jersey net operating loss carry forwards of approximately \$7,585,000 and \$4,056,000 as of June 30, 2005 and 2004, respectively. The New Jersey net operating loss carryforwards expire between June 30, 2010 and 2013. The Company's ability to use its federal NOL carryforwards may be subject to an annual limitation in future years pursuant to Section 382 of the Internal Revenue Code.

These carry forward losses are available to offset future taxable income, if any. The Company's utilization of this carry forward against future taxable income is subject to the Company having profitable operations or a profitable sale of Company assets, which creates taxable income. Due to the uncertainty surrounding the realization of the benefits associated with the carry forward losses and the other temporary differences, the Company has provided a valuation allowance for the entire amount of the net deferred tax assets as of June 30, 2005 and 2004

NOTE 8 NOTE RECEIVABLE - SUBSIDIARY

The Company has a Note Receivable from PriceEnergy.Com, Inc. for advances made in the development of the business, including hardware and software costs. All of PriceEnergy.Com, Inc.'s assets are pledged as collateral to Able Energy, Inc. The amount of the note is \$1,350,000 dated November 1, 2000 with interest at 8% per annum payable quarterly. Principal payments to begin two years after the date of the Note, November 1, 2002. Through June 30, 2005, no principal has been paid. Interest, in the amount of \$54,000 has been accrued for the six months ended December 31, 2002. No interest has been accrued since December 31, 2002 as the note is non-performing. Unpaid accrued interest due through June 30, 2005 is \$234,000. The Note, accrued interest and interest expense have been eliminated in the consolidated financial statements (See Notes 1 and 13).

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NOTE 8 NOTE RECEIVABLE - SUBSIDIARY (CONTINUED)

Able Oil Company has a Note Receivable originally dated September 30, 2002 in the amount of \$1,510,372.73 from PriceEnergy.Com, Inc. The Note has been updated for transactions through June 30, 2005, resulting in a balance of \$3,544,389 with interest at 8% per annum, to be paid quarterly. Principal payments to begin one year after date of Note, October 1, 2003, and continue monthly thereafter. The Note is the result of the transference of the unpaid accounts receivable which resulted from the sale of heating oil through PriceEnergy.Com, Inc. Able Oil Company has a second position as collateral in all of the assets of PriceEnergy.Com, Inc. to Able Energy, Inc. No interest has been recorded since December 31, 2002. Any payments will go to pay principal. The note receivable accrued interest and interest income have been eliminated in consolidation against the amounts on PriceEnergy.Com, Inc.

NOTE 9 PROFIT SHARING PLAN

Effective January 1, 1997, Able Oil Company established a Qualified Profit Sharing Plan under Internal Revenue Code Section 401(k). The Company matches 25% of qualified employee contributions. The expense was \$ 27,472, \$26,579 and \$24,213 for the years ended June 30, 2005, 2004 and 2003, respectively.

NOTE 10 COMMITMENTS AND CONTINGENCIES

CONTRACTUAL OBLIGATIONS

Able Oil Company is under contract to purchase #2 oil as follows:

COMPANY	PERIOD	TOTAL GALLONS	GALLONS OPEN COMMITMENT AT 6/30/05	OPEN DOLLAR COMMITMENT AT 6/30/05
Petrocom	10/1/05-3/31/06	252,000	252,000	\$ 413,910
Conectiv Energy	11/1/05-2/28/06	168,000	168,000	257,754
Petrocom	10/1/05-4/30/06	294,000	294,000	430,962
Center Oil	10/1/05-4/30/06	588,000	588,000	930,829
Gulf Oil	11/1/05-2/28/06	168,000	168,000	251,454
Total		1,470,000	1,470,000	\$ 2,284,909

In addition, the Company has employment agreements with two officers with aggregate salary obligations of \$283,200 in each of the next two fiscal years ending June 30, 2007 and 2006.

ENVIRONMENTAL MATTERS

The Company is subject to laws and regulations relating to the protection of the environment. While it is not possible to quantify with certainty the potential impact of actions regarding environmental matters, in the opinion of management, compliance with the present environmental protection laws will not have a material adverse effect on the financial condition, competitive position, or capital expenditures of the Company.

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In accordance with the agreement on the purchase of the property on Route 46, Rockaway, New Jersey by Able Energy Terminal, LLC, the purchaser shall commence after the closing, which was August 31, 1999, the investigation and remediation of the property and any hazardous substances emanating from the property in order to obtain a No Further Action letter from the New Jersey Department of Environmental Protection (NJDEP). The purchaser will also pursue recovery of all costs and damages related thereto in the lawsuit by the seller against a former tenant on the purchased property. The purchaser will assume all responsibility and direction for the lawsuit, subject to the sharing of any recoveries from the lawsuit in equal shares with the seller.

The seller by reduction of its mortgage will pay costs related to the above up to \$250,000. A settlement has been achieved by the Company with regard to the lawsuit. The settlement provides for a lump sum payment of \$397,500 from the defendants to the Company. In return, the defendants received a release from the seller, an Estate, and a release and indemnification from the Company. The defendants provided a release to Able Energy and the Estate. Pursuant to the original agreement, the Estate receives 50% of the settlement amount, net of attorney fees.

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### NOTE 10 COMMITMENTS AND CONTINGENCIES (CONTINUED)

#### ENVIRONMENTAL MATTERS (CONTINUED)

This has been amended by an agreement dated November 5, 2001. The entire settlement, net of attorney fees, was collected and placed in an attorney's escrow account for payment of all investigation and remediation costs. Able Energy Terminal, LLC has incurred costs of \$102,956 to June 30, 2005, which are included in Prepaid Expenses and must be presented to the attorney for reimbursement. The New Jersey Department of Environmental Protection (NJDEP) has issued an approval for treated water run-off. The ruling is for a 180-day period, which can be renewed for an additional 180 days, per management, during which a valid permit must be obtained. When approval is received and contract invoice wording is sufficient for the attorney, reimbursement can be made upon approval of the attorney and the Estate.

The costs of the cleanup pursuant to the Agreement of Sale must be shared equally by the seller and purchaser, up to the seller's cap of \$250,000. Seller's contribution to the cleanup is in the form of a reduction to Able's note payable to the seller of \$650,000 and not by direct payments. The note has been paid in full. As such, any payment by the Estate must be direct payments. Payments will begin when and if costs exceed \$397,500. In the opinion of management, the Company will not sustain costs in this matter, which will have a material adverse effect on its financial condition.

#### EXPLOSION AND FIRE

Following an explosion and fire that occurred at the Able Energy Facility in Newton, NJ on March 14, 2003, and through the subsequent clean up efforts, Able Energy has cooperated fully with all local, state and federal agencies in their investigations into the cause of this accident.

All violation charges with the New Jersey Department of Community Affairs and OSHA have been settled and paid.

The Sussex County, New Jersey, Prosecutor's Office is conducting an

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investigation as a result of the March 14, 2003 explosion and fire. At a hearing on July 27, 2005, the President and former CFO pleaded guilty and received community service. The Company will face a fine of up to \$30,000 when sentenced September 21, 2005.

A lawsuit (known as HICKS VS. ABLE ENERGY, INC.) has been filed against the Company by property owners who allegedly suffered property damages as a result of the March 14, 2003 explosion and fire. The Company's insurance carrier is defending as related to compensatory damages. Legal counsel is defending on the punitive damage claim. On June 13, 2005, the Court granted a motion certifying a plaintiff class action which is defined as "All Persons and Entities that on and after March 14, 2003, residing within a 1,000 yard radius of Able Oil Company's fuel depot facility and were damaged as a result of the March 14, 2003 explosion". The claim is limited to economic loss and claims for personal injury have been specifically excluded from the Class Certification. The insurer has settled approximately 200 claims against the Company. The Company believes that the Class Action Claims for compensatory damages is within the available limits of its insurance.

After the March 14, 2003 fire and explosion, the town of Newton changed its zoning requirements and made fuel oil and propane distribution prohibited uses. The Company is appealing a denial of a request for building permits to reconstruct damaged and destroyed buildings and sought a Non-Conforming Use Certificate to permit fuel oil distribution use only. On August 20, 2004, the Superior Court of New Jersey ruled that the Company may continue to use the site as a non-conforming use, but stayed its decision subject to Newton's appellate rights. The decision was upheld in May 2005 by the court upon the appeal of the Town of Newton. The Company is planning to use the property in the manner approved by the decision.

Two lawsuits have been filed by homeowners in Newton, New Jersey who allegedly suffered property damages as a result of the March 14, 2003 explosion and fire. The Company's insurance carrier is defending as related to the property damage claims. As to Punitive Damages, one case is being defended by an outside attorney and one by the insurance carrier. It appears that compensatory damage claims are within the available limits of insurance.

### OTHER MATTERS

The Company in the normal course of business has been involved in lawsuits. Current suits are being defended by the insurance carrier and should be covered by insurance and legal counsel is defending on punitive damage claims as noted above.

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### NOTE 11 OPERATING LEASES

The Company leased 9,800 square feet in the Rockaway Business Center on Green Pond Road in Rockaway, New Jersey. The facility will be used as a call center and will combine the administrative operations in New Jersey in one facility. The lease has a term of five (5) years and three (3) months from August 1, 2000 through October 31, 2005.

The rent for the first year is \$7,145.83 per month and the second through fifth year is \$7,431.67 per month, plus 20.5% of the building's annual operational costs and it's portion of utilities. The current monthly rent, including Common Area Charges, is \$9,799.04 per month.

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The lease does not contain any option for renewal. The Company and the landlord have agreed to extend the lease for a period of six months to April 30, 2006 based upon the existing terms. The total rent expense was \$117,588 for the year ended June 30, 2005. The estimated future rents are as follows:

July 2005-April 2006	\$ 98,830
	=====

The following summarizes the month-to-month operating leases for the other subsidiaries:

Able Oil Melbourne	\$500 per month
	Total rent expense, \$6,000
Able Energy New York	\$500 per month
	Total rent expense, \$6,000

### NOTE 12 FRANCHISING

The Company sells franchises permitting the operation of a franchised business specializing in residential and commercial sales of fuel oil, diesel fuel, gasoline, propane and related services. The Company will provide training, advertising and use of Able credit for the purchase of product, among other things, as specified in the Agreement. The franchisee has an option to sell the business back to the Company after two (2) years of operations for a price calculated per the Agreement.

The Company signed its first franchise agreement in September 2000. On June 29, 2001, PriceEnergy.Com Franchising, LLC, a subsidiary, signed its first franchise agreement. The franchisee will operate a B-franchised business, using the proprietary marks and a license from PriceEnergy.Com, Inc. and will establish the presence of the franchisee's company on the PriceEnergy Internet Website. The franchisee will have the exclusive territory of Fairfield County, Connecticut as designated in the agreement. No other franchise agreements have been signed.

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### NOTE 13 RELATED PARTY TRANSACTIONS

The following officers of this Company own stock in the subsidiary, PriceEnergy.Com, Inc., which they incorporated in November 1999.

Former Chief Executive Officer	22.6%
President	4.0%
Chief Operating Officer	5.5%

No capital contributions have been made by these officers (See Notes 1 and 8).

The Company has entered into a consulting agreement with its former Chief Executive Officer ("CEO") on February 16, 2005 (see note 21). The agreement is for two years and provides for annual fees of \$60,000 to be paid in monthly installments. In addition the former CEO received options to purchase 100,000 shares of the Company's common stock at \$4.00 per share. The options were exercised on July 7, 2005, at which time the closing price was \$16.89. The former CEO was paid \$20,769 related to this agreement during the year ended June

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30, 2005.

During the year ended June 30, 2005 the Company paid \$20,000 in legal fees to a firm in which one of the members of the Board of Directors is a partner.

All American Plazas, Inc., currently owns approximately 38% of the Company's outstanding shares. In addition, a director and General Counsel of the Company and one of the Company's vice presidents have related interests in All American Plazas, Inc.

The Company entered into a Stock Purchase Agreement on June 16, 2005 ("Purchase Agreement") with all of the shareholders (the "Sellers") of All American Plazas, Inc. ("All American") in connection with our acquisition of All American. The transaction is expected to be consummated in October 2005, upon receipt of the required approval by our stockholders.

At the closing, The Company will deliver to the Sellers 11,666,667 shares of our restricted common stock, par value \$.001 per share, at \$3.00 per share for an aggregate purchase price of \$35,000,000. In addition, at the closing, we will deliver to certain of the Sellers a number of shares of our restricted common stock equal to the number of shares of our common stock owned by All American as of the closing date.

All American recently consummated a financing that, if the acquisition of All American is consummated, will impact the Company. Pursuant to the terms of the Securities Purchase Agreement dated June 1, 2005 (the "Agreement") among All American and certain purchasers, the purchasers loaned All American an aggregate of \$5,000,000, evidenced by Secured Debentures also dated June 1, 2005 (the "Debentures").

If the Company consummates the acquisition of All American, upon such consummation, The Company will assume the obligations of All American under the Agreement, the Debentures and the AIR Agreement through the execution of a Securities Assumption, Amendment and Issuance Agreement, Registration Rights Agreement, Common Stock Purchase Warrant Agreement and Variable Rate Secured Convertible Debenture Agreement, each between the Purchasers and us (the "Able Energy Transaction Documents").

In connection with two loans entered into by the Company in May 2005 (see Note 5), fees in the amount of \$167,500 were paid to Unison Capital Corporation, a company in which a vice president of Able Energy has a related interest. This individual also has a related party interest to All American Plazas, Inc., the Company's largest shareholder.

Subsequent to the payments being made and based on discussions with Unison Capital Corporation it was determined the \$167,500 was an inappropriate payment to a related party and Unison Capital Corporation has agreed to reimburse this amount to the Company over a twelve month period beginning in October 2005. The charge had been appropriately classified as deferred finance charges in the balance sheet and therefore will have no effect on the Company's statement of operations.

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### NOTE 14 STOCK OPTIONS AND WARRANTS

The Able Energy, Inc. 1999 Employee Stock Option Plan, as amended, permits stock option awards up to 700,000 shares of the Company's common stock to be granted

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to directors, employees and consultants of the Company. There are 270,750 options remaining available for issuance under this plan at June 30, 2005.

The Able Energy, Inc. 2000 Employee Stock Purchase Plan, which was approved by the stockholders on June 23, 2000, permits employees to purchase up to 350,000 shares of the Company's common stock. There are 350,000 shares remaining available for issuance under this plan at June 30, 2005.

The Able Energy, Inc. 2000 Stock Bonus Plan, which was approved by the stockholders on June 23, 2000, permits restricted stock awards up to 350,000 shares of the Company's common stock to be granted to directors, employees and consultants of the Company. There are 338,000 shares remaining available for issuance under this plan at June 30, 2005.

The Able Energy, Inc. 2005 Incentive Stock Plan, which was approved by the stockholders on May 25, 2005, permits stock option, common stock and restricted commons stock awards up to 1,000,000 shares of the Company's common stock to be granted to directors, employees and consultants of the Company. There are 1,000,000 shares remaining available for issuance under this plan at June 30, 2005.

There was compensation expense of approximately \$117,000 recorded from stock options under APB 25 for the year ended June 30, 2005. On May 5, 2005, the Company granted 50,000 vested options each to two employees at an exercise price 15% below market vesting immediately.

A summary of the Company's stock option activity, and related information for the years ended June 30, follows:

	Options -----	Weighted-Average Exercise Price -----	Number of Exercisable -----	Weighted-Average Exercise Price -----
Outstanding June 30, 2002	235,840	\$ 3.15	230,340	\$ 3.11
Granted	50,000	3.16		
	-----			
Outstanding June 30, 2003	285,840	3.15	283,090	2.48
Granted	50,000	2.55		
Expirations	(47,840)	3.25		
	-----			
Outstanding June 30, 2004	288,000	3.03	288,000	3.03
Granted	200,000	5.34		
Exercised	(194,000)	2.52		
Expirations	(56,000)	5.00		
	-----			
Outstanding June 30, 2005	238,000	4.92	238,000	4.92
	=====			

Weighted-average fair value of options granted during the years ended June 30, 2005 and 2004, are as follows:

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	2005	2004
	-----	-----
Where exercise price equals stock price	-	-
Where exercise price exceeds stock price	\$ 2.05	\$ 2.04
Where stock price exceeds exercise price	\$ 7.60	-
	=====	=====

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NOTE 14 STOCK OPTIONS AND WARRANTS (CONTINUED)

Following is a summary of the status of stock options outstanding at June 30, 2005:

Outstanding and Exercisable Options			
Exercise Price Range	Number Outstanding at 6/30/05	Weighted-Average Remaining Contractual Life	Weighted-Average Exercise Price
-----	-----	-----	-----
\$ 2.25 - \$ 3.16	38,000	2.9	\$ 2.73
\$ 4.00 - \$ 6.68	200,000	4.8	5.34
	-----	-----	-----
	238,000	4.5	\$4.92
	=====		

A summary of the Company's stock warrant activity, and related information for the years ended June 30, follows:

	Warrants	Weighted-Average Exercise Price	Number of Exercisable	Weighted-Average Exercise Price
	-----	-----	-----	-----
Outstanding June 30, 2002	150,000	\$ 4.67	150,000	\$ 4.67
Grants	170,000	5.00		
	-----			
Outstanding June 30, 2003	320,000	4.85	320,000	4.85
Expirations	(40,000)	4.00		
	-----			
Outstanding June 30, 2004	280,000	4.97	280,000	4.97
Exercised	(91,213)	5.25		
Expirations	(188,787)	4.83		
	-----			
Outstanding June 30, 2005	-	-	-	-
	=====			



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### NOTE 15 COMPENSATED ABSENCES

There has been no liability accrued for compensated absences; as in accordance with Company policy, all compensated absences, accrued vacation and sick payment must be used by December 31st. At June 30, 2005, any amount for accrual of the above is not material and has not been computed.

### NOTE 16 NON-CASH EXPENSES

The following transactions during the year ended June 30, 2005 resulted in no cash being received or expended:

Stock Based Compensation - Directors	\$ 103,200
Stock Based Compensation - Employees	117,000

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### NOTE 17 PRODUCT INFORMATION

The Company sells several types of products and provides services. Following are revenues by product groups and services:

	CONTINUING OPERATIONS FISCAL YEAR ENDED JUNE 30,		
	2005	2004	2003
	-----	-----	-----
Home Heating Oil #2	\$33,979,796	\$23,674,243	\$24,253,490
Commercial Oil #2	4,742,098	2,949,654	1,878,937
Gasoline, Diesel Fuel, Kerosene, Propane & Lubricants	20,060,543	13,122,536	13,775,172
Equipment Sales & Services	1,364,796	1,122,240	1,231,297
Installation Repairs & Services	1,800,116	1,978,450	2,226,132
	-----	-----	-----
Net Sales	\$61,947,349	\$42,847,123	\$43,365,028
	=====	=====	=====

### NOTE 18 SALE OF SUBSIDIARY

On March 1, 2004, the Company sold the operations of its subsidiary, Able Propane, LLC. The sale consisted of inventory and equipment (the operating assets of the subsidiary). The total price of the sale was \$4,400,000, of which \$3,000,000 was received in cash and was used as a reduction of long-term debt in the amount of \$1,284,737. There was also payment of \$135,000 of Officer Loans and \$325,000 of Legal Fees. The Company had a cash increase of \$1,255,268.

The Company received a Note receivable for \$500,000, principal balance of this Note payable in full on the fourth anniversary of the closing, March 1, 2008. The Note bears interest at 6% per annum (\$30,000 per year), payable quarterly within 45 days of the closing of each fiscal quarter.

The Company also has signed a non-competition agreement and will receive a total

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payment of \$900,000, payable in \$225,000 installments due one, two, three and four years from the date of closing. \$225,000 was received in March 2005.

NOTE 19 DISCONTINUED OPERATIONS

On March 1, 2004, the Company sold the operating assets of its subsidiary, Able Propane, LLC (see Note 18), and discontinued the sale of propane fuel in the State of New Jersey.

Following the sale, the results of Able Propane, LLC were reported in the Company's Consolidated Statements of Income and Cash Flows, separately, as discontinued operations. In accordance with Generally Accepted Accounting Principals (GAAP), the Consolidated Statement of Financial Position has not been restated. Able Propane, LLC represented the primary vehicle by which the Company engaged in the sale of propane fuel.

Summarized financial information for discontinued operations for the year ended June 30 are as follows:

	2004	2003
Total Revenues	\$1,817,902	\$2,888,174
Income (Loss) from Discontinued Operations - Net of Tax	(57,630)	148,830
Gain on Sale of Subsidiary - Net of Tax	2,668,490	-
Total Income From Discontinued Operations	\$2,610,860	\$148,830
Total Assets	\$ - 0 -	\$2,940,622
Total Liabilities	- 0 -	2,603,736
Net Assets of Discontinued Operations	\$ - 0 -	\$ 336,886

Able Propane, LLC is treated as a Partnership for tax purposes and pays no income tax. As such, there is no provision for income taxes. Able Propane, LLC had no assets or liabilities at June 30, 2004. The assets and liabilities after the sale and collection of accounts receivable and payment of accounts payable, which were transferred to the Company, were immaterial to the total assets and liabilities of the Company.

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NOTE 20 OTHER EXPENSES

On March 14, 2003, a fire and explosion occurred at the Company's facility in Newton, New Jersey (see note 10). The Company submitted expenses for reimbursement to their insurance carrier. The Company was reimbursed approximately \$1,041,000. Un-reimbursed expenses of \$318,236 have been expensed in the year ended June 30, 2005 and are classified as other expense on the accompanying consolidated statement of operations.

NOTE 21 OTHER

In December 2004, the major shareholder and Company Chief Executive Officer (CEO) signed a contract and received a deposit representing the sale of his 50% plus interest in the Company. In the period ended March 31, 2005, this

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individual has resigned as an Officer (CEO) and from the Board of Directors, where he was Chairman of the Board.

### NOTE 22 ALLOWANCE FOR DOUBTFUL ACCOUNTS

The following represents a summary of allowance for doubtful accounts for the years ended June 30, 2005, 2004 and 2003:

For the Year Ended June 30, -----	Beginning Balance -----	Additions -----	Deductions -----	Ending Balance -----
2003	\$242,358	\$164,752	\$127,207	\$279,913
2004	\$279,913	\$109,372	\$197,063	\$192,222
2005	\$192,222	\$163,663	\$117,836	\$238,049

### NOTE 23 SUBSEQUENT EVENTS

On July 12, 2005, the Company consummated a financing with a group of lenders. Pursuant to the terms of the Securities Purchase Agreement, the Company sold variable rate convertible debentures in the amount of \$2.5 million. The debentures shall be repaid within two years from the date of issuance with interest payable at a rate per annum equal to Libor, plus 4%, which on July 12, 2005 was 3.57% plus 4%, or 7.57%. The interest is payable quarterly on the first of January, April, July, and October. The debentures may be converted at the option of the purchasers into shares of the Company's Common Stock at a conversion price of \$6.50 per share. The amount of shares to be issued at such conversion will be 384,618. In addition, the purchasers shall have the right to receive five-year warrants to purchase 192,308 shares of Common Stock at \$7.15 per share. The market value of the Company's Common Stock on July 12, 2005 was \$17.90 per share. The debenture conversion price of \$6.50 is 36.31% of the market value. Closing expenses related to this transaction totaled \$305,000 included a \$250,000 broker fee and \$65,000 in various legal expenses.

On July 27, 2005, the Company made a loan of \$1,730,000 to All American Plazas, Inc., which is the largest shareholder of the Company. The funds were disbursed from the \$2.5 million raised from the sale of variable rate convertible debentures discussed above. Under the note, the loan bears interest at 3.50% per annum and is secured by the 1,000,000 shares of Able Energy, Inc. Common Stock owned by All American Plazas, Inc. The interest rate of the Company on it's \$2.5 million loan is 7.57% as noted above.

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### NOTE 24 SELECTED QUARTERLY FINANCIAL DATA (UNAUDITED AND RESTATED)

#### 2005 QUARTER

-----	FIRST (RESTATED) -----	SECOND (RESTATED) -----	THIRD (RESTATED) -----
Continuing Operations:			
Revenues	\$ 8,217,476	\$ 18,983,729	\$ 23,664,402
Gross Profit	552,988	1,785,862	2,741,169
Net Income (Loss)	(942,411)	38,999	557,826

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Net Income (Loss) Per Share:			
Basic	(0.47)	0.02	0.27
Diluted	(0.47)	0.02	0.27
Weighted Average Shares Outstanding:			
Basic	2,013,250	2,013,250	2,030,281
Diluted	2,013,250	2,038,786	2,052,481
2004 QUARTER			
-----	FIRST	SECOND	THIRD
	(RESTATED)	(RESTATED)	(RESTATED)
	-----	-----	-----
Continuing Operations:			
Revenues	\$ 6,495,839	\$ 11,751,387	\$ 16,636,243
Gross Profit	877,775	1,385,071	2,829,091
Net Income (Loss)	(1,359,230)	(421,066)	437,499
Discontinued Operations:			
Revenues	345,572	1,012,734	1,863,030
Net Income (Loss)	(171,374)	(190,450)	344,319
Gain on Sale of Subsidiary Operating Assets	-	-	2,866,490
Income (Loss) from Discontinued Operations	(171,374)	(190,450)	3,210,809
Net Income (Loss) Per Share:			
Basic			
Continuing Operations	(0.68)	(0.21)	0.22
Discontinued Operations	(0.09)	(0.09)	1.59
Diluted			
Continuing Operations	(0.68)	(0.21)	0.22
Discontinued Operations	(0.09)	(0.09)	1.57
Weighted Average Shares Outstanding:			
Basic	2,013,250	2,013,250	2,013,250
Diluted	2,013,250	2,013,250	2,040,588
2003 QUARTER			
-----	FIRST	SECOND	THIRD
	(RESTATED)	(RESTATED)	(RESTATED)
	-----	-----	-----
Continuing Operations:			
Revenues	\$ 5,896,411	\$ 11,719,725	\$ 18,196,202
Gross Profit	1,026,664	1,904,433	3,073,377
Net Income (Loss)	(763,837)	702,645	1,097,193
Discontinued Operations:			
Revenues	325,813	722,872	1,283,263
Net Income (Loss)	12,380	200,135	(37,656)
Net Income (Loss) Per Share (a)			
Basic			
Continuing Operations	(0.38)	0.35	0.55
Discontinued Operations	(0.01)	0.10	(0.02)
Diluted			
Continuing Operations	(0.38)	0.34	0.53
Discontinued Operations	(0.01)	0.10	(0.02)
Weighted Average Shares Outstanding			
Basic	2,003,831	2,006,855	2,009,814

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Diluted 2,003,831 2,057,512 2,052,751

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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.

Able Energy, Inc.

Dated: April 11, 2007 By: /s/ Christopher P. Westad  
 -----  
 Christopher P. Westad  
 Acting Chief Executive Officer and President  
 (Principal Executive Officer)

Dated: April 11, 2007 By: /s/ Jeffrey Feld  
 -----  
 Jeffrey Feld  
 Acting Chief Financial Officer  
 (Principal Financial and Accounting Officer)

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SIGNATURES

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/ Christopher P. Westad ----- Christopher P. Westad	Acting Chief Executive Officer, President and Director (Principal Executive Officer)	April 11, 2007
/s/ Jeffrey Feld ----- Jeffrey Feld	Acting Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)	April 11, 2007
/s/ Mark Barbera ----- Mark Barbera	Director	April 11, 2007

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/s/ Stephen Chalk ----- Stephen Chalk	Director	April 11, 2007
/s/ Solange Charas ----- Solange Charas	Director	April 11, 2007
/s/ Gregory D. Frost ----- Gregory D. Frost	Director	April 11, 2007
/s/ Edward C. Miller, Jr. ----- Edward C. Miller, Jr.	Director	April 11, 2007
/s/ Patrick O'Neill ----- Patrick O'Neill	Director	April 11, 2007
/s/ Alan E. Richards ----- Alan E. Richards	Director	April 11, 2007